

Press release for effective and full distribution

Paris, February 9, 2023

Compagnie de Financement Foncier results in 2022

On February 9, 2023, the Board of Directors of Compagnie de Financement Foncier met under the chairmanship of Éric FILLIAT to approve the 2022 annual financial statements.

I. ACTIVITY OF COMPAGNIE DE FINANCEMENT FONCIER

Compagnie de Financement Foncier achieved solid commercial and financial performances in 2022, a year marked by a return of inflation and volatility on the markets, phenomena amplified by the impact of the Russian-Ukrainian conflict. In this context of deteriorating economic growth and a sharp rise in interest rates, the resilience of the covered bond market is a major asset for the refinancing of Groupe BPCE activities by Compagnie de Financement Foncier.

▪ Issuance of covered bonds

In 2022, Compagnie de Financement Foncier issued €4.6bn of *obligations foncières* at competitive financial conditions, including 3 public euro benchmark issuances.

In March 2022, it completed its first benchmark of the year for €1.25bn with a maturity of 6 years. This issuance, carried out at satisfactory margin levels despite the Russian-Ukrainian conflict, is a reminder of investors' confidence in the quality of Compagnie de Financement Foncier's credit rating.

In April 2022, it made a return to the Swiss franc market for French covered bonds with an issuance of an equivalent amount of €255m with a maturity of seven years.

Finally, in the private placement segment, Compagnie de Financement Foncier confirmed its innovative and customized positioning with €500m of transactions recorded in 2022.

These performances confirm Compagnie de Financement Foncier's role as a historical benchmark issuer and the continued interest of investors in covered bonds in general.

▪ Awarded the "European Covered Bond Premium" label

As of July 8, 2022, Compagnie de Financement Foncier has been authorized by the French prudential supervisory and resolution authority to use the demanding "European Covered Bond Premium" label initiated by the Covered Bonds Directive for its future issuances.

Covered bonds issued before July 8, 2022 continue to benefit from preferential prudential treatment.

▪ **Funding of Groupe BPCE receivables**

In accordance with its strategic guidelines, Compagnie de Financement Foncier refinanced a total of €4.7bn in receivables for Groupe BPCE institutions (excluding transactions initiated in 2021 for €0.2bn). Fiscal 2021, which was already growing, had recorded €3.2bn in refinancing.

The significant increase in refinanced volumes in 2022 reflects the success of the scheme and the acceleration of the diversification strategy developed with Groupe BPCE, which allows Compagnie de Financement Foncier to finance various business lines of the Group at very competitive conditions.

II. COMPAGNIE DE FINANCEMENT FONCIER INCOME STATEMENT

<i>In millions of euros</i>	2022	2021
Net interests margin	228	223
Net commissions	22	30
Other bank operating charges (net)	-3	-1
Net banking income	247	252
General operating expenses	-85	-103
Gross operating income	162	149
Cost of risk	7	7
Gains or losses on long-term investments	0	0
Income before tax	169	156
Income tax	-49	-50
Net income	120	106

Net banking income was stable overall at €247m, due to a slight increase in the net interest margin as a result of higher interest rates and lower volumes of early repayments and renegotiations of real estate loans to individual customers.

General operating expenses amounted to €85m, down from the previous year due to lower billing for services provided by Crédit Foncier.

Gross operating income reached €162m, up €13m compared with 2021.

The cost of risk for 2022 was a net reversal of €7m, reflecting the quality of the assets carried on Compagnie de Financement Foncier's balance sheet.

Net income amounted to €120m at December 31, 2022, compared with €106m at December 31 2021.

III. BALANCE SHEET INFORMATION

Compagnie de Financement Foncier's total balance sheet amounts to €60.5bn.

The refinancing of Groupe BPCE institutions by Compagnie de Financement Foncier in 2022 mainly involved public sector assets, increasing the relative proportion of this type of asset in Compagnie de Financement Foncier's balance sheet.

At the end of 2022, the outstanding amount of covered bonds amounted to €51.6bn, including related payables, down from €53.7bn at December 31, 2021.

IV. PRUDENTIAL INFORMATION

Although exempt from regulatory requirements with respect to solvency ratios, Compagnie de Financement Foncier establishes, for information purposes, a Common Equity Tier One (CET 1) ratio at its limits. At December 31, 2022, the latter amounted to 25.5% and remains well above the minimum threshold provided for by Regulation 575/2013 (CRR).

In accordance with the legislation applicable to *sociétés de crédit foncier*, Compagnie de Financement Foncier maintains a coverage ratio for its privileged liabilities of over 105%.

Appendices

Unless otherwise stated, the financial data in this press release are currently estimated and taken from the financial statements of Compagnie de Financement Foncier. These include the individual financial statements and related explanatory notes, prepared in accordance with French accounting standards and the applicable BPCE standards.

As of the date of publication of this press release, the audit procedures carried out by the Statutory Auditors on the annual financial statements are ongoing.

Compagnie de Financement Foncier is a credit institution approved as a specialized credit institution and a société de crédit foncier, affiliated with BPCE and a wholly-owned subsidiary of Crédit Foncier and Groupe BPCE.

Regulated information is available on the website www.foncier.fr in the "Investor relations/Regulated information" section.

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