

SECOND SUPPLEMENT DATED 24 FEBRUARY 2022
TO THE BASE PROSPECTUS DATED 15 JUNE 2021



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

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 15 June 2021 (the “**Base Prospectus**”) which has been prepared by Compagnie de Financement Foncier (the “**Issuer**”) with respect to its €125,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) and the first supplement dated 30 August 2021 (the “**First Supplement**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”). The *Autorité des marchés financiers* (the “**AMF**”) has approval number no. 21-226 on 15 June 2021 on the Base Prospectus and approval number no. 21-371 on 30 August 2021 on the First Supplement.

Terms defined in the Base Prospectus have the same meaning when used in this Second Supplement.

This Second Supplement has been approved by the AMF in France in its capacity as competent authority pursuant to the Prospectus Regulation. The AMF only approves this Second Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or of the quality of the Notes which are the subject of the Base Prospectus as supplemented. Investors should make their own assessment as to the suitability of investing in the Notes. This Second Supplement constitutes a supplement to the Base Prospectus, and has been prepared for the purpose of Article 23 of the Prospectus Regulation.

Application has been made to the AMF in France for the notification of a certificate of approval released to the *Commission de Surveillance du Secteur Financier* in Luxembourg for Notes issued under the Programme to be listed and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, such notification being made in its capacity as competent authority under Article 8 of the Prospectus Regulation.

Save as disclosed in this Second Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus, as supplemented, that could significantly and negatively affect the assessment of the Notes. To the extent that there is any inconsistency between (a) any statements in this Second Supplement and (b) any other statement in, or incorporated in, the Base Prospectus, as supplemented by the First Supplement, the statements in the Second Supplement will prevail.

Copies of this Second Supplement (a) may be obtained, free of charge, at the principal place of business of the Issuer, 4, Quai de Bercy, 94224 Charenton, France, during normal business hours, and (b) will be available on the Issuer’s website (www.foncier.fr) and on the website of the AMF (www.amf-france.org).

This Second Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the purposes of:

- (i) including the press release dated 7 February 2022 “Compagnie de Financement Foncier results in 2021” and the financial information as at 31 December 2021 (extract from 2021 unaudited annual accounts) in the Section “RECENT DEVELOPMENTS” of the Base Prospectus;
- (ii) updating Section “DESCRIPTION OF COMPAGNIE DE FINANCEMENT FONCIER”; and
- (iii) updating Section “GENERAL INFORMATION” of the Base Prospectus.

To the extent applicable, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right to withdraw their acceptances by no later than 1 March 2022, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period or the delivery of the Notes, whichever occurs first. Investors may contact the Authorised Offerors should they wish to exercise the right of withdrawal.

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1. DESCRIPTION OF COMPAGNIE DE FINANCEMENT FONCIER

On page 109, the third paragraph of the sub-Section entitled “I) INFORMATION ABOUT THE ISSUER – History and development of the Issuer” of the Base Prospectus is deleted and replaced as follows:

“The registered office of the Issuer is located at 182 avenue de France, 75013 Paris, France and is registered with the Trade and Companies Registry of Paris under reference number 421 263 047 RCS Paris.”

2. RECENT DEVELOPMENTS

On page 128, the following paragraphs are included in Section “RECENT DEVELOPMENTS” of the Base Prospectus:

“Press release dated 7 February 2022 – Compagnie de Financement Foncier results in 2021

Compagnie de Financement Foncier’s Board of Directors met on February 7, 2022, under the chairmanship of Éric FILLIAT, to approve the 2021 annual financial statements.

I. ACTIVITY OF COMPAGNIE DE FINANCEMENT FONCIER

During the ongoing Covid - 19 health crisis, Compagnie de Financement Foncier had a year 2021 marked by strong commercial and financial performance. This success is due to the quality of its business model, renewed investor confidence and the growing interest of Groupe BPCE institutions for the attractive funding it offers.

- **Issuance of *Obligations foncières***

As a recognized player in Groupe BPCE's funding strategy for mortgage and public sector assets, Compagnie de Financement Foncier has once again demonstrated that it is a key issuer through its ability to offer investors customized products and to seize the best market opportunities. These attributes enable it to offer highly competitive funding to Groupe BPCE institutions for the development of their public sector activities.

In 2021, Compagnie de Financement Foncier issued €4.8bn of *obligations foncières*, including 3 public euro benchmark issuances at attractive financial terms. During the year, Compagnie de Financement Foncier distinguished itself on the market with a €1.5bn dual-tranche 20-year and 6-year issuance. In the private placement segment, with €0.3bn of issuances, including two multi-callable issuances, Compagnie de Financement Foncier confirmed its positioning on a differentiated offer adapted to investors' needs.

The success of these transactions attests to the quality credentials of Compagnie de Financement Foncier, which has a loyal, diversified and active investor base, as illustrated by the high levels of oversubscription observed on its public issuances for many years.

- **Funding of Groupe BPCE receivables**

In accordance with its strategic guidelines, Compagnie de Financement Foncier funded public receivables offered by Groupe BPCE institutions in the amount of €3.2bn in 2021. Fiscal year 2020, which was already growing, had recorded €2.6bn in funding.

II. COMPAGNIE DE FINANCEMENT FONCIER'S INCOME STATEMENT

<i>In millions of euros</i>	2021	2020
Net interest margin	223	117
Net commissions	30	34
Other bank operating charges	-1	-5
Net banking income	252	146
General operating expenses	-103	-93
Gross operating income	149	54
Cost of risk	7	4
Gains/losses on fixed assets	0	20
Income before tax	156	78
Income tax	-50	-31
Net income	106	47

Net banking income amounted to €252m, up €106m on 2020 mainly due to a higher net interest margin, more favorable issuance terms and a change in average outstanding assets benefiting from the positive dynamics of funding offered to Groupe BPCE entities.

General operating expenses amounted to €103m, up €10m on the previous year, mainly due to the increase in the remuneration of Crédit Foncier's services in the private sector (including an adjustment for 2020).

Cost of risk was a net reversal of €7.5m, reflecting the quality of the assets carried on Compagnie de Financement Foncier's balance sheet.

The overall tax expense amounted to €50m.

Net income was €106m, up sharply compared to 2020.

III. BALANCE SHEET INFORMATION

At the end of 2021, outstanding *obligations foncières* amounted to €53.7bn, including related payables.

Compagnie de Financement Foncier's balance sheet totaled €63.9bn at the end of 2021, compared with €68.5bn at the end of 2020.

The assets funded by Compagnie de Financement Foncier for the Group's institutions in 2021 are mainly in the public sector, increasing their proportion on Compagnie de Financement Foncier's balance sheet.

IV. PRUDENTIAL INFORMATION

Although exempt from regulatory requirements with regard to solvency ratios, Compagnie de Financement Foncier calculates a Common Equity Tier One (CET 1) ratio for indicative purposes. At December 31, 2021, this ratio was 27.2% and remains well above the minimum threshold provided for by CRR Regulation 575/2013.

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

Appendices

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

At the date of this press release, the audit of the annual financial statements by the Statutory Auditors is still in progress.

Compagnie de Financement Foncier is a credit institution registered as a specialized credit institution and a société de crédit foncier, an affiliate of BPCE and is fully owned by Crédit Foncier and Groupe BPCE.

Regulated information is available on our website www.foncier.fr under "Financial Communication/Regulated Information".

Financial information as at 31 December 2021 (extract from 2021 unaudited annual accounts), 31 December 2020 (extract from 2020 audited annual accounts) and 31 December 2019 (extract from 2019 audited annual accounts)

BALANCE SHEET *(in thousands of euros)*

▪ Assets	12/31/2021	12/31/2020	12/31/2019
Cash and amounts due from central banks	679,000	1,349,339	1,564,443
Treasury bills and equivalent	3,052,586	3,196,527	3,236,924
Loans and receivables due from credit institutions	22,073,625	23,733,098	23,067,067
▪ Demand	51,508	50,858	56,372
▪ Term	22,022,118	23,682,240	23,010,695
Customers transactions	33,777,035	35,339,082	37,626,531
▪ Other facilities granted to customers	33,777,035	35,339,082	37,626,531
Bonds and other fixed-income securities	3,086,251	3,220,625	4,093,758
Equity interests and other long term investments	0	0	0
Intangible assets and property plant and equipment	0	0	0
Other assets	15,690	79,391	102,017
Accrual accounts	1,250,744	1,537,408	1,771,111
TOTAL ASSETS	63,934,931	68,455,470	71,461,851

▪ Liabilities	12/31/2021	12/31/2020	12/31/2019
Central banks	0	0	0
Amounts due to credit institutions	5,009,751	6,268,175	4,436,533
▪ Demand	0	0	2,827
▪ Term	5,009,751	6,268,175	4,433,706
Amounts due to customers	0	0	0
▪ Demand	0	0	0
Debt securities	53,673,477	56,443,309	60,515,318
▪ Interbank market instruments and negotiable debt securities	0	0	151,288
▪ Bonds (obligations foncières)	53,673,477	56,443,309	60,364,030
Other liabilities	484,649	1,035,086	1,124,247
Accrual accounts	1,541,693	1,554,226	2,137,320
Provisions	12,425	602	30,226
Subordinated debt	0	0	0
Fund for general banking risks	20,000	20,000	20,000
Equity excluding fund for general banking risks	3,192,937	3,134,072	3,198,207
▪ Subscribed capital	2,537,460	2,537,460	2,537,460
▪ Additional paid-in capital	343,002	343,002	343,002
▪ Reserves	134,475	132,117	126,553
▪ Regulated provisions and investment subsidies	0	0	0
▪ Retained earnings	71,995	74,352	79,914
▪ Income to be allocated	0	0	0
▪ Net income for the period	106,004	47,141	111,278
TOTAL LIABILITIES	63,934,931	68,455,470	71,461,851

INCOME STATEMENT (in thousands of euros)

	12/31/2021	12/31/2020	12/31/2019
Interest and similar income	1,728,256	1,841,107	2,027,376
Interest and similar expenses	-1,505,678	-1,723,964	-1,837,690
Net interest margin	222,577	117,143	189,686
Fees and commissions income	31,307	35,311	42,279
Fees and commissions expenses	-937	-853	-2,090
Net gains or losses on trading books transactions	-88	-53	-212
Other banking income	18,010	53	1,376
Other banking expenses	-19,345	-5,232	-3,831
Net banking income	251,524	146,368	227,208
Payroll costs	-41	-44	-49
Taxes and regulated provisions	-4,742	-4,380	-3,674
External services and other expenses	-98,135	-88,381	-76,199
Amortization	0	0	0
Total operating expenses	-102,918	-92,805	-79,922
Gross operating income	148,606	53,563	147,286
Cost of risk	7,452	4,314	11,487
Operating income	156,058	57,878	158,773
Gains or losses on long-term investments	0	20,047	9,930
Income before tax	156,058	77,925	168,703
Non-recurring income	0	0	0
Income tax	-50,053	-30,784	-57,425
NET INCOME	106,004	47,141	111,278
Earnings per share ⁽¹⁾ (in €)	0.67	0.30	0.70
Diluted earnings per share (in €)	0.67	0.30	0.70

(1) Earnings per share are calculated by dividing net income by the average number of shares during the fiscal year.

3. UPDATE OF THE SECTION “GENERAL INFORMATION” OF THE BASE PROSPECTUS

On page 213, paragraph 5 of Section “GENERAL INFORMATION” of the Base Prospectus, as supplemented by the First Supplement, is deleted and replaced as follows:

“5 No significant change in the financial position or financial performance of the Issuer

Except as disclosed in this Base Prospectus, there has been no significant change in the financial position or financial performance of the Issuer since 31 December 2021.”

4. PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE SECOND SUPPLEMENT

In the name of the Issuer

We declare, to the best of our knowledge, that the information contained in this Second Supplement (when read together with the Base Prospectus, as supplemented by the First Supplement) is in accordance with the facts and that it contains no omission likely to affect its import.

Compagnie de Financement Foncier

182 avenue de France
75013 Paris
France

Duly represented by: Paul Dudouit
Directeur Général Délégué / Deputy C.E.O.
Duly authorized
on 24 February 2022



Autorité des marchés financiers

This Second Supplement has been approved on 24 February 2022 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Second Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval is not a favourable opinion on the Issuer and on the quality of the Notes described in this Second Supplement.

This Second Supplement obtained the following approval number: n° 22-046.