

**Final Terms dated 3 November 2010**



**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

**SERIES NO: 516**

**TRANCHE NO: 1**

**EUR 1,000,000,000 3.50 per cent. *Obligations Foncières* due November 2020**

**Issued by: COMPAGNIE DE FINANCEMENT FONCIER (the “Issuer”)**

Issue Price: 99.189 per cent.

**BNP PARIBAS**

**HSBC**

**NATIXIS**

**SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

**UNICREDIT BANK**

**DZ BANK AG**

**NORDDEUTSCHE LANDESBANK GIROZENTRALE**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 1 July 2010 which received visa n°10-214 from the *Autorité des marchés financiers* (the “**AMF**”) on 1 July 2010 and the supplement to the Base Prospectus dated 2 September 2010 which received visa from the AMF n°10-301 on 2 September 2010 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplement to the Base Prospectus are available for viewing on the website of the AMF, and copies may be obtained from Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France.

<b>1</b>	Issuer:	Compagnie de Financement Foncier
<b>2</b>	(i) Series Number:	516
	(ii) Tranche Number:	1
<b>3</b>	Specified Currency or Currencies:	Euro (“ <b>EUR</b> ”)
<b>4</b>	Aggregate Nominal Amount:	
	(i) Series:	EUR 1,000,000,000
	(ii) Tranche:	EUR 1,000,000,000
<b>5</b>	Issue Price:	99.189 per cent. of the Aggregate Nominal Amount
<b>6</b>	Specified Denominations:	EUR 1,000
<b>7</b>	(i) Issue Date:	5 November 2010
	(ii) Interest Commencement Date:	5 November 2010
<b>8</b>	Maturity Date:	5 November 2020
<b>9</b>	Interest Basis:	3.50 per cent. Fixed Rate <i>(further particulars specified below)</i>

10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Call Options:	Not Applicable
13	(i) Status of the Notes:	<i>Obligations Foncières</i>
	(ii) Dates of the corporate authorisations for issuance of Notes obtained:	Decisions of the <i>Conseil d'administration</i> of <i>Compagnie de Financement Foncier</i> dated 15 December 2009 and 27 August 2010 authorising (i) the issue of the Notes, (ii) <i>inter alia</i> , its <i>Président Directeur Général</i> and its <i>Directeur Général Délégué</i> to sign and execute all documents in relation to the issue of Notes, and decision of the <i>Conseil d'administration</i> of the Issuer dated 29 September 2010 authorising the quarterly programme of borrowings which benefit from the <i>privilège</i> referred to in Article L. 515-19 of the French <i>Code monétaire et financier</i> up to and including EUR 6 billion for the fourth quarter of 2010.
14	Method of distribution:	Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15	<b>Fixed Rate Note Provisions</b>	Applicable
	(i) Rate of Interest:	3.50 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	5 November in each year commencing on 5 November 2011.
	(iii) Fixed Coupon Amount:	EUR 35 per EUR 1,000 in nominal amount.
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction (Condition 5(a)):	Actual/Actual (ICMA) (unadjusted)
	(vi) Determination Date(s) (Condition 5(a)):	5 November in each year
	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16	<b>Floating Rate Provisions</b>	Not Applicable
17	<b>Zero Coupon Note Provisions</b>	Not Applicable
18	<b>Index Linked Interest Note/other variable-linked interest Note Provisions</b>	Not Applicable
19	<b>Dual Currency Note Provisions</b>	Not Applicable

## PROVISIONS RELATING TO REDEMPTION

20	<b>Call Option</b>	Not Applicable
21	<b>Other Option</b>	Not Applicable
22	<b>Final Redemption Amount of each Note</b>	EUR 1,000 per Note of EUR 1,000 Specified Denomination
23	<b>Early Redemption Amount</b> Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes: (i) Form of Dematerialised Notes: (ii) Registration Agent: (iii) Temporary Global Certificate: (iv) Applicable TEFRA exemption:	Dematerialised Notes Bearer dematerialised form ( <i>au porteur</i> ) Not Applicable Not Applicable Not Applicable
25	Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates: Adjusted Payment Date (Condition 7(h)):	TARGET The next following business day that is a business day
26	Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on which such Talons mature):	Not Applicable
27	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay:	Not Applicable
28	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
29	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
30	Consolidation provisions:	Not Applicable
31	Representation of holders of Notes <i>Masse</i> (Condition 10)	Applicable The initial Representative will be: MURACEF 5, rue Masseran 75007 Paris France

The alternate Representative will be:

M. Hervé Bernard VALLEE

1, Hameau de Suscy

77390 Crisenoy

France

The Representative will not receive any remuneration

32 Other final terms:

Not Applicable

### **DISTRIBUTION**

33 (i) If syndicated, names and addresses of Managers and underwriting commitments:

#### **Joint Lead Managers:**

##### **BNP PARIBAS**

10 Harewood Avenue

London NW1 6AA

United Kingdom

Underwriting commitment: EUR 194,000,000

##### **HSBC France**

103, avenue des Champs Elysées

75008 Paris

France

Underwriting commitment: EUR 194,000,000

##### **NATIXIS**

30 avenue Pierre Mendès France

75013 Paris

France

Underwriting commitment: EUR 194,000,000

##### **Société Générale**

Tour Société Générale

17, cours Valmy

92987 Paris La Défense Cedex

France

Underwriting commitment: EUR 194,000,000

##### **UNICREDIT BANK AG**

Arabellastrasse 12

D-81925 Munich

Germany

Underwriting commitment: EUR 194,000,000

#### **Co-Lead Managers:**

##### **DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main**

Platz der Republik

60265 Frankfurt am Main

Germany

Underwriting commitment: EUR 15,000,000

**Norddeutsche Landesbank Girozentrale**  
Friedrichswall 10  
30159 Hannover  
Germany  
Underwriting commitment: EUR 15,000,000

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|-----------|--|--|
| (ii)      | Date of Subscription Agreement:                | 3 November 2010                                  |
| (iii)     | Stabilising Manager(s) (if any):               | Not Applicable                                   |
| <b>34</b> | If non-syndicated, name and address of Dealer: | Not Applicable                                   |
| <b>35</b> | Total commission and concession:               | 0.325 per cent. of the Aggregate Nominal Amount. |
| <b>36</b> | Additional selling restrictions:               | Not Applicable                                   |
| <b>37</b> | Non-exempt offer:                              | Not Applicable                                   |

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the *Bourse de Luxembourg* (regulated market of the Luxembourg Stock Exchange) and Euronext Paris (regulated market of the Paris Stock Exchange) of the Notes described herein pursuant to the Euro 125,000,000,000 Euro Medium Term Note Programme of Compagnie de Financement Foncier.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Duly represented by:

## PART B – OTHER INFORMATION

### 1. RISK FACTORS

Not Applicable

### 2. LISTING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the *Bourse de Luxembourg* and on Euronext Paris with effect from 5 November 2010.
- (ii) Additional publication of the Base Prospectus and Final Terms: The Base Prospectus as supplemented and the Final Terms will be published on the website of the *Bourse de Luxembourg* ([www.bourse.lu](http://www.bourse.lu)).
- (iii) Regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading: Not Applicable

### 3. TERMS AND CONDITIONS OF THE OFFER

Not Applicable

### 4. RATINGS

Ratings: The Programme has been rated Aaa by Moody's Investors Service and AAA by Standard & Poor's Ratings Services.

For Moody's Investors Service, Notes issued under the Programme are deemed to have the same rating as the Programme, investors are invited to check on a regular basis the rating assigned to the Programme which is publicly disclosed via Moody's Investors Service rating desk or [moodys.com](http://moodys.com).

The Notes issued under the Programme will be rated AAA by Standard & Poor's Ratings Services<sup>1</sup> and by Fitch Ratings<sup>2</sup>.

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<sup>1</sup> An obligation rated "AAA" has the highest rating assigned by Standard & Poor's Rating Services. The obligor capacity to meet its financial commitment on the obligation is extremely strong (source: Standard & Poor's Ratings Services). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.

<sup>2</sup> "AAA" ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events (source: Fitch Ratings).

## 5. NOTIFICATION

The *Autorité des marchés financiers* in France has provided the *Commission de Surveillance du Secteur Financier* in Luxembourg with certificates of approval attesting that the Base Prospectus dated 1 July 2010 and the supplement dated 2 September 2010 have been drawn up in accordance with the Prospectus Directive.

## 6. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in “Subscription and Sale” so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

## 7. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer:	The net proceeds of the issue of the Notes will be used for the Issuer’s general corporate purposes.
(ii) Estimated net proceeds:	EUR 988,640,000
(iii) Estimated total expenses:	Estimated total listing fees (Paris and Luxembourg): EUR 18,100

## 8. YIELD

Indication of yield:	3.598 per cent. per annum As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
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## 9. HISTORIC INTEREST RATES

Not Applicable

## 10. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

## 11. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not Applicable

## 12. EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING

Not Applicable

## 13. OPERATIONAL INFORMATION

ISIN Code:	FR0010960070
Common Code:	055612269



Depositories:

- (i) Euroclear France to act as Central Depository: Yes
- (ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream Luxembourg: No

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

The Agents appointed in respect of the Notes are:

**Fiscal and Principal Paying Agent:**

Deutsche Bank AG, London Branch  
Winchester House  
1 Great Winchester Street  
EC2N 2DB London  
United Kingdom

**Paris Paying Agent:**

Crédit Foncier de France  
4 Quai de Bercy  
94224 Charenton Cedex  
France

**Luxembourg Listing and Paying Agent:**

Deutsche Bank Luxembourg S.A.  
2 Boulevard Konrad Adenauer  
L-1115 Luxembourg  
Grand-Duchy of Luxembourg

Names and addresses of additional Paying Agent(s) (if any): Not Applicable

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [currency] [•] per Euro 1. 00, producing a sum of: Not Applicable

TRANSLATED FROM FRENCH

# **COMPAGNIE DE FINANCEMENT FONCIER**

**CERTIFICATE OF THE SPECIFIC CONTROLLER  
RELATING TO THE DEBENTURE ISSUE  
AMOUNTING TO EUR 1 BILLION  
PURSUANT TO ARTICLES R.515-13 AND L.515-30  
OF THE FRENCH MONETARY AND FINANCIAL CODE**

**CAILLIAU DEDOUIT ET ASSOCIES**

**19, RUE CLEMENT MAROT  
75008 PARIS**

**COMPAGNIE DE FINANCEMENT FONCIER**

**4, quai de Bercy**

**94224 CHARENTON CEDEX**

**CERTIFICATE OF THE SPECIFIC CONTROLLER RELATING TO THE DEBENTURE ISSUE AMOUNTING TO EUR 1 BILLION PURSUANT TO ARTICLES R.515-13 AND L.515-30 OF THE FRENCH MONETARY AND FINANCIAL CODE**

To the Directors of Compagnie de Financement Foncier,

In our capacity as Specific Controller of your company and pursuant to the provisions set forth in Articles R.515-13 and L.515-30 of the French Monetary and Financial Code, we hereby set out our certification regarding compliance with the rule provided for in Article L.515-20 of the French Monetary and Financial Code within the framework of any issue of mortgage debentures with a unit value of at least EUR 500 million.

In a decision dated September 29, 2010, the Board of Directors of Compagnie de Financement Foncier set the maximum ceiling for the programme for issuing funding that qualify for the privileged right laid down by Article L.515-19 of the French Monetary and Financial Code at EUR 6 billion, for the period from October 1<sup>st</sup> to December 31, 2010.

Within the scope of this quarterly issue programme, in a decision dated October 28, 2010, the chairman of Compagnie de Financement Foncier approved a new issue of funds qualifying for the preferential rights set forth in Article L.515-19 of the French Monetary and Financial Code, for an amount of EUR 1 billion.

Article L.515-20 of the French Monetary and Financial Code states that the total amount of assets held by *sociétés de crédit foncier* (special-purpose real estate credit institutions) must be greater than the amount of liabilities which qualify for the privileged right mentioned in Article L.515-19 of said code. Our responsibility is to certify the compliance of the current transaction with this rule.

Compliance with this rule, after taking into account the aforementioned debenture issue, was verified on the basis of estimated and forecasted financial data, drawn up under the responsibility of your Board of Directors. The forecasted financial data were drawn up on the basis of assumptions which reflect the position that you deemed to be most probable as of the date of the present issue. This information is presented in an appendix to this report.

We performed our review in accordance with the procedures issued from the professional rules and practises of the *Compagnie Nationale des Commissaires aux Comptes* (National Association of Statutory Auditors) that are applicable to this type of assignment. These procedures, based on such financial information, were carried out in order to verify compliance with the rule laid down by Article L.515-20 of the French Monetary and Financial Code and with the methods of calculating the hedge ratio provided for in Regulation n° 99-10 of the French Banking and Financial Regulations Committee.

Our work has also required that we plan and prepare our review leading to an assessment of the fair presentation of the estimated and the forecasted financial data, drawn up as of the closest date of the

present issue, with regard to its consistency, plausibility and relevance, with a view to checking compliance with the rule provided for in Article L.515-20 of the French Monetary and Financial Code. Regarding the forecasted financial data, we have assessed the assumptions used and their statement in figures, considering that, as the forecasts are, by their nature, uncertain, the actual results could differ significantly from the forecasted data presented.

Based on our work, we have no comments to make as regards compliance by Compagnie de Financement Foncier with Article L.515-20 of the French Monetary and Financial Code, which states that the amount of assets must be greater than the amount of preferential liabilities, after taking into account the aforementioned issue.

Paris, November 3, 2010

The Specific Controller

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**CAILLIAU DEDOUT ET ASSOCIES**

Laurent BRUN



**APPENDIX**

**Figures after taking into account the debentures issues for the period from October 1<sup>st</sup> to October 29, 2010 including the present issue of EUR 1 billion (value date November 5, 2010).**

In million of EUR	Estimated figures	Forecasted Figures
	<b>As of September 30, 2010</b>	<b>As of December 31, 2010</b>
Total application of funds	101 256	100 060
Total of weighted assets	96 611	97 916
Total sources of funds that qualify for the privileged right mentioned in Article L. 515-19 of the French Monetary and Financial Code	86 828	88 339

The original certificate in French reads :

Messieurs les Administrateurs de la Compagnie de Financement Foncier,

En notre qualité de contrôleur spécifique de votre société et en exécution des dispositions prévues par les articles R.515-13 et L.515-30 du Code monétaire et financier, nous devons établir une attestation portant sur le respect de la règle prévue à l'article L.515-20 de ce Code, dans le cadre de toute émission d'obligations foncières d'une valeur unitaire au moins égale à EUR 500 millions.

Par décision en date du 29 septembre 2010, le conseil d'administration de la Compagnie de Financement Foncier a fixé le plafond maximum du programme d'émissions de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, à EUR 6 milliards, pour la période allant du 1<sup>er</sup> octobre au 31 décembre 2010.

Dans le cadre de ce programme trimestriel d'émissions, par décision en date du 28 octobre 2010, le Président Directeur Général de la Compagnie de Financement Foncier a autorisé le lancement d'une nouvelle émission de ressources bénéficiant du privilège institué par l'article L.515-19 du Code monétaire et financier, pour un montant de 1 milliard d'euros.

L'article L.515-20 du Code monétaire et financier dispose que le montant total des éléments d'actif des sociétés de crédit foncier doit être supérieur au montant des éléments de passif bénéficiant du privilège mentionné à l'article L.515-19 de ce même Code. Il nous appartient d'attester du respect de cette règle au titre de la présente opération.

Le respect de cette règle, après prise en compte de l'émission visée ci-dessus, a été vérifié sur la base d'informations financières estimées et prévisionnelles établies sous la responsabilité de votre conseil d'administration. Les informations financières prévisionnelles ont été établies à partir des hypothèses traduisant la situation future que vous avez estimée la plus probable à la date de la présente émission. Ces informations sont présentées en annexe à la présente attestation.

Nous avons effectué nos travaux sur la base des diligences que nous avons estimé nécessaires au regard de la doctrine professionnelle de la Compagnie Nationale des Commissaires aux Comptes relative à cette intervention. Ces diligences sont destinées à vérifier, sur la base des informations financières établies, le respect de la règle prévue par l'article L.515-20 du Code monétaire et financier et les modalités de calcul du ratio de couverture prévues par les dispositions du règlement n°99-10 du Comité de la Réglementation Bancaire et Financière.

Nos diligences ont notamment consisté à examiner le processus d'élaboration des informations financières estimées et prévisionnelles, établies à la date la plus proche de celle de la présente émission, afin d'en vérifier la cohérence dans la perspective de contrôler le respect de la règle prévue à l'article L.515-20 du Code monétaire et financier. En ce qui concerne les informations prévisionnelles, nous avons pris connaissance des hypothèses retenues et vérifié leur traduction chiffrée, étant rappelé que, s'agissant de prévisions présentant par nature un caractère incertain, les réalisations différeront parfois de manière significative des informations prévisionnelles établies.

Sur la base de nos travaux, nous n'avons pas d'observation à formuler sur le respect, par la Compagnie de Financement Foncier, de l'article L.515-20 du Code monétaire et financier stipulant que le montant des éléments d'actif doit être supérieur au montant des éléments de passif privilégiés, après prise en compte de la présente émission visée ci-dessus.

Paris, le 3 novembre 2010

Le Contrôleur Spécifique

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**CAILLIAU DEDOUT ET ASSOCIES**

Laurent BRUN



## ANNEXE

**Montants après prise en compte des émissions obligataires réalisées du 1<sup>er</sup> octobre au 29 octobre 2010, y compris la présente émission de 1 milliard d'euros (date de règlement 5 novembre 2010).**

En millions d'euros	Estimé	Prévisionnel
	<b>Au 30 septembre 2010</b>	<b>Au 31 décembre 2010</b>
Total des emplois	101 256	100 060
Total des emplois pondérés	96 611	97 916
Total des ressources bénéficiant du privilège mentionné à l'article L.515-19 du code monétaire et financier	86 828	88 339