BPCE SFH

EUROPEAN COVERED BOND COUNCIL
French National Covered Bonds Label Reporting

September 2013

FRENCH NATIONAL COVERED BOND LABEL REPORTING TEMPLATE

CB ISSUER	BPCE SFH	
Reporting date	30/09/2013	(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

1.2

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

1.3

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

1.4

Core tier 1 ratio (%) (group parent company)	10,40%
as of	30/06/2013

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) ?	N

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	22 140	0
	Substitute assets	0	0
	Total	22 140	0

Covered bonds	15 829

2.3 Overcollateralisation ratios

	minimum (%)	current (%)
Legal ("coverage ratio")	102,0%	129,3%
Contractual (ACT)	100,0%	116,5%
other		

2.4 **Covered bonds ratings**

		Rating	Rating Watch	Outlook
Covered bonds rating	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	15 829
Other privileged liabilities	0
Total privileged liabilities	15 829
TOTAL	16 429

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	6,9	8,7	4,00%
Commercial	0,0	0,0	
Substitute assets	0,0	0,0	
WAL of cover pool	**6,9**	**8,7**	
WAL of covered bonds	5,8	5,8	

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	2 281	2 269	2 057	1 864	1 694	6 274	5 702
Commercial	0	0	0	0	0	0	0
Substitute assets	0	0	0	0	0	0	0
Expected maturity of cover pool	**2 281**	**2 269**	**2 057**	**1 864**	**1 694**	**6 274**	**5 702**
Expected maturity of covered bonds	**54**	**20**	**2 913**	**1 620**	**2 140**	**8 182**	**901**

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	1 660	1 589	1 518	1 453	1 397	6 065	8 459
Commercial	0	0	0	0	0	0	0
Substitute assets	0	0	0	0	0	0	0
Contractual maturity of cover pool	**1 660**	**1 589**	**1 518**	**1 453**	**1 397**	**6 065**	**8 459**
Contractual maturity of cov. bonds	**54**	**20**	**2 913**	**1 620**	**2 140**	**8 182**	**901**
of which hard bullet	54	20	2 913	1 620	2 140	8 182	901
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)		
	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"). 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. 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. 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. 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: 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 currencies. In order to hedge the risk resulting from that currency mismatch, under the Hedging Approved From Letter, BPCE SFH has undertaken, and BPCE (acting in capacity as Administrative Agent and Management and Recovery Agent), has acknowledged and agreed, that if, on any proposed Utilisation Date, the relevant Borrower Loans and the corresponding Notes are denominated in different currencies, BPCE SFH shall enter into the necessary currency hedging transaction(s) with an Eligible Hedging Provider, on or before the issuance of the relevant Notes and granting of the relevant Borrower Loan (the Pre-Enforcement Currency Hedging Transaction(s)). Pursuant to the Credit Facility and Collateral Framework Agreement, BPCE SFH has undertaken in favour of the Borrowers to use commercially reasonable efforts for that purpose, provided that if BPCE SFH does not find any such Eligible Hedging Provider agreeing to enter into such Pre-Enforcement Currency Hedging Transaction(s), the corresponding Notes shall not be issued and the relevant Borrower Loan shall not be made available by BPCE SFH to the relevant Borrower.		
	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	395
	Other	205
	Total liquid assets	600
	% liquid assets / covered bonds	3,8%

Liquidity support		comments
% liquidity support / covered bonds		

3.6 Substitution assets

	Outstanding	WAL
AAA to AA-	395	5,7
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	3,05%
Aquitaine	5,50%
Auvergne	2,22%
Basse Normandie	1,95%
Bourgogne	2,76%
Bretagne	3,99%
Centre	2,69%
Champagne-Ardennes	1,08%
Corse	0,56%
DOM - TOM	0,98%
Franche-Comté	1,86%
Haute Normandie	2,68%
Ile-de-France (Paris included)	14,49%
Languedoc Roussillon	3,95%
Limousin	1,02%
Lorraine	3,16%
Midi Pyrenées	6,02%
Nord-Pas-de-Calais	4,77%
Pays de Loire	5,98%
Picardie	2,48%
Poitou - Charentes	2,25%
Provence-Alpes-Côte d'Azur	11,99%
Rhones Alpes	11,92%
other	0,00%
No data	2,64%

4.4 Unindexed current LTV (excluding external MBS)

WA unindexed current LTVs (%)	**69,66%**

	Category	%
LTV buckets	0 - 40	12,08%
	40 - 50	7,58%
	50 - 60	9,84%
	60 - 70	12,56%
	70 - 80	16,37%
	80 - 85	10,60%
	85 - 90	12,29%
	90 - 95	12,48%
	95 - 100	6,21%
	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 (%)	**65,71%**

Category		%
LTV buckets	0 - 40	18,49%
	40 - 50	8,13%
	50 - 60	9,28%
	60 - 70	11,40%
	70 - 80	15,29%
	80 - 85	10,03%
	85 - 90	11,01%
	90 - 95	9,50%
	95 - 100	5,65%
	100 - 105	1,04%
	105 - 110	0,16%
	110 - 115	0,00%
	115+	0,00%

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

		%
1st lien mortgage with state guaranty		8,27%
1st lien mortgage without state guaranty		52,36%
	Total 1st lien mortgages	60,63%
guaranteed	Crédit Logement	2,70%
	CEGC	36,68%
	other	0,00%
	other	0,00%
	total guarantees	39,38%

4.7 **Seasoning (excluding external MBS)**

Months	%
< 12	3,20%
12 - 24	13,24%
24 - 36	20,94%
36 - 60	21,89%
> 60	40,73%

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

	%
Owner occupied	86,36%
Second home	1,97%
Buy-to-let	11,68%
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	93,20%
Capped for life	6,19%
Floating (1y or less)	0,60%
Mixed (1y+)	0,00%
Other	0,00%
No data	0,00%

4.11 **Borrowers (excluding external MBS)**

	%
Employees	63,91%
Civil servants	15,54%
Self employed	13,97%
Retired / Pensioner	2,05%
Other non-working	4,52%
No data	0,00%

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

Number of loans	391 467
Average outstanding balance (€)	56 556

	% 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 garanteed by Supranational Institution	Exposures to Sovereigns	Exposures garanteed by Sovereigns	Exposures garanteed by ECA	Exposures to regions / departments / federal states	Exposures garanteed by regions / departments / federal states	Exposures to municipalities	Exposures garanteed 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

	30/09/2013	31/12/2012	31/12/2011	31/12/2010
Public placement	14 700	13 075	6 600	0
Private placement	1 129	560	28	0
Sum	**15 829**	**13 635**	**6 628**	**0**

Denominated in €	15 829	13 635	6 628	0
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	**15 829**	**13 635**	**6 628**	**0**

Fixed coupon	15 538	13 482	6 628	0
Floating coupon	292	154	0	0
Other	0	0	0	0
Sum	**15 829**	**13 635**	**6 628**	**0**

6.2 Issuance

Public placement	1 625	6 475	6 600	0
Private placement	569	533	28	0
Sum	**2 194**	**7 008**	**6 628**	**0**

Denominated in €	2 194	7 008	6 628	0
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	**2 194**	**7 008**	**6 628**	**0**

Fixed coupon	2 056	6 854	6 628	0
Floating coupon	138	154	0	0
Other	0	0	0	0
Sum	**2 194**	**7 008**	**6 628**	**0**

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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 ususally 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 refering 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 transfered 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.