

BPCE SFH

EUROPEAN COVERED BOND COUNCIL
French National Covered Bonds Label Reporting

June 2014

FRENCH NATIONAL COVERED BOND LABEL REPORTING TEMPLATE

CB ISSUER	BPCE SFH	
Reporting date	30/06/2014	(dd/mm/yyyy)

1 GROUP LEVEL INFORMATION AND SENIOR UNSECURED RATINGS

1.1	Group	BPCE
	Group parent company	BPCE
	Group consolidated financial information (link)	http://www.bpce.fr/communication-financiere

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

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

1.4	Core tier 1 ratio (%) (group parent company) as of	10,90%	31/03/2014
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2 COVERED BOND ISSUER OVERVIEW

2.1 Covered bond issuer

Name of the covered bond issuer	BPCE SFH
Country in which the issuer is based	FRANCE
Financial information (link)	http://www.bpce.fr/communication-financiere/dette/bpce-sfh

Information on the legal framework (link)	http://www.ecbc.eu/framework/90/Obligations_à_l%27Habitat_-_OH
UCITS compliant (Y / N) ?	Y
CRD compliant (Y / N) ?	Y

2.2 Covered bonds and cover pool

		Total outstanding	of which eligible to central bank repo-operations
Cover pool	Public sector exposures	0	0
	Commercial assets	0	0
	Residential assets	28 566	0
	Substitute assets	0	0
	Total	28 566	0

Covered bonds	20 815
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2.3 Overcollateralisation ratios

	minimum (%)	current (%)
Legal ("coverage ratio")	105,0%	125,7%
Contractual (ACT)	100,0%	114,0%
other		

2.4 Covered bonds ratings

Covered bonds rating		Rating	Rating Watch	Outlook
	Fitch			
	Moody's	Aaa		Stable
	S&P	AAA		Stable

2.5 Liabilities of the covered bond issuer

LIABILITIES	Outstanding
Equity	600
Subordinated debt	0
Other non privileged liabilities	0
Total equity and non privileged liabilities	600
Covered bonds	20 815
Other privileged liabilities	0
Total privileged liabilities	20 815
TOTAL	21 415

3 ALM OF THE COVERED BOND ISSUER

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

	Expected	Contractual	explanations (CPR rate used etc)
Public sector	0,0	0,0	
Residential	5,9	8,1	5,71%
Commercial	0,0	0,0	
Substitute assets	0,0	0,0	
WAL of cover pool	5,9	8,1	
WAL of covered bonds	6,0	6,0	

3.2 Expected maturity structure of cover pool and covered bonds

	0 - 1 Y (years)	1 - 2 Y	2 - 3 Y	3 - 4 Y	4 - 5 Y	5 - 10 Y	10+ Y
Public sector	0	0	0	0	0	0	0
Residential	3 599	3 489	3 076	2 708	2 380	7 915	5 398
Commercial	0	0	0	0	0	0	0
Substitute assets	0	0	0	0	0	0	0
Expected maturity of cover pool	3 599	3 489	3 076	2 708	2 380	7 915	5 398
Expected maturity of covered bonds	20	2 883	1 545	2 285	1 358	11 867	858

3.3 Contractual maturity structure of cover pool and covered bonds

	0 - 1 Y	1 - 2 Y	2 - 3 Y	3 - 4 Y	4 - 5 Y	5 - 10 Y	10+ Y
Public sector	0	0	0	0	0	0	0
Residential	2 413	2 300	2 187	2 078	1 972	8 056	9 560
Commercial	0	0	0	0	0	0	0
Substitute assets	0	0	0	0	0	0	0
Contractual maturity of cover pool	2 413	2 300	2 187	2 078	1 972	8 056	9 560
Contractual maturity of cov. bonds	20	2 883	1 545	2 285	1 358	11 867	858
of which hard bullet	20	2 883	1 545	2 285	1 358	11 867	858
of which soft bullet	0	0	0	0	0	0	0

3.4 Interest rate and currency risks

Interest rate risk		strategy, limits, counterparties etc (if applicable)	
		<p>The Notes issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Index Linked Notes or Zero Coupon Notes. Each Series of Notes will be denominated in any Specified Currency and may be Dual Currency Notes (see "Terms and Conditions of the French law Notes").</p> <p>The proceeds from the issuance of the Notes under the Programme will be used by the Issuer to fund Borrower Loans to be made available to the Borrowers under the Credit Facility. The terms and conditions regarding the calculation and the payment of principal and interest under a Borrower Loan shall mirror the equivalent terms and conditions of the Notes funding such Borrower Loan.</p> <p>The Issuer is therefore not exposed to any risk of an interest rate mismatch arising between the payments received on the Borrower Loans and the payments to be made under the Notes. As a consequence, in the absence of any Hedging Trigger Event the Issuer will have no obligation to hedge any interest rate risk.</p> <p>The determination of the interest rate of each Series of Notes, as specified in each applicable Final Terms, shall be made by the Issuer regardless of the interest rate conditions applicable, as the case may be, to such Collateral Security Assets. Before a Hedging Trigger Event occurs, the Borrowers retain any interest rate risk linked to the mismatch between the Collateral Security Assets and the Borrower Loan. Thus until the occurrence of such Hedging Trigger Event, the Borrowers will hedge this interest rate risks according to their usual and current strategies and practices.</p> <p>Furthermore, before a Hedging Trigger Event occurs, and in order to enhance investors' protection and reduce interest rate risk and maturity mismatch upon collateral enforcement, BPCE shall comply with the hedging management guidelines (as described in "The Hedging Letter"). BPCE will ensure on each Asset Cover Test Date that:</p> <ol style="list-style-type: none"> 1. The amount of interest to be received under the Collateral Security Assets shall exceed the amount of interest to be paid under the Notes; and 2. The difference between the weighted average life of the Collateral Security Assets and the weighted average life of the outstanding Notes shall not exceed 2 years. 	
		Nominal	WAL
Internal			
External			
Currency risk			
		The Borrower Loan and the Notes funding such Borrower Loan may be denominated in different	
		Nominal	WAL
Internal			
External			

3.5 Liquid assets

		Outstanding nominal
ECB eligible internal ABS		
ECB eligible external ABS		
ECB eligible public exposures		
Substitute assets	ECB eligible	495
	Other	105
Total liquid assets		600
% liquid assets / covered bonds		2,9%

Liquidity support		comments
% liquidity support / covered bonds		

3.6 Substitution assets

	Outstanding	WAL
AAA to AA-	495	5,3
A+ to A-		
Below A-		
Total		

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4 RESIDENTIAL COVER POOL DATA

4.1 Arrears and defaulted loans outstanding (excluding external MBS)

	% of outstanding residential assets
Current	100,00%
Arrears	0,00%
0-1 months	0,00%
1-2 months	0,00%
2-3 months	0,00%
3-6 months	0,00%
6+ (Defaulted)	0,00%

4.2 Arrears and defaulted loans outstanding (including external MBS)

Zone	Country	%
EU	France	0,00%
other	other	0,00%
		0,00%

4.3 Regional breakdown of assets (excluding external MBS)

Region	%
Alsace	2,95%
Aquitaine	5,52%
Auvergne	2,25%
Basse Normandie	2,11%
Bourgogne	3,11%
Bretagne	3,52%
Centre	3,00%
Champagne-Ardenne	1,24%
Corse	0,69%
DOM - TOM	1,06%
Franche-Comté	1,95%
Haute Normandie	2,99%
Ile-de-France (Paris included)	13,65%
Languedoc Roussillon	4,55%
Limousin	0,99%
Lorraine	3,43%
Midi Pyrenées	6,40%
Nord-Pas-de-Calais	5,37%
Pays de Loire	5,63%
Picardie	2,54%
Poitou - Charentes	2,31%
Provence-Alpes-Côte d'Azur	13,42%
Rhones Alpes	11,19%
other	0,00%
No data	0,14%

4.4 Unindexed current LTV (excluding external MBS)

WA unindexed current LTVs (%)	67,70%
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LTV buckets	Category	%
	0 - 40	14,55%
	40 - 50	8,32%
	50 - 60	10,27%
	60 - 70	12,39%
	70 - 80	15,87%
	80 - 85	10,09%
	85 - 90	11,37%
	90 - 95	10,69%
	95 - 100	6,45%
	100 - 105	0,00%
	105 - 110	0,00%
	110 - 115	0,00%
	115+	0,00%

4.5 **Indexed current LTV (excluding external MBS)**

WA indexed current LTVs (%)	65,52%	
	Category	%
LTV buckets	0 - 40	19,87%
	40 - 50	8,13%
	50 - 60	8,98%
	60 - 70	10,89%
	70 - 80	14,28%
	80 - 85	8,91%
	85 - 90	9,78%
	90 - 95	9,37%
	95 - 100	7,83%
	100 - 105	1,77%
	105 - 110	0,18%
	110 - 115	0,00%
	115+	0,00%

4.6 **Mortgages and guarantees (excluding external MBS)**

		%
1st lien mortgage with state guaranty		7,50%
1st lien mortgage without state guaranty		57,17%
Total 1st lien mortgages		64,67%
guaranteed	Crédit Logement	1,09%
	CEGC	34,24%
	other	0,00%
	other	0,00%
total guarantees		35,33%

4.7 **Seasoning (excluding external MBS)**

Months	%
< 12	5,17%
12 - 24	15,44%
24 - 36	15,47%
36 - 60	25,71%
> 60	38,21%

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

	%
Owner occupied	83,03%
Second home	2,22%
Buy-to-let	14,75%
Other	0,00%
No data	0,00%

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

	%
Amortising	100,00%
Partial bullet	0,00%
Bullet	0,00%
Other	0,00%
No data	0,00%

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

	%
Fixed for life	93,57%
Capped for life	5,81%
Floating (1y or less)	0,63%
Mixed (1y+)	0,00%
Other	0,00%
No data	0,00%

4.11 **Borrowers (excluding external MBS)**

	%
Employees	63,45%
Civil servants	15,52%
Self employed	14,60%
Retired / Pensioner	2,58%
Other non-working	3,85%
No data	0,00%

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

Number of loans	548 545
Average outstanding balance (€)	52 076
	% of total cover pool
5 largest exposures (%)	0,01%
10 largest exposures (%)	0,02%

4.13 **Residential MBS**

	TOTAL	Internal	External
Outstanding	0	0	0

Internal RMBS DETAILS											
Name	ISIN	Outstanding balance	Rating			Year of last issuance	% subordination	% reserve fund	% credit enhancement	Main country (assets)	Originator(s)
			Fitch	Moody's	S&P						
RMBS 1											
RMBS 2											
RMBS 3											
etc...											

External RMBS DETAILS								
Name	ISIN	Outstanding balance	Rating			Year of last issuance	Main country (assets)	Originator(s)
			Fitch	Moody's	S&P			
RMBS 1								
RMBS 2								
RMBS 3								
etc...								

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5 PUBLIC SECTOR COVER POOL DATA

5.1 Arrears and defaulted loans outstanding

	% of outstanding public sector assets
Current	
Arrears	
0-1 months	
1-2 months	
2-3 months	
3-6 months	
Defaulted (6+)	

5.2 Geographical distribution and type of Claim

		Exposures to or guaranteed by Supranational Institution	Exposures to Sovereigns	Exposures guaranteed by Sovereigns	Exposures guaranteed by ECA	Exposures to regions / departments / federal states	Exposures guaranteed by regions / departments / federal states	Exposures to municipalities	Exposures guaranteed by municipalities	Other direct public exposures	Other indirect public exposures	Total	%
EUROPE	France												
	other countries Europe....												
Asia	other countries Asia....												
												
other continents.....												
Total													

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

		Loans	Securities	ABS	Total
EUROPE	France				
	other countries				
				
Asia				
				
other continents				
Total					

5.4 **Regional exposures**

	Outstanding balance	%
Alsace		
Aquitaine		
Auvergne		
Basse-Normandie		
Bourgogne		
Bretagne		
Centre		
Champagne-Ardenne		
Corse		
Franche-Comté		
Haute-Normandie		
Ile-de-France		
Languedoc-Roussillon		
Limousin		
Lorraine		
Midi-Pyrénées		
Nord-Pas-de-Calais		
Pays de la Loire		
Picardie		
Poitou-Charentes		
Provence-Alpes-Côte d'Azur		
Rhône-Alpes		
Dom-Tom		
other....		
Total		

5.5 **Interest rate**

	%
Fixed for life	
Capped for life	
Floating	
Mixed	
Other	
No data	

5.6 **Currency**

	%
EUR	
USD	
JPY	
Other	

5.7 **Principal amortisation**

	%
Amortising	
Partial bullet	
Bullet	
Other	
No data	

5.8 **Granularity and large exposures**

Number of exposures	
Average outstanding balance (€)	
5 largest exposures (%)	
10 largest exposures (%)	

5.9 **Public sector ABS**

	TOTAL	Internal	External
Outstanding			

Internal ABS DETAILS											
Name	ISIN	Outstanding balance	Rating			Year of last issuance	% subordination	% reserve fund	% credit enhancement	Main country (assets)	Originator(s)
			Fitch	Moody's	S&P						
ABS 1											
ABS 2											
ABS 3											
etc...											

External ABS DETAILS								
Name	ISIN	Outstanding balance	Rating			Year of last issuance	Main country (assets)	Originator(s)
			Fitch	Moody's	S&P			
ABS 1								
ABS 2								
ABS 3								
etc...								

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6 COVERED BONDS

6.1 Outstanding covered bonds

	30/06/2014	31/12/2013	31/12/2012	31/12/2011
Public placement	19 245	15 545	13 075	6 600
Private placement	1 570	1 183	507	28
Sum	20 815	16 728	13 582	6 628

Denominated in €	20 815	16 728	13 582	6 628
Denominated in USD	0	0	0	0
Denominated in CHF	0	0	0	0
Denominated in JPY	0	0	0	0
Denominated in GBP	0	0	0	0
Other	0	0	0	0
Sum	20 815	16 728	13 582	6 628

Fixed coupon	20 569	16 482	13 482	6 628
Floating coupon	246	246	100	0
Other	0	0	0	0
Sum	20 815	16 728	13 582	6 628

6.2 Issuance

Public placement	3 700	2 470	6 475	6 600
Private placement	387	677	479	28
Sum	4 087	3 147	6 954	6 628

Denominated in €	4 087	3 147	6 954	6 628
Denominated in USD	0	0	0	0
Denominated in CHF	0	0	0	0
Denominated in JPY	0	0	0	0
Denominated in GBP	0	0	0	0
Other	0	0	0	0
Sum	4 087	3 147	6 954	6 628

Fixed coupon	4 087	3 001	6 854	6 628
Floating coupon				
Other	0	0	0	0
Sum	4 087	3 001	6 854	6 628

unless detailed otherwise

all amounts in EUR millions (without decimals)
 percentages (%) with 2 decimals
 time periods in months (with 1 decimal)

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

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

1.3 Covered bond issuer ratings

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

2.1 Covered bond issuer

2.2 Covered bonds and cover pool

Guaranteed loans or mortgage promissory notes :

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

Asset backed securities :

If eligible asset backed securities are included in the cover pool, the explanations to the reporting should specify whether the information is provided using a look through approach (i.e. underlying assets) or if the outstanding amount of ABS securities held is indicated.

"Of which assets eligible to CB refinancing" :

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

2.3 Overcollateralisation ratios

Each issuer shall explain calculation methodology for each OC ratio :

- formulas
- all amounts shall be indicated after taking into account the cover pool's interest rate or currency swaps.
- accrued interest included or excluded ?

The legislation requires that the calculation of the legal coverage ratio be audited semi-annually within a period of three months following the calculation date. As a consequence, the current ratio is provisionnal / unaudited when the report is published. The last audited ratio is provided as an additional information.

Rating agencies : Minimum OC
 Issuers shall disclose the highest minimum OC requirement.

3 ALM

Contractual maturities :

Contractual maturities are calculated assuming a zero prepayment scenario on the cover pool assets. For pass through ABS, this assumption is applied to the underlying assets to determine the contractual maturity of the ABS (i.e. contractual maturity is not calculated according to the legal final maturity of the securities).

Expected maturities :

The assumptions underlying the calculation of the expected WAL and expected maturity breakdown shall be disclosed for each element of the cover pool including substitute assets. Some information should be provided to explain the prepayment assumptions on assets and liabilities. For substitute assets, it should be explained if these assumptions include asset sales or repo.

3.5 Liquid assets

Outstanding

The nominal value of liquid assets shall be reported.

Liquidity support

Provide details on the nature of liquidity support.

3.6 Substitution assets

Details of the information provided shall be given in the case of split ratings.

Residential cover pool data

- 4 Explain for each table which information is included or not included (e.g. external RMBS assets excluded)

The assets backing guaranteed loans (collateral directive framework), mortgage promissory notes and internal ABS shall be disclosed using a look through approach in each table.

4.2, 4.3 **Geographical distribution / regional breakdown**

The geographical breakdown of assets shall take into account the location of the pledged property for residential mortgages and the location of the property which is refinanced by the loan in the case of guaranteed loans. List can be extended by individual issuers where applicable

4.4 **Unindexed current LTV**

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

4.5 **Indexed current LTV**

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

4.6 **Mortgages and guarantees**

Provide a breakdown by guarantee regime in the case of state guarantees

4.10 **Interest rate type**

"Floating" includes loans with with interest rate reset periods exceeding one year (e.g. loan indexed on CMS 5Y with an interest rate reset every five years)

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

Public sector cover pool data

- 5 Explain for each table which information is included or not included.