MOODY'S
INVESTORS SERVICE

Rating Action: Moody's assigns (P)Aa1/P-1 ratings to 3CIF's government-guaranteed debt securities; outlook negative

Global Credit Research - 08 Mar 2013

London, 08 March 2013 -- Moody's Investors Service has today assigned the following ratings to the eligible debt securities issued by Caisse Centrale du Crédit Immobilier de France (3CIF; Baa2 stable; E/ca), which benefit from the French government's guarantee that was temporarily approved by the European Commission (EC) on 21 February 2013.

- Backed provisional long-term debt rating of (P)Aa1 with a negative outlook to the EUR4 billion Medium-Term Note (MTN) programme

- Backed short-term debt rating of Prime-1 to the EUR7 billion Certificate of Deposit (CD) programme

- Backed short-term deposit rating of Prime-1 to 3CIF, solely benefiting deposits from CIF Euromortgage and CIF Assets.

The (P)Aa1, negative outlook, and P-1 ratings reflect the fact that these 3CIF's obligations are guaranteed by the Republic of France (Aa1 negative).

RATINGS RATIONALE

Moody's has aligned 3CIF's MTN and CD programme ratings, as well as its backed deposit rating, with the ratings of the Republic of France. This reflects the fact that the guarantee provided by the French state on the new senior unsecured issuance programmes complies to a large extent with the principles of credit substitution described in "Moody's Identifies Core Principles of Guarantees for Credit Substitution", 11 November 2010. The government guarantee on the deposits made by CIF Assets and CIF Euromortgage at 3CIF also satisfies these principles.

On 21 February 2013, the EC temporarily approved state aid of EUR18 billion in favour of Crédit Immobilier de France (CIF; unrated). The EC approval is extended for a period of six months, after which the EC will issue its final decision with regards to state support.

The state guarantee in favour of CIF is unconditional, irrevocable, and at first demand. The guarantee is twofold:

- (1) a "financial instrument guarantee" of EUR7 billion on new issuance of euro-denominated senior unsecured debt, with a maximum maturity of three years and issued before or on 31 August 2013. Any call on the guarantee will be made either by the guaranteed noteholders (or their representatives) or by the Banque de France.

- (2) a "deposit guarantee" of EUR11 billion on deposits from CIF Assets and CIF Euromortgage at 3CIF. This guarantee is valid until 31 August 2013 and no call on the guarantee can be made after this date.

Moody's notes that the right of noteholders to call on the financial instrument guarantee expires 45 business days after the contractual maturity date of the guaranteed instrument. Moody's views such a clause as entailing a risk for bondholders that is not consistent with an unconditional guarantee. Nevertheless, Moody's believes the guarantee evidences a clear intent of the French government to fully protect 3CIF's bondholders.

RATIONALE FOR THE NEGATIVE OUTLOOK

The negative outlook on the provisional long-term rating mirrors the negative outlook on France's rating.

WHAT COULD CHANGE THE RATING UP/DOWN

An upgrade of 3CIF's backed long-term debt rating of (P)Aa1 is highly unlikely in light of the current negative outlook on the rating of the Republic of France.

A downgrade of 3CIF's backed long-term debt rating would occur in the event of a downgrade of the rating of the Republic of France.

The principal methodology used in this rating was Moody's Consolidated Global Bank Rating Methodology published in June 2012. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moodys.com.

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