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The financial institution Compagnie de Financement Foncier (CFF) was established in 1999 by Crédit Foncier de France (CF) to comply with legislative changes. The roots of the parent company (100%) can be traced back to 1852, when CF was founded by the French government. Since 1999, CF has been operating as a private financial institution and since 2010 it has been a 100% subsidiary of BPCE S.A. Its main role then and now is to provide property financing, including social housing and public sector financing. The institution has total assets of EUR 64.9 billion (as of 30 June 2021). With its foundation, CFF was deeply integrated into the group and took over the task of refinancing CF and later the BPCE Group. In the course of this, already issued secured bonds including the corresponding suitable assets and liabilities have been transferred. A clear geographical focus can be seen in the distribution of assets (88% France). France is followed by the rest of the European Union with 6%. In terms of distribution by type of asset, the focus is on mortgage loans with a share of around 52%. The public sector accounted for 36% (reporting date: 30 June 2021). The total volume of outstanding Obligations Foncières amounts to EUR 53.38 billion. CFF is one of the largest issuers in France and one of the most important European benchmark issuers. The institution exceeds the regulatory CET1 requirements with a ratio of 26.6% (30 June 2021).

Ratings

	Rating	Outlook
Fitch	-	-
Moody's	-	-
S&P	-	-

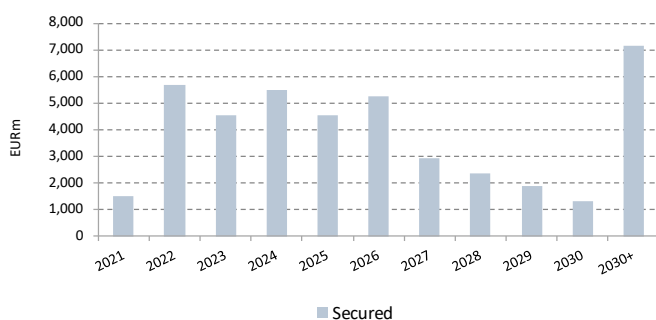
Homepage

www.foncier.fr

Balance Sheet

(EURm)	2019Y	2020Y	2021H1
Net Loans to Customers	37,627	35,339	34,287
Total Securities	7,331	6,417	6,142
Total Deposits	-	-	-
Tier 1 Common Capital	3,107	3,107	3,107
Total Assets	71,462	68,455	64,949
Total Risk-weighted Assets	13,051	12,244	11,685

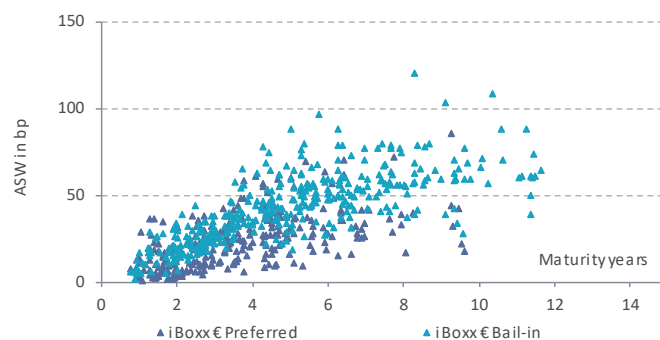
Redemption Profile



Income Statement

(EURm)	2019Y	2020Y	2021H1
Net Interest Income	190	117	114
Net Fee & Commission Income	40	34	16
Net Trading Income	10	20	-0
Operating Expense	80	93	55
Credit Commitments Impairment	-11	-4	-1
Pre-tax Profit	169	78	75

Senior Unsecured Bonds



Company Ratios

	2019Y	2020Y	2021H1		2019Y	2020Y	2021H1
Net Interest Margin	0.26	0.17	0.35	Liquidity Coverage Ratio	-	-	-
ROAE	3.47	1.48	3.20	IFRS Tier 1 Leverage Ratio	-	-	-
Cost-to-Income	33.70	55.77	42.90	NPL/ Loans at Amortised Cost	3.72	3.61	3.41
Core Tier 1 Ratio	23.81	25.38	26.59	Reserves/NPLs	0.17	0.17	0.15

As of: 12.10.2021; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

Strengths / Opportunities

- Integration into the banking group
- Market position in the French covered bond market

Risks / Weaknesses

- Concentrated credit risk in the retail business
- Competition among French property financiers

Covered Bonds

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Outstanding covered bonds with a volume of EUR 53.38bn

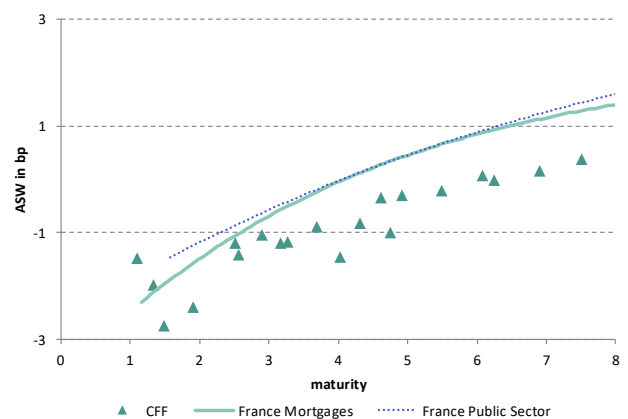
As at 30 June 2021, CFF had outstanding covered bonds with a volume of EUR 53.38bn. The issues were matched by cover assets in the equivalent amount of EUR 63.82bn. This results in a nominal overcollateralisation ratio of 18.9%. In the iBoxx EUR Covered, the institution is represented in the composition of October 2021 with 25 EUR benchmarks for a total of EUR 31bn. CFF's covered bonds are issued in hard bullet format and therefore do not currently have the feature of maturity extension.

Programme data

30 June 2021	Mortgage
Covered bonds outstanding	EUR 53,381m
Cover pool volume	EUR 63,824m
Current OC (nominal / legal)	18.9% / 5.0%
Type	53.32% Mortgages
Main country (mortgage assets)	97.8% France
Main country (public sector assets)	69.5% France
Number of mortgage loans	414,952
Number of public sector exposures	7,641
NPLs (mortgage assets / public sector assets)	1.7% / 0.0%
Fixed interest (Cover Pool / CBs)	83.9% / 93.0%
WAL (Cover Pool / CBs)	8.4y / 7.0y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / AAA

Source: Issuer, rating agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

Spread overview (BMK) – France



Primary cover: share of mortgage assets at 53.3%

The CFF cover pool contains mortgage-backed assets with a volume of EUR 34.031bn (share: 53.32%) and public cover assets of EUR 22.746bn (share: 35.64%). Replacement cover (incl. other assets) amounts to EUR 7.048bn (11.05%). With regard to the geographical location of the cover assets, the focus is on the domestic market, so that France has a share of 97.8% (mortgage assets) and 69.5% (public sector assets). With a volume of EUR 33.389bn, 98.1% of the mortgage cover assets are of residential origin. The largest share of mortgage assets is also attributable to the Ile-de-France region (share 30.1%). Among the public sector exposures, the largest share is attributable to the category "Regional/Federal Authorities" (EUR 7.617bn; 33.5%), followed by "Local/Municipal Authorities" (EUR 6.321bn; 27.8%). The cover pool can be described as granular with 414,952 real estate loans (average total residential loans: EUR 80,000; commercial loans: EUR 3.689m) and 7,641 public sector exposures (average total: EUR 2.977m). This is also reflected in the respective shares of the ten largest exposures (mortgage assets: 0.6%; public sector assets: 9.7%). The share of non-performing loans in mortgage cover assets is 1.7%; for public sector cover assets the share is 0%.

Rating and regulatory treatment

The EUR benchmarks of CFF have the highest ratings from the rating agencies Moody's (Aaa) and S&P (AAA). The risk weight according to CRR is 10%. In the context of LCR management, we believe that CFF benchmark deals can also be used as Level 1 assets. The covered bonds are also eligible for purchase by the ECB under the APP (CBPP3) as well as in the context of the PEPP. Furthermore, the eligibility as collateral in the context of the ECB Collateral Framework is given.

Appendix

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