



EUROPEAN COVERED BOND COUNCIL

French National Covered Bonds Label Reporting

11 décembre 2013



FRENCH NATIONAL COVERED BOND LABEL REPORTING TEMPLATE

CB ISSUER	Crédit Mutuel - CIC Home Loan SFH
Reporting date	11/12/2013

1 GROUP LEVEL INFORMATION AND SENIOR UNSECURED RATINGS

1.1	Group	Crédit Mutuel - CIC			
	Group parent company				
	Group consolidated financial information (link)	http://www.bfc.m.creditmutuel.fr/fr/bfcm/index.html			
1.2		Rating	Rating Watch	Outlook	
	Senior unsecured rating (group parent company)	Fitch	A+	-	Stable
		Moody's	Aa3	-	Négative
		S&P	A	-	Stable
1.3		Rating	Rating watch	Outlook	
	Covered bond issuer rating (senior unsecured)	Fitch	NA	NA	NA
		Moody's	NA	NA	NA
		S&P	NA	NA	NA
1.4	Core tier 1 ratio (%) (group parent company)	14,10%			
	as of	31/12/2012			

2 COVERED BOND ISSUER OVERVIEW

2.1 Covered bond issuer

Name of the covered bond issuer	Crédit Mutuel - CIC Home Loan SFH
Country in which the issuer is based	France
Financial information (link)	http://www.creditmutuelcic-sfh.com/en/index.html
Information on the legal framework (link)	http://www.ecbc.eu/legislation/list#France
UCITS compliant (Y / N) ?	Y
CRD compliant (Y / N) ?	

2.2 Covered bonds and cover pool

Cover pool		Total outstanding	of which eligible to central bank repo-operations
Public sector exposures		-	
Commercial assets		-	
Residential assets		35 001	
Substitute assets		-	
Total		35 001	
Covered bonds		22 137	

2.3 Overcollateralisation ratios

	minimum (%)	current (%)
Legal ("coverage ratio")	102,00%	148,10%
Contractual (ACT)	100,00%	113,33%
Other		

2.4 Covered bonds ratings

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

2.5 Liabilities of the covered bond issuer

LIABILITIES	Outstanding
Equity	223
Subordinated debt	120
Other non privileged liabilities	-
Total equity and non privileged liabilities	343
Covered bonds	22 137
Other privileged liabilities	-
Total privileged liabilities	22 137
TOTAL	22 480

3 ALM OF THE COVERED BOND ISSUER

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

	Expected	Contractual	Explanations
Public sector			
Residential	70,0	100,5	CPR rate used : 6,83 %
Commercial			
Substitute assets			
WAL of cover pool	70,0	100,5	
WAL of covered bonds	61,1	61,1	

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							
Residential	4 086	3 746	3 431	3 139	2 869	10 950	6 780
Commercial							
Substitute assets							
Expected maturity of cover pool	4 086	3 746	3 431	3 139	2 869	10 950	6 780
Expected maturity of covered bonds	2 768	1 500	2 493	1 300	1 085	11 645	1 347

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							
Residential	2 324	2 358	2 378	2 375	2 355	10 631	12 580
Commercial							
Substitute assets							
Contractual maturity of cover pool	2 324	2 358	2 378	2 375	2 355	10 631	12 580
Contractual maturity of cov. bonds	2 768	1 500	2 493	1 300	1 085	11 645	1 347
of which hard bullet	2 768	1 500	2 493	1 300	1 085	11 645	1 347
of which soft bullet							

3.4 Interest rate and currency risks

Interest rate risk strategy, limits, counterparties etc (if applicable)		
<p>Operating conditions of CM HL SFH must not expose it to any interest rate risk. Funds collected by bond issues are replaced to the BFCM at the same rate and duration. Asset and liabilities are strictly matched in terms of duration and rate. The interest rate risk is limited to the subordinated issues and placement of the capital. SFH could be exposed to a possible interest rate risk in case of BFCM's failure. In this case, SFH would carry out its guarantee and become owner of the housing loans. Rules of the bond Programme force CMCIC HL SFH to conclude specific swaps with counterparties that meet specific rating criterias for the hedging of these risks as soon as BFCM's downgrade arises. Following the downgrade by Fitch of the LT rating of BFCM, as at dec 14th, 2011 and in accordance with the documentation, swaps have been put in place in order to cover the interest rate risk on the assets and liabilities. The entire customer debt (with fixed or floating rates) is swapped vs 1m Euribor. The OH issues, or previous covered bonds issues, are also swapped vs 1m Euribor. BFCM is the current swap counterparty, benefiting from a sufficient rating with regard to the eligible criterias imposed by the documentation of the Programme. In case of BFCM's downgrade below following thresholds : A1 (short term) by S&P, P1 (short term) by Moody's and F1 (short term) / A (Long term) by Fitch, BFCM must be replaced by eligible counterparties. Mirror swaps have been simultaneously put in place between CM CIC HL SFH and BFCM in order to neutralize the interest rate position generate by the the mirror loans. In case of BFCM's default, the secured loans and the mirror swaps will be cancelled. The swaps hedging the currencies and interest rate risks on the issues and assets conclude with an eligible counterparty will remain in place. The only interest rate risk will be on the fixings, but limited as the assets and liabilities are indexed on the 1m Euribor. Following the BFCM short term rating downgrade by Fitch on July 17th, 2013 and according to the <i>Cash Collateral Agreement</i>, the Pre Maturity test has been activated. A collateral portion, corresponding to the issues maturing within 180 days has been released and the term deposit has been placed on a maturity below 30 days. The interest rate risk is limited to the subordinated issues and placement of the capital.</p>		
	Nominal	WAL
Internal	20 923	60,4
External		
Currency risk		
<p>The principle of risk is identical to the interest rate risk</p>		
	Nominal	WAL
Internal	1 214	51,0
External		

3.5 **Liquid assets**

		Outstanding nominal
ECB eligible internal ABS		
ECB eligible external ABS		
ECB eligible public exposures		
Substitute assets	ECB eligible	
	Other	3 109
Total liquid assets		3 109
% liquid assets / covered bonds		14,04%

Liquidity support	Prematurity Test	comments
% liquidity support / covered bonds		Please see section "Asset Monitoring" of the Prospectus for further details.

3.6 **Substitution assets**

	Outstanding	WAL
AAA to AA-		
A+ to A-		
Below A-		
Total		

FRENCH NATIONAL COVERED BOND LABEL REPORTING TEMPLATE

CB ISSUER Crédit Mutuel - CIC Home Loan SFH
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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%
Arrears	
0-1 months	
1-2 months	
2-3 months	
3-6 months	
6+ (Defaulted)	

4.2 Arrears and defaulted loans outstanding (including external MBS)

Zone	Country	%

4.3 Regional breakdown of assets (excluding external MBS)

Region	%
Alsace	7,52%
Aquitaine	3,42%
Auvergne	0,87%
Basse Normandie	1,64%
Bourgogne	2,09%
Bretagne	2,13%
Centre	4,20%
Champagne-Ardennes	1,54%
Corse	0,21%
DOM - TOM	0,41%
Franche-Comté	2,16%
Haute Normandie	1,90%
Ile-de-France (Paris included)	24,54%
Languedoc Roussillon	3,02%
Limousin	0,62%
Lorraine	5,97%
Midi Pyrenées	2,91%
Nord-Pas-de-Calais	2,99%
Pays de Loire	8,23%
Picardie	1,43%
Poitou - Charentes	1,88%
Provence-Alpes-Côte d'Azur	7,96%
Rhones Alpes	12,36%
other	
No data	

4.4 **Unindexed current LTV (excluding external MBS)**

WA unindexed current LTVs (%)	67,00%
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	Category	%
LTV buckets	0 - 40	13,14%
	40 - 50	9,02%
	50 - 60	11,97%
	60 - 70	15,68%
	70 - 80	19,60%
	80 - 85	11,00%
	85 - 90	10,50%
	90 - 95	6,70%
	95 - 100	1,89%
	100 - 105	0,50%
	105 - 110	
	110 - 115	
	115+	

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

WA indexed current LTVs (%)	61,00%
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	Category	%
LTV buckets	0 - 40	19,62%
	40 - 50	11,18%
	50 - 60	13,38%
	60 - 70	15,32%
	70 - 80	17,20%
	80 - 85	9,07%
	85 - 90	8,64%
	90 - 95	5,59%
	95 - 100	
	100 - 105	
	105 - 110	
	110 - 115	
	115+	

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

		%
1st lien mortgage with state guaranty		6,55%
1st lien mortgage without state guaranty		57,82%
Total 1st lien mortgages		64,37%
guaranteed	Crédit Logement	35,63%
	Other	
Total guarantees		35,63%

4.7 **Seasoning (excluding external MBS)**

Months	%
< 12	8,64%
12 - 24	5,71%
24 - 36	10,95%
36 - 60	21,00%
> 60	53,70%

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

	%
Owner occupied	76,25%
Second home	4,25%
Buy-to-let	19,50%
Other	
No data	

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

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

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

	%
Fixed for life	81,71%
Capped for life	13,80%
Floating (1y or less)	2,03%
Mixed (1y+)	2,46%
Other	
No data	

4.11 **Borrowers (excluding external MBS)**

	%
Employees	74,07%
Civil servants	10,27%
Self employed	8,16%
Retired / Pensioner	4,44%
Other non-working	3,06%
No data	

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

Number of loans	424 442
Average outstanding balance (€)	82 464

	% of total cover pool
5 largest exposures (%)	0,01%
10 largest exposures (%)	0,02%

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6 COVERED BONDS
6.1 Outstanding covered bonds

	2013	2012	2011	2010
Public placement	16 585	15 335	15 700	7 000
Private placement	5 552	4 960	7 252	8 155
Sum	22 137	20 295	22 952	15 155
Denominated in €	20 923	19 373	22 855	15 155
Denominated in USD	785	785		
Denominated in CHF				
Denominated in JPY				
Denominated in GBP	292			
Denominated in NOK	137	137	97	
Other				
Sum	22 137	20 295	22 952	15 155
Fixed coupon	17 622	16 072	15 797	7 000
Floating coupon	4 360	4 068	7 000	8 000
Other	155	155	155	155
Sum	22 137	20 295	22 952	15 155

6.2 Issuance

	2013	2012	2011	2010
Public placement	2 250	2 135	8 700	4 500
Private placement	593	708	4 097	
Sum	2 843	2 843	12 797	4 500
Denominated in €	2 550	2 018	12 700	4 500
Denominated in USD		785		
Denominated in CHF				
Denominated in JPY				
Denominated in GBP	293			
Denominated in NOK		40	97	
Other				
Sum	2 843	2 843	12 797	4 500
Fixed coupon	2 550	2 775	8 797	4 500
Floating coupon	293	68	4 000	
Other				
Sum	2 843	2 843	12 797	4 500

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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 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.

4.2.3 **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 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.

Public sector cover pool data

- 6.1 Amounts provided after taking into account FX-Swaps

- 6.2 Amounts provided after taking into account FX-Swaps