

Press release for full and effective distribution

Paris, January 31, 2024

Compagnie de Financement Foncier's results in 2023

On January 31, 2024, the Board of Directors of Compagnie de Financement Foncier, chaired by Éric FILLIAT, met to approve the 2023 annual financial statements.

I. COMPAGNIE DE FINANCEMENT FONCIER'S ACTIVITIES

At a time of macro-economic uncertainty affected by rising interest rates and slowing growth, Compagnie de Financement Foncier turned in a solid commercial and financial performance in 2023. This success reflects the quality of its business model, the renewed confidence of its investors and the strong interest of Groupe BPCE institutions in the competitive refinancing it offers.

▪ Issuance of covered bonds

In a market characterized by a contraction in liquidity, Compagnie de Financement Foncier achieved a significant issuance volume of €4.5bn at competitive levels.

In the 1st half of 2023, Compagnie de Financement Foncier optimized its operations on the public market, with two euro benchmark issuances totaling €2.75bn:

- In March 2023, Compagnie de Financement Foncier completed its first benchmark of the year, in the amount of €1.75bn with a maturity of 8.5 years. The significant level of oversubscription and the high granularity of the order book confirm the success of this operation.
- In May 2023, a second issuance was carried out, in the amount of €1bn with a maturity of 6 years. This transaction, carried out in a more volatile market, confirmed Compagnie de Financement Foncier's ability to issue significant volumes in all circumstances.

In October 2023, as part of Groupe BPCE's Sustainable Bond Program, Compagnie de Financement Foncier launched its inaugural €500m 5-year social bond, which has been warmly welcomed by the market. This innovative transaction refinances both public health infrastructure projects and social housing.

In 2023, the currency diversification strategy continued with issuances in CHF worth €533m and issuances in USD worth €184m. Issuances in foreign currencies thus represented more than 15% of business in 2023.

- **Refinancing of Groupe BPCE receivables**

In accordance with its strategic guidelines, Compagnie de Financement Foncier refinanced a total of €4.8bn in receivables contributed by Groupe BPCE institutions, a volume that was up on 2022.

This performance, achieved in an environment of rising interest rates, confirms the success of the scheme and the relevance of the diversification strategy developed with Groupe BPCE, which enables Compagnie de Financement Foncier to finance various Group business lines on very competitive terms.

II. COMPAGNIE DE FINANCEMENT FONCIER'S INCOME STATEMENT

<i>In millions of euros</i>	2023	2022
Net interest margin	219	228
Net fees and commissions	13	22
Other bank operating charges (net)	-2	-3
Net banking income	230	247
General operating expenses	-68	-85
Gross operating income	162	162
Cost of risk	3	7
Gains or losses on long-term investments	0	0
Income before tax	165	169
Income tax	-46	-49
Net income	119	120

Net banking income remained solid at €230m, against a backdrop of a sharp fall in early repayments and renegotiations on individual customer loans.

General operating expenses came to €68m, down on the previous year due to lower invoicing for services provided by Crédit Foncier and a lower charge for contributions to the Single Resolution Fund (SRF).

Gross operating income reached €162m, stable compared to 2022.

The cost of risk showed a net reversal of €3m, reflecting the quality of the assets carried on Compagnie de Financement Foncier's balance sheet.

Net income amounted to €119m at December 31, 2023 compared with €120m at December 31, 2022.

III. BALANCE SHEET INFORMATION

Compagnie de Financement Foncier's total balance sheet amounted to €60.3bn.

In 2023, Compagnie de Financement Foncier's refinancing of Groupe BPCE institutions mainly concerned the Public Sector, increasing the relative proportion of this type of asset on Compagnie de Financement Foncier's balance sheet.

At the end of 2023, outstanding covered bonds amounted to €51.7bn, including related liabilities, close to the situation at December 31, 2022 (€51.6bn).

IV. PRUDENTIAL INFORMATION

Although exempt from regulatory requirements in terms of solvency ratios, Compagnie de Financement Foncier calculates, within its scope and for information purposes, a Common Equity Tier One (CET 1) ratio. At December 31, 2023, this ratio was 27.0 %, well above the minimum threshold provided for by Regulation 575/2013 (CRR).

In accordance with the legislation applicable to French *sociétés de crédit foncier* (real estate credit companies), Compagnie de Financement Foncier maintains a coverage ratio of its privileged liabilities of more than 105%.

Appendices

Unless otherwise stated, the financial data in this press release are, to date, estimated and taken from Compagnie de Financement Foncier's financial statements. These include the individual financial statements and the related explanatory notes, prepared pursuant to French accounting standards and the applicable Groupe 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, officially registered as a specialized credit institution and a "société de crédit foncier"; it is affiliated with BPCE and is a wholly-owned subsidiary of Crédit Foncier and Groupe BPCE.

Regulated information is available on the www.foncier.fr website in the "Financial communication/Regulated information" section.

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