

SECOND SUPPLEMENT DATED 21 FEBRUARY 2020
TO THE BASE PROSPECTUS DATED 14 JUNE 2019



COMPAGNIE DE
FINANCEMENT FONCIER

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 14 June 2019 (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 29 August 2019 (the “**First Supplement**”). The Base Prospectus as supplemented constitutes a base prospectus in accordance with Article 5.4 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2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended or superseded (the “**Prospectus Directive**”) and in accordance with Article 46 of the Regulation (EU) 2017/1129. The *Autorité des marchés financiers* (the “**AMF**”) has granted visa no. 19-272 on 14 June 2019 on the Base Prospectus and visa no. 19-414 on 29 August 2019 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) and on the website of the AMF (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) including the press release dated 5 February 2020 “*Results of Compagnie de Financement Foncier in 2019*” and the financial information as at 31 December 2019 (extract from 2019 unaudited annual accounts) in the section “Recent Developments” and updating the relevant sections (including the sections “Summary” and “Résumé en français (French Summary)”) of the Base Prospectus;
- (ii) updating the Base Prospectus with the updated suggested ICMA wordings following the Withdrawal Agreement Bill enactment for Brexit with deal transitional period;
- (iii) updating the section “Use of Proceeds” of the Base Prospectus;
- (iv) updating the section “Risk Factors” of the Base Prospectus; and
- (v) updating the 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 25 February 2020.

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

1) SUMMARY

On pages 6 to 9, Element B.12 (“Selected historical key financial information”) in Section entitled “SUMMARY” of the Base Prospectus, as amended by the First Supplement, is deleted and replaced with the following:

B.12	Selected historical key financial information	<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;">The following tables show the key figures related to the balance sheet of the Compagnie de Financement Foncier as at 31 December 2017 and 31 December 2018:</p> <p><u>Simplified balance sheet at 31 December 2017 (total balance sheet: euro 78.4 billion)</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">€ Billion</th> <th style="text-align: center;">% Balance sheet</th> <th></th> <th style="text-align: center;">€ Billion</th> <th style="text-align: center;">% Balance sheet</th> </tr> </thead> <tbody> <tr> <td>Mortgage loans or equivalent</td> <td style="text-align: center;">39.4</td> <td style="text-align: center;">50.3%</td> <td>Privileged resources</td> <td style="text-align: center;">63.3</td> <td style="text-align: center;">80.8%</td> </tr> <tr> <td>Public sector exposures</td> <td style="text-align: center;">29.8</td> <td style="text-align: center;">38.0%</td> <td><i>Obligations foncières</i></td> <td style="text-align: center;">63.4</td> <td style="text-align: center;">80.9%</td> </tr> <tr> <td>French Public sector ¹</td> <td style="text-align: center;">21.2</td> <td style="text-align: center;">27.1%</td> <td>Foreign exchange rate difference on <i>obligations foncières</i></td> <td style="text-align: center;">-0.3</td> <td style="text-align: center;">-0.3%</td> </tr> <tr> <td>Foreign public sector</td> <td style="text-align: center;">8.6</td> <td style="text-align: center;">11.0%</td> <td>Other privileged resources</td> <td style="text-align: center;">0.2</td> <td style="text-align: center;">0.2%</td> </tr> <tr> <td>Replacement values and other assets</td> <td style="text-align: center;">9.2</td> <td style="text-align: center;">11.7%</td> <td>Difference associated with hedging balance sheet item</td> <td style="text-align: center;">0.9</td> <td style="text-align: center;">1.2%</td> </tr> <tr> <td>Replacement values</td> <td style="text-align: center;">6.8</td> <td style="text-align: center;">8.6%</td> <td>Non-privileged resources</td> <td style="text-align: center;">14.1</td> <td style="text-align: center;">18.0%</td> </tr> <tr> <td>Other assets</td> <td style="text-align: center;">2.4</td> <td style="text-align: center;">3.1%</td> <td>Unsecured debt</td> <td style="text-align: center;">8.7</td> <td style="text-align: center;">11.1%</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Subordinated debt or equivalent</td> <td style="text-align: center;">2.3</td> <td style="text-align: center;">2.9%</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Shareholder's equity, provisions</td> <td style="text-align: center;">3.2</td> <td style="text-align: center;">4.0%</td> </tr> </tbody> </table>					€ Billion	% Balance sheet		€ Billion	% Balance sheet	Mortgage loans or equivalent	39.4	50.3%	Privileged resources	63.3	80.8%	Public sector exposures	29.8	38.0%	<i>Obligations foncières</i>	63.4	80.9%	French Public sector ¹	21.2	27.1%	Foreign exchange rate difference on <i>obligations foncières</i>	-0.3	-0.3%	Foreign public sector	8.6	11.0%	Other privileged resources	0.2	0.2%	Replacement values and other assets	9.2	11.7%	Difference associated with hedging balance sheet item	0.9	1.2%	Replacement values	6.8	8.6%	Non-privileged resources	14.1	18.0%	Other assets	2.4	3.1%	Unsecured debt	8.7	11.1%				Subordinated debt or equivalent	2.3	2.9%				Shareholder's equity, provisions	3.2	4.0%
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			and reserve for general banking risks		
TOTAL ASSETS	78.4	100.0%	TOTAL LIABILITIES	78.4	100.0%

¹ Including deposits and short term loans at Banque de France of €0.7 billion at the end of 2017.

Liabilities benefiting from the *privilège (obligations foncières)* as at 31 December 2017

- Issued in 2017: Euro 6.1 billion
- Liabilities benefiting from the *privilège*: Euro 63 billion in *obligations foncières*.

Simplified balance sheet at 31 December 2018 (total balance sheet: euro 76.7 billion)

	€ Billion	% Balance sheet		€ Billion	% Balance sheet
Mortgage loans or equivalent	40.5	52.8%	Privileged resources	63.5	82.8%
Public sector exposures	28.0	36.5%	<i>Obligations foncières</i>	63.5	82.8%
French Public sector ¹	19.5	25.4%	Foreign exchange rate difference on <i>obligations foncières</i>	-0.1	-0.1%
Foreign public sector	8.5	11.1%	Other privileged resources	0.1	0.1%
Replacement values and other assets	8.2	10.7%	Difference associated with hedging balance sheet item	1.1	1.4%
Replacement values	6.7	8.7%	Non-privileged resources	12.1	15.8%
Other assets	1.5	2.0%	Unsecured debt	6.6	8.6%
			Subordinated debt or equivalent	2.3	3.0%
			Shareholder's equity, provisions and reserve for general banking risks	3.2	4.2%

TOTAL ASSETS	76.7	100.0%	TOTAL LIABILITIES	76.7	100.0%
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¹ Including deposits and short term loans at Banque de France of €0.7 billion at the end of 2018.

Liabilities benefiting from the *privilège (obligations foncières)* as at 31 December 2018

- Issued in 2018: Euro 5.7 billion
- Liabilities benefiting from the *privilège*: Euro 63.5 billion in *obligations foncières*.

The following table shows certain key performance indicators of the Compagnie de Financement Foncier as at 31 December 2017 and 31 December 2018:

	2018	2017
Net income	€90 million	€58 million
Regulatory overcollateralization ratio	114.1%	117.2%
Average LTV of mortgage loans	73.5%	73.5%

The following tables show key figures related to the eligible assets of the Compagnie de Financement Foncier as at 31 December 2017 and 31 December 2018:

Eligible assets as at 31 December 2017 (total: euro 78.4 billion)

	€billion	%
Mortgage loans or equivalent	39.4	50.3%
Public sector exposures	29.8	38.0%
French public sector loans ¹	21.2	27.1%
Foreign public sector	8.6	11.0%
Replacement values and other assets	9.2	11.7%
Replacement securities	6.8	8.6%
Other assets	2.4	3.1%
Total assets	78.4	100.00%

¹ Including deposits and short term loans at Banque de France of €0.7 billion at the end of 2017.

Eligible assets as at 31 December 2018 (total: euro 76.7 billion)

	€billion	%
Mortgage loans or equivalent	40.5	52.8%
Public sector exposures	28.0	36.5%
French public sector loans ¹	19.5	25.4%
Foreign public sector	8.5	11.1%

Replacement values and other assets	8.2	10.7%
Replacement securities	6.7	8.7%
Other assets	1.5	2.0%
Total assets	76.7	100.00%

¹ Including deposits and short term loans at Banque de France of €0.7 billion at the end of 2018.

The following tables show the key figures related to the unaudited balance sheet of the Compagnie de Financement Foncier as at 30 June 2018 and 30 June 2019:

Simplified unaudited balance sheet at 30 June 2018 (total balance sheet: euro 77.0 billion)

	€ Billion	% Balance sheet		€ Billion	% Balance sheet
Mortgage loans or equivalent	39.9	51.8%	Privileged liabilities	62.6	81.3%
Public sector exposures	28.6	37.2%	<i>Obligations foncières</i>	62.7	81.5%
French Public Sector ¹	20.1	26.1%	Foreign exchange rate difference on <i>obligations foncières</i>	-0.3	-0.4%
Foreign Public Sector	8.5	11.1%	Other privileged resources	0.2	0.3%
Replacement values and other assets	8.4	11.0%	Difference associated with hedging balance sheet item	1.0	1.3%
Replacement values	6.7	8.6%	Non-privileged resources	13.4	17.4%
Other assets	1.8	2.3%	Unsecured debt	7.9	10.3%
			Subordinated debt or equivalent	2.3	2.9%
			Shareholder's equity, provisions and reserve for general banking risks	3.2	4.1%
TOTAL ASSETS	77.0	100.0%	TOTAL LIABILITIES	77.0	100.0%

¹ Including short-term loans and deposits with the Banque de France amounting to €0.4 billion at the end of June 2018 and €0.7 billion at the end of 2017.

Liabilities benefiting from the *privilège (obligations foncières)* as at 30 June 2018

- Issued at 30 June 2018: Euro 4.2 billion
- Liabilities benefiting from the *privilège*: Euro 62.6 billion in *obligations foncières*.

Simplified unaudited balance sheet at 30 June 2019 (total balance sheet: euro 74.7 billion)

	€ Billion	% Balance sheet		€ Billion	% Balance sheet
Mortgage loans or equivalent	40.2	53.8%	Privileged liabilities	60.9	81.5%
Public sector exposures	26.6	35.6%	<i>Obligations foncières</i>	61.0	81.6%
French Public Sector ¹	19.0	25.4%	Foreign exchange rate difference on <i>obligations foncières</i>	-0.2	-0.2%
Foreign Public Sector	7.6	10.1%	Other privileged resources	0.1	0.1%
Replacement values and other assets	7.9	10.6%	Difference associated with hedging balance sheet item	1.2	1.6%
Replacement values	6.7	8.9%	Non-privileged resources	12.6	16.9%
Other assets	1.3	1.7%	Unsecured debt	7.2	9.7%
			Subordinated debt or equivalent	2.2	3.0%
			Shareholder's equity, provisions and reserve for general banking risks	3.2	4.3%
TOTAL ASSETS	74.7	100.0%	TOTAL LIABILITIES	74.7	100.0%

¹ Including short-term loans and deposits with the Banque de France amounting to €1.5 billion at the end of June 2019 and €0.7 billion at the end of 2018.

Liabilities benefiting from the *privilège (obligations foncières)* as at 30 June 2019

- Issued at 30 June 2019: Euro 1.8 billion

- Liabilities benefiting from the *privilège*: Euro 61 billion in *obligations foncières*.

The following table shows certain key performance indicators of the Compagnie de Financement Foncier as at 30 June 2018 and 30 June 2019:

	June 2018	June 2019
Net income	€47.4 million	€75.6 million
Regulatory overcollateralization ratio	116.7%	116.5%
Average LTV of mortgage loans	73.1%	72.3%

The following tables show key figures related to the eligible assets of the Compagnie de Financement Foncier as at 30 June 2018 and 30 June 2019:

Eligible assets as at 30 June 2018 (total: euro 77.0 billion)

	€billion	%
Mortgage loans or equivalent	39.9	51.8%
Public sector exposures	28.6	37.2%
French Public Sector loans ¹	20.1	26.1%
Foreign Public sector	8.5	11.1%
Replacement values and other assets	8.4	11.0%
Replacement securities	6.7	8.6%
Other assets	1.8	2.3%
Total assets	77.0	100.00%

¹ Including short-term loans and deposits with the Banque de France amounting to €0.4 billion at the end of June 2018 and €0.7 billion at the end of 2017.

Eligible assets as at 30 June 2019 (total: euro 74.7 billion)

	€billion	%
Mortgage loans or equivalent	40.2	53.8%
Public sector exposures	26.6	35.6%
French Public Sector loans ¹	19.0	25.4%
Foreign Public sector	7.6	10.1%
Replacement values and other assets	7.9	10.6%
Replacement securities	6.7	8.9%
Other assets	1.3	1.7%
Total assets	74.7	100.00%

¹ Including short-term loans and deposits with the Banque de France amounting to €1.5 billion at the end of June 2019 and €0.7 billion at the end of 2018.

Financial information as at 31 December 2019 (extract from 2019 unaudited annual accounts)

The audit by the statutory auditors of the annual financial statements as at 31 December 2019 which were approved by the Board of Directors of the Issuer on 5 February 2020 is in progress. Therefore, the financial information as at 31 December 2019 set out below is extracted from unaudited annual financial statements.

Financial information as at 31 December 2019 (extract from 2019 unaudited annual accounts), 31 December 2018 (extract from 2018 audited annual accounts) and 31 December 2017 (extract from 2017 audited annual accounts)

BALANCE SHEET (in thousands of euros)

ASSETS	31/12/19	31/12/18	31/12/17
Cash and amounts due from central banks	1,564,443	705,379	670,000
Treasury bills and equivalent	3,236,924	3,270,999	3,364,394
Loans and receivables due from credit institutions	23,067,067	26,449,694	28,761,396
• <i>Demand</i>	56,372	56,663	151,078
• <i>Term</i>	23,010,695	26,393,031	28,610,318
Customers transactions	37,626,531	39,643,161	38,639,497
• <i>Other facilities granted to customers</i>	37,626,531	39,643,161	38,639,497
Bonds and other fixed-income securities	4,093,758	4,565,859	4,511,584
Equity interests and other long term investments	0	0	0
Intangible assets and property plant and equipment	0	0	0
Other assets	102,017	52,591	214,855
Accrual accounts	1,771,111	1,977,089	2,204,862
TOTAL ASSETS	71,461,851	76,664,772	78,366,588
LIABILITIES	31/12/19	31/12/18	31/12/17
Central banks	0	0	0
Amounts due to credit	4,436,533	6,601,591	7,945,176
• <i>Demand</i>	2,827	159	0
• <i>Term</i>	4,433,706	6,601,432	7,945,176
Amounts due to customers	0	0	0
• <i>Demand</i>	0	0	0
Debt securities	60,515,318	63,547,037	63,524,759
• <i>Interbank market instruments and negotiable debt securities</i>	151,288	151,865	151,533
• <i>Bonds (obligations foncières)</i>	60,364,030	63,395,172	63,373,226
Other liabilities	1,124,247	1,107,531	1,623,947

Accrual accounts	2,137,320	2,205,340	2,088,657
Provisions	30,226	6,559	18,917
Subordinated debt	0	0	0
Fund for general banking risks	20,000	20,000	20,000
Equity excluding fund for general banking risks	3,198,207	3,176,713	3,145,132
• <i>Subscribed capital</i>	2,537,460	2,537,460	2,537,460
• <i>Additional paid-in capital</i>	343,002	343,002	343,002
• <i>Reserves</i>	126,553	122,063	119,152
• <i>Regulated provisions and investment subsidies</i>	0	0	0
• <i>Retained earnings</i>	79,914	84,404	87,313
• <i>Income to be allocated</i>	0	0	0
• <i>Net income for the period</i>	111,278	89,784	58,205
TOTAL LIABILITIES	71,461,851	76,664,772	78,366,588
INCOME STATEMENT (in thousands of euros)			
	2019	2018	2017
Interest and similar income	2,027,376	2,221,758	2,456,124
Interest and similar expenses	-1,837,690	-1,993,403	-2,348,774
Net interest margin	189,686	228,356	107,350
Fees and commissions income	42,279	44,047	96,164
Fees and commissions expenses	-2,090	-1,525	-1,617
Net gains or losses on trading books transactions	-212	-65	-117
Other banking income	1,376	98	129
Other banking expenses	-3,831	-3,037	-2,299
Net banking income	227,208	267,873	199,611
Payroll costs	-49	-45	-73
Taxes and regulated provisions	-3,674	-6,926	-21,638
External services and other expenses	-76,199	-87,938	-96,189
Amortization	0	0	0
Total operating expenses	-79,922	-94,909	-117,901
Gross operating income	147,286	172,964	81,710
Cost of risk	11,487	-16,039	-4,910
Operating income	158,773	156,925	76,800
Gains or losses on long-term investments	9,930	421	7,458
Income before tax	168,703	157,346	84,257
Non-recurring income	0	0	0
Income tax	-57,425	-67,562	-26,052
NET INCOME	111,278	89,784	58,205
Earnings per share * (in euros)	0.70	0.57	0.37

		Diluted earnings per share (in euros)	0.70	0.57	0.37
		* <i>Earnings per share are calculated by dividing net income by the average number of shares during the fiscal year.</i>			

2) **RESUME EN FRANÇAIS (FRENCH SUMMARY)**

On pages 29 to 32, Element B.12 (“*Informations financières sélectionnées*”) in Section entitled “*RESUME EN FRANÇAIS (FRENCH SUMMARY)*” of the Base Prospectus, as amended by the First Supplement, is deleted and replaced with the following:

B.12	Informations financières sélectionnées	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 vérifiés et publiés.																																																									
		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.																																																									
		Les tableaux ci-dessous font état des chiffres clés concernant le bilan de la Compagnie de Financement Foncier au 31 décembre 2017 et au 31 décembre 2018 :																																																									
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			Capitaux propres, provisions et FRBG	3,2	4,0%
TOTAL ACTIF	78,4	100,0%	TOTAL PASSIF	78,4	100,0%

¹ Y compris les dépôts et prêts court terme à la Banque de France de 0,7 Md€ fin 2017.

Passif privilégié (obligations foncières) au 31 décembre 2017

- Emises en 2017 : 6,1 Md€
- Passif privilégié : 63 Md€ d'obligations foncières.

Chiffres clés du bilan au 31 décembre 2018 (total bilan : 76,7 Md€)

	en Md€	% bilan		en Md€	% bilan
Prêts hypothécaires et assimilés	40,5	52,8%	Ressources privilégiées	63,5	82,8%
Expositions secteur public	28,0	36,5%	Obligations foncières	63,5	82,8%
Secteur public en France ¹	19,5	25,4%	Écart de sur obligations foncières	-0,1	-0,1%
Secteur public à l'étranger	8,5	11,1%	Autres Ressources privilégiées	0,1	0,1%
Valeurs de remplacement et autres actifs	8,2	10,7%	Ecart lié à la couverture des éléments de bilan	1,1	1,4%
Valeurs de remplacement	6,7	8,7%	Ressources non privilégiées	12,1	15,8%
Autres actifs	1,5	2,0%	Dettes chirographaires	6,6	8,6%
			Dettes subordonnées et assimilées	2,3	3,0%
			Capitaux propres, provisions et FRBG	3,2	4,2%
TOTAL ACTIF	76,7	100,0%	TOTAL PASSIF	76,7	100,0%

¹ Y compris les dépôts et prêts court terme à la Banque de France de 0,7 Md€ fin 2018.

Passif privilégié (obligations foncières) au 31 décembre 2018

- Emises en 2018 : 5,7 Md€
- Passif privilégié : 63,5 Md€ d'obligations foncières.

Le tableau qui suit contient certains indicateurs de performance de la Compagnie de Financement Foncier au 31 décembre 2018 et au 31 décembre 2017 :

	2018	2017
Résultat net	€90 millions	€58 millions
Ratio de surdimensionnement réglementaire	114,1%	117,2%
Quotité moyenne des créances hypothécaires	73,5%	73,5%

Les tableaux ci-dessous font état des chiffres clés concernant les actifs éligibles de la Compagnie de Financement Foncier au 31 décembre 2017 et au 31 décembre 2018:

Actifs éligibles au 31 décembre 2017 (total : 78.4 Md€)

	en Md€	% bilan
Prêts hypothécaires et assimilés	39,4	50,3%
Expositions secteur public	29,8	38,0%
Secteur public en France ¹	21,2	27,1%
Secteur public à l'étranger	8,6	11,0%
Valeurs de remplacement et autres actifs	9,2	11,7%
Valeur de remplacement	6,8	8,6%
Autres actifs	2,4	3,1%
TOTAL ACTIF	78,4	100,0%

¹ Y compris les dépôts et prêts court terme à la Banque de France de 0,7 Md€ fin 2017.

Actifs éligibles au 31 décembre 2018 (total : 76.7 Md€)

	en Md€	% bilan
Prêts hypothécaires et assimilés	40,5	52,8%
Expositions secteur public	28,0	36,5%
Secteur public en France ¹	19,5	25,4%
Secteur public à l'étranger	8,5	11,1%
Valeurs de remplacement et autres actifs	8,2	10,7%
Valeur de remplacement	6,7	8,7%

Autres actifs	1,5	2,0%
TOTAL ACTIF	76,7	100,0%

¹ Y compris les dépôts et prêts court terme à la Banque de France de 0,7 Md€ fin 2018.

Les tableaux ci-dessous font état des chiffres clés concernant le bilan non-audité de la Compagnie de Financement Foncier au 30 juin 2018 et au 30 juin 2019 :

Chiffres clés du bilan non-audité au 30 juin 2018 (total bilan : 77,0 Md€)

	en Md€	% bilan		en Md€	% bilan
Prêts hypothécaires et assimilés	39,9	51,8 %	Ressources privilégiées	62,6	81,3 %
Expositions Secteur public	28,6	37,2 %	Obligations foncières	62,7	81,5 %
Secteur public en France ¹	20,1	26,1 %	Écart de change sur obligations foncières	-0,3	-0,4 %
Secteur public à l'étranger	8,5	11,1 %	Autres ressources privilégiées	0,2	0,3 %
Valeurs de remplacement et autres actifs	8,4	11,0 %	Écart lié à la couverture des éléments de bilan	1,0	1,3 %
Valeurs de remplacement	6,7	8,6 %	Ressources non privilégiées	13,4	17,4 %
Autres actifs	1,8	2,3 %	Dettes chirographaires	7,9	10,3 %
			Dettes subordonnées et assimilées	2,3	2,9 %
			Capitaux propres, provisions et FRBG ⁽²⁾	3,2	4,1 %
TOTAL ACTIF	77,0	100,0 %	TOTAL PASSIF	77,0	100,0 %

¹ Y compris les dépôts et prêts court terme à la Banque de France de 0,4 Md€ fin juin 2018 et 0,7 Md€ fin 2017.

Passif privilégié (obligations foncières) au 30 juin 2018

- Emissions au 30 juin 2018 : 47,2 Md€
- Passif privilégié : 62,6 Md€ d'obligations foncières.

Chiffres clés du bilan non-audité au 30 juin 2019 (total bilan : 74,7 Md€)

	en Md€	% bilan		en Md€	% bilan
Prêts hypothécaires et assimilés	40,2	53,8 %	Ressources privilégiées	60,9	81,5 %
Expositions Secteur public	26,6	35,6 %	Obligations foncières	61,0	81,6 %

Secteur public en France ¹	19,0	25,4 %	Écart de change sur obligations foncières	-0,2	-0,2 %
Secteur public à l'étranger	7,6	10,1 %	Autres ressources privilégiées	0,1	0,1 %
Valeurs de remplacement et autres actifs	7,9	10,6 %	Écart lié à la couverture des éléments de bilan	1,2	1,6 %
Valeurs de remplacement	6,7	8,9 %	Ressources non privilégiées	12,6	16,9 %
Autres actifs	1,3	1,7 %	Dettes chirographaires	7,2	9,7 %
			Dettes subordonnées et assimilées	2,2	3,0 %
			Capitaux propres, provisions et FRBG ⁽²⁾	3,2	4,3 %
TOTAL ACTIF	74,7	100,0 %	TOTAL PASSIF	74,7	100,0 %

¹ Y compris les dépôts et prêts court terme à la Banque de France de 1,5 Md€ fin juin 2019 et 0,7 Md€ fin 2018.

Passif privilégié (obligations foncières) au 30 juin 2019

- Emises au 30 juin 2019 : 1,8 Md€
- Passif privilégié : 61 Md€ d'obligations foncières.

Le tableau qui suit contient certains indicateurs de performance de la Compagnie de Financement Foncier au 30 juin 2018 et au 30 juin 2019 :

	Jun 2018	Jun 2019
Résultat net	47,4 millions	€75,6 millions
Ratio de surdimensionnement réglementaire	116,7 %	116,5 %
Quotité moyenne des créances hypothécaires	73,1 %	72,3 %

Les tableaux ci-dessous font état des chiffres clés concernant les actifs éligibles de la Compagnie de Financement Foncier au 30 juin 2018 et au 30 juin 2019:

Actifs éligibles au 30 juin 2018 (total : 77,0 Md€)

	en Md€	% bilan
Prêts hypothécaires et assimilés	39,9	51,8 %
Expositions secteur public	28,6	37,2 %
Secteur public en France ¹	20,1	26,1 %
Secteur public à l'étranger	8,5	11,1 %
Valeur de remplacement et autres actifs	8,4	11,0 %

Valeur de remplacement	6,7	8,6 %
Autres actifs	1,8	2,3 %
Total actif	77,0	100,00 %

¹ Y compris les dépôts et prêts court terme à la Banque de France de 0,4 Md€ fin juin 2018 et 0,7 Md€ fin 2017.

Actifs éligibles au 30 juin 2019 (total : 74,7 Md€)

	en Md€	% bilan
Prêts hypothécaires et assimilés	40,2	53,8 %
Expositions secteur public	26,6	35,6 %
Secteur public en France ¹	19,0	25,4 %
Secteur public à l'étranger	7,6	10,1 %
Valeur de remplacement et autres actifs	7,9	10,6 %
Valeur de remplacement	6,7	8,9 %
Autres actifs	1,3	1,7 %
Total actif	74,7	100,00 %

¹ Y compris les dépôts et prêts court terme à la Banque de France de 1,5 Md€ fin juin 2019 et 0,7 Md€ fin 2018.

Information financière au 31 décembre 2019 (extraite des comptes annuels 2019 non audités)

Les procédures d'audit menées par les Commissaires aux comptes sur les états financiers annuels au 31 décembre 2019 arrêtés par le Conseil d'Administration de l'Emetteur le 5 février 2020 sont en cours. L'information financière au 31 décembre 2019 présentée ci-dessous est extraite d'états financiers non audités.

Information financière au 31 décembre 2019 (extraite des comptes annuels 2019 non audités), 31 décembre 2018 (extraite des comptes annuels 2018 audités) et 31 décembre 2017 (extraite des comptes annuels 2017 audités)

BILAN (en milliers d'euros)			
ACTIF	31/12/19	31/12/18	31/12/17
Caisse et banques centrales	1 564 443	705 379	670 000
Effets publics et valeurs assimilées	3 236 924	3 270 999	3 364 394
Prêts et créances sur les établissements de crédit	23 067 067	26 449 694	28 761 396
• À vue	56 372	56 663	151 078
• À terme	23 010 695	26 393 031	28 610 318
Opérations avec la clientèle	37 626 531	39 643 161	38 639 497
• Autres concours à la clientèle	37 626 531	39 643 161	38 639 497
Obligations et autres titres à revenu fixe	4 093 758	4 565 859	4 511 584

Participations et autres titres détenus à long terme	0	0	0
Immobilisations incorporelles et corporelles	0	0	0
Autres actifs	102 017	52 591	214 855
Comptes de régularisation	1 771 111	1 977 089	2 204 862
TOTAL DE L'ACTIF	71 461 851	76 664 772	78 366 588
PASSIF	31/12/19	31/12/18	31/12/17
Banques centrales	0	0	0
Dettes envers les établissements de crédit	4 436 533	6 601 591	7 945 176
• À vue	2 827	159	0
• À terme	4 433 706	6 601 432	7 945 176
Opérations avec la clientèle	0	0	0
• À vue	0	0	0
Dettes représentées par un titre	60 515 318	63 547 037	63 524 759
<i>Titres du marché interbancaire et titres de créances négociables</i>	151 288	151 865	151 533
• <i>Emprunts obligataires (obligations foncières)</i>	60 364 030	63 395 172	63 373 226
Autres passifs	1 124 247	1 107 531	1 623 947
Comptes de régularisation	2 137 320	2 205 340	2 088 657
Provisions	30 226	6 559	18 917
Dettes subordonnées	0	0	0
Fonds pour risques bancaires généraux	20 000	20 000	20 000
Capitaux propres hors FRBG	3 198 207	3 176 713	3 145 132
• <i>Capital souscrit</i>	2 537 460	2 537 460	2 537 460
• <i>Primes d'émission</i>	343 002	343 002	343 002
• <i>Réserves</i>	126 553	122 063	119 152
• <i>Provisions réglementées et subventions d'investissement</i>	0	0	0
• <i>Report à nouveau</i>	79 914	84 404	87 313
• <i>Résultat en instance</i>	0	0	0
• <i>Résultat de la période</i>	111 278	89 784	58 205
TOTAL DU PASSIF	71 461 851	76 664 772	78 366 588

COMPTE DE RESULTAT (EN MILLIERS D'EUROS)			
	2019	2018	2017
Intérêts et produits assimilés	2 027 376	2 221 758	2 456 124
Intérêts et charges assimilées	-1 837 690	-1 993 403	-2 348 774
Marge nette d'intérêts	189 686	228 356	107 350
Commissions produits	42 279	44 047	96 164
Commissions charges	-2 090	-1 525	-1 617
Gains ou pertes s/opérations des portefeuilles de négociation	-212	-65	-117
Autres produits d'exploitation bancaire	1 376	98	129
Autres charges d'exploitation bancaire	-3 831	-3 037	-2 299
Produit net bancaire	227 208	267 873	199 611
Frais de personnel	-49	-45	-73
Impôts, taxes et contributions réglementaires	-3 674	-6 926	-21 638
Services extérieurs et autres charges	-76 199	-87 938	-96 189
Amortissements	0	0	0
Frais généraux	-79 922	-94 909	-117 901
Résultat brut d'exploitation	147 286	172 964	81 710
Coût du risque	11 487	-16 039	-4 910
Résultat d'exploitation	158 773	156 925	76 800
Gains ou pertes sur actifs immobilisés	9 930	421	7 458
Résultat courant avant impôt	168 703	157 346	84 257
Résultat exceptionnel	0	0	0
Impôt sur les bénéfices	-57 425	-67 562	-26 052
RÉSULTAT NET	111 278	89 784	58 205
Résultat par action * (en euros)	0,70	0,57	0,37
Résultat dilué par action (en euros)	0,70	0,57	0,37

* Le résultat par action s'obtient en divisant le résultat net par le nombre moyen d'actions de la période.

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

On page 155, the following paragraphs are included in Section “RECENT DEVELOPMENTS” of the Base Prospectus, as amended by the First Supplement:

“Press release dated 5 February 2020 - Results of Compagnie de Financement Foncier in 2019

Compagnie de Financement Foncier's Board of Directors met on February 5, 2020 under the chairmanship of Eric FILLIAT, to approve the 2019 annual financial statements.

In 2019, the focus was on the implementation plan to integrate the activities and know-how of Crédit Foncier de France in the entities of Groupe BPCE, as well as by the cessation of loan production by Crédit Foncier de France in the first quarter of 2019.

In line with this new industrial scheme, Compagnie de Financement Foncier's activity is now focused on the refinancing of eligible assets originated by Groupe BPCE institutions.

Compagnie de Financement Foncier remains a strategic subsidiary for Groupe BPCE, under the affiliation regime, and therefore part of the Group solidarity mechanism, which continues to ensure as a last resort the proper repayment of the debt issued by Compagnie de Financement Foncier.

I. Activity of Compagnie de Financement Foncier

Issuance of obligations foncières

- In 2019, Compagnie de Financement Foncier issued €3bn in covered bonds (*obligations foncières*) particularly in the form of two benchmark public issuances denominated in euros under excellent financial conditions. The success of its issuance of an 8-year benchmark at a rate of -0.32% in September 2019 demonstrates the quality of Compagnie de Financement Foncier's creditworthiness and the appetite of international investors for its covered bonds.
- As of the end of 2019, covered bonds amounted to €60.4bn, including related debts, down compared to 2018, taking into account lesser refinanced volumes than on previous financial years; within the framework of refinancing of groupe BPCE's assets (Cf. *supra*).

Purchases and assignment of receivables

- In 2019, Compagnie de Financement Foncier refinanced €3.3bn (outstanding principal amount, related debts included) of mortgage loans and/or public loans granted by Crédit Foncier and other Groupe BPCE entities.

II. Compagnie de Financement Foncier's income statement

<i>In millions of euros</i>	2019	2018
Net interest margin - excluding amortization of discounts/premiums	233	321
Amortization of acquisition premiums/discounts on customer loans	-43	-93
Net interest margin	190	228
Net fees and commissions	40	43
Other banking expenses	-3	-3
Net banking income	227	268
General operating expenses	-80	-95
Gross operating income	147	173
Cost of risk	12	-16
Gains or losses on fixed assets	10	0.4
Income before tax	169	157
Income tax	-58	-68
Net income	111	90

Net banking income stood at €227m, down €41m compared to 2018 mainly due to a €38m drop in the net interest margin in line with the drop in loans outstanding.

General operating expenses amounted to €80m, down €15m compared to the previous year due to lower expenses invoiced by Crédit Foncier de France and that of tax liabilities.

Gross operating income fell to €147m, down €26m compared to 2018.

Cost of risk underwent a reversal of €12m, up €28m compared to 2018, subsequently due to the downward trend in the delinquencies and non-recurring items.

Income tax of the year amounted to €8m, down €10m compared to 2018.

Net income amounted to €111 m in 2018, versus €90m in 2018.

III. Balance sheet information

Compagnie de Financement Foncier's balance sheet totalled €71.5bn compared with €76.7bn at the end of 2018.

At the end of 2019 doubtful loans stood at €1.4bn, down €0.2bn compared with the end of 2018. Over 99% of these loans concerned home loans to private Individuals. This amount has to be considered in regards to the €10.9 bn of balance sheet overcollateralization level.

IV. Prudential information

Although exempted from regulatory requirements concerning solvency ratios, Compagnie de Financement Foncier calculates a Common Equity Tier One ratio for indicative purposes. As of December 31, 2019, this ratio remained well above the *minimum* thresholds specified in CRR regulation 575/2013.

In accordance with the law applicable to *sociétés de crédit foncier*, Compagnie de Financement Foncier maintains a coverage ratio greater than 105%.

Appendix

Unless otherwise specified, 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, an affiliate of BPCE and fully-owned by Crédit Foncier and Groupe BPCE.

Regulated information is available on our website www.foncier.fr under "Financial communication/Regulated information".

Financial information as at 31 December 2019 (extract from 2019 unaudited annual accounts), 31 December 2018 (extract from 2018 audited annual accounts) and 31 December 2017 (extract from 2017 audited annual accounts)

BALANCE SHEET (in thousands of euros)			
ASSETS	31/12/19	31/12/18	31/12/17
Cash and amounts due from central banks	1,564,443	705,379	670,000
Treasury bills and equivalent	3,236,924	3,270,999	3,364,394
Loans and receivables due from credit institutions	23,067,067	26,449,694	28,761,396
• Demand	56,372	56,663	151,078
• Term	23,010,695	26,393,031	28,610,318
Customers transactions	37,626,531	39,643,161	38,639,497
• Other facilities granted to customers	37,626,531	39,643,161	38,639,497
Bonds and other fixed-income securities	4,093,758	4,565,859	4,511,584
Equity interests and other long term investments	0	0	0
Intangible assets and property plant and equipment	0	0	0
Other assets	102,017	52,591	214,855
Accrual accounts	1,771,111	1,977,089	2,204,862
TOTAL ASSETS	71,461,851	76,664,772	78,366,588

LIABILITIES	31/12/19	31/12/18	31/12/17
Central banks	0	0	0
Amounts due to credit	4,436,533	6,601,591	7,945,176
• Demand	2,827	159	0
• Term	4,433,706	6,601,432	7,945,176
Amounts due to customers	0	0	0
• Demand	0	0	0
Debt securities	60,515,318	63,547,037	63,524,759
• Interbank market instruments and negotiable debt securities	151,288	151,865	151,533
• Bonds (obligations foncières)	60,364,030	63,395,172	63,373,226
Other liabilities	1,124,247	1,107,531	1,623,947
Accrual accounts	2,137,320	2,205,340	2,088,657
Provisions	30,226	6,559	18,917
Subordinated debt	0	0	0
Fund for general banking risks	20,000	20,000	20,000
Equity excluding fund for general banking risks	3,198,207	3,176,713	3,145,132
• Subscribed capital	2,537,460	2,537,460	2,537,460
• Additional paid-in capital	343,002	343,002	343,002

• Reserves	126,553	122,063	119,152
• Regulated provisions and investment subsidies	0	0	0
• Retained earnings	79,914	84,404	87,313
• Income to be allocated	0	0	0
• Net income for the period	111,278	89,784	58,205
TOTAL LIABILITIES	71,461,851	76,664,772	78,366,588

INCOME STATEMENT (in thousands of euros)			
	2019	2018	2017
Interest and similar income	2,027,376	2,221,758	2,456,124
Interest and similar expenses	-1,837,690	-1,993,403	-2,348,774
Net interest margin	189,686	228,356	107,350
Fees and commissions income	42,279	44,047	96,164
Fees and commissions expenses	-2,090	-1,525	-1,617
Net gains or losses on trading books transactions	-212	-65	-117
Other banking income	1,376	98	129
Other banking expenses	-3,831	-3,037	-2,299
Net banking income	227,208	267,873	199,611
Payroll costs	-49	-45	-73
Taxes and regulated provisions	-3,674	-6,926	-21,638
External services and other expenses	-76,199	-87,938	-96,189
Amortization	0	0	0
Total operating expenses	-79,922	-94,909	-117,901
Gross operating income	147,286	172,964	81,710
Cost of risk	11,487	-16,039	-4,910
Operating income	158,773	156,925	76,800
Gains or losses on long-term investments	9,930	421	7,458
Income before tax	168,703	157,346	84,257
Non-recurring income	0	0	0
Income tax	-57,425	-67,562	-26,052
NET INCOME	111,278	89,784	58,205
Earnings per share * (in euros)	0.70	0.57	0.37
Diluted earnings per share (in euros)	0.70	0.57	0.37
* Earnings per share are calculated by dividing net income by the average number of shares during the fiscal year.			

UPDATE OF THE BASE PROSPECTUS WITH THE UPDATED SUGGESTED ICMA WORDINGS FOLLOWING THE WITHDRAWAL AGREEMENT BILL ENACTEMENT FOR BREXIT WITH DEAL TRANSITIONAL PERIOD

Changes throughout the whole Base Prospectus

All references in the Base Prospectus to “EEA” and “European Economic Area” should be updated in order to be followed by the reference to “the United Kingdom”.

- (i) On page 1 of the Base Prospectus, the paragraph “**IMPORTANT – EEA RETAIL INVESTORS**” is deleted and replaced as follows:

“IMPORTANT – EEA AND UK RETAIL INVESTORS - If the Final Terms in respect of any Notes include a legend entitled “Prohibition of Sales to EEA and UK Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“ EEA”) or in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2016/97/EU (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.”

- (ii) On page 162 of the Base Prospectus, the paragraph “**Prohibition of Sales to EEA Retail Investors**” in the section “SUBSCRIPTION AND SALE” is deleted and replaced as follows:

“Prohibition of Sales to EEA and UK Retail Investors

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA and UK Retail Investors” as “ Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA and in the UK. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
 - (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined the Prospectus Directive; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA and UK Retail Investors” as “Not Applicable” in relation to each Member State of the EEA and the UK (each, a

“**Relevant State**”), each Dealer has represented and agreed that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant State (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such final terms and the Issuer has consented in writing to its use for the purpose of that Public Offer;
 - (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
 - (c) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
 - (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,
- provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC, as amended or superseded, and includes any relevant implementing measure in the Relevant State.”

- (iii) On pages 167 and 168 of the Base Prospectus, the paragraph “**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**” in the section “FORM OF FINAL TERMS 1” is deleted and replaced as follows:

“**[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and

therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.]¹

- (iv) On page 187 of the Base Prospectus, the paragraph “(vi) - Prohibition of Sales to EEA Retail Investors” in the section “FORM OF FINAL TERMS 1” is deleted and replaced as follows:

“Prohibition of Sales to EEA and UK [Not Applicable/Applicable]

Retail Investors:

(If the Notes do not constitute “packaged” products or if a KID will be prepared, in which cases, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

- (v) On page 190 of the Base Prospectus, the paragraph “**PROHIBITION OF SALES TO EEA RETAIL INVESTORS**” in the section “FORM OF FINAL TERMS 2” is deleted and replaced as follows:

“**PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2016/97/EU, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended or superseded (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPS Regulation.]²

- (vi) On page 241 of the Base Prospectus, the paragraph “(iv) - Prohibition of Sales to EEA Retail Investors” in the section “FORM OF FINAL TERMS 2” is deleted and replaced as follows:

“Prohibition of Sales to EEA and UK [Not Applicable/Applicable]

Retail Investors:

(If the Notes do not constitute “packaged” products or if a KID will be prepared, in which cases, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

¹ Delete legend if the offer of the Notes do not constitute “packaged” products or if a KID will be prepared, in which case, insert “Not Applicable” in paragraph 11(vi) of Part B below. Include legend if the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA or UK retail investors. In this case insert “Applicable” in paragraph 11(vi) of Part B below.

² Delete legend if the offer of the Notes do not constitute “packaged” products or if a KID will be prepared, in which case, insert “Not Applicable” in paragraph 9(v) of Part B below. Include legend if the Notes may constitute “packaged” products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA and UK retail investors. In this case insert “Applicable” in paragraph 9(v) of Part B below.

UPDATE OF THE SECTION “USE OF PROCEEDS” OF THE BASE PROSPECTUS

Section entitled “USE OF PROCEEDS” on page 137 of the Base Prospectus is deleted and replaced as follows:

“The net proceeds of the issue of the Notes will be used for the Issuer’s general corporate purposes. If in respect of any particular issue of Notes, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

Sustainable development bonds include green bonds (“**Green Bonds**”), social bonds / human development and social bonds /local economic development (together, “**Social Bonds**”) or any other category specified in the applicable Final Terms, in accordance with the framework of the sustainable development bond program of Groupe BPCE (as amended from time to time) published in the dedicated section of the BPCE’s website.

In relation to “Green Bonds”, and as further described in the applicable Final Terms, the net proceeds of the issuance of the Notes by the Issuer will be allocated to finance or refinance, in whole or in part, eligible loans for green assets and/or projects as defined in the applicable Final Terms with reference to the relevant category of Issuer’s methodology note for Green Bonds (as amended from time to time) published in the dedicated section of BPCE’s website. It is the intention of the Issuer that the Green Bonds will contribute to one or several of the United Nations Sustainable Development Goals. The above-mentioned methodology note describes, in addition to the eligibility criteria, the management of proceeds, the reporting and the external reviews (second party opinion and verification) applicable for the relevant category of Green Bonds.

In relation to “Social Bonds”, and as further described in the applicable Final Terms, the net proceeds of the issuance of the Notes by the Issuer will be allocated to finance or refinance, in whole or in part, eligible loans for social assets and/or projects as defined in the applicable Final Terms with reference to the relevant category of Issuer’s methodology note for Social Bonds (as amended from time to time) published in the dedicated section of BPCE’s website. It is the intention of the Issuer that the Social Bonds will contribute to one or several of the United Nations Sustainable Development Goals. The above-mentioned methodology note describes, in addition to the eligibility criteria, the management of proceeds, the reporting and the external reviews (second party opinion and verification) applicable for the relevant category of Social Bonds.

For the avoidance of doubt, the relevant Final Terms of Green and/or Social Bonds will provide the relevant details such as references to the applicable framework and methodology note (defining inter alia the selection criteria for eligible assets or loans) under which such Notes are issued. The Final Terms may direct investors to the relevant section of the website of BPCE to provide such information.”

UPDATE OF THE SECTION “RISK FACTORS” OF THE BASE PROSPECTUS

The following risk factor is inserted in Subsection 2 entitled “RISK RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES” on pages 66 to 72 of the Base Prospectus:

“The Notes may be issued with a specific use of proceeds

The Issuer may issue Notes the proceeds of which are intended to be used to finance and/or refinance, in part or in full, new and/or existing (i) eligible loans for social assets and/or projects, (ii) eligible loans for green assets and/or projects and (iii) any other category specified in the applicable Final Terms (together, the “**Eligible Assets**”) falling within the framework of the sustainable development bond program of Groupe BPCE (as amended from time to time) published in the dedicated section of the website of BPCE.

For the avoidance of doubt, payment of principal and interest (as the case may be) in respect of such Notes will be made from general funds of the Issuer and will not be directly or indirectly linked to the performance of Eligible Assets.

There is currently no market consensus on what precise attributes are required for a particular asset to be defined as "green", "social" or "sustainable", and therefore no assurance can be provided to investors that the Eligible Assets will satisfy, whether in whole or in part, any present or future investor's expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply.

Any failure to use the net proceeds from such Notes on Eligible Assets or to meet or continue to meet the investment requirements of certain environmentally, socially or sustainably focused investors with respect to such Notes may affect the value of the Notes and/or may have consequences for certain investors with portfolio mandates to invest in green, social and/or sustainable assets.”

UPDATE OF THE SECTION “GENERAL INFORMATION” OF THE BASE PROSPECTUS

Subsection 5 in the section entitled “GENERAL INFORMATION” on page 241 of the Base Prospectus, as amended by the First Supplement, is deleted and replaced as follows:

“No significant changes in the financial and trading position of the Issuer

Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 December 2019.”

Subsection 11 in the section entitled “GENERAL INFORMATION” on page 243 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 5 February 2020 entitled “Results of Compagnie de Financement Foncier in 2019” and the financial information of the Issuer as at 31 December 2019 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 Annex IV of Commission Regulation (CE) n°809/2004 as amended, the Issuer makes on 21 February 2020 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.”

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 / Chief Executive Officer

Duly authorised on 21 February 2020



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. 20-051 on 21 February 2020. 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.