

Press release with effective and complete dissemination

Paris, July 29, 2021

## Results of Compagnie de Financement Foncier for the 1<sup>st</sup> half of 2021

Compagnie de Financement Foncier's Board of Directors met on July 29, 2021, under the chairmanship of Éric Filliat, to approve the 2021 half-year financial statements.

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### I. ACTIVITY OF COMPAGNIE DE FINANCEMENT FONCIER

- **Impact of the COVID-19 health crisis**

During the ongoing and lasting health crisis linked to Covid-19 since March 2020, Compagnie de Financement Foncier continued its activities to serve its customers under very satisfactory conditions.

The estimated overall impact of Covid-19 remains insignificant in the 1<sup>st</sup> half of 2021. Moreover, the cost of risk is very low on the period.

- **Issuance of *obligations foncières* (French covered bonds)**

Compagnie de Financement Foncier continues to refinance Groupe BPCE under optimal conditions in order to support the growth of its various business lines.

In the 1<sup>st</sup> half of 2021, Compagnie de Financement Foncier issued €1.8bn of *obligations foncières* under excellent conditions, of which €300m in the form of private placements.

- In April 2021, Compagnie de Financement Foncier launched its first benchmark of the year for an amount of €1.5bn with a maturity of eight years at a rate of -0.10%. The very good conditions under which this transaction was carried out demonstrate the resilience of Compagnie de Financement Foncier's model, the quality of its financial markets signature and the excellent business relations it maintains with the investors that support it.
- Compagnie de Financement Foncier also issued two multi-callable bonds in registered form (*Namens*) in the private placements segment.

At June 30, 2021, outstanding of *obligations foncières* amounted to €53.4bn.

- **Purchases and assignments of receivables**

In the 1<sup>st</sup> half of 2021, Compagnie de Financement Foncier offered funding for over €1bn in assets, splitted between loans to the public sector granted by Caisse d'Épargne and Banque Populaire banks in particular (€743m, of which €104m off-balance sheet) and mortgage-backed securities purchased directly from Crédit Foncier.

## **II. COMPAGNIE DE FINANCEMENT FONCIER'S INCOME STATEMENT**

*In millions of euros*

	<b>1<sup>st</sup> half of 2021</b>	<b>1<sup>st</sup> half of 2020</b>
<b>Net interest margin</b>	<b>114</b>	<b>76</b>
Net commissions	16	19
Other bank operating charges	-2	-2
<b>Net banking income</b>	<b>128</b>	<b>93</b>
General operating expenses	-55	-52
<b>Gross operating income</b>	<b>73</b>	<b>41</b>
Cost of risk	1	1
Gains or losses on fixed assets	0	20
<b>Income before tax</b>	<b>75</b>	<b>62</b>
Income tax	-24	-23
<b>Net income</b>	<b>51</b>	<b>39</b>

*\*Proforma taking into account the reclassification of the BPCE central body contribution under general operating expenses to net banking income (Group standards) and the reclassification of a provision for other NBI expenses to net interest margin.*

Net banking income amounted to €128m in the 1<sup>st</sup> half of 2021, up mainly due to an increase in the net interest margin compared to last year.

General operating expenses were €55m, including €38m for services provided by Crédit Foncier.

Gross operating income amounted to €73m.

The cost of risk remained insignificant with a net reversal of €1m in the 1<sup>st</sup> half of 2021.

Net income was €51m at June 30, 2021

## **III. BALANCE SHEET INFORMATION**

Compagnie de Financement Foncier's balance sheet totaled €64.9bn at June 30, 2021, compared with €68.5bn at December 31, 2020.

Doubtful loans totaled €1.2bn at June 30, 2021, down €107m from December 31, 2020. Housing loans to private individuals made up 99% of these loans.

#### IV. PRUDENTIAL INFORMATION

Although exempted from regulatory requirements concerning solvency ratios, Compagnie de Financement Foncier calculates a Common Equity Tier One ratio for indicative purposes. As of June 30, 2021, this ratio remained well above the minimum thresholds specified in CRR regulation 575/2013.

In accordance with the law applicable to *sociétés de crédit foncier*, Compagnie de Financement Foncier maintains a coverage ratio greater than 105%.

#### Appendix

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*Unless otherwise specified, the financial information included in this press release is estimated and taken from the financial statements of Compagnie de Financement Foncier. Those statements include the individual accounts and related explanatory notes, prepared in compliance with French accounting standards and the applicable BPCE standards.*

*At the date of this press release, the audit of the half-year financial statements by the Statutory Auditors ("Commissaires aux comptes") is still in progress.*

*Compagnie de Financement Foncier is a credit institution registered as a specialized credit institution and a "société de crédit foncier", a French legal obligations foncières issuer, an affiliate of BPCE and fully-owned by Crédit Foncier and Groupe BPCE.*

*Regulated information is available on our website [www.foncier.fr](http://www.foncier.fr) under "Financial communication/Regulated information".*

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