



**COMPAGNIE DE FINANCEMENT FONCIER**

# 2022 UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report



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The elements of the Annual financial Report are identified using the pictogram ■

The Extra-Financial Performance Declaration is identified using the pictogram ●

Abbreviations used in the document:  
Thousands of euros: €k  
Millions of euros: €M  
Billion euros: €bn

COMPAGNIE DE FINANCEMENT FONCIER

# 2022 UNIVERSAL REGISTRATION DOCUMENT

including the annual financial report



This is a free translation into English of Compagnie de Financement Foncier 2022 Universal registration document issued in the French language and it is available on the website of the Issuer. In case of discrepancy the French version prevails. Only the French version of the Registration document has been submitted to the *Autorité des Marchés Financiers* (French Financial Market's Authority). It is therefore the only version that is binding in law.

This Universal Registration Document was filed on March 21, 2023 with the *Autorité des marchés financiers* (AMF), the French financial markets authority, as the competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of that Regulation. This Universal Registration Document may be used for the purposes of an offer to the public of securities or the admission of securities to trading on a regulated market if supplemented by a securities note and, as appropriate, a summary and any amendments to the Universal Registration Document. The entire documentation is then approved by the AMF pursuant to regulation (EU) 2017/1129.



# MESSAGE FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

“The resilience of the covered bond market allows Groupe BPCE to access inexpensive liquidity even when economic conditions are less favorable.,,



**ÉRIC FILLIAT**  
Chairman of the  
Board of Directors



**OLIVIER AVIS**  
Chief Executive Officer

**2** 022 once again delivers solid commercial and financial performance for Groupe BPCE in a deteriorated environment.

In a context of declining economic growth and a sharp increase in interest rates against a backdrop of rising inflation, Compagnie de Financement Foncier once again demonstrated its leading position in the European covered bond market by issuing €4.6bn in secured financing with long maturities at very satisfactory levels. Last April, Compagnie de Financement Foncier made a remarkable return to the Swiss franc market with a CHF issuance worth €255m with a 7-year maturity. This transaction was widely acclaimed by the market.

Unlike alternative sources of refinancing which have risen sharply in more volatile financial markets, the good level of refinancing offered by Compagnie de Financement Foncier gives Groupe BPCE a decisive competitive advantage. The resilience of the covered bond market allows Groupe BPCE to access inexpensive liquidity even when economic conditions are less favorable.

Investor support for Groupe BPCE's refinancing strategy remained strong, as evidenced by the high oversubscription rates observed for our 2022 issuances.

As of July 8, 2022, Compagnie de Financement Foncier also received recognition of the very demanding "European Covered Bond Premium" label for its future issuances. This label confirms the quality of the cover pool of our refinancing vehicle and its optimal positioning with investors.

Fiscal year 2022 continued Compagnie de Financement Foncier's strategy of refinancing Groupe BPCE's public sector and commercial real estate assets, and saw the first refinancing of residential real estate: €413.6m of residential real estate loans dedicated to loans for low-income households and partially guaranteed by the FGAS were able to benefit from the scheme. Volumes were once again growing strongly in 2022 with €4.7bn of refinancing set up for the Group (excluding transactions initiated in 2021 for €0.2bn).

These very positive results for 2022, achieved in a complex environment, lead us to approach 2023 with enthusiasm, confidence and determination, certain of the quality and resilience of our model. In 2023, Compagnie de Financement Foncier and its teams will once again be on hand to meet the expectations of Groupe BPCE's investors and institutions within the framework of the strategic plan.

 2022 results

**€4,6 bn**  
ISSUED

**€255 M**  
CFH ISSUANCE

**€4,7 bn**  
REFINANCED ASSETS  
FOR GROUPE BPCE

# PROFILE

A wholly-owned subsidiary of Crédit Foncier [A-(stable)/A1(stable)/A+(*negative*)/A+(stable)]<sup>(1)</sup>, an affiliate of BPCE [A(stable)/A1(stable)/A+(*negative*)/A+(stable)]<sup>(2)</sup>, Compagnie de Financement Foncier is a credit institution registered as a specialist credit institution and a *Société de Crédit Foncier*, a French legal covered bonds issuer.

Compagnie de Financement Foncier's covered bonds, rated [AAA(stable)/Aaa(stable)/AAA(stable)]<sup>(3)</sup>, are French legal covered bonds that comply with European directives UCITS 52-4<sup>(4)</sup> and CRD<sup>(5)</sup> as well as with Article 129 of the European Capital Requirements Regulation (CRR)<sup>(6)</sup>. All *obligations foncières* of Compagnie de Financement Foncier are eligible for the European Central Bank (ECB) refinancing operations except for some private placements and issues in foreign currencies.

Since 2012, Compagnie de Financement Foncier is a member of the ECBC (European Covered Bond Council) Covered Bond Label.

In 2022, Compagnie de Financement Foncier remains a major player in its market, with €51.6bn of covered bonds outstanding (including related receivables) as of December 31, 2022 and an issuance volume of €4.6bn.

**€51.6bn**

**COVERED BONDS OUTSTANDING**  
(including related payables)

**€4.6bn**

**ISSUANCE OF COVERED BONDS**  
at December 31, 2022

## Our strategy and our mission

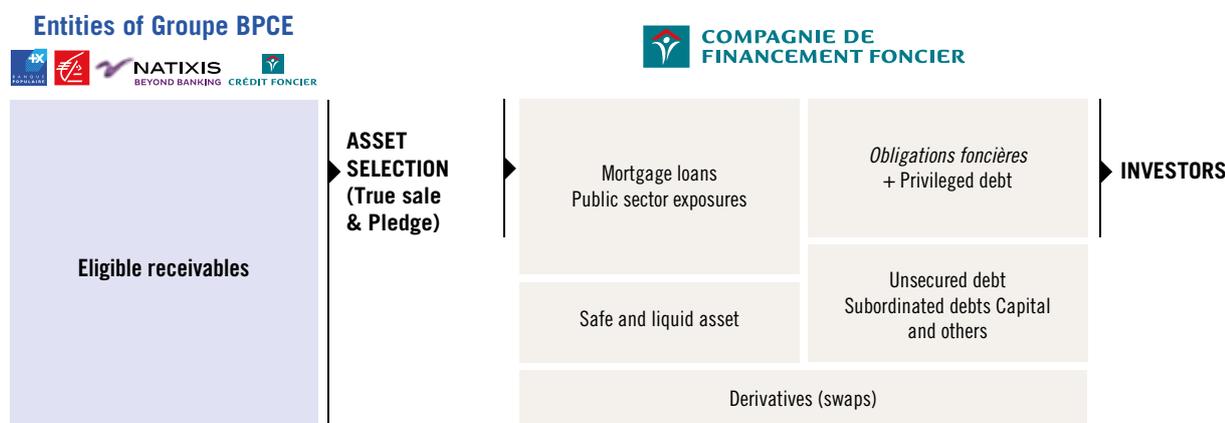
Compagnie de Financement Foncier refinances the lending activities of Groupe BPCE entities in the public and mortgage sectors on extremely favorable terms, in particular public sector financing but also the residential and commercial mortgage sector. It also continues to refinance outstanding loans initially originated by Crédit Foncier.

Compagnie de Financement Foncier is firmly committed to serving Groupe BPCE and has set itself the task of raising resources on the markets at particularly competitive levels, through the issuance of AAA-rated covered bonds<sup>(3)</sup>. The permanent search for quality assets and optimization of the balance sheet structure contribute to successfully fulfilling this mission.

Since July 8, 2022, Compagnie de Financement Foncier's new preference issuances benefit from the "European Covered Bond Premium" label.

# ACTIVITY

## Business model of Compagnie de Financement Foncier



(1) Standard & Poor's/Moody's/Fitch Ratings/Scope Ratings, updated as of the 2022 Universal Registration Document's filing date.

(2) Standard & Poor's/Moody's/Fitch Ratings, updated as of the 2022 Universal Registration Document's filing date.

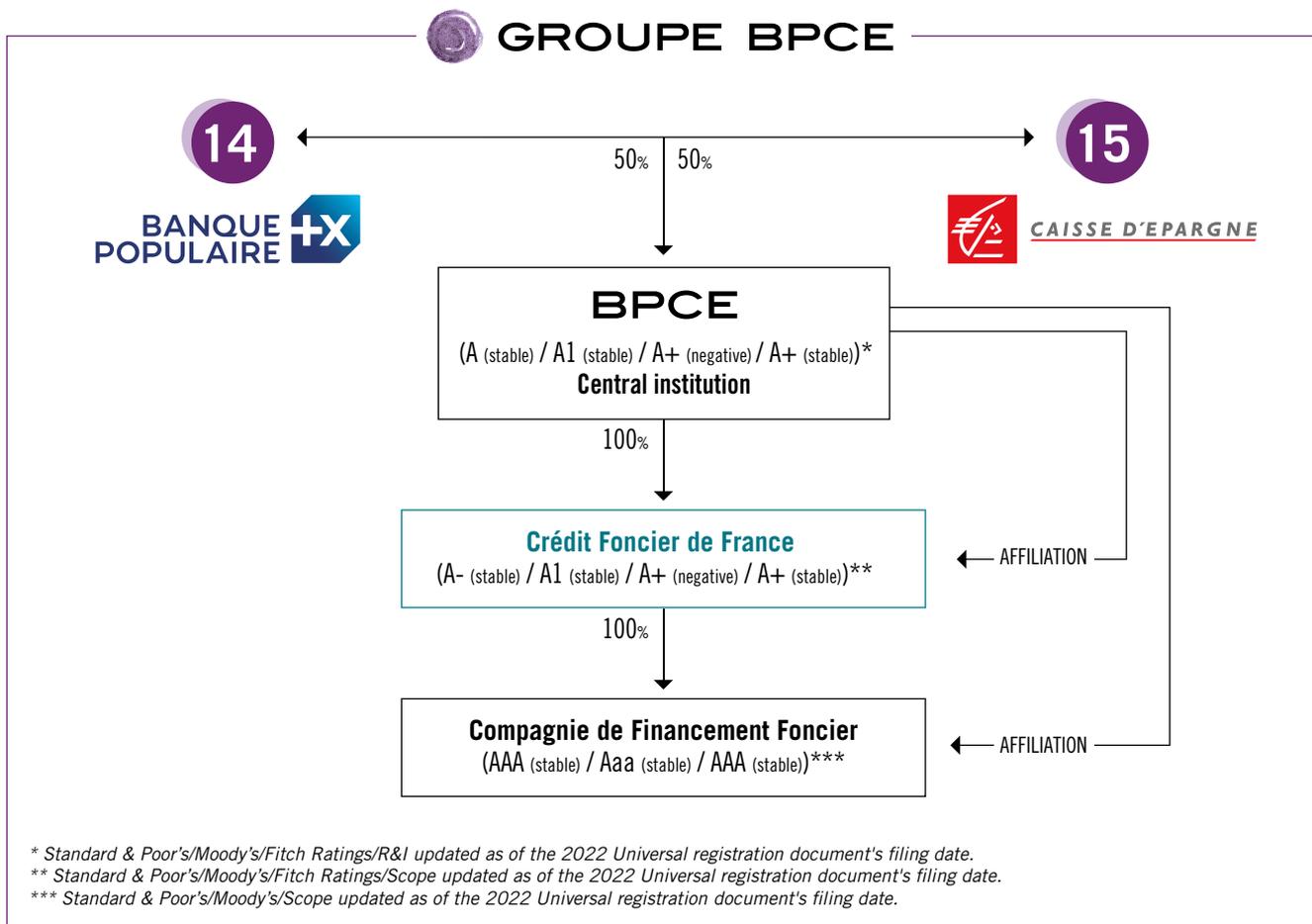
(3) Standard & Poor's/Moody's/Scope Ratings, updated as of the 2022 Universal Registration Document's filing date.

(4) UCITS: Undertakings for Collective Investment in Transferable Securities, a directive on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

(5) CRD: Capital Requirements Directive.

(6) CRR: Capital Requirements Regulation.

# POSITIONING WITHIN GROUPE BPCE



## HIGHLIGHTS OF 2022

### Funding

**€4.6BN, TOTAL AMOUNT OF PUBLIC ISSUANCES AND PRIVATE PLACEMENTS CARRIED OUT BY COMPAGNIE DE FINANCEMENT FONCIER IN 2022.**

**SUCCESS OF BENCHMARKS ISSUED BY COMPAGNIE DE FINANCEMENT FONCIER.**

- €1.25bn six-year bond issuance in March: the longest covered bond maturity since the beginning of the Ukrainian crisis.
- €1.25bn with a 7.5-year maturity in September: a high level of oversubscription that confirms the strong support of investors for the refinancing strategy of Groupe BPCE entities' lending business.
- €1.35bn with a maturity of 4.5 years in November: a new successful issuance in a context of rising interest rates that reflects the historical resilience of Compagnie de Financement Foncier.

**Compagnie de Financement Foncier made a remarkable return to the Swiss franc market with a seven-year CHF issuance with an equivalent value of €255m.**

**€500m in private placements: recognition of Compagnie de Financement Foncier's know-how and desire to innovate, which once again demonstrates its ability to offer innovative and customized investment solutions to its customers.**

### Compagnie de Financement Foncier – supporting Groupe BPCE

**€4.7BN, TOTAL AMOUNT OF FUNDING GRANTED TO GROUP INSTITUTIONS.**

- Confirmation of the growing interest of the Group's institutions in the highly competitive, back-to-back resources offered by Compagnie de Financement Foncier to refinance their assets in a context of increased volatility and rising rates.
- A diversification strategy agreed with BPCE that allows Compagnie de Financement Foncier to support the development of Groupe BPCE's various businesses: refinancing of portfolios of loans for low-income households, an energy receivable from the State and a first commercial real estate transaction.

# KEY FIGURES

## Issuer information

**Issuer:** Compagnie de Financement Foncier, affiliated with Groupe BPCE

**Parent company:** Crédit Foncier (100%), a subsidiary of BPCE (100%)

**Type of bonds issued:** obligations foncières and similar

**Issuance programs:** EMTN, AMTN & USMTS

**Sole service provider:**

Crédit Foncier [A-(stable)/A1(stable)/A+(negative)/A+(stable)] <sup>(1)</sup>

A subsidiary of BPCE [A-(stable)/A1(stable)/A+(negative)/A+(stable)] <sup>(2)</sup>

### COVERED BOND RATINGS

### COVERED BOND RATINGS

	Standard & Poor's	Moody's	Scope
Long-term rating	AAA	Aaa	AAA
Outlook	Stable	Stable	Stable

## Simplified economic balance sheet

	12/31/2022		12/31/2021		12/31/2020	
	€bn	%	€bn	%	€bn	%
<b>ASSETS (by type of exposures)</b>						
<b>Mortgage loans and related items</b>	<b>27.6</b>	<b>45.6%</b>	<b>31.5</b>	<b>49.2</b>	<b>36.0</b>	<b>52.7</b>
<b>Public sector exposures</b>	<b>27.4</b>	<b>45.4%</b>	<b>25.0</b>	<b>39.1</b>	<b>24.7</b>	<b>36.1</b>
French public sector*	20.6	34.1%	17.9	28.0	17.6	25.7
Foreign public sector	6.8	11.2%	7.1	11.1	7.1	10.4
<b>Replacement values and other assets</b>	<b>4.6</b>	<b>7.7%</b>	<b>7.5</b>	<b>11.7</b>	<b>7.7</b>	<b>11.2</b>
Replacement values	4.6	7.7%	6.6	10.3	6.6	9.6
Other assets	0.8	1.3%	0.9	1.4	1.1	1.6
<b>TOTAL ASSETS</b>	<b>60.5</b>	<b>100.0%</b>	<b>63.9</b>	<b>100.0%</b>	<b>68.5</b>	<b>100.0</b>

\*Including deposits and short-term loans at Banque de France of €0.7bn at the end of 2021, €1.3bn at the end of 2020 and €1.6bn at the end of 2019

	12/31/2022		12/31/2021		12/31/2020	
	€bn	%	€bn	%	€bn	%
<b>LIABILITIES</b>						
<b>Privileged resources</b>	<b>51.6</b>	<b>85.4%</b>	<b>53.5</b>	<b>83.7</b>	<b>56.4</b>	<b>82.3</b>
Obligations foncières	51.6	85.4%	53.7	84.0	56.4	82.3
Foreign exchange difference on obligations foncières	-0.1	-0.1%	-0.2	-0.3	-0.1	-0.1
Other privileged resources	0.1	0.1%	0.0	0.0	0.1	0.1
<b>Translation difference associated with hedging balance sheet items</b>	<b>1.1</b>	<b>1.8%</b>	<b>0.9</b>	<b>1.4</b>	<b>0.8</b>	<b>1.2</b>
<b>Non-privileged resources</b>	<b>7.8</b>	<b>12.8%</b>	<b>9.5</b>	<b>14.9</b>	<b>11.3</b>	<b>16.5</b>
Unsecured debt	5.6	9.2%	6.2	9.7	6.0	8.8
Subordinated debts and similar debt	0.1	0.1%	0.1	0.2	2.1	3.0
Shareholders' equity and reserve for general banking risks	2.1	3.5%	3.2	5.0	3.2	4.7
<b>TOTAL LIABILITIES</b>	<b>60.5</b>	<b>100.0%</b>	<b>63.9</b>	<b>100.0</b>	<b>68.5</b>	<b>100.0</b>
Regulatory capital according to CRR/CRD IV	2.0		3.1	4.9	3.1	4.5

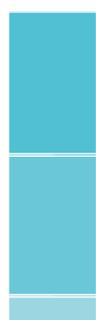
(1) Standard & Poor's/Moody's/Fitch Ratings/Scope, updated as of the Universal Registration Document's filing date.

(2) Standard & Poor's/Moody's/Fitch Ratings/R&I updated as of the Universal Registration Document's filing date.

## Breakdown of assets

### BY TYPE OF ASSETS

DECEMBER 31, 2022



**€60.5bn**

- 46%** Mortgage loans and related items
- 45%** Public sector exposure
- 8%** Replacement values
- 1%** Other assets

DECEMBER 31, 2021



**€63.9bn**

- 49%** Mortgage loans and related items
- 39%** Public sector exposure
- 11%** Replacement values
- 1%** Other assets

DECEMBER 31, 2020



**€68.5bn**

- 53%** Mortgage loans and related items
- 36%** Public sector exposure
- 10%** Replacement values
- 2%** Other assets

### BY REGION

DECEMBER 31, 2022



**€60.5bn**

- 88%** France
- 7%** European Union (excluding France)
- 3%** North America
- 2%** Switzerland
- 1%** Japan

DECEMBER 31, 2021



**€63.9bn**

- 88%** France
- 7%** European Union (excluding France)
- 3%** North America
- 2%** Switzerland
- 1%** Japan

DECEMBER 31, 2020



**€68.5bn**

- 88%** France
- 7%** European Union (excluding France)
- 3%** North America
- 1%** Switzerland
- 1%** Japan

## Breakdown of issuances

### BY TYPE OF INVESTOR

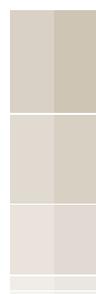
DECEMBER 31, 2022



**€4.6bn**

- 37%** Banks
- 33%** Central Banks
- 25%** Asset manager
- 4%** Insurance companies & Pension funds
- 1%** Other

DECEMBER 31, 2021



**€4.8bn**

- 37%** Central Banks
- 32%** Banks
- 25%** Asset manager
- 5%** Insurance companies & Pension funds
- 2%** Other

DECEMBER 31, 2020



**€3bn**

- 51%** Banks
- 28%** Central Banks
- 17%** Asset manager
- 3%** Insurance companies & Pension funds
- 1%** Other

### BY REGION

DECEMBER 31, 2022 \*



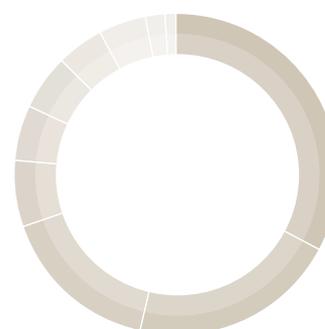
- 37%** Germany/Austria
- 14%** Switzerland
- 10%** Benelux
- 10%** Scandinavia
- 10%** France
- 7%** Asia (except Japan)
- 6%** United Kingdom/Ireland
- 5%** Southern Europe
- 1%** Other

DECEMBER 31, 2021 \*



- 45%** Germany/Austria
- 11%** Benelux
- 11%** Scandinavia
- 10%** United Kingdom/Ireland
- 9%** Switzerland
- 5%** France
- 5%** Asia (except Japan)
- 3%** Southern Europe
- 1%** Other Europe

DECEMBER 31, 2020\*



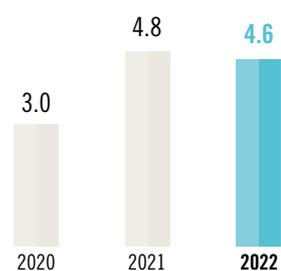
- 35%** Germany/Austria
- 22%** United Kingdom
- 17%** Northern Countries
- 7%** Benelux
- 6%** France
- 6%** Switzerland
- 5%** Southern Europe
- 2%** Asia
- 1%** Other

\* Except Eurosystem

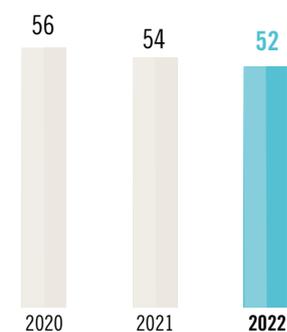
## Performance indicators

### ACTIVITY

#### OBLIGATIONS FONCIÈRES ISSUES (in €bn)

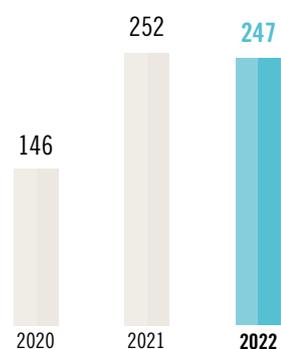


#### PRIVILEGED LIABILITIES (in €bn)

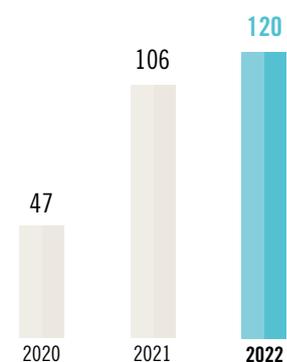


### INCOME

#### NET BANKING INCOME (in €bn)

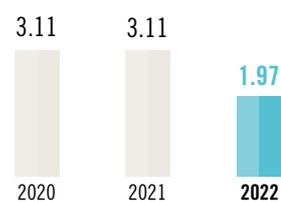


#### NET INCOME (in €bn)

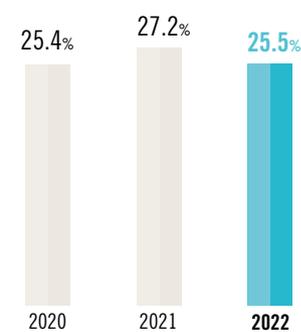


### FINANCIAL STRUCTURE

#### REGULATORY CAPITAL (in €bn)



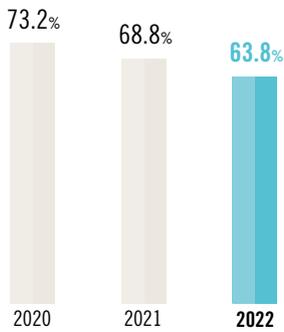
#### CAPITAL ADEQUACY RATIOS



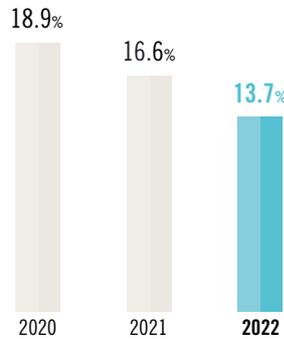
Solvency ratio= Common Equity Tier 1

SOCIETE DE CREDIT FONCIER'S SPECIFIC RATIOS

AVERAGE LTV OF MORTGAGE LOANS FOR INDIVIDUALS

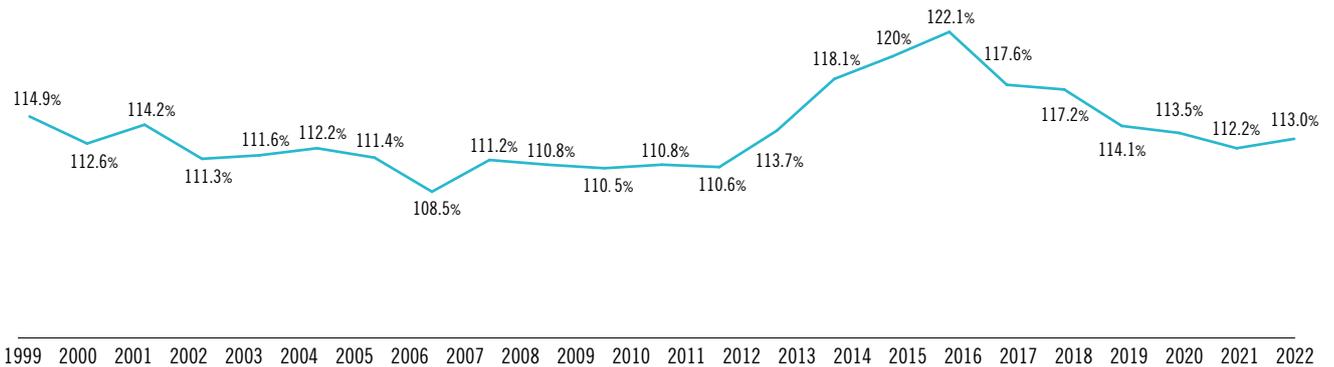


NON-PRIVILEGED RESOURCES/ PRIVILEGED RESOURCES RATIO



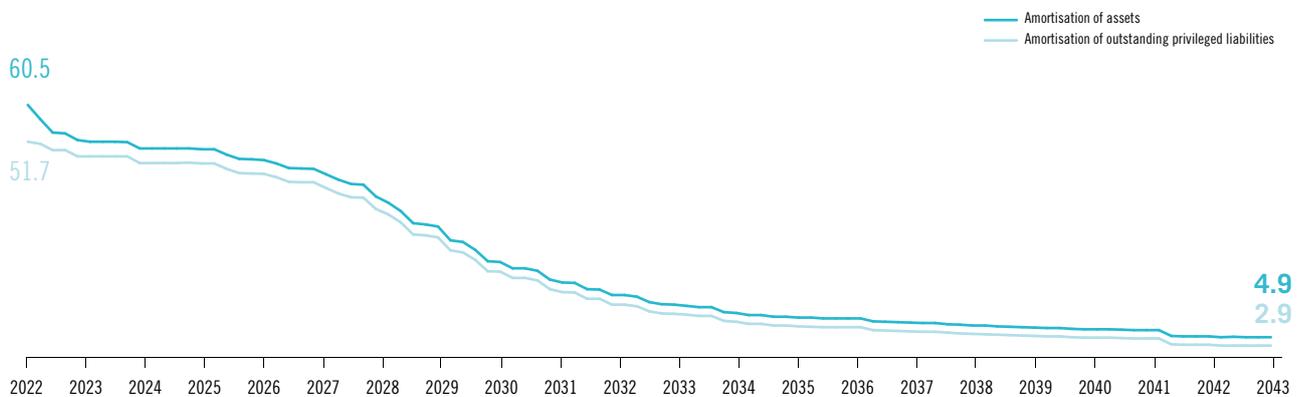
REGULATORY OVERCOLLATERALIZATION RATIO

(in %)



AMORTISATION OF ASSETS AND PRIVILEGED LIABILITIES

(in €bn)



# GOVERNANCE AT THE SERVICE OF STRATEGY

## The Board of Directors

**10**  
MEMBERS  
AT DECEMBER 31, 2022

**40%**  
WOMEN

**56 years**  
AVERAGE AGE

**7**  
MEETINGS  
OF THE BOARD

**81%**  
AVERAGE ATTENDANCE  
RATE

### BOARD OF DIRECTORS AS OF DECEMBER 31, 2022



**Éric FILLIAT**  
Chairman of the  
Board of Directors ★



**Muriel COLLE**  
*Representing Crédit Foncier  
de France*  
Director ■ ■



**Olivier IRISSON**  
*Representing BPCE*  
Director ■ ■



**Philippe JEANNE**  
Director ★



**Nathalie BRICKER**  
Director ■



**Pascal CHABOT**  
Director ★



**Sabine CALBA**  
Director ■



**Alexandre FOURNEAU**  
Director



**Corinne DECAUX**  
Director ■ ■



**Jérémy ESTRADER**  
Director

■ AUDIT COMMITTEE ■ RISK COMMITTEE ■ APPOINTMENTS COMMITTEE ★ CHAIRMAN

## Committees set up by the Board of Directors



### AUDIT COMMITTEE

Ensures that accounting methods chosen for creating financial statements are relevant and consistent.

Gives an opinion on the choice or renewal of Statutory Auditors, examines their schedule of activity and the results of their checks and recommendations.

Issues an opinion on the choice or renewal of the Specific Controller.

#### Committee members:

**Philippe JEANNE**, Chairman  
BPCE, represented by **Olivier IRISSON**  
**Nathalie BRICKER**  
Crédit Foncier de France, represented by  
**Muriel COLLE**



### RISK COMMITTEE

Assesses the quality of internal control.

Assesses the efficiency of the internal control and risk management systems.

#### Committee members:

**Pascal CHABOT**, Chairman  
Crédit Foncier de France, represented by  
**Muriel COLLE**  
BPCE, represented by **Olivier IRISSON**  
**Corinne DECAUX**



### APPOINTMENTS COMMITTEE

Proposes candidates for the function of director and assesses the diversity of their knowledge.

Sets a target for gender representation.

Defines the qualities of an independent director.

#### Committee members:

**Éric FILLIAT**, Chairman  
**Sabine CALBA**  
**Corinne DECAUX**





# 1

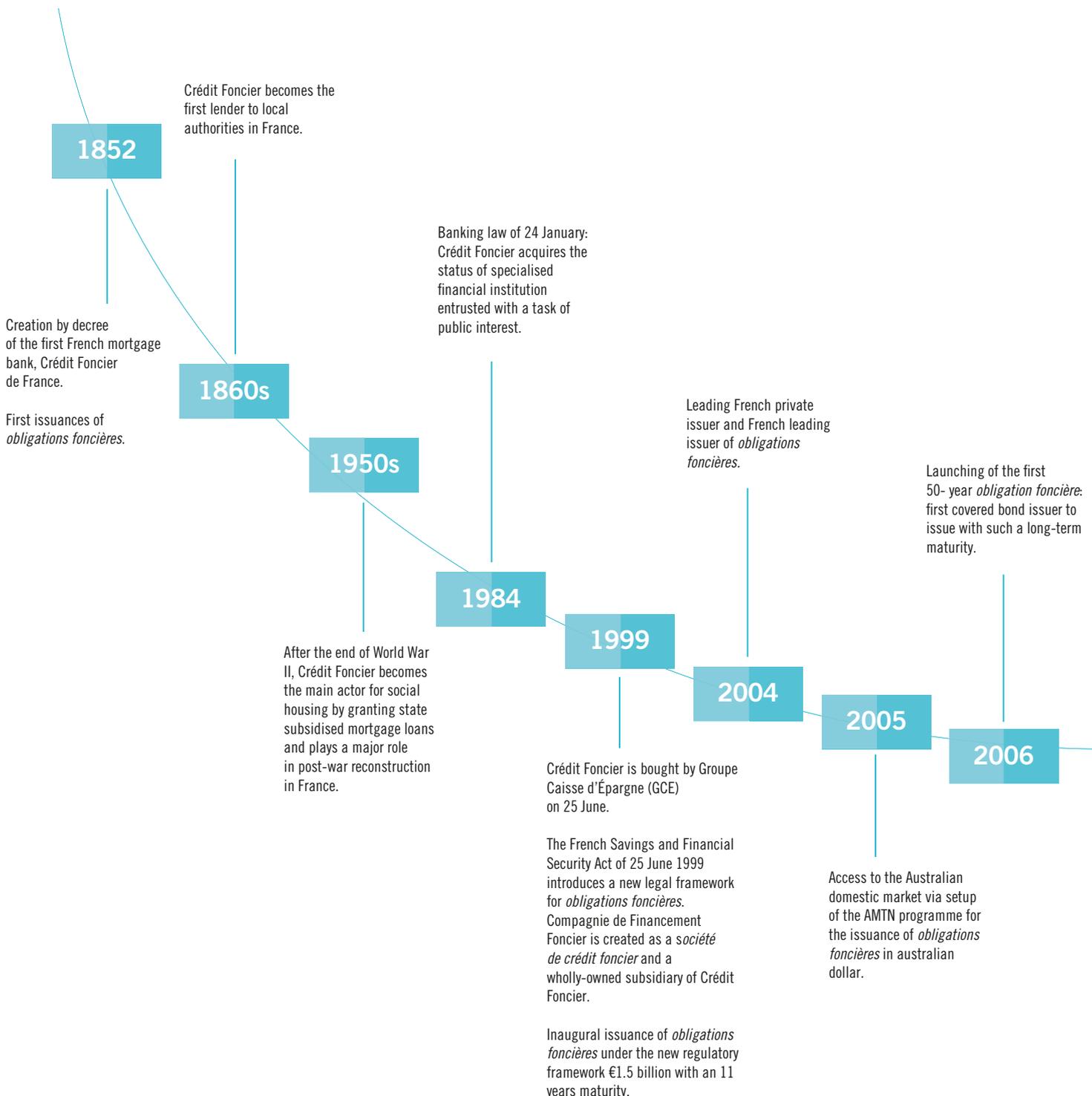
## PRESENTATION OF COMPAGNIE DE FINANCEMENT FONCIER

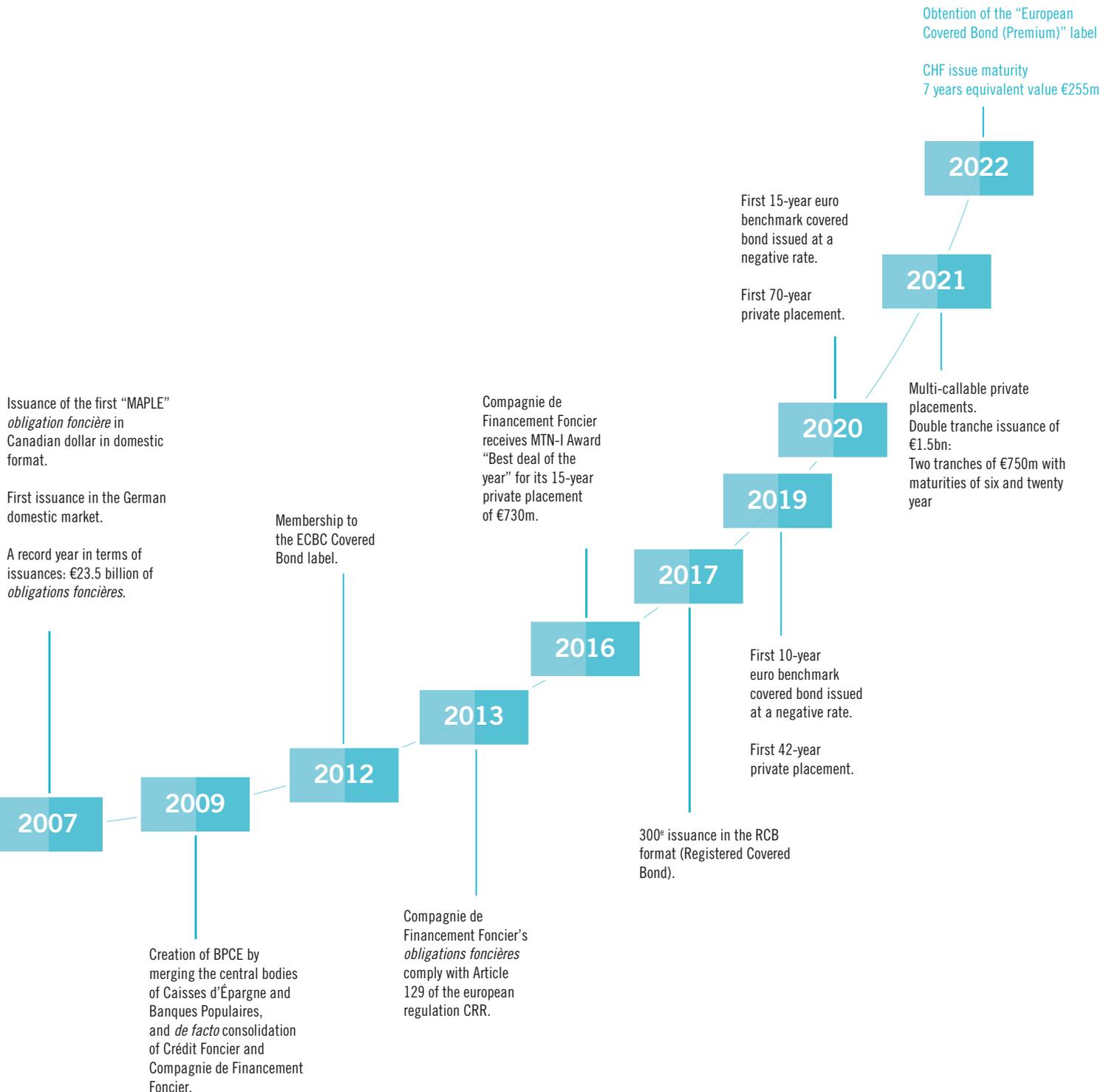
<b>HISTORY</b>	<b>14</b>	A French covered bond model: obligations foncières or guaranteed	<b>19</b>
<b>POSITIONING</b>	<b>16</b>	<b>MARKET AND OPERATING ENVIRONMENT</b>	<b>26</b>
Positioning of <i>Crédit Foncier</i> , sole shareholder of Compagnie de Financement Foncier, within Groupe BPCE	16	The French real estate and home loans market	26
Groupe BPCE at a glance	16	The commercial real estate market	30
Focus on the positioning of Compagnie de Financement Foncier	17	The Public sector market in France	31
<b>COVERED BONDS: LEGAL AND REGULATORY FRAMEWORK</b>	<b>17</b>	<b>BUSINESS MODEL OF COMPAGNIE DE FINANCEMENT FONCIER</b>	<b>33</b>
Covered bonds	18	Compagnie de Financement Foncier's assets	34
		Financial transactions	36

## HISTORY

Created in 1852, Crédit Foncier de France, whose main activity is to grant property loans backed by first-ranking mortgages, became the key player to local authorities in France. It retained a dominant position there until the Second World War. From the 1950s onward, Crédit Foncier de France was entrusted with numerous public interest assignments and thus played a key role in the real estate sector.

In 1999 Crédit Foncier de France was bought by Groupe Caisse d'Épargne and in 2009 it became Groupe BPCE following the merger with Banque Populaire banks. The same year (1999) Compagnie de Financement Foncier was created as a *Société de Crédit Foncier* and wholly owned by Crédit Foncier. It is now a benchmark player on the covered bond market.





## POSITIONING

### Positioning of Crédit Foncier, sole shareholder of Compagnie de Financement Foncier, within Groupe BPCE

Crédit Foncier is wholly-owned by BPCE and is thus an integral part of Groupe BPCE, the 2<sup>nd</sup>-largest banking group in France <sup>(1)</sup>.

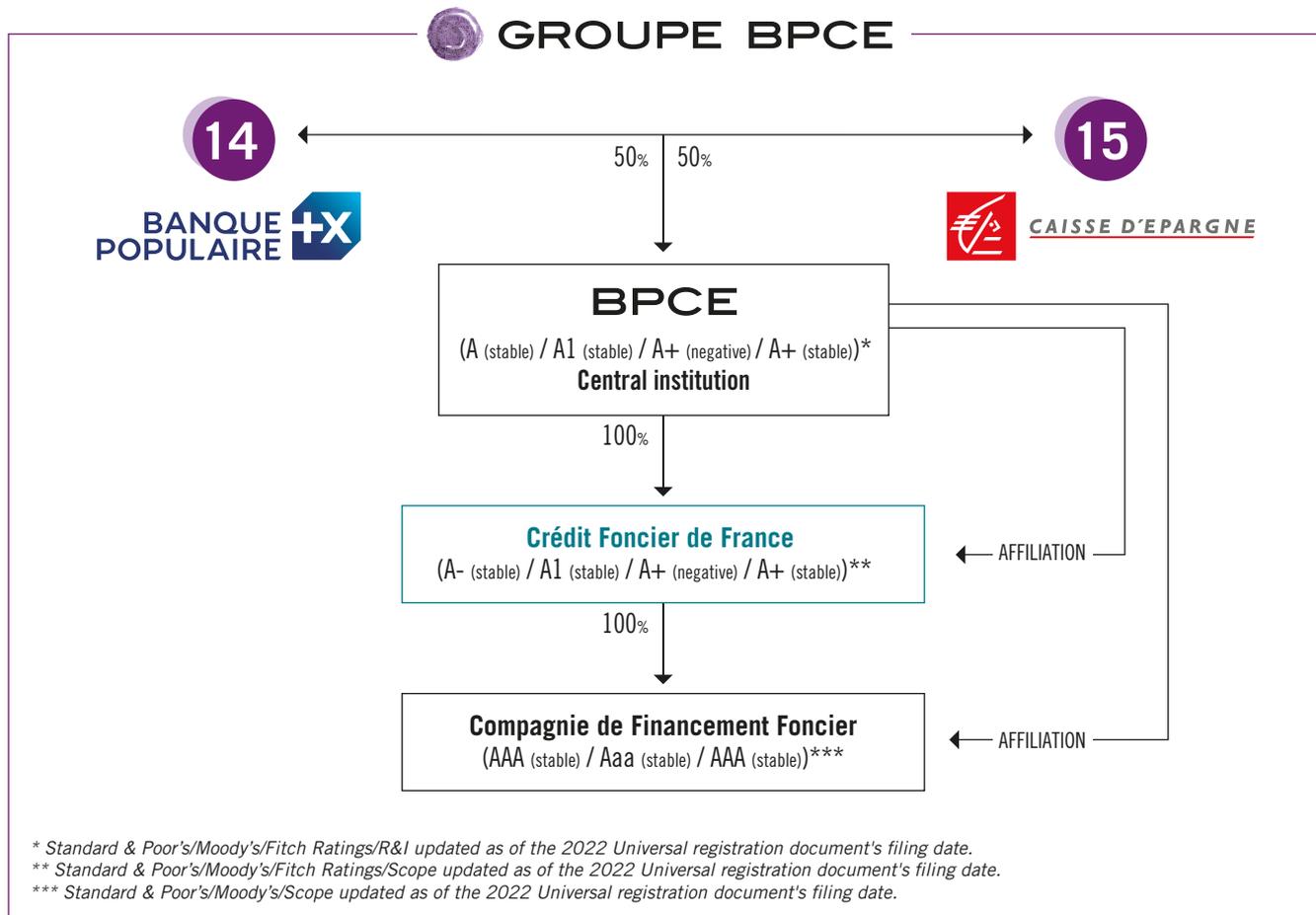
#### Groupe BPCE at a glance

With its unique universal banking model, represented by some 9 million cooperative shareholders, Groupe BPCE is the 2<sup>nd</sup> biggest player in banking in France. With 100,000 employees, it offers its services to some 35 million customers worldwide including individuals, corporations, investors and local authorities. It has a presence in the retail banking and insurance segments in France through its two major networks, Banque Populaire and Caisse d'Épargne as well as la Banque Palatine. With Natixis it also operates the Global Asset Management, Global Customer Banking and Insurance and Payment business lines.

Through this scheme, it offers its customers a comprehensive and wide range of savings, cash, financing, insurance and investment solutions. The Group's financial stability is recognized by four ratings agencies, Moody's (A, stable outlook), Standard & Poor's (A1, stable outlook), Fitch Ratings (A+, negative outlook) and R&I (A+, stable outlook).

1) Market shares: 22% for customer savings and 21.1% for customer credits (source: Banque de France Q3-2022 – all non-financial customers).

## Focus on the positioning of Compagnie de Financement Foncier



## COVERED BONDS: LEGAL AND REGULATORY FRAMEWORK

The European regulatory framework regarding covered bonds has been constantly undergoing changes and this has translated into the European and national legislative frameworks. At the European level, three texts constitute this foundation: the UCITS directive, the Covered Bonds directive and the CRR regulation. These European texts are transposed into French law in the French Monetary and Financial Code (CMF) and Regulation CRBF 99-10.

The most recent text, the Covered Bonds directive of November 27, 2019 (directive (EU) 2019/2162), was notably transposed into French law by the publication in the Official Journal, on July 1, 2021 of order No. 2021-858, and on July 7, 2021, of decree No. 2021-898, for entry into force on July 8, 2022.

The directive reiterates the principle of two levels of quality for covered bonds, sanctioned by two labels: "European Covered Bond" and "European Covered Bond (Premium)" which are validated by the ACPR (whose control is partly delegated to the Specific Controller).

Obtaining the "European Covered Bond" label requires compliance only with the eligibility rules of post-transposition French law of the covered bonds directive. In addition, obtaining the "European Covered Bond (Premium)" label requires strict compliance with the eligibility criteria set out in Article 129 of the CRR Regulation.

**On July 8, 2022, the ACPR validated that Compagnie de Financement Foncier's new covered bond issuances would benefit from the "European Covered Bond Premium" label.**

## Covered bonds

**Covered bonds are bonds backed by an asset cover pool. Cash flows deriving from these assets enable bondholders to be repaid, in priority over all other creditors. Investors in covered bonds can directly use these assets due to their status as preferred creditors.**

In the European Union, UCITS and other regulated investors may hold up to 25% of their assets in securities of the same covered bond issuer, provided that said covered bonds comply with the characteristics set out by the Article 52 (4) of the European UCITS directive (2009/65/EC amended):

- the issuer must be a credit institution having its registered office in a European Union Member State and subject to a specific and legal supervision;
- the holder of the covered bonds must have a preferential claim on cash flows deriving from underlying assets, in the event of the issuer's default, over all other creditors. The upper limit for exposure to this type of asset can be raised to 25%.

The compliance of covered bond issuers with Article 52 (4) of the UCITS directive has enabled asset cover pool controls and their banking supervision to be standardized.

The second European text, the Covered Bonds directive of November 27, 2019, contributes to increasing the harmonization and secure management of covered bonds in Europe. It created two labels.

The third European text that regulates covered bonds is the Capital Requirements Regulation (CRR) on regulatory capital adequacy. It offers covered bond holders, and in particular European banks and insurance companies, a favorable regulatory framework insofar as covered bonds with the best rating and/or whose assets meet certain quality criteria benefit from an advantageous risk weighting for their holders.

The main feature of covered bonds is the specific mechanism established to protect bondholders. In fact, they benefit from the repayment privilege on the underlying assets in the event of default by the issuer, in preference to all other creditors. To ensure a sufficient level of quality, said assets are strictly defined in the appropriate legislation (mainly real estate with first rank or equivalent guarantee and claims on central or regional governments, or local authorities).

Finally, the Liquidity Coverage Ratio (LCR) regulation enables investors to include covered bonds in their liquidity reserves providing they comply with certain criteria. The main eligibility criteria for covered bonds at each liquidity reserve level are as follows:

Eligibility criteria	Level 1A	Level 2A EU member issuer	Level 2B*
Compliance with Article 52 (4) of the UCITS directive or with Article 129 of the CRR			
Minimum rating or, in case of no available rating, risk weighting in accordance with the CRR	AA- or 10%	A- or 20%	NA
Minimum issuance amount	€500m	€250m	€250m
Minimum overcollateralization ratio to be respected	2%	7% or 2% if rated ≥ AA-	10% and monthly disclosure
Disclosure of the information below, in compliance with the transparency requirement of Article 14 of directive (EU) 2019/2162	Quarterly	Quarterly	Quarterly
Discount applied to the value	7%	15%	30%

\*For level 2B, the cover pool portfolio must consist of residential property and exposures on public entities with an individual risk weighting below or equal to 35%.

Within the context of the Covered Bond Label reporting of the European Covered Bond Council - ECBC, Compagnie de Financement Foncier publishes the transparency information required on its website ([www.foncier.fr](http://www.foncier.fr)) on a quarterly basis.

The European Covered Bond Council, an association representing mainly issuers whose members account for over 95% of outstanding covered bonds, established the Covered Bond Label in 2012. The Council is self-governed with representation from French issuers. For investors, regulators and the key market players, this quality label provides access to relevant, consistent and transparent information for 120 issuers in 30 jurisdictions.

For issuers, the label requires compliance with Articles 52 (4) of the UCITS directive, 129 of the CRR and 14(2) of the Covered Bond directive which involve the enhanced transparency of the information reported. Information for investors is subject to specific ECBC reporting with a standardized common section and a section that is specific to the particular nature of the covered bond market in each of the label's Member States.

Compagnie de Financement Foncier complies with all the label's requirements, and has once again renewed its membership. All information and reports are available on the website [www.coveredbondlabel.com](http://www.coveredbondlabel.com).

## A French covered bond model: *obligations foncières* or guaranteed

### THE BASICS OF *OBLIGATIONS FONCIÈRES* OR GUARANTEED

#### FRENCH LAW AND COMPLIANCE WITH EUROPEAN REGULATIONS

In 1999, the French government passed legislation on the modernization of the *obligations foncières* framework. This law provides the French financial markets with a category of bond instruments, which are competitive and uniform in terms of risks and liquidity, controlled by the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR – French Prudential Supervisory and Resolution Authority) <sup>(1)</sup> and by a Specific Controller. Until then, the legislation of 1852 on *sociétés de crédit foncier* allowed only Crédit Foncier de France or Crédit Foncier et Communal d'Alsace et de Lorraine to issue *obligations foncières*. Since 1999, *sociétés de crédit foncier*'s business activities have been governed by the French Monetary and Financial Code (CMF) which codified the provisions of the aforementioned law of 1999. As of July 8, 2022, the articles of the CMF amended by Order No. 2021-858 of June 30, 2021 and Decree No. 2021-898 of July 6, 2021 will apply.

French law is the transposition of the European UCITS, Covered Bonds and CRR texts governing covered bonds:

- *sociétés de crédit foncier* are credit institutions having their registered office in a Member State of the European Union, France. They are legally subject to specific supervision protecting the holders of those bonds via a Specific Controller, whose appointment is approved by the ACPR;
- bondholders of *obligations foncières* and similar bonds are protected by a pool of underlying assets (whose eligibility criteria are defined by law) over which they have priority recourse in the event of the issuer's default: this is the legal privilege granted to holders of *obligations foncières* or covered bonds (Art. L. 513-11 of the French Monetary and Financial Code).

The French legal framework also imposes additional requirements in terms of liquidity and reporting.

1) Independent administrative authority in charge of the supervision of financial institutions. For more details, see the paragraph on the French Prudential Supervisory and Resolution Authority: "Supervisory bodies" on page 24.

## SOCIÉTÉS DE CRÉDIT FONCIER

*Sociétés de crédit foncier* are specialized credit institutions whose sole purpose is defined in Article L. 513-2 of the French Monetary and Financial Code: granting or acquiring secured loans i.e. loans that are backed by first-rank mortgages or real property collateral conferring at least an equivalent guarantee, or exposures to public entities, and financing them by issuing *obligations foncières*. The business activities of a *Société de Crédit Foncier* are restricted by law: they are not allowed to hold equity interests or share portfolios.

*Obligations foncières* and similar bonds, which finance eligible assets, are covered bonds that have a legal privilege that confers to their holders a preferential claim on cash flows deriving from the underlying assets.

The eligibility criteria for the assets of *sociétés de crédit foncier* as of July 8, 2022, the date of implementation of the transposition of the covered bonds directive, are defined by Articles L. 513-3 to L. 513-7 of the CMF. The following assets are eligible:

- home loans guaranteed by:
  - a first ranking mortgage or by a guarantee at least equivalent (European Union (EU) or European Economic Area (EEA)), or by an eligible guarantor of at least the 2<sup>nd</sup> level of credit quality by respecting certain conditions;
- exposures on public entities or fully guaranteed by public entities belonging to Member States of the EU or parties to the Agreement on the EEA<sup>(1)</sup>, such as loans or off-balance sheet commitments. Eligible public entities are Member States, central governments, central banks, public institutions, local authorities or their associations. Excluding public-sector entities located in the EU or the EEA, these exposures are eligible if the public-sector entities benefit from the highest credit quality step established by an external credit assessment body recognized by the ACPR in accordance with Article L. 511-445 of the French Monetary and Financial Code (or the second credit rating step up to a limit of 20% of the nominal amount of the *obligations foncières*);
- exposures to credit institutions (capped at 10% of the pledge of the nominal amount of privileged resources for institutions benefiting from the second-best credit rating step established by an external credit assessment body recognized by the French Prudential Supervisory and Resolution Authority pursuant to the provisions of Article L. 511-44 of the French Monetary and Financial Code), represented by securities, exposures and sufficiently safe and liquid deposits (Article R. 513-6 of the French Monetary and Financial Code).

As of July 8, 2022, asset eligibility criteria have changed at the margin to strengthen the quality of cover pools, including minimum credit quality limits for guarantors (tier 2) and for non-EU public assets (tier 2).

## INVESTOR PROTECTION

### LEGAL PRIVILEGE OF HOLDERS OF OBLIGATIONS FONCIÈRES

According to Article L. 513-11 of the CMF, which defines the legal privilege on cash flows from assets and the terms of the guarantee that it provides, the assets held by a *Société de Crédit Foncier* allow the

priority repayment of privileged debt, i.e. *obligations foncières* and similar. The legal privilege is the fundamental principle of legal security for *obligations foncières*' holders. It remains valid even if the *Société de Crédit Foncier* or its parent company goes bankrupt or goes into receivership. It thus affords investors the maximum protection. Privileged debts are paid on their contractual due date, in priority to all other debts, for both their interest and principal payments, until they have been fully repaid, under all circumstances.

The bondholders of *obligations foncières* are also protected by the following legal and regulatory frameworks:

### OVERCOLLATERALIZATION

The total amount of the *Société de Crédit Foncier's* assets must be higher than the amount of their liabilities benefiting from the privilege. Article R. 513-8 of the CMF sets the minimum legal overcollateralization ratio at 105%.

It should be noted that non-collateralized exposures in the group may not exceed 25% of non-privileged resources. One of the Specific Controller's duties is to monitor compliance with this overcollateralization rule.

The regulatory overcollateralization ratio of Compagnie de Financement Foncier has always been above 108% since its establishment in 1999.

Since its entry into force in 2013, Compagnie de Financement Foncier has also always complied with the minimum overcollateralization level of 105% imposed by Article 129 of the CRR regulation.

### ASSET/LIABILITY MATCHING IN MATURITY AND INTEREST RATES

Article 12 of CRBF (French Banking and Financial Regulation Committee) Regulation No. 99-10 requires that matching of maturity and interest rates of assets and liabilities has to be respected in *sociétés de crédit foncier's* balance sheet management. It is subject to very close scrutiny by the Specific Controller, who instructs the executives and the ACPR if he or she determines that the matching of interest rates and maturity could create excessive risks for privileged creditors (Decree of February 23, 2011). The Decree of May 26, 2014 established a maximum average duration gap of 18 months between assets and liabilities.

The average maturity for assets held to maintain a cover ratio of 105% and dealt with in all transparency in the case of collateralized assets (such as mortgage notes or collateralized loans pursuant to Article L. 211-38 of the CMF) may not exceed the average maturity of privileged liabilities by more than 18 months.

The Decree of May 26, 2014, also requires *sociétés de crédit foncier* to prepare an estimate, based on a yearly plan approved by the decision-making body and submitted to the ACPR, of the privileged resources' cover ratio up to their maturity, considering the available eligible assets and the forecast new production based on conservative assumptions.

### 180-DAY LIQUIDITY BUFFER

At all times, *sociétés de crédit foncier* must ensure that all cash requirements are covered for a period of 180 days.

1) Only public institutions and local authorities or their groupings from non-EU member states.

In accordance with Article R. 513-7 of the CMF, *sociétés de crédit foncier* must at all times cover all their cash requirements for the next 180 days. To do this, they can use:

- 1° Level 1, 2A or 2B liquid assets as defined in Articles 10, 11 and 12 of Delegated Regulation (EU) 2015/61 of October 10, 2014, which are valued in accordance with this regulation and which are not issued by the *Société de Crédit Foncier*, or by its parent company;
- 2° Short-term exposures to credit institutions, if they benefit from the best or second best credit quality step established by an external credit assessment body recognized by the French Prudential Supervisory and Resolution Authority in accordance with Article L. 511-44, or short-term deposits with credit institutions benefiting from the highest credit quality step, second-best or third-best credit quality step established by a recognized external credit assessment body by the French Prudential Supervision and Resolution Authority in accordance with Article L. 511-44.

### NON-EXTENSION OF THE PARENT'S INSOLVENCY TO ITS SOCIÉTÉ DE CRÉDIT FONCIER SUBSIDIARY

Under French law, a *Société de Crédit Foncier* has a specific legal framework guaranteeing that the holders of *obligations foncières* receive favorable treatment under normal management conditions and in the event of insolvency proceedings being initiated against its parent.

The cash flows derived from a *Société de Crédit Foncier's* assets are, under all circumstances, used to repay privileged debt. In addition, in the event of default of its parent, the *Société de Crédit Foncier* and the holders of *obligations foncières* are fully protected by virtue of this non-extension rule.

If a French company is subject to insolvency proceedings, there will be no vacuum in authority at its level, as a legal receiver is appointed to ensure the continuity of management.

As a separate legal entity, a *Société de Crédit Foncier's* subsidiary is not affected by the insolvency of its parent, the management of a *Société de Crédit Foncier* is conducted *in bonis*, i.e. under normal management conditions, by its own managers.

If the parent is subject to preservation or insolvency proceedings, the *Société de Crédit Foncier* may terminate its service and receivable management contracts if it determines this course to be appropriate. The *Société de Crédit Foncier* may therefore change its service provider at any time to ensure the continued management of its assets and liabilities.

Under Article R. 513-14 of the CMF, the *Société de Crédit Foncier* must identify the personnel and resources needed to collect debts and enforce the agreements signed. Procedures for transferring all the technical resources and data needed to perform recovery actions must also be included in the preventive recovery plan.

### IMMUNITY OF OBLIGATIONS FONCIÈRES HOLDERS

In the event of insolvency proceedings being initiated against a *Société de Crédit Foncier*, holders of covered bonds are entirely protected by one or more of the following procedures:

#### REPAYMENT SCHEDULE OF PRIVILEGED DEBT IS MAINTAINED

The liquidation of a *Société de Crédit Foncier* does not render payable the *obligations foncières* or other debts benefiting from this privilege. They are repaid on their contractual due dates and take precedence over all other debts (Article L. 513-11-2 of the CMF).

All other creditors (including the French State) are not paid until all *obligations foncières* holders' claims have been satisfied, as set out in the initial schedule. In contrast with the general law that transactions made when companies are in financial difficulty may be invalidated, *sociétés de crédit foncier's* asset transfers made prior to a declaration of insolvency remain valid.

#### MANAGEMENT CONTINUITY IN CASE OF INSOLVENCY OF THE SOCIÉTÉ DE CRÉDIT FONCIER

Article L. 612-34 of the CMF provides that, depending on the situation, a provisional administrator, appointed by the ACPR, may oversee or advise managers, or be given full powers. The administrator has the same latitude to manage the balance sheet as when the company is in bonis, including:

- disposals of assets;
- assignment of receivables;
- issuing new *obligations foncières*;
- issuing non-privileged liabilities.

A *Société de Crédit Foncier* continues its business according to the same rules, under all circumstances.

Thus, a *Société de Crédit Foncier* carries out its business under normal management conditions because the provisional administrator has the same duties as the managers had previously. All activities are carried on to ensure the Company is well managed, and all privileged debts are repaid in compliance with existing commitments.

In the event of insolvency of a *Société de Crédit Foncier*, the Specific Controller, as set out in Article L. 513-24 of the French Monetary and Financial Code (CMF), must file claim statements with the court-appointed administrator on behalf of privileged creditors.

The Specific Controller continues to inform and notify the French Prudential Supervisory and Resolution Authority (ACPR), just as he or she must do when the *Société de Crédit Foncier* is operating normally.

#### RESOLUTION

The European regulation establishing a framework for the recovery and resolution of credit institutions and investment firms and the texts transposing these rules into French law (the "BRRD" regulation) aim in particular at setting up a single resolution mechanism giving the resolution authorities the power to "internally bail out" in order to combat the systemic risks attached to the financial system and, in particular, to avoid government financial intervention in the event of crisis. This power allows these authorities, in the event that a financial institution or the group to which it belongs becomes or is close to defaulting, to write down, cancel or convert into shares, the eligible securities and liabilities of that financial institution. In addition to the possibility of using this "internal bail-in" mechanism, the BRRD grants resolution authorities more extensive powers.

**Note, however, that covered bonds, such as Compagnie de Financement Foncier's secured bonds, enjoy a special legal regime under which, due to the special legal privilege granted to the holders of *obligations foncières* by Article L. 513-11 CMF, they are excluded from any transactions related to a court-supervised safeguarding procedure, bankruptcy proceeding or liquidation or resolution measures as provided for in Article L. 613-49 CMF brought against a *Société de Crédit Foncier*. Article 44 of directive No. 2014/59 of the EU, as amended (the "BRRD"), transposed in the CMF in Article L. 613-55-1, in addition, explicitly states that the assets of the cover pool of a covered bond issuer are excluded from the scope of application of the bail-in.**

## AFFILIATION TO A CENTRAL INSTITUTION

French cooperative banking groups have a central institution and some of their subsidiaries may use a specific guarantee scheme: the affiliation scheme (Articles L. 512-106 to L. 512-108 of the CMF), a system that requires the central institution to guarantee the liquidity and solvency of the affiliates.

All institutions affiliated with the central institution of Groupe BPCE – including Compagnie de Financement Foncier – benefit from a guarantee and solidarity system which, in accordance with Articles L. 511-31 and L. 512.107-6 of the French Monetary and Financial Code, is designed to guarantee the liquidity and solvency of all the affiliated institutions and to organize financial solidarity within the Group. This financial solidarity is based on legislative provisions establishing a legal principle of solidarity requiring the central institution to restore the liquidity or solvency of affiliates in difficulty, and/or of all of the Group's affiliates. By virtue of the unlimited nature of the principle of solidarity, BPCE is entitled, at any time, to ask any one or more or all of the affiliates to contribute to the financial efforts that may be necessary to restore the situation, and may, if necessary, use all the cash and equity capital of the affiliates in the event of difficulty for one or more of them.

Thus, in the event of difficulties at Compagnie de Financement Foncier, BPCE must do everything necessary to restore the situation of Compagnie de Financement Foncier and may, in particular, implement the internal solidarity mechanism that it has put in place by (i) first mobilizing its capital under its duty as a shareholder; (ii) if they are not sufficient, BPCE could call on the mutual guarantee fund created by BPCE, with a total of €314.4m in assets contributed equally by the two networks Banque Populaire and Caisse d'Épargne as of December 31, 2022, and which is expected to grow by annual contributions (subject to the amounts that would be used in the event of a call on the fund); (iii) if the capital of BPCE and this mutual guarantee fund were not sufficient, BPCE could call (in equal parts) on the guarantee funds specific to each of the two Banque Populaire and Caisse d'Épargne networks for a total amount of €900m and on the mutual guarantee fund of the Banque Populaire banks and Caisse d'Épargne, made up of deposits made by the Banque Populaire banks and the Caisses d'Épargne in BPCE's books in the form of ten-year, indefinitely-renewable term accounts; (iv) if the call on BPCE's capital and these three guarantee funds were not sufficient, additional sums would be requested from all the Banque Populaire banks and the Caisses d'Épargne. It is specified that the guarantee funds referred to above constitute an internal guarantee mechanism within Groupe BPCE, activated at the initiative of the BPCE Management Board, or of an authority responsible for banking crises, which may request that it be implemented if deemed necessary; (v) in addition, BPCE may also have unlimited recourse to the resources of any, several or all of the other affiliates.

As a result of this full legal solidarity, one or more affiliates could not find themselves in judicial liquidation, or be affected by resolution measures within the meaning of the EU directive for the Recovery and Resolution of Credit Institutions No. 2014/59 as amended by EU directive No. 2019/879 (the "BRRD"), without all affiliates also being affected.

In accordance with Article L. 613-29 CMF, any judicial liquidation procedure would be implemented in a coordinated manner with regard to the central institution and all of its affiliates.

In the event of a judicial liquidation necessarily involving all affiliates, external creditors of equal rank or with equal rights of all affiliates would be treated in the order of the creditor hierarchy equally, regardless of their connection to a particular affiliated entity. The

consequence is that holders of AT1 and other *pari passu* securities would be more affected than holders of Tier 2 and other *pari passu* securities, which are themselves more affected than holders of non-preferred senior external debt, which are themselves more affected than holders of preferred senior external debt. In the event of resolution, and in accordance with Article L. 613-55-5 of the French Monetary and Financial Code, identical impairment and/or conversion rates would be applied to debts and receivables of the same rank, regardless of their link to a particular affiliated entity, in the priority order mentioned above.

Due to the affiliation of Compagnie de Financement Foncier to the BPCE central institution and the systemic nature of Groupe BPCE and the assessment currently made by the resolution authorities, resolution measures would, if necessary, be more likely to be taken than the opening of a judicial liquidation procedure. A resolution procedure may be initiated against BPCE and all affiliated entities if (i) the default of BPCE and all affiliated entities is proven or foreseeable, (ii) there is no reasonable expectation that another measure could prevent this failure within a reasonable timeframe and (iii) a resolution measure is required to achieve the objectives of the resolution: (a) guarantee the continuity of critical functions, (b) avoid significant adverse effects on financial stability, (c) protect government resources by minimizing the use of extraordinary government financial support, and (d) protect customer funds and assets, including those of depositors. An institution is considered to be in default when it fails to comply with the terms of its license, is unable to pay its debts or other commitments as they fall due, seeks exceptional public financial support (subject to limited exceptions), or when the value of its liabilities exceeds that of its assets.

In addition to the power of internal bail-in, resolution authorities have broad powers to implement other resolution measures with respect to failing institutions or, in certain circumstances, their groups, which may include, among others: the sale of all or part of the institution's activity to a third party or bridge institution, the segregation of assets, the replacement or substitution of the institution as debtor of the debt instruments, changes in the terms of the debt instruments (including changes in the maturity and/or amount of interest payable and/or the temporary suspension of payments), the suspension of the admission to trading or listing of the financial instruments, the dismissal of management or the appointment of a provisional administrator (special administrator), and the issuance of capital or equity.

**Note, however, that covered bonds, such as Compagnie de Financement Foncier's secured bonds, enjoy a special legal regime under which, due to the special legal privilege granted to the holders of *obligations foncières* by Article L. 513-11 CMF, they are excluded from any transactions related to a court-supervised safeguarding procedure, bankruptcy proceeding or liquidation or resolution measures as provided for in Article L. 613-49 CMF brought against a *Société de Crédit Foncier*. Article 44 of directive No. 2014/59 of the EU, as amended (the "BRRD"), transposed in the CMF in Article L. 613-55-1, in addition, explicitly states that the assets of the cover pool of a covered bond issuer are excluded from the scope of application of the bail-in.**

## REGULATORY BODIES

### THE EUROPEAN CENTRAL BANK

Since November 2014, Compagnie de Financement Foncier has been supervised by the European Central Bank according to the Single Supervisory Mechanism (SSM) while remaining under the supervision of the relevant domestic authority, the ACPFR.

## AUTORITÉ DE CONTRÔLE PRUDENTIEL ET DE RÉSOLUTION (ACPR – FRENCH PRUDENTIAL SUPERVISORY AND RESOLUTION AUTHORITY)

The tasks of the French Prudential Supervisory and Resolution Authority are defined by Article L. 612-1 of the CMF. The ACPR is responsible for three main tasks:

- keeping the financial sector stable;
- protecting the customers, insurance policyholders, members and beneficiaries of the bodies that it supervises;
- assisting the ECB in its prudential supervisory role.

The *sociétés de crédit foncier*, through their status as specialized credit institutions approved by the ACPR, are placed under its authority.

The ACPR monitors these companies by examining reports and financial statements that they are required to provide and can also conduct on-site investigations.

As credit institutions, *sociétés de crédit foncier* have to provide information about:

- internal control (Articles 258 to 270 of the Decree of November 3, 2014 on internal control of the banking sector);
- liquidity, via the liquidity and observation ratios.

*Sociétés de crédit foncier* must also publish specific reports about:

- the quality of their financed assets and, in particular, the characteristics and breakdown of loans and guarantees, any 180-day liquidity requirements and hedging arrangements, and the level and sensitivity of the interest rate position;
- the report on these points is published on Compagnie de Financement Foncier's website and submitted to the ACPR four times a year, within 45 days following the end of each quarter;
- the calculation of the overcollateralization ratio, which includes limits on the composition of assets, and the calculation of amounts eligible for funding by privileged resources.

The report on this information, completed with other regulatory indicators, is certified by the Specific Controller and submitted to the ACPR within three months following the end of each quarter.

The *sociétés de crédit foncier* determine the solvency ratios and the regulatory overcollateralization, which are then provided to the ACPR. These controls carried out by the ACPR are an additional guarantee for holders of *obligations foncières*.

### CENTRAL INSTITUTION

BPCE SA, Groupe BPCE's central institution is also responsible for risk control and for oversight of the legality of Compagnie de Financement Foncier activities. It guarantees the group's liquidity by setting management rules. It may take any measures to ensure that the activity complies with all provisions applicable to credit institutions (Articles L. 512-107 and L. 512-108 of the CMF).

### RISK ASSESSMENT AND MONITORING

Credit institutions subject to these rules must also implement risk assessment tools and methods in order to ensure effective management and monitoring of their risks. Selection processes (limits, approval delegations and methods of analysis) as well as monitoring tools and procedures enable them to regularly assess the levels of risks managed.

The regulation requires a periodic review of these assessment methods and tools.

These tools and procedures are used to assess, select and monitor the following types of risks:

- credit;
- liquidity;
- interest rate;
- foreign exchange;
- compliance;
- settlement and intermediation;
- legal;
- operational;
- extreme events (solutions provided in the Contingency and Business Continuity Plan).

### DOCUMENTATION AND INFORMATION

Credit institutions are required to document the following:

- their organization and the role of their staff;
- their information systems security procedures;
- risk assessment systems and their operational characteristics (limits, selection criteria, monitoring, etc.).

The following supervisory and control bodies must be kept informed:

- decision-making body: the Board of Directors and its sub-committees, the Audit Committee and the Risk Committee;
- central institution or shareholder;
- external auditors (Statutory Auditors, Specific Controller);
- regulatory authorities: the French Prudential Supervisory and Resolution Authority (ACPR) and the French Financial Markets Authority (AMF).

### STATUTORY AUDITORS

#### APPOINTMENT OF THE STATUTORY AUDITORS

As French public limited companies, *sociétés de crédit foncier*'s financial statements must be audited by Statutory Auditors. Article L. 511-38 of the CMF requires that credit institutions be audited by at least two Statutory Auditors, employed by two different auditing firms (whereas other countries require only one).

They are appointed by the General Meeting, and not by executive directors, for a six-year term.

As credit institutions, *sociétés de crédit foncier* must first have their Statutory Auditors approved by the General Meeting for a six-year term, following a prior consultation.

The Statutory Auditors have a permanent legal obligation to ensure the quality and reliability of the financial and accounting information provided by their clients. Their duties include:

#### AUDIT AND CERTIFICATION

Pursuant to the French Commercial Code, the Statutory Auditors must certify, while justifying their opinion, whether or not the annual financial statements give a true and fair view of the Company's results for the accounting period concerned and of its financial position and assets and liabilities at the end of each period. Their certification is published in the annual report. For this purpose, they carry out an audit, in accordance with the professional standards of the French National Association of Statutory Auditors (CNCC – *Compagnie Nationale des Commissaires aux Comptes*).

#### GENERAL REPORT

In their report to the Ordinary Shareholders' Meeting, the Statutory Auditors must report on the execution of their assignment. By certifying the Company's financial statements, they express that during the course of their assignment they have obtained reasonable assurance that the financial statements do not contain any material misstatement.

They must inform the General Meeting of any irregularities or inaccurate information they may have observed during their assignment.

### SPECIFIC VERIFICATIONS

The Statutory Auditors verify the fairness of the following information and its consistency with the annual and half-year financial statements:

- the information provided in the management report;
- the documents sent to shareholders concerning the financial position and annual financial statements.

To carry out their assignment, the Statutory Auditors hold extensive investigative powers.

Pursuant to the law, at any time of the year, the Statutory Auditors, together or individually, may carry out all verifications and controls they deem appropriate and may request, on-site, any documents they consider necessary for their assignment, including contracts, accounting records and documents, and minutes of meetings.

These investigations may be conducted at the Company or at its parent, or if necessary at any subsidiary or at any entity included in the consolidation scope.

### SPECIFIC CONTROLLER

The Specific Controller is selected from the official list of Statutory Auditors (French National Association of Statutory Auditors – CNCC). Its appointment, proposed by the Executive Management of the *Société de Crédit Foncier*, is subject to the approval of the ACPR for a four-year term. It is responsible for verifying that operations are functioning correctly and for ensuring strict compliance with laws and regulations. To avoid any conflict of interest, the Specific Controller may not be a Statutory Auditor for the group that consolidates the *Société de Crédit Foncier*. In accordance with the law and regulations, the Specific Controller must ensure that the *Société de Crédit Foncier* is taking all necessary steps to secure the redemption of *obligations foncières* and other privileged resources. For this purpose, the Specific Controller must, either on an ongoing basis, or in response to specific events:

- assess the quality of the risk management and monitoring procedures that the *Société de Crédit Foncier* has implemented in order to respect the principles set out above;
- control the eligibility of loans and other assets held by the *Société de Crédit Foncier*;
- ensure the appropriate overcollateralization of privileged resources by eligible assets, the compliance with regulatory limits and the LTV eligible for privileged funding;
- certify previous ratios, limits and LTV on a quarterly basis for the ACPR;
- issue certifications of quarterly bond issuance programs and for issuances equivalent in euros to €500m or more;
- verify the asset-liability matching in maturities and interest rates between the assets and privileged liabilities of the *Société de Crédit Foncier* (Article 12 of CRBF regulation 99-10);
- appraise the valuation and periodic review procedures of the underlying assets backing the eligible loans, pursuant to Article 5 of CRBF Regulation No. 99-10;
- certify, on a quarterly basis, the new reports introduced by article 10 of CRBF Regulation 99-10, in particular the items used to calculate the overcollateralization ratio and the resources needed to

cover cash requirements, the difference in average maturity between assets and the provisional cover of privileged resources with eligible assets;

- prepare the report on the procedures agreed on compliance with the criteria relating to the eligibility of assets in Article 129 of Regulation (EU) No. 575/2013 (CRR) pursuant to ACPR instruction No. 2022-I-05.

The Specific Controller's controls supplement the Company's standard internal controls and those conducted by the Statutory Auditors.

During its missions as defined by law (Article L. 513-23 and 24 of the CMF), and for which it benefits from a comprehensive right of investigation, the Specific Controller may also:

- attend any Shareholders' Meeting and be heard upon request by the management bodies of the Company. It also has a duty to alert the supervisory banking authorities;
- establish, for all Management Boards and social bodies, an annual report on the accomplishment of its mission, a copy of which is sent to the ACPR.

In the event the *Société de Crédit Foncier* is subject to restructuring or insolvency proceedings, the Specific Controller would become the legal representative of the holders of *obligations foncières* and other privileged resources.

### AUTORITÉ DES MARCHÉS FINANCIERS (AMF), THE FRENCH FINANCIAL MARKETS AUTHORITY

#### PROSPECTUS DIRECTIVE

In June 2017, European lawmakers adopted a new regulation on prospectuses to be published for offers to the public of securities or for the admission of securities to trading on a regulated market ("Prospectus 3").

This Regulation (EU) 2017/1129 of the European Parliament and of the Council applies from July 21, 2019.

Its purpose is to simplify the presentation of disclosures for issuers while making the document more useful for investors. In particular, it establishes a European format for a Universal Registration Document, or URD, a single document and central source of information drawn from the French Registration document, which it replaces as of July 21, 2019.

In accordance with the "Prospectus 3" regulation, European Delegated Regulation 2019/2020 published by the European Commission in April 2019 sets out the content of the Universal Registration Document in its Annexes 1 and 2.

The AMF and ESMA have provided issuers with all the necessary information and instructions to comply with these new provisions which Compagnie de Financement Foncier has implemented.

#### TRANSPARENCY DIRECTIVE

In force since the end of 2015, the revised Transparency directive (directive 2013/50/EU) provides for the establishment of a unique publication format for annual financial reports in order to facilitate access to financial information and the comparability of company accounts. On December 18, 2017, ESMA published the final version of the Regulatory Technical Standards (RTS), for the European Single Electronic Format (ESEF). This format must be used by all issuers to prepare their annual financial reports starting on January 1, 2022, following the one-year postponement authorized by the AMF. The tagging component of this new format is mandatory only for entities publishing consolidated financial statements.

## MARKET AND OPERATING ENVIRONMENT

The regulatory scope of Compagnie de Financement Foncier exposes it mainly to the following markets:

- real estate loans to individual customers, closely linked to the real estate market;
- loans to local authorities and public institutions;

- receivables secured by the French government such as Research Tax Credits (CIR), Employment Competitiveness Tax Credits (CICE), or subsidies from energy operators.

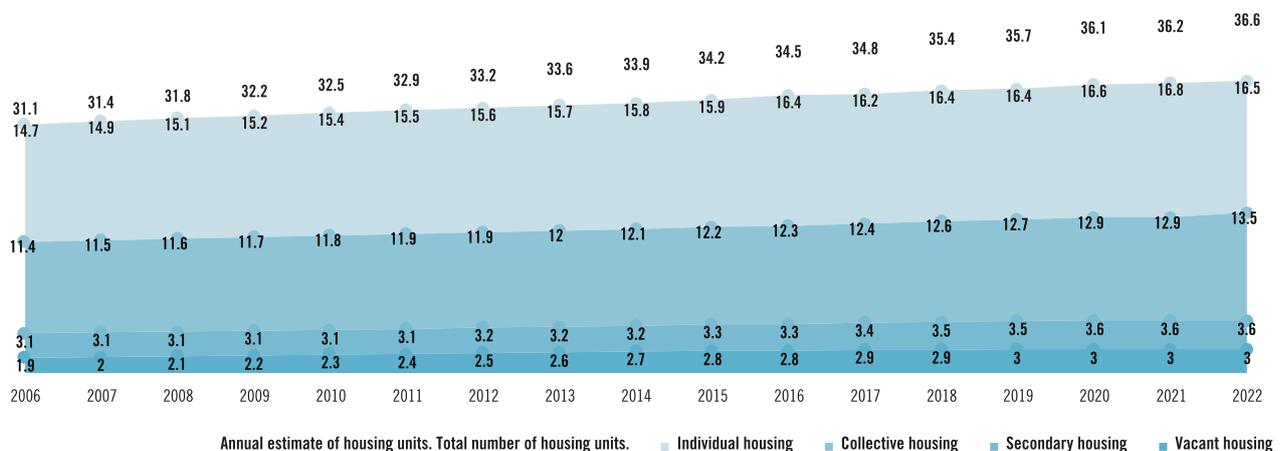
Compagnie de Financement Foncier refinances Groupe BPCE entities on these asset classes.

### The French real estate and home loans market

#### THE STRUCTURAL FEATURES OF THE FRENCH REAL ESTATE MARKET

The French real estate market has been driven for many years by recurring demand for new housing, due in particular to the country's demographic growth and societal changes such as the increase in life expectancy and the fragmentation of the family unit.

#### DISTRIBUTION BY TYPE OF HOUSING (in millions of units) <sup>(1)</sup>



As of January 1, 2022, there were 36.6 million housing units in metropolitan France, an increase of 12.9 million since 1982. On average, since the early 1980s, the housing stock has grown by 1.1% per year with a growth rate that has changed little over the entire period, although it has been slightly lower since 2007.

In summary, nearly 82% of housing units are primary residences (30 million units) and 55% are individual housing. Since 2007, the share of this type of housing has declined slightly because each year the number of completed collective housing units is greater than that of individual housing units.

Since 1982, the number of primary residences has increased by 53% in metropolitan France as a result of various factors, including population growth (+21% over the period) but also the decrease in household size (couples settling in later, break-ups, demographic aging).

Since 2010, secondary housing has been growing faster than the overall stock. Similarly, the number of vacant units has increased significantly since 2007 (+2.7% per year on average between 2007 and 2022). This phenomenon is most often the result of a mismatch between supply and demand in terms of size, location, price or concerns housing in poor condition.

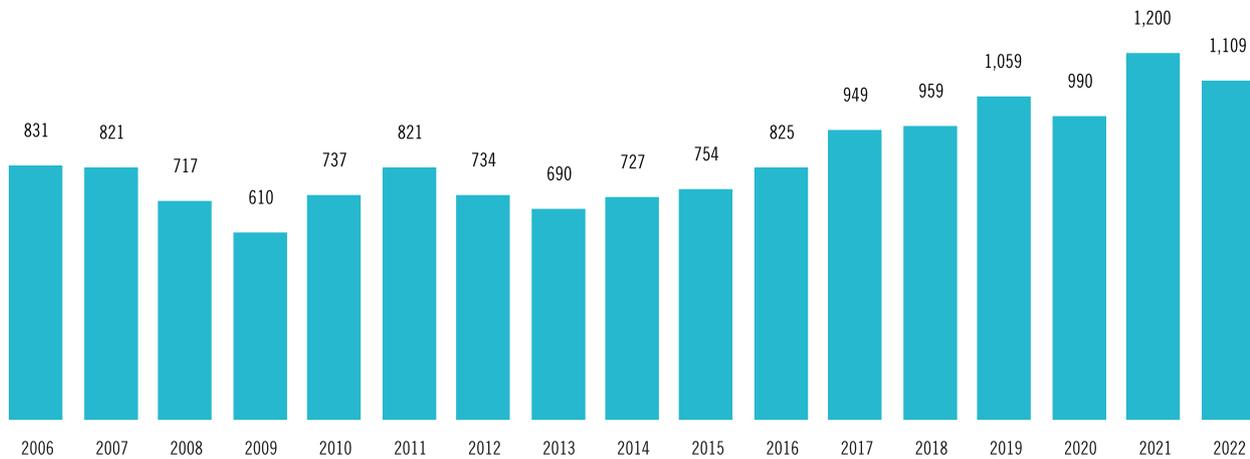
1) INSEE – 37.2 million housing units in France on January 1, 2022 - November 2022.

Since the early 1980s, the distribution of housing by urban unit size has shifted in favor of municipalities outside the urban unit. Thus, in 2022, 16% of main residences are located in the Paris urban unit and 20% in a municipality outside the urban unit. In 2022, 77% of second homes are located in a municipality outside an urban unit or in an urban unit with fewer than 100,000 inhabitants, compared with only 52% of primary residences. The majority of vacant housing (60%) is found in a municipality outside of an urban unit or in an urban unit with less than 100,000 inhabitants.

58% of households own their primary residence. This share has been stable since 2010, after having increased continuously since 1982 (when it was 50%). The share of homeowners with no repayment expenses increased significantly until 2010 (38% vs. 27% in 1982), partly due to the aging of the population, before declining slightly (37% in 2022). The share of first-time homebuyers has stabilized at 20% for the past 15 years or so, in line with the lengthening of loan terms. The share of households renting their primary residence has remained at around 40% since 1990. Housing owned by public lessors represents 17% of the primary residence stock, while those owned by private lessors represent 23%. Finally, the proportion of households housed free of charge is tiny (2.4%).

## THE REAL ESTATE MARKET IN 2022 (1)

### NUMBER OF TRANSACTIONS OVER 12 MONTHS IN THE EXISTING HOUSING SECTOR (in thousands)



The trends calculated on the basis of transactions signed during the third quarter of 2022 do not yet reflect the general slowdown in activity. The market tightening observed since the summer mainly affects first-time home buyers and low-income households, excluded from the market both by the price levels reached and by the deterioration of access to financing. Solvable demand is made up of wealthy households with a comfortable budget, whose choices focus on high-quality goods with higher prices.

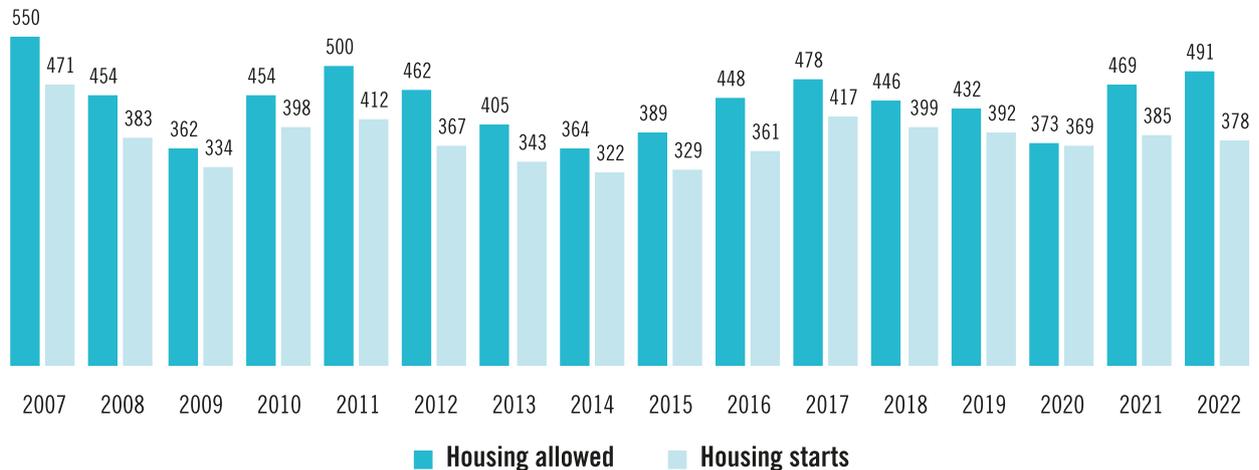
The increase in the average price of existing homes, calculated on the basis of transactions signed during the third quarter, remained at more than 6% year-on-year (Notaires - INSEE indices). Nevertheless, since the end of the summer, demand has tended to decline. Thus, in Ile-de-France, the slowdown in activity, which has been underway for longer than in the provinces, is already having an impact on housing prices, which are rising at a more moderate pace (+2%). Housing

prices rose most strongly in the provinces (+8.1%), and for all markets, the preference for individual housing maintained upward pressure on prices in both the Paris region (+5.7%) and the provinces (+8.7%) in the third quarter of 2022, vs. Q3-2021. Over the same period, apartment prices increased by an average of 4% in France, mainly in the provinces (+7.1%) while in the Paris region they stagnated (+0.2%).

After several years of real estate euphoria, the beginning of an inflection in the markets appears in the 2022 indicators and the conditions for a contraction in activity in all market segments (old, new, home ownership or rental investment) from 2023 onwards seem to be present, despite the historic confidence of households in housing. Real estate prices are expected to stabilize or even decline slightly. Its extent will depend on a number of factors, including changes in the supply of home loans, the economic situation and the social climate.

1) BPCE L'Observatoire - Housing Market Conditions - December 2022

## HOUSING ALLOWED AND STARTED OVER A ROLLING 12-MONTH PERIOD (in thousands of units) (1)



The year 2022 saw a very uneven evolution of housing authorizations. An exceptional number of authorizations were recorded in February and March 2022, a consequence of the sharp increase in permit applications filed in December 2021 just prior to the January 1, 2022 implementation of the 2020 environmental regulations. August also saw a record number of collective housing authorizations in tight areas prior to the deadline for eligibility for sustainable construction stimulus. These exceptional increases, linked to anticipatory behavior, were offset by sharp decreases in authorizations in the months that followed. Between September and November 2022, authorized housing was down sharply (-34.9%).

From December 2021 to November 2022, in cumulative gross data over one year, the volumes of authorized housing and housing starts amounted to 491,200 and 377,600 units respectively.

In the real estate development market, the weakening of demand has added to the sector's difficulties in reconstituting its supply. The supply available for sale at the end of Q3 2022 is nearly stable (+0.9%) compared to its Q3 2021 level, but is 5% below the 10-year average of outstanding inventory. Reservations fell by 16.8% compared to the same period in 2021. The activity is dominated by sales of collective housing: quarterly reservations of new collective housing represent 94% of total new housing sales. The average price of new apartments

sold to individuals (€4,526 per m<sup>2</sup>) has risen steadily over the past decade, at an average rate of 1.9% per year. However, it decreased by 2.1% between the second and third quarters of 2022. In the grouped housing market, activity is based on low sales volumes (6,797 reservations over a sliding year, down 10%) with an average price of over €300k since 2020.

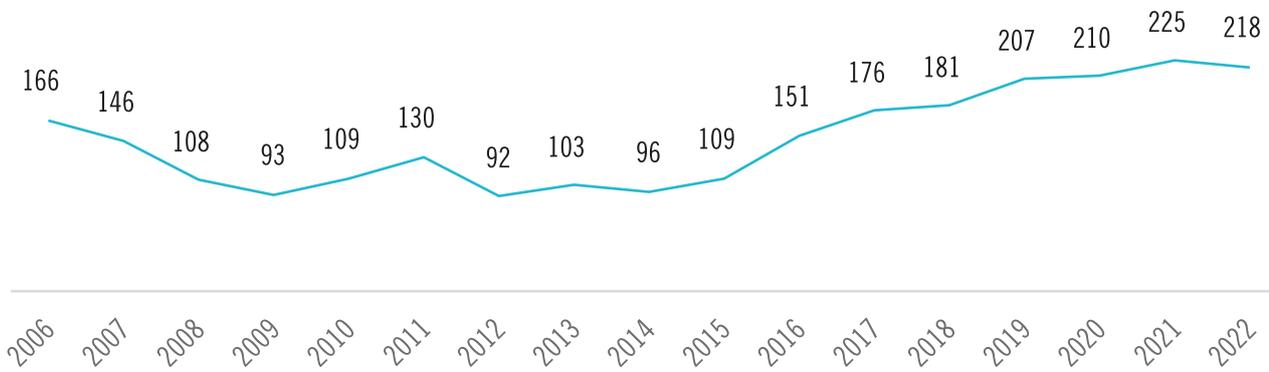
In the market for individual homes in the diffuse sector, the rebound in activity in 2021 coincides with an anticipation of the entry into force of the RE2020, which has been postponed several times and is finally set for January 2022.

The preference of the French for individual housing, price levels previously spared by the additional construction costs caused by the new regulations, favorable home loan conditions until the beginning of 2022, and then the health crisis and its successive lockdowns have fueled the demand for this type of home and made it possible to fill the order books of individual home builders and to ensure a good level of activity in 2022, with housing starts spread out over several months. Since the effective entry into force of the new environmental regulations, the number of building permits issued has fallen. At the end of October 2022, over a sliding year, the number of construction authorizations for individual homes in the diffuse sector (143,600 units) fell by 8.2%.

1) Statinfo - construction de logements - No. 514 December 2022.

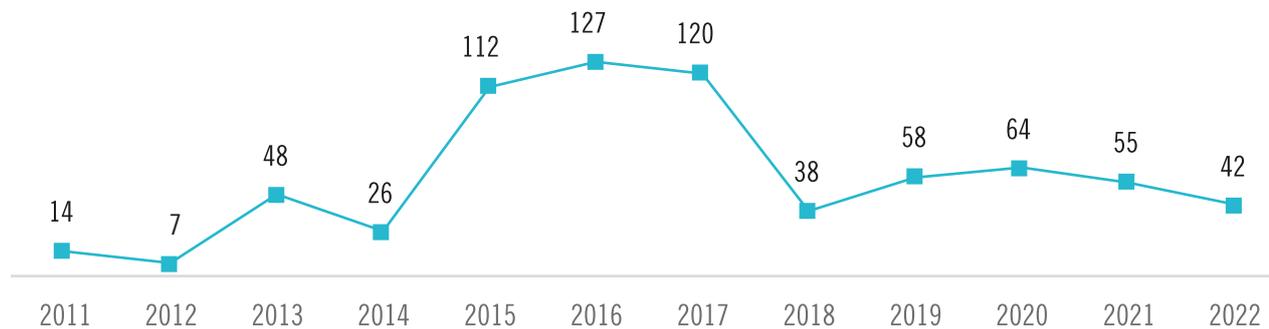
## REAL ESTATE FINANCING IN 2022 (1)

ANNUAL PRODUCTION OF REAL ESTATE LOANS (EXCLUDING LOAN RENEGOTIATIONS) (in €bn)



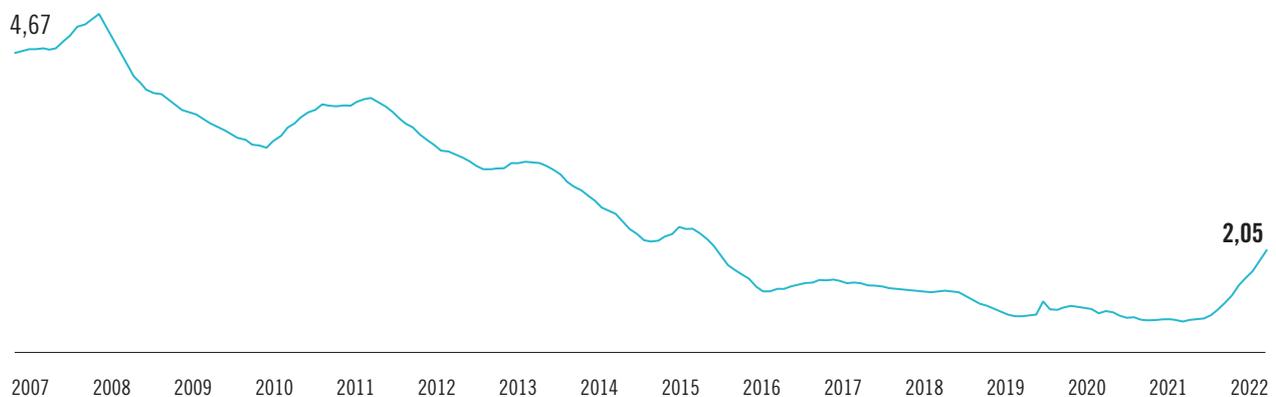
New loans (excluding buybacks and renegotiations) totaled €218bn, down 3% compared to 2021 (€225bn), which remains an exceptional year for home loans.

AMOUNT OF HOME LOAN REPURCHASES AND RENEGOTIATIONS (in €bn)



Buybacks and renegotiations of home loans amounted to €42bn, i.e. a decrease of €13bn in 2021.

INTEREST RATES ON HOME LOANS AT MORE THAN ONE YEAR (in %)



The average interest rate of home loans (long-terms and fixed rate) reached 2.05% in the 4th quarter of 2022. In one year, the cost of home loans has almost doubled.

1) Banque de France - STAT INFO - February 2023

## The commercial real estate market (1)

In a contrasting national economic context (buoyant job market associated with a historically low unemployment rate, high inflation, rise in interest rates), the volume of business property investments reached €28.1bn in 2022. The market is thus in line with 2021 (+1.4%) and slightly down compared to the ten-year average. After significant investment volumes in the 2nd and 3rd quarters, only €6.3bn was invested in the 4th quarter, i.e. -43% compared to the ten-year average of the last quarter (€11bn). More complicated access to financing due to the rise in interest rates largely justifies this decrease in investments at the end of the year.

The breakdown by asset class reveals contrasting market situations.

While office property remains the main asset class in terms of investment volumes, its relative importance decreased significantly to 49.5% (€13.9bn) in 2022 compared to 65% (€18.9bn) in 2020. This decline is mainly due to the scarcity of transactions exceeding €200m. Indeed, only nine transactions exceeding €200m were signed in 2022, compared to 18 per year on average since 2017. Investment in office property remains concentrated in the Ile-de-France region (€10.3bn in 2022 and 74.4% of the total). Nevertheless, the increase in the share of the regions is significant (25.6% in 2022 compared to 13.8% in 2020). In the regions, the market is concentrated in three areas: Lyon, Aix-Marseille and Lille. In Ile-de-France, all market areas are on a downward trend: compared to the ten-year average of the amounts invested, the most significant slowdowns concern La Défense (-47%).

The retail market experienced a dynamic year in 2022 with €5.6bn invested, i.e. 15% more than the ten-year average. This result is linked to the significant number of investment transactions exceeding €100m (50.1% of the total invested). Among the different types of retail

transactions in 2022, peripheral retail transactions supported the market (€2.1bn and 37.8% of the total). Geographically, the trends remained stable compared to previous years with a breakdown of Ile-de-France/regions at 59%/41%. The market was driven by French investors (78%) who invested €4.3bn.

The logistics and business premises sector remained at a high level at €6.37bn. The distribution between investments in business premises (€1.67bn and 26%) and warehouses (€4.7bn and 74%) is in line with the ten-year trend after a year in 2021 marked by investments more directed towards warehouses. Unlike other commercial real estate asset classes, American investors are very present in this market with 24% of the amounts invested in 2022.

Real estate services confirmed its gradual return with €2.15bn invested in 2022, an increase of 46% (€1.48bn) compared to 2021. With an annual amount still below the ten-year average, this market has not yet recovered to its pre-health crisis level. Hotel investment represents 88.5% of the total invested (€1.9bn) followed by investment in tourist accommodation excluding hotels (8% and €172m).

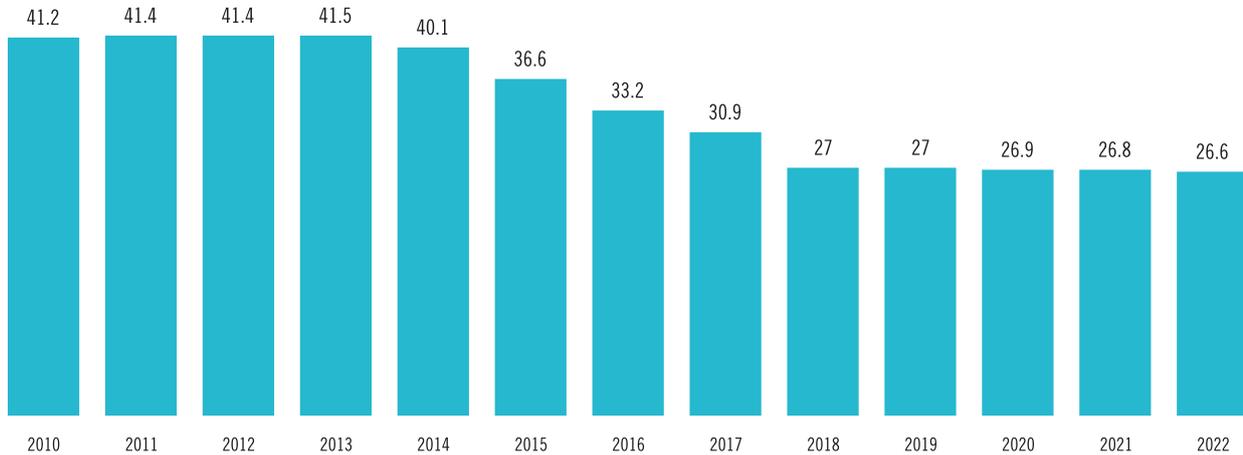
In 2023, portfolio-based players with little borrowing should be able to take advantage of the drop in real estate prices. In addition, tertiary investments will be characterized by greater selectivity and the question of the future of office assets located in areas with significant impairment will arise with a potential reflection on their change of use.

As at December 31, 2022, Compagnie de Financement Foncier was refinancing an outstanding amount of €567.3m in private corporate loans, made under the conditions set out by Article L. 211-38 of the French Monetary and Financial Code.

1) BNP Paribas Real Estate - At a glance 2022 Q4 - January 2023

## The Public sector market in France

### THE STATE'S OVERALL OPERATING GRANT (DGF) TO LOCAL AUTHORITIES (in €bn)<sup>(1)</sup>



For the 5<sup>th</sup> consecutive year, the amount of the DGF has remained stable. In 2022, as in the four previous years, it amounted to nearly €27bn <sup>(1)</sup>. In 2022, the municipalities and EPCIs (public institutions for intercommunal cooperation) received 69% of the total amount of the DGF, i.e. €18.3bn and the departments 31% i.e. €8.3bn. For the year 2023, a DGF of €26.6bn is included in the Finance Bill.

#### LOCAL FINANCES IN 2022 <sup>(2)</sup>

In 2022, local government operating revenue is estimated to increase by 3.2% to reach €256.6bn. This change is mainly due to the increase in tax revenues, which are expected to rise by 4%. While the CVAE (€9.3bn) is expected to fall by 3.3% due to the fact that it is calculated mainly on the basis of the value added produced two years earlier (i.e., in 2020 at the time of the health crisis), the other contributions are expected to benefit from a 3.4% revaluation of their bases. Thus, the property tax on built-up properties would increase by 5.9%. The property tax of companies, which would include the revaluation of the bases only for industrial premises, would only increase by 2.6%. As regards indirect taxation, VAT, which is now the main local tax, is expected to amount to €40.7bn and could increase by nearly 9% at the end of the year.

Operating expenses, with growth of 4.9%, would experience their highest rate of change in over 15 years due to the high level of inflation in 2022. General expenses of local authorities (€54.1bn), made up of energy purchases, supplies, small equipment, maintenance-repair expenses and service contracts, would be the first item to be affected by the price increase. They are expected to increase by 11.6%, which

is more than the anticipated inflation (+6.2%) <sup>(3)</sup>. Personnel expenses would include the government's decisions on salaries: raising the index point of the civil service on July 1, 2022, raising the careers and salaries of category C employees, and renewing the individual purchasing power guarantee. The payroll could thus reach €75.2bn (+4.1%).

Gross savings, which are used to finance loan repayments and investments, would be down by 4.4% to €43.1bn. This decline would affect all levels of local authority with the exception of regions whose savings are boosted by the high level of VAT. After deducting loan repayments (€18.3bn), net savings, at €24.8bn, would finance 36% of investments (excluding debt).

Investments would grow at the same rate as in 2021 (+6.9%), but at a lower volume due to the price effect. Indeed, over the first six months of 2022, compared to the same period in 2021, the BT01 and TP01 indexes rose by +7.1% and 10.2%, whereas over the year 2021, the changes were only 4.6% and 4.8% respectively. Rising costs and problems in the supply of raw materials encountered by construction and public works corporations would limit the implementation of investment programs, by postponing or resizing them.

New borrowing (€21.5bn, an increase of 3.7%) is expected to be carried out mainly by the regions. Debt repayments would increase slightly as in 2021 and would reach €18.3bn. This would result in a positive debt position of €3.2bn, a high level in the 2020 and 2021 trend. As a result, outstanding local authority debt would reach €203.7bn (+1.6% compared to 2021).

1) 2022 Observatory of local finance and public administration report.

2) La Banque Postale - Economic Outlook - Local financings – 2022 trends by level of local authorities.

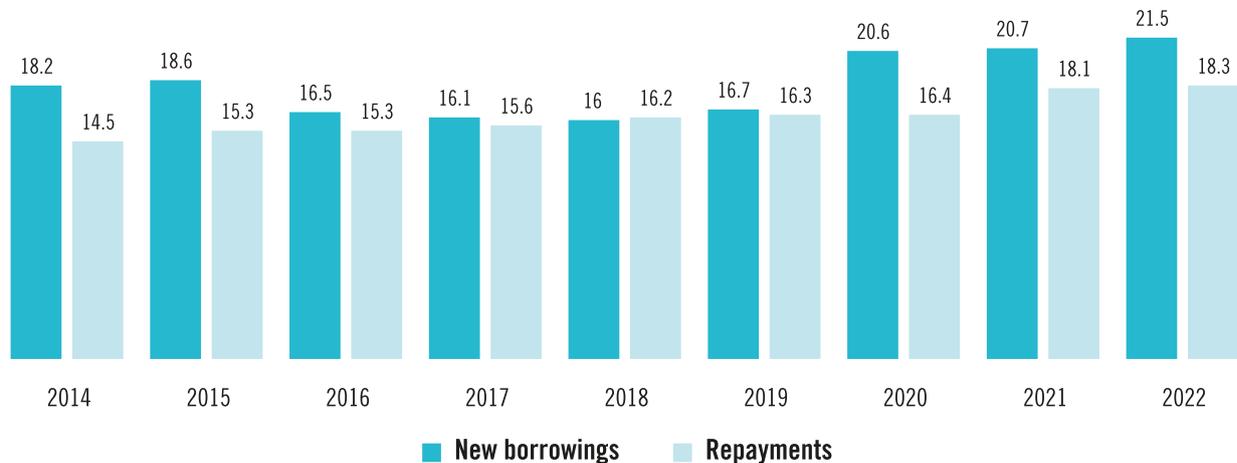
3) INSEE.

While local authorities had regained financial leeway and confirmed their participation in the Recovery Plan in 2022 despite high inflation, the rest of the mandate could be disrupted by major financial and fiscal reforms. Thus, the public finance programming bill for the years 2023 to 2027 and the 2023 budget bill <sup>(1)</sup> adjustment measures but also some significant provisions. In accordance with the promise of the presidential campaign, the CVAE (contribution on the value added of companies) is abolished, but in two stages in order to finance the energy shield. The terms of compensation for the local authorities that lose this resource as of 2023 are to be defined. A fund to accelerate the ecological transition in the territories, known as a "green fund",

with €2bn in commitment authorizations for 2023, has been created to support the projects of local authorities in terms of environmental performance, adaptation of territories to climate change and improvement of the living environment.

This programming bill, which aims to bring the public deficit below 3% of GDP by 2027, focuses on controlling operating expenses. It provides for an annual growth path equal to inflation - 0.5% with monitoring by category of local authorities, and in the event of overruns, sanctions limited to the largest entities that have not respected the path. Through the implementation of this confidence pact, the State ensures that local authorities contribute to the effort to reduce the public deficit.

#### REPAYMENTS AND LOANS FROM LOCAL AUTHORITIES (in €bn) <sup>(2)</sup>



Compagnie de Financement Foncier holds €12,761bn in receivables from local authorities.

1) PLF 2023 / PLPFP 2023 - 2027 / DOB 2023 Caisse d'Épargne.

2) La Banque Postale - Local financings - 2021 trends by level of local authorities.

# BUSINESS MODEL OF COMPAGNIE DE FINANCEMENT FONCIER

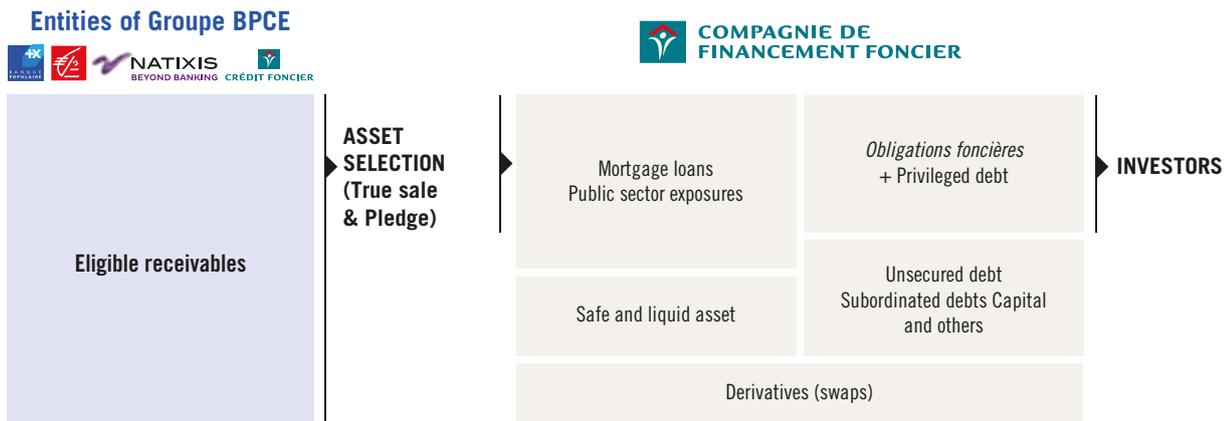
## BUSINESS MODEL OF COMPAGNIE DE FINANCEMENT FONCIER

Compagnie de Financement Foncier is a credit institution approved as a specialized credit institution and a *Société de Crédit Foncier*. As a wholly-owned subsidiary of Crédit Foncier, affiliated to BPCE, Compagnie de Financement Foncier is an active covered bond issuer and is one of the vehicles for the funding of Groupe BPCE.

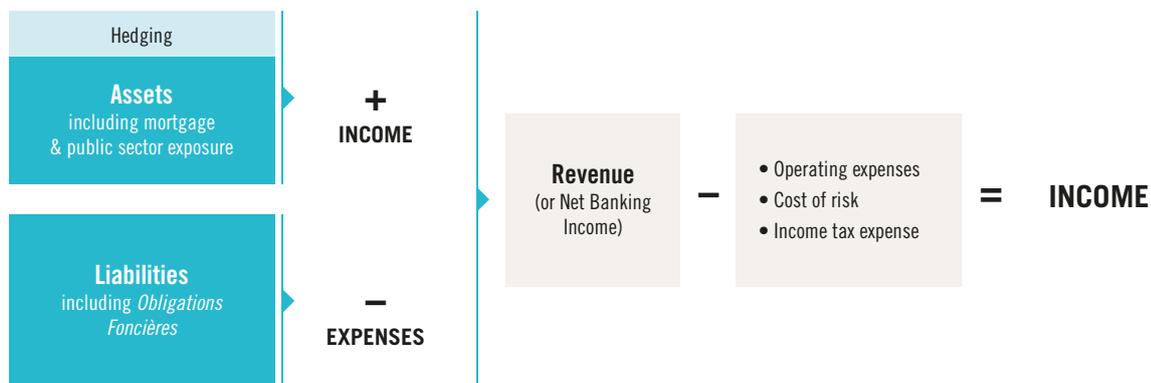
Structure of a *Société de Crédit Foncier's* balance sheet

Assets	Liabilities
<ul style="list-style-type: none"> <li>Guaranteed loans: backed by a first-rank mortgage or real estate securities conferring at least an equivalent guarantee</li> </ul>	<ul style="list-style-type: none"> <li>Privileged resources (mainly <i>obligations foncières</i>)</li> </ul>
<ul style="list-style-type: none"> <li>Exposures on public entities</li> </ul>	<ul style="list-style-type: none"> <li>Non-privileged resources: senior debt (unsecured debt), subordinated and related debts</li> </ul>
<ul style="list-style-type: none"> <li>Safe and liquid assets</li> </ul>	<ul style="list-style-type: none"> <li>Provisions</li> <li>Share capital</li> </ul>

Following the implementation of a new industrial model of Crédit Foncier starting from April 1, 2019, Compagnie de Financement Foncier is now mainly focused on the funding of Groupe BPCE assets, in particular Public sector and similar assets.



This model is based on the selection and funding of eligible assets originated by Groupe BPCE's entities via true sale or collateralized loans. These assets are financed by issuing *obligations foncières* and privileged debts the holders of which are granted with a legal privilege on the flows from the assets guaranteeing both principal and interest, with priority over all other creditors.



NB: This is a deliberately simplified description and does not necessarily take into account certain extraordinary situations.

In addition to the quality of its asset cover pool, security and robustness are the main features of its economic model, as well as its hedging portfolio.

Prior to any refinancing of eligible assets on the balance sheet of Compagnie de Financement Foncier through true sale or pledge (L. 211-38, CMF), the assets selected are subject to a rigorous review enabling Compagnie de Financement Foncier to acquire only quality loans in accordance with its risk policy.

## Compagnie de Financement Foncier's assets

### COMPOSITION OF ASSETS, SELECTION AND MANAGEMENT RULES

#### ASSET COMPOSITION

The rules governing the acquisition of Compagnie de Financement Foncier's assets are strictly defined and closely monitored:

- the assets must be eligible pursuant to the law governing the business of *sociétés de crédit foncier*;
- their acquisition is subject to Compagnie de Financement Foncier's own additional requirements;
- the margin on the assets acquired ensures the profitability of Compagnie de Financement Foncier.

In addition to the eligibility rules, the quality of Compagnie de Financement Foncier's assets results from their intrinsic characteristics: they include loans or securities to Public sector entities or guaranteed by the Public sector and first-ranking mortgage loans or similar.

#### SELECTION

In addition to legal eligibility criteria and guarantees required before acquisition, Compagnie de Financement Foncier's business model is characterized by its rigorous asset selection process based on specific know-how, building on the expertise of Crédit Foncier's experienced teams dedicated to these activities.

Eligible assets are selected and scored on their own characteristics, such as: the internal and/or external Basel rating, age, maximum amount financed by privileged liabilities (ratio between the loan amount and the value of the asset pledged as collateral) for mortgage loans and related items, statistical data including default experience, etc.

This selection process is subject to an ongoing control process aimed at maintaining the high quality of the assets refinanced, which guarantees the security provided to holders of *obligations foncières*.

The calculation of the price at which Compagnie de Financement Foncier acquires its assets takes into account the cost of resources, the cost of hedging, the overcollateralization level of covered bonds, the probabilities of default and losses of the cover pool, operating expenses and a profitability objective.

### MANAGEMENT OF PAYMENT DEFAULTS

Responsibility for managing the loans of Compagnie de Financement Foncier is entrusted by agreement to Crédit Foncier.

The debt-collection process involves preventing problems, carrying out accurate analysis of risk, making use of guarantees if necessary, and ensuring the rigorous processing of loan applications.

For private individuals, the debt-collection policy comprises three phases, depending on the length of arrears:

- automated collection with intervention from the first missed payment, for immediate settlement or implementation of a settlement plan;

- amicable collection (arrears between two and three months, duration of the procedure up to six months), with a rate of return to normal management of over 80%;
- litigation (arrears beyond six months) resulting in the settlement of a third of cases in the subsequent year.

### MANAGEMENT RULES

#### OVERCOLLATERALIZATION

##### COMPLIANCE WITH THE REGULATORY OVERCOLLATERALIZATION RATIO (COVERAGE RATIO)

Overcollateralization, defined by law (Article L. 513-12 of the CMF), requires *sociétés de crédit foncier* to have a total amount of assets weighted in accordance with the regulatory provisions set forth in CRBF (French Banking and Financial Regulation Committee) Regulation 99-10 of July 9, 1999, as amended, that is strictly greater than 105% of the total amount consisting of liabilities benefiting from the legal privilege and maintenance and management costs in order to terminate the covered bond program (Article 8 of CRBF Regulation 99-10). One of the Specific Controller's duties is to monitor compliance with this regulatory overcollateralization rule.

Since the creation of Compagnie de Financement Foncier in 1999, this regulatory ratio has always been above 108%.

The superior quality label granted to covered bond issuances also requires compliance with a minimum overcollateralization ratio of 105% calculated according to the rules of Article 129 of Regulation (EU No. 575/2013 CRR).

This regulatory ratio has always been largely respected since its entry into force.

#### Maintaining a high overcollateralization ratio specific to Compagnie de Financement Foncier

In addition to the safety provided by the institutional framework and to ensure the best ratings from the major rating agencies, Compagnie de Financement Foncier has initiated additional management measures.

These measures result in compliance with a specific collateralization ratio for each rating agency based on its methodology.

In particular, since 2009, it set up measures to maintain at all times a volume of non-privileged resources at least equal to 5% of the liabilities that benefit from the legal privilege.

The holders of covered bonds who benefit from the privilege are also protected by the relative weight of non-privileged resource holders, since these are not repaid in priority.

#### Continuous monitoring of overcollateralization levels

In order to comply at all times with the required levels, the two above-mentioned overcollateralization ratios are subject to continuous monitoring with observation thresholds. In addition to the imperative compliance with the 105% level, if Compagnie de Financement Foncier notes on a quarterly basis that one of the defined observation thresholds has been crossed, any new acquisition of assets is immediately suspended pending the implementation of additional non-privileged resources in order to reach the minimum target overcollateralization amount.

### Principle of financed LTV for residential mortgage loans

In the case of residential mortgage loans, the portion financed by privileged liabilities is the ratio of the outstanding principal over the value of the underlying real estate asset (LTV – Loan to Value). The value of the collateral is updated annually. To guarantee a minimum quality level for cover pool assets, the CRBF caps the maximum percentages that can be funded by issues of covered bonds.

The regulatory annual revaluation of assets is based on a prudent assessment of the property's long-term characteristics, local market conditions, the current use of the property and other possible uses. All of this information is provided by BPCE Expertises Immobilières, a BPCE subsidiary, Veritas-certified, whose experts are either certified by a court and/or qualified as Chartered Surveyors (MRICS) <sup>(1)</sup>.

The Specific Controller monitors these appraisals each year to verify compliance with the real-estate market parameters used in the valuation process, as described in the Risk Management report section of this document.

### CREDIT RISK

#### ASSET PURCHASING CRITERIA BY CATEGORY

In addition to the high level of security conferred by the very nature of the eligible assets, Compagnie de Financement Foncier sets up additional asset purchasing criteria for each asset category, so as to limit its exposure to credit risk. A selection is thus made on the basis of ratings, probability of default, repayment capacities, loss expectations and possible hedging of assets. Assets meeting the purchase filter criteria are acquired at a specific price incorporating the characteristics of each asset and the market rate curves.

In addition, the safe and liquid short-term exposures to credit institutions held by Compagnie de Financement Foncier benefit from very good ratings assigned by the agencies. The minimum acceptable credit rating for each asset (except for assets guaranteed by eligible collateral to a *Société de Crédit Foncier*) depends on the investment horizon and must meet the minimum rating criteria of each of the three rating agencies, as shown below:

	Standard & Poor's	Moody's
From 0 to 60 days	ST: A1	ST: P1
from 61 days to 365 days	ST: A1+	ST: P1 and LT: Aa3

*Scope Ratings applies no predefined minimum rating. The analysis is done on a case to case basis.*

### LIMITING MARKET COUNTERPARTY RISK

Groupe Crédit Foncier's risk policy specifies per market counterparty risk limits and Compagnie de Financement Foncier observes these limits in its decision process.

For its hedging transactions Compagnie de Financement Foncier executes a framework convention with each of its counterparties, with asymmetrical collateralization and other specific terms set forth in an appendix to this agreement. Each counterparty agrees to pay Compagnie de Financement Foncier on a daily basis (or on a weekly basis for some of them) depending on the counterparty's rating a security deposit equal to its net debt position, without reciprocity from Compagnie de Financement Foncier.

### MANAGING BALANCE SHEET RISKS

#### MANAGING INTEREST RATE RISK

Compagnie de Financement Foncier has set itself the task of maintaining the level of its interest rate mismatches or gaps within the limits defined by the time horizon and of correcting any overruns by the end of the following quarter, at the latest:

Horizon	Limits exprese in €bn
Less than 2 years	1.5
2-4 years	1.7
4-8 years	2.1
Threshold of 8-16 years	2.1

#### LIQUIDITY RISK HEDGING

In accordance with legislative constraints requiring that *sociétés de crédit foncier* ensure that, at all times, all of their cash requirements are hedged for a period of 180 days, Compagnie de Financement Foncier has adopted a specific process to monitor its 180-day liquidity. This guarantees that it always maintains enough liquidity to honor its privileged liability commitments for at least 180 days.

The quality of the receivables on its balance sheet enables Compagnie de Financement Foncier to have immediate access to significant amounts of funding from central banks, such as the ECB.

Thus, at all times, Compagnie de Financement Foncier has its cash, its safe and liquid exposures to credit institutions and its level 1, 2A and 2B liquid assets [see Delegated Regulation (EU) 2015/61 of October 10, 2014] in order to ensure the contractual repayments of its privileged debt over the following 180 days.

In accordance with regulatory provisions, Compagnie de Financement Foncier limits the difference between the average duration of its total assets and its privileged liabilities to 18 months. At December 31, 2022, the total assets average duration was 6.6 years and the privileged liabilities average duration was 7 years.

<sup>1)</sup> MRICS: members approved by the Royal Institute of Chartered Surveyors (RICS). RICS is an English professional body whose mission is to regulate and promote the property valuation profession.

## NO FOREIGN EXCHANGE RISK

Compagnie de Financement Foncier prohibits any open foreign exchange positions. As such, all asset purchases or funding transactions that are not denominated in euros are systematically hedged against foreign exchange risk.

In practice, Compagnie de Financement Foncier limits its residual foreign exchange positions to €3m by currency with a €5m cap for all currencies.

## ORGANIZATION OF CONTROLS

The organization of Compagnie de Financement Foncier's controls is managed at groupe Crédit Foncier level. Crédit Foncier's Risk Division-Financial risks monitors and controls the different types of risks of its subsidiary under the formal agreements signed by Crédit Foncier and Compagnie de Financement Foncier. The Risk Division performs ex-ante risk analyses based on exposure and delegation limits, and ex-post analyses and controls. It reports functionally to BPCE's central Risk Division.

## Financial transactions

### FUNDING THROUGH THE ISSUANCE OF OBLIGATIONS FONCIÈRES

#### THE ECONOMIC ENVIRONMENT FOR 2022

After a year 2021 recording a rebound of the world economy and fueling hopes of a sustainable economic recovery, the year 2022 marked a halt in this dynamic. The entry into war of Ukraine and Russia at the beginning of 2022 generated serious geopolitical unrest and initiated a new period of risks and uncertainties at the global level. In the space of a few months, the economic environment deteriorated significantly for all the world's economies, with a surge in inflation against a backdrop of soaring energy and food prices, threats of a pandemic recovery, and rising interest rates as a result of tighter monetary policies.

In this context, forecasts for growth of the world economy for the year 2022 decline to 3.2% <sup>(1)</sup> and to 2.7% for the year 2023. With the exception of the global financial crisis and the COVID 19 pandemic peak, these would be some of the lowest levels of growth since 2001. They are mainly due to the slowdown in the economies of the world's major powers: contraction of US GDP in the first half of 2022, decline in growth in the euro zone in the second half of the year and the stalling of the Chinese economy affected by its zero-COVID policy. The rate hikes recorded around the world point to difficulties in the real estate markets, which would weaken the banking sector. If fiscal year 2023 materializes a turnaround in global growth, the indicators could deteriorate further.

According to the International Monetary Fund (IMF), global inflation would rise from 4.7% in 2021 to 8.8% in 2022, before declining to 6.5% in 2023 and 4.1% in 2024. These forecasts include certain assumptions: continued shocks to energy and food prices, a tightening of global financing conditions that could lead to an over-indebtedness crisis in emerging countries, and a worsening of the economic situation in China that could exacerbate the impact on international trade.

Because of its geographical proximity to Ukraine and its dependence on Russian hydrocarbons, Europe is the region most affected by the economic impact of the war. Europe has dealt with these energy

Compagnie de Financement Foncier committees also support risk monitoring and control. Their operations are described in detail in the Risk Management report section of this document.

Moreover, in accordance with the legal framework that provides a legal privilege for holders of covered bonds, the law stipulates that *sociétés de crédit foncier* may not have their own personnel. Compagnie de Financement Foncier draws on the resources of its parent company, Crédit Foncier, to carry out its activities. Crédit Foncier provides Compagnie de Financement Foncier with a number of services, under a series of agreements. These outsourced activities are set out in the Risk Management report in this document.

BPCE SA is also involved in organizing controls as part of its responsibilities for the affiliation of Crédit Foncier and Compagnie de Financement Foncier (Articles L. 512-106 to L. 512-108 of the CMF).

supply difficulties by geographically diversifying its energy imports, which is proving very costly and limited in scope.

The energy crisis facing the euro zone is already weighing negatively on growth prospects and mortgaging hopes for recovery. Thus, in the third quarter of 2022, the post-health crisis catch-up effects were reduced and activity slowed significantly (+0.3%, after +0.8% in the second quarter) <sup>(2)</sup>, while inflation continued to rise. In Q4 2022, activity would decline in Italy, Germany and France. In Germany, the support of purchasing power and the assumption by the public authorities of part of the gas bill of households temporarily allows consumption to be maintained. On the other hand, the German loan production system is penalized by increases in energy prices and the weakness of global trade, which leads to a decline in exports. In Italy, the decline in activity is also due to the weakness of domestic demand: the decline in purchasing power leads to a sharp drop in household consumption. Spain is the only country in the euro zone to record a lull in inflation that could support household consumption in the short term.

Since the end of the summer of 2022, the euro zone countries have continued to face high levels of inflation (10.7% in October), with disparate situations: a sharp decline in Spain and a sharp rise in Italy. In the first half of 2023, the year-on-year change in consumer prices could decline as a result of specific measures to contain the rise in energy prices. This will be particularly the case in Germany, where a tariff shield has been put in place to protect both households and corporations, with a price cap on electricity until April 2024, as well as on 80% of gas consumption for households (70% for corporations). However, prices will continue to rise as a result of higher prices for goods other than energy and services.

In France, pressures on international raw material prices have resulted in continued inflation in 2022, which is expected to average 6.0% <sup>(3)</sup> annually. This should remain at the same annual average level in 2023 with a peak in the first half of 2023 and then a sharp decline (4% at the end of the year). In 2024, inflation is expected to continue to fall, although some food prices and the prices of certain services will remain dynamic. By the end of 2024 and in 2025, inflation should return to the ECB's target level of 2%.

1) IMF - World Economic Outlook - October 2022.

2) INSEE - Economic Outlook - December 2022.

3) Banque de France - Macroeconomic projections 2022 - 2025 - December 2022.

French growth in 2022 is expected to average 2.6% of GDP per year. Net job creation has remained strong and the unemployment rate has returned to a historically low level (7.3% in 2022). The year 2023 could see a marked slowdown with GDP growth reaching only +0.3%. Once the peak of the pressure on raw material prices and energy supply has passed, the recovery phase should begin in 2024 with growth of 1.2%. The growth dynamic is expected to continue throughout 2025 with an average annual GDP increase of 1.8%.

In summary, the geopolitical situation remains very uncertain, particularly in Europe with the war in Ukraine. The cost of gas supply is a major risk because of the limited possibilities of substitution. The maintenance problems of the French nuclear fleet are increasing the energy constraints in the euro zone. These factors generate instability and inflation in European economies in the short term.

## 2022 EUROPEAN MONETARY POLICY (1)

In a global macroeconomic context plagued by increasing difficulties, particularly in Europe with Russia's invasion of Ukraine and a sharp acceleration in the level of inflation, the Governing Council of the European Central Bank (ECB) has decided to normalize its monetary policy by adopting, as of June 2022, a series of measures to bring inflation down to a level close to 2%.

The ECB thus raised its three key rates four times during 2022 in order to curb inflation projections well above the 2% target. Indeed, according to Eurosystem estimates, average inflation (including energy and food) is expected to reach 8.4% in 2022 before falling to 6.3% in 2023. It should average 3.4% in 2024 and then 2.3% in 2025. Growth, revised downwards, would be around 3.4% in 2022, 0.5% in 2023, 1.9% in 2024 and 1.8% in 2025.

At its last Council meeting of the year on December 15, the ECB raised its three key rates by 50 basis points, bringing the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility to 2.50%, 2.75% and 2.00%, respectively, as of December 21, 2022.

With regard to the asset purchase programme (APP), the ECB will reinvest all principal repayments on maturing securities at least until the end of February 2023. Thereafter, the APP portfolio will be reduced by an average of €15bn per month until the end of Q2 2023, before any further adjustments.

With regard to the Pandemic Emergency Purchase Programme (PEPP), the ECB will also reinvest all principal repayments on maturing securities at least until the end of 2024.

Finally, in order to be consistent with the ongoing normalization of its monetary policy, the ECB has decided to adjust the interest rates applicable to the so-called TLTRO III operations and to offer banks additional voluntary early repayment dates. From November 23, 2022 until the maturity of each outstanding TLTRO III transaction, the interest rate will be indexed to the average of the key ECB interest rates applicable to each transaction over the period. Additional voluntary early repayment dates will also be offered to banks.

## THE COVERED BOND MARKET (2)

In 2022, €43bn of covered bonds were issued on the French market, positioning France as a leader in Europe.

In 2023, approximately €42bn of French covered bonds are expected to be issued given the high level of maturities (€23bn), the need to refinance TLTRO loans and a slowdown in the housing market, which is expected to continue to deteriorate due to the contraction of real

incomes, higher borrowing costs, tighter credit conditions and weak economic activity. On this basis, France would rank with Germany as the leading issuer of covered bonds and the French market would ultimately record a net positive supply of €18bn. The euro zone supply, estimated at €138bn, would represent 73% of the total covered bond supply, compared with 27% (€52bn) for countries outside the euro zone.

On the ECB side, at the end of November 2022, gross purchases under the CBPP3 reached €46.1bn, of which €41bn was reinvested. Compared to 2021, the European institution slightly increased its overall outstanding covered bonds from €304.2bn to €308.4bn. By country, French, German and Dutch covered bonds account for 31%, 27% and 8% respectively of the ECB's current assets. German and French covered bonds are expected to continue to represent the ECB's largest purchases in 2023 given their market shares and the significant volume of their maturities.

Quantitative tightening (QT) is expected to begin gradually in April 2023. The ECB may reduce its reinvestment in covered bonds by 25% per quarter starting in April 2023. Settlements under CBPP3 should reach €35bn in 2023 and the ECB is expected to reinvest nearly 75%, i.e. approximately €26bn. The ECB's participation in primary market issuance could be limited to 10% of orders (compared to 20% in 2022) in the first quarter of 2023 and 5% in subsequent quarters. Purchases on the primary market would thus amount to approximately €8bn in 2023 (compared to approximately €29bn in 2022), i.e. 29% of reinvestments.

In the 2nd half of 2022, due to inflationary fears, tight ECB monetary policy, and positive net supply, covered bond spreads widened by about 12 basis points relative to interbank swap rates, but the market has been resilient relative to other asset classes. In 2023, covered bond spreads could widen further due to the reduction of the ECB's intervention in the primary market, the deterioration of the macroeconomic environment and the abundant supply of covered bonds. Spread differentials between jurisdictions and between issuers could be more pronounced in 2023.

With €19.1bn of green and social covered bonds issued, 2022 reaches a new record in terms of volumes, despite the fact that the overall share of ESG issues dropped sharply in 2022. In fact they represent only 10% of covered issuances in 2022 (vs. 18% in 2021). The strong rebound in the supply of covered bonds diluted the share of ESG transactions. Sustainable covered bonds are primarily used (69%) for green buildings (commercial and/or residential). In 2022, only 9% of covered issuances were used to finance social housing projects. Social and sustainable issuances represented less than 3% of total ESG issuances in 2022, compared to 27% in 2021 and 37% in 2020. 2023 should see an increase in the global amount of ESG issuances estimated at between €20 and €25bn. The largest issuers of ESG bonds by outstanding issuances are Germany (29%), followed by France (25%) and Norway (16%).

This market remains a niche compared to the outstanding euro benchmark covered bonds (only 6%). This low level of issuances is due to the scarcity of eligible green and social assets, as well as the lack of data on energy performance certificates. On the other hand, a financial trade-off in favor of senior ESG uncovered bonds would indirectly weigh on investors' appetite for covered bonds.

The basis for ESG 2022 covered bond transactions is an investor base consisting primarily of bank treasuries (40% of allocations) and central banks and official institutions (27% of allocations). Overall, the over-subscription rate of ESG covered bonds significantly exceeds that of conventional covered bonds (x2.8 versus x1.7).

1) Monetary policy decisions - September 2022 - October 2022 - December 2022

2) Natixis Thematic Research December 2022 - Covered Bonds - 2023 outlook

## COMPAGNIE DE FINANCEMENT FONCIER ISSUANCES

In 2022, Compagnie de Financement Foncier issued a total volume of €4.605bn, 89% in the form of public issuances and 11% in the form of private placements.

On the primary market, three euro benchmark public issuances totaling €3.85bn marked the year 2022:

- in March, an issuance of €1.25bn was carried out with a six-year maturity. This transaction, executed on the longest maturity on the Covered Bonds market since the beginning of the Ukrainian crisis, demonstrates once again the ability of Compagnie de Financement Foncier to issue significant volumes in times of crisis and high volatility on the capital markets;
- in September, an issuance of €1.25bn was carried out with a maturity of 7.5 years. The high level of oversubscription on this transaction confirms the increased attractiveness of Covered Bonds for investors in times of uncertainty and instability. It also reflects the strong commitment of investors to Compagnie de Financement Foncier's strategy, which is now focused on refinancing the credit activities of Groupe BPCE entities.
- finally, in November, Compagnie de Financement Foncier seized the opportunity of a favorable issuance window to once again tap the primary market for a €1.350bn euro benchmark with a maturity of 4.5 years.

In April, Compagnie de Financement Foncier made a remarkable and popular return to the Swiss franc market after an eight-year hiatus with a CHF issuance worth €255m with a seven-year maturity. The very high granularity of the order book and the wide variety of accounts represented (asset managers, treasuries and insurers) attest to the success of the operation.

With €500m in private placement issuances during the year, Compagnie de Financement Foncier strengthened its position in this type of innovative product, which favors customized solutions adapted to the specific needs of investors.

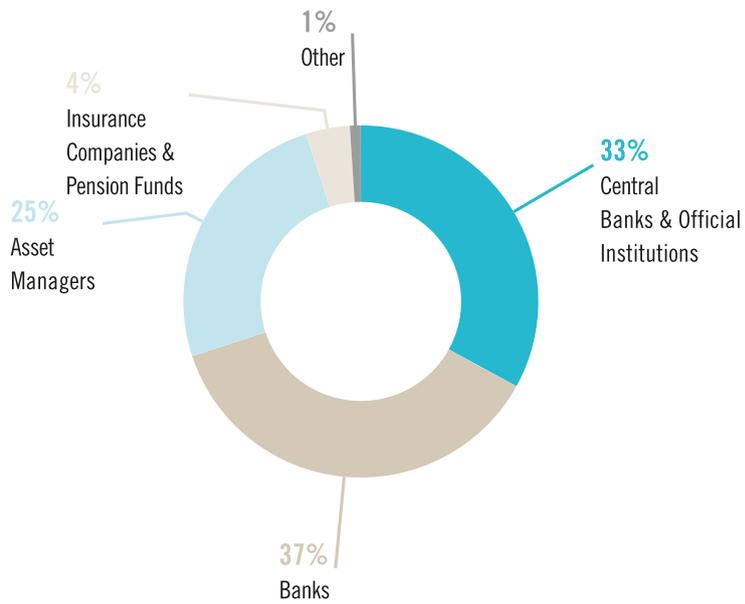
Except Eurosystem, German and Austrian investors form the backbone of the investor base in 2022 and account for 37% of allocations. It is worth noting the increased representation of Swiss investors, who are showing renewed interest in Compagnie de Financement Foncier's issuances with 14% of allocations, an interest catalyzed by the return of Compagnie de Financement Foncier to the Swiss franc market in April 2022. French investors, with 10% of allocations, showed a higher interest than in 2021. This is followed by investors from the Nordic countries and the Benelux countries. Asian investors confirmed their interest in the quality of Compagnie de Financement Foncier by renewing their stake once again.

In terms of investor types, the "central banks" category remains significant although down compared to 2021 (nearly 33% of allocations in 2022 vs. 37% in 2021). This is mainly due to the end of the ECB's CBPP3 net purchase program in July 2022. The "banks" category continues to grow with 37% of allocations (compared to 32% in 2021). The "asset managers" category confirmed its recurrence with more than 24% of investments made. In 2022, "banks" and "asset managers" alone account for two-thirds of allocations.

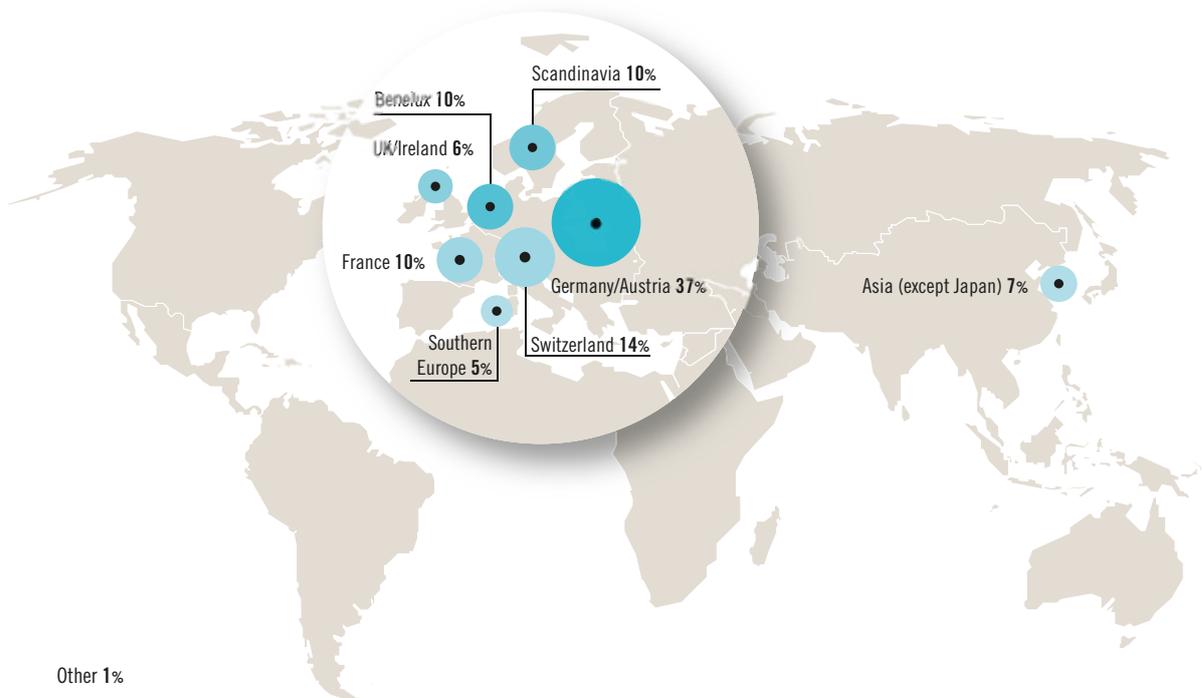
On the strength of its experience, its expertise, its in-depth knowledge of the markets and its close relationship with investors, Compagnie de Financement Foncier consolidates its position as a quality French issuer and a benchmark on the European covered bond market in 2022.

**BREAKDOWN OF COMPAGNIE DE FINANCEMENT FONCIER'S ISSUANCE OF OBLIGATIONS FONCIÈRES IN 2022**

*By type of investor*



*By region\**



\*Except Eurosystem

## CREDIT RATING AGENCIES: METHODOLOGIES

Several points of analysis are common to the covered bond rating process used by the rating agencies:

- sponsor's creditworthiness, importance of links between the sponsor and the issuer of the covered bonds;
- legal and regulatory risks: sovereign and financial system support capacity, regulatory framework, importance and maturity of the covered bond market in question;
- credit risk: analysis of the cover pool creditworthiness, assessment of the probability of default and expected loss in terms of amount and timing;
- Asset and Liability Management (ALM) risk: analysis of the asset liability mismatch, the liquidity policy, the interest rate and foreign exchange risks, cash flow analysis under different stress scenarios in run-off mode (including different early repayment assumptions), assessment of liquidity and overcollateralization needs;
- operational and administrative risks: analysis of the management of the covered bond program, the quality and reliability of the information processes and systems;
- counterparty risk: analysis of the major exposures, sensitivity to a counterparty default depending on the type of the counterparty – bank (for deposits and swaps), sponsor or servicer.

Each rating agency has developed its indicators and has created its methods to assess these risks and the minimum level of overcollateralization required in relation to the covered bond issues' rating.

### STANDARD & POOR'S

S&P rating process can be summarized in four steps.

The first step consists in determining the Reference Rating Level (RRL). The rating agency first analyzes the covered bond program environment to determine whether the program can be given a higher credit rating than its sponsor. It then ensures that the pool assets are properly segregated for the benefit of the covered bondholders, and that the payments on the outstanding privileged liabilities will follow the original schedule. The next particularly important aspect is the analysis of the resolution regime in place, which could provide for a rating uplift of one or two notches above the sponsor rating, depending on the systemic importance of the program in the country.

The second step assesses the Jurisdictional Rating Level (JRL) allowing an additional rating uplift of up to three notches – 0 for a low level of support, one for a medium level of support, two for a high level of support and three for a very high level of support. The JRL rating is derived from three parameters: regulatory environment, systemic importance, and financial support of the sovereign. Each is assessed separately to determine the final JRL assessment, which will be aligned with the parameter deemed to be the most fragile. The JRL is capped by the sovereign rating.

The third step consists in the analysis of the quality of the cover pool assets, which can lead to an additional uplift of four notches. The analysis focuses on credit, funding and liquidity risks as well as on overcollateralization. Overcollateralization must cover the entire credit risk and the proportion of the additional funding cost associated with ALM risk, deemed necessary to reach the target rating of the program. A lack of liquidity coverage or overcollateralization level commitment may each bring the rating down a notch.

The final step assesses counterparty risk and sovereign risk, which may in certain cases cap the final rating of the program.

### MOODY'S

When rating a covered bond, Moody's uses the Expected Loss (EL) model, which determines the maximum rating that the program can achieve. It is based on the probability of the sponsor's default and on the losses expected as a result of this default.

The first step is to determine the rating floor. In 2015, Moody's introduced a new type of rating for banks, the Counterparty Risk Assessment (CRA), which is a probability of default measure of the sponsor. It is also the starting point of the covered bond rating process. The adoption of the Bank Recovery and Resolution Directive (BRRD) means that the (CR) rating floor can be raised a notch in jurisdictions where the directive reduces the probability of the sponsor's risk of defaulting on its commitments to the covered bond. This additional notch is granted to all EU countries because they are subject to the BRRD.

The second step aims to define the level by which the (CR) rating floor can be raised. The EL model takes into account the probability of default of the sponsor and the quality of the cover pool and its characteristics, and simulates a final loss, corresponding to a given rating level. The uplift in the rating floor translates as the final difference with the final rating obtained which reflects the level of expected final loss.

The third step defines the Timely Payment Indicator (TPI) that may cap the rating floor uplift calculated in the previous step. The TPI represents the probability that the issuer will pay the interest and principal on the covered bonds in good time. The possible levels of the TPI extend from Very Improbable to Very High. A two-dimensional analysis is applied in order to determine the TPI: the jurisdiction analysis and the program-specific analysis. The main factors that affect the TPI are funding risk, the resilience of the legal system and contractual commitments, government and market support, the quality of hedging of privileged liabilities and the asset types funded by the program.

The CR rating floor and the TPI define the maximum rating that the covered bond program can achieve.

The sovereign rating does not cap the covered bond rating, because sovereign risk is already factored into the CR assessment.

### SCOPE

The starting point of Scope's methodology is the sponsor credit rating. The regulatory framework, resolution regime, and systemic importance are of great consequence in the agency's analysis. It means that an issuer rating can be increased by up to four notches if the resolution regime supports covered bond holders' dual recourse and by up to two additional notches if the regulatory framework allows for easy and immediate access to the cover pool in case of sponsor default. The rating agency considers that after the implementation of the BRRD, the probability that a sponsor would have to use cover pool assets to guarantee its covered bond issue commitments would fall. Scope analyzes whether the program can be affected by a moratorium or an insolvency event by the sponsor, determines whether the regulatory framework ensures the continuity of the payments on the outstanding privileged liabilities thus reducing the probability of default on the covered bonds.

Secondly, Scope's analysis focuses on the quality of the cover pool's assets and their resilience in times of stress: an upgrade of up to three more notches can be granted. Scope examines the eligibility criteria set out in the regulatory framework or in the program documentation to assess the minimum cover pool credit quality.

For Public sector loan cover pools, Scope analyzes each portfolio asset separately and uses Monte Carlo-type drawdowns to model the default distribution.

For mortgage asset cover pools, Scope applies the large homogenous portfolio approximation approach, for which the input is limited to three parameters: an average probability of default, a recovery rate assumption and a variance or a correlation parameter.

## MANAGING COLLATERAL

In 2022, Crédit Foncier maintained its various channels for funding its receivables, through assignments or disposals.

Externally, Crédit Foncier pledged some assets used for collateralized loans granted from the Caisse des dépôts et consignations (CDC) (€2.9bn) and the European Investment Bank (EIB) (€0.64bn).

Internally, Crédit Foncier transferred assets to Compagnie de Financement Foncier via true sale or collateralized loans.

In 2022, Crédit Foncier sold to Compagnie de Financement Foncier €4,886.2m in mortgage and/or public sector loans (outstanding principal and related receivables) previously raised with Compagnie de Financement Foncier.

Assignments of eligible assets (under Article L. 211-38 CMF) in the amount of €7.46bn were also pledged as collateral with Compagnie de Financement Foncier.

## MANAGING DERIVATIVES

As part of the optimized management policy for its derivatives portfolio, groupe Crédit Foncier limited as much as possible the setting up of internal derivative transactions between Crédit Foncier and Compagnie de Financement Foncier. Therefore, the volume of swaps between Compagnie de Financement Foncier and Crédit Foncier remained limited in 2022.

Most derivative transactions are cleared centrally, in accordance with the European EMIR regulation (European Market and Infrastructure Regulation). To this end, Crédit Foncier has been a member of the two main clearing houses: LCH in London since 2014 and Eurex in Frankfurt since 2020.

## DISPOSAL AND SECURITIZATION OF LOANS TO INDIVIDUALS

To meet its funding requirements or to manage its doubtful loans, Crédit Foncier may carry out securitization transactions or sell loans taken out by individuals. A disposal of non-performing loans with a gross outstanding of €97.6m was completed during the first half of 2022.

## COMPAGNIE DE FINANCEMENT FONCIER – SUPPORTING GROUPE BPCE

### AT THE SERVICE OF SYNERGIES WITH GROUPE BPCE

For two decades, Compagnie de Financement Foncier has been able to develop a high level of know-how and a track record of performance that has enabled it to raise long-term funding at extremely competitive levels. It cultivates this know-how within Groupe BPCE in order to offer Groupe BPCE entities very competitive funding conditions for their mortgage financing and Public sector financing activities.

In fact, since its creation, Compagnie de Financement Foncier has been developing a Covered Bond model with a mixed cover pool, which combines mortgage loans and Public sector loans. Investors are impressed by the quality and diversification of its mixed cover pool assets.

Compagnie de Financement Foncier is a key element for Groupe BPCE's mortgage and Public sector asset funding strategy.

### GROUPE BPCE FUNDING AND PORTFOLIO MANAGEMENT

As per 2021, fiscal 2022 confirmed the interest shown by the Group's institutions for the competitive resources offered by Compagnie de Financement Foncier.

The year 2022 was marked by dynamic activity in the first quarter and then a slowdown in the rest of the year in a context of overall resource prices above the usury rate and fierce competition on pricing. To remedy this situation, Compagnie de Financement Foncier adapted and offered refinancing operations for variable-rate loans as well as refinancing of loan portfolios on the balance sheets of the Caisses d'Épargne and the Banque Populaire banks with a view to re-adding liquidity.

As part of the diversification strategy agreed with BPCE to enable SCF to support the development of Groupe BPCE's various businesses, a first commercial real estate refinancing operation took place at the end of March 2022. In addition, a major refinancing operation for an energy loan was processed in June 2022 with Natixis. Lastly, seven portfolio refinancing operations of loans for low-income households for €414m, which are guaranteed by SGFGAS, were also carried out by Compagnie de Financement Foncier.

In this context, all of the fifteen Caisses d'Épargne, nine of the fourteen Banque Populaire banks, Natixis and SOCFIM refinanced themselves with Compagnie de Financement Foncier amounting to €4,672m, broken down as follows:

- €869m for Natixis spread over 17 tax receivables and one receivable from an energy company;
- €2,967m for the Caisses d'Épargne network spread over 288 public sector receivables;
- €815m for the Banque Populaire banks spread over 397 public sector receivables;
- €21m for Socfim (1 Corporate mortgage loan).

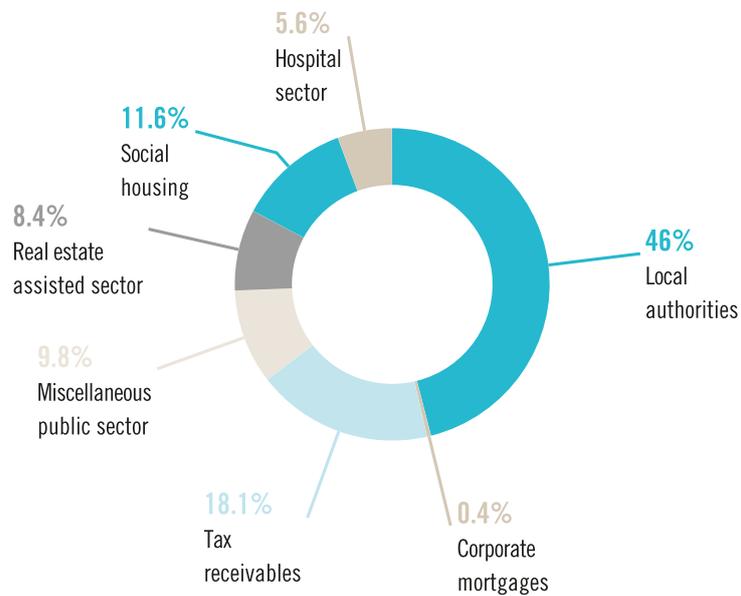
The competitiveness of Compagnie de Financement Foncier's resources has enabled the Group's institutions to integrate calls for tenders more naturally into their commercial activity. Thus, the refinancing of Compagnie de Financement Foncier made it possible to win calls for tenders in the amount of €1,524m (65 receivables) including:

- €731m for a French energy company;
- €138m intended to refinance tax credits;
- €55m for hospitals;
- €55m for cities;
- €132m for the social housing sector;
- €96m for major cities;
- €77m for departments;
- €75m for trade unions;
- €165m are aimed at public institutions (SDIS, urban communities, municipalities, etc.).

The public sector assets funded by Compagnie de Financement Foncier are subject to a strict, rigorous and demanding selection process. This selection is governed by procedures and a restrictive delegation scheme. Upstream of the transactions, an initial analysis is carried out by the originating institution. Before each acquisition, Compagnie de Financement Foncier's teams carry out a second in-depth, rigorous and independent analysis of the proposed asset.

Depending on the amounts, the parent company (BPCE) may also intervene. In this case, a third analysis is carried out. It is this robust system that allows Compagnie de Financement Foncier to fund only those receivables whose debtors have the most solid financial fundamentals. Finally, a comprehensive permanent control system enables funding operations to be carried out in a secure environment.

*Breakdown by category of outstanding assets funded in 2022 by Compagnie de Financement Foncier (in %)*





2

# REPORT ON CORPORATE GOVERNANCE

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# CORPORATE GOVERNANCE CODE

## Compliance with AFEP-MEDEF Code recommendations

Compagnie de Financement Foncier, whose equity securities are not listed, intends to place its actions and the functioning of its corporate bodies within the framework of corporate governance practices in force in France by referring to the Corporate Governance Code of AFEP-MEDEF listed companies.

Four provisions of the Code were not followed or not applied in full.

One concerns the recommendation of the number of independent directors, who must represent 50% of the workforce and the application of which would prevent a balanced representation of the Crédit Foncier shareholder and BPCE, Crédit Foncier shareholder, as well as the Caisses d'Épargne and Banque Populaire banks, which are shareholders of BPCE. The same is true for the two provisions with respect to the Audit Committee and the Appointments Committee that concern the proportion of independent directors, which cannot be properly applied. Furthermore, the similar provision relating to the Remuneration Committee does not apply, as Compagnie de Financement Foncier has not set up a Remuneration Committee in the absence of its own employees.

The fourth provision concerns the Directors' terms of office, which are recommended to run four years whereas the Bylaws of Compagnie de Financement Foncier stipulate a term of six years. This term allows Board members to acquire over time the necessary experience and broader view of the Company's business and its operations. However, the recommendation concerning the renewal of Compagnie de Financement Foncier Board of Directors' term by rotation is properly implemented.

A summary table of all the AFEP-MEDEF Corporate Governance Code criteria used to define Directors' independence is shown on page 45. The Appointments Committee has also implemented a procedure for identifying and managing (potential) conflicts of interest when:

- a Director is appointed;
- a Director expresses a desire "to take on new responsibilities within entities outside groupe Crédit Foncier".

## Summary table of compliance with AFEP-MEDEF Code recommendations

Board of Directors' duties	Recommendations implemented
Board of Directors: governing body	Recommendations implemented
Variety of ways to organize corporate governance	Recommendations implemented, credit institutions are required to separate the roles of Chairman and Chief Executive Officer under CRD IV
The Board and communications with shareholders and markets	Recommendations implemented
Board of Directors and General Shareholders' Meeting	Recommendations implemented
Composition of the Board of Directors: guidelines	Recommendations implemented
Gender equality policy within governing bodies	Recommendations implemented
Representation of shareholding employees and other employees	Not applicable
Independent directors	Recommendations not implemented
Evaluation of the Board of Directors	Recommendations implemented
Board and Committee meetings	Recommendations implemented
Access to Director information	Recommendations implemented
Training for Directors	Recommendations implemented
Directors' terms	Recommendations implemented except for length of Directors' terms of office
Board Committees: general principles	Recommendations implemented
Audit Committee	Recommendations implemented except for the proportion of independent directors
Committee responsible for appointments	Recommendations implemented except for the proportion of independent directors
Committee responsible for remuneration	Not applicable
Number of terms for executive corporate officers and Directors	Recommendations implemented
Director's Code of Ethics	Recommendations implemented
Directors' remuneration	Recommendations implemented
Termination of employment contracts for corporate officers	Recommendations implemented
Requirement for executive corporate officers to hold shares	Not applicable
Signature of a non-compete agreement with an executive corporate officer	Not applicable
Remuneration of executive corporate officers	Recommendations implemented
Disclosure of executive corporate officers' remuneration and the policies for awarding stock options and performance shares	Recommendations implemented
Consultation with the shareholders concerning the individual remuneration of executive corporate officers	Recommendations implemented

## Summary table of Directors' independence criteria

Criteria:	E. FILLIAT	M. COLLE	S. CALBA	O. IRISSON
1) Must not have been, in the last five years:				
■ a Company employee or executive corporate officer;	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
■ an employee, executive corporate officer or Director of a company consolidated by the Company;	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
■ an employee, executive corporate officer or Director of the Company's parent company or a company consolidated by said parent company.	NON-COMPLIANT (CFF)	NON-COMPLIANT (CFF)	COMPLIANT	COMPLIANT
2) Not to be an executive corporate officer of a company in which the Company holds, directly, or indirectly, a directorship, or in which an employee, designated as such, or an executive corporate officer (current or in the last five years) holds a directorship.	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
3) Not to be a major client, supplier, investment or commercial banker:				
■ of the Company or its Group;	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
■ or for which the Company or its Group accounts for a significant share of its business.	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
4) Not have any close family ties with a corporate officer.	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
5) Not have been a Statutory Auditor of the Company in the last five years.	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
6) Not to be a Company Director for more than twelve years. The status of independent director is lost on the twelfth anniversary.	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
7) Non-executive corporate officers cannot be considered independent if they are in receipt of variable remuneration in cash or securities or of any remuneration linked to the performance of the Company or the Group.	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
8) Directors representing major Company shareholders may be considered independent provided that they do not take part in the control of the Company. If capital interests or voting rights exceed a 10% threshold, the Board, on the basis of an Appointments Committee report, systematically reviews independent status in consideration of the composition of the Company's share capital and the existence of potential conflicts of interest.	NON-COMPLIANT (CFF)	NON-COMPLIANT (CFF)	COMPLIANT (BP)	NON-COMPLIANT (BPCE)
<b>Summary</b>	<b>NON-COMPLIANT</b>	<b>NON-COMPLIANT</b>	<b>COMPLIANT</b>	<b>NON-COMPLIANT</b>

J. ESTRADER	P. JEANNE	C. DECAUX	P. CHABOT	A. FOURNEAU	N. BRICKER
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	NON-COMPLIANT (CFF)	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT	COMPLIANT
COMPLIANT (CE)	NON-COMPLIANT (BPCE)	NON-COMPLIANT (CFF)	COMPLIANT (CE)	COMPLIANT (BP)	COMPLIANT (Natixis)
<b>COMPLIANT</b>	<b>NON-COMPLIANT</b>	<b>NON-COMPLIANT</b>	<b>COMPLIANT</b>	<b>COMPLIANT</b>	<b>COMPLIANT</b>

## COMPOSITION OF EXECUTIVE AND MANAGEMENT BODIES

### COMPAGNIE DE FINANCEMENT FONCIER GOVERNANCE STRUCTURE



### Composition of the Executive Management

**Mr. Olivier AVIS**, Chief Executive Officer (reappointed by the Board of Directors on June 30, 2022).

**Mr. Paul DUDOIT**, Deputy Chief Executive Officer (reappointed by the Board of Directors on June 30, 2022).

#### CHANGES IN EXECUTIVE MANAGEMENT IN 2022

None

#### REMUNERATION OF THE EXECUTIVE MANAGEMENT

The Executive Management of Compagnie de Financement Foncier does not receive any remuneration.

## DIRECTORSHIPS AND OFFICES HELD BY MEMBERS OF THE EXECUTIVE MANAGEMENT

### Mr. Olivier AVIS

**Date of birth:**  
11/11/1978

**Nationality:** French

**Business address:**  
182, Avenue de France  
75013 Paris

#### BIOGRAPHY

Olivier AVIS is a graduate of the École supérieure de commerce de Toulouse.

He began his career in 2001 at HSBC Asset Management Europe.

He joined Groupe BPCE in 2002 as an Inspector, before becoming Project Leader in the General Inspection department. In 2009, he was a project manager reporting to Executive Management.

In 2011, he joined BRED as **Senior Banker** for Institutional Investors.

In 2014, Crédit Foncier de France appointed him Director of Strategy and Quality. In 2016, he was appointed as Head of Financial Operations at Crédit Foncier and Deputy Chief Executive Officer of Compagnie de Financement Foncier, then in 2017 as Chief Executive Officer of Compagnie de Financement Foncier, as well as Deputy Chief Executive Officer, Head of Financial Operations and member of the Executive Management Committee of Crédit Foncier de France.

On November 7, 2019, Olivier AVIS was appointed executive director of Crédit Foncier and became Head of the Financial Operations department.

**Relevant expertise:** Expertise in the field of financial markets, strategy and managing banking operations.

**DEPUTY CHIEF EXECUTIVE OFFICER, FINANCIAL OPERATIONS, EXECUTIVE DIRECTOR OF CRÉDIT FONCIER DE FRANCE**

**Chief Executive Officer**

From: **07/23/2017**

End: **07/22/2027**

#### COMPANIES, DIRECTORSHIPS AND OFFICES\*

##### 2022

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Financial Operations, executive director

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Chief Executive Officer

**BPCE SERVICES FINANCIERS** – GIE Director

**BPCE SOLUTIONS CRÉDIT** – GIE Permanent Representative of Crédit Foncier, Director

##### 2021

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Financial Operations, executive director

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Chief Executive Officer

**BPCE SERVICES FINANCIERS** – GIE Director

**BPCE SOLUTIONS CRÉDIT** – GIE Permanent Representative of Crédit Foncier, Director

**CRÉDIT FONCIER DE FRANCE (BELGIQUE)** Executive director of the Crédit Foncier branch in Belgium

##### 2020

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Financial Operations, executive director

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Chief Executive Officer

**BPCE SERVICES FINANCIERS** – GIE Director

**BPCE SOLUTIONS CRÉDIT** – GIE Permanent Representative of Crédit Foncier, Director

**CRÉDIT FONCIER DE FRANCE (BELGIQUE)** Executive director of the Crédit Foncier branch in Belgium

##### 2019

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Financial Operations, executive director

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Financial transactions (until 11/7/2019)

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Chief Executive Officer

**BPCE SERVICES FINANCIERS** – GIE Director

**BPCE SOLUTIONS CRÉDIT** – GIE Permanent Representative of Crédit Foncier, Director

**CRÉDIT FONCIER DE FRANCE (BELGIQUE)** Executive director of the Crédit Foncier branch in Belgium

##### 2018

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Financial transactions

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Chief Executive Officer

**FONCIER TITRISATION** – SA Chairman of the Board of Directors (until 12/18/2018)

##### 2017

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Financial transactions

**CRÉDIT FONCIER DE FRANCE** – SA Head of Financial Operations (until 07/23/2017)

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Chief Executive Officer

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Deputy Chief Executive Officer (until 07/23/2017)

**FONCIER TITRISATION** – SA Chairman of the Board of Directors

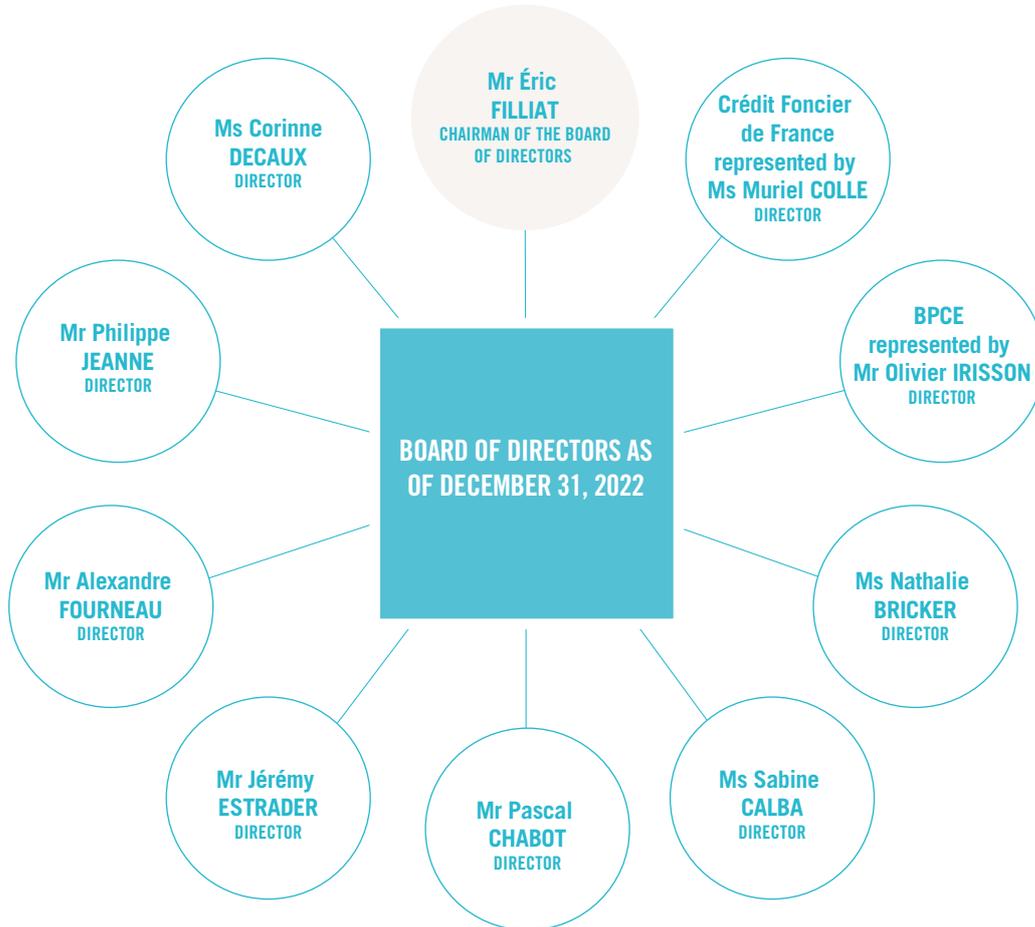
**VAUBAN MOBILISATIONS GARANTIES (VMG)** – SACS Chairman of the Management Board (until 03/13/2017)

\* All offices concern companies that are part of Groupe BPCE. No company is listed.

Mr. Paul DUDOUIT	
<p><b>Date of birth:</b> 09/26/1963</p> <p><b>Nationality:</b> French</p> <p><b>Business address:</b> 182, Avenue de France 75013 Paris</p>	<p><b>BIOGRAPHY</b></p> <p>Paul DUDOUIT holds a degree in agro-industrial engineering from ISA Beauvais and a Master's degree in Economics and Management from ESSEC.</p> <p>He began his career at Crédit Foncier de France in 1991 as an appraiser for its real estate subsidiary then joined the branch network (1991-1993).</p> <p>Between 1993 and 1996, he was Chief of Staff of Crédit Foncier's Executive Management. Later, he was responsible for the structuring and administrative and financial organization of Foncier Vignobles SA (between 1996 and 1998).</p> <p>Between 1999 and 2010, he was Deputy Director of Primary Markets within the Financial Operations Division. In 1999, he took part in the setting up of Compagnie de Financement Foncier and, in particular, worked on the financial aspects of liabilities.</p> <p>Starting in 2001, he set up the EMTN and RCB programs and in 2010, the USMTS program.</p> <p>Since 2010, he has been Director of Bond Issuance and Investor Relations within the Financial Transactions Division.</p> <p>On June 28, 2017, the Board of Directors named him Deputy Chief Executive Officer and executive director of Compagnie de Financement Foncier, as of July 23, 2017. He was reappointed on June 30, 2022.</p> <p><b>Relevant expertise:</b> Expertise in the area of capital markets, finance, property and managing property loans.</p>
<p><b>DIRECTOR OF PRIMARY MARKETS OF CRÉDIT FONCIER DE FRANCE</b></p> <p><b>Deputy Chief Executive Officer, executive director</b></p> <p>From: <b>07/23/2017</b></p> <p>End: <b>07/22/2027</b></p>	<p><b>COMPANIES, DIRECTORSHIPS AND OFFICES*</b></p> <p><b>2022</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director of Bond Issuance and Investor Relations</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Deputy Chief Executive Officer and executive director</p> <p><b>2021</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director of Bond Issuance and Investor Relations</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Deputy Chief Executive Officer and executive director</p> <p><b>2020</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director of Bond Issuance and Investor Relations</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Deputy Chief Executive Officer and executive director</p> <p><b>2019</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director of Bond Issuance and Investor Relations</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Deputy Chief Executive Officer and executive director</p> <p><b>2018</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director of Bond Issuance and Investor Relations</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Deputy Chief Executive Officer and executive director</p> <p><b>2017</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director of Bond Issuance and Investor Relations</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Deputy Chief Executive Officer and executive director (since 07/23/2017)</p> <p><b>VAUBAN MOBILISATIONS GARANTIES (VMG) – SACS</b> Member of the Management Board (until 03/13/2017)</p>

\* All offices concern Groupe BPCE companies. No company is listed.

## Composition of the Board of Directors



### CHANGES WITHIN THE BOARD OF DIRECTORS IN 2022

None

## Summary table of Board and Audit and Risk Committee meeting attendance rates

### Board of Directors

Range of the number of members	3 to 18
Number of members	10
Number of Board meetings	7
Average attendance rate at Board meetings	81%
Number of women Directors	4 (40%)
Number of men Directors	6 (60%)
Allocated remuneration*	yes

Following the publication in the Official Journal on May 23, 2019 of Article 185 of the Pacte Law amending in particular L. 225-45 and L. 255-83 of the French Commercial Code, the concept of "attendance fees" has been replaced by "allocated remuneration".

Board of Directors	Position on the Board	Start of term	End of term	Term of office	Attendance rate	Audit Committee	Risk Committee	Appointments Committee
Éric FILLIAT	★	11/07/2019	12/31/2023	2024 OGM	100%			100%
Nathalie BRICKER	●	12/19/2018	12/31/2025	2026 OGM	71%	100%		
Sabine CALBA	●	12/13/2019	12/31/2024	2025 OGM	43%			100%
Pascal CHABOT	●	03/25/2014	12/31/2025	2026 OGM	100%		75%	
Crédit Foncier represented by Muriel COLLE	◆	12/28/1998	12/31/2022	2023 OGM	100%	100%	100%	
Alexandre FOURNEAU	●	03/30/2017	12/31/2027	2028 OGM	71%			
BPCE represented by Olivier IRISSON	◆	03/28/2011	12/31/2022	2023 OGM	57%	75%	100%	
Philippe JEANNE	●	11/07/2019	12/31/2024	2025 OGM	71%	100%		
Jeremy ESTRADER	●	10/01/2020	12/31/2025	2026 OGM	100%			
Corinne DECAUX	●	05/04/2020	12/31/2025	2026 OGM	100%		100%	100%

★ Chairman

● Member

◆ Director – representing BPCE

◆ Director – representing Crédit Foncier

■ Chairman

■ Member

NUMBER OF MEMBERS  
AT DECEMBER 31, 2022

10

NUMBER OF BOARD  
MEETINGS

7

AVERAGE ATTENDANCE  
RATE

81%

## DIRECTORSHIPS AND OFFICES HELD BY DIRECTORS

### DIRECTORS FROM CRÉDIT FONCIER

Mr. Éric FILLIAT	
<p><b>Date of birth:</b> 06/15/1966</p> <p><b>Nationality:</b> French</p> <p><b>Business address:</b> 182, Avenue de France 75013 Paris</p>	<p><b>BIOGRAPHY</b></p> <p>Éric FILLIAT, who holds a degree in accounting and finance from the École supérieure de commerce de Clermont-Ferrand, began his career at Mazars in 1992. In 1999, he joined the Caisse Nationale des Caisses d'Épargne, where he was Head of the Consolidation department of the Caisse d'Épargne Group, then Deputy Director, before becoming the group's Head of Regulation and Accounting in November 2007. Between 2010 and 2012, he was Head of Accounting for Groupe BPCE. In May 2012, Éric FILLIAT joined Crédit Foncier as Deputy Chief Executive Officer in charge of the Finance department at Crédit Foncier, a member of the Executive Management Committee and of the Executive Committee. He was appointed executive director of Crédit Foncier from January 1, 2018. On November 6, 2019 the Board of Directors of Crédit Foncier appointed Éric FILLIAT as Chief Executive Officer of Crédit Foncier from November 7, 2019.</p> <p><b>Relevant expertise:</b> banking, finance, standards and regulations, accounts, consolidation, control and auditing.</p>
<p><b>CHIEF EXECUTIVE OFFICER OF CRÉDIT FONCIER DE FRANCE</b></p> <p><b>Chairman of the Board of Directors</b></p> <p>First appointed: 11/07/2019</p> <p>End of term: 2024 OGM</p> <p><b>Chairman of the Appointments Committee</b></p> <p>First appointed: 11/07/2019</p>	<p><b>COMPANIES, DIRECTORSHIPS AND OFFICES</b></p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p><b>2022</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Chief Executive Officer</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Chairman of the Board of Directors and Chairman of the Appointments Committee</p> <p><b>FONCIER PARTICIPATIONS – SAS</b> Chairman, Permanent Representative of Crédit Foncier</p> <p><b>CRÉDIT LOGEMENT – SA</b> Permanent Representative of Crédit Foncier, Director</p> <p><b>IT-CE GIE</b> Representative of Crédit Foncier, Member of the Audit Committee, Director</p> <p><b>BANCO PRIMUS – SA (PORTUGAL)</b> Chairman of the Board of Directors, Chairman of the Remuneration Committee (until 01/31/2022)</p> <p><b>2021</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Chief Executive Officer</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Chairman of the Board of Directors and Chairman of the Appointments Committee</p> <p><b>FONCIER PARTICIPATIONS – SAS</b> Chairman, Permanent Representative of Crédit Foncier</p> <p><b>CRÉDIT LOGEMENT – SA</b> Permanent Representative of Crédit Foncier, Director</p> <p><b>IT-CE GIE</b> Representative of Crédit Foncier, Member of the Audit Committee, Director</p> <p><b>BANCO PRIMUS – SA (PORTUGAL)</b> Chairman of the Board of Directors, Chairman of the Remuneration Committee</p> <p><b>2020</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Chief Executive Officer</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Chairman of the Board of Directors and Chairman of the Appointments Committee</p> <p><b>CRÉDIT FONCIER IMMOBILIER – SA</b> Director (until 11/10/2020)</p> <p><b>FONCIER PARTICIPATIONS – SAS</b> Chairman, Permanent Representative of Crédit Foncier</p> <p><b>CRÉDIT LOGEMENT – SA</b> Permanent Representative of Crédit Foncier, Director</p> <p><b>IT-CE GIE</b> Representative of Crédit Foncier, Member of the Audit Committee, Director</p> <p><b>BANCO PRIMUS – SA (PORTUGAL)</b> Chairman of the Board of Directors (since 12/19/2019), Chairman of the Audit Committee (until 02/14/2020), Chairman of the Remuneration Committee (since 02/04/2020)</p> </div> <div style="width: 48%;"> <p><b>2019</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Chief Executive Officer (since 11/07/2019)</p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Deputy Chief Executive Officer, Finance Division, executive officer, Member of the Executive Management Committee and Member of the Executive Committee (until 11/06/2019)</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Chairman of the Board of Directors and Chairman of the Appointments Committee (since 11/07/2019)</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Representative of Crédit Foncier, Director, Chairman of the Audit Committee, Chairman of the Risk Committee (until 11/06/2019)</p> <p><b>CRÉDIT FONCIER IMMOBILIER – SA</b> Director</p> <p><b>FONCIER PARTICIPATIONS – SAS</b> Permanent Representative of Crédit Foncier, Chairman</p> <p><b>CRÉDIT LOGEMENT – SA</b> Permanent Representative of Crédit Foncier, Director (since 11/07/2019)</p> <p><b>SOCFIM – SACS</b> Member of the Supervisory Board (until 12/09/2019)</p> <p><b>IT-CE GIE</b> Permanent Representative of Crédit Foncier, Director and Member of the Audit Committee</p> <p><b>BANCO PRIMUS – SA (PORTUGAL)</b> Director, Chairman of the Board of Directors (since 12/19/2019), Chairman of the Audit Committee</p> <p><b>MF CG – SAS</b> Permanent Representative of CF CO, Chairman (until 08/09/2019)</p> </div> </div>

## Mr. Éric FILLIAT

## 2018

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Finance department, Executive Management, Member of the Executive Management Committee and Member of the Executive Committee

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Permanent Representative of Crédit Foncier – Director, Chairman of the Audit Committee, Chairman of the Risk Committee

**CRÉDIT FONCIER IMMOBILIER** – SA Director

**FONCIER PARTICIPATIONS** – SAS Permanent Representative of Crédit Foncier, Chairman

**FONCIER TITRISATION** – SA Permanent Representative of Foncier Participations, Director (until 12/18/2018)

**SOCFIM** – SACS Member of the Supervisory Board

**BANCO PRIMUS** – SA (PORTUGAL) Director, Chairman of the Audit Committee

**MFCG** – SAS Permanent Representative of CFCO, Chairman

## 2017

**CRÉDIT FONCIER DE FRANCE** – SA Deputy Chief Executive Officer, Finance Division, Member of the Executive Management Committee and Member of the Executive Committee (until 12/31/2017)

**COMPAGNIE DE FINANCEMENT FONCIER** – SA Permanent Representative of Crédit Foncier – Director, Chairman of the Audit Committee, Chairman of the Risk Committee

**CRÉDIT FONCIER IMMOBILIER** – SA Director

**FONCIER PARTICIPATIONS** – SAS Permanent Representative of Crédit Foncier, Chairman

**FONCIER TITRISATION** – SA Permanent Representative of Foncier Participations, Director

**SOCFIM** – SACS Member of the Supervisory Board

**BANCO PRIMUS** – SA (PORTUGAL) Director, Chairman of the Audit Committee (since 03/31/2017)

**BANCO PRIMUS** – SA (PORTUGAL) Director, Member of the Audit Committee (until 03/31/2017)

**MFCG** – SAS Permanent Representative of CFCO, Chairman

**VAUBAN MOBILISATIONS GARANTIES (VMG)** – SACS Vice-Chairman of the Supervisory Board (until 03/13/2017)

**Crédit Foncier – Permanent Representative Ms. Muriel COLLE**

**Date of birth:**  
07/16/1963  
**Nationality:** French  
**Business address:**  
182, Avenue de France  
75013 Paris

**BIOGRAPHY**

Muriel COLLE holds an AES Master's degree (1984) and began her career as a human resources assistant at Total Compagnie Française des Pétroles in 1984, where she remained until 1990.  
In 1990, she joined Euro Disney as Assistant Manager of Human Resources for four years.  
From 1994 to 1996 she was in charge of Human Resources at TRW then from 1996 to 2001 she was a member of the Management Committee at Corsair within the group's Human Resources department, reporting to the Chief Executive Officer.  
From 2001 to 2008, she was Director of Resources at APRIA RSA.  
In September 2008, she joined Crédit Foncier de France, initially as Director of Human Resources for three years. From 2010 to 2019, she was Chief Executive Officer of ENFI. Since October 2011, she has been Director of the Resources department at Crédit Foncier de France. And since February 2016, she has been Deputy Chief Executive Officer and Member of the Executive Management Committee of Crédit Foncier.  
On November 7, 2019, Muriel COLLE was appointed executive director of Crédit Foncier.  
**Relevant expertise:** human resources, business management, communications, marketing, central services, IT production and general secretariat.

**DEPUTY CHIEF EXECUTIVE OFFICER, RESOURCES DEPARTMENT EXECUTIVE DIRECTOR OF CRÉDIT FONCIER DE FRANCE**

**Member of the Board of Directors**  
First appointed (Crédit Foncier): **12/28/1998**  
End of term (Crédit Foncier): **2023 OGM**

**Permanent representative of Crédit Foncier**  
First appointed: **11/07/2019**

**Member of the Risk Committee**  
First appointed: **12/16/2019**

**Member of the Audit Committee**  
First appointed: **06/30/2022**

**COMPANIES, DIRECTORSHIPS AND OFFICES**

**2022**

**CRÉDIT FONCIER DE FRANCE – SA** Deputy Chief Executive Officer, Resources department, executive director  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of Crédit Foncier, Director, Member of the Risk Committee, Member of the audit Committee (since 06/30/2022)  
**BANCO PRIMUS – SA (PORTUGAL)** Member of the Appointments, Remuneration and Benefits Committee (until 12/31/2022)

**2021**

**CRÉDIT FONCIER DE FRANCE – SA** Deputy Chief Executive Officer, Resources department, executive director  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of Crédit Foncier, Director, Member of the Risk Committee  
**BANCO PRIMUS – SA (PORTUGAL)** Member of the Appointments, Remuneration and Benefits Committee  
**BPCE ACHATS – GIE** Permanent Representative of Crédit Foncier, Director

**2020**

**CRÉDIT FONCIER DE FRANCE – SA** Deputy Chief Executive Officer, Resources department, executive director  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of Crédit Foncier, Director, Member of the Risk Committee  
**BANCO PRIMUS – SA (PORTUGAL)** Member of the Appointments, Remuneration and Benefits Committee  
**BPCE ACHATS – GIE** Permanent Representative of Crédit Foncier, Director

**2019**

**CRÉDIT FONCIER DE FRANCE – SA** Deputy Chief Executive Officer, Resources department, executive director  
**CRÉDIT FONCIER DE FRANCE – SA** Deputy Chief Executive Officer, Resources department (until 11/07/2019)  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of Crédit Foncier, Director, Member of the Risk Committee  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director (until 11/06/2019)  
**ENFI ÉCOLE NATIONALE DU FINANCEMENT DE L'IMMOBILIER – SAS** Chief Executive Officer  
**BANCO PRIMUS – SA (PORTUGAL)** Member of the Appointments, Remuneration and Benefits Committee  
**BPCE ACHATS – GIE** Permanent Representative of Crédit Foncier, Director

**2018**

**CRÉDIT FONCIER DE FRANCE – SA** Deputy Chief Executive Officer, Resources department  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director  
**ENFI ÉCOLE NATIONALE DU FINANCEMENT DE L'IMMOBILIER – SAS** Chief Executive Officer  
**BANCO PRIMUS – SA (PORTUGAL)** Member of the Appointments, Remuneration and Benefits Committee  
**BPCE ACHATS – GIE** Permanent Representative of Crédit Foncier, Director

**2017**

**CRÉDIT FONCIER DE FRANCE – SA** Deputy Chief Executive Officer, Resources department  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director  
**ENFI ÉCOLE NATIONALE DU FINANCEMENT DE L'IMMOBILIER – SAS** Chief Executive Officer  
**BANCO PRIMUS – SA (PORTUGAL)** Member of the Appointments, Remuneration and Benefits Committee  
**BPCE ACHATS – GIE** Permanent Representative of Crédit Foncier, Director

Ms. Corinne DECAUX	
<p><b>Date of birth:</b> 05/25/1960</p> <p><b>Nationality:</b> French</p> <p><b>Business address:</b> 182, Avenue de France 75013 Paris</p>	<p><b>BIOGRAPHY</b></p> <p>Corinne DECAUX has a Ph. D in private law, she joined Crédit Foncier in 1984 as a lawyer where she spent her entire career. She held the positions of Project manager for the development and implementation of a debt collection software program, Head of the Litigation department, Head of Litigation, Head of Management in 2007, Head of Legal Affairs, Governance and Corporate life in 2010 and then executive director in 2016.</p> <p><b>Relevant expertise:</b> management, legal, banking, tax, market transactions, mergers and acquisitions, arbitration, litigation, mediation, corporate governance, corporate secretariat.</p>
<p><b>EXECUTIVE DIRECTOR</b></p> <p><b>Member of the Board of Directors</b> First appointed: <b>05/04/2020</b> End of term: <b>2026 OGM</b></p> <p><b>Member of the Appointments Committee</b> First appointed: <b>09/29/2021</b></p> <p><b>Member of the Risk Committee</b> First appointed: <b>06/30/2022</b></p>	<p><b>COMPANIES, DIRECTORSHIPS AND OFFICES</b></p> <p><b>2022</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> General Counsel</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, member of the Appointments Committee, Member of the Risk Committee (since 06/30/2022)</p> <p><b>COMPTOIR FINANCIER DE GARANTIE (CFG) – SA</b> Director</p> <p><b>BANCO PRIMUS – SA</b> Director, Chairman of the Audit Committee (until 01/31/2022)</p> <p><b>2021</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> General Counsel</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, member of the Appointments Committee (since 09/29/2021)</p> <p><b>COMPTOIR FINANCIER DE GARANTIE (CFG) – SA</b> Director</p> <p><b>BANCO PRIMUS – SA</b> Director, Chairman of the Audit Committee</p> <p><b>2020</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> General Counsel</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER SA</b> Director (since 05/04/2020)</p> <p><b>COMPTOIR FINANCIER DE GARANTIE (CFG) – SA</b> Director</p> <p><b>BANCO PRIMUS – SA</b> Director, Chairwoman of the Audit Committee (since 02/14/2020)</p> <p><b>2019</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> General Counsel</p> <p><b>COMPTOIR FINANCIER DE GARANTIE (CFG) – SA</b> Director (since 03/27/2019)</p> <p><b>BANCO PRIMUS – SA</b> Director</p> <p><b>2018</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> General Counsel</p> <p><b>BANCO PRIMUS – SA</b> Director</p> <p><b>2017</b></p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> General Counsel (since 2010)</p> <p><b>BANCO PRIMUS – SA</b> Director</p>

DIRECTORS FROM BPCE

BPCE – Permanent Representative Mr. Olivier IRISSON

**Date of birth:**  
10/05/1969

**Nationality:** French

**Business address:**  
61, rue Bruneseau  
75013 Paris

**CHIEF OPERATING OFFICER, CHIEF FINANCIAL OFFICER, MEMBER OF THE EXECUTIVE COMMITTEE OF BPCE**

**Member of the Board of Directors**

First appointed:  
**03/28/2011**

End of term: **2023 OGM**

**Member of the Audit Committee**

First appointed:  
**09/28/2018**

**Member of the Risk Committee**

First appointed:  
**09/28/2018**

**BIOGRAPHY**

A graduate of the Université Paris Dauphine, specializing in Finance and Management Control, with a post-graduate degree in Strategy, Planning and Control as well as a Management Science PhD, Olivier IRISSON began his career in 1994 at Cetelem (BNP Paribas Group) before joining PricewaterhouseCoopers (PWC) in 2000 as a Manager in the Financial Risk Management department.

From 2002 to 2010, he worked for Société Générale and held the positions of Head of Credit Risk Modeling, Director of Risk and Capital Measurements Systems, then, in 2009, Director of the Global Risk Analysis department. In June 2010, he joined BPCE as Deputy Director of Group Risks.

Since 2013, Olivier IRISSON has been Chief Financial Officer within the group's Finance department, member of the BPCE Executive Committee.

Since 2018, Olivier IRISSON has been COO Head of Financial transactions in charge of transformation and innovation with a strong commitment to the development of sustainable finance.

**Relevant expertise:** finance, asset management (business), risks.

**COMPANIES, DIRECTORSHIPS AND OFFICES**

**2022**

**BPCE – SA** Chief operating officer, Chief Financial Officer, Member of the Executive Committee

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of BPCE, Director, Member of the Audit Committee, Member of the Risks Committee

**FIDOR BANK - AG (GERMANY)** Member of the Supervisory Board, Permanent Representative of BPCE, Director, Member of the Audit Committee

**BPCE SERVICES FINANCIERS (EX CSF-GCE) – GIE** Member of the Supervisory Board

**FIDOR BANK – AG (GERMANY)** Member of the Supervisory Board

**2DII -** Director and Treasurer (NGO Finance Verte)

**ASSET RÉOLUTION (GREEN FINANCE DATA)** Director and Representative of 2DII

**2021**

**BPCE – SA** Chief Operating Officer, Chief Financial Officer, Member of the Executive Committee

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of BPCE, Director, Member of the Audit Committee, Member of the Risks Committee

**FIDOR BANK – AG (GERMANY)** Member of the Supervisory Board

**2020**

**BPCE – SA** Chief Operating Officer, Chief Financial Officer, Member of the Executive Committee

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of BPCE, Director, Member of the Audit Committee, Member of the Risks Committee

**FIDOR BANK – AG (GERMANY)** Member of the Supervisory Board

**2019**

**BPCE – SA** Chief Operating Officer, Chief Financial Officer, Member of the Executive Committee

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of BPCE, Director, Member of the Audit Committee, Member of the Risks Committee

**BPCE SFH – SA** Director, Chairman of the Board of Directors (until 05/29/2019)

**FIDOR BANK – AG (GERMANY)** Member of the Supervisory Board

**2018**

**BPCE – SA** Chief Operating Officer, Chief Financial Officer, Member of the Executive Committee

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of BPCE, Director, Member of the Audit Committee, Member of the Risks Committee

**BPCE SFH – SA** Director, Chairman of the Board of Directors

**BPCE SERVICES FINANCIERS (EX CSF-GCE) – GIE** Member of the Supervisory Board

**FIDOR BANK – AG (GERMANY)** Member of the Supervisory Board

**2017**

**BPCE – SA** Chief Operating Officer, Chief Financial Officer, Member of the Executive Committee

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Permanent Representative of BPCE, Director, Member of the Audit Committee, Member of the Risk Committee (until 03/20/2017)

**BPCE SFH – SA** Director, Chairman of the Board of Directors

**BPCE SERVICES FINANCIERS (EX CSF-GCE) – GIE** Member of the Supervisory Board

**BANQUES POPULAIRES COVERED BONDS – SA** Director (until 12/31/2017)

**FIDOR BANK – AG (GERMANY)** Member of the Supervisory Board

Mr. Philippe JEANNE	
<p><b>Date of birth:</b> 11/13/1963</p> <p><b>Nationality:</b> French</p> <p><b>Business address:</b> 50, avenue Pierre-Mendes-France 75201 Paris Cedex 13</p> <p><b>DIRECTOR OF FINANCIAL MANAGEMENT AT BPCE</b></p> <p><b>Member of the Board of Directors</b></p> <p>First appointed: <b>11/07/2019</b></p> <p>End of term: <b>2025 OGM</b></p> <p><b>Chairman of the Audit Committee</b></p> <p>First appointed: <b>12/16/2019</b></p>	<p><b>BIOGRAPHY</b></p> <p>Philippe JEANNE is an engineer who graduated from the École Spéciale des Travaux Publics – ESTP – (1986) and also holds a masters in finance from the École Supérieure des Sciences Économiques et Commerciales – ESSEC – (1987).</p> <p>Philippe JEANNE began his career in 1987 at Barclays bank as an options trader. In 1991, he joined CGER Banque Paris (Fortis) where he was appointed Head of markets for cash management, rates and credit.</p> <p>In 1995, he joined Crédit Agricole Indosuez where he held various positions in Paris: from 1995 to 2000, he was Head of exotic rates, hybrids and raw materials. In 2001 he was appointed global Head of rates activities in dollars and of vanilla trading in New York. In 2003, he joined the bank CALYON in London as global Head of Trading in emerging markets.</p> <p>In 2005, Philippe JEANNE joined Natixis as global Head of Currency Transactions and in 2012 was appointed Director of Financial Management (ALM).</p> <p>He became BPCE's Director of Financial Management in March 2019.</p> <p><b>Relevant expertise:</b> banking, finance, markets, management and engineering.</p> <p><b>COMPANIES, DIRECTORSHIPS AND OFFICES</b></p> <p><b>2022</b></p> <p><b>BPCE – SA</b> Director of Financial Management</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Chairman of the Audit Committee</p> <p><b>BPCE SFH – SA</b> Chairman of the Board of Directors, Chairman of the Remuneration Committee and Member of the Appointments Committee</p> <p><b>2021</b></p> <p><b>BPCE – SA</b> Director of Financial Management</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Chairman of the Audit Committee</p> <p><b>BPCE SFH – SA</b> Chairman of the Board of Directors, Chairman of the Remuneration Committee and Member of the Appointments Committee</p> <p><b>2020</b></p> <p><b>BPCE – SA</b> Director of Financial Management</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Chairman of the Audit Committee</p> <p><b>BPCE SFH – SA</b> Chairman of the Board of Directors, Chairman of the Remuneration Committee and Member of the Appointments Committee</p> <p><b>2019</b></p> <p><b>BPCE – SA</b> Director of Financial Management</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Chairman of the Audit Committee</p> <p><b>BPCE SFH – SA</b> Chairman of the Board of Directors, Chairman of the Remuneration Committee and Member of the Appointments Committee</p> <p><b>NATIXIS INTERÉPARGNE – SA</b> Permanent Representative of Natixis, Director (until 06/07/2019)</p> <p><b>NATIXIS WEALTH MANAGEMENT – SA</b> Permanent Representative of Natixis, Director (until 06/05/2019)</p> <p><b>NATIXIS FUNDING – SA</b> Chairman of the Board of Directors (until 03/21/2019)</p> <p><b>NATIXIS – SA</b> Director of Financial Management (until 03/11/2019)</p> <p><b>NATIXIS NORTH AMERICA – LLC (USA)</b> Director (until 06/06/2019)</p> <p><b>ACI – THE FINANCIAL MARKETS ASSOCIATION</b> Member of the Ethics Committee</p> <p><b>NATIXIS BANK JSC, MOSCOW – SA (RUSSIA)</b> Member of the Supervisory Board (until 06/29/2019)</p> <p><b>NATIXIS PFANDBRIEF BANK – AG (GERMANY)</b> Member of the Supervisory Board (until 10/14/2019)</p> <p><b>2018</b></p> <p><b>NATIXIS INTERÉPARGNE – SA</b> Permanent Representative of Natixis, Director</p> <p><b>NATIXIS WEALTH MANAGEMENT – SA</b> Permanent Representative of Natixis, Director</p> <p><b>NATIXIS FUNDING – SA</b> Chairman of the Board of Directors</p> <p><b>NATIXIS – SA</b> Director of Financial Management</p> <p><b>NATIXIS NORTH AMÉRICA – LLC (USA)</b> Director</p> <p><b>ACI – THE FINANCIAL MARKETS ASSOCIATION</b> Member of the Ethics Committee</p> <p><b>2017</b></p> <p><b>NATIXIS INTERÉPARGNE – SA</b> Permanent Representative of Natixis, Director</p> <p><b>NATIXIS WEALTH MANAGEMENT – SA</b> Permanent Representative of Natixis, Director</p> <p><b>NATIXIS FUNDING – SA</b> Chairman of the Board of Directors</p> <p><b>NATIXIS – SA</b> Director of Financial Management</p> <p><b>NATIXIS NORTH AMÉRICA – LLC (USA)</b> Director</p> <p><b>ACI – THE FINANCIAL MARKETS ASSOCIATION</b> Member of the Ethics Committee</p>

## DIRECTORS FROM CAISSE D'ÉPARGNE

### Mr. Pascal CHABOT

**Date of birth:**  
05/27/1959  
**Nationality:** French  
**Business address:**  
26-28, rue Neuve  
Tolbiac  
75633 Paris Cedex 13

#### MEMBER OF THE MANAGEMENT BOARD OF CAISSE D'ÉPARGNE ÎLE-DE-FRANCE

##### Member of the Board of Directors

First appointed:  
**03/25/2014**  
End of term: **2026 OGM**

##### Chairman of the Risk Committee

First appointed:  
**12/16/2019**

##### Member of the Risk Committee

First appointed:  
**10/06/2015**

##### Member of the Appointments Committee

From **12/19/2018** to **12/16/2019**

#### BIOGRAPHY

Pascal CHABOT has a post-graduate degree in finance control from Université Paris Dauphine. In 2005, he became Member of the Management Board responsible for Specialized Markets at Caisse d'Épargne des Pays de la Loire before becoming Member of the Management Board responsible for the Regional Development Bank. In 2013, he joined Caisse d'Épargne Île-de-France as Member of the Management Board responsible for the Regional Development Bank, Organization and Information systems.  
**Relevant expertise:** management, finance, organization and information systems.

#### COMPANIES, DIRECTORSHIPS AND OFFICES

##### 2022

**CAISSE D'ÉPARGNE ÎLE-DE-FRANCE (CEIDF) – SA** Member of the Management Board in charge of Regional Development Banking, Organization and IT department  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Chairman of the Risk Committee  
**BANQUE BCP – SAS** Member of the Supervisory Board, Member of the Audit Committee  
**BANQUE DE NOUVELLE CALÉDONIE – SA** Director, Member of the Audit and Risk Committee

**COMITÉ FÉDÉRATION BANCAIRE FRANÇAISE ÎLE-DE-FRANCE – ASSOCIATION**  
Vice-Chairman

**SCI DE LA FORET SCI** Manager

**BANQUE DE TAHITI** Director, Member of the Audit and Risk Committee

**GENEO MEZZANINE (Professional Private Equity Fund)** Member of the Supervisory Board (since 06/22/2022)

##### 2021

**CAISSE D'ÉPARGNE ÎLE-DE-FRANCE (CEIDF) – SA** Member of the Management Board  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Chairman of the Risk Committee  
**BANQUE BCP – SAS** Member of the Supervisory Board  
**BANQUE DE NOUVELLE CALÉDONIE – SA** Director  
**PARIS HABITAT OPH** Director as a qualified person

**IMMOBILIÈRE 3F** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**COMITÉ FÉDÉRATION BANCAIRE FRANÇAISE ÎLE-DE-FRANCE – ASSOCIATION**  
Vice-Chairman

**SCI DE LA FORET – SCI** Manager

**BANQUE DE TAHITI** - Director (since 04/29/2021)

**ATREAM HÔTELS – SCPI** Director

##### 2020

**CAISSE D'ÉPARGNE ÎLE-DE-FRANCE (CEIDF) – SA** Member of the Management Board  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Chairman of the Risk Committee  
**BANQUE BCP – SAS** Member of the Supervisory Board  
**BANQUE DE NOUVELLE CALÉDONIE – SA** Director  
**PARIS HABITAT OPH** Director as a qualified person

**IMMOBILIÈRE 3F** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**COMITÉ FÉDÉRATION BANCAIRE FRANÇAISE ÎLE-DE-FRANCE – ASSOCIATION**  
Vice-Chairman

**SCI DE LA FORET – SCI** Manager

**BANQUE DE TAHITI** - Director (since 04/29/2021)

**ATREAM HÔTELS – SCPI** Director

**SOCFIM SA** Permanent representative of CEIDF, Member of the Supervisory Board, until 10/14/2020

##### 2019

**CAISSE D'ÉPARGNE ÎLE-DE-FRANCE (CEIDF) – SA** Member of the Management Board  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Chairman of the Risk Committee  
**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Risk Committee, Member of the Appointments Committee (until 12/16/2019)

**CE CAPITAL – SASU** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board (until 09/19/2019)

**SOCFIM – SACS** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**LOGIREP – SA** HLM Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board (until 09/18/2019)

**CE DÉVELOPPEMENT** Member of the Supervisory Board (until 09/20/2019)

**COMITÉ FÉDÉRATION BANCAIRE FRANÇAISE ÎLE-DE-FRANCE – ASSOCIATION**  
Vice-Chairman

**ALLIANCE ENTREPRENDRE – SAS** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board (until 09/18/2019)

**IMMOBILIÈRE 3F** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**BANQUE BCP – SAS** Member of the Supervisory Board

**SCI DE LA FORET – SCI** Manager

**CAISSE D'ÉPARGNE SYNDICATION RISQUE – GIE** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board (until 09/18/2019)

**BANQUE DE NOUVELLE CALÉDONIE – SA** Director

**PARIS HABITAT OPH** Director as a qualified person

**ATREAM HÔTELS – SCPI** Director

## Mr. Pascal CHABOT

## 2018

**CAISSE D'ÉPARGNE ÎLE-DE-FRANCE (CEIDF) – SA** Member of the Management Board

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Risk Committee, Member of the Appointments Committee

**CE CAPITAL – SASU** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**SOCFIM – SACS** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**LOGIREP – SA HLM** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**CE DÉVELOPPEMENT** Member of the Supervisory Board

**COMITÉ FÉDÉRATION BANCAIRE FRANÇAISE ÎLE-DE-FRANCE – ASSOCIATION** Vice-Chairman

**ALLIANCE ENTREPRENDRE – SAS** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**IMMOBILIÈRE 3F** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**BANQUE BCP – SAS** Member of the Supervisory Board

**SCI DE LA FORET – SCI** Manager

**CAISSE D'ÉPARGNE SYNDICATION RISQUE – GIE** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**ATREAM HÔTELS – SCPI** Director

## 2017

**CAISSE D'ÉPARGNE ÎLE-DE-FRANCE (CEIDF) – SA** Member of the Management Board

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Risk Committee

**CE CAPITAL – SASU** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**SOCFIM – SACS** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**LOGIREP – SA HLM** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**REVITAL'EMPLOI – ASSOCIATION** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board (until 12/11/2017)

**CE DÉVELOPPEMENT** Member of the Supervisory Board

**COMITÉ FÉDÉRATION BANCAIRE FRANÇAISE ÎLE-DE-FRANCE – ASSOCIATION** Vice-Chairman

**ALLIANCE ENTREPRENDRE – SAS** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**IMMOBILIÈRE 3F** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF), Member of the Supervisory Board

**BANQUE BCP – SAS** Member of the Supervisory Board

**SCI DE LA FORET – SCI** Manager

**CAISSE D'ÉPARGNE SYNDICATION RISQUE – GIE** Permanent Representative of Caisse d'Épargne Île-de-France (CEIDF) – Member of the Supervisory Board

**ATREAM HÔTELS – SCPI** Director

Mr. Jérémy ESTRADER

**Date of birth:**  
06/06/1983  
**Nationality:** French  
**Business address:**  
Place Estrangin Pastré  
BP 108  
13254 Marseille  
Cedex 6

**BIOGRAPHY**

Jérémy ESTRADER began his career in 2005 at the Caisse Nationale des Caisses d'Épargne, first as a Project Manager in the Market and Development department, then as Head of Sales.

In 2007, he joined Crédit Foncier as Key Account Director. Appointed Regional Social housing Manager in 2010, he became Head of the Social Real Estate Market Segment in 2015, then Head of the Real Estate Market in August 2016.

In January 2019, he joined the Caisse d'Épargne Development department of BPCE SA. First as Head of BDR Transformation, he was then appointed Head of the Social housing, EPL and Professional Real Estate Markets, and ultimately, Head of the Institutional department since July 2020 (Public sector, Residential markets).

In May 2022, he joined Caisse d'Épargne CEPAC as Deputy Chief Executive Officer in charge of BDR.

**Relevant expertise:** business development, marketing, distribution and investor relations.

**DEPUTY CHIEF EXECUTIVE OFFICER BDR METROPOLE – CAISSE D'ÉPARGNE CEPAC**

**Member of the Board of Directors**

First appointed:

10/01/2020

End of term: 2026 OGM

**COMPANIES, DIRECTORSHIPS AND OFFICES**

**2022**

**CAISSE D'ÉPARGNE CEPAC** Deputy Chief Executive Officer (since 05/2022)

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director

**SCIC VALDURANCE HABITAT** Permanent Representative of SAS HRP on the Board of Directors

**FAMILY AND PROVENCE SA** Permanent representative of SAS HRP, Director, Chairman of the Audit Committee, Member of the Remuneration Committee

**GIE HABITAT EN RÉGION** Chairman

**HABITAT EN RÉGION PARTICIPATIONS SAS** Permanent Representative of BPCE – Director

**SIA HABITAT** Director, Chairman of the Audit Committee, Member of the Remuneration Committee

**ERILIA** Non-voting director, Member of the Audit Committee, Member of the Remuneration Committee

**HABITATIONS DE HAUTE-PROVENCE (HHP) SA** Permanent representative of SAS HRP – Director, Chairman of the Audit Committee and Chairman of the Remuneration Committee

**2021**

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director

**SCIC VALDURANCE HABITAT** Permanent Representative of SAS HRP on the Board of Directors

**FAMILY AND PROVENCE SA** Permanent representative of SAS HRP, Director, Chairman of the Audit Committee, Member of the Remuneration Committee

**GIE HABITAT EN RÉGION** Chairman

**HABITAT EN RÉGION PARTICIPATIONS SAS** Permanent Representative of BPCE – Director

**SIA HABITAT** Director, Chairman of the Audit Committee, Member of the Remuneration Committee

**ERILIA** Non-voting director, Member of the Audit Committee, Member of the Remuneration Committee

**HABITATIONS DE HAUTE-PROVENCE (HHP) SA** Permanent representative of SAS HRP – Director, Chairman of the Audit Committee and Chairman of the Remuneration Committee

**2020**

**COMPAGNIE DE FINANCEMENT FONCIER SA** Director (since 10/2020)

**SCIC VALDURANCE HABITAT** Permanent Representative of SAS HRP on the Board of Directors (since 09/2020)

**FAMILY AND PROVENCE SA** Permanent Representative of SAS HRP (since 09/2020), Director, Chairman of the Audit Committee, Member of the Remuneration Committee

**GIE HABITAT EN RÉGION** Chairman

**HABITAT EN RÉGION PARTICIPATIONS SAS** Permanent Representative of BPCE – Director

**SIA HABITAT** Director, Chairman of the Audit Committee, Member of the Remuneration Committee

**ERILIA** Non-voting director, Member of the Audit Committee, Member of the Remuneration Committee

**HABITATIONS DE HAUTE-PROVENCE (HHP) SA** Permanent representative of SAS HRP – Director, Chairman of the Audit Committee and Chairman of the Remuneration Committee

**2019**

**SIA HABITAT** Director, Chairman of the Audit Committee

**ÉRILIA** Non-voting director, Member of the Audit Committee

## DIRECTORS FROM BANQUE POPULAIRE BANKS

Ms. Sabine CALBA	
<p><b>Date of birth:</b> 02/26/1971</p> <p><b>Nationality:</b> French</p> <p><b>Business address:</b> 247 avenue du Prado 13295 Marseille Cedex 08</p> <p><b>CHIEF EXECUTIVE OFFICER BANQUE POPULAIRE MÉDITERRANÉE</b></p> <p><b>Member of the Board of Directors</b></p> <p>First appointed: 12/13/2019 End of term: 2025 OGM</p> <p><b>Member of the Appointments Committee</b></p> <p>First appointed: 12/16/2019</p>	<p><b>BIOGRAPHY</b></p> <p>Sabine CALBA is a graduate of Université de Nancy and Institut Technique de Banque (ITB), and holds an MBA in Finance from the Institut Français de Gestion (IFG) and a Masters in financial management from Université Paris-I Panthéon-Sorbonne.</p> <p>Sabine CALBA began her career in 1993 at Banque Populaire Alsace-Lorraine-Champagne as an Account Manager in the retail market. Having held various positions at the bank, she was appointed Head of the Marketing and Communication department in 2000.</p> <p>In 2005, she became Group Manager, first in Meurthe-et-Moselle-Nord, then in Nancy. Seven years later she was promoted to the position of Director of the bank for the French department of Meurthe-et-Moselle.</p> <p>In 2015, Sabine CALBA became Head of the Lorraine region. Two years later she became Secretary General and joined the Management Committee (responsible for the Financial, Contracts, Customer Operations, Organization, Information Systems and Quality departments) at Banque Populaire Alsace-Lorraine-Champagne. In 2018, she became Deputy Chief Executive Officer and executive director there.</p> <p>On March 1, 2019, Sabine CALBA was appointed Head of Development at Banque Populaire within Groupe BPCE then Chief Executive Officer of Banque Populaire Méditerranée on April 1, 2021.</p> <p><b>Relevant expertise:</b> finance, human resources, management, operations and development.</p> <p><b>COMPANIES, DIRECTORSHIPS AND OFFICES</b></p> <p><b>2022</b></p> <p><b>BANQUE POPULAIRE MÉDITERRANÉE – SA</b> Chief Executive Officer</p> <p><b>BPCE – SA</b> Non-voting director of the Supervisory Board</p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Member of the Appointments Committee</p> <p><b>CRÉDIT FONCIER IMMOBILIER – SA</b> Director</p> <p><b>I-BP – GIE</b> Permanent representative of BPCE, Director</p> <p><b>UNIVERSITÉ DE LORRAINE</b> Director</p> <p><b>FÉDÉRATION NATIONALE DES BANQUES POPULAIRES</b> Director (since 04/01/2021)</p> <p><b>ASSOCIATION LES ELLES DE BPCE</b> Member</p> <p><b>2021</b></p> <p><b>BANQUE POPULAIRE MÉDITERRANÉE – SA</b> Chief Executive Officer (since 04/01/2021)</p> <p><b>BPCE – SA</b> Head of Development Banque Populaire (until 03/31/2021), Non-voting director of the Supervisory Board (since 12/16/2021)</p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Member of the Appointments Committee</p> <p><b>BANQUE BCP – SA (LUXEMBOURG)</b> Director (until 03/31/2021)</p> <p><b>CRÉDIT FONCIER IMMOBILIER – SA</b> Director</p> <p><b>I-BP – GIE</b> Permanent representative of BPCE, Director</p> <p><b>UNIVERSITÉ DE LORRAINE</b> Director</p> <p><b>ASSOCIATION LES ELLES DE BPCE</b> Member</p> <p><b>2020</b></p> <p><b>BPCE – SA</b> Head of Development of Banque Populaire</p> <p><b>CRÉDIT FONCIER DE FRANCE – SA</b> Director</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Member of the Appointments Committee</p> <p><b>BANQUE BCP – SA (LUXEMBOURG)</b> Director</p> <p><b>CRÉDIT FONCIER IMMOBILIER – SA</b> Director</p> <p><b>I-BP – GIE</b> Permanent representative of BPCE, Director</p> <p><b>OSTRUM ASSET MANAGEMENT – SA</b> Permanent Representative of BPCE, Director (until 10/23/2020)</p> <p><b>UNIVERSITÉ DE LORRAINE</b> Director</p> <p><b>ASSOCIATION LES ELLES DE BPCE</b> Member</p> <p><b>2019</b></p> <p><b>BPCE – SA</b> Head of Development of Banque Populaire</p> <p><b>BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE – SA</b> Deputy Chief Executive Officer and Second Executive Officer (until 02/28/2019)</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director, Member of the Appointments Committee</p> <p><b>BANQUE BCP – SA (LUXEMBOURG)</b> Director</p> <p><b>CRÉDIT FONCIER IMMOBILIER – SA</b> Director</p> <p><b>NATIXIS PAYMENT SOLUTIONS – SA</b> Director</p> <p><b>I-DATECH – GIE</b> Chairman (until 12/13/2019)</p> <p><b>I-BP – GIE</b> Permanent representative of BPCE, Director</p> <p><b>OSTRUM ASSET MANAGEMENT – SA</b> Permanent Representative of BPCE, Director</p> <p><b>SOCIÉTÉ D'ÉQUIPEMENTS DU BASSIN LORRAIN – SEM</b> Permanent Representative of BPALC, Director (until 10/30/2019)</p> <p><b>APROFIN LORRAINE PLACE FINANCIÈRE ASSOCIATION</b> Chairman (until 10/30/2019)</p> <p><b>UNIVERSITÉ DE LORRAINE</b> Director</p> <p><b>ASSOCIATION LES ELLES DE BPCE</b> Member</p> <p><b>ASSOCIATION LES ESSENTIELLES DE BPALC</b> Chairman (until 10/30/2019)</p>

Ms. Sabine CALBA

2018

**BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE – SA** Deputy Chief Executive Officer and Second Executive Officer

**NATIXIS PAYMENT SOLUTIONS – SA** Director

**I-DATECH - GIE** Chairman

**SOCIÉTÉ D'ÉQUIPEMENTS DU BASSIN LORRAIN – SEM** Permanent Representative of BPALC, Director

**APROFIN LORRAINE PLACE FINANCIÈRE ASSOCIATION** Chairman

**UNIVERSITÉ DE LORRAINE** Director

**ASSOCIATION LES ELLES DE BPCE** Member

**ASSOCIATION LES ESSENTI'ELLES DE BPALC** Chairman

2017

**BANQUE POPULAIRE ALSACE LORRAINE CHAMPAGNE – SA** General Secretary, Member of the Military Staff Committee (until 12/31/2017)

**BANQUE BCP – SA (LUXEMBOURG)** Director

**CRÉDIT FONCIER IMMOBILIER – SA** Director

**NATIXIS PAYMENT SOLUTIONS – SA** Director

**APROFIN LORRAINE PLACE FINANCIÈRE ASSOCIATION** Chairman

**UNIVERSITÉ DE LORRAINE** Director

**ASSOCIATION LES ELLES DE BPCE** Member

**ASSOCIATION LES ESSENTI'ELLES DE BPALC** Chairman

**BANQUE BCP – SA (LUXEMBOURG)** Director

**CRÉDIT FONCIER IMMOBILIER – SA** Director

Mr. Alexandre FOURNEAU	
<p><b>Date of birth:</b> 07/06/1969</p> <p><b>Nationality:</b> French</p> <p><b>Business address:</b> 9 Newton Avenue 78180 Montigny -le-Bretonneux</p>	<p><b>BIOGRAPHY</b></p> <p>Alexandre FOURNEAU is a graduate of HEC Paris (1993), specializing in auditing, consulting and appraisal. Alexandre FOURNEAU was an officer in the Technical Inspectorate of the French air force for 14 months, from 1993 to 1994. In September 1994, he joined the Inspectorate of Chambre Syndicale des Banques Populaires. In May 2001, he joined Banque Populaire Val de France (BPVF) as Head of Organization and Information Systems. In 2003, he became Head of the Organizational Merger Project and Human Resources. From 2004 to January 2007, he was a Group Director. In February 2007, he joined Informatique Banque Populaire (IBP) and became the Director of Banking Organization. In December 2009, he returned to Banque Populaire Val de France as Chief Financial Officer and in January 2013 he joined the Banque Populaire Val de France Management Committee. Since July 2016, he has been Head of Finance Loans at Banque Populaire Val de France.</p> <p><b>Relevant expertise:</b> accounting expertise, audit, risks and compliance, banking, management control, project management, information systems, business development, finance and oversight.</p>
<p><b>HEAD OF FINANCE LOANS, BANQUE POPULAIRE VAL DE FRANCE</b></p> <p>Member of the Board of Directors</p> <p>First appointed: 03/30/2017</p> <p>End of term: 2028 OGM</p>	<p><b>COMPANIES, DIRECTORSHIPS AND OFFICES</b></p> <p><b>2022</b></p> <p><b>BANQUE POPULAIRE VAL DE FRANCE – SCBP</b> Head of Finance Loans</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director</p> <p><b>I-BP INVESTISSEMENT – GIE</b> Management Controller</p> <p><b>SOCAMI VAL DE FRANCE – SCM</b> Chief Executive Officer</p> <p><b>SOCAMA VAL DE FRANCE – SCM</b> Deputy Chief Executive Officer</p> <p><b>SBE – SACS</b> Representative of Banque Populaire Val de France – Member of the Supervisory Board</p> <p><b>2021</b></p> <p><b>BANQUE POPULAIRE VAL DE FRANCE – SCBP</b> Head of Finance Loans</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director</p> <p><b>I-BP INVESTISSEMENT – GIE</b> Management Controller</p> <p><b>SOCAMI VAL DE FRANCE – SCM</b> Chief Executive Officer</p> <p><b>SOCAMA VAL DE FRANCE – SCM</b> Deputy Chief Executive Officer</p> <p><b>SBE – SACS</b> Representative of Banque Populaire Val de France – Member of the Supervisory Board, Chairman of the Audit Committee</p> <p><b>2020</b></p> <p><b>BANQUE POPULAIRE VAL DE FRANCE – SCBP</b> Head of Finance Loans</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director</p> <p><b>I-BP INVESTISSEMENT – GIE</b> Management Controller</p> <p><b>SOCAMI VAL DE FRANCE – SCM</b> Chief Executive Officer</p> <p><b>SOCAMA VAL DE FRANCE – SCM</b> Deputy Chief Executive Officer</p> <p><b>SBE – SACS</b> Representative of Banque Populaire Val de France – Member of the Supervisory Board, Chairman of the Audit Committee</p> <p><b>2019</b></p> <p><b>BANQUE POPULAIRE VAL DE FRANCE – SCBP</b> Head of Finance Loans</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director</p> <p><b>I-BP INVESTISSEMENT – GIE</b> Management Controller</p> <p><b>SOCAMI VAL DE FRANCE – SCM</b> Chief Executive Officer</p> <p><b>SOCAMA VAL DE FRANCE – SCM</b> Deputy Chief Executive Officer</p> <p><b>SBE – SACS</b> Representative of Banque Populaire Val de France – Member of the Supervisory Board, Chairman of the Audit Committee</p> <p><b>2018</b></p> <p><b>BANQUE POPULAIRE VAL DE FRANCE – SCBP</b> Head of Finance Loans</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director</p> <p><b>I-BP INVESTISSEMENT – GIE</b> Management Controller</p> <p><b>SOCAMA VAL DE FRANCE – SCM</b> Director (until 05/25/2018)</p> <p><b>SOCAMI VAL DE FRANCE – SCM</b> Director (until 05/16/2018)</p> <p><b>SOCAMI VAL DE FRANCE – SCM</b> Chief Executive Officer</p> <p><b>SOCAMA VAL DE FRANCE – SCM</b> Deputy Chief Executive Officer</p> <p><b>SBE – SACS</b> Representative of Banque Populaire Val de France – Member of the Supervisory Board, Chairman of the Audit Committee</p> <p><b>2017</b></p> <p><b>BANQUE POPULAIRE VAL DE FRANCE – SCBP</b> Head of Finance Loans</p> <p><b>COMPAGNIE DE FINANCEMENT FONCIER – SA</b> Director</p> <p><b>I-BP INVESTISSEMENT – GIE</b> Management Controller</p> <p><b>SOCAMA VAL DE FRANCE – SCM</b> Director</p> <p><b>SOCAMI VAL DE FRANCE – SCM</b> Director</p> <p><b>SBE – SACS</b> Representative of Banque Populaire Val de France – Member of the Supervisory Board, Chairman of the Audit Committee</p>

## DIRECTORS FROM NATIXIS

### Ms. Nathalie BRICKER

**Date of birth:**  
02/07/1968

**Nationality:** French

**Business address:**  
5, Promenade  
Germaine Sablon  
75013 Paris

#### BIOGRAPHY

Nathalie BRICKER holds a Master's degree in accounting and financial techniques from the IAE (Institut d'Administration des Entreprises) and a Diplôme d'Etudes Supérieures Comptables et Financières (Diploma in Accounting and Financial Studies). She is also a graduate of the Nice-Sophia Antipolis Business School (SKEMA).

She joined KPMG Audit in 1991 as Operations Manager specializing in bank audits. She then joined Caisse des dépôts et consignations (CDC) in 1995 and was made Head of the Central Accounting department in 1998. She became Head of the CDC IXIS Accounting department in 2004. In 2005 she joined Natixis Banques Populaires.

After the integration of CDC IXIS by Natixis, Nathalie BRICKER was appointed Head of Accounting and Ratios for the Natixis group, and became a member of the Executive Committee in 2016.

In July 2018, she was appointed Chief Financial Officer of Natixis, member of the Executive Management Committee of Natixis. In November 2020 Nathalie BRICKER was appointed executive director of Natixis.

**Relevant expertise:** accounting, accounting standards and systems, regulatory ratios, financial management, financial control.

**CHIEF FINANCIAL OFFICER OF NATIXIS  
MEMBER OF THE EXECUTIVE MANAGEMENT COMMITTEE,  
EXECUTIVE MANAGEMENT**

**Member of the Board of Directors**

First appointed:

12/19/2018

End of term: 2026 OGM

**Member of the Audit Committee**

First appointed:

12/19/2018

#### COMPANIES, DIRECTORSHIPS AND OFFICES

##### 2022

**NATIXIS – SA** Chief Financial Officer, Member of the Executive Management Committee, executive management

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Audit Committee

**BPCE VIE – SA** Permanent Representative of Natixis, Director, Member of the Audit and Risk Committee

**NATIXIS INVESTMENT MANAGERS – SA** Permanent Representative of Natixis, Director, Member of the Audit and Financial Statements Committee, Member of the Compliance, Risk and Internal Control Committee

##### 2021

**NATIXIS – SA** Chief Financial Officer, Member of the Executive Management Committee, executive management

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Audit Committee

**BPCE VIE – SA** Permanent Representative of Natixis, Director, Member of the Audit and Risk Committee

**NATIXIS INVESTMENT MANAGERS – SA** Permanent Representative of Natixis, Director, Member of the Audit and Financial Statements Committee

##### 2020

**NATIXIS – SA** Chief Financial Officer, Member of the Executive Management Committee, executive management (since 11/05/2020)

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Audit Committee

**COFACE SA\* – SA** Director, Member of the Audit Committee (until 02/10/2021)

**NATIXIS PAYMENT SOLUTIONS – SA** Permanent Representative of Natixis, Director (until 12/11/2020)

**CEGC – SA** Permanent Representative of Natixis, Director (until 07/09/2020)

**BPCE VIE – SA** Permanent Representative of Natixis, Director, Member of the Audit and Risk Committee

**NATIXIS INVESTMENT MANAGERS – SA** Permanent Representative of Natixis, Director, Member of the Audit and Financial Statements Committee

##### 2019

**NATIXIS – SA** Chief Financial Officer, Member of the Executive Management Committee

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Audit Committee

**COFACE SA\* – SA** Director, Member of the Audit Committee

**NATIXIS PAYMENT SOLUTIONS – SA** Permanent Representative of Natixis, Director

**CEGC – SA** Permanent Representative of Natixis, Director

**BPCE VIE – SA** Permanent Representative of Natixis, Director, Member of the Audit and Risk Committee

**COMPAGNIE FRANÇAISE D'ASSURANCE POUR LE COMMERCE EXTÉRIEUR – SA** Permanent Representative of Natixis, Director (until 11/29/2019)

**NATIXIS INVESTMENT MANAGERS – SA** Permanent Representative of Natixis, Director

##### 2018

**NATIXIS – SA** Chief Financial Officer, Member of the Executive Management Committee

**NATIXIS – SA** Head of Accounting and Ratios of the Natixis group, Member of the Executive Committee (until 07/13/2018)

**COMPAGNIE DE FINANCEMENT FONCIER – SA** Director, Member of the Audit Committee

**COFACE SA\* – SA** Director, Member of the Audit Committee

**NATIXIS PAYMENT SOLUTIONS – SA** Permanent Representative of Natixis, Director

**CEGC – SA** Permanent Representative of Natixis, Director

**BPCE VIE – SA** Permanent Representative of Natixis, Director, Member of the Audit and Risk Committee

**COMPAGNIE FRANÇAISE D'ASSURANCE POUR LE COMMERCE EXTÉRIEUR – SA** Permanent Representative of Natixis, Director

**NATIXIS INVESTMENT MANAGERS – SA** Permanent Representative of Natixis, Director

##### 2017

**NATIXIS – SA** Head of Accounting and Ratios of the Natixis group, Member of the Executive Committee

**NATIXIS PAYMENT SOLUTIONS – SA** Permanent Representative of Natixis, Director

**CEGC – SA** Permanent Representative of Natixis, Director

**BPCE VIE – SA** Permanent Representative of Natixis, Director, Member of the Audit and Risk Committee

\* Listed company.

# ROLE AND OPERATING PROCEDURES OF CORPORATE ENTITIES

## Board of Directors

### COMPOSITION OF THE BOARD

As of December 31, 2022, the Board of Directors of Compagnie de Financement Foncier was composed of ten members. The members of the Board are listed on page 51 of this document. Compagnie de Financement Foncier's two Statutory Auditors and its Specific Controller also attend the Board meetings.

### BOARD MEETINGS

The legal secretary function for the Board of Directors is provided by the General Secretariat of Crédit Foncier and it establishes, in consultation with the Chairman and Executive Management of Compagnie de Financement Foncier, the agenda for the meetings, along with the materials covering the various items on the agenda. This department also drafts the minutes and keeps the legal registers. On June 30, 2010, the Board of Directors adopted internal rules, updated on April 10, 2015 and December 18, 2019, defining operational procedures for the Board.

Compagnie de Financement Foncier's Board of Directors meets at least once every three months to examine a prescheduled agenda. Specific items may be added depending on the period.

Items discussed include:

- closing of the accounts for the previous year;
- review of management forecast documents;
- quarterly report of bond issuances and analysis of the performance of covered bonds issued by Compagnie de Financement Foncier on the primary and secondary markets;
- determining, at the end of each quarter, for the following quarter, the program for issuing French *obligations foncières* and other privileged resources which require certification by the Specific Controller;
- delegation of the powers necessary to carry out these operations;
- review of the half-year accounts;
- annual assessment of the Board;
- review of coverage plan for privileged resources;
- more generally, authorization of any major transaction involving the Company or any significant event that might materially affect it (governance, changes to Bylaws, agreements with the parent company, update of EMTN programs, debt issuances that exceed limits of delegated powers, etc.);
- review of internal control reports and risk monitoring measures pursuant to Article 258 *et seq.* of the Order of November 3, 2014 concerning the internal control of credit institutions, companies providing payment and investment services that are subject to the supervision of the French Prudential Supervisory and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution – ACPR*) (previously Articles 42 and 43 of Regulation No. 97-02 as amended of the French Banking and Financial Regulation Committee (CRBF)) and of the annual report of the Specific Controller;
- presentation of the results of the permanent, periodic and compliance controls, along with the risk appetite framework;

- examination of the annual report of the Specific Controller.

The records and documents submitted to the Board provide it with clear, true and fair information about Compagnie de Financement Foncier and its evolution.

The Board of Directors did not limit the powers of the Chief Executive Officer in any way. The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company, within the limits of the corporate purpose, and subject to the powers expressly attributed by law to General Shareholders' Meetings and the special powers of the Board of Directors. He represents Compagnie de Financement Foncier in its relationships with third parties. The Deputy Chief Executive Officer is vested with the same powers as the Chief Executive Officer.

Compagnie de Financement Foncier's Board of Directors met seven times in fiscal year 2022.

An external assessment was carried out by the Board in 2022, which concluded that the quality of Compagnie de Financement Foncier's governance practices enables it to stand at the highest level in relation to comparable structures in the financial sector.

Board members receive fees that are allocated in accordance with the allocation rules recommended by BPCE, Compagnie de Financement Foncier's Central Institution. These rules are presented in the Remuneration section of this document.

The amount of fees allocated to the Board members is set in advance for each meeting. It is paid only if the members actually attend the meetings (according to Article 13 of the Bylaws, Directors taking part in the meetings of the Board through videoconferencing or telecommunication means allowing their identification and actual participation, are considered as attending for the calculations of the quorum and the majority); the amount is also subject to an annual cap.

### ATTENDANCE BY SHAREHOLDERS AT THE GENERAL SHAREHOLDERS' MEETING

General Shareholders' Meetings are called in accordance with French legal and regulatory requirements.

An invitation to attend the meeting is sent by mail to each shareholder individually. The shareholders are exclusively registered shareholders.

Any shareholder may attend the General Shareholders' Meeting per the conditions set out by law.

There is no provision assigning multiple voting rights.

Refer also to Articles 21 and 22 of the Company's Bylaws on page 201 of this document.

### PRINCIPLES AND RULES ADOPTED BY THE BOARD OF DIRECTORS TO DETERMINE THE REMUNERATION GRANTED TO CORPORATE OFFICERS

The Board of Directors meeting of February 9, 2016 decided that, from February 1, 2016, no remuneration would be paid by Compagnie de Financement Foncier to the Chief Executive Officer and the Deputy Chief Executive Officer in respect of their corporate offices.

## Committees set up by the Board



### AUDIT COMMITTEE

<b>4</b> members <sup>(1)</sup>	<b>4</b> meetings
Philippe JEANNE, Chairman BPCE, represented by Olivier IRISSON Nathalie BRICKER, Crédit Foncier de France represented by Muriel COLLE	<b>92 %</b> average attendance rate

#### MAIN FUNCTIONS AND POWERS

The Audit Committee operates in accordance with internal regulations approved by the Board of Directors at its meeting of December 18, 2019.

The Audit Committee is responsible for advising the Board of Directors on the clarity of the information provided and the relevance of the accounting methods used to prepare the parent company financial statements.

#### ITS USUAL SCOPE INCLUDES:

- budget procedures;
- financial statements closing;
- agreements monitoring;
- coverage plan for privileged liabilities;
- appointment of Statutory Auditors and Specific Controller;
- examination of the annual report of the Specific Controller.



### RISK COMMITTEE

<b>4</b> members <sup>(1)</sup>	<b>4</b> meetings
Pascal CHABOT, Chairman Crédit Foncier de France, represented by Muriel COLLE BPCE, represented by Olivier IRISSON, Corinne DECAUX	<b>92 %</b> average attendance rate

#### MAIN FUNCTIONS AND POWERS<sup>(2)</sup>

The Risk Committee operates in accordance with internal regulations approved by the Board of Directors at its meeting of December 18, 2019.

The Risk Committee is responsible for advising the Board of Directors on the quality of internal control, in particular the consistency of risk measurement, supervision and management, and is responsible for proposing, when appropriate, additional measures in this respect.

#### ITS USUAL SCOPE INCLUDES:

- assessing the overall risk exposure of Compagnie de Financement Foncier based on available reports;
- advising the Board of Directors on the overall strategy of Compagnie de Financement Foncier and risk appetite, both current and future;
- reviewing reports on internal control, compliance and permanent control;
- monitoring the independence of the General Inspection Division of Crédit Foncier and reviewing its work and annual plan;
- following up on the findings of missions of the French Prudential Supervisory and Resolution Authority (Autorité de Contrôle Prudentiel et de Résolution – ACPR) and/or the European Central Bank (ECB) and the General Inspection Division of Crédit Foncier and of BPCE;
- reviewing product and service pricing (mentioned in Books II and III of the French Monetary and Financial Code: financial instruments, savings products, banking operations, investment services, etc.).



### APPOINTMENTS COMMITTEE

<b>3</b> members <sup>(1)</sup>	<b>4</b> meetings
Éric FILLIAT, Chairman Sabine CALBA Corinne DECAUX	<b>100 %</b> average attendance rate

#### MAIN FUNCTIONS AND POWERS

The Appointments Committee is tasked with proposing candidates for the function of Member of the Board of Directors, assessing the Board's diversity of knowledge and setting targets for gender representation.

(1) At December 31, 2022.

(2) Olivier AVIS, Chief Executive Officer, is in charge of permanent and periodic control and compliance for Compagnie de Financement Foncier. This appointment meets the requirements of Articles 14 et seq. of the Order of November 3, 2014 concerning the internal control of credit institutions, companies providing payment and investment services that are subject to the supervision of the French Prudential Supervisory and Resolution Authority, previously Article 7.1 of Regulation No. 97-02 as amended of the Committee on Banking and Financial Regulation (CRBF), and to the principle applied by the management of Crédit Foncier under which the executive bodies of credit institutions' subsidiaries may draw on the parent company's structure to fulfill their obligations in terms of permanent and periodic control and compliance.

## Board of Directors' internal rules

At its meeting on December 18, 2019, the Board of Directors unanimously adopted these internal rules.

These regulations aim to supplement Compagnie de Financement Foncier's Bylaws and, in particular, to:

- specify procedures for convening Board meetings;
- specify deliberation procedures for Directors taking part in Board meetings via videoconferencing or other telecommunication means;
- specify Directors' obligations of professional secrecy and discretion;
- define sanctions applicable in the event of Directors failing to comply with any one of their obligations.

The regulations may be amended at any time by resolution of the Board of Directors.

Each individual Director is obliged to comply with these internal rules.

### ARTICLE 1 – TEXTS GOVERNING THE BOARD OF DIRECTORS

The operating procedures of the Board of Directors of Compagnie de Financement Foncier are determined by Articles L. 225-17 to L. 225-56-1, L. 225-94, L. 225-95, R. 225-15 to R. 225-34 of the French Commercial Code, and by Articles 11 *et seq.* of the Compagnie de Financement Foncier's Bylaws.

These rules are supplemented by:

- banking regulations of which the Decree of November 3, 2014 on the internal control of businesses in the banking sector, replacing Regulation 97.02 of the French Banking and Financial Regulation Committee;
- financial regulations of which the general regulation of the *Autorité des marchés Financiers*, the French financial markets authority.

Each individual Director is obliged to comply with these internal rules.

### ARTICLE 2 – PURPOSE OF THE BOARD OF DIRECTORS

The Board of Directors is the corporate body which exercises its legal prerogatives in the interests of Compagnie de Financement Foncier and of realizing its corporate purpose as defined in Article 2 of its Bylaws.

The actions of Directors must be motivated solely by the interests of Compagnie de Financement Foncier.

Directors must consider themselves as representatives of all shareholders and conduct themselves accordingly in all circumstances when exercising their functions. They must not expose themselves to conflicts of interest in relation to their business dealings with Compagnie de Financement Foncier.

They must strive to play their part in the exercise of powers by the Board of Directors.

The Board of Directors must ensure that:

- it is composed and operates in such a way that it is able to act in the best corporate interests of Compagnie de Financement Foncier,

while taking into consideration the employee relations issues and environmental implications of its activity;

- appointments or renewals of Directors:

- are carried out with a view to achieving a harmonious balance of the various socio-professional categories that represent the customers of Compagnie de Financement Foncier, and
- a gender balance on the Board, in accordance with current legislation.

Any application for a Directorship must be reviewed in advance by the Appointments Committee, then the Board.

When a new Director takes up their position, the Executive Management provides him or her with a file containing the Bylaws and these internal rules.

### ARTICLE 3 – ELECTION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS AND APPOINTMENT OR RENEWAL OF THE TERM OF OFFICE OF THE CHIEF EXECUTIVE OFFICER

Under Article 16 of the Bylaws, "the Board of Directors elects, from among its individual members, a Chairman and determines his or her remuneration. It also sets the Chairman's term of office, which may not exceed his or her term as Director."

Should the Chairman be prevented from attending, the Vice-Chairperson chairs the meeting.

Voting, as with any other Board deliberation put to vote, is public provided no Director has requested a secret ballot.

The Board is chaired by the oldest member for the election of the Chairman.

In accordance with Article 17 of the Bylaws of Compagnie de Financement Foncier, on the proposal of the Chairman, the Board of Directors appoints a Chief Executive Officer, agrees his or her term of office and sets their remuneration.

### ARTICLE 4 – FREQUENCY OF MEETINGS AND DELIBERATIONS OF THE BOARD OF DIRECTORS

The Board of Directors meets as often as dictated by the interests of Compagnie de Financement Foncier and is convened by its Chairman (Article 13 of the Bylaws). However, if the Board of Directors has not met in over two months, at least one third of the members of the Board of Directors can request that the Chairman calls a Board meeting with a specific agenda.

The Chairman provides Directors with all information needed to exercise their functions effectively in respect of Compagnie de Financement Foncier.

In good time, Directors receive a file covering all items on the agenda which require particular analysis or prior thought provided that this is not prohibited for reasons of confidentiality.

Directors may raise any issue relating to the corporate purpose under the Board meeting agenda item "Any other business".

## ARTICLE 5 – BOARD OF DIRECTORS' RESPONSIBILITIES AND PRACTICES

Other than appointing the corporate officers, the main duties of the Board of Directors are to set the strategic guidelines for Compagnie de Financement Foncier, in line with the strategy of Groupe BPCE, at the proposal of the Chairman and the Chief Executive Officer, to oversee their implementation, control the management of the business, the risk management policy and the accuracy of its accounts, to review the financial situation on a quarterly basis, approve the accounts and ensure the quality of financial information.

Moreover, at least once a year, the Chairman submits to it a draft budget and the activity report as well as the results of internal control and risk monitoring in accordance with banking regulations.

Voting is by a show of hands unless Directors ask to vote by secret ballot on issues relating to individuals.

The Chairman arranges for discussion the presentation of findings of inspections by BPCE, the French Prudential Supervisory and Resolution Authority (*Autorité de Contrôle Prudentiel et de Résolution – ACPR*), *Autorité des marchés financiers*, the French financial markets authority and other regulators. It brings to the attention of the Board of Directors the ratings of any relevant committees as well as any comments from these bodies.

At any time, the Board may perform any checks and controls it deems necessary and may ask the Chairman to share any documents it deems useful to perform its duties.

The Board of Directors may, if necessary, call on the services of the Head of Risk Management referred to under Article L. 511-64 of the French Monetary and Financial Code or outside experts (Art. L. 511-96 of the CMF).

## ARTICLE 5.1 – PARTICIPATION IN BOARD MEETINGS BY VIDEOCONFERENCE OR OTHER MEANS OF TELECOMMUNICATION

In accordance with the provisions of Article L. 225-37 of the French Commercial Code and Article 13 of the Bylaws of Compagnie de Financement Foncier, for the purposes of calculating a quorum and majority, Directors participating in the meeting through videoconferencing or other means of telecommunication that allow them to identify themselves and effectively participate shall be considered present.

The participation of Directors by videoconference or other means of telecommunication, including by internet, must be stated on the attendance register which should be signed by the Director in question at a later date.

This type of participation must also be noted in the minutes.

Where the meeting is held by videoconference or other means of telecommunication, in accordance with Article L. 225-37 of the French Commercial Code, the identification and actual participation of any Board members participating in this way must be guaranteed by the transmission of at least the voice of the participants and the continuous, simultaneous transmission of deliberations, in accordance with Article R. 225-21 of the French Commercial Code.

Videoconferencing and telecommunication means shall guarantee the confidentiality of the discussions. Consequently, anyone taking part in meetings by these means shall certify that the technical means used by them fulfill this confidentiality requirement.

Directors taking part in meetings via means of communication or telecommunication may represent another Director provided that, on the day of the Board meeting, the Chairman of the Board of Directors has a proxy from the Director being represented.

The malfunction of the videoconferencing or telecommunication system shall not prevent the meeting from being held, providing there is a quorum. Any Directors who are prevented from participating in the meeting owing to a malfunction may appoint a proxy among the Directors physically in attendance, provided they notify the Chairman of the Board. This proxy may also be notified prior to the meeting and become effective only in event of a malfunction. However, Directors may not sub-delegate the proxy given to them which, in this case, may not be exercised.

#### ARTICLE 5.2 – MINUTES

The names of the Directors present, deemed to be present within the meaning of Article L. 225-37 of the French Commercial Code, or who have given their apologies or who are absent are listed in the minutes. These also record the presence or absence of those persons who were invited to attend the meeting whether under a legal provision or not.

The minutes are signed by the Chairman of the meeting and by at least one Director. Should the Chairman be prevented from attending the meeting, his or her signature is replaced by the signature of at least two Directors.

Minutes are written in a special register kept in accordance with regulatory provisions in force. Copies of, or extracts from, the minutes are duly certified by the Chairman of the Board of Directors, the Chief Executive Officer or any authorized person.

For the purposes of transcribing the discussions of the Board of Directors, deliberations by Crédit Foncier de France may be recorded in part or in full. Compagnie de Financement Foncier shall ensure this recording is kept confidential and is destroyed after the minutes have been signed by the Chairman. At the start of the meeting the Chairman states that discussions are being recorded and secures the agreement of those Directors in attendance.

#### ARTICLE 5.3 – ATTENDANCE REGISTER

An attendance register is kept at the registered office of Crédit Foncier de France under the agreements entered into by Compagnie de Financement Foncier and Crédit Foncier de France, and is signed by members of the Board of Directors and other meeting participants, in their own name, or on behalf of other members of the Board of Directors who they are representing.

Should the agreements between Crédit Foncier de France and Compagnie de Financement Foncier be terminated, Crédit Foncier de France will be required to return the registers of Compagnie de Financement Foncier in a timely fashion.

#### ARTICLE 6 – BOARD COMMITTEES – GENERAL PROVISIONS

In order for the Directors to exercise their duties, specialist committees have been set up within the Board of Directors. These are:

- an Audit Committee;
- a Risk Committee;
- an Appointments Committee.

Members give opinions to the Board.

Their responsibilities do not reduce or restrict the powers of the Board.

The Board of Directors appoints a Chairman from among the members of each committee. The Chairman of the Risk Committee cannot be Chairman of the Board of Directors or Chairman of any other committee.

Committee chairs extend invitations to meetings by any means, including verbally.

Each committee keeps an attendance register which is signed by all Directors attending the Committee meeting.

Minutes of the meetings are sent by the Chairman of the Committee to members of that committee as well as to the Chairman and Chief Executive Officer. Whenever a meeting is held and at least twice a year, the Committee chairs submit regular reports to the Board of Directors on their duties and immediately notify it of any difficulties encountered.

Members are not entitled to appoint a proxy. The physical presence of at least half of members is required for a meeting to be held. Committees make proposals on the basis of a majority of members present.

Committees may request any document and request any presentation they deem desirable.

## ARTICLE 7 – COMPENSATION OF MEMBERS OF THE BOARD OF DIRECTORS AND MEMBERS OF THE BOARD COMMITTEES

As part of the annual budget approved by the General Shareholders' Meeting, the Board of Directors may award to members of the Board of Directors and Board Committees remuneration in recognition of the time spent running the Company based on objective criteria set by the Board of Directors, as proposed by the Remuneration Committee and taking into account training time and actual attendance at Board and Committee meetings.

The Board of Directors may also award non-voting directors' remuneration for the time spent exercising their duties deducted from the total budget approved each year by the General Shareholders' Meeting for the Board of Directors.

## ARTICLE 8 – DIRECTORS' DUTIES

Directors oversee compliance with legal rules around the number of corporate offices held and incompatibilities as well as those specific to credit institutions.

They undertake to participate objectively in Board discussions, even if in the course of such discussions the profession or region they represent is affected.

Directors and anyone attending meetings, are subject to professional secrecy in accordance with L. 511-33 of the French Monetary and Financial Code on the practices of the Board and specialist committees and a duty of discretion in respect of its deliberations, as well as any information of a confidential nature and presented as such by the Chair of the meeting under the conditions set out in Article L. 225-37 of the French Commercial Code.

All Directors are required to notify the Board of any conflicts of interest or potential conflicts of interest and must abstain from voting on the relevant deliberations.

A conflict of interest is defined as any situation in which a member of the Board of Directors has a personal interest that is divergent or liable to be so.

Notwithstanding an explicit exemption by BPCE, in agreement with the Chairman of the Board of Directors, the position of Compagnie de Financement Foncier Director is incompatible with other positions held in credit institutions or financial institutions in competition with the activities of Compagnie de Financement Foncier.

Directors are asked to regularly attend Board and Committee meetings.

Anyone unable to comply with this regular attendance rule, in line with the responsibilities of the directorship, undertakes to resign their position at the Chairman's request.

More generally, any Director who considers that they are no longer in a position to perform their duties on the Board and Committees of which they are a member must resign.

Upon taking up their position, Directors and non-voting directors sign the Directors and non-voting directors' charter.

## ARTICLE 9 – INSIDER TRADING

### ARTICLE 9.1 – DEFINITION OF INSIDER TRADING

Regulation 596/2014 of the European Parliament and Council (the "MAR Regulation") and its delegated regulations (the "MAR Regulations") as well as directive 2014/57/EU "MAD" set out a European Union-wide common regulatory framework for insider dealing, unlawful disclosure of inside information, market manipulations ("Market abuse") as well as related penalties.

The MAR Regulation covers three types of offences:

- insider dealing (misuse of inside information);
- unlawful disclosure of inside information; and
- market manipulations (giving false or misleading signals, any action that manipulates the calculation of a benchmark).

Insider dealing arises in four situations:

- where a person uses inside information by transacting, on their own or on the account of a third party, in a financial instrument to which that inside information relates;
- where inside information is used to cancel or amend an order for a financial instrument to which that information relates, where such an order had been placed before the subject was in possession of the inside information;
- auctioning emission allowances or other auctioned products based thereon, where the use of insider information also includes the submission, amendment or withdrawal of a bid by a person on their own behalf or on behalf of a third party;
- it also applies to anyone in possession of or who uses insider information where such an individual knows, or should know, that it is inside information.

Inside information is:

- information of a precise nature which has not been made public;
- relating, directly or indirectly, to one or more issuers or to one or more financial instruments; and
- which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments.

Insider dealing is presumed in particular in the case of anyone who is in possession of insider information owing to that fact that such a person:

- is a member of the administrative, management or supervisory bodies of the issuer or the emission allowance market participant;

- has a holding in the capital of the issuer or emission allowance market;
- has access to the information through the exercise of an employment, profession or duties; or
- is involved in criminal activities.

Any breach of bans on insider dealing, unlawful disclosure of insider information or market manipulation is subject to a maximum of five years in prison and a fine of up to €100m.

#### ARTICLE 9.2 – PREVENTION OF INSIDER TRADING

Insider information on any company issuing shares on a regulated listed market, whether a customer of Compagnie de Financement Foncier or not, and particularly Natixis, a listed subsidiary of Groupe BPCE, may be shared at meetings of the Board of Directors.

Members of the Board of Directors are personally notified of their inclusion on the list of “permanent insiders” of Natixis or any other entity or corporation in Groupe BPCE issuing listed securities.

They receive an information notice recapping the main legal and regulatory provisions applicable to the possession, disclosure and use of inside information, as well as any sanctions in the event that such rules are breached.

Access to inside information is presumed 15 days prior to the publication of Natixis's quarterly results and 30 days prior to the publication of its half-year and annual financial statements. Members of the Board of Directors may not trade in Natixis securities during these so-called “closed periods”.

The abstention requirement applies in any cases where members of the Board of Directors are in possession of inside information and, in particular, where they are aware of sufficient accounting information to forecast the results, ahead of the aforementioned “closed periods”.

Each year, members of the Board of Directors must personally familiarize themselves with the Natixis profits publication dates and those of other issuers for which they have been informed they are on a list of insiders.

#### ARTICLE 10 – DIRECTOR AGE LIMIT

In accordance with the provisions of the Bylaws (Article 12), the age limit for exercising the function of Director is set at 72. The number of Directors above the age of 68 may not be more than a third of the number of Directors. Once the age limit is reached, the oldest Director is deemed to have resigned from office following the next General Shareholders' Meeting.

#### ARTICLE 11 – REVISION OF THE INTERNAL RULES

These internal regulations were adopted at a meeting of the Board of Directors on December 18, 2019, the date on which it entered into force for an indeterminate period.

Adjustments may be required as a result of changes of a regulatory or socio-economic nature, as well as practices within Groupe BPCE. In this case, these internal regulations will be reviewed and any new content submitted to the Board of Directors for approval.

## Diversity objective among executive management and within the Board of Directors

Compagnie de Financement Foncier's appointment and succession policy was adopted by the Board of Directors on December 18, 2019. It provides that the Appointments Committee assesses the suitability of the candidates selected as part of the selection of executive management and directors, as well as compliance with diversity criteria within the management body.

The Appointments Committee must pursue an objective of diversity among the executive management and within the Board of Directors, i.e. a situation where the characteristics of said officers and said Board differ to a degree ensuring a variety of points of view.

The Appointments Committee will ensure that the following diversity aspects are observed:

- training,
- professional career path,
- age,
- quantitative objective relating to the representation of the under-represented gender,
- balanced geographical representation,
- representation of the different types of market,
- representation of the dominant socio-professional categories of the Group's cooperative shareholder base,

- compliance with the collective competence criteria as referred to in the Board's assessment.

With regard to the size of the management body, the assessment of the diversity criterion may be broken down between the executive management and the members of the Board of Directors.

With regard to the quantitative objective relating to the representation of the under-represented gender, this criterion will be taken into account in accordance with the legislative provisions.

None of the aforementioned criteria alone is sufficient to determine the presence or absence of diversity, which is assessed collectively within the management body. Indeed, the Appointments Committee must focus on the complementarity of technical skills and the diversity of cultures and experiences in order to have profiles likely to enrich the angles of analysis and opinion on which the body management can rely on it to conduct its discussions and make its decisions, thus promoting good governance.

The Appointments Committee makes recommendations on desirable changes to the composition of the Committee in order to achieve the diversity objectives.

The selection process provides for the presence of at least one person of each gender among the candidates for the position of Deputy Chief Executive Officer, where applicable.

## Ethics Charter of members of the Board of Directors of Compagnie de Financement Foncier

The purpose of this Charter is to enhance the quality of Directors' and non-voting directors' work by supporting the implementation of corporate governance principles and practices that drive ethics and efficiency.

### ARTICLE 1 – ADMINISTRATION AND CORPORATE INTEREST

In all circumstances, Directors must act in the best corporate interests of Compagnie de Financement Foncier, and take into consideration the employee relations issues and environmental implications of its activity.

### ARTICLE 2 – COMPLIANCE WITH LAWS AND BYLAWS

Directors must fully understand their rights and obligations. They must in particular be familiar with and comply with the legal and regulatory provisions relating to their position, as well as the specific rules of Compagnie de Financement Foncier arising from its Bylaws and the internal rules of the Board of Directors and its committees. They contribute to the collective responsibility of the Board of Directors.

### ARTICLE 3 – EXERCISING THE FUNCTION OF DIRECTOR: GUIDING PRINCIPLES

Directors must exercise their functions independently and with integrity, loyalty and professionalism in order to be and to remain a member of the Board of Directors.

### ARTICLE 4 – INDEPENDENCE

In all circumstances, Directors retain their independence of judgment, decision-making and action. They shall not be influenced by any factor not in keeping with the corporate interests that they are responsible for defending. They shall notify the Board of Directors of any issue of which they are aware that may affect the interests of Compagnie de Financement Foncier. They shall clearly express their questions and opinions. They shall strive to convince the Board of Directors of the relevance of their opinions. They shall ensure that any disagreement is recorded in the minutes.

### ARTICLE 5 – CONFLICTS OF INTEREST

Directors shall strive to avoid any conflict that may exist between their moral and material interests and those of Compagnie de Financement Foncier. Conflicts of interest may arise from any situation liable to hinder the ability of members of the management body to take objective, impartial decisions in the best interests of Compagnie de Financement Foncier and to exercise their duties in an independent and objective way, particularly any situations related to their economic interests, personal or professional relationships with those with equity investments in Compagnie de Financement Foncier, personal or professional relationships with Groupe BPCE staff (for at least the last two years), other recent or current activities, personal or professional relationships with external interested parties, influence or political relationships.

The position of shareholder in Compagnie de Financement Foncier, of customer (private account holder, borrower or user of other services), is not in and of itself a conflict of interest provided that the conditions of the relationship are normal and remain below a certain threshold.

In the event that they are unable to avoid finding themselves in a situation of potential or actual conflict of interest, the Director must immediately notify the Board, its Chairman and the Chief Executive Officer and assist in documenting the conflict in question. Having sought the opinion of the Chief Executive Officer, the Chairman of the Board ensures no preferential treatment is given and that no agreement requiring the prior authorization of the Board has been entered into between this Director and Compagnie de Financement Foncier without prior authorization, in accordance with the legislation in force. Notwithstanding a duly documented exemption, the Director shall abstain from taking part in discussions related to the conflict of interests or where his or her objectivity or ability to properly perform their obligations towards Compagnie de Financement Foncier may be compromised. He or she shall not take part in the vote.

Unless authorization is granted by BPCE, in agreement with the Chairman of the Board, the function of Chief Executive Officer, member of the Management Board, Director or member of the Board or non-voting member of Compagnie de Financement Foncier is incompatible with the position of Chief Executive Officer, member of the Management Board, Director or member of the Board or non-voting member within a credit institution or investment service provider not belonging to Groupe BPCE.

### ARTICLE 6 – INTEGRITY AND LOYALTY

Directors act in good faith in all circumstances and take no initiatives that may harm the interests of Compagnie de Financement Foncier. They undertake to respect the total confidentiality of all information they receive, the discussions in which they take part and the decisions made. They are prohibited from using any privileged information to which they have access for their own personal gain or for the gain of anyone whomsoever.

### ARTICLE 7 – PROFESSIONALISM AND COMMITMENT

Directors agree to devote the necessary time and attention to their training, information and duties. As such, they shall ensure that the number, and workload, of their offices leaves them sufficient availability. Directors who represent employees have the necessary time to devote to their office (Article L. 225-30-1 of the French Commercial Code).

Directors ensure they are informed of the particularities of the business, its challenges and values. They regularly and diligently attend meetings of the Board of Directors and any specialist committees of which they are a member.

They shall do their utmost to obtain, within the appropriate deadlines, the items of information that they believe to be vital for them to take Board decisions in full knowledge of all the facts.

**ARTICLE 8 – PROFESSIONALISM AND EFFICIENCY**

Directors contribute to the collegiality and effectiveness of work by the Board and specialist committees. They make any recommendations they consider likely to improve the way in which the Board operates, particularly at regular reviews thereof. With other members of the Board, they strive to ensure that its remit for steering and control is performed efficiently and unhindered. They shall ensure that the positions taken by the Board are the subject of formal decisions, taken for the correct reasons and transcribed in the minutes of its meetings.

**ARTICLE 9 – APPLICATION OF THE INTERNAL REGULATIONS**

These internal regulations have been drawn up on the basis of the code of good practice of the French Institute of Directors (*Institut Français des Administrateurs*). It is signed by all Directors immediately upon joining the Board of Directors.

## REMUNERATION

In accordance with the recommendations of the AFEP-MEDEF Code, the following table sets out the total remuneration and benefits in kind paid to each of the corporate officers for the year ended December 31, 2022.

Information on remuneration received is in euros. The determination of their scope at the level of Compagnie de Financement Foncier is defined in Article L. 233-16 of the French Commercial Code.

The Board of Directors meeting of February 9, 2016 decided that, from February 1, 2016, there would be no remuneration paid to the Chief Executive Officer nor to the Deputy Chief Executive Officer in respect of their corporate offices.

### ALLOCATED <sup>(1)</sup>

In accordance with the standards set by Groupe BPCE, allocated remuneration paid by Group companies can be received directly by the members of these companies' Boards of Directors or Supervisory Boards.

According to the BPCE instruction dated December 17, 2010, allocated remuneration due to BPCE representatives are paid to BPCE and not to the person in question. Since January 1, 2012, the same rule applies to the representatives of Crédit Foncier and the allocated remuneration is paid to Crédit Foncier and not to the natural person concerned. It is specified that no remuneration is paid to Natixis employees serving as Director, in an individual capacity, on the Board of Directors of Groupe BPCE companies.

The amounts paid during year N represent the amounts due for year N-1.

Apart from the allocated remuneration defined by the General Shareholders' Meeting and distributed by the Board of Directors, there is no other remuneration for the Chairman and the members of the Board of Directors.

Compagnie de Financement Foncier gross allocated remuneration (in €)	For 2021	For 2022
Éric FILLIAT <sup>(1)</sup>	7,500	7,500
Nathalie BRICKER <sup>(2)</sup>	3,750	4,750
Sabine CALBA	2,250 <sup>(4)</sup>	2,250
Pascal CHABOT	5,000	5,000
Crédit Foncier (represented by Muriel COLLE) <sup>(1)</sup>	4,500	5,250
Corinne DECAUX <sup>(1)</sup>	3,750	4,250
Jérémy ESTRADER	3,750 <sup>(3)</sup>	3,750 <sup>(5)</sup>
Alexandre FOURNEAU	3,750	3,750
BPCE (represented by Olivier IRISSON) <sup>(3)</sup>	2,000	4,750
Philippe JEANNE <sup>(3)</sup>	5,000	5,250

<sup>(1)</sup> Paid to Crédit Foncier.

<sup>(2)</sup> Paid to Natixis.

<sup>(3)</sup> Paid to BPCE.

<sup>(4)</sup> Including €750 paid to BPCE.

<sup>(5)</sup> Including €1,500 paid to BPCE

### BENEFITS IN KIND

The corporate officers do not receive any benefits in kind in respect of the activities carried out at Compagnie de Financement Foncier.

1) Following the publication in the Official Journal on May 23, 2019 of Article 185 of the Pacte Law amending in particular L. 225-45 and L. 255-83 of the French Commercial Code, the concept of "attendance fees" has been replaced by "allocated remuneration".

## OTHER INFORMATION ON REMUNERATION AND STOCK OPTION PLANS

At December 31, 2022, as Compagnie de Financement Foncier did not have its own employees, with the exception of its corporate officers, there was no incentive or profit-sharing plan in the Company. In addition, there were no stock option or performance share plans at December 31, 2022.

## TABLE OF DELEGATIONS

## DELEGATION OF AUTHORITY

Date	Delegation	Type, amount, duration	Meeting of the Board of Directors
	n/a		

## Report on the total remuneration and other benefits imputable to the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officer for their corporate offices

Draft resolutions numbers 10 to 12 submitted to the Ordinary Shareholders' Meeting of May 9, 2023 pursuant to Article L. 225-37-2 of the French Commercial Code (act No. 2016-1691 of December 9, 2016) concern the General Meeting approval of the principles and criteria on the determination, allocation and payment of the fixed, variable and exceptional remuneration as well as benefits in kind due to the Chairman, Chief Executive Officer and Deputy Chief Executive Officer for their corporate offices during the fiscal year ending December 31, 2023.

The table below presents the remuneration and benefits that may be granted to the Chairman, Chief Executive Officer and Deputy Chief Executive Officer in respect of 2023.

### TABLE OF REMUNERATION AND BENEFITS ATTRIBUTABLE TO THE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER PLANNED FOR THE FISCAL YEAR 2023

Name	É. FILLIAT	O. AVIS	P. DUDOUIT
Office	Chairman of the Board of Directors	Chief Executive Officer	Deputy Chief Executive Officer
Fixed remuneration	N/A		
Variable remuneration	N/A		
Supplement retirement pay	N/A		
Benefits in kind	N/A	No remuneration is paid to the Chief Executive Officer or to the Deputy Chief Executive Officer in the context of their office	
Termination of corporate office (TEPA law)	N/A		
Allocated remuneration*	€1,500 per session with a maximum of €7,500	N/A	N/A

\*Following the publication in the Official Journal on May 23, 2019 of Article 185 of the Pacte Law amending in particular L. 225-45 and L. 255-83 of the French Commercial Code, the concept of "attendance fees" has been replaced by "allocated remuneration".

According to the BPCE instruction dated on December 17, 2010, allocated remuneration due to BPCE representatives is paid to BPCE and not to the person in question. Since January 1, 2012, the same rule applies to the representatives of Crédit Foncier and the allocated remuneration is paid to Crédit Foncier and not to the natural person concerned.

n/a: not applicable

# POTENTIAL CONFLICTS OF INTEREST

## Members of the Board of Directors

To the Company's knowledge:

- there are no potential conflicts of interest between the duties of members of the Board of Directors with regard to the issuer and other duties or private interests. If necessary, the Board of Directors' internal rules and the Ethics Charter shall govern conflicts of interest involving any member of the Board of Directors;
- no arrangements or agreements have been made with individual shareholders, suppliers or others, under which any individual member of the Board of Directors was selected;
- there are no family ties between members of the Board of Directors.

Members of the Board of Directors do not accept any restrictions, other than legal restrictions, on the disposal of their capital interests in the Company.

### DECLARATION OF NON-CONVICTION

As far as the Company is aware, to date, no members of the Compagnie de Financement Foncier's Board of Directors have been convicted of fraud in the last five years.

As far as the Company is aware, to date, no members of the Compagnie de Financement Foncier's Board of Directors have been made bankrupt, placed in receivership or liquidation in the last five years.

To the Company's knowledge, to date, no member of the Board of Directors:

- has been the subject of an incrimination or an official public sanction issued by statutory or regulatory authorities;
- has been prevented by a court from acting as member of an administrative, management or supervisory body or to take part in the management or conduct of the business of an issuer.

## Members of the Executive Management

### INDEPENDENCE – INTEGRITY

Members of the Management Board may hold other offices subject to laws and regulations in force.

### CONFLICTS OF INTEREST

To the Company's knowledge:

- there are no conflicts of interest between any duties of Executive Management members with respect to the issuing entity and their private interests or other duties;
- there are no family ties between the members of the Executive Management.

At the filing date of this document, no member of the Management Board was linked to Compagnie de Financement Foncier by a service agreement offering benefits.

### DECLARATION OF NON-CONVICTION

To the Company's knowledge, to date, no member of the Management Board has, for at least the previous five years, been convicted of fraud, associated with bankruptcies, receiverships or liquidations, convicted of a crime or subject to an official public sanction handed down by statutory or regulatory authorities, or disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from participating in the management or conduct of the affairs of any issuer.





# 3

## 2022 MANAGEMENT REPORT

**MANAGEMENT REPORT**

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# MANAGEMENT REPORT

In 2022, in an uncertain macroeconomic environment (global economic slowdown, geopolitical tensions, etc.), Compagnie de Financement Foncier confirmed its position as a historical player in the covered bond market with particularly competitive refinancing conditions.

Over the past year, Compagnie de Financement Foncier issued €4.6bn in *obligations foncières*, of which €2.6bn under the new "European Covered Bond Premium" label.

All the *obligations foncières* issued by Compagnie de Financement Foncier have the highest ratings of AAA/Aaa/AAA<sup>(1)</sup>, as do all its senior debt. The rating agencies confirm the high level of security of the covered bonds issued by Compagnie de Financement Foncier, which results both from its status as a *Société de Crédit Foncier* and its additional commitments in terms of financial management and risk control.

## 1. Main operations of the fiscal year

### ACQUISITIONS AND DISPOSALS

During 2022, Compagnie de Financement Foncier acquired €4,886m in loans from Crédit Foncier de France including related receivables, plus €2.3m in financing commitments.

Article L. 211-38 of the French Monetary and Financial Code specifies the possibility for an institution to grant a loan to another financial institution, a loan whose repayment is secured by the creation of a guarantee on a group of receivables. Compagnie de Financement Foncier as such carried loans with its parent company, Crédit Foncier de France, amounting to €8,972m. The same facility was also granted to BPCE SA, amounting to €4,565m excluding related receivables. Total loans granted were collateralized for €18,800.8m.

Furthermore, as part of its business of funding eligible assets originated by the Groupe BPCE institutions, Compagnie de Financement Foncier refinanced receivables in the public sector in the amount of €4,808m, including €3,319m in the form of refinancing guaranteed by FLA (French local authorities) loans, as well as financing commitments of €143m.

### EARLY REPAYMENTS

In 2022, the early repayment rate on loans to individuals was 7.3%, with outflows of related assets representing €1,738m for the year.

Early repayments had several effects on net banking income:

- the impact of accelerated amortization of acquisition premiums/ discounts is estimated at +€18.9m over the fiscal year;
- the collection of prepayment penalties of €21.9m; as a reminder, according to the agreement on services rendered by Crédit Foncier de France, one third of these penalties is transferred to the latter.

The renegotiation rate for the year was 2%. In 2021, the rate of early repayments on corporate loans is 0.4%, down from 0.5% in 2021.

At December 31, 2022, the balance sheet of Compagnie de Financement Foncier totaled €60.5bn and its net income for the fiscal year €120m.

Compagnie de Financement Foncier remains a strategic subsidiary of Crédit Foncier and Groupe BPCE, under the affiliation regime and therefore part of the Groupe BPCE solidarity mechanism. Compagnie de Financement Foncier refinances the assets of Groupe BPCE entities, including Crédit Foncier de France. As part of the diversification strategy developed with the Group, it mainly refinances the public sector and the commercial mortgage sector.

### FINANCING AND CASH MANAGEMENT

In fiscal year 2022, Compagnie de Financement Foncier issued €4.6bn in covered bonds, including €0.5bn in private placements.

Most of issuances for 2022 were denominated in euros. The high levels of oversubscription on public issuances reflect the diversity and vitality of Compagnie de Financement Foncier's investor base. Their investment shows a strong presence of German, Swiss and French investors but also from Benelux, Scandinavia, Asia excluding Japan, the United Kingdom and Southern Europe.

The year was marked by four public issuances, three of which were denominated in euros and one in Swiss Francs:

- €1.25bn for six years in March;
- CHF0.26bn for seven years in April;
- €1.25bn for seven and a half years in September;
- €1.35bn for four and a half years in November;

### DECREASE IN CAPITAL

At its meeting of March 30, 2022, the Board of Directors unanimously decided to use the delegation of authority granted by the Extraordinary Shareholders' Meeting of March 28, 2022, and to reduce the share capital by €1,000,000,000, from €2,537,459,936 to €1,537,459,936, by buying back shares with a view to their cancellation.

In accordance with the share buyback schedule decided by the Board, the share capital of Compagnie de Financement Foncier is €1,537,459,936 since June 23, 2022.

1) Standard & Poor's/Moody's/Scope Ratings

## 2. Changes in assets

### ASSETS

(in €k)	12/31/2022	12/31/2021
Cash and amounts due from central banks	527,000	679,000
Treasury bills and equivalent	3,020,280	3,052,586
Loans and advances to banks at amortized cost	18,161,894	22,073,625
■ Sight deposit	58,322	51,508
■ Term	18,103,573	22,022,118
Customer transactions	34,701,588	33,777,035
Bonds and other fixed-income securities	2,854,731	3,086,251
Equity interests and other long-term investments	0	0
Intangible asset and property, plant and equipment	0	0
Other assets	20,390	15,690
Accrual accounts	1,172,979	1,250,744
<b>TOTAL ASSETS</b>	<b>60,458,864</b>	<b>63,934,931</b>

The total balance sheet of Compagnie de Financement Foncier stood at €60.5bn at the end of 2022, down by 5.4% compared with the end of 2021.

The change in Compagnie de Financement Foncier's assets was marked by:

- a decrease of €3.9bn in loans and advances to banks at amortized cost;
- an increase of €0.9bn in customer transactions;
- a decrease in cash and amounts due from central banks as part of optimized cash management aimed at minimizing carry costs.

### HOME LOANS

Outstanding home loans, held directly or assigned through L. 211-38, fell compared to end-2021.

(in €m)	12/31/2022	12/31/2021	Change
Non-commercial mortgage-backed securities (See note 11)	23,933	24,366	-1.8%
Loans to private individuals guaranteed by real estate loans under L. 211-38 (See note 22)	3,593	6,567	-45.3%
<b>TOTAL</b>	<b>27,526</b>	<b>30,933</b>	<b>-11%</b>

### GROUP FUNDING AND ASSIGNMENT OF RECEIVABLES

As part of its business activities, Compagnie de Financement Foncier also offers Crédit Foncier and the other entities of Groupe BPCE funding of eligible assets in the form of true sale disposals or through collateralized loans backed by the eligible assets.

These collateralized loans are classified as term loans and receivables from credit institutions. At the end of 2022, their outstandings amounted to €17.5bn and break down between:

- €9bn in loans to Crédit Foncier, mainly guaranteed by receivables from the French local authorities;
- €3.9bn in loans to other Groupe BPCE entities, also guaranteed by receivables from the French local authorities;

- €4.6bn in loans to BPCE as replacement values, guaranteed by a portfolio of receivables.

The total outstanding of assets pledged to secure these loans was €18.8bn at December 31, 2022.

### OTHER ASSETS AND ACCRUAL ACCOUNTS

Other assets totaled €20.4m at end-2022 compared with €15.7m at December 31, 2021.

The accrual accounts stood at €1.2bn at December 31, 2022, a slight drop compared with December 31, 2021 (€1.3bn).

### 3. Changes in liabilities

<i>(in €k)</i>	12/31/2022	12/31/2021
<b>Amount due to central banks</b>	<b>0</b>	<b>0</b>
<b>Due to credit institutions</b>	<b>4,850,984</b>	<b>5,009,751</b>
■ <i>Sight deposit</i>	3,570	0
■ <i>Term</i>	4,847,414	5,009,751
<b>Customer transactions</b>	<b>0</b>	<b>0</b>
■ <i>Sight deposit</i>	0	0
<b>Debt securities</b>	<b>51,644,553</b>	<b>53,673,477</b>
■ <i>Interbank market instruments and negotiable debt securities</i>	0	0
■ <i>Bond issues (obligations foncières)</i>	51,644,553	53,673,477
<b>Other liabilities</b>	<b>177,757</b>	<b>484,649</b>
<b>Accrual accounts</b>	<b>1,679,473</b>	<b>1,541,693</b>
<b>Provisions</b>	<b>12,388</b>	<b>12,425</b>
<b>Subordinated debts</b>	<b>0</b>	<b>0</b>
<b>Fund for general banking risks</b>	<b>20,000</b>	<b>20,000</b>
<b>Equity excluding reserve for general banking risks</b>	<b>2,073,708</b>	<b>3,192,937</b>
■ <i>Share capital</i>	1,537,460	2,537,460
■ <i>Additional paid-in capital</i>	209,867	343,002
■ <i>Reserves</i>	139,776	134,475
■ <i>Regulated provisions and investment subsidies</i>	0	0
■ <i>Retained earnings</i>	66,694	71,995
■ <i>Income to be allocated</i>	0	0
■ <i>Net income for the period</i>	119,910	106,004
<b>TOTAL LIABILITIES</b>	<b>60,458,864</b>	<b>63,934,931</b>

The change in debt securities shows a net negative balance of €2bn, as the €4.6bn of issuances carried out in 2022 did not offset the falls.

Amounts due to credit institutions decreased by €0.2bn in 2022, impacted by optimized cash management.

Share capital stood at €2bn following the decrease in capital carried out in 2022 and mentioned above.

## 4. Analysis of the income statement

### INCOME STATEMENT

(in €k)	12/31/2022	12/31/2021
<b>Net banking income</b>	<b>247,051</b>	<b>251,524</b>
General operating expenses	-85,190	-102,918
<b>Gross operating income</b>	<b>161,860</b>	<b>148,606</b>
Cost of risk	6,597	7,452
<b>Net operating income</b>	<b>168,458</b>	<b>156,058</b>
Gains or losses on long-term investments	0	0
<b>Income before tax</b>	<b>168,458</b>	<b>156,058</b>
Income tax	-48,548	-50,053
<b>NET INCOME</b>	<b>119,910</b>	<b>106,004</b>

### NET BANKING INCOME

Net banking income was relatively stable at €247m, supported by a slight increase in the net interests margin due to the rise in interest rates and a decline in the volume of early repayments and renegotiations of real estate loans to individual customers.

### GROSS OPERATING INCOME

General operating expenses amounted to €85.2m, down €17.7m from the previous year due to lower invoicing for services provided by Crédit Foncier.

Gross operating income reached €161.9m, up €13.3m compared to 2021.

## 5. Cash flows

Refer to note 25 “Consolidated cash flow statement” in chapter 5 – Financial information (page 178).

## 6. Risk factors

The banking and financial environment in which Compagnie de Financement Foncier operates exposes it to different types of risk and requires it to implement a demanding and rigorous policy to monitor and control these risks.

Compagnie de Financement Foncier’s business model is, by its very nature, highly secured. The legislative framework prevents it from holding a trading book, which protects it against market risks associated with proprietary trading, and from holding interests in affiliates.

Some of the risks faced by Compagnie de Financement Foncier are described below. This is not an exhaustive list, but a list of the risks considered to be the most significant in terms of their probability of occurrence and their potential impact.

Other risks not identified to date or considered today as non-material for Compagnie de Financement Foncier could have an unfavorable impact on its business, financial position, and/or results.

### COST OF RISK

The cost of risk showed a net reversal of €6.6m, reflecting the quality of the assets carried on Compagnie de Financement Foncier’s balance sheet.

### NET INCOME

Net income was €120m, up €14m compared to 2021.

### 1. CREDIT AND COUNTERPARTY RISK

#### 1.1 DEFAULT AND COUNTERPARTY RISK

**A substantial increase in expenses for impairment of assets recognized in the portfolio of loans and receivables of Compagnie de Financement Foncier could impact its income and its financial situation.**

As part of its activities, Compagnie de Financement Foncier conducts regular asset impairments in order to reflect, if necessary, actual or potential losses in its portfolio of loans and receivables, which are recognized in its income statement under “Cost of risk”. The overall level of asset impairment is based on the valuation of the guarantees associated with the loans, Compagnie de Financement Foncier’s assessment of the history of loan losses, the volumes and the types of loans made, industry standards, arrears on loans, economic conditions and other factors related to the degree of recovery of various types of loans.

Compagnie de Financement Foncier is exposed to any substantial increase in charges for losses on loans, material change in its risk of loss estimate associated with the portfolio of unimpaired loans, or any loss on loans exceeding the recognized charges. These variations could have an adverse impact on Compagnie de Financement Foncier's results and profitability.

However, this risk is limited because as a *Société de Crédit Foncier*, Compagnie de Financement Foncier must respect strict rules regarding the choice of the assets it holds, by verifying in particular the credit quality of its counterparties and ensuring that guarantees are in place.

In addition to these risk management procedures, Compagnie de Financement Foncier could, under certain extreme circumstances, be forced to recognize significant losses:

- on its portfolio of real estate loans to Individuals (€26.4bn) in the event of a sharp rise in defaults combined with a sudden and significant drop in the value of the properties used to guarantee these loans;
- in the case of the default of a public entity to which Compagnie de Financement Foncier has significant exposure, in particular Italy, the United States and Switzerland.

Further, Compagnie de Financement Foncier's cost of risk was reversed by €6.6m at December 31, 2022. For further information, please refer to the 2022 Universal Registration Document of Compagnie de Financement Foncier (page 119).

## ASSETS

<i>Including:</i>	<i>(in €m)</i>
Cash and amounts due from central banks	527
Loans and advances to banks at amortized cost	18,162

## LIABILITIES

<i>Including:</i>	<i>(in €m)</i>
Amount due to central banks	0
Due to credit institutions	4,851

### 1.2 CONCENTRATION RISK

The volume of exposures to the Public sector is mainly concentrated in France, while abroad, the exposure of Compagnie de Financement Foncier to the Public sector is subject to a few significant individual concentrations, particularly Italy for sovereigns. As a reminder, Compagnie de Financement Foncier ceased its International public sector loan purchasing activity several years ago.

The real estate loans recognized in Compagnie de Financement Foncier's balance sheet are mainly composed of residential loans (assets with high granularity) produced primarily in France. In the event that the French real estate market suffers a significant downturn, adverse consequences on the quality of Compagnie de Financement Foncier's portfolio of real estate assets may occur.

### The degradation of the financial stability and performance of other financial institutions and market players could have an unfavorable impact on Compagnie de Financement Foncier.

The ability of Compagnie de Financement Foncier to carry out its transactions could be affected by the financial deterioration of other financial institutions and market players. The financial institutions are closely interconnected, in particular due to their netting, counterparty and financing activities. The default of an industry player, even simple rumors or questions concerning one or more financial institutions or the financial industry in general, can cause a generalized shrinking of liquidity in the market and thereafter lead to additional losses or defaults.

Compagnie de Financement Foncier is exposed to different financial counterparties, such as commercial or investment banks and central counterparties with which it ordinarily conducts transactions, whose default or failure to meet any of their commitments could have an unfavorable impact on the financial situation of Compagnie de Financement Foncier. This risk would be exacerbated if the assets it holds as collateral could not be sold or if their sale price did not cover all of Compagnie de Financement Foncier's expenses in respect of defaulted exposures or derivatives.

At December 31, 2022, Compagnie de Financement Foncier's balance sheet amounted to a total €60.5bn. The breakdown of Compagnie de Financement Foncier's outstanding assets/liabilities with regard to credit institutions and central banks is as follows:

### 1.3 COUNTRY RISK

#### Compagnie de Financement Foncier could be vulnerable to political, societal, macroeconomic and financial risk or to special situations in the countries in which it operates.

Compagnie de Financement Foncier is exposed to country risk, i.e. the risk that a foreign country's economic, financial, political or social conditions impact its financial interests. Due to the geographic diversification of its assets, Compagnie de Financement Foncier is particularly sensitive to the economic environment in France and other specific countries.

The European markets can experience disturbances that impact economic growth and can impact the financial markets.

A serious economic disruption could have a significant negative impact on the operations of Compagnie de Financement Foncier, in particular if the disruption is marked by a significant drop in financial market liquidity, making it more difficult to carry out the funding activity provided by Compagnie de Financement Foncier on behalf of Crédit Foncier and Groupe BPCE.

Compagnie de Financement Foncier has significant exposure to international public entities, in particular in Italy, the United States and Switzerland. These are subject to various macroeconomic influences (actions of local central banks, structural reforms, etc.) that could, in the long term, affect the quality of the loans concerned.

However, the review of international counterparties suggests a low probability of occurrence of the risk, with an expected moderate final direct impact on Compagnie de Financement Foncier.

The international exposure of Compagnie de Financement Foncier was €7.4bn at December 31, 2022, compared to €7.7bn at December 31, 2021, and can be divided between:

- Italian and Polish Sovereigns for €2.4bn (before hedging swaps). Compagnie de Financement Foncier's whole International sovereign portfolio enjoys an internal rating of at least A-;
- the outstanding amount of the IPS portfolio (excluding sovereign) and Large Corporates for €3.8bn, virtually stable compared to December 31, 2021 (€4.0bn). It may be noted that 71% of this portfolio has an internal rating of at least A;
- outstanding amounts in the portfolio counter-guaranteed by monoline insurers on IPS, Large Corporates and Sovereign exposures for €1.01bn. Compagnie de Financement Foncier has no direct exposures to monoline insurers but does have credit enhancements acquired from them for certain assets in the portfolio.

## 2. FINANCIAL RISKS

### 2.1 INTEREST RATE AND OPTIONS RISKS

**Significant volumes of early repayments could unfavorably impact the net banking income and the profitability of Compagnie de Financement Foncier.**

Compagnie de Financement Foncier acquires at market price *via* its true sale model mortgages to private individuals.

As soon as an asset is recorded on the balance sheet, it is transformed, if necessary, into a variable-rate asset in euros by setting up interest rate derivatives (swaps).

Since mid-2022, there has been a significant decrease in the volume of early repayments, in line with the rise in market rates. If this upward trend in interest rates continues, the level of early repayments should continue to decline. Early repayments and renegotiations of outstanding loans to individual customers on Compagnie de Financement Foncier's balance sheet represented 9.3% of outstanding loans at December 31, 2022, compared to 10.1% at December 31, 2021.

### 2.2 CREDIT SPREAD RISKS

**Compagnie de Financement Foncier's funding cost could be affected by a drop in the credit rating levels of its assets, its covered bonds or its parent company.**

In order to maintain a competitive funding cost, Compagnie de Financement Foncier strives to maintain the AAA credit of its covered bonds. With this in mind, it carefully selects its assets (acquired or pledged) and manages its overcollateralization level in relation to the outstanding covered bonds.

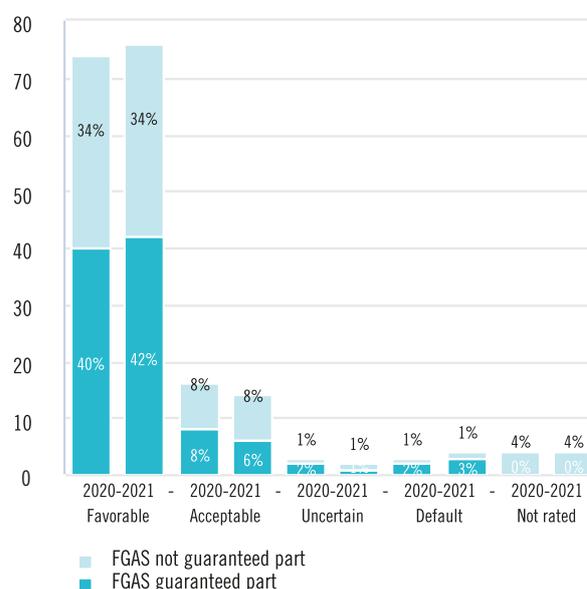
In the event of a severe financial crisis, the downgrading of the credit ratings of assets on the balance sheet or provided as collateral to Compagnie de Financement Foncier could end up calling into question the AAA rating of its covered bonds. In addition, the deterioration in the credit rating of Crédit Foncier or Groupe BPCE could also ultimately impact the AAA rating of the covered bonds.

The decline in the credit rating of the covered bonds would increase the funding cost of Compagnie de Financement Foncier and could impair its profitability.

At December 31, 2022, the covered bonds of Compagnie de Financement Foncier were rated AAA/Aaa/AAA with stable outlooks by three rating agencies (S&P, Moody's and Scope).

Compagnie de Financement Foncier has a good level of quality assets outstanding.

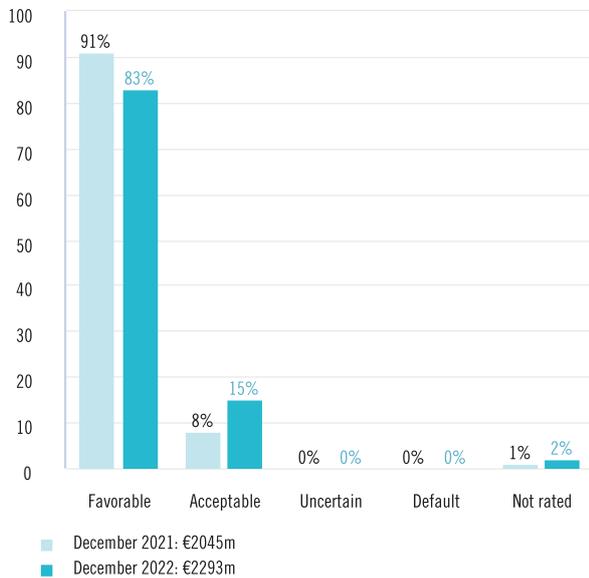
#### OUTSTANDING MORTGAGE LOANS TO INDIVIDUALS (INTERNAL RATING)



December 2021: €30,173m\* December 2022: €26,399m

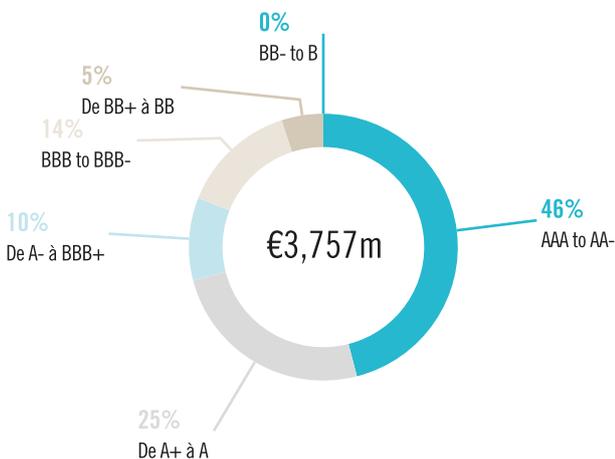
\* pro forma 2022.12: change in the method for allocating the amount of L211-38 by risk segment

## SOCIAL HOUSING PORTFOLIO (BASEL II RATING)



\*pro forma 2022-12: change in the method for allocating the amount of L211-38 by risk segment

## EXPOSURES TO THE INTERNATIONAL PUBLIC SECTOR (EXCLUDING SOVEREIGN) AND LARGE CORPORATES (INTERNAL RATING)



## 2.3 LIQUIDITY RISK

Compagnie de Financement Foncier's liquidity could be affected in the event of a major financial crisis.

Compagnie de Financement Foncier derives its liquidity from several sources:

- the issue of covered bonds on the market;
- the pledging of eligible assets for ECB funding and/or repo transactions;

- the liquidity lines granted by Crédit Foncier and/or Groupe BPCE.

In the event of a major financial crisis, these sources of liquidity could dry up:

- closure of bond markets;
- deterioration of the credit rating of assets acquired or pledged to Compagnie de Financement Foncier making them ineligible for ECB funding and/or repo operations;
- reduction of liquidity lines granted by Crédit Foncier and/or Groupe BPCE.

Nevertheless, Compagnie de Financement Foncier holds, as of December 31, 2022, €14.1bn (before haircut) in assets that may be pledged with the ECB and can use its cash, securities, exposures and deposits that were sufficiently safe and liquid or assets eligible for the Banque de France's intraday credit transactions to meet the contractual maturities of all of its privileged debts, for a period of at least 180 days.

The Company's excess liquidity situation can also be identified using the Liquidity Coverage Ratio (LCR), which illustrates the institution's ability to cope with short-term liquidity stress.

Compagnie de Financement Foncier's LCR complies with the 100% limit applicable since January 1, 2018.

## 3. STRATEGIC, BUSINESS AND ECOSYSTEM RISKS

## 3.1 STRATEGIC AND BUSINESS RISKS

Compagnie de Financement Foncier could be affected by an operational risk linked to Crédit Foncier's failure to adhere to the agreements it has entered into.

Given its status as a *Société de Crédit Foncier*, Compagnie de Financement Foncier depends on resources supplied by its parent company to conduct its current activities and in particular, for management of mortgage loans. In accordance with agreements concluded between Crédit Foncier and Compagnie de Financement Foncier (including an agreement on debt management and recovery, an administrative and accounting management agreement, a service agreement on internal control and compliance, an agreement related to the implementation of information technology services, an agreement related to settlement bank services, the asset/liability management and financial services agreement), Crédit Foncier is responsible for monitoring Compagnie de Financement Foncier's credit risks, counterparty risks, interest rate and foreign exchange risks, market risk, operational risk and liquidity and settlement risk.

Even if it does not seem very probable, Compagnie de Financement Foncier could be exposed to the risk of noncompliance by Crédit Foncier with the agreements binding it to Compagnie de Financement Foncier. If this risk materializes, it could result in a severe, negative impact for Compagnie de Financement Foncier (cessation of activities, related image risk).

However, this risk is well-managed in the relations between the two establishments. Operational risks, as defined by the decree of November 3, 2014, are monitored by Crédit Foncier in the name and on behalf of Compagnie de Financement Foncier. It is represented in the Operational Risks Committee. Material Operational Risk incidents relating to it and involving an amount greater than €300k are also presented to the Executive Risk Committee of Compagnie de Financement Foncier.

The provision of these services by Crédit Foncier is subject to the controls defined at the start of the year by each Crédit Foncier division. These control plans are validated by the Internal Control Committee chaired by the Chief Executive Officer. The results of the controls are regularly presented to this committee.

Furthermore, the Specific Controller of Compagnie de Financement Foncier performs controls in addition to the aforementioned controls and those carried out by the Statutory Auditors.

Finally, Crédit Foncier's Risks and Compliance department and Compagnie de Financement Foncier's employees in charge of monitoring hold discussions regularly and at least at each quarterly meeting.

The evolution of the Covid-19 situation is a source of uncertainty, as its real consequences on economic actors have not yet had their full impact due to the massive support measures put in place by Europe and the Member States.

At this stage, the impacts of Covid-19 on Crédit Foncier's business lines (loan management and funding for Groupe BPCE), its results (net banking income and cost of risk, in particular) and its financial situation (liquidity and solvency) are not significant, but the future consequences on Crédit Foncier's economic clients when the support measures are gradually phased out could be material, although difficult to quantify at this time.

It is therefore likely that the effects of Covid-19 will be delayed and will actually be observed and quantifiable in 2023 or even 2024. To date, late payment and default rates have remained very stable.

### 3.2 ECOSYSTEM RISKS

#### MACROECONOMIC RISKS

**In Europe, the recent economic and financial environment could have an adverse impact on the businesses of Compagnie de Financement Foncier and the markets in which it operates.**

If the economic or market conditions in France or elsewhere in Europe were to deteriorate, the markets in which Compagnie de Financement Foncier operates could experience disruptions and its activity, its results and its financial position could be unfavorably affected.

A deterioration in the international macroeconomic situation would impact the funding model by changing the behavior of investors, who would adopt more cautious asset allocation: Compagnie de Financement Foncier would then potentially issue more limited volumes of covered bonds with higher margin levels, which would reduce its net banking income. With respect to its assets, Compagnie de Financement Foncier has a portfolio of €53.1bn exposed to France (87.5% of the outstanding amounts at December 31, 2022) and €7.4bn internationally (12.5% of the outstanding amounts at December 31, 2022), mainly public in nature. A deterioration in the international macroeconomic situation would weaken some borrowers, who could then face bad debt or default situations, which would lower the net banking income of Compagnie de Financement Foncier.

Although Crédit Foncier and Compagnie de Financement Foncier have very little exposure to Ukraine and Russia, the refinancing conditions of Compagnie de Financement Foncier's activities could be impacted by the economic disruptions generated by the continuation of the Russian-Ukrainian conflict and its consequences.

#### REGULATORY RISK

The activity of Compagnie de Financement Foncier, which is mainly focused on the issuance of obligations foncières, is regulated by regulations. Regulatory risk could weigh on Compagnie de Financement Foncier's business outlook and profitability.

Legislative or regulatory texts and measures are regularly proposed and implemented to avoid or limit the effects of new financial crises, to regulate banking and financial activity (new credit risk weighting methodologies, creation of regulatory bodies or reinforcement of the resources of existing bodies, taxes on financial transactions, etc.), or to harmonize and structure certain markets (Directive covered bonds, etc.).

Some of these measures could be unfavorable for Compagnie de Financement Foncier (increase in expenses, level of capital requirements, level of provisioning, reporting obligations, etc.).

The Covered Bond directive (directive EU 2019-2162), transposed into French law in mid-2021 and applicable from July 8, 2022, generated some very moderate impacts on Compagnie de Financement Foncier's overcollateralization ratio: the eligibility of some assets was reduced and the management and maintenance fees to extinction of the privileged liabilities had to be added to the denominator of the said ratio. The adjustments are small and Crédit Foncier provides additional eligible assets to maintain the overcollateralization ratio at a conservative level.

## 4. NON-FINANCIAL RISKS

### 4.1 SECURITY AND INFORMATION TECHNOLOGY RISK

**An interruption or failure of computer systems of Compagnie de Financement Foncier or of third parties could lead to losses and costs.**

Like most financial institutions, groupe Crédit Foncier, including Compagnie de Financement Foncier, relies heavily on its communication and information systems. Its activities require the industrial processing of a very large number of transactions of varying complexity. Any breakdown, interruption or failure in these systems could result in errors or interruptions in the customer management, general accounting, deposit, transaction and/or loan processing systems.

These interruptions or failures could potentially lead to significant consequences for Compagnie de Financement Foncier's business. In a general context where the cyber risk is assessed as high, all Groupe BPCE measures are implemented to reduce the probability of its occurrence and any negative effects.

Compagnie de Financement Foncier is closely dependent on the communication and information systems implemented by BPCE-IS and BPCE-IT (Groupe BPCE's internal service providers), which are committed as part of third-party application maintenance.

Outsourcing of the activities of the Business Security Department to the team in charge of business line security at the BPCE community was implemented as of October 1, 2022.

The Information Systems Security Manager (ISSM) of the BPCE community, who is also the Information Systems Security Manager of groupe Crédit Foncier, is also in charge of the same area for Compagnie de Financement Foncier. This governance of information systems is mainly organized around:

- an Information Systems Security Policy (ISSP) underpinned by the Security Policy and the rules of Groupe BPCE;
- a dedicated governing body, the Internal Information Systems Security Committee (IISSC) chaired by a Deputy Chief Executive Officer;
- an outreach plan to raise awareness about cyber risks and security risks among all Crédit Foncier employees;
- a permanent control mechanism for Information Systems Security, combined with the production of a half-yearly report and indicators on the level of security of the information system;
- indicators of the level of security of Crédit Foncier's IS and, by extension, of that of Compagnie de Financement Foncier.

This system is usefully supplemented by the resources of Groupe BPCE, which reinforce it with:

- the use of the BPCE-IT operational security center, which has monitoring tools and systems to supervise atypical or threatening security events;
- the VIGIE system, a community of IS Security players at Groupe BPCE;
- Groupe BPCE's CERT (Alert and Response Center for Computer Attacks), which monitors and assesses the level of cyber risks and responds to identified external threats.

Thus, the main risk factors in Information System Security (ISS) can be addressed through the following items:

- **availability of the information system and resources:** in order to control this risk factor, a Contingency and Business Continuity Plan system was integrated into the Business Continuity Plan and then deployed. It is currently in the operational conditions maintenance (MCO) phase and is tested at least once a year. The IT Business Recovery Plan (PRA) is organized by the Group's operators, BPCE-SI and BPCE-IT;
- **integrity of the information, processing and data system:** with the outsourcing of its information systems within Groupe BPCE, the integrity of its information system is ensured by its two IT service providers, BPCE-SI and BPCE-IT. However, the RSSI exercises regular control over the processing and actions carried out in terms of IS security by these two service providers. The summary of this security monitoring is presented to the appropriate governing bodies.

The residual risk in terms of integrity is rated as low: the integrity guarantee mechanisms implemented by the BPCE-IT and BPCE-SI can provide reasonable assurance in terms of the robustness and coverage of this factor. The tests that have been carried out and the feedback on the control devices from the operator confirm this assessment;

- **processing and data confidentiality:** this factor is the subject of continuous action and monitoring, both operationally through measures restricting access to data and processing and in terms of control, with regular reviews of access to processing and data. This monitoring is carried out by a specific committee chaired by a Deputy Chief Executive Officer.

The residual risk in terms of confidentiality is medium, taking into account the provisions presented above. The control of rights reviews (the principle of least privilege and separation of duties) as well as provisions for controlling data leaks (closure of USB ports, strengthening of password policies, management of high privilege accounts) also lead to better control of this risk;

- **proof system:** this risk is addressed, by its two IT service providers, by means of traceability and record-keeping systems for transactions carried out on Crédit Foncier's IS and, therefore, on that of Compagnie de Financement Foncier.

The residual risk relating to the proof is medium: the mechanisms for logging both technical and business transactions are tested regularly for operational needs. It should be noted that aspects related to the General Data Protection Regulation (GDPR) are likely to accentuate the control of this risk.

In summary, the residual risk, given the measures and monitoring in place, has a low probability of occurrence. It is rated as medium for Crédit Foncier and, therefore, by extension, for Compagnie de Financement Foncier.

## 4.2 LEGAL AND REPUTATIONAL RISKS

### Reputational risk, risk of misconduct and legal risk could impact the profitability and the business outlook of Compagnie de Financement Foncier.

The reputation of Compagnie de Financement Foncier is critical for ensuring its loan funding business. As such, inadequate management of potential conflicts of interest, legal and regulatory requirements, ethical problems, laws concerning money laundering, the fight against terrorism, the requirements of economic sanctions, policies regarding data security and practices linked to methods of managing its activity, or any other poor conduct, could stain the reputation of Compagnie de Financement Foncier.

Any inappropriate behavior of an employee of Crédit Foncier, any fraud, misappropriation of funds or any other wrongdoing committed by any player in the financial sector to which Compagnie de Financement Foncier is exposed, any decrease, restatement or correction of financial results, or any other legal or regulatory action with a potentially unfavorable outcome could also damage its reputation. Any harm to the reputation of Compagnie de Financement Foncier could be accompanied by a loss of business, which could impact its results and its financial position.

Compagnie de Financement Foncier's activity relies on the confidence of markets and investors. Inadequate management of reputation risk could impact the conditions under which it carries out its bond issues.

Inadequate management of these aspects could also increase the legal risk of Compagnie de Financement Foncier or expose it to sanctions.

For further information, please refer to the 2022 Universal Registration Document of Compagnie de Financement Foncier (page 137).

## 7. Credit risk analysis

### OVERALL ANALYSIS

Compagnie de Financement Foncier is mainly exposed to credit risk and counterparty risk. The exposure to this type of risk, however, is limited by:

- the rigorous selection of its assets and counterparties;
- the existence of guarantees in compliance with the legal framework applicable to *sociétés de crédit foncier*;
- specific internal control environment within groupe Crédit Foncier's own control environment, and more broadly within that of Groupe BPCE.

### LOANS AND ADVANCES TO BANKS AT AMORTIZED COST

No loan or advance to banks at amortized cost was reclassified as doubtful in 2022. Out of the €18.2bn in receivables due from credit institutions, €17.5bn are loans to Groupe BPCE entities. Moreover, these loans are mostly secured by eligible assets, in accordance with Article L. 211-38 of the French Monetary and Financial Code.

The creditworthiness of all Groupe BPCE entities, together with the quality of the receivables posted as collateral, thereby limit the risk associated with this exposure.

## 8. Financial risk analysis

### INTEREST RATE AND FOREIGN EXCHANGE RATE RISK

Compagnie de Financement Foncier has no open currency positions except for a few very small ones that could result from the adjustments inherent in any hedging transaction. Transactions initiated in non-euro currencies are swapped into euro at the moment of their execution.

Interest rate risk is hedged on the asset and liability side using micro or macro-hedging swaps (transformation of fixed-rate items into floating-rate items). Compagnie de Financement Foncier is therefore only marginally exposed to interest rate risk.

The residual interest rate positions are also reviewed each quarter and hedging transactions are arranged if they deteriorate to a point that might result in non-compliance with the strict limits to which Compagnie de Financement Foncier has committed. The basic risks, resulting from different reference rates on positions already transformed into variable rates by swaps, are also managed through macro-hedges.

Given the management rules of Compagnie de Financement Foncier, changes in the interest rate position are a result of events not known when the transaction was entered into and which occurred during the term of the contract. These consist mainly of early repayments of fixed-rate loans granted to private individuals.

As the date of the event is not predictable, and the repayment fees received by the lender are capped by law, Compagnie de Financement Foncier cannot completely cover the original risks incurred.

### LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers amounted to €34.7bn at December 31, 2022, including €0.6bn of doubtful loans, compared with €33.8bn and €1.3bn at December 31, 2021. Doubtful loans and receivables (€0.6bn) and impairment (€36.9m) remained exclusively concentrated on home loans.

### INVESTMENT SECURITIES

Outstanding held-to-maturity securities amounted to €5.86bn at December 31, 2022.

None of these securities were reclassified as doubtful or impaired in 2022.

The outstanding amounts in terms of net carrying amount (excluding accrued interest and after premiums or discounts) break down between Italy (48%), the United States (24%), Japan (8%), France (7%), Poland (6%), Canada (4%), Spain (2%) and other countries with non-material amounts (1%).

Since mid-2022, there has been a significant decrease in the volume of early repayments, in line with the rise in market rates. Early repayments and renegotiations of outstanding loans to individuals on Compagnie de Financement Foncier's balance sheet represented 9.3% of outstanding loans at December 31, 2022, compared to 10.1% at December 31, 2021.

Compagnie de Financement Foncier's interest rate risk is monitored by calculating interest rate gaps subject to limits per observation period. Should any of these limits be exceeded, the situation is corrected by means of a macro-hedging adjustment. The limits were respected in 2022.

### LIQUIDITY RISK

The very prudent liquidity management policy continued in 2022. Compagnie de Financement Foncier can raise sufficient cash to meet the contractual maturities of all of its privileged debts, for six months, without new resources.

At December 31, 2022, Compagnie de Financement Foncier had available cash of €0.6bn, including €0.53bn with Banque de France, and €4.57bn lent to BPCE with a maturity of less than eleven months, mainly secured by a loan portfolio.

Compagnie de Financement Foncier's Liquidity Coverage Ratio (LCR), has also always been equal to or greater than 100% since 2015.

## 9. Information on internal control

### ORGANIZATION OF INTERNAL CONTROL

#### REGULATORY ENVIRONMENT AND ITS APPLICABILITY TO THE ENTITIES OF GROUPE CRÉDIT FONCIER

In its dual capacity as credit institution and *Société de Crédit Foncier*, Compagnie de Financement Foncier operates within a very comprehensive legal and regulatory framework governing its activities and their control.

As a credit institution, this framework is primarily governed by the French Monetary and Financial Code (*Code monétaire et financier* – CMF) and the regulations set forth by the French Banking and Financial Services Regulatory Committee (*Comité de la Réglementation Bancaire et Financière* – CRBF), and, with regards to internal controls, by the Order of November 3, 2014 concerning the internal control of credit institutions, companies providing payment and investment services that are subject to the supervision of the French Prudential Supervisory and Resolution Authority (ACPR), amended by the order of February 25, 2021.

As a *Société de Crédit Foncier*, Compagnie de Financement Foncier is subject to specific provisions set forth in Articles L. 513-2 to L. 513-27 of the French Monetary and Financial Code (CMF) and in various implementing decrees (Articles R. 513-1 to 513-21 of the CMF, CRBF Regulation No. 99-10 as amended, etc.).

These provisions establish the appointment of a Specific Controller, after obtaining the ACPR's assent. This person is in charge of monitoring compliance with legal requirements: asset eligibility, overcollateralization, congruence of rates and maturity and valuation of assets or underlying securities.

The Controller drafts an annual report, which is then submitted to the French Prudential Supervisory and Resolution Authority and executive officers.

The most recent regulatory text, the Covered Bonds directive of November 27, 2019 (directive (EU) 2019/2162), was transposed into French law by the publication in the Official Journal, on July 1, 2021 of order No. 2021-858, and on July 7, 2021, of decree No. 2021-898, for entry into force on July 8, 2022.

Compagnie de Financement Foncier is also provider of investment services and therefore subject to the General Regulation of the *Autorité des marchés financiers* (AMF), the French financial markets authority. The Head of Compliance and Permanent Controls at Crédit Foncier acts as Head of Investment Services Compliance (RCSI). Holder of the card issued by the AMF on June 4, 2018 for Compagnie de Financement Foncier, she ensures compliance with financial regulations. To structure her work, she has drawn up a set of procedures focusing on the warning mechanism, the system for preventing and detecting insider information, the management of professional cards issued by the AMF, the policy for recording data and exchanges within the framework of MiFID II, the prevention and detection of conflicts of interest and the certification of products and services.

In accordance with the legal framework that provides a privilege for holders of covered bonds, the law stipulates that *sociétés de crédit foncier* may not have their own resources.

Compagnie de Financement Foncier relies on the resources of its parent company to carry out its activities. Crédit Foncier thus provides a certain number of services on behalf of Compagnie de Financement Foncier under a series of agreements, one of which covers internal

control and compliance services. The content of these agreements has been updated and completed in 2021 to meet the obligations of the European Banking Authority's (EBA) "Outsourcing Guidelines" of February 25, 2019.

Compagnie de Financement Foncier's internal control system is set up in accordance with the rules and standards included in Groupe BPCE's Internal Control Charter and the Risks, Compliance and Permanent Control Charter, which, as a central institution, sets the obligations of its entities in this area.

### INTERNAL CONTROL STAKEHOLDERS

The Chief Executive Officer of Compagnie de Financement Foncier is responsible for the internal control of Compagnie de Financement Foncier. However, under the terms of the agreement on internal control services, the implementation of the system is entrusted to Crédit Foncier.

On this basis, the organization of the internal control system meets the obligations set out in the Group's permanent control framework document. It is based on two levels of permanent control and one level of periodic control.

#### FIRST-LEVEL PERMANENT CONTROL

First-level permanent control includes all types of controls exercised by the operating entities subject to compliance with Article 14 of the Order of November 3, 2014 as amended. It is provided by the operational managers of the functions concerned.

#### SECOND-LEVEL PERMANENT CONTROL

Second-level permanent control includes level 1 reliability controls and all controls carried out by departments that are independent of the operational structures and report hierarchically or functionally to the executive director for risk and compliance:

- the Risk Division measures, controls and oversees credit, counterparty and financial risks;
- the Compliance and Permanent Controls Division is responsible for financial security, operational risk control, non-compliance, investment services control and banking and financial ethics. It is also responsible for coordinating permanent controls;
- the Information Systems Security Manager for groupe Crédit Foncier defines the information systems security policy and coordinates a network of officers within the Company. He/she also monitors the compliance of the Company's practices with applicable data protection regulations (CNIL, GDPR);
- the "Contingency and Business Continuity Plan" function of groupe Crédit Foncier is responsible for updating and maintaining the operational functions of the plan drawn up to ensure business continuity at Crédit Foncier, following the occurrence of a major risk;
- Financial control exercises control over the accounting and regulatory data produced by Crédit Foncier and its subsidiaries.

These divisions ensure compliance with internal procedures and legislative and regulatory provisions, as well as strong risk control. They draw up and implement an annual control plan. They check that the first-level permanent controls are implemented and carry out additional controls. The results of their audits are periodically presented to the Crédit Foncier Internal Control Committee.

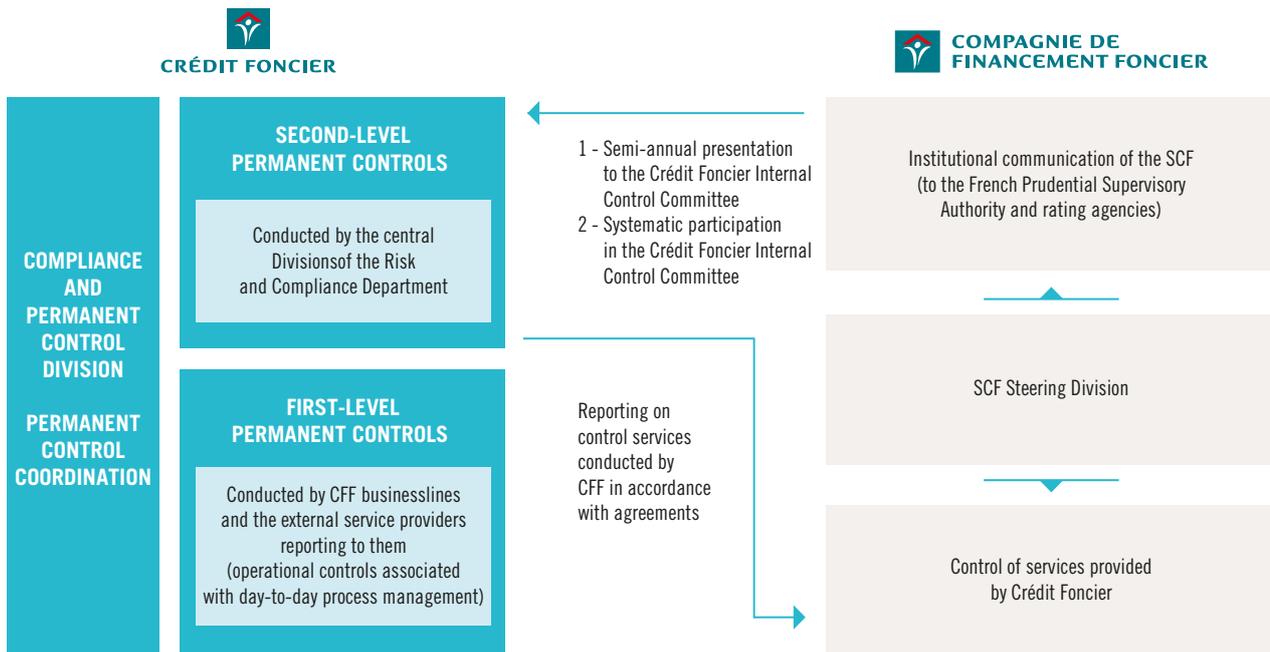
### PERIODIC CONTROL

Since October 1, 2022, the periodic control function of Crédit Foncier, including the scope of Compagnie de Financement Foncier, has been performed by the group's Internal Audit Division through a service contract.

The group's Internal Audit Division also monitors the implementation of recommendations.

### ORGANIZATION OF INTERNAL CONTROL

The internal control of Compagnie de Financement Foncier is organized as follows:



### THE INTERNAL CONTROL COMMITTEE OF CRÉDIT FONCIER

The role of the Internal Control Committee is to define and implement groupe Crédit Foncier's internal control policy and to measure overall risk management. To this end, it can mobilize resources and launch action plans. It monitors progress and results. Its purpose is to monitor and manage all the individual or consolidated risks of the groupe Crédit Foncier.

It meets at least four times a year under the Chairmanship of the Chief Executive Officer of Crédit Foncier, the permanent and periodic control officers and Crédit Foncier's Head of the risk and compliance. It also includes the Volcker Committee.

Its main responsibilities are to:

- ensure the implementation of the permanent control framework document;
- validate the annual control plan and monitor its implementation;
- ensure that the annual control plan is consistent with the results of the mapping(s), which are themselves consistent with the institution's risk management and risk appetite system;
- ensure the proper allocation of resources in relation to the risks involved;
- validate the justification of controls not deployed the operational adaptation of Group control standards to the institution;
- review the dashboards and reporting of the results of level 1 and level 2 controls;
- regularly validate the action plans to be implemented in order to have a coherent and efficient control system;
- review the Company's internal control system, identify areas of malfunction, propose appropriate solutions to strengthen the security of the Company;
- act as a Volcker Committee under the US Dodd-Frank Wall Street Reform and Consumer Protection Act, which has added a new section 13 to the US Bank Holding Company Act of 1956 (BHC Act), commonly referred to as "Volcker Rule".

The Head of Institutional Relations is a permanent member of the Internal Control Committee for the management of Compagnie de Financement Foncier.

### THE EXECUTIVE RISK COMMITTEE

As a *Société de Crédit Foncier*, Compagnie de Financement Foncier implements detailed monitoring of its risks, notably through a dedicated Executive Risk Committee.

The purpose of this committee is to define the risk policy, control its proper implementation and ensure the monitoring and control of risks, in accordance with the general risk policy defined by Groupe BPCE.

The Risk Executive Committee of Compagnie de Financement Foncier meets at least once a quarter. It is chaired by the Chief Executive Officer of Compagnie de Financement Foncier and its secretariat is ensured by the Crédit Foncier Risk Division.

The Committee monitors:

- credit and counterparty risks (monitoring of outstanding loans, revaluation of collateral, historical analysis of the ratings of outstanding loans, monitoring of limits);
- financial risks: interest rate, liquidity, exchange rate (summary of meetings of the ALM Committee of Compagnie de Financement Foncier);

- operating risks: incident reports, impact in terms of risk mapping, impact assessment;
- non-financial risks;
- regulatory (regulatory ratios, compliance developments).

### CORPORATE GOVERNANCE

Compagnie de Financement Foncier's Executive Management is responsible for managing the Company. It is in charge of risk management and internal control.

The Board of Directors of Compagnie de Financement Foncier exercises control over the management of the Company and directs strategy. It is involved in the most important decisions and is kept regularly informed of the level of indicators. Its work is prepared by the Audit Committee and the Risk Committee of Compagnie de Financement Foncier, which carry out the tasks of first ensuring that relevant and consistent accounting methods are used to prepare the Company's financial statements and second, of assessing the quality of internal controls, including measurement, monitoring and risk management systems, and finally, if necessary, proposing an appropriate course of action.

### COMPLIANCE

An integral part of the internal control system required by regulations governing credit institutions and investment services suppliers (ISS), the compliance control system refers to all the resources employed to ensure respect with provisions pertaining to banking and financial activities, professional and ethical standards, Group rules and instructions from executive management made on the basis of guidance from the supervisory body.

Reporting to the executive director in charge of the Risk and compliance department, Crédit Foncier's Compliance Division relies on the Group Internal Control Charter of July 30, 2020, the RCCP Charter (Risks, Compliance and Permanent Controls) of December 9, 2021, as well as on the framework documents, Group Compliance of April 2022, Group Permanent Controls of April 2021 and Group Ethics of December 2021.

In this context, it is responsible for preventing, detecting, measuring and monitoring non-compliance risks notably through a system of operational and procedural control that reflects their scale and their complexity, contributing to developing risk policies and, lastly, notifying executive management and the Board of Directors.

It monitors the first- and second-level permanent control of non-compliance risks and general risks linked to business activity. Its activities include banking and insurance compliance, financial and general ethics, combating money laundering and terrorist financing, preventing and dealing with fraud risks as well as specific control of the compliance of investment services, compliance with the law on the separation and regulation of banking activities and the Volcker rule.

In line with Groupe BPCE's principles, its general missions cover five areas of activity: compliance governance, monitoring and permanent control of compliance, compliance management, consulting and support for business lines, and development of the compliance culture.

Crédit Foncier's Compliance Division thus performs all of the tasks assigned to the Head of Compagnie de Financement Foncier's compliance function in accordance with the Group Compliance framework document and the Order of November 3, 2014 as amended.

It regularly reports on its work to Executive Management, the Internal Control Committee, the Risk Committee, the Board of Directors and the central institution.

## PERIODIC CONTROL

### MISSIONS

Since October 1, 2022, as part of the service contract referred to in the paragraph entitled "Periodic control" (page 91), the Group's Internal Audit Division, in its role as internal auditor of groupe Crédit Foncier, assesses risks and ensures the quality, effectiveness, consistency and proper functioning of its permanent control system as well as its risk management. The scope of the internal audit covers all the risks and activities of Crédit Foncier and Compagnie de Financement Foncier. It performs its duties independently of the operational and permanent control divisions and reports to the Chief Executive Officer, the Risk Committee and the Board of Directors on:

- the quality of the financial condition;
- the level of risk actually incurred;
- the quality of organization and management;
- the consistency, adequacy and proper functioning of risk assessment and control systems;
- the reliability and integrity of accounting and management information;
- compliance with laws, regulations and internal rules;
- the effective implementation of the recommendations of previous missions and the regulators.

The internal audit operating procedures are set out in a Group audit charter approved by BPCE's Executive Management Committee, which applies to the institution, itself broken down into thematic standards (audit resources, audit of the commercial network, missions, follow-up on recommendations, etc.). This Charter was updated on December 5, 2022.

A summary of the follow-up on recommendations is sent to the aforementioned bodies in addition to the Executive Committee, which reviews any recommendations that are particularly difficult to implement.

Missions are carried out by the inspectorate of the group's Internal Audit Division under the control of a dedicated supervisor, with an average of six employees.

An annual audit plan is drawn up by the group's Internal Audit Division, as part of its internal audit function of groupe Crédit Foncier, in conjunction with the Executive Management of Crédit Foncier and Compagnie de Financement Foncier. It is approved by Crédit Foncier's Executive Management and submitted to the Risk Committee. It covers the scope of intervention of the audit, according to a multi-year plan taking into account an audit cycle of no more than five years, in line with the Group's periodicity. Inherently risky activities are monitored more closely (e.g. the annual AML/CFT mission). During the year, specific audits or reviews may be conducted at the behest of the Chief Executive Officer.

As part of the responsibilities assigned to it, the Group's Internal Audit Division also carries out periodic audits within the institution.

## REPRESENTATION ON GOVERNANCE BODIES AND INTERNAL COMMITTEES

In order to be able to perform his or her duties and contribute effectively to the promotion of a culture of control, the internal audit supervisor of Crédit Foncier and Compagnie de Financement Foncier participates, without voting rights, in key committees relating to risk management. He or she is a member of the Internal Control Committee and is a permanent guest of the Risk Committee, the Audit Committee, the Executive Risk Committee, the ALM Committee and the Management Committee of Compagnie de Financement Foncier.

### FOLLOW-UP ON RECOMMENDATIONS

The audits give rise to the formulation of recommendations prioritized by order of importance. The final report incorporates the auditees' response to each recommendation, responses which include action plans and commitments on implementation dates. This report is sent, to the managers of the audited entity as well as to the Company Directors of the institution. Operational management is responsible for implementing the recommendations. It implements appropriate action plans and reports their progress rate at least quarterly to the Internal Audit Division.

Their implementation is monitored quarterly on the basis of the reports submitted by the audited entity's management, indicating the percentage of completion and including, if necessary, an action plan and a new deadline.

The responses to the recommendations are entered by the audited entities on the group tool made available to them on the intranet. These reports must be accompanied by supporting documentation provided by the audited entity and containing all the necessary proof of completion. A systematic validation of the effective implementation of recommendations is carried out by the internal audit division through desk audits when the implementation rate of recommendations reaches 100%.

A detailed report is prepared quarterly to provide a clear summary report to Executive Management, the Executive Committee, the Risk Committee and the Board of Directors: it includes requests to extend recommendations. Recommendations not implemented according to the initial timetable are specifically reviewed by the Executive Committee. The recommendations are generally implemented in good conditions and within the initial deadlines, as was the case in 2022.

When an entity is re-audited, the status of previous recommendations is systematically examined.

### WORK CARRIED OUT IN 2022

The 2022 audit plan was fully implemented. Prior to the transfer of the audit function, the Crédit Foncier audit division benefited, in order to cover the 2022 audit plan, from the group's Internal Audit Division taking charge of an internal audit. The last mission of the year was carried out by the group's Internal Audit Division in its role as internal auditor of Crédit Foncier and Compagnie de Financement Foncier.

The 2023-2027 audit plan was built by increasing the intensity of the audit in the most important risk areas, thanks to a comprehensive risk assessment exercise that allows for a fine-tuned identification of the risks of Crédit Foncier and Compagnie de Financement Foncier, by combining missions by auditable entity and cross-functional missions.

After discussions with the Executive Management, the audit plan was presented to the Risk Committee of Compagnie de Financement Foncier on December 13, 2022 and approved by the Board of Directors on December 16, 2022.

## CONTROL PROCEDURES FOR ACCOUNTING AND FINANCIAL INFORMATION

### ROLE OF THE CENTRAL INSTITUTION

BPCE's Accounting Division is responsible for standardization, supervision, appraisal, oversight, forecasting, regulatory monitoring and the Group's representation in prudential and accounting matters.

In this capacity, it defines and updates the Group's accounting standards, comprised of a Group Accounting Plan together with accounting rules and methods applicable to all Group entities. These rules and methods include general accounting tables and are summarized in a manual used by all the Group's institutions. This manual is regularly updated based on changes in accounting regulations. Furthermore, the rules for preparing the half-year and annual financial statements are the subject of a specific report in favor of harmonizing accounting procedures and statements and the preparation of the closing of accounting.

### THE INSTITUTION'S AUDIT COMMITTEE

Accounting and financial statements (annual and half-year consolidated financial statements) are presented to the Audit Committee. This committee analyzes the statements, receives the conclusions of the Statutory Auditors and submits its conclusions to the Board of Directors.

### STRUCTURE OF THE GROUPE CRÉDIT FONCIER'S ACCOUNTING FUNCTION

The accounting and tax function in groupe Crédit Foncier is performed by the Accounting and Taxation Division. It is directly responsible for preparing the financial statements and regulatory declarations of all groupe Crédit Foncier entities. The Accounting and Taxation Division reports to the Executive Finance Division.

Crédit Foncier's Accounting and Taxation Division is organized as follows:

Services	Main responsibilities in accounting system operations	Main responsibilities in compiling and summarizing data
<b>Reporting and consolidation</b>	<b>Parent company financial statements:</b> <ul style="list-style-type: none"> <li>■ account-keeping for Crédit Foncier, Compagnie de Financement Foncier, and preparation of the parent company financial statements;</li> <li>■ tax declarations.</li> </ul>	<ul style="list-style-type: none"> <li>■ balance sheets, income statements and notes for these entities;</li> <li>■ monthly summary results statements of the Group's two main credit institutions (Crédit Foncier, Compagnie de Financement Foncier).</li> </ul>
	<b>Non-banking subsidiary:</b> Control of the accounting services provided to non-banking subsidiaries by BPCE Services	<ul style="list-style-type: none"> <li>■ balance sheets, income statements and notes for these entities.</li> </ul>
	<b>Consolidated financial statements:</b> <ul style="list-style-type: none"> <li>■ centralization of consolidation packages;</li> <li>■ preparation of the consolidated financial statements;</li> <li>■ implementation of consolidation procedures (use of Groupe BPCE's BFC software package).</li> </ul>	<ul style="list-style-type: none"> <li>■ balance sheets, income statements and notes for the groupe Crédit Foncier;</li> <li>■ consolidated quarterly income of groupe Crédit Foncier;</li> <li>■ consolidated monthly results under French GAAP.</li> </ul>
<b>Regulatory and prudential disclosures and risk charges</b>	<ul style="list-style-type: none"> <li>■ regulatory disclosures at Company level (RUBA, etc.); ;</li> <li>■ calculation of the specific ratios of Compagnie de Financement Foncier;</li> <li>■ consolidated prudential declarations to the ACPR and/or the ECB (via BPCE, central institution), in partnership with the Risk Division;</li> <li>■ controls groupe Crédit Foncier's cost of risk.</li> </ul>	<ul style="list-style-type: none"> <li>■ reporting to the ACPR and the ECB (via BPCE, Central institution);</li> <li>■ Reporting on the consolidated cost of risk.</li> </ul>
<b>Operational accounting</b>	<ul style="list-style-type: none"> <li>■ supervision and control of interface operations between the loan management system, accounting software packages and reporting databases in cooperation with the BPCE-SI information systems company;</li> <li>■ account-keeping for loan management chains and peripheral chains.</li> </ul>	<ul style="list-style-type: none"> <li>■ reporting on outstanding loans and loan flows.</li> </ul>
<b>Accounting of financial transactions</b>	<ul style="list-style-type: none"> <li>■ monitoring and control of the SUMMIT app in liaison with BPCE-SF.</li> </ul>	<ul style="list-style-type: none"> <li>■ reporting on the accounting of financial transactions (securities, bonds, swaps, etc.).</li> </ul>
<b>Taxation, standards and projects</b>	<ul style="list-style-type: none"> <li>■ preparing tax declarations;</li> <li>■ monitoring accounting and tax projects;</li> <li>■ monitoring new accounting standards.</li> </ul>	<ul style="list-style-type: none"> <li>■ tax forms and tax returns.</li> </ul>

## FINANCIAL CONTROL

The organizational principles governing accounting control, as part of the process of task decentralization, are set out in the "Framework for controlling the quality of accounting and financial information" approved at the Internal Control Coordination Committee meeting of June 9, 2016.

The changes to the "Framework for controlling the quality of accounting and financial information" relate to second-level control systems and its reinforcement of hierarchical and functional reporting.

Financial control reports to the Director of Risk and Compliance (DRC). Financial control continues to report functionally to the Director of Compliance and Permanent Controls.

Operational accounting controls are the responsibility of the departments directly involved in producing accounting data.

The financial control unit proposes an annual audit plan, which is submitted to the Compliance and Permanent Control Division and validated by the Internal Control Committee.

These audits include:

- in-depth controls at the quarterly reporting dates, in particular of the evidence supporting the accounts (balance sheet and off-balance sheet accounts);
- regular controls on the main regulatory and tax declarations as well as issues related to summary reports.

They result in the establishment of briefing notes sent to the Accounting Division, the Compliance and Permanent Control Division and the Statutory Auditors.

The consolidation packages, prepared by the subsidiaries and certified by their Statutory Auditors in the respective financial statements, are reviewed in detail and checked for consistency by the Consolidation Unit.

All the regulatory and prudential reports are consolidated by BPCE, which runs automated consistency checks before sending them to the French Prudential Supervisory and Resolution Authority.

In accordance with the update of the “Framework for controlling the quality of accounting and financial information,” Financial Control unit contributes to an independent review of the quality of regulatory and/or management reports within its scope of intervention.

Financial Control is a key point of contact for the Statutory Auditors as part of their audit assignment. Moreover, this unit ensures the implementation of recommendations made by the Statutory Auditors.

## 10. Regulatory and prudential information

Compagnie de Financement Foncier publishes a Risk Control and Monitoring report in which all the ratios and indicators applicable to *sociétés de crédit foncier* are disclosed according to regulations in force.

### AUDIT OF FINANCIAL DATA

Disclosures of financial information (regulatory restitutions intended specifically for the French Prudential Supervisory and Resolution Authority (ACPR), Universal Registration Documents submitted to *Autorité des marchés financiers*, the French financial markets authority) are carefully checked by the relevant departments.

Within Compagnie de Financement Foncier, the Institutional Relations Division is specifically responsible for verifying the documents that will be sent to the Specific Controller and the rating agencies.

## 11. Other information

### SUPPLIER PAYMENT PERIODS (ARTICLE L. 441-14 OF THE FRENCH COMMERCIAL CODE)

Suppliers' invoices received and not settled as at the closing date

<i>(in €k)</i>	From 1 to 30 days	From 31 to 60 days	From 61 to 90 days	More than 91 days	Total
<b>A) Late payment tranche</b>					
Number of invoices	0	0	0	0	0
Total amount of invoices concerned (incl. VAT)	0	0	0	0	0
Percentage of the total amount of the year purchases incl. VAT	As of December 31, 2022, all invoices received and due have been settled with suppliers.				
<b>B) Invoices excluded from A) associated with disputed or unrecognized receivables</b>					
Number of invoices excluded	0	0	0	0	None
Total amount of excluded invoices	0	0	0	0	None
<b>C) Benchmark payment periods (contractual or legal – Article L. 441-14 or Article L. 443-1 of the French Commercial Code)</b>					
Payment periods used for late payment calculation	Contractual periods: 30 days from invoice date				

Compagnie de Financement Foncier complies with regulations on supplier payment periods, in accordance with the LME Act (economic modernization act) of August 4, 2008, which requires that suppliers are paid within 60 days from the date on which the invoice is issued.

Most of Compagnie de Financement Foncier's management is outsourced to Crédit Foncier, and billed by the latter. No debt relating to invoices received and not yet settled is recorded on Compagnie de Financement Foncier's balance sheet as of December 31, 2022.

**CUSTOMER PAYMENT PERIOD (ARTICLE L. 441-14 OF THE FRENCH COMMERCIAL CODE) (1)**

## Invoices issued but not settled as at the closing date

<i>(in €k)</i>	From 1 to 30 days	From 31 to 60 days	From 61 to 90 days	More than 91 days	Total
<b>A) Late payment tranche</b>					
Number of invoices	0	0	0	0	0
Total amount of invoices concerned (incl. VAT)	0	0	0	0	0
Percentage of total sales including VAT for the year	0				
<b>B) Invoices excluded from A) associated with disputed or unrecognized receivables</b>					
Number of invoices excluded	0	0	0	0	None
Total amount of excluded invoices	0	0	0	0	None
<b>C) Benchmark payment periods (contractual or legal – Article L. 441-14 or Article L. 443-1 of the French Commercial Code)</b>					
Payment periods used for late payment calculation	Contractual periods: Invoice date				

No customer receivables that are not part of the banking business are shown in Compagnie de Financement Foncier's balance sheet as of December 31, 2022

**INFORMATION ON SUBSIDIARIES AND EQUITY INVESTMENTS**

Not applicable. As a *Société de Crédit Foncier*, Compagnie de Financement Foncier is prohibited by law from holding equity investments.

**EMPLOYEE STOCK OWNERSHIP**

Not applicable. Compagnie de Financement Foncier does not have any employees of its own.

**INFORMATION ON ESTABLISHMENTS AND ACTIVITIES**

Not applicable. Compagnie de Financement Foncier does not have any premises of its own.

**INVESTMENTS****IN 2023**

Compagnie de Financement Foncier did not make any major investments (investment of over €30m requiring a qualified majority of the Board of Directors) between January 1, 2023 and the Universal Registration Document filing date.

To the best of the Company's knowledge, there is no agreement providing for the realization of such an investment in the future.

**IN 2022**

Compagnie de Financement Foncier did not make any major investments (investment of over €30m requiring a qualified majority of the Board of Directors) during the fiscal year.

**IN 2021**

Compagnie de Financement Foncier did not make any major investments (investment of over €30m requiring a qualified majority of the Board of Directors) during the fiscal year.

**IN 2020**

Compagnie de Financement Foncier did not make any major investments (investment of over €30m requiring a qualified majority of the Board of Directors) during the fiscal year.

**IN 2019**

Compagnie de Financement Foncier did not make any major investments (investment of over €30m requiring a qualified majority of the Board of Directors) during the fiscal year.

**RESEARCH AND DEVELOPMENT**

Compagnie de Financement Foncier did not carry out any research and development in 2022.

**MAIN RISKS AND UNCERTAINTIES**

The information on the main risks and uncertainties can be found in chapter 4 "Risk management report".

1) The information below does not include banking and related transactions.

## 12. Post-balance sheet event

No events after the reporting period liable to have a significant impact on the financial statements at December 31, 2022 occurred between

## 13. Outlook

Compagnie de Financement Foncier intends to continue its development in 2023, in line with the strategic guidelines of Groupe BPCE and for its benefit:

- continued development and management of a network of investors in covered bonds rated AAA (by rating agencies);
- continued growth of funding of eligible assets originated by Groupe BPCE entities, by seeing true sales of collateralized loans;
- active management of its assets in order to maintain their high quality, while preserving their profitability;

## 14. Social and environmental information

### COMPAGNIE DE FINANCEMENT FONCIER'S CSR COMMITMENTS

Compagnie de Financement Foncier's day-to-day management is entirely entrusted to its parent company, Crédit Foncier, under a body of outsourcing and resource allocation agreements. Compagnie de Financement Foncier has no resources of its own (employees, premises, etc.). Employee relations, environmental, and societal issues are driven by Crédit Foncier.

Crédit Foncier is part of the Groupe BPCE's CSR strategy.

In 2021, the Groupe BPCE placed the "employee" climate and "employee" experience at the heart of its 2024 BPCE strategic plan. This plan highlights a strong environmental strategy combined with ambitious intermediate objectives and a HR strategy promoting quality of life at work and the professional development of employees.

In this context, the Groupe BPCE's CSR strategy is structured around three areas:

- Meet the expectations of civil society by promoting inclusion, solidarity and active philanthropy. In addition, the Group continues to encourage open and constructive relationships with all of its stakeholders;
- Become a major player in the environmental transition by making climate issues a priority for all its business lines and companies. The Groupe BPCE is committed to aligning all of its portfolios on a "Net Zero" trajectory <sup>(1)</sup>. It wants to support all its customers in their environmental transition and accelerate the reduction of its clean carbon footprint;
- Design the future of work by offering its employees and future employees a hybrid working environment adapted to the effective deployment of remote working. The Group also wants to develop its employees, talents, and young employees by supporting them in dedicated training circuits. At the same time, the Groupe BPCE continues to promote gender equality in management functions.

the closing date and February 9, 2023, the date on which the Board of Directors approved the financial statements.

- continued optimization of financial risk hedging.

This outlook could also be impacted by the geopolitical context. Concerning the impact of the Russia-Ukraine conflict, at December 31, 2022, the amount of total exposures to Russian, Ukrainian and Belorussian residents was €5.5m for groupe Crédit Foncier.

For more information about the future outlook, and particularly the economic and financial environment, please refer to "Economic and Regulatory Environment" on page 36.

All Crédit Foncier employees are involved in the implementation of the Groupe BPCE's CSR policy within the Company. This is a collective commitment that reflects the values of Crédit Foncier: exemplarity, commitment, and team spirit.

In social matters, Crédit Foncier demonstrates a continuous and proactive commitment to professional equality. Thus, in 2020, it renewed the "Professional equality between women and men" label, awarded for four years by AFNOR Certification. With regard to disability, all positions in the Company can be opened and held by persons with disabilities. Committed to a solidarity-based approach to persons with disabilities, Crédit Foncier intends to develop the experience of young people: each year it welcomes young students with disabilities for summer jobs or work-study contracts. In 2020, Crédit Foncier was committed to the inclusion of illness in the workplace and obtained the Cancer@work label. The integration of the younger generation into professional life and the regular training of employees is an issue to which the Company responds through training initiatives that represent nearly 6% of the total payroll each year.

In the environmental field, each year, in collaboration with Groupe BPCE, Crédit Foncier assesses the impact of its greenhouse gas emissions by carrying out its carbon assessment. It collects specific data from its departments and deploys the necessary measures to reduce the most emitting items, in particular by raising employee awareness of eco-friendly practices, optimizing the energy performance of its building, and implementing a remote working system to limit travel and offer a better quality of work life to employees.

Through its refinancing activity for Groupe BPCE's entities, Crédit Foncier, via its subsidiary Compagnie de Financement Foncier, reiterates its long-standing commitment to major current societal challenges, such as the financing of hospitals and social housing.

1) 2050 target for Corporate & Investment Banking's financing portfolios, 2030 target for Natixis Assurances' general fund.

## NON-FINANCIAL PERFORMANCE STATEMENT

Furthermore, Compagnie de Financement Foncier, a wholly-owned subsidiary of Crédit Foncier, is consolidated into the financial statements of Crédit Foncier, which is itself a wholly-owned subsidiary of BPCE and consolidated into the financial statements of BPCE. Pursuant to Article L. 233-16 of the French Commercial Code, non-financial performance information on Compagnie de Financement

Foncier is produced via Groupe BPCE's consolidated non-financial performance statement.

Groupe BPCE's non-financial performance statement can be viewed on the BPCE website:

<https://www.groupebpce.fr/Investisseur/Resultats/Documents-de-reference>





# 4

## RISK MANAGEMENT REPORT

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# 1. GOVERNANCE AND RISK MANAGEMENT SYSTEM

## 1.1. Organization of the Risk, Compliance and Permanent Control Coordination departments

The Risk and Compliance Division of Crédit Foncier is responsible for internal control and compliance for Compagnie de Financement Foncier. It is composed of:

- (i) Financial Control;
- (ii) the Credit Risk Division;
- (iii) the Financial Risks department;
- (iv) the Risk Governance department;
- (v) the Compliance and Permanent Control department (DCCP);
- (vi) the Business Security department, which covers Information Systems Security, Business Continuity and Personal Data Protection.

This division reports to a Chief Risk Officer of Crédit Foncier.

Crédit Foncier's Risk and Compliance Division is an integral part of the risk framework of Groupe BPCE. Compagnie de Financement Foncier relies on the systems and the network organization set up at Crédit Foncier.

### 1.1.1. ORGANIZATION OF GROUPE CRÉDIT FONCIER'S RISK DIVISION

Crédit Foncier's Risk Division, which reports functionally to BPCE's Risk Division, covers Compagnie de Financement Foncier. The institution's risk policy has been formally set out in a document describing its various responsibilities and its organization, which serves as a framework for the development of its activities, including activities carried out on behalf of Compagnie de Financement Foncier and the management of the capital of groupe Crédit Foncier entities.

In the specific case of Compagnie de Financement Foncier, the Risk Division conducts its activities within the framework of the agreements signed between Crédit Foncier and its *société de crédit foncier*. The Risk Division reports on its activities to the Risk Executive Committee, Risk Committee and to Executive Management of Compagnie de Financement Foncier.

The Institutional Relations Division, which is in charge of monitoring Compagnie de Financement Foncier's outsourced services and, therefore, the proper implementation of the agreements signed with Crédit Foncier, is an integral part of groupe Crédit Foncier's Internal Control arrangements.

### MAIN RESPONSIBILITIES OF THE RISK COMMITTEES

Compagnie de Financement Foncier is part of the overall risk policy of Crédit Foncier. The Executive Risk Committee of Compagnie de Financement Foncier and the Internal Control Committee of Crédit Foncier are the umbrella committees that define the risk policy and the risk monitoring, surveillance and control system.

Compagnie de Financement Foncier's **Risk Executive Committee** is chaired by its Chief Executive Officer. Meeting at least quarterly, its main responsibilities are to deal with:

- the general risk policy;
- analyzing and monitoring the institution's overall risk profile based on the results of the rating, risk measurement and assessment

systems (stress scenarios, etc.) and its main exposures;

- measuring the quality of its commitments on the basis of summary reports;
- risk management: monitoring risk, reviewing regulatory and specific ratios, monitoring the burden of risk, producing and analyzing stress scenarios, and monitoring capital.

The **Internal Control Committee**, chaired by the Chief Executive Officer of Crédit Foncier, meets at least four times a year and comprises the representatives of control functions. This committee has the following duties:

- ensure the proper organization and completeness of the permanent controls of the activities, and the effectiveness of the monitoring and control mechanisms for risks;
- coordinate actions to ensure risk control, the compliance of operations and internal procedures, quality, availability of information processed by the Information System (IS) and the security of those systems;
- ensure that deficiencies identified at any stage of the control process (including the recommendations issued by the auditors) are resolved and monitored;
- act as a Volcker Committee under the US Dodd-Frank Wall Street Reform and Consumer Protection Act, which has added a new section 13 to the US Bank Holding Company Act of 1956 (BHC Act), commonly referred to as "Volcker Rule".

The **Balance Sheet and Liquidity Management Committee** (CGBPL) is a general policy Committee responsible for the asset/liability management of the various entities of Crédit Foncier's consolidated scope, within the limits set by the Executive Management and within the framework of the rules of Groupe BPCE. A dedicated CGBPL, chaired by the Chief Executive Officer of Compagnie de Financement Foncier, carries out its duties within its scope.

The implementation of the orientations and management decisions taken in this body is ensured through:

- the **Cash Flow Committee**, which meets twice a month and ensures operational liquidity management;
- the **Financial Management Committee**, for the monitoring and operational management of interest rate risk, implementation of current derivative compression operations and for current disposal/assignment operations.

### 1.1.2. ORGANIZATION OF GROUPE CRÉDIT FONCIER'S COMPLIANCE AND PERMANENT CONTROL DEPARTMENT

Crédit Foncier's Compliance and Permanent Control department (DCCP) coordinates Compagnie de Financement Foncier's compliance function in accordance, in particular, with the agreement signed between the two institutions "*on internal control and compliance services*".

The DCCP covers the following areas:

- (i) compliance and ethics;
- (ii) financial security in charge of preventing and dealing with money laundering, financing of terrorism and internal and external fraud risks;
- (iii) coordination of permanent controls and permanent level 2 controls of credit management operations;
- (iv) operational risks.

Crédit Foncier's DCCP reports functionally to the Group departments running the corresponding departments (in particular, the Group Compliance Division (DCG) and the Group Permanent Control and Accounting Revision Division).

It is independent of all other business lines, in accordance with banking regulations.

Under the umbrella charter on internal control and the risk, compliance and permanent controls charter published on July 30, 2020, the Compliance department is responsible for preventing, identifying, assessing and monitoring risks related to banking compliance, investment services compliance, financial and general ethics.

It acts as "SRBA Volcker Officer" on behalf of groupe Crédit Foncier together with the Financial Risk Division – Financial risks.

It reports on its activity and the controls carried out through periodic reports sent to the Institutional Relations department.

This structure works in close collaboration with second-level permanent control teams and the Institutional Relations department, ensuring the existence and effectiveness of the permanent control structure.

### 1.1.3. ORGANIZATION OF THE INFORMATION SYSTEMS SECURITY DEPARTMENT

The security of Crédit Foncier's information systems, which also covers that of Compagnie de Financement Foncier, is the responsibility of the Head of Information Systems Security at Crédit Foncier.

This function, exercised internally until the end of the 3rd quarter of 2022 by the Director of Business Security (reporting to the Executive Director of the Risk and Compliance Division of Crédit Foncier), is now outsourced to BPCE SA and entrusted to the Head of Business Security of the BPCE community as part of the outsourcing of the activities of the Business Security Department, namely information systems security, business continuity and personal data protection.

Governance in terms of Information Systems Security at groupe Crédit Foncier is organized around:

- an Information Systems Security Policy (ISSP) specific to Crédit Foncier, and its thematic variations underpinned by the Security Policy and the rules of Groupe BPCE;
- bodies such as the Internal Security and Continuity Committee (IISCC) chaired by a member of Executive Management;
- an outreach plan to raise awareness about cyber-attacks and security risks among all employees;
- a permanent control mechanism for Information Systems Security, combined with a half-yearly security report (security indicators).

### 1.1.4. ORGANIZATION OF THE BUSINESS CONTINUITY DEPARTMENT

Crédit Foncier's Business Continuity Plan (BCP) and crisis management plan include Compagnie de Financement Foncier's continuity plan. The BCP, which includes the Contingency and Business Continuity Plan (CBCP) is under the responsibility of the Business Continuity Plan Manager (BCPM).

This function exercised internally until the end of the 3rd quarter of 2022 by the Director of Business Security (reporting to the Executive Director of the Risk and Compliance Division of Crédit Foncier) is now outsourced to BPCE SA and entrusted to the Business Continuity Plan Manager of the BPCE Community as part of the outsourcing of the activities of the Business Security Department, namely information Systems Security, Business Continuity and personal data protection.

As part of the outsourcing of the activities of the Business Security department, the function of Business Continuity Plan Manager (BCPM) is, since the 4th quarter of 2022, entrusted to the BPCE community's Head of Business Line Security.

Compagnie de Financement Foncier has its own BCP Manager, fully integrated in the groupe Crédit Foncier plan.

The business continuity management system is based on:

- a Group business continuity and crisis management policy for Crédit Foncier;
- coordination and control of the internal network by the BCP Manager;
- steering and supervision by the Internal Information Systems Security and Compliance Committee (CISC), which meets every six months and is chaired by Crédit Foncier's Deputy Chief Executive Officer;
- BCP correspondents in charge of the operational maintenance of the continuity plans for the preserved activities of their scope;
- mobilizable business line experts identified by critical activity;
- crisis management by the crisis decision unit and the operational unit, which can be mobilized by the BCP Manager;
- awareness-raising campaigns for all employees.

### 1.1.5. ORGANIZATION OF THE PERSONAL DATA PROTECTION SYSTEM

The Personal Data Protection Officer (DPO) of Crédit Foncier also acts within the scope of Compagnie de Financement Foncier. He ensures compliance with the General Data Protection Regulation (GDPR).

This function, exercised internally until the end of the 3rd quarter of 2022 by the Director of Business Security (reporting to the Executive Director of the Risk and Compliance Division of Crédit Foncier) is now outsourced to BPCE SA and entrusted to the Data Protection Officer of the BPCE Community as part of the outsourcing of the activities of the Business Security Department, namely information systems security, business continuity and personal data protection.

As part of the outsourcing of the activities of the Business Security department, the function of Personal Data Protection Officer (DPO) of Crédit Foncier has been entrusted since the 4th quarter of 2022 to the Personal Data Protection Officer (DPO) of the BPCE Community.

Data protection governance is organized around:

- a Group personal data protection policy applicable to Crédit Foncier and Compagnie de Financement Foncier;
- a half-yearly GDPR Committee meeting, chaired by the Deputy Chief Executive Officer of Crédit Foncier;

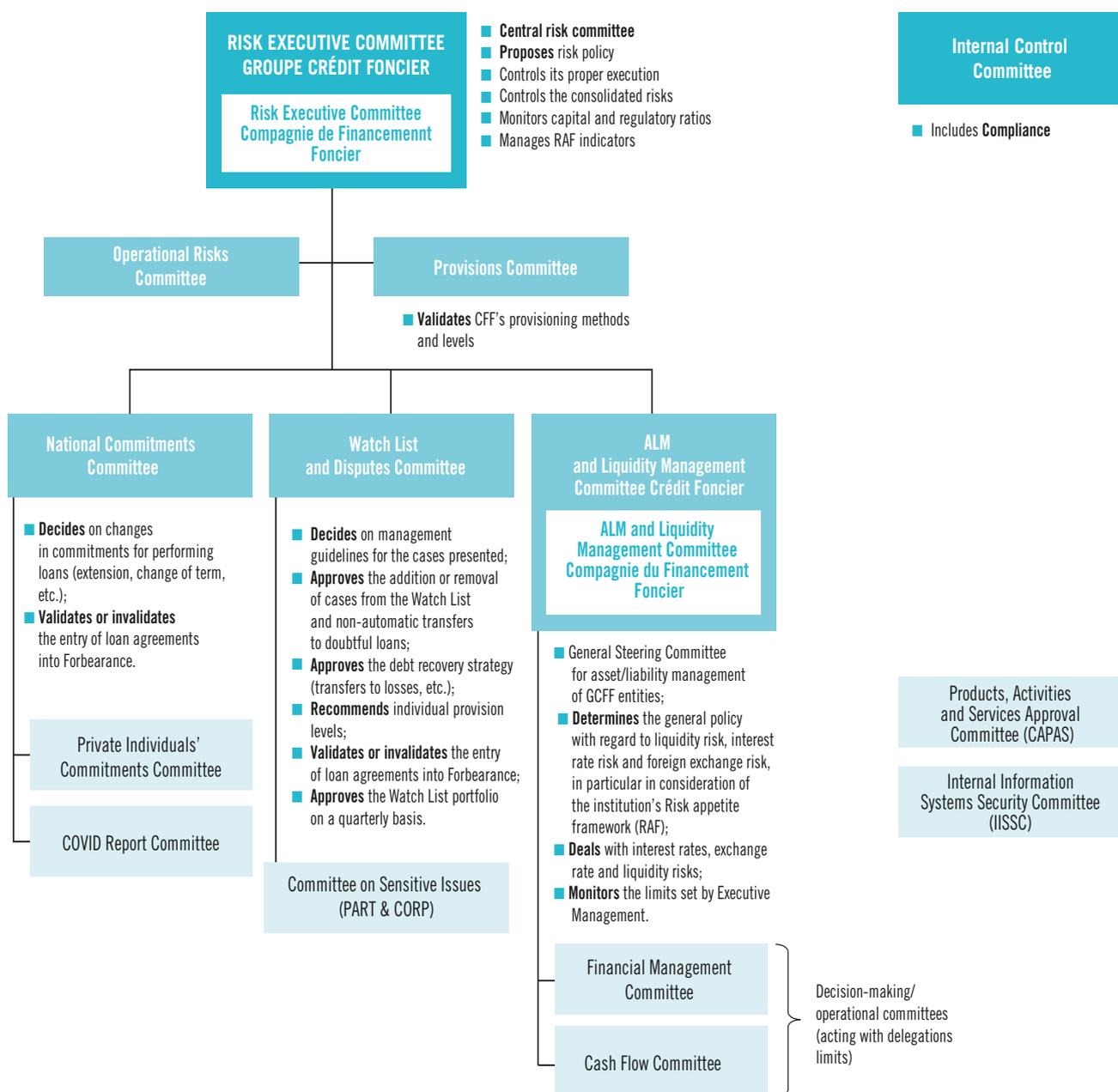
- a GDPR function composed of representatives of the business lines, appointed by a member of the Executive Committee and led by the Data Protection Officer (DPO);
- an external charter for customers or prospects and a charter for Crédit Foncier employees;
- a GDPR awareness-raising program for all employees;
- documentation dedicated to the various requirements of the GDPR standard;
- a permanent control system.

1.1.6. INFORMATION SYSTEM AND DATA CONSISTENCY

To comply with Basel II and subsequently Basel III, the Risk Division ensures the accounting consistency of the data input into the risk management system. Compagnie de Financement Foncier’s exposures are fully integrated into this data consistency mechanism.

Accordingly, all Groupe BPCE entities ensure that all data transferred to Group regulatory production systems are checked for accounting consistency at least quarterly.

RISK ORGANIZATION – COMMITTEE STRUCTURE



## 1.2. Loan selection process

Compagnie de Financement Foncier's loans selection process takes place in two steps:

- loan selection by Crédit Foncier;
- acquisition process, through the purchase filter by Compagnie de Financement Foncier, of receivables from Crédit Foncier or other Groupe BPCE credit institutions.

The analysis is similar for purchasing loans and receivables to another entity of Groupe BPCE.

Compagnie de Financement Foncier's risk appetite is the level of risk it is willing to accept. It is consistent with the institution's operating environment, its strategy and its business model.

Compagnie de Financement Foncier's system, approved by the Board of Directors on December 15, 2021, falls within the general framework of groupe Crédit Foncier's risk appetite, approved by the Board of Directors on November 2, 2021. The latter is in line with the general framework of Groupe BPCE's risk appetite.

This framework is based on an overarching document which presents, qualitatively and quantitatively, the risks that Compagnie de Financement Foncier agrees to take. It describes the principles of governance and operation in effect, and is intended to be updated annually, especially to reflect regulatory changes.

The operational mechanism for risk appetite is based, in turn, on indicators broken down according to significant type of risk and is based on successive thresholds associated with distinct delegation levels, namely:

- operational limits or tolerance thresholds for which Executive Management may decide, directly or through the committees they chair, either on a return to below the limit, or the establishment of an exception;
- the resilience threshold that, when exceeded, could pose a risk to the continuity and stability of the business. Any breach of these limits requires that a report and an action plan be sent to the Supervisory Body.

Compagnie de Financement Foncier has adopted the procedure implemented at the Group level dedicated to the Recovery and Resolution Plan covering all BPCE institutions.

### 1.2.1. COMMITMENT SELECTION AND MONITORING SYSTEMS AT CRÉDIT FONCIER

Commitment selection and monitoring relies on:

- the implementation of risk policies across various activities (loans to individuals, and to public and private Corporates), consistent with Group credit policies;
- the definition of delegations, primarily with regard to public Corporates and Individual customers;
- a system of fixed limits governing main corporate exposures, in order to manage concentration risk;
- a system for assessing borrowers' creditworthiness and the quality of transactions using internal rating engines and counter-analysis;

- risk monitoring primarily achieved through the following mechanisms: review of portfolios, committees dealing with sensitive issues and internal, external and regulatory reporting;
- risk management leading to the measurement and the prospective management of risks.

### 1.2.2. CREDIT RISK EVALUATION

Loan assessment tools are organized around two mechanisms:

- counter-analysis mechanism;
- ratings-based creditworthiness assessment during loan origination and regular monitoring based on the type of loan.

#### COUNTER-ANALYSIS MECHANISM

The counter-analysis system is related to a delegation chain that provides for a National Committee on Commitments level where a representative of the Risk Division expresses an independent opinion supported by his counter-analysis. He/she has no say in the decision. For amounts above a specified limit, the Group Risk Management Division is asked to approve the execution of the transaction.

Loans are subject to a first analysis by the business lines, followed by a counter-analysis performed by a specialized independent unit.

This counter-analysis falls within the exclusive competence of the Risk Division and is performed for all requests for financing submitted to the National Commitments Committee.

#### RATING APPROACH

##### INDIVIDUALS

The system for rating the creditworthiness of Individuals is specific to Crédit Foncier especially because it has no deposit accounts.

During the granting process, this system is based on both an expert system and a statistical rating.

Loan portfolio risk monitoring is carried out *via* a monthly rating using the features of the property transaction and of the borrower at the time of origination, as well as information on any potential past due payments.

The rating scales are specific to the type of transaction (home ownership or loans for rental housing).

##### PUBLIC, PRIVATE AND INTERNATIONAL OPERATORS

For legal entities (private or public) and not assimilated to private individuals, each counterparty is rated based on a unique set of internal rating approaches employed Group-wide in Groupe BPCE.

The rating of this portfolio relies on internal rating applications developed by Groupe BPCE. For private and public Corporates, the rating approach is based on quantitative and qualitative creditworthiness assessments and on an expert system.

Ratings are reviewed annually.

The International public sector (IPS) portfolio is rated internally. The method used to rate IPS portfolio outstandings is a combination of an expert approach and an approach based on external ratings.

### 1.2.3. ELIGIBILITY CRITERIA FOR SOCIÉTÉ DE CRÉDIT FONCIER AND PURCHASING OR ASSIGNMENT FILTER

Compagnie de Financement Foncier uses two methods of refinancing for all asset classes:

- “disposal”: Compagnie de Financement Foncier acquires an asset to refinance it. The asset is recognized directly in the balance sheet as from the date of disposal. The seller may be Crédit Foncier or a Groupe BPCE entity, for example;
- “assignment”: collateralized loans that Compagnie de Financement Foncier grants to Crédit Foncier or Groupe BPCE entities. Article L. 211-38 of the French Monetary and Financial Code authorizes the delivery of assets as collateral to a lender as a guarantee of repayment. Compagnie de Financement Foncier grants a loan and the assets of the seller are also provided as security for the proper repayment of the loan. These assets do not appear on the Compagnie de Financement Foncier balance sheet. They remain on the seller’s balance sheet, but can no longer be used, disposed of or assigned by the seller for as long as the receivable from Compagnie de Financement Foncier exists.

Concerning the first mode of refinancing, the asset acquisition process implemented by Compagnie de Financement Foncier is very prudent and supplements a loan granting system that already ensures quality assets.

#### INDIVIDUAL CUSTOMERS

Compagnie de Financement Foncier acquires loans that finance home ownership and rental housing, that are secured by a first-ranking mortgage, a guarantee or equivalent.

Almost all origination was carried out by Crédit Foncier until the first

quarter of 2019. Compagnie de Financement Foncier now acquires loans (currently only SSPs) from other Groupe BPCE credit institutions. The operating method for selecting loans was adjusted accordingly.

After the origination of a loan by a Group credit institution, in accordance with the existing risk policy and eligibility rules, Compagnie de Financement Foncier acquires loans through a process aimed at selecting loans with a default risk below certain thresholds.

Eligible collateral are:

- first-ranking mortgages or equivalent;
- State guarantee provided by the guarantee fund for home ownership for low-income households (FGAS);
- guarantee institutions with a sufficiently high rating, in particular Crédit Logement, a financial sector company rated Aa3 by Moody’s as of December 31, 2022.

The LTVs applied to the mortgage value allow the determination of the outstanding amount of the loan that can be financed by privileged resources:

- 100% for loans benefiting from a FGAS guarantee;
- 80% for home loans granted to private individuals and secured by a first-ranking mortgage, a guarantee or equivalent;
- 60% for the others (relating mainly to social and commercial housing).

In addition, Compagnie de Financement Foncier uses an additional selection filter related to initial credit scores at origination and outstandings as described in the following tables.

Since 2016, receivables with lower ratings can be acquired directly by Compagnie de Financement Foncier with an additional risk limitation mechanism: an automatic termination clause is automatically activated as soon as the receivable is recorded as a doubtful loan (for a period of four years from the date of sale).

#### FOR ALL CRÉDIT FONCIER ENTITIES EXCEPT THE BELGIAN BRANCH

Filter conditions								Disposal before 2016	Disposal since 2016	Existence of a revolution clause	
Doubtful (CX, DX, RX) or Performing and having been doubtful during the last 2 years								X	X		
Performing and not doubtful during the last 2 years	Segment and sub-segment known	Segment or sub-segment not eligible						X	X		
		Eligible segments and subsegments	Age of the loan	≤ 4 years	Outstanding rating	1 to 7	Rating at origination	0 to 5	✓	✓	
						8,9,10, Not rated		6 to 9, Not rated	X	✓	✓
		Age of the loan	> 4 years	Outstanding rating	1 to 7			✓	✓		
					8,9,10, Not rated			X	✓	✓	

This purchasing filter by automatic termination does not apply to loans from the Belgian branch, whose funding is only carried out through assignment.

## FRENCH PUBLIC SECTOR

Compagnie de Financement Foncier's acquisition criteria on loans to French local authorities (FLA) are based on Groupe BPCE's internal rating system.

This rating covers the borrower's inherent characteristics (budget, degree of indebtedness, creditworthiness, etc.).

The lowest ratings are systematically excluded from selection.

## INTERNATIONAL PUBLIC SECTOR

Compagnie de Financement Foncier holds exposures to international counterparties that meet the eligibility requirements of the French Monetary and Financial Code. This portfolio became a run-off activity in 2011. Before production ceased, the selection of these receivables was concentrated on counterparties with high external ratings, most of them in step 1 ( $\geq$ AA-).

## PRIVATE CORPORATES

Since 2016, certain long-term private Corporate loans financed by Crédit Foncier or SOCFIM have been assigned to Compagnie de Financement Foncier. These loans have a formal, full and complete first-ranking mortgage guarantee in favor of Crédit Foncier on one or more office, retail or residential assets located in mainland France.

The refinancing of these assets by assignment is limited to 60% of the mortgage value within one year of the assets provided as collateral. Only performing loans are eligible.

### 1.2.4. CREDIT LIMITS

#### ASSIGNING CREDIT LIMITS

Compagnie de Financement Foncier's credit limits system incorporates the same limits as those used by groupe Crédit Foncier, particularly regarding individual limits.

Groupe BPCE entities must, at their respective levels, adhere to the limitations placed on their operations determining the rules for risk diversification among the portfolios and to the regulatory limits applicable to managing major risks.

Validated by the National Commitments Committee, these individual limits, prepared and proposed by the Risk Division, are updated, controlled and monitored through a range of reporting requirements at the initiative of the Risk Division. These limits are also followed at the groupe Crédit Foncier's level.

#### MANAGING LIMIT BREACHES AND ALERT PROCEDURE

##### GENERAL PRINCIPLES

Compliance with limits is checked during regular counter-analysis prior to the review of loans by the Commitment Committees.

##### BANK COUNTERPARTIES

In accordance with the plan defined in the management agreements between the two institutions, compliance with limits relating to the counterparties of Compagnie de Financement Foncier's financial transactions is monitored by the Risk Division – Financial risks and is the subject of a quarterly presentation to the Executive Committee Risk.

These limits are established for Compagnie de Financement Foncier's banking counterparties (primarily for hedging and treasury management requirements) and are regularly reviewed in *ad hoc* committees.

Monitoring of compliance with the limits is carried out on a daily basis by next-day observation. It should be noted that the framework

contracts with bank counterparties include a systematic margin call for the value of the exposures, based on the counterparty's rating, to be paid only by the counterparties, not by Compagnie de Financement Foncier.

All breaches are reported in real time to the Executive Management of Compagnie de Financement Foncier and Crédit Foncier.

### 1.2.5. RISK MONITORING

Risk monitoring relies on three main components:

- the review of portfolios to ensure the overall quality of exposures and control the recognition of provisions for risk;
- at a minimum, monthly monitoring of sensitive operations for Corporate clients and on request for retail clients;
- the production of internal, external and regulatory reporting.

Special rules apply to the structured products of the French public sector.

#### PORTFOLIO REVIEWS

Regular reviews are conducted to evaluate the quality of the exposures. This implies stringent analysis of the quality of each exposure performed by the business lines and the Risk Division. This analysis extends to all of Crédit Foncier's large exposures as well as of Compagnie de Financement Foncier.

#### MONITORING OF SENSITIVE TRANSACTIONS

This kind of monitoring concerns loans considered by the institution to be troubled or likely to encounter trouble in the future. Such monitoring involves ruling on the classification of the concerned loans or their servicing status (performing/doubtful/in litigation).

##### INDIVIDUALS

Monitoring is carried out by the business line's Committee on Sensitive Issues (CMAS), which usually meets every 15 days to review troubled loans and to recommend the potential recognition of a provision for credit loss on an individual basis or *via* the Watch List Committee or delegation chain.

##### PUBLIC SECTOR AND SOCIAL HOUSING

Monitoring is carried out *via* groupe Crédit Foncier's Watch List Committee which includes Compagnie de Financement Foncier's outstanding assets. The Watch List is reviewed quarterly. It lists all the counterparties requiring special attention due to the potentially high risk they represent. The Watch List concerns performing or doubtful loans but not loans already in the process of litigation by the Litigation department. The fact of being placed on the Watch List does not trigger the automatic suspension of credit lines or a downgrade of the counterparty to doubtful.

In the framework of monitoring the structured products of Public sector operators, and in coordination with Groupe BPCE, a signatory to the Gissler Charter, groupe Crédit Foncier closely monitors these transactions, enabling it to alert customers in advance about the market development impacts.

##### PRIVATE CORPORATES

The receivables assigned to Compagnie de Financement Foncier have a low LTV, based on the mortgage value, which is more conservative than the market value, and finance various assets (residential, offices, retail).

In the event of a credit event (default/forbearance/Watch List), the receivable would no longer be assigned for refinancing with Compagnie de Financement Foncier. The monthly control is carried out in order to renew the assignments.

## 2. CHANGES IN ASSETS

In accordance with its *société de crédit foncier* status, Compagnie de Financement Foncier's assets are broken down into three main categories:

- secured loans, as defined under Articles L. 513-3, L. 513-5 and L. 513-6 of the French Monetary and Financial Code, backed by a

first-rank mortgage (or, to a lesser extent, equivalent real estate collateral or a surety);

- exposure to public entities, as defined under Articles L. 513-4 and L. 513-5; and
- safe and liquid assets as defined in Article L. 513-7, limited to 10% of the pledge of the privileged resources.

### BREAKDOWN OF ASSETS BY GUARANTEE

ASSETS	12/31/2022		12/31/2021	
	(in €m)	(% of balance sheet)	(in €m)	(% of balance sheet)
<b>Guaranteed loans (Articles L. 513-3, L. 513-5 and L. 513-6)</b>	<b>27,581</b>	<b>45.6%</b>	<b>31,456</b>	<b>49.2%</b>
Mortgage loans secured by the FGAS	13,324	22.0%	14,153	22.1%
Other mortgage loans	9,582	15.8%	12,893	20.2%
Guaranteed loans	4,675	7.7%	4,410	6.9%
<b>Exposures on public entities (Articles L. 513-4 and L. 513-5)</b>	<b>27,439</b>	<b>45.4%</b>	<b>24,951</b>	<b>39.0%</b>
Public sector loans	12,683	21.0%	10,514	16.4%
Public loans assigned under L. 211-38	8,355	13.8%	7,619	11.9%
Public entity securities	5,875	9.7%	6,139	9.6%
Deposits at Banque de France	527	0.9%	679	1.1%
<b>Other assets (interests on IFAT, adjustment accounts, etc.)</b>	<b>812</b>	<b>1.3%</b>	<b>879</b>	<b>1.4%</b>
<b>Safe and liquid assets (Article L. 513-7)</b>	<b>4,626</b>	<b>7.7%</b>	<b>6,649</b>	<b>10.4%</b>
<b>TOTAL ASSETS</b>	<b>60,459</b>	<b>100.0%</b>	<b>63,935</b>	<b>100.0%</b>

As of December 31, 2022, Compagnie de Financement Foncier's balance sheet was down by €3.5bn compared with December 31, 2021. This decline reflects the various changes among the different asset classes considered:

- mortgage loans were down by €3.9bn. The historical stock of assets held or used was amortized by €4.3bn. Compagnie de Financement Foncier refinanced €0.4bn of the Group's residential loans;
- public entity securities were down by €0.3bn mainly due to the amortization of international exposures;
- loans to the Public sector were up €2.9bn following the refinancing of public assets by the regional banks for €4.3bn. This increase reflects the continuation of the "Compagnie de Financement Foncier – supporting Groupe BPCE" strategy: refinancing assets of the Groupe BPCE entities at very competitive margins (*via obligations foncières*).

The breakdown of assets by geography changed little over the year, with most of the underlying assets on the balance sheet (88%) located in France.

As of December 31, 2022, international assets, mainly linked to the Public sector, totaled €7.2bn. The main geographical exposures are Italy (€3.0bn), USA (€1.4bn) and Switzerland (€1.1bn), followed to a lesser extent by Belgium (€0.5bn), Japan (€0.4bn), Canada (€0.3bn), Poland (€0.3bn) and Spain (€0.2bn).

### 3. CHANGES IN LIABILITIES

In accordance with the regulations governing *sociétés de crédit foncier* status, Compagnie de Financement Foncier's liabilities may be broken down into two main categories:

- privileged resources that legally protect bondholders by guaranteeing priority repayment and compliance with repayment schedules, even in the event of default of the issuer or its parent company;
- other resources that help reinforce the security of privileged debt holders. These resources subordinated to privileged resources are made up of:
  - unsecured debts with the Crédit Foncier or BPCE and, particularly for swaps, with various other bank counterparties,
  - subordinated debt and share capital, resources contributed by Crédit Foncier.

#### BREAKDOWN OF LIABILITIES BY GUARANTEE RANK

LIABILITIES	12/31/2022		12/31/2021	
	in €m	% of balance sheet	in €m	% of balance sheet
<b>Privileged resources</b>	<b>51,641</b>	<b>85.4%</b>	<b>53,499</b>	<b>83.7%</b>
Obligations foncières at the reporting date	51,645	85.4%	53,673	83.9%
Foreign exchange difference on obligations foncières	-90	-0.1%	-198	-0.3%
Other privileged resources	86	0.1%	24	0.0%
<b>Translation difference associated with hedging balance sheet items*</b>	<b>1,080</b>	<b>1.8%</b>	<b>906</b>	<b>1.4%</b>
<b>Non-privileged resources</b>	<b>7,737</b>	<b>12.8%</b>	<b>9,530</b>	<b>14.9%</b>
Unsecured debt	5,589	9.2%	6,212	9.7%
Subordinated debts and similar debt	55	0.1%	105	0.2%
■ of which subordinated securities	0	0.0%	0	0.0%
Shareholders' equity and reserve for general banking risks	2,094	3.5%	3,213	5.0%
<b>TOTAL LIABILITIES</b>	<b>60,459</b>	<b>100.0%</b>	<b>63,935</b>	<b>100.0%</b>
Regulatory capital according to CRR/CRD IV:	1,974	3.3%	3,107	4.9%
■ of which Common Equity Tier 1 capital	1,974	3.3%	3,107	4.9%
■ of which Additional Tier 1 capital	0	0.0%	0	0.0%
■ of which Tier 2 capital	0	0.0%	0	0.0%

\* Liabilities and assets are considered at their historical cost, i.e. at the exchange rate originally set when setting up their hedge. Interest accrued on swaps are calculated after netting for the same counterparty.

During the fiscal year, privileged resources decreased by €1.9bn, as contractual amortizations of debt were higher (€6.4bn) than issues for the year (€4.4bn).

Unsecured debt decreased by €0.6bn including the partial repayment of €1bn of the shareholder's advance account granted by Crédit Foncier.

Share capital, at €2.1bn, was down by €1.1bn over the financial year. This capital reduction, not motivated by losses, was carried out by repurchasing shares with a view to their cancellation. It reflects an increase in the share capital to the current level of Compagnie de Financement Foncier's balance sheet.

## 4. PRUDENTIAL RATIOS

### 4.1. Specific ratios

Compagnie de Financement Foncier is not obliged by the regulator to follow prudential solvency ratios but nonetheless reports them to investors for information purpose; these ratios are monitored at Crédit Foncier's level, its parent company. However, as a *société de crédit foncier*, Compagnie de Financement Foncier is subject to several specific regulatory ratios that must be respected at all times and which are generally validated by the Specific Controller.

#### COVERAGE RATIO

First, Compagnie de Financement Foncier measures the coverage ratio that corresponds to the ratio between weighted assets and privileged debt, which must remain above 105% at all times.

In the case of Compagnie de Financement Foncier, restatements include three types of assets:

- LTV overruns on mortgage loans either held directly or assigned;
- assets sold under repos; and
- the portion of unsecured intragroup loans above the regulatory threshold of 25% of non-privileged liabilities.

The regulations limit the amount of outstanding loans that can be financed by *obligations foncières* to the fraction of the outstanding amount equal to the outstanding principal of the claim compared to the present value of the pledge, to 60% when the property is guaranteed by a commercial property, to 80% when the property is guaranteed by a residential property, and approximately 90% (by calculation method) when the property is guaranteed by the FGAS.

At December 31, 2022, outstanding loans in excess of the LTV threshold amounted to €0.5bn, still significantly lower than those for non-privileged liabilities, standing at €7.7bn at that date.

In addition, assets used to secure other transactions are deducted from the assets recognized on the balance sheet. Thus, the outstanding amount of securities sold to Crédit Foncier under repurchase agreements, representing €0.6bn at December 31, 2022, was not included for the purposes of calculating the ratio.

As a result, the coverage ratio was 113.0% at December 31, 2022 (vs. 112.2% at end-2021), including any associated currency hedging for assets and liabilities.

Regardless of the minimum ratio required by law, Compagnie de Financement Foncier already committed to maintain at any time a level of non-privileged liabilities in excess of 5% of privileged liabilities (both considered after currency swaps). At December 31, 2022, this ratio was 13.7%, down from 16.6% at the end of 2021.

#### LOAN TO VALUE

As part of its risk monitoring and management rules, Compagnie de Financement Foncier sets the LTV of mortgage or guaranteed loans that it holds directly or through assignment under L. 211-38. This LTV is also the ratio of the present value of the collateral to the outstanding principal. Every year, Compagnie de Financement Foncier, like every *société de crédit foncier*, re-examines the value of this collateral using procedures that are checked for compliance by the Specific Controller. This certification and a description of the methods used to value and re-value property together with their results are presented in the risk management report in section 5.3.2 of the 2022 Universal Registration Document.

Taking into account all outstanding loans to individuals, both directly held or used to guarantee loans under L. 211-38, the average LTV at end-December 2022 came to 63.8% for a total outstanding amount of €26.7bn, breaking down as:

- 66.2% for loans guaranteed by FGAS in the amount of €14.3bn;
- 61.1% for other mortgage or guaranteed loans to individual customers, with €12.6bn outstanding;

At end-2022, all mortgage loans or guaranteed loans, totaling €27.4bn, had an average LTV of 63.2%. This breaks down into an average LTV of 63.8% for loans to individual customers in the amount of €26.7bn, and of 40.2% for corporate loans totaling €0.7bn.

#### OTHER LIMITS

Compliance with the various holding limits applicable to certain assets is verified:

- Safe and liquid assets (formerly known as “replacement values”) are eligible for up to 10% of the privileged liabilities;
- the hedging of cash requirements, taking into account cash flow forecasts, is secured over a period of 180 days.

#### LIQUIDITY AND SOLVENCY RATIOS

As a credit institution, Compagnie de Financement Foncier monitors its liquidity ratios, which remain well above the minimum requirements set by banking regulations mainly thanks to its cash commitments available within 180 days. In addition, Compagnie de Financement Foncier has €14.4bn in assets that can be mobilized by the Eurosystem (excluding repurchase agreements) that could provide it with an estimated additional €11.1bn in cash resources after discount and on the basis of the ECB's current rules, while maintaining its coverage rate at above the legal minimum of 105%.

The other prudential ratios applicable to credit institutions are monitored by Crédit Foncier at the consolidated level. However, Compagnie de Financement Foncier determines solvency ratios within its own scope only since January 1, 2014, it has been doing so in accordance with the CRD IV directive and the CRR Regulation and reports them to Autorité de Contrôle Prudentiel et de Résolution.

## 4.2. Capital management

The management of Compagnie de Financement Foncier's capital is supervised directly by its Executive Management. Its management ensures permanent compliance with regulatory ratios and aims to optimize the allocation of capital and to secure its overcollateralization ratio; it is therefore directly involved in obtaining an AAA/Aaa/AAA rating for *obligations foncières* by S&P/Moody's/Scope.

### COMPOSITION OF CAPITAL

Capital is determined in accordance with the CRD IV directive and the CRR Regulation, applicable since January 1, 2014, taking into account the national options set by the ACPR. It consists of three broad categories: Common Equity Tier One, Additional Tier One Capital and Tier Two Capital.

The amount of capital of Compagnie de Financement Foncier was €2.0bn at December 31, 2022. This amount also represents the Core Equity Tier 1 capital.

Consequently, as of December 31, 2022, on the basis of the Basel III standardized approach, its Common Equity Tier 1 (CET1) ratio, which is equal to its Tier One ratio and its solvency ratio, was 25.5%, down 1.7% compared with the end of December 2021. Total risk exposures amounted to €7.8bn, down €3.7bn compared with December 31, 2021.

### CAPITAL REQUIREMENTS

Capital requirements were calculated using the standard Basel III method. The Executive Risk Committee (CEDR) of April 6, 2022 decided that transparency treatment would no longer be applied for the calculation of RWAs for L. 211-38 assignments guaranteed by French local authorities sector loans or by mortgage loans. These intragroup exposures will now be weighted at 0% in accordance with the provisions of the CRR Regulation.

Loans to Groupe BPCE affiliates are weighted at 0%.

Moreover, in the case of partial transfer of loans originated by Crédit Foncier to Compagnie de Financement Foncier and in accordance with the assignment and recovery agreements, collected sums are allocated in their entirety and in priority to Compagnie de Financement Foncier. Under the standard approach, this allows to adjust the level of risk-weighting in order to reflect the priority allocation of collections to Compagnie de Financement Foncier and the resulting lower loss rate.

Exposure categories (in €m)	12/31/2022		12/31/2021	
	Requirement in capital	RWA	Requirement in capital	RWA
Central governments	22	277	28	356
Institutions	2	30	15	187
Regional governments	225	2,815	281	3,510
Corporations	17	218	46	570
Retail customers	61	758	75	934
Mortgage-backed exposure	230	2,878	377	4,714
Exposure at default	23	288	44	549
Other assets	2	20	1	16
<b>Requirements for credit risk (A)</b>	<b>583</b>	<b>7,284</b>	<b>867</b>	<b>10,836</b>
<b>Requirements for market risk (B)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Requirements for operational risk (C)</b>	<b>32</b>	<b>403</b>	<b>31</b>	<b>391</b>
<b>Credit value adjustment (D)</b>	<b>5</b>	<b>61</b>	<b>16</b>	<b>198</b>
<b>CAPITAL REQUIREMENTS (A)+(B)+(C)+(D)</b>	<b>620</b>	<b>7,748</b>	<b>914</b>	<b>11,425</b>

## SOLVENCY RATIO

Compagnie de Financement Foncier's solvency ratio at December 31, 2022 was determined using the standard approach.

	12/31/2022	12/31/2021
Solvency ratio	25,47 %*	27,19 %
CET1 ratio	25,47 %	27,19 %
Tier-1 ratio	25,47 %	27,19 %

Source: COREP (Common Solvency Ratio Reporting) as of December 31, 2022.

\* Pursuant to the CRR Regulation, discontinuation of the look-through method for L. 211-38 intra-group transfers from April 6, 2022.

## 5. ANALYSIS OF CREDIT AND COUNTERPARTY RISK

The balance sheet comprises two major categories: assets financed for the long-term in the form of loans or securities, and replacement values, short-term securities corresponding to a portion of cash balances. These assets meet differentiated approaches as to the measuring and monitoring of their credit risk:

- loans granted to private individuals and loans to business customers mainly in the Public sector: these loans are acquired either directly by Compagnie de Financement Foncier or pledged through Crédit Foncier or any other entity of Groupe BPCE entities,

in the form of secured loans granted under L. 211-38 of the French Monetary and Financial Code;

- loans from the State-subsidized sector guaranteed by the French state;
- Public sector securities, which comprise Compagnie de Financement Foncier's main international exposure;
- replacement values comprised of short-term investments with credit institutions that have at least the second-best external rating.

Since the end of the first quarter of 2019, Crédit Foncier no longer originates loans to individuals or to the public sector.

### 5.1 Breakdown of Compagnie de Financement Foncier's commitments

#### 5.1.1. ANALYSIS OF CREDIT RISK EXPOSURES

Financed assets are analyzed transparently: the analysis covers the assigned assets in the form of loans under Article L. 211-38 of the French Monetary and Financial Code.

As an exception, replacement values are analyzed by their exposure to the counterparty (and not according to the underlying assets when they are in the L.211-38 French Monetary and Financial Code format).

Compagnie de Financement Foncier reports that it still has no

exposure to the following asset classes:

- CDO (Collateralized Debt Obligation) or direct exposures to monoline insurers;
- exposures to CMBS (Commercial Mortgage-Backed Securities);
- other sub-prime exposures, Alt-A or, more broadly, any exposure to US mortgage securities;
- special purpose vehicles;
- leveraged or leveraged buyout (LBO) transactions.

Risk exposure (in €m)	Exposures as of 12/31/2022			Exposures as of 12/31/2021*		
	Sold	Assigned (3)	Total	Sold	Assigned	Total
<b>A – Individual mortgage loans (1) (2) (6)</b>	<b>22,389</b>	<b>4,011</b>	<b>26,399</b>	<b>23,606</b>	<b>6,567</b>	<b>30,173</b>
<b>B – Public sector</b>	<b>18,724</b>	<b>8,342</b>	<b>27,066</b>	<b>16,989</b>	<b>7,582</b>	<b>24,572</b>
French public sector	11,916	7,839	19,755	9,919	7,036	16,955
■ Social housing	1,326	966	2,293	691	1,353	2,045
■ French local authorities (FLA)	9,752	5,369	15,121	8,228	4,857	13,085
■ Sovereign France	838	1,503	2,341	1,000	826	1,826
Infrastructure project financing (IPF)	575	504	1,079	588	547	1,134
International public sector	6,233	0	6,233	6,482	0	6,482
■ International public sector (IPS)	3,526	0	3,526	3,602	0	3,602
■ International Sovereign	2,475	0	2,475	2,516	0	2,516
■ Public sector large corporations	231	0	231	364	0	364
<b>C – Commercial mortgage exposures (6)</b>	<b>18</b>	<b>561</b>	<b>579</b>	<b>20</b>	<b>655</b>	<b>675</b>
<b>D – Banking sector exposures</b>	<b>667</b>	<b>4,568</b>	<b>5,235</b>	<b>631</b>	<b>6,600</b>	<b>7,231</b>
Banks with sovereign guarantees or similar	609	0	609	52	0	52
Other banks	58	0	58	579	0	579
L. 211-38-VR (4)	0	4,568	4,568	0	6,600	6,600
<b>TOTAL RISK EXPOSURE (A + B + C + D)</b>	<b>41,798</b>	<b>17,482</b>	<b>59,280</b>	<b>41,246</b>	<b>21,404</b>	<b>62,650</b>
Miscellaneous adjustments and other items (5)	1,203	13	1,216	1,305	32	1,337
<b>TOTAL</b>	<b>43,001</b>	<b>17,495</b>	<b>60,496</b>	<b>42,551</b>	<b>21,435</b>	<b>63,987</b>

\* In the method for allocating pro forma 2022.12: change in the method for allocating the amount of L. 211-38 by risk segment.

(1) The "mortgage loans France" line item includes a limited amount of outstanding Dutch loans (€20m).

(2) Of which Belgium for €528m (carrying amount).

(3) Of which €3,926m L. 211-38 with Caisses d'Épargne and Banques Populaire banks.

(4) Short-term loans to BPCE guaranteed by collateralized assets.

(5) The "Miscellaneous adjustments and other assets" line item is mainly composed of accrued interest on forward financial instruments and adjustment accounts.

(6) Including guaranteed.

At December 31, 2022, total credit risk exposure was down €3.5bn year-on-year to €60.5bn. This change was due to:

- the €3.8bn decrease in individual customers' mortgage and guarantee loans to €26.4bn, mainly due to an amortization effect linked to the halt in new loan production from the end of March 2019;

- the €2.8bn increase in public sector borrowers due to the resumption of Compagnie de Financement Foncier refinancing for Groupe BPCE (by pledge in L.211-38 and acquisition of receivables):

- €2bn increase in French local authorities,

- €0.5bn increase in the French sovereign,

- €0.3bn increase in Social housing;

- the €2bn decrease in banking sector exposures linked to the decrease in L. 211-38-VR.

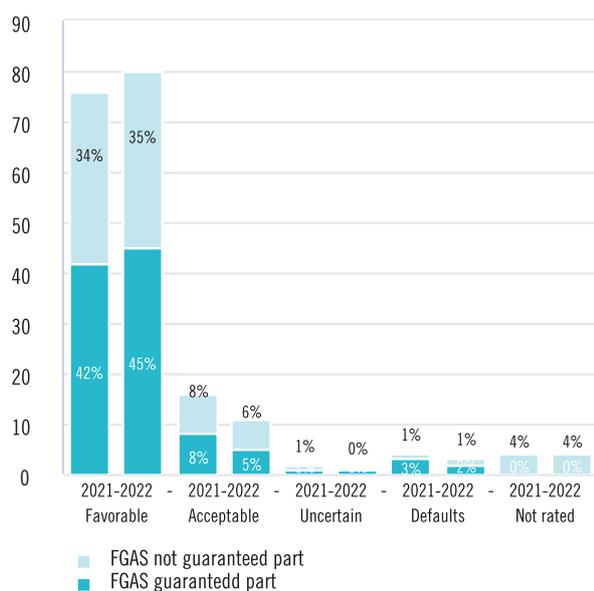
## BREAKDOWN OF EXPOSURES BY GEOGRAPHY

Breakdown of exposures by geography	12/31/2022		12/31/2021	
	Balance sheet (in €m)	(in%)	Balance sheet (in €m)	(in%)
France	53,106	87.47	56,256	87.92
Other countries in the European Economic Area	4,128	7	4,377	7
■ of which Italy	3,029	5	3,080	5
■ of which Belgium	528	1	645	1
■ of which Poland	328	1	353	1
■ of which Spain	157	ns	209	ns
■ of which Portugal	66	ns	66	ns
■ of which the Netherlands	20	ns	25	ns
Switzerland	1,146	2	1,099	1
North America (USA & Canada)	1,674	2	1,773	3
Japan	442	1	482	1
<b>TOTAL</b>	<b>60,496</b>	<b>100</b>	<b>63,987</b>	<b>100</b>

## 5.1.2. QUALITY OF THE PORTFOLIO EXPOSED TO CREDIT RISK

## PORTFOLIO OF LOANS TO INDIVIDUALS

Internal rating and quality of individual mortgages outstanding



\* In *proforma* 2022.12: change in the method of allocating the amount of L. 211-38 by risk segment.

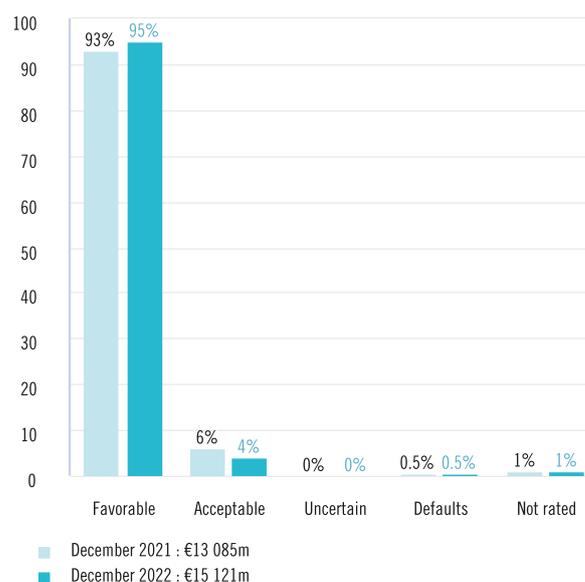
The distribution of ratings attests to the ongoing good quality of outstanding loans.

## FRENCH PUBLIC SECTOR PORTFOLIO

The French public sector portfolio stood at €19.7bn and breaks down as follows:

- French local authorities: €15.1bn;
- Social housing: €2.3bn;
- Sovereign France: €2.3bn.

## PORTFOLIO OF FRENCH PUBLIC OPERATORS\* – BREAKDOWN BY BASEL II RATING

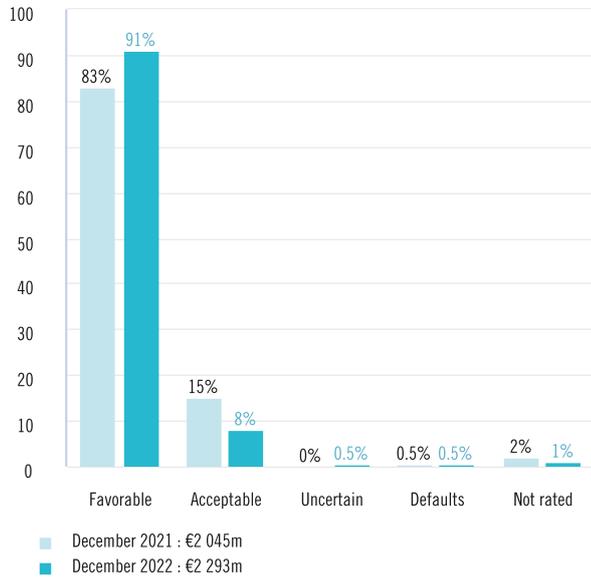


\* In *proforma* 2022.12: change in the method of allocating the amount of L. 211-38 by risk segment.

French local authorities of Compagnie de Financement Foncier remains at a very good level and is improving.

## SOCIAL HOUSING

### SOCIAL HOUSING PORTFOLIO\* – BREAKDOWN BY BASEL II RATING



Note: including associations

\* In *proforma* 2022.12: change in the method of allocating the amount of L. 211-38 by risk segment.

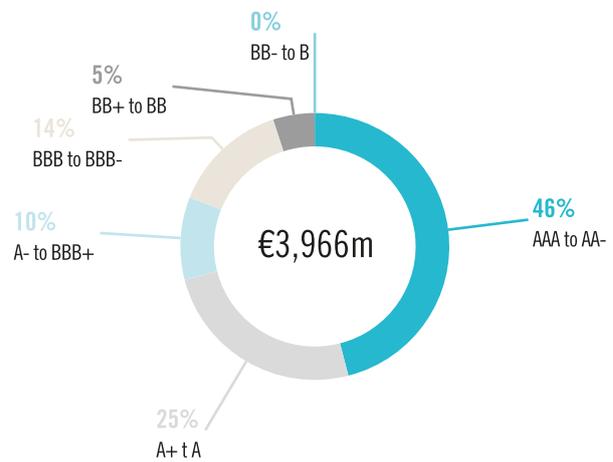
The quality of Social housing portfolio held by Compagnie de Financement Foncier stays at a very high level and is improving.

## INTERNATIONAL PUBLIC SECTOR PORTFOLIO

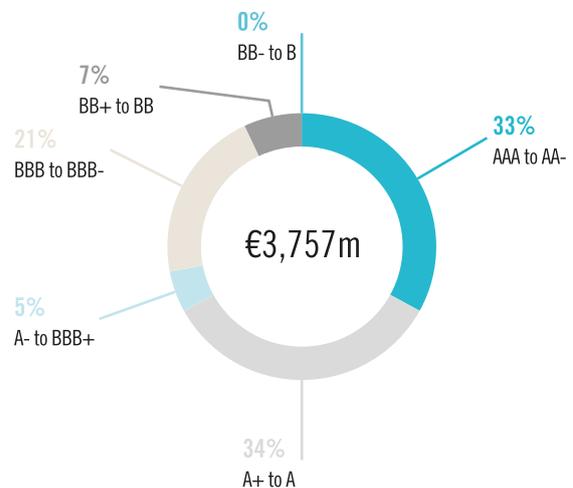
### INTERNATIONAL PUBLIC SECTOR (EXCLUDING SOVEREIGNS) AND LARGE PUBLIC SECTOR CORPORATES

At December 31, 2022, the IPS portfolio (excluding Sovereigns) and Large Corporates stood at €3.76bn, down from €0.2bn at December 31, 2021, due to asset depreciation and maturities. Compagnie de Financement Foncier has stopped making new acquisitions in recent fiscal years.

### BREAKDOWN BY INTERNAL RATING OF EXPOSURES TO THE INTERNATIONAL PUBLIC SECTOR AND LARGE CORPORATES\* DECEMBER 31, 2021



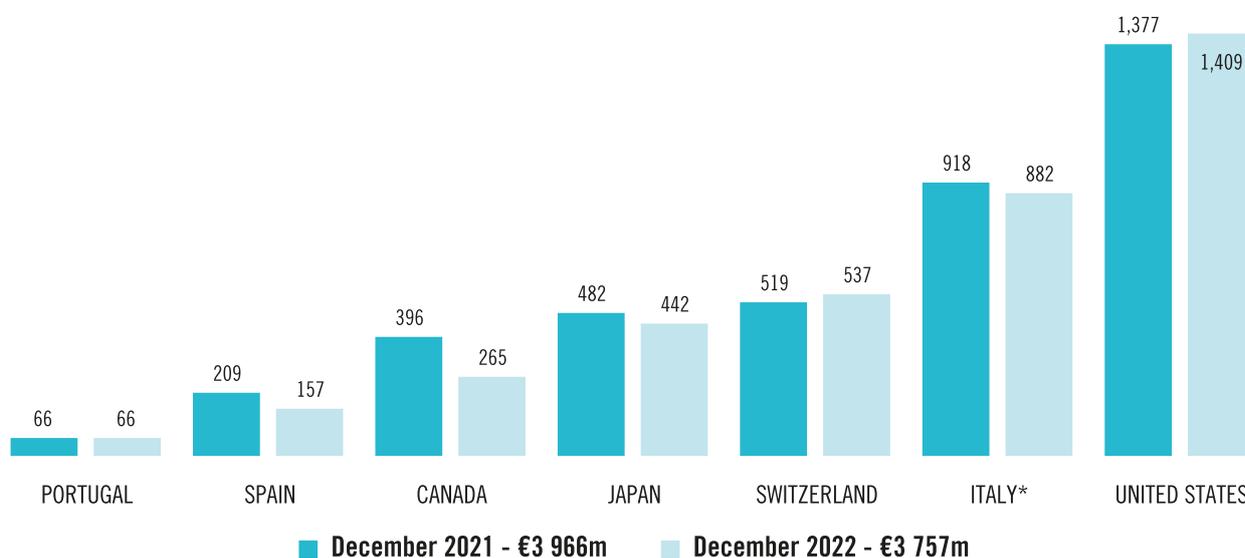
### DECEMBER 31, 2022



\* At net carrying amount before including swaps.

The average quality of internal ratings improved significantly in Q4-2022: 81% of ratings were at or above BBB + compared to 72% in 2021.

## BREAKDOWN OF DIRECT EXPOSURES TO INTERNATIONAL PUBLIC SECTOR AND LARGE CORPORATES



It should be noted that currency exchange fluctuations affect the outstandings of assets denominated in foreign currencies (USD, JPY, CAD, etc.), shown before currency swap effects.

Compagnie de Financement Foncier has no direct exposures to monoline insurers but does have credit enhancements acquired from them for certain assets in the portfolio.

## INTERNATIONAL SOVEREIGN

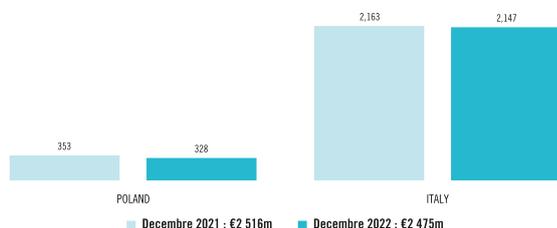
Following the disposals and repayments, Compagnie de Financement Foncier's residual exposure to sovereign issuers is concentrated on Italy and, to a lesser extent, on Poland.

## BREAKDOWN OF EXPOSURES BY INTERNAL RATING ON SOVEREIGNS EXCLUDING FRANCE



Compagnie de Financement Foncier's whole International Sovereign portfolio is rated investment grade (rating  $\geq$  A-).

### BREAKDOWN OF DIRECT EXPOSURES TO SOVEREIGNS OUTSIDE FRANCE



Compagnie de Financement Foncier is now exposed exclusively to Italian and Polish Sovereigns.

The variation of outstandings from one year to another is explained by exchange rate fluctuations as some of the exposures are in foreign currencies and presented on a before swaps basis.

### MONOLINE INSURERS ON EXPOSURES TO IPS, LARGE CORPORATES AND SOVEREIGNS

Compagnie de Financement Foncier has no direct exposures to monoline insurers but does have credit enhancements acquired from them for certain assets in the portfolio.

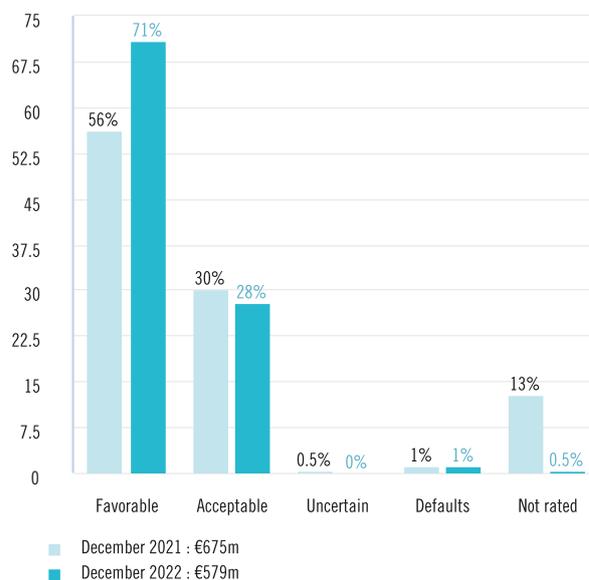
Thus, €1.2bn of outstandings in the portfolio is counter-guaranteed by monoline insurers.

The monoline insurers solicited:

- Assured Guaranty Municipal Corp. and Assured Guaranty Europe (ex-FSA) maintain high credit ratings of AA/A (by S&P and Moody's) and AA (by S&P), respectively, while Assured Guaranty Corp. (which took over CIFG) has a rating of AA/A2 (by S&P and Moody's) – guaranteeing a total of €1.01bn of securities outstanding;
- more marginally, National Public Finance Guarantee Corp. (ex-MBIA), rated Baa2 by Moody's, guarantees €0.02bn of outstanding securities;
- the FGIC monoline is not rated, which reduces the quality of its credit support (counter-guaranteed outstandings of €125.8m).

### PRIVATE CORPORATES PORTFOLIO\*

At December 31, 2022, Private Corporate outstandings sold and assigned amounted to €579m, with 99% of the outstandings having "Favorable" or "Acceptable" ratings. The proportion of unrated private transactions fell sharply in Q4-2022 following the upgrading of ratings.



\* In *proforma* 2022.12: change in the method of allocating the amount of L. 211-38 by risk segment

### BANKING SECTOR PORTFOLIO

At €9.1bn, exposures to the banking sector are up compared to December 31, 2021 (€7.9bn). Half of them are short-term transactions with BPCE and the other half are L.211-38 pledge transactions with the Caisses d'Epargne and the Banques Populaires. Compagnie de Financement Foncier is also exposed, in the context of long-term loans from the former International public sector activity, to Swiss regional banks, which are guaranteed by public authorities.

## 5.2. Delinquency

### 5.2.1. COMPAGNIE DE FINANCEMENT FONCIER'S RISK HEDGING

The table below shows the breakdown of assets excluding endorsements and financial guarantees given along with the doubtful loan rates.

Risk exposure (in €m)	GROSS exposures as of 12/31/2022				GROSS exposures as of 06/30/2022*				GROSS exposures as of 12/31/2021*			
	Total balance sheet (3)	Doubtful loan rate sold	Doubtful loan rate assigned	Overall doubtful loan rate	Total balance sheet	Doubtful loan rate sold	Doubtful loan rate assigned	Overall doubtful loan rate	Total balance sheet	Doubtful loan rate sold	Doubtful loan rate assigned	Overall doubtful loan rate
<b>A – Individual mortgage loans (1) (2) (6)</b>	<b>26,399</b>	<b>2.84%</b>	<b>0.08%</b>	<b>2.42%</b>	<b>27,818</b>	<b>3.24%</b>	<b>0.07%</b>	<b>2.74%</b>	<b>30,173</b>	<b>5.37%</b>	<b>0.09%</b>	<b>4.22%</b>
<b>B – Public sector</b>	<b>27,066</b>	<b>0.00%</b>	<b>0.03%</b>	<b>0.01%</b>	<b>25,378</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>24,572</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
French public sector	19,755	0.00%	0.00%	0.00%	17,891	0.00%	0.01%	0.00%	16,955	0.00%	0.00%	0.00%
■ Social housing	2,293	0.00%	0.00%	0.00%	2,019	0.03%	0.06%	0.04%	2,045	0.07%	0.00%	0.02%
■ French local authorities (FLA)	15,121	0.00%	0.00%	0.00%	13,080	0.00%	0.00%	0.00%	13,085	0.00%	0.00%	0.00%
■ Sovereign France	2,341	0.00%	0.00%	0.00%	2,792	0.00%	0.00%	0.00%	1,826	0.00%	0.00%	0.00%
■ Infrastructure project financing (IPF)	1,079	0.00%	0.00%	0.00%	1,112	0.00%	0.00%	0.00%	1,134	0.00%	0.00%	0.00%
International public sector	6,233	0.00%	0.00%	0.00%	6,375	0.00%	0.00%	0.00%	6,482	0.00%	0.00%	0.00%
■ International public sector (IPS)	3,526	0.00%	0.00%	0.00%	3,638	0.00%	0.00%	0.00%	3,602	0.00%	0.00%	0.00%
■ International Sovereign	2,475	0.00%	0.00%	0.00%	2,500	0.00%	0.00%	0.00%	2,516	0.00%	0.00%	0.00%
■ Public sector large corporations	231	0.00%	0.00%	0.00%	236	0.00%	0.00%	0.00%	364	0.00%	0.00%	0.00%
<b>C – Commercial mortgage exposures (6)</b>	<b>579</b>	<b>27.48%</b>	<b>0.00%</b>	<b>0.86%</b>	<b>634</b>	<b>29.10%</b>	<b>0.00%</b>	<b>0.79%</b>	<b>675</b>	<b>27.75%</b>	<b>0.00%</b>	<b>0.83%</b>
<b>D – Banking sector exposures</b>	<b>5,235</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>5,210</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>7,231</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Banks with sovereign guarantees or similar	609	0.00%	0.00%	0.00%	51	0.00%	0.00%	0.00%	52	0.00%	0.00%	0.00%
Other banks	58	0.00%	0.00%	0.00%	599	0.00%	0.00%	0.00%	579	0.00%	0.00%	0.00%
L. 211-38-VR (4)	4,568	0.00%	0.00%	0.00%	4,560	0.00%	0.00%	0.00%	6,600	0.00%	0.00%	0.00%
<b>TOTAL RISK EXPOSURE (A + B + C + D)</b>	<b>59,280</b>	<b>1.53%</b>	<b>0.03%</b>	<b>1.09%</b>	<b>59,040</b>	<b>1.79%</b>	<b>0.02%</b>	<b>1.30%</b>	<b>62,650</b>	<b>3.09%</b>	<b>0.03%</b>	<b>2.04%</b>
Miscellaneous adjustments and other items (5)	1,216	0.00%	0.00%	0.00%	1,538	0.00%	0.00%	0.00%	1,337	0.00%	0.00%	0.00%
<b>TOTAL</b>	<b>60,496</b>	<b>1.49%</b>	<b>0.03%</b>	<b>1.07%</b>	<b>60,578</b>	<b>1.74%</b>	<b>0.02%</b>	<b>1.27%</b>	<b>63,987</b>	<b>3.00%</b>	<b>0.03%</b>	<b>2.00%</b>

\* In the method for allocating pro forma 2022.12: change in the method for allocating the amount of L. 211-38 by risk segment.

(1) The "mortgage loans France" line item includes a limited amount of outstanding Dutch loans (€20m).

(2) Of which Belgium for €528m (carrying amount).

(3) Of which €3,926m L. 211-38 with Caisses d'Épargne and Banques Populaire banks.

(4) Short-term loans to BPCE guaranteed by collateralized assets.

(5) The "Miscellaneous adjustments and other assets" line item is mainly composed of accrued interest on forward financial instruments and adjustment accounts.

(6) Including guaranteed.

The overall doubtful loan rate remains low at 1.07%.

For mortgage or guaranteed loans to individual customers, the doubtful loan rate decreased from 4.2% at end-December 2021 to 2.4% at end-December 2022.

## 5.2.2. RISK CHARGE OF COMPAGNIE DE FINANCEMENT FONCIER

(in €m)	12/31/2022	12/31/2021
Individual cost of risk (A)	9.43	5.0
Collective provisions (B)	-2.84	2.4
<b>Cost of risk (A+B)</b>	<b>6.60</b>	<b>7.4</b>
Risk charge, net banking income (C)	2.34	-3.7
<b>NET (A+B+C)</b>	<b>8.94</b>	<b>3.7</b>

At December 31, 2022, Compagnie de Financement Foncier's risk charge was €8.94m. It is made up of the cost of risk on a solo basis (reversal of €9.4m), the cost of risk on a collective basis (expense of €2.84m) and risk income recognized in NBI (reversal of €2.34m)

## 5.3. Risk mitigation technique

### 5.3.1. RISK MITIGATION FACTOR

Compagnie de Financement Foncier's portfolio is very secure as it consists mainly of either risks secured by mortgages or equivalent or risk exposures to the Public sector. Both risks are further reduced by additional guarantees. Thus, 60.6% of outstanding mortgage loans to individual customers and related items are covered by an FGAS guarantee.

In relation to Individual customers, the main provider of personal guarantees belongs to the Sovereign segment: the Société de Gestion du Fonds de Garantie à l'Accession sociale à la Propriété (SGFGAS) provides a guarantee from the French government for home ownership loans governed by the regulations of loan agreements and guaranteed by first-rank collateral (mortgage or lender's lien). As such, SGFGAS benefits from external ratings from the French State. The coverage rate of the FGAS guarantee is 100% for loans granted until December 31, 2006 and 50% for loans granted after this date. The portion of loans covered by the FGAS guarantee is weighted at 0%. The portion not covered by the FGAS guarantee is covered by Crédit Foncier, pursuant to an agreement with Compagnie de Financement Foncier, and is weighted at 0% for Compagnie de Financement Foncier.

In addition, certain loans to individual customers benefit from a guarantee in the form of a surety, similar to a financial institution risk. Crédit Logement, a subsidiary of most of the major French banking networks, is the main provider of this type of guarantee.

Loans covered by Crédit Logement were subject to a Basel III weighting of 50% until the third quarter of 2014. Since the fourth quarter of 2014, exposures guaranteed by Crédit Logement are weighted at 35%.

Risk reduction is also achieved through the assignment mechanism between Compagnie de Financement Foncier and Crédit Foncier or other Groupe BPCE entities (agreements, contracts), which explicitly provides for the termination of assignments in the event of non-compliance of the receivables acquired.

With respect to real estate guarantees, in accordance with the regulations in force, Compagnie de Financement Foncier annually performs a detailed revaluation of the pledges registered as mortgages or accompanied by a promise to assign mortgages in connection with guaranteed loans. Compagnie de Financement Foncier's Specific Controller issues once a year an opinion on the validity of real estate asset valuation methods and their results as well as periodic review procedures.

### 5.3.2. VALUATION AND PERIODIC REVIEW METHODS FOR REAL ESTATE ASSETS

#### SPECIFIC CONTROLLER'S CERTIFICATE ON THE VALUATION METHODS AND RESULTS AND THE METHODS FOR THE PERIODIC REVIEW OF THE VALUE OF THE BUILDINGS AS OF DECEMBER 31, 2022

To the Board of Directors of Compagnie de Financement Foncier,

In our capacity as the Specific Controller of Compagnie de Financement Foncier, and pursuant to Article 5 of Regulation No. 99-10 of the French Banking and Financial Services Regulatory Committee, we assessed the validity, in accordance with regulations in force, of the methods used to value the real estate assets underlying the loans and their results, and of the methods for periodically reviewing their value, as published together with the financial statements for the year ended December 31, 2022 and appended hereto.

The valuation methods and their results for real estate assets and the methods for periodically reviewing their value have been defined and implemented under the responsibility of your company's management.

Our responsibility is to assess the validity of this procedure in terms of its compliance with regulations in force as of December 31, 2022.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. Our work consisted in checking the compliance of:

- valuation procedures, methods and results, as well as periodic review methods, in their design and application with regulations in force as at December 31, 2022;
- the information published together with the annual financial statements with, on one hand, the system for the valuation and periodic review implemented, and on the other hand, with the results arising from the implementation of the valuation system.

These verifications were carried out mainly on the basis of the elements and information available as of December 31, 2022.

We would like to draw your attention to the following:

- Article 3 of Regulation 99-10 of the French Banking and Financial Regulation Committee now stipulates that, when a statistical method leading to the revaluation of a real estate asset based on the change, over the period in question, in real estate prices recorded by an index reflecting the relevant real estate transactions, the method must ensure that the revalued value thus obtained is less than or equal to the market value or the mortgage value at the revaluation date. In the procedure attached to this certificate (page 2), Compagnie de Financement Foncier's management describes the progress of the work undertaken and planned to comply with this new requirement.

Based on our work, we have no other observation to make as to the compliance with the provisions of Articles 2 to 4 of Regulation 99-10 of the French Banking and Financial Regulation Committee, the methods and results of valuation of buildings, and the methods for periodically reviewing their value, published simultaneously with the annual financial statements at December 31, 2022

Paris on March 21, 2023

The Specific Controller

**CAILLIAU DEDUIT ET ASSOCIÉS**

Laurent BRUN

## PROCEDURE FOR THE VALUATION AND PERIODIC REVIEW OF THE ASSETS UNDERLYING THE LOANS FOR 2022

### I. VALUATION METHOD APPLIED TO ASSETS UNDERLYING LOANS

#### A – General asset valuation principles

The procedure described below has been determined pursuant to Articles 1 and 2 of CRBF Regulation No. 99-10, as amended by regulations No. 2001-02 and No. 2002-02 and by the decrees of May 7, 2007 and February 23, 2011 transposing European directive 2006/48/EC of May 26, 2014 and November 3, 2014 into French law.

Real estate financed by eligible loans or posted as collateral for these loans is subject to cautious appraisal.

The valuation is performed taking into account the long-term sustainable aspects of the property, the normal and local market conditions, the current use and alternative appropriate uses of the property.

#### C – Summary

The above-mentioned rules, applied since February 24, 2011, are summarized in the following table:

Property types	Cost of transaction is less than €600,000 or acquired loan less than €480,000	Cost of transaction greater than or equal to €600,000 and acquired loan greater than or equal to €480,000
Residential Property for Private individuals	Transaction cost	Appraisal
Residential Property for Professionals	Appraisal	Appraisal
Property for professional use*	Appraisal	Appraisal

\*Property for professional use means all properties other than residential and multiple-use properties where the value allocated to the residential part is less than 75% of the total value of the entire property.

An appraisal is made of all collateral underlying authorized loans (*i.e.* signed by the parties) during the year, regardless of whether or not they are implemented.

The value of other collateral must be reviewed periodically, as presented below (see § II, III and IV).

### II. METHODS USED FOR PERIODIC REVIEW OF RESIDENTIAL ASSETS FOR INDIVIDUALS AND PROFESSIONALS (APPENDIX 1)

The methods described below apply to all loans granted or mobilized to Compagnie de Financement Foncier.

Two methods are used: a statistical method, sub-divided into two variants depending on the customer segment and property type, and an expert appraisal method.

#### A – Statistical methods

Two variant statistical methods are used for periodic reviews of the value of collateral/guarantees applicable to residential properties depending on the valuation engine used:

**A.1 Crédit Foncier statistical method**, unchanged from previous years and implemented in the valuation engine in the Crédit Foncier's IT system. These valuations are based on value change indices derived from prices provided by BPCE Solutions Immobilières appraisers (formerly Crédit Foncier Immobilier):

#### B – Derogation rule used by Compagnie de Financement Foncier

For loans originated between January 1, 2003 and December 31, 2006, in accordance with the provisions of CRBF (French Banking and Financial Regulation Committee) Regulation No. 99-10 and a decision by the Chairman of Crédit Foncier de France's Executive Board dated July 28, 2003, a cost of transaction without discount is understood to be an estimated value of an asset for all transactions with Individuals involving residential property where a transaction cost is less than €350,000.

Following the changes to CRBF Regulation No. 99-10, this principle was extended to include:

For the period between May 7, 2007 and February 23, 2011, all residential property transactions with individual customers where a transaction cost is less than €450,000 or where an outstanding principal amount on the acquired loan or a total amount authorized is less than €360,000.

As of February 24, 2011, all residential property transactions with individual customers where a transaction cost is less than €600,000 or where an outstanding principal amount on the acquired loan or a total amount authorized is less than €480,000.

Above these thresholds, an appraisal value is considered to be the value of the property.

For individual customer's residential properties,

Annually.

**A.2 BPCE statistical method**, using an engine installed on the Group's IT system. This permits valuation, using indices based on property prices:

- for professional residential properties,
- semi-annually.

In the special case of collateral located in the Netherlands and Belgium (Appendix 4), country-specific indices are used (Stadim for Belgium and the PBK indices, produced by the Dutch real estate registry, for the Netherlands).

#### A.1 CRÉDIT FONCIER PERIODIC STATISTICAL REVIEW METHOD (APPENDIX 2) Principles

The model is based on the preparation of indices. The indices obtained are the changes observed from one year to the next in market values, clarifying that, in accordance with the relevant legislation, an appraisal is carried out, in compliance with the law, on the basis of a prudent assessment (which is then revalued by applying the indices).

The indices are determined according to four distinct geographical categories:

- the 117 urban areas created by postal code pooling approved by the INSEE (French National Institute for Statistics and Economic Studies). They are defined as being urban areas with more than 50,000 inhabitants. The list of these urban areas and their composition changes as the urban fabric and real estate markets evolve;
- outside these urban areas, the “non-urban” real estate market is divided into administrative regions that date from before the January 1, 2016 regional reforms (20 regions, not including Corsica and Île-de-France);
- Île-de-France, excluding the city of Paris, is valued separately using specific indices for each of its seven departments;
- Paris is also valued separately using a specific index.

The indices of each of these four categories (urban area, non-urban region, Île-de-France and Paris) which are grouped according to postal codes, break down as follows:

- urban areas: 117 apartment indices/117 house indices;
- non-urban area: 20 house indices.
- in Île-de-France (excluding Paris): seven Apartment indices/seven House indices.
- in Paris: one apartment index.

When the apartment/home distinction is not available for a particular item of collateral, the lower of the two indices for the corresponding postal code is used.

When the collateral is in Corsica or in the Dom-Toms (French overseas departments and territories) or its location is not known in the postal code table, the annual trend indices used for the corresponding type of housing are:

- for apartments: the average of the apartment indices for urban areas;
- for houses: the lower of the two averages for houses in urban areas and for regions.

#### Revaluation cycle management

Real estate value indices are updated annually. New indices are established each November based on the period ending on September 30.

The revaluation cycle is thus managed on a one year rolling period from September 30 of year “n-1” to September 30 of year “n”.

The pledges are revalued on an annual basis using the indices established in November.

The processing of revaluations is recognized in the May and November accounts to revalue the pledges that have not been reviewed for over one year.

#### Sources

These indices are based on an *ad hoc* survey and on expert appraiser estimates carried out each year by the BPCE Solutions Immobilières’s Research department with the network of regional real estate appraisers, quarterly gross statistical real estate information available in its database.

#### A.2 BPCE STATISTICAL REVIEW METHOD (APPENDIX 3)

##### Principles

The statistical review method used by BPCE applies to residential real estate assets granted to professionals and depends on the property’s location.

It is based on average property prices in each department, and Paris district, supplied by BPCE Solutions Immobilières appraisers.

##### B – Appraiser estimate revaluation method

This category, in application of Basel II provisions (Article 208 of European Regulation No. 575/2013 of European Parliament and Council dated June 26, 2013), concerns residential real estate posted as collateral for a debt of over €3m.

Each property in this category is individually revalued every three years by means of appraisal. The appraiser determines a cautious mortgage value based on a thorough analysis of the type of asset and its specific aspects and on a prudent, forward-looking view of the market.

In each of the two years between each three-year appraisal, the property is revalued using a statistical method:

- method A.1 for Individual customers;
- method A.2 for Business customers (Corporates).

#### III. METHODS USED FOR PERIODIC REVIEW OF REAL ESTATE FOR PROFESSIONAL USE (NON-RESIDENTIAL)

In accordance with CRBF Regulation 99-10, the following revaluation method is used for properties for professional use:

##### A – Appraiser estimate revaluation method

This category concerns properties for business use (non-residential) for which the debt has been assigned or mobilized to Compagnie de Financement Foncier.

Each property in this category is individually revalued every year by means of appraisal. The appraiser determines a cautious mortgage value based on a thorough analysis of the type of asset and its specific aspects and on a prudent, forward-looking view of the market.

#### IV. SUMMARY TABLE OF METHODS

Type of asset	Individuals		Corporates	
	Outstandings < €3m	Outstandings > €3m	Outstandings < €3m	Outstandings > €3m
Residential	Method A.1 annually	Individual appraisal (method B) every three years and method A.1 in the interim	Method A.2 annually	Individual appraisal (method B) every three years and method A.2 in the interim
Non residential	Individual appraisal (method B) annually		Individual appraisal (method B) annually	

## Appendix 1 – Breakdown of loans and collateral by periodic review method

	Individual residential			Corporates and Individual non-residential		
	Crédit Foncier statistical method (A.1.) or international indices			BPCE statistical method (A.2.)		
	France	Belgium	Netherlands	Global	Individual customers*	Corporates
Outstandings (in €m)	16,648	630.3	19.2	180.0	7.3	172.8
No. of guarantees	205,953	6,791	210	279	34	245
Value 2022 (in €m)	41,101	2,159.4	54.9	1,607.4	42.1	1,565.2
Value 2021 (in €m)	-39,558	-1,979.0	-49.2	-1,579.8	-41.3	-1,538.5
Change	3.90%	9.12%	11.62%	1.74%	1.99%	1.74%

Source: Close at 10/31/2022.

#### Appraisal:

Outstandings revalued by appraisers for Corporates stood at 183 guarantees linked for 61 loans worth €550m. For individual customers, no guarantees were revalued by assessors in 2022 under revaluation procedures but appraisers were brought in, where necessary, for debt management and collection purposes (Litigation, in particular).

## Appendix 2 – Crédit Foncier Statistical method (A.1)

### EVOLUTION OF THE 2021/2022 INDICES

#### AGGLOMERATIONS WITH MORE THAN 200,000 INHABITANTS

Region	Dept	Department	Urban unit	Apartment index 2021-2022	Housing index 2021-2022
ALSACE	67	BAS-RHIN	Strasbourg (French part)	1.0643	1.0643
ALSACE	68	HAUT-RHIN	Mulhouse	1.0357	1.0282
AQUITAINE	33	GIRONDE	Bordeaux	1.0157	1.0500
AQUITAINE	64	PYRÉNÉES-ATLANTIQUES	Bayonne	1.0496	1.0467
AUVERGNE	63	PUY-DE-DÔME	Clermont-Ferrand	1.0458	1.0435
BOURGOGNE	21	CÔTE-D'OR	Dijon	1.0452	1.0490
BRETAGNE	29	FINISTÈRE	Brest	1.0465	1.0475
BRETAGNE	35	ILLE-ET-VILAINE	Rennes	1.0562	1.0493
CENTRE	37	INDRE-ET-LOIRE	Tours	1.0481	1.0394
CENTRE	45	LOIRET	Orléans	1.0429	1.0462
CHAMPAGNE	51	MARNE	Reims	1.0648	1.0463
HAUTE-NORMANDIE	76	SEINE-MARITIME	Le Havre	1.0208	1.0244
HAUTE-NORMANDIE	76	SEINE-MARITIME	Rouen	1.0518	1.0376
LANGUEDOC-ROUSSILLON	34	HÉRAULT	Montpellier	1.0758	1.0815
LORRAINE	54	MEURTHE-ET-MOSELLE	Nancy	1.0356	1.0455
LORRAINE	57	MOSELLE	Metz	1.0462	1.0545
MIDI-PYRÉNÉES	31	HAUTE-GARONNE	Toulouse	1.0125	1.0357
NORD	59	NORD	Lille (French part)	1.0645	1.0158
NORD	59	NORD	Valenciennes	1.0216	1.0245
NORD	62	PAS-DE-CALAIS	Béthune	1.0282	1.0230
NORD	62	PAS-DE-CALAIS	Douai-Lens	1.0251	1.0359
PACA	6	ALPES-MARITIMES	Nice	1.0299	1.0385
PACA	13	BOUCHES-DU-RHÔNE	Marseille-Aix-en-Provence	1.0429	1.0447
PACA	83	VAR	Toulon	1.0471	1.0417
PACA	84	VAUCLUSE	Avignon	1.0490	1.0404
PAYS DE LOIRE	44	LOIRE-ATLANTIQUE	Nantes	1.0500	1.0273
PAYS DE LOIRE	49	MAINE-ET-LOIRE	Angers	1.0671	1.0491
PAYS DE LOIRE	72	SARTHE	Le Mans	1.0480	1.0189
RHÔNE-ALPES	38	ISÈRE	Grenoble	1.0463	1.0485
RHÔNE-ALPES	42	LOIRE	Saint-Étienne	1.0499	1.0494
RHÔNE-ALPES	69	RHÔNE	Lyon	1.0414	1.0497
<b>AVERAGE</b>				<b>1.044</b>	<b>1.042</b>

CITIES WITH 100,000-199,999 INHABITANTS

Region	Dept	Department	Urban unit	Apartment index 2021-2022	Housing index 2021-2022
AQUITAINE	64	PYRÉNÉES-ATLANTIQUES	Pau	1.0476	1.0444
BASSE-NORMANDIE	14	CALVADOS	Caen	1.0400	1.0192
BRETAGNE	56	MORBIHAN	Lorient	1.0485	1.0480
CHAMPAGNE	10	AUBE	Troyes	1.0497	1.0471
FRANCHE-COMTÉ	25	DOUBS	Besançon	1.0493	1.0477
FRANCHE-COMTÉ	25	DOUBS	Montbéliard	1.0125	1.0480
LANGUEDOC-ROUSSILLON	30	GARD	Nîmes	1.0377	1.0385
LANGUEDOC-ROUSSILLON	66	PYRÉNÉES-ORIENTALES	Perpignan	1.0465	1.0111
LIMOUSIN	87	HAUTE-VIENNE	Limoges	1.0063	1.0347
LORRAINE	57	MOSELLE	Thionville	1.0494	1.0549
NORD	59	NORD	Dunkerque	1.0308	1.0290
NORD	59	NORD	Maubeuge (French part)	1.0370	1.0176
PAYS DE LOIRE	44	LOIRE-ATLANTIQUE	Saint-Nazaire	1.0486	1.0218
PICARDIE	60	OISE	Creil	1.0247	1.0155
PICARDIE	80	SOMME	Amiens	1.0489	1.0435
POITOU-CHARENTES	16	CHARENTE	Angoulême	1.0467	1.0519
POITOU-CHARENTES	17	CHARENTE-MARITIME	La Rochelle	1.0501	1.0493
POITOU-CHARENTES	86	VIENNE	Poitiers	1.0476	1.0478
RHÔNE-ALPES	26	DRÔME	Valence	1.0498	1.0495
RHÔNE-ALPES	74	HAUTE-SAVOIE	Annecy	1.0498	1.0490
RHÔNE-ALPES	74	HAUTE-SAVOIE	Genève (CH)-Annemasse	1.0458	0.9895
RHÔNE-ALPES	73	SAVOIE	Chambéry	1.0494	1.0496
<b>AVERAGE</b>				<b>1.042</b>	<b>1.037</b>

## CITIES WITH 50,000-99,999 INHABITANTS

Region	Dept	Department	Urban unit	Apartment index 2021-2022	Housing index 2021-2022
ALSACE	67	BAS-RHIN	Haguenau	1.0412	1.0407
ALSACE	68	HAUT-RHIN	Colmar	1.0493	1.0571
AQUITAINE	24	DORDOGNE	Bergerac	1.0417	1.0433
AQUITAINE	24	DORDOGNE	Périgueux	1.0405	1.0411
AQUITAINE	33	GIRONDE	Arcachon	1.0264	1.0232
AQUITAINE	47	LOT-ET-GARONNE	Agen	1.0432	1.0483
AUVERGNE	3	ALLIER	Montluçon	0.9524	1.0408
AUVERGNE	3	ALLIER	Vichy	1.0496	1.0469
BASSE-NORMANDIE	50	MANCHE	Cherbourg -en-Cotentin	1.0462	1.0429
BOURGOGNE	58	NIÈVRE	Nevers	1.0488	1.0425
BOURGOGNE	71	SAÔNE-ET-LOIRE	Chalon-sur-Saone	1.0455	1.0433
BOURGOGNE	72	SAÔNE-ET-LOIRE	Mâcon	1.0498	1.0488
BRETAGNE	22	CÔTES-D'ARMOR	Saint-Brieuc	1.0361	1.0472
BRETAGNE	29	FINISTÈRE	Quimper	1.0481	1.0441
BRETAGNE	56	MORBIHAN	Vannes	1.0495	1.0478
CENTRE	18	CHER	Bourges	1.0462	1.0396
CENTRE	28	EURE-ET-LOIR	Chartres	1.0435	1.0625
CENTRE	36	INDRE	Châteauroux	1.0435	1.0442
CENTRE	41	LOIR-ET-CHER	Blois	1.0480	1.0395
CENTRE	45	LOIRET	Montargis	1.0492	1.0455
CHAMPAGNE	8	ARDENNES	Charleville-Mézières	1.0422	1.0324
CHAMPAGNE	51	MARNE	Chalons -en-Champagne	1.0207	1.0217
FRANCHE-COMTÉ	90	TERRITOIRE DE BELFORT	Belfort	1.0469	1.0479
HAUTE-NORMANDIE	27	EURE	Évreux	1.0455	1.0290
LANGUEDOC-ROUSSILLON	11	AUDE	Carcassonne	1.0125	1.0222
LANGUEDOC-ROUSSILLON	11	AUDE	Narbonne	1.0355	1.0481
LANGUEDOC-ROUSSILLON	30	GARD	Alès	1.0372	1.0390
LANGUEDOC-ROUSSILLON	34	HÉRAULT	Béziers	1.0000	1.0208
LANGUEDOC-ROUSSILLON	34	HÉRAULT	Sète	1.0424	1.0424
LANGUEDOC-ROUSSILLON	66	PYRÉNÉES-ORIENTALES	Saint-Cyprien	1.0470	1.0250
LIMOUSIN	19	CORRÈZE	Brive-la-Gaillarde	1.0448	1.0272
LORRAINE	57	MOSELLE	Forbach (French part)	1.0141	1.0215
LORRAINE	88	VOSGES	Épinal	1.0233	1.0382
MIDI-PYRÉNÉES	65	HAUTES-PYRÉNÉES	Tarbes	1.0455	1.0066
MIDI-PYRÉNÉES	81	TARN	Albi	1.0154	1.0410
MIDI-PYRÉNÉES	81	TARN	Castres	1.0448	1.0385
MIDI-PYRÉNÉES	82	TARN-ET-GARONNE	Montauban	1.0431	1.0494
NORD	59	NORD	Armentières (French part)	1.0364	1.0313
NORD	62	PAS-DE-CALAIS	Arras	1.0443	1.0429

Region	Dept	Department	Urban unit	Apartment index 2021-2022	Housing index 2021-2022
NORD	62	PAS-DE-CALAIS	Boulogne-sur-Mer	1.0238	1.0299
NORD	62	PAS-DE-CALAIS	Calais	1.0278	1.0351
NORD	62	PAS-DE-CALAIS	Saint-Omer	1.0331	1.0339
PACA	6	ALPES-MARITIMES	Menton-Monaco	1.0455	1.0145
PACA	13	BOUCHES-DU-RHÔNE	Arles	1.0421	1.0404
PACA	13	BOUCHES-DU-RHÔNE	Salon-de-Provence	1.0429	1.0407
PACA	83	VAR	Draguignan	1.0442	1.0439
PACA	83	VAR	Fréjus	1.0082	1.0221
PAYS DE LOIRE	49	MAINE-ET-LOIRE	Cholet	1.0424	1.0491
PAYS DE LOIRE	53	MAYENNE	Laval	1.0507	1.0481
PAYS DE LOIRE	85	VENDÉE	La Roche/Yon	1.0400	1.0458
PICARDIE	2	AISNE	Saint-Quentin	1.0396	1.0408
PICARDIE	60	OISE	Beauvais	1.0409	1.0294
PICARDIE	60	OISE	Compiègne	1.0522	1.0322
POITOU-CHARENTES	79	DEUX-SÈVRES	Niort	1.0493	1.0449
RHÔNE-ALPES	1	AIN	Bourg-en-Bresse	1.0494	1.0455
RHÔNE-ALPES	26	DRÔME	Montélimar	1.0498	1.0478
RHÔNE-ALPES	26	DRÔME	Romans-sur-Isère	1.0465	1.0487
RHÔNE-ALPES	74	HAUTE-SAVOIE	Cluses	1.0474	1.0492
RHÔNE-ALPES	74	HAUTE-SAVOIE	Thonon-les-Bains	1.0499	1.0321
RHÔNE-ALPES	38	ISÈRE	Bourgoin-Jallieu	1.0490	1.0430
RHÔNE-ALPES	38	ISÈRE	Vienne	1.0493	1.0481
RHÔNE-ALPES	38	ISÈRE	Voiron	1.0036	1.0268
RHÔNE-ALPES	42	LOIRE	Roanne	1.0492	1.0469
RHÔNE-ALPES	42	LOIRE	Saint-Just-Saint-Rambert	1.0489	1.0482
<b>AVERAGE</b>			<b>1.039</b>		<b>1.039</b>

**NON-URBAN AREAS**

Region	Housing index 2021-2022
ALSACE	1.054
AQUITAINE	1.045
AUVERGNE	1.021
BOURGOGNE	1.037
BRETAGNE	1.062
CENTRE	1.021
CHAMPAGNE	1.044
FRANCHE-COMTÉ	1.039
LANGUEDOC-ROUSSILLON	1.034
LIMOUSIN	1.029
LORRAINE	1.040
MIDI-PYRÉNÉES	1.021
NORD	1.044
BASSE-NORMANDIE	1.036
HAUTE-NORMANDIE	1.042
PAYS DE LOIRE	1.049
PICARDIE	1.040
POITOU-CHARENTES	1.046
PACA	1.067
RHÔNE-ALPES	1.044
<b>AVERAGE</b>	<b>1.041</b>

**PARIS AND ÎLE-DE-FRANCE**

Region	Dept	Department	Apartment index 2021-2022	Housing index 2021-2022
	75	PARIS	0.992	-
	77	SEINE-ET-MARNE	1.044	1.056
	78	YVELINES	1.040	1.061
	91	ESSONNE	1.041	1.059
	92	HAUTS-DE-SEINE	1.005	1.042
	93	SEINE-SAINT-DENIS	1.019	1.046
	94	VAL-DE-MARNE	1.021	1.049
IDF	95	VAL-D'OISE	1.040	1.054
<b>AVERAGE (EXCLUDING PARIS)</b>			<b>1.030</b>	<b>1.052</b>

**BREAKDOWN OF THE COLLATERAL PORTFOLIO REVALUED BY THE METHOD SPECIFIC TO CRÉDIT FONCIER (BY REGION AND PARIS) FOR LOANS HELD BY COMPAGNIE DE FINANCEMENT FONCIER AT NOVEMBER 30, 2022**

<b>Compagnie de Financement Foncier portfolio</b>		
<b>Region</b>	<b>Regional breakdown of loan guarantee value (amounts in €m)</b>	<b>Regional breakdown in%</b>
Alsace	459.31	1.12%
Aquitaine	2,660.78	6.47%
Auvergne	245.88	0.60%
Basse-Normandie	552.07	1.34%
Bourgogne	613.57	1.49%
Bretagne	1,243.09	3.02%
Centre	1,083.17	2.64%
Champagne-Ardenne	389.80	0.95%
Corse	82.97	0.20%
Dom-Tom	185.85	0.45%
Franche-Comté	316.64	0.77%
Haute-Normandie	1,341.91	3.26%
Île-de-France (excluding Paris)	12,079.32	29.39%
Languedoc-Roussillon	2,191.67	5.33%
Limousin	181.77	0.44%
Lorraine	745.91	1.81%
Midi-Pyrénées	2,465.94	6.00%
Nord-Pas-de-Calais	1,794.37	4.37%
Paris	927.68	2.26%
Pays de la Loire	1,883.01	4.58%
Picardie	1,405.87	3.42%
Poitou-Charentes	581.54	1.41%
Provence-Alpes-Côte d'Azur	3,875.06	9.43%
Rhône-Alpes	3,761.06	9.15%
Other (of which Monaco)	32.54	0.08%
<b>GENERAL</b>	<b>41,100.77</b>	<b>100.00%</b>

## Appendix 3 – Breakdown of the collateral portfolio revalued using the BPCE method for loans held by Compagnie de Financement Foncier as of November 30, 2022

### CORPORATES (PERIODIC REVIEW METHOD A.2)

Region	No. of guarantees	Valuation (in €) before revaluation	Valuation (in €) after revaluation	Outstandings (in €m) At 10/31/2022
Alsace	16	85,311,210	88 712 112	10,015,038
Aquitaine	17	66,590,800	70,385,316	14,853,501
Auvergne	4	14,840,980	15,618,431	1,275,508
Basse-Normandie	5	16,916,549	17,923,213	1,703,901
Bretagne	2	4,451,582	4,793,483	226,567
Centre	10	14,722,375	15,377,047	1,446,332
Champagne-Ardenne	1	174,320	182,434	2,401
Dom-Tom	27	85,471,142	88,521,451	11,422,474
Franche-Comté	1	329,868	330,715	28,282
Haute-Normandie	5	16,172,726	16,845,833	766,902
Île-de-France (excluding Paris)	51	548,098,311	555,802,139	64,522,498
Languedoc-Roussillon	5	15,812,479	16,499,017	1,136,244
Limousin	3	1,930,598	1,967,889	79,311
Lorraine	6	34,208,206	34,842,830	5,099,739
Midi-Pyrénées	5	6,452,040	6,611,986	455,776
Nord-Pas-de-Calais	6	17,564,636	17,978,503	1,454,510
Paris	18	344,530,751	344,279,429	35,090,298
Pays de la Loire	10	24,307,634	25,250,148	2,133,166
Picardie	2	657,504	669,553	61,388
Poitou-Charentes	3	1,733,825	1,785,726	12,514
Provence-Alpes-Côte d'Azur	17	105,473,957	103,384,356	11,361,041
Rhône-Alpes	31	132,740,397	137,474,067	9,634,182
<b>GENERAL</b>	<b>245</b>	<b>1,538,491,890</b>	<b>1,565,235,678</b>	<b>172,781,575</b>

### RETAIL INDIVIDUALS (PERIODIC REVIEW METHOD A.2)

Region	No. of guarantees	Valuation (in €) before revaluation	Valuation (in €) after revaluation	Outstandings (in €m) At 10/31/2022	Change
Aquitaine	1	841,947	866,476	397,786	2.91%
Corse	1	3,869,028	3,882,755	171,005	0.35%
Île-de-France (excluding Paris)	3	1,489,563	1,511,718	299,228	1.49%
Paris	2	662,650	692,187	327,877	4.46%
Languedoc-Roussillon	7	15,504,876	15,551,648	1,284,599	0.30%
Poitou-Charentes	1	486,408	509,426	123,259	4.73%
Provence-Alpes-Côte d'Azur	11	11,376,787	11,738,042	2,933,283	3.18%
Rhône-Alpes	8	7,095,460	7,394,841	1,721,855	4.22%
<b>GENERAL</b>	<b>34</b>	<b>41,326,719</b>	<b>42,147,093</b>	<b>7,258,892</b>	<b>1.99%</b>

## Appendix 4

### 2022 REVALUATION OF BELGIAN GUARANTEES

Crédit Foncier, *via* its servicer Stater, revalued the guarantees of its branch for 2022. This revaluation, carried out at June 30, 2022 covers a 12-month period as the last revaluation was dated June 30, 2021.

6,791 guarantees were revalued representing an overall valuation amount of €2.159m, *i.e.* an average increase in value of 9.1% associated with an outstanding amount of €630m.

Province	No. of guarantees	Valuation of pledges at 06/30/2022 (in €)	Change 2021-2022	Outstandings (in €m) At 10/31/2022	Distribution of outstandings
Antwerpen	939	331,523,880	9.72%	86,392,364	13.71%
Brabant Wallon	274	104,541,996	9.50%	28,988,162	4.60%
Hainaut	1,238	285,308,411	8.85%	101,678,643	16.13%
Liège	685	184,895,055	9.32%	61,187,682	9.71%
Limburg	435	134,197,396	8.58%	43,094,848	6.84%
Luxembourg	135	39,683,816	11.80%	12,646,938	2.01%
Namur	344	96,270,251	11.55%	33,268,842	5.28%
Oost-Vlaanderen	951	346,927,213	8.23%	93,813,516	14.88%
Région Bruxelles-Capitale	554	188,145,200	8.24%	53,242,536	8.45%
Vlaams-Brabant	702	291,410,702	9.29%	69,034,082	10.95%
West-Vlaanderen	534	156,481,139	8.89%	46,939,570	7.45%
<b>GENERAL</b>	<b>6,791</b>	<b>2,159,385,059</b>	<b>9.12%</b>	<b>630,287,183</b>	<b>100.00%</b>

### 2022 REVALUATION OF DUTCH GUARANTEES

266 loans were revalued representing a total outstanding value of €19.2m.

Revaluation was conducted based on the PBK Index developed by the Netherlands land registry. For 2022, revaluation was based on Q3 2022 indices and the average index changed +11,6% within the scope.

Region	Number of loans	Total receivables	Valuation of pledges at 06/30/2022 (in €)	Valuation of pledges at 30/06/2021 (in €)	%_evol_pledges
Drenthe	9	493,328	1,799,128	1,608,480	11.9%
Flevoland	5	293,015	1,531,596	1,349,871	13.5%
Friesland	17	1,156,126	2,776,816	2,558,124	8.5%
Gelderland	22	1,628,760	4,141,086	3,658,139	13.2%
Groningen	13	994,405	2,323,997	2,069,277	12.3%
Limburg	19	1,175,525	3,401,912	3,103,192	9.6%
Noord-Brabant	26	1,942,428	6,957,363	6,196,100	12.3%
Noord-Holland	55	3,888,542	12,556,441	11,292,815	11.2%
Overijssel	24	1,817,728	4,437,755	3,944,676	12.5%
Utrecht	14	1,122,576	3,291,187	2,924,083	12.6%
Zeeland	16	1,062,373	2,615,851	2,343,307	11.6%
Zuid-Holland	46	3,617,499	9,026,374	8,102,313	11.4%
<b>GENERAL</b>	<b>266</b>	<b>19,192,306</b>	<b>54,859,505</b>	<b>49,150,376</b>	<b>11.6%</b>

## 6. FINANCIAL RISK ANALYSIS

Compagnie de Financement Foncier does not conduct any proprietary trading and does not have any positions in the trading book. However, it carries out balance sheet hedging operations.

Crédit Foncier provides Compagnie de Financement Foncier with Asset and Liability Management (ALM) structural risk monitoring services, pursuant to an agreement to this effect. The related rules are set out in groupe Crédit Foncier's Financial Charter.

### 6.1 Methodology used to assess liquidity, interest rate and foreign exchange rate risks

Liquidity and interest rate risks are measured using different, complementary approaches depending on the scope of the analysis. There are two distinct approaches:

- a static approach, which covers on- and off-balance sheet transactions existing at a given date and up until their final maturity. Static processing factors in the stock of transactions and all flows from contracted commitments;
- a dynamic approach for liquidity risk (preparing the financing plan, evaluation of cash requirements) that includes business level forecasts over the current and following periods. Dynamic analyzes consider likely events resulting from commitments that have been made or are under option and uncertain events resulting from future activity;

Within the framework of these two approaches, assumptions or agreements are made about flows of assets and liabilities:

- balance sheet items with contractual maturities: the assumption applied is the contractual amortization of the item;

- balance sheet items without contractual maturity, such as capital and provisions, are subject to specific BPCE amortization assumptions.

Moreover, specific assumptions to certain products are modeled in order to adapt the cash flows. It depends on the probability of early repayment by the customers, of loan disbursement, or of deferred payments.

Early repayment and renegotiation assumptions are applied to each type of loan according to customer category (private individuals, professionals or local authorities) and the type of rate (fixed rate, adjustable rate or variable rate).

As regards information systems, the Financial Management Division uses a specific software package that is interfaced with the management systems.

Liquidity and interest rate risks are included in the Risk Appetite profile.

## 6.2. Liquidity risk monitoring

### 6.2.1. ORGANIZATION OF COMPAGNIE DE FINANCEMENT FONCIER'S FUNDING

The bulk of Compagnie de Financement Foncier's resources comes from medium and long-term issuances of *obligations foncières*.

In 2022, Compagnie de Financement Foncier issued €4.6bn in *obligations foncières*.

Furthermore, Compagnie de Financement Foncier has a number of potentially pledgeable assets that are eligible for the ECB's refinancing operations. At December 31, 2022, these outstandings amounted to €14.1bn in nominal value, divided into:

- €6.1bn in Public sector loans;
- €5.3bn in Public sector loans received *via* L. 211-38;
- €2.6bn in securities.

This financing option was not used by Compagnie de Financement Foncier in 2022.

### 6.2.2. LIQUIDITY RISK MONITORING

Liquidity risk is the risk that Compagnie de Financement Foncier may not be able to honor its liquidity requirements.

As explained in section 6.1, liquidity requirements are analyzed according to a combined static and dynamic approach. With the static approach, liquidity monitoring ensures that medium-term liquidity management does not concentrate liquidity requirements excessively over certain periods. The main indicator used is the static liquidity gap, depending on whether or not account is taken of Compagnie de Financement Foncier's capacity to raise liquidity over the next 20 years. The concentration of future bond maturities was also looked at.

The very prudent liquidity management policy is being continued in 2022. Other than regulatory requirements, Compagnie de Financement Foncier's ALM rules ensure that its exposure to liquidity risk remains very limited. They are managed using a system of internal limits and are monitored by the ALM and Liquidity Oversight Committee as well as by the Risk Executive Committee.

In particular, Compagnie de Financement Foncier is committed to dispose of sufficient assets eligible for the ECB after haircut to cover its privileged debt repayment commitments for at least 180 days.

At December 31, 2022, Compagnie de Financement Foncier had cash of €0.6bn, of which €0.5bn with Banque de France, and €4.6bn loaned to BPCE for a maximum of 11 months and fully guaranteed by a loan portfolio.

In a crisis, Compagnie de Financement Foncier would benefit from the mechanism available to groupe Crédit Foncier and described in its Contingency Plan (see Liquidity Contingency Plan).

### 6.2.3. INDICATORS AND COMPLIANCE WITH LIMITS

#### INTRADAY MONITORING

As Compagnie de Financement Foncier has an account with the ECB, an intraday liquidity monitoring and oversight mechanism was implemented.

Compagnie de Financement Foncier thus has a certain amount of collateral at the ECB.

#### LCR (LIQUIDITY COVERAGE RATIO)

Compagnie de Financement Foncier's LCR complies with the 100% limit applicable since January 1, 2018.

#### LIQUIDITY STRESS

Compagnie de Financement Foncier prepares liquidity forecast measures on the basis of a base case, one-year and stress scenarios:

- major stress at three months (maintenance of a proportion of new production for the Group and a proportion of the funding) and subject to limits: a check is thus done to verify whether the liquidity buffer covers all the cash needs caused by the stress incident;
- disaster stress at three months resulting notably in the stopping of all new issuances and financing roll-overs; the liquidity position is compared with the liquidity buffer;
- moderate system-wide stress and high specific stress round out the system.

The stress test limit was not exceeded in 2022.

#### COMPLIANCE WITH THE PROVISIONS OF THE MAY 26, 2014 DECREE

##### 180-DAY LIQUIDITY FORECAST

Compagnie de Financement Foncier ensures that at any given time its cash requirements are covered for a period of 180 days in accordance with the decree. This provision was respected for the year 2022. A 180-day liquidity forecast is sent for certification to the Specific Controller and then to the ACPR quarterly.

##### ASSET/LIABILITY MATCHING INDICATOR AND MATURITY GAP

The asset/liability matching indicator requires that the average maturity of eligible assets, held to cover the 105% minimum regulatory overcollateralization ratio, may not exceed the average maturity of privileged liabilities by more than 18 months. The calculation is submitted quarterly for very close scrutiny to the Specific Controller and then to the ACPR.

**COVERAGE PLAN FOR PRIVILEGED RESOURCES**

The reporting institution defines, depending on its specific characteristics, the quarterly coverage plan of privileged liabilities that shall be applied in case it may no longer issue privileged liabilities. It is also sent for certification to the Specific Controller and then to the ACPR quarterly.

The institution declares, as of the statement date and every quarter until the last privileged resource is repaid, the following:

- assets used to cover privileged liabilities;
- safe and liquid securities and assets pursuant to Article R. 513-6 of the French Monetary and Financial Code;
- cash flows generated by all balance sheet assets and privileged liabilities;
- privileged resources.

The calculation of the level of coverage takes into account early repayments assumptions and a final asset loss rate.

**6.3. Monitoring of overall interest rate risk****6.3.1. MANAGEMENT PROCEDURES**

Compagnie de Financement Foncier is protected against interest rate and exchange rate risks.

As soon as an asset is recorded on the balance sheet, it is transformed, if necessary, into a variable-rate asset in euros. Macro-hedging swaps are entered into when acquiring loan portfolios, micro-hedging swaps are entered into for every transaction of significant size. Similarly, the debt issued by Compagnie de Financement Foncier is micro-swapped at the outset to transform it into euro-denominated variable rate liabilities.

Derivatives transactions are generally intermediated by Crédit Foncier and results in an intragroup swap between Crédit Foncier and Compagnie de Financement Foncier.

This intermediation strategy by Crédit Foncier does not generally apply to cross-currency swaps intended to hedge issues in foreign currencies or swaps structured to hedge private placements or certain FLA assets.

Given the various hedging mechanisms implemented by Compagnie de Financement Foncier at the time of transactions being entered into, an exposure to interest rate risk is limited to the possible distortion of the hedging transaction arising from events not known at the time of transaction conclusion and which occurred during the term of the contract (mainly early redemptions).

**6.2.4. LIQUIDITY CONTINGENCY PLAN**

A liquidity contingency plan was defined for groupe Crédit Foncier, Crédit Foncier and Compagnie de Financement Foncier in implementation of the Groupe BPCE liquidity contingency plan.

It sets out the associated governance and liquidity measures with regard to the three stress levels: tension, high stress and crash stress.

The interest rate position is reviewed each quarter by the Compagnie de Financement Foncier ALM Committee and macro-hedging transactions are entered into to keep interest rate gaps within the strict limits to which Compagnie de Financement Foncier has committed. The basic risks, resulting from different reference rates on positions already transformed into variable rates by swaps, are also managed through macro-hedges.

The approved transactions are set out operationally by the Financial Management Committee and then implemented by the Cash Management Division of Crédit Foncier, which is the only point of entry to the market available to Compagnie de Financement Foncier for this kind of transaction.

All of the counterparties to these currency or interest rate swaps have concluded collateralization agreements with Compagnie de Financement Foncier that require them to provide a security deposit to the benefit of the Compagnie de Financement Foncier in case of a debit position and depending on their rating. If the opposite situation occurs, these agreements stipulate that Compagnie de Financement Foncier shall not deposit any collateral. As of December 31, 2022, the amount of deposits received was €0.04bn.

**6.3.2. INTEREST RATE RISK MONITORING**

Compagnie de Financement Foncier has adopted a static approach for measuring risk.

The fixed interest-rate gap is calculated from total outstandings both on- and off-balance sheet on the balance sheet date, using predefined assumptions and rules for asset and liability flows.

Variable rates by categories' buckets were also analyzed.

All of these indicators are monitored quarterly by the ALM and Balance Sheet and Liquidity Management Committee (CGBPL) and the Risk Executive Committee.

### 6.3.3. COMPLIANCE WITH LIMITS

#### LIMIT RELATED TO THE STATIC RATE GAP

Compagnie de Financement Foncier is committed to maintaining the level of its interest rate mismatches or gaps within the very narrow range defined by periods of observation.

These limits are fixed every year in terms of amount.

The current limits for interest rate gaps are:

Horizon	Limits expressed (in €bn)
0-2 years	1.5
2-4 years	1.7
4-8 years	2.1
Threshold over 8 years	2.1

The limits were respected in 2022.

## 6.4. Monitoring of foreign exchange rate risk

Foreign exchange rate risk arises from exchange rate movements in currencies in which Compagnie de Financement Foncier's assets and liabilities are denominated that negatively affect the value of assets or commitments denominated in foreign currencies.

Compagnie de Financement Foncier prohibits any open foreign exchange positions. This means that all assets and liabilities denominated in currencies other than the euro are systematically swapped as soon as they are recognized on the balance sheet. Residual differences arising from the adjustment of balance sheet

positions, particularly those created by cashing in margins, are adjusted monthly.

They are monitored by Crédit Foncier's Risk Division, which centralizes month-end foreign exchange positions, by currency and by total amounts of foreign currencies.

Compagnie de Financement Foncier established an internal limit equal to the exchange value of €5m for all currencies combined and to €3m per currency. This limit is respected for the year 2022.

## 6.5. Monitoring settlement risk

This risk materializes when a settlement in a transfer system does not take place as anticipated, generally because of a third party.

Operational oversight of this risk for Compagnie de Financement Foncier is done by the Crédit Foncier cash management back office.

Compagnie de Financement Foncier has direct access to the market settlement systems of the Paris Stock Exchange for large transactions denominated in euros; it is a member of the European Target system. For foreign currency transactions and small transactions in euros, it has accounts with BPCE.

Daily procedures for monitoring settlement risk include:

- preparation of projected flow profiles;
- daily reconciliation of individual flows with forecasting;

- creation of a payment incidents database.

The escalation and governance process makes it possible to monitor settlement risks and classify them as default if necessary.

In the event of the definitive default of a settlement counterparty leading to Compagnie de Financement Foncier potentially being overdrawn with the Banque de France, there are provisions for hedging mechanisms to be put in place (interbank borrowing or end-of-day borrowing facility provided by the European Central Bank).

Compagnie de Financement Foncier has a contingency and business continuity plan for settlement under an agreement with BPCE. Accordingly, as regards its financial activities, Compagnie de Financement Foncier is covered by BPCE's Contingency and Business Continuity Plan.

## 7. OPERATIONAL RISKS

Within Groupe BPCE, operating risks are defined as the risk of loss resulting from inadequate or faulty procedures, personnel, information systems or external events. Operating risks include internal and external fraud, model risk and reputational risk.

Compagnie de Financement Foncier's operating risk management is entrusted to Crédit Foncier under service agreements signed between the two institutions. The greater part of operational risk is linked to the services outsourced to the parent company. Any consequence of operational incidents detected in the framework of a Crédit Foncier process relating to a Compagnie de Financement Foncier balance sheet item is borne by Crédit Foncier.

These risks include in particular accounting, legal, regulatory and tax risks, as well as risks relating to security of staff, property and information systems and models.

More specifically, the operating risks generated by Compagnie de Financement Foncier's own activities, which are limited to the Institutional Relations Division's functions, are also managed by Crédit Foncier according to Groupe BPCE rules.

These operational risks are specifically mapped and presented to the Operating Risks Committee every quarter.

### 7.1. General system

All of groupe Crédit Foncier's Operational Risk processes, including those of Compagnie de Financement Foncier, are managed by its Compliance and Permanent Control Division, which relies on the operating risk standards and methods employed by Groupe BPCE's Risk Division and on groupe Crédit Foncier's operational risk policy.

### 7.2. Governance

Operational risk management is part of groupe Crédit Foncier's Risk department. It is managed by a specialized unit that is separate from operating activities and attached to the Compliance and Permanent Control Division. This unit reports to Compagnie de Financement Foncier's executive bodies and those responsible for controlling Compagnie de Financement Foncier.

### 7.3. Management environment

#### 7.3.1. MANAGEMENT NETWORK

Operational risk oversight and management is delegated to the managers of various divisions. Each manager relies on a network of representatives coordinated by a Risk Manager, with a functional link to the Compliance and Permanent Control Division.

#### 7.3.2. METHODS AND TOOLS

The risk approach is based on three key elements that are part of an iterative, interactive method:

- mapping of operational risk events: identification and assessment by each business line of its vulnerability to the main operational

risks, updated whenever processes or the organizational structure changes, and in any case at least once a year;

- reporting incidents in a dedicated database: feeding the incident database by the management network as and when such incidents occur and evolve; monitoring of corrective action plans; analysis of changes in risk exposures and resulting losses;
- implementation of Key Risks Indicators for the main risk areas, warning when incidents are likely to enter a critical phase.

For calculating capital adequacy requirements, groupe Crédit Foncier currently applies the Basel III standard approach.

### 7.4. Organization of the Business Continuity Plan

In accordance with the service agreements between groupe Crédit Foncier and Compagnie de Financement Foncier, business continuity of Compagnie de Financement Foncier is covered by groupe Crédit Foncier's Business Continuity Plan. These agreements fall within the regulatory framework for Critical or Significant Outsourced Services (CSOS). In this regard, Crédit Foncier provides Compagnie de Financement Foncier with annual justification of the operational readiness of its system: changes to its plan and continuity exercises.

As the IT service has been delegated to the Group's operator, BPCE SI, the IT Business Recovery Plan (BRP) is its responsibility.

Compagnie de Financement Foncier has its own BCP Manager who acts on its behalf in matters of compliance and maintaining the plan in deployment-ready condition in cooperation with the Crédit Foncier BCP team.

## 7.5. Information technology risk

Under the agreements governing its activity, Compagnie de Financement Foncier makes use of human and technical resources provided by Crédit Foncier. As a result, Compagnie de Financement Foncier benefits fully from the upgrades to Crédit Foncier's information system and from all of the systems that guarantee its proper operation and security.

## 7.6. Personal data protection

Compagnie de Financement Foncier relies on the human and technical resources provided by Crédit Foncier to ensure that its processes comply with the General Data Protection Regulation. It has its own data processing register and a designated Data Protection Officer.

## 7.7. Insurance

As Compagnie de Financement Foncier's servicer, Crédit Foncier insures the risks relating to its activity. Under service agreements with Compagnie de Financement Foncier, it provides insurance-related services on behalf of Compagnie de Financement Foncier. As a result, Compagnie de Financement Foncier benefits from insurance policies taken out by BPCE primarily covering the following risks:

- IT fraud and malicious acts and subsequent losses arising out of banking operations;
- professional civil liability;
- civil liability of senior executives and corporate officers.

## 7.8. Legal risks

According to the service agreements that link Crédit Foncier to Compagnie de Financement Foncier, legal risks incurred by the latter are monitored by the Crédit Foncier's Legal Division.

Between 1984 and 1995, a French overseas departments (DOM) operator took out subsidized loans distributed by Crédit Foncier on behalf of the French State to finance the construction of rental properties with intermediate rents.

The difficulties it encountered led it to initiate bankruptcy proceedings at the end of 2016, at the same time as the collective insolvency proceedings of the other companies in its Group. Now almost all of the Group's companies have been put into court-ordered liquidation.

It is specified that the corresponding loan is secured by both real estate collateral on the assets financed and by the State guarantee, under Article L. 312-1 of the French Construction and Housing Code.

In 2019, after a call for tenders, the block sale of financed assets was authorized by the bankruptcy judge for an amount greater than the declared liabilities.

In addition, since 2019, Crédit Foncier and Compagnie de Financement Foncier have been the target of multiple civil and criminal legal actions initiated both by the Company Director on behalf of their group companies and by legal representatives.

At this stage, the majority of their claims, which sought to challenge the loan fees of Compagnie de Financement Foncier and to seek the liability of Crédit Foncier and Compagnie de Financement Foncier and indirectly of the State for the loans taken out and their restructuring, were rejected by the courts.

Groupe Crédit Foncier strongly disputes all of these motions and holds

that these allegations are totally unfounded.

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With regard to the disputed TEG (overall effective rate) in some of our loan offers, with which Crédit Foncier and Compagnie de Financement Foncier were confronted, like all market institutions, the vast majority of decisions were rendered in favor of lenders. Since this issue was taken up by the Legal Division, more than 95% of final court decisions have been in favor of Crédit Foncier and Compagnie de Financement Foncier.

In addition, recent changes in legislation have been such as to discourage purely opportunistic lawsuits by borrowers and it is now even noted that some borrowers are discouraged and often withdraw their actions without waiting for an outcome to their lawsuits, which they know will be unfavorable.

In dynamic monitoring of this dispute, we also note that the flow of new assignments has ceased, which confirms overall, the robust decrease regularly observed for many months on this systemic risk for which only a stock of cases remains, which has been significantly reduced.

We have definitively entered the extinctive phase of the TEG litigation subject.

### DEPENDENCY

Compagnie de Financement Foncier is not dependent upon any specific patents, licenses, industrial procurement contracts, or commercial or financial agreements.

## 8. NON-COMPLIANCE RISK

Compliance responsibilities for Compagnie de Financement Foncier are performed by the Crédit Foncier's Compliance and Permanent Control Division (DCCP) in accordance with the terms of the relevant agreements (framework agreement and internal control and

compliance service agreement) between the two entities.

The Compliance and Permanent Controls Director is responsible for the Compliance Verification function. She is also Compagnie de Financement Foncier's Head of Investment Services Compliance.

### 8.1. General system

Non-compliance risk monitoring and control is based on the methods used by BPCE. Non-compliance risk management is based on the risk mapping approach used by Groupe BPCE compliance.

It enables a permanent overview:

- of non-compliance risks, on the basis of 13 aggregate risks (including corruption risk this year), broken down into detailed risks taking into consideration the specific elements of Compagnie de Financement Foncier's scope of activity;
- of the system implemented to prevent or reduce them and to ensure that the most significant risks are, if necessary, subject to controls and action plans to better control them.

Non-compliance risks are identified using a dual approach:

- detecting and factoring the specific aspects of Compagnie de Financement Foncier into the implementation of statutory instruments to avoid potential implementation difficulties and to guarantee accurate translation into operating procedures;
- analyzing the results of permanent controls by Crédit Foncier's operational teams within the scope of Compagnie de Financement Foncier. These controls target the thematic non-compliance areas identified in the Group's compliance standards or the results of thematic approaches.

The control of non-compliance risks is divided between:

- the controls carried out by Crédit Foncier on its business activity (real estate financing, financial management, etc.) which directly benefit Compagnie de Financement Foncier;
- the compliance controls specifically set up for Compagnie de Financement Foncier notably relate to compliance with the regulations that apply to the acquisition of receivables and the updating of the value of collateral.

Specific action plans are drawn up by the operational units to address dysfunctions identified during audits or revealed by recurrent operational risk incidents. These action plans are monitored by the relevant departments. These dysfunctions and the progress of the corresponding action plans are monitored by the Heads of Permanent Control at Crédit Foncier on the Internal Control Committee and Compagnie de Financement Foncier's Risk Executive Committee.

The DCCP also monitors regulatory changes that could impact Compagnie de Financement Foncier and that have not yet been taken into account in the compliance risk mapping established by the Group.

### 8.2. Financial security

Groupe Crédit Foncier ensures on behalf of Compagnie de Financement Foncier anti-money laundering and the financing of terrorism by means of a due diligence and monitoring system involving all Group stakeholders across the banking and credit transactions processes. This system includes adequate procedures as well as training and awareness programs for staff.

The system, incorporating the risk approach deriving from the anti-money-laundering regulations, provides for systematic scrutiny prior to forming any new customer relationship. Outstandings are regularly checked against international lists of persons with links to terrorism and for the application of sanctions and embargoes. Unusual events during the life of loans, in particular prepayments, are scrutinized by the Financial Security Unit of the Compliance and Permanent Control Division.

## 8.3. Compliance

### BANKING COMPLIANCE

In accordance with the Group's outsourcing policy, the Compliance department ensures that the PECL management system is correctly applied and that the risks of non-compliance for critical or important services are controlled.

The Institutional Relations Division relies on the controls carried out by the dedicated control units and coordinated by the Compliance and Permanent Control Division to ensure that the risks of activities outsourced to Crédit Foncier are managed in accordance with the guidelines of the European Banking Authority on outsourcing and Groupe BPCE policy. The governance and supervision of outsourcing is carried out by the key outsourcing function entrusted to Crédit Foncier's Director of Organization and Transformation and an Outsourcing Committee.

The Crédit Foncier Compliance and Permanent Control Division also leads the study and validation process for any new product, activity, distribution channel or service, as well as the modification of an existing product. As part of this process, issues specific to Compagnie de Financement Foncier, in particular the eligibility of future outstandings for its balance sheet, are systematically examined.

### VOLCKER RULE AND THE LAW ON THE SEPARATION AND REGULATION OF BANKING ACTIVITIES (SRBA)

Compagnie de Financement Foncier is subject to the French law No. 2013-672 dated July 26, 2013 on the Separation and Regulation of Banking Activities (SRBA), and, as subsidiary of BPCE SA to section 13 of the Bank Holding Company Act in the United States (BHCA), as amended by section 619 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (Pub. L. 111-203, HR 4173), and the related implementing regulations (Volcker Rule).

## 8.4. Ethics

In 2022, Compagnie de Financement Foncier implemented the framework procedure relating to Groupe BPCE's ethics system published in December 2021 (BPCE/2021/1215 standard).

More specifically, the financial ethics system deploys the provisions of the regulations on market abuse in application of Regulation 596/2014 of the European Parliament, known as the "MAR" regulation (Market Abuse Regulation), both for closely related persons and for permanent and occasional insiders.

Compliance with the rules of financial ethics of Compagnie de Financement Foncier is ensured by Crédit Foncier Compliance, which ensures that the list of holders of an AMF professional card is updated, as well as the recording of market conversations.

The Volcker Committee meeting of February 9, 2022 validated the changes to the manuals constituting the system of procedures implemented as part of the application of the Volcker law:

- the Volcker manual as an extension of the Groupe BPCE's Enterprise Wide Manual;
- the desk manuals and risk mandates of Compagnie de Financement Foncier's various desks;
- the report on the effectiveness of the compliance system prepared on the basis of the controls carried out in 2021.

On the basis of this validation, the report on the effectiveness of the Volcker compliance system was presented for approval to the Executive Management Committee on February 22, 2022 to enable it to meet its obligations in terms of verifying the effectiveness of the compliance system under its five pillars (documentation, governance, including internal organization and certifications, implementation of the control system, training program and archiving).

In addition, the Liquidity Management Plan was approved by Crédit Foncier's ALM and Balance Sheet and Liquidity Management Committee on December 13, 2022.

### INVESTMENT SERVICES

Crédit Foncier's Compliance and Permanent Control department is responsible for verifying Compagnie de Financement Foncier's compliance.

Moreover, Compliance includes the requirements relating to MiFID II (Markets in Financial Instruments) Regulations, such as product governance, transaction reporting, and the storage and recording of exchanges, in its system for managing market regulations compliance. It also contributes to compliance with European regulations on derivatives transactions (the EMIR European Market Infrastructure Regulation).

The Compliance and Permanent Controls Division is also responsible for supervising non-compliance risks related to customer knowledge.

Compliance has completed the preparation of the RCSI annual report pursuant to Article L. 621-8-4 of the French Monetary and Financial Code, which was filed on the AMF's GECO extranet on May 12, 2022.

At the same time, Crédit Foncier Compliance rolled out the Group's corruption mapping at Crédit Foncier and Compagnie de Financement Foncier, using corruption scenarios adapted to the activity of these two companies.

The financial ethics system also incorporates the provisions of act No. 2016 of December 9, 2016 (Sapin II), through procedures regarding the use of the whistleblowing system by employees, financial privacy and requirements in respect of amounts or benefits received. Employees receive regular reminders from Crédit Foncier's Compliance and Permanent Control department on these issues.

Finally, the system on the prevention and management of conflicts of interest was updated in the last quarter of 2022 to be presented to the Ethics Committee at the beginning of 2023.





# 5

## FINANCIAL STATEMENTS

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# FINANCIAL STATEMENTS

## Income statement

<i>(in €k)</i>	See Notes	12/31/2022	12/31/2021	12/31/2020
Interest and similar income	1	1,448,876	1,728,256	1,841,107
Interest and similar expenses	1	-1,221,041	-1,505,678	-1,723,964
<b>Net interest margin</b>		<b>227,835</b>	<b>222,577</b>	<b>117,143</b>
Fees and commissions income	2	22,915	31,307	35,311
Fees and commissions	2	-799	-937	-853
Net gains/losses on trading portfolio transactions	3	53	-88	-53
Other banking income	4	897	18,010	53
Other bank operating charges	4	-3,849	-19,345	-5,232
<b>Net banking income</b>		<b>247,051</b>	<b>251,524</b>	<b>146,368</b>
Employee benefits expense	5	-47	-41	-44
Taxes and other contributions	5	-4,277	-4,742	-4,380
External services and other expenses	5	-80,867	-98,135	-88,381
Amortization		0	0	0
<b>General operating expenses</b>		<b>-85,190</b>	<b>-102,918</b>	<b>-92,805</b>
<b>Gross operating income</b>		<b>161,860</b>	<b>148,606</b>	<b>53,563</b>
Cost of risk	6	6,597	7,452	4,314
<b>Net operating income</b>		<b>168,458</b>	<b>156,058</b>	<b>57,878</b>
Gains or losses on long-term investments	7	0	0	20,047
<b>Income before tax</b>		<b>168,458</b>	<b>156,058</b>	<b>77,925</b>
Non-recurring income		0	0	0
Income tax	8	-48,548	-50,053	-30,784
<b>NET INCOME</b>		<b>119,910</b>	<b>106,004</b>	<b>47,141</b>
Earnings per share* <i>(in €)</i>		1.25	0.67	0.30
Diluted earnings per share <i>(in €)</i>		1.25	0.67	0.30

\* Earnings per share are calculated by dividing net income by the number of shares of the period.

## Balance sheet

### ASSETS

<i>(in €k)</i>	See Notes	12/31/2022	12/31/2021	12/31/2020
Cash and amounts due from central banks		527,000	679,000	1,349,339
Treasury bills and equivalent	9	3,020,280	3,052,586	3,196,527
Loans and advances to banks at amortized cost	10	18,161,894	22,073,625	23,733,098
■ <i>Sight deposit</i>		58,322	51,508	50,858
■ <i>Term</i>		18,103,573	22,022,118	23,682,240
Customer transactions	11	34,701,588	33,777,035	35,339,082
■ <i>Other facilities granted to customers</i>		34,701,588	33,777,035	35,339,082
Bonds and other fixed-income securities	9	2,854,731	3,086,251	3,220,625
Equity interests and other long-term investments		0	0	0
Intangible asset and property, plant and equipment		0	0	0
Other assets	12	20,390	15,690	79,391
Accrual accounts	13	1,172,979	1,250,744	1,537,408
<b>TOTAL ASSETS</b>		<b>60,458,864</b>	<b>63,934,931</b>	<b>68,455,470</b>

### LIABILITIES

<i>(in €k)</i>	See Notes	12/31/2022	12/31/2021	12/31/2020
Amount due to central banks		0	0	0
Due to credit institutions	14	4,850,984	5,009,751	6,268,175
■ <i>Sight deposit</i>		3,570	0	0
■ <i>Term</i>		4,847,414	5,009,751	6,268,175
Customer transactions		0	0	0
■ <i>Sight deposit</i>		0	0	0
Debt securities	15	51,644,553	53,673,477	56,443,309
■ <i>Interbank market instruments and negotiable debt securities</i>		0	0	0
■ <i>Bond issues (obligations foncières)</i>		51,644,553	53,673,477	56,443,309
Other liabilities	16	177,757	484,649	1,035,086
Accrual accounts	17	1,679,473	1,541,693	1,554,226
Provisions	18	12,388	12,425	602
Subordinated debts		0	0	0
Fund for general banking risks		20,000	20,000	2,000
Equity excluding reserve for general banking risks	19	2,073,708	3,192,937	3,134,072
Share capital		1,537,460	2,537,460	2,537,460
Additional paid-in capital		209,867	343,002	343,002
Reserves		139,776	134,475	132,117
Regulated provisions and investment subsidies		0	0	0
Retained earnings		66,694	71,995	74,352
Income to be allocated		0	0	0
Net income for the period		119,910	106,004	47,141
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>60,458,864</b>	<b>63,934,931</b>	<b>68,455,470</b>

## Off-balance sheet

<i>(in €k)</i>	See Notes	12/31/2022	12/31/2021	12/31/2020
<b>TOTAL COMMITMENTS GIVEN</b>				
<b>Financing commitments</b>		<b>520,132</b>	<b>1,407,861</b>	<b>1,578,905</b>
■ <i>Commitments given to credit institutions</i>	20 (20.1)	0	0	0
■ <i>Commitments given to customers</i>	20 (20.1)	520,132	1,407,861	1,578,905
<b>Guarantee commitments</b>		<b>175,389</b>	<b>208,404</b>	<b>201,322</b>
■ <i>Commitments given to credit institutions</i>	20 (20.1)	0	0	0
■ <i>Other securities pledged as collateral</i>	20 (20.1)	175,389	208,404	201,322
<b>Commitments on securities</b>		<b>0</b>	<b>0</b>	<b>0</b>
■ <i>Other commitments given</i>	20 (20.1)	0	0	0
<b>TOTAL COMMITMENTS RECEIVED</b>				
<b>Financing commitments</b>		<b>20,524,459</b>	<b>23,352,895</b>	<b>24,869,427</b>
■ <i>Guarantees received from credit institutions</i>	20 (20.2)	1,723,662	2,767,113	2,693,633
■ <i>Other assets received as collateral from the Group</i>	20 (20.2)	18,800,797	20,585,782	22,175,794
<b>Guarantee commitments</b>		<b>26,741,120</b>	<b>27,787,877</b>	<b>31,463,810</b>
■ <i>Guarantees received from credit institutions</i>	20 (20.2)	5,211,122	5,017,108	5,589,484
■ <i>Commitments received from customers</i>	20 (20.2)	21,529,998	22,770,768	25,874,326
<b>Commitments on securities</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL RECIPROCAL COMMITMENTS</b>				
■ <i>Sale and purchase of foreign currencies</i>	21	10,289,029	10,678,476	11,448,771
■ <i>Other financial instruments</i>	21	52,545,162	50,434,385	54,588,488

The notes on the following pages are part of the annual financial statements.

# Notes to the financial statements of Compagnie de Financement Foncier

## 1. GENERAL FRAMEWORK

Compagnie de Financement Foncier is approved to operate as a *Société de Crédit Foncier* under the act of June 25, 1999, which deals with savings and financial security. As such, it is subject to Articles L. 513-2 to L. 513-27 of the French Monetary and Financial Code.

It is a credit institution accredited as a specialized credit institution under Act No. 2013-544 of June 27, 2013 on credit institutions and financing companies, in force as of January 1, 2014, which transposes into French legislation the European Regulation (CRR) and directive (CRD IV). As such, it must comply with Regulation 99-10 of the CRBF (French Banking and Financial Regulation Committee) as amended, which mainly concerns *sociétés de crédit foncier* and notably:

- the valuation of real property that is financed by eligible loans that can be held as assets by *sociétés de crédit foncier*;
- the valuation of the assets and liabilities of such companies;
- their specific management policies.

Subsidiary of Crédit Foncier, Compagnie de Financement Foncier is affiliated to BPCE. As such, it is protected by the guarantee and liquidity facilities of Groupe BPCE. As an affiliate, Compagnie de Financement Foncier does not contribute to the guarantee mechanism of Groupe BPCE and will not be called upon in case of a Banque Populaire or a Caisse d'Épargne default.

## 2. HIGHLIGHTS OF 2022

### 2.1. BACKGROUND

The international crisis related to the Russian-Ukrainian conflict, triggered in February 2022, has an impact on world economic activity. Although Crédit Foncier has very little exposure to Ukraine and Russia, the impact of this transaction on financial market trends may be felt in the refinancing conditions of its Compagnie de Financement Foncier activities. Significant changes in interest rates could also adversely impact Crédit Foncier's net banking income and profitability.

As of December 31, 2022, the amount of exposures with Russian, Ukrainian or Belarusian residents was €5.5m for groupe Crédit Foncier. The assets financed are located in France.

### 2.2. CURRENT ACTIVITY

During 2022, Compagnie de Financement Foncier acquired receivables from Crédit Foncier de France for a total amount of €4,886m, including related receivables, plus €2.3m in financing commitments.

Article L. 211-38 of the French Monetary and Financial Code specifies the possibility for an institution to grant a loan to another financial institution, a loan whose repayment is secured by the creation of a guarantee on a group of receivables. Compagnie de Financement Foncier as such carried loans with its parent company, Crédit Foncier de France, in the total amount of €8,972m at December 31, 2022. The same facility was also granted to BPCE SA, amounting to €4,565m at December 31, 2022 excluding related receivables. Total loans granted were collateralized for €18,800.8m.

Furthermore, as part of its business of funding eligible assets originated by the Groupe BPCE institutions, Compagnie de Financement Foncier refinanced receivables in the Public Sector in the amount of €4,808m, including €3,319m in the form of refinancing guaranteed by FLA loans, as well as financing commitments of €143m.

Replacement values of Compagnie de Financement Foncier, defined according to Decree 2007-745 of May 9, 2007 on the solvency of credit institutions, investment firms and *sociétés de crédit foncier* and amending the French Monetary and Financial Code, amounted to €4,626.4m, including related receivables. In addition to working cash balances, replacement values essentially comprise loans granted under Article L. 211-38 of the French Monetary and Financial Code.

Regarding the funding activities, Compagnie de Financement Foncier issued €4,605m of *obligations foncières* in euros in 2022.

Compagnie de Financement Foncier can also access refinancing lines with the Banque de France (overall collateral management – pool 3G). However, this option was not used in 2022.

### 2.3. RESOLUTIONS OF RECEIVABLES SALES

Transactions to resolve the sale of disputed Retail receivables to Crédit Foncier were carried out in 2022 in connection with a finding raised by the regulator. These transactions involved outstandings of €633m and led to the reversal of provisions made in the accounts of Compagnie de Financement Foncier for €7.9m.

### 2.4. DISPOSAL OF NPL PORTFOLIO (NON-PERFORMING LOANS)

A sale of NPL, to a player outside Groupe BPCE, was carried out during the first half of the year for an amount of nearly €50m.

### 2.5. REDUCTION OF SHARE CAPITAL

The Extraordinary Shareholders' Meeting of Compagnie de Financement Foncier of March 28, 2022 authorized the Company's Board of Directors to reduce the share capital for a total nominal value of €1bn.

The execution of this decision was carried out in several transactions in the second quarter of 2022 and resulted in a decrease in capital of €1bn as well as a reduction in the share premium of €133.13m.

### 2.6. EARLY REPAYMENTS

In 2022, the early repayment rate on loans to individual customers was 7.3%, with outflows of related assets representing €1,738m for the year. Early repayments had several effects on net banking income:

- accelerated amortization of acquisition premiums/discounts on loans to individuals, with an estimated impact of €18.9m over the fiscal year;
- the collection of prepayment penalties from individual customers of €21.9m; as a reminder, according to the agreement on services rendered by Crédit Foncier de France, one third of these penalties is transferred to the latter.

The renegotiation rate for the year was 2%.

In 2022, the rate of early repayments on corporate loans is 0.4%, down from 2021 (0.5%).

### 2.7. TAXES

In accordance with the consolidated tax agreement signed with Crédit Foncier de France, Compagnie de Financement Foncier recognized a tax charge of €32.5m vis-à-vis its parent company due to its taxable income of €126m. In addition, a deferred tax charge of €16m was recognized, bringing income tax to a total charge of -€48.5m.

### 3. EVENTS AFTER THE REPORTING PERIOD

No subsequent event liable to have a significant impact on the financial statements at December 31, 2022 occurred between the closing date and February 9, 2023, the date on which the Board approved the financial statements.

## 4. GENERAL ACCOUNTING POLICIES

### 4.1. VALUATION METHODS, PRESENTATION OF INDIVIDUAL FINANCIAL STATEMENTS AND CLOSING DATE

The annual individual financial statements of Compagnie de Financement Foncier are prepared and presented in accordance with the rules defined by BPCE, in compliance with Regulation No. 2014-07 of the French National Accounting Standards Authority (*Autorité des Normes Comptables* – ANC).

The annual individual financial statements for the fiscal year ended December 31, 2022 were approved by the Board of Directors on February 9, 2023. They will be submitted for approval to the General Meeting of May 9, 2023.

Amounts presented in the financial statements and notes are stated in thousands of euros, unless otherwise stated. The rounding effects may, where applicable, generate differences between the amounts presented in the financial statements and those presented in the notes to the financial statements.

### 4.2. CHANGES IN ACCOUNTING METHODS

No change in accounting methods affected the financial statements for the fiscal year 2022.

The other texts adopted by the French National Accounting Standards Authority and mandatory in 2022 do not have a significant impact on the institution's individual financial statements.

The Company does not opt for early application of texts adopted by the French National Accounting Standards Authority, where such application is optional, unless specifically mentioned.

### 4.3. GENERAL ACCOUNTING POLICIES

The financial statements for the fiscal year are presented in an identical format as that used for the previous fiscal year. Generally accepted accounting principles have been applied on a prudent basis and in accordance with the following underlying assumptions:

- business continuity;
- consistency of accounting methods over time;
- independence of fiscal years.

and in accordance with the general rules on the preparation and presentation of annual financial statements.

The basis method used to value accounting entries is the historical cost method. All balance sheet items are presented net of amortization, provisions and value adjustments.

Specific accounting policies are provided in various notes to the financial statements to which they relate.

### 4.4. PRINCIPLES APPLICABLE TO BANKING RESOLUTION MECHANISMS

The conditions of setting-up the guarantee fund of deposits and resolutions were changed by the decree of October 27, 2015. All the contributions for the mechanism of deposits, securities and guarantees paid either in the form of repayable deposits, deposit guarantee fund certificates or membership certificates represent an insignificant amount.

The Resolution Fund was built in 2015 pursuant to directive 2014/59/EU known as BRRD (Bank Recovery and Resolution Directive), which establishes a framework for the recovery and resolution of credit institutions and investment firms and European Regulation 806/2014 (MRU). As of 2016, it became a Single Resolution Fund (SRF) between member States participating in the Single Resolution Mechanism. An SRF is a resolution financing arrangement available to the resolution authority (Single Resolution Board) dedicated to the implementation of the resolution procedures.

Pursuant to Delegated Regulation 2015/63 and Implementing Regulation 2015/81 supplementing the BRRD directive on ex-ante contributions to the resolution's financing arrangements, the SRB set the contributions to the SRF for 2022. In 2022, the amount of contributions paid by Compagnie de Financement Foncier represented €22m including €19m recognized as expenses and €3m as cash guarantee deposits entered on the asset side of the balance sheet (15% of the call for funds as cash guarantee deposits). The total amount of contributions entered on the asset side of the balance sheet amounted to €19m as of December 31, 2022.

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## Note 1 Interest and similar income and expenses

### INTEREST AND SIMILAR FEE – COMMISSION INCOME

Interest and similar fees and commissions is recognized in the income statement on a prorata basis.

Negative interest is presented as follows:

- negative interest on an asset is presented in interest expenses in NBI;
- negative interest on a liability is presented in interest income in NBI.

Fees and commissions for granting or acquiring a loan are treated as additional interest and spread over the effective life of the loan on a prorata basis according to the outstanding principal amount.

Income from bonds or negotiable debt securities is recognized for the portion accrued during the year. The same principle is applied for perpetual super-subordinated securities that meet the definition of a Tier 1 prudential capital instrument. The Group considers these revenues as interest.

(in €k)	12/31/2022			12/31/2021	12/31/2020
	Income	Expenses	Net	Net	Net
<b>Interbank transactions</b>	<b>239,944</b>	<b>-66,170</b>	<b>173,775</b>	<b>169,580</b>	<b>51,224</b>
Interest on Central Bank accounts		-2,587	-2,587	-7,351	-7,617
Interest on current accounts 2019 VERSION	5,246	-174	5,072	76	-32
Interest on forwards	234,699	-56,753	177,946	177,411	60,828
Interest on subordinated loans	0		0	0	0
Interest on receivables guaranteed (replacement values)	0	0	0	0	0
Interest on securities received/sold under repurchase agreements	0	-2,759	-2,759	-8	0
Contingent liabilities and commitments	0		0	0	0
Other interest income and expenses	0	0	0	0	0
Hedging transactions (netting)	0	-3,895	-3,895	-547	-1,955
Hedged losses on receivables	0		0	0	0
Non-hedged losses on receivables	0		0	0	0
Net changes in provisions	0		0	0	0
<b>Customer transactions</b>	<b>692,715</b>	<b>-44,835</b>	<b>647,880</b>	<b>646,564</b>	<b>718,175</b>
Interest on demand deposits, term deposits and regulated savings accounts		0	0	0	0
Interest on loans to customers	669,949	0	669,949	670,772	738,604
Interest on subordinated loans	0		0	0	0
Interest on doubtful loans	19,884		1,884	31,605	33,369
Amortization of additional loans fees (CRC Regulation 2009-03)	2,879		,879	3,732	6,976
Interest on ABS cash collateral	0		0	0	0
Other interest income and expenses	3	-681	-678	-1,248	-2,290
Income on financing and guarantee commitments	0		0	0	0
Hedging transactions (netting)	0	-43,023	-43,023	-49,410	-52,742
Hedged losses on receivables		-1,420	-1,420	-1,233	-756
Non-hedged losses on receivables		-221	-221	-941	-993
Net changes in provisions*		509	509	-6,713	-3,993
<b>Finance lease transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Securities portfolio transactions</b>	<b>495,286</b>	<b>-925,316</b>	<b>-430,030</b>	<b>-393,091</b>	<b>-500,520</b>
Interest on investment securities	0		0	0	0
Spreading of discounts/premiums on investment securities	0		0	0	0
Interest on held-to-maturity securities	273,217		273,217	276,319	292,349
Amortization of discounts/premiums on held-to-maturity securities	0	-30,001	-30,001	-32,132	-36,109

(in €k)	12/31/2022			12/31/2021	12/31/2020
	Income	Expenses	Net	Net	Net
Interest on medium-term notes (BMTN) issued		0	0	0	-321
Interest on certificates of deposits issued		0	0	0	0
Interest on mortgage notes issued		0	0	0	-20,000
Interest and expenses on bond issuances		-895,315	-895,315	-1,102,699	-1,311,926
Interest on doubtful securities	0		0	0	0
Hedging transactions (netting)	222,069	0	222,069	465,421	575,486
Losses on non-recoverable receivables		0	0	0	0
Net changes in provisions	0		0	0	0
<b>Subordinated debts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Payables on subordinated term securities		0	0	0	0
Payables on subordinated debt – credit institutions		0	0	0	0
Payables on subordinated debt – customers		0	0	0	0
<b>Other interest and similar income and expenses</b>	<b>20,930</b>	<b>-184,720</b>	<b>-163,790</b>	<b>-200,476</b>	<b>-151,736</b>
Income on debt securities	20,889		20,889	22,196	19,384
Fees on credit derivatives		0	0	0	0
Commitments received/given on securities	0	-2,155	-2,155	-1,358	-3,430
Other interest income and expenses	0	0	0	0	0
Hedging transactions (netting)	0	-182,566	-182,566	-221,425	-187,793
Net changes in provisions	41	0	41	112	20,103
<b>TOTAL INTEREST AND SIMILAR INCOME AND EXPENSES</b>	<b>1,448,876</b>	<b>-1,221,041</b>	<b>227,835</b>	<b>222,577</b>	<b>117,143</b>

\* Net impact on customer interest listed on net interest margin.

## Note 2 Net fees and commissions

### ACCOUNTING POLICIES

Commission income similar to interest is recognized as interests and other income and expenses (note 1).

Other commission income is recognized according to the type of service provided as follows:

- fees and commissions received for an immediate service recognized upon completion of the service;
- fees and commissions received for an ongoing or discontinued service paid for in installments: recognized over the period when the service is provided.

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Commissions on interbank and cash transactions (Net)</b>	<b>-7</b>	<b>-2</b>	<b>-111</b>
Income	0	0	0
Expenses	-7	-2	-111
<b>Commissions on transactions with customers (Net)*</b>	<b>22,796</b>	<b>31,103</b>	<b>35,282</b>
Income	22,796	31,103	35,282
Expenses	0	0	0
<b>Commissions on securities transactions (Net)</b>	<b>-662</b>	<b>-820</b>	<b>-783</b>
Income	0	0	0
Expenses	-662	-820	-783
<b>Other commissions (Net)</b>	<b>-11</b>	<b>88</b>	<b>71</b>
Income	118	204	29
Expenses	-130	-116	42
<b>Income</b>	<b>22,915</b>	<b>31,307</b>	<b>35,311</b>
<b>Expenses</b>	<b>-799</b>	<b>-937</b>	<b>-853</b>
<b>NET FEES AND COMMISSIONS</b>	<b>22,116</b>	<b>30,370</b>	<b>34,458</b>

\* Commissions on customer transactions are the fees received from customers following early repayments. The level of these fees is therefore directly correlated to the volume of loans repaid. The average early repayment rate on loans to individual customers was 7.3% of outstanding loans for the fiscal year 2022. It was 8.1% for the 2021 fiscal year.

## Note 3 Net gains or losses on trading book transactions

### ACCOUNTING POLICIES

Net gains or losses on trading book transactions combine:

- balance-sheet and off-balance sheet gains or losses on trading book transactions;
- gains or losses realized on outright forward foreign exchange transactions, resulting from currency purchases and sales and the periodic evaluation of transactions in foreign currency and precious metals;

- gains or losses from transactions in forward financial instruments, including interest rates, exchange rates and stock market indices, whether these instruments are fixed or conditional, including where it involves hedging transactions of trading portfolio transactions.

(in €k)	12/31/2022	12/31/2021	12/31/2020
Gains on currency and arbitrage transactions	53	-88	-53
Expenses on financial forward instruments trading	0	0	0
Income from financial forward instruments trading	0	0	0
Expenses on conditional rates trading	0	0	0
Income from conditional rates trading	0	0	0
Losses on other financial instruments	0	0	0
Gains on other financial instruments	0	0	0
Addition to provisions for risks on financial forward instruments	0	0	0
Reversals from provisions for risks on financial forward instruments	0	0	0
<b>NET GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>53</b>	<b>-88</b>	<b>-53</b>

## Note 4 Other banking income and expenses

### ACCOUNTING POLICIES

Other banking income and expenses cover the share realized on

common operations, re-invoicing of banking income and expenses, income and expenses from the real estate and IT services business.

(in €k)	12/31/2022			12/31/2021	12/31/2020
	Income	Expenses	Net	Net	Net
<b>Transfers of expenses and income, reallocated expenses</b>	0	0	0	0	0
<b>Other banking income and expenses <sup>(1)</sup></b>	<b>897</b>	<b>-3,849</b>	<b>-2,952</b>	<b>-1,335</b>	<b>-5,179</b>
Other operating income and expenses	897	-3,849	-2,952	-2,435	-5,179
Additions to and reversals from provisions for other operating income and expenses	0	0	0	1,100	0
<b>TOTAL</b>	<b>897</b>	<b>-3,849</b>	<b>-2,952</b>	<b>-1,335</b>	<b>-5,179</b>

#### (1) Details

<b>Other banking income and expenses</b>	<b>897</b>	<b>-3,849</b>	<b>-2,952</b>	<b>-17,882</b>	<b>-5,179</b>
■ Transfers to exceptional gains	0		0	52	0
■ Other operating income	897		897	1,411	53
■ Transfers to exceptional losses		0	0	0	0
■ Central institution contribution*		-3,580	-3,580	-3,785	-5,104
■ Other operating expenses		-269	-269	-113	-128
■ Additions to provisions		0	0	-15,447	0

\* Since 2020, and in correlation with the rebilling of Groupe BPCE "central institution" activities (listed in the French Monetary and Financial Code), the latter is now presented in NBI.

## Note 5 Operating expenses

### ACCOUNTING POLICIES

General operating expenses consist of personnel costs, including salaries and wages, social security contributions, taxes and duties relating to personnel costs. Other administrative expenses, including other taxes and duties and remuneration of external services are also recorded.

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>EMPLOYEE BENEFITS EXPENSE</b>	<b>-47</b>	<b>-41</b>	<b>-44</b>
Wages and salaries <sup>(1)</sup>	-47	-41	-44
Costs of defined-contribution plans	0	0	0
Other social security costs and payroll-based taxes	0	0	0
Charges/reversals of provisions for litigation	0	0	0
<b>OTHER ADMINISTRATIVE EXPENSES</b>	<b>-85,144</b>	<b>-102,876</b>	<b>-92,761</b>
<b>Taxes and other contributions</b>	<b>-4,277</b>	<b>-4,742</b>	<b>-4,380</b>
CET (local business tax) and CVAE (tax on company value added)	-1,444	-1,376	-15
Social solidarity contribution	-2,604	-3,148	-4,107
Other taxes	-229	-218	-257
Contribution to the supervision expenses of the ACPR <sup>(2)</sup>	0	0	0
Systemic banking risk tax	0	0	0
Contributions to Single Resolution Fund	0	0	0
Management fees to ECB	0	0	0
Charges/reversals of provisions for tax disputes	0	0	0
<b>External services</b>	<b>-80,867</b>	<b>-98,135</b>	<b>-88,381</b>
Leasing	0	0	0
External services provided by the Group	-57,561	-77,091	-69,394
Contribution to the supervision expenses of the ACPR	-609	-581	-649
Systemic banking risk tax	0	0	0
Contributions to Single Resolution Fund	-18,858	-17,008	-14,447
Management fees to ECB	-1,080	-983	-1,438
Fees, subcontracting and services	-2,470	-2,319	-2,226
Advertising	-158	-72	-133
Remuneration of intermediaries	0	0	0
Transport and travel	0	0	0
Maintenance and repairs	0	0	0
Insurance premiums	0	0	0
Other external services	-130	-81	-94
Additions to/reversals from provisions for disputes relating to external services	0	0	0
Additions to/reversals from provisions for external services costs	0	0	0
<b>Other expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transfers of expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>OPERATING EXPENSES</b>	<b>-85,190</b>	<b>-102,918</b>	<b>-92,805</b>

(1) The total amount of Directors' fees allocated to management bodies at December 31, 2022 amounted to €46.5k. Following the decision of the Board of Directors of Compagnie de Financement Foncier on February 9, 2016, no additional remuneration (other than attendance fees) has been paid to the executive bodies since February 1, 2016.

(2) Compagnie de Financement Foncier now follows the position of Groupe BPCE and classifies its banking contributions as outside services.

## Note 6 Cost of risk

### ACCOUNTING POLICIES

The cost of risk item includes only the cost related to credit risk (or counterparty risk). Credit risk is the existence of a potential loss related to a possibility of default of the counterparty on the commitments it has given. Counterparty refers to any legal entity benefiting from a credit or a commitment by signing, party to a forward financial instrument or issuer of a debt instrument.

The cost of credit risk is assessed when the receivable is classified as doubtful, that is to say when the risk is proven as soon as it is probable that the institution will not receive all or part of the sums due in respect of the commitments given by the counterparty in accordance with the initial contractual provisions, notwithstanding the existence of a guarantee or surety.

Credit risk is also assessed when credit risk is identified on loans that are not doubtful but that have seen a significant increase in credit risk since initial recognition (See notes 9, 10 and 11).

The cost of credit risk therefore consists of all the allocations and reversals of impairment of receivables from customers, credit institutions, fixed income investment securities (in the event of a proven default risk by the issuer), provisions for off-balance sheet commitments (excluding off-balance sheet financial instruments) as well as losses on non-recoverable receivables and recoveries of bad debts written off.

However, are included allocations and reversals of provisions, losses on non-recoverable receivables or recoveries of bad debts written off relating to interest on doubtful loans and receivables, whose provisioning is compulsory are included under the items Interest and similar income and other banking income in the income statement. For trading securities, investment securities, portfolio activity and forward financial instruments, the cost of counterparty risk is carried directly to the items recording gains and losses on these portfolios, except in the event of risk of proven counterparty default, where this component can be effectively isolated and the provision movements on counterparty risk are then entered under cost of risk.

(in €k)	12/31/2022			12/31/2021	12/31/2020
	Expenses	Income	Net	Net	Net
<b>Net additions/reversals on held-to-maturity securities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net additions/reversals on securities transactions	0	0	0	0	0
<b>Net additions/reversals on customer transactions</b>	<b>-9,032</b>	<b>23,345</b>	<b>14,313</b>	<b>13,768</b>	<b>9,735</b>
Impairment of customer transactions*					
Impairment of customer transactions on doubtful loans*	-6,196	23,345	17,149	11,331	8,336
Impairment of customer transactions on performing loans*	-2,831	0	-2,831	2,312	1,392
Provisions for counterparty risks on performing loans	-4	0	-4	124	-227
Other provisions for contingencies and charges	0	0	0	0	235
<b>Losses/recoveries on customer transactions</b>	<b>-14,588</b>	<b>6,872</b>	<b>-7,716</b>	<b>-6,316</b>	<b>-5,421</b>
Losses on irrecoverable loans and receivables covered by provisions	-6,043	0	-6,043	-6,041	-1,340
Losses on irrecoverable loans and receivables not covered by provisions	-5,087	0	-5,087	-4,894	-6,497
Recoveries of bad debts written off	0	6,872	6,872	10,316	7,929
Legal fees and litigation	-3,458	0	-3,458	-5,697	-5,512
<b>Losses/recoveries on other transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Losses on the covered irrecoverable loans and receivables	0	0	0	0	0
<b>COST OF RISK</b>	<b>-23,620</b>	<b>30,217</b>	<b>6,597</b>	<b>7,452</b>	<b>4,314</b>

\* In the context of the individual financial statements closing at December 31, 2018, as a result of the coming into force of IFRS 9 and in accordance with the decision of the IFRS 9 Steering Committee on October 6, 2017, the Group decided to follow the methodology for determining collective provisions (previously based on IAS 39) on the methodology for assessing expected credit losses (ECL S2).

## Note 7 Gains or losses on long-term investments

### ACCOUNTING POLICIES

Gains or losses on long-term investments include gains or losses on transactions in held-to-maturity securities, arising from the difference between reversals of provisions and capital gains on disposals and additions to provisions and capital losses on disposal.

(in €k)	12/31/2022	12/31/2021	12/31/2020
Capital gains or losses on disposals of long-term securities	0	0	10,500
Capital gains or losses on disposals of held-to-maturity securities	0	0	9,547
Additions for impairment on held-to-maturity securities	0	0	0
Reversals for impairment on held-to-maturity securities	0	0	0
<b>NET INCOME (EXPENSE) FROM OTHER ASSETS</b>	<b>0</b>	<b>0</b>	<b>20,047</b>

## Note 8 Income tax

### INCOME TAX

Compagnie de Financement Foncier has opted for accounting of deferred taxes on an unconsolidated basis. According to the principle of universality, this option applies to all temporary differences recognized in assets and liabilities.

The tax charge recorded in the income statement corresponds to corporate tax charges, deferred tax expense liabilities and changes in tax reserves.

Compagnie de Financement Foncier is included in BPCE's tax consolidation group and in Crédit Foncier's subgroup. Pursuant to the

tax consolidation agreement signed on November 18, 2014, the tax charge payable is calculated and recognized as if there were no tax consolidation.

In case of fiscal deficit, Compagnie de Financement Foncier will receive from Crédit Foncier a tax revenue equaling the income tax saving given to Crédit Foncier through the use of its fiscal deficit and will be deprived of the deferred losses for the determination of its future corporate tax expense.

As at December 31, 2022, Compagnie de Financement Foncier recognized a total tax expense of €48.55m.

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Tax expense components</b>			
Current tax expenses (income)*	-32,536	-21,483	31,649
Deferred tax liabilities (income)*	-16,012	-28,571	-62,433
Provisions for deferred taxes	0	0	0
Provisions for risks or for tax litigations	0	0	0
<b>TOTAL</b>	<b>-48,548</b>	<b>-50,053</b>	<b>-30,784</b>
<b>Breakdown of deferred taxes for the period</b>			
Termination swap balance	-13,369	-20,951	-30,055
Client provisions including credit risk provisions	1,344	2,736	-6,089
Provisions for investment securities			
Other temporary differences	-3,987	-10,356	-26,289
<b>TOTAL</b>	<b>-16,012</b>	<b>-28,571</b>	<b>-62,433</b>

\* Pursuant to the tax consolidation agreement signed by Compagnie de Financement Foncier, BPCE and Crédit Foncier, the Company has recognized as income the potential tax saving stemming from the deficit recorded for the period, to be received from Crédit Foncier, the consolidating parent company (See Note 4). Conversely, the Company has recognized a potential tax expense stemming from the tax benefit recorded for the period, to be paid to Crédit Foncier, the consolidating parent company.

## Note 9 Treasury bills, bonds and other fixed-income securities

### ACCOUNTING POLICIES

The term “securities” includes interbank market securities, treasury bills, other negotiable debt securities, bonds and other fixed-income instruments, equities and other variable-income instruments.

Security transactions are subject to accounting Regulation No. 2014-07 of the French National Accounting Standards Authority defining general rules governing the accounting and valuation of securities and the rules concerning certain specific transactions such as repurchase agreements.

Securities are classified as follows: equity investments and shares of related companies, other securities held long-term, held-to-maturity debt securities, portfolio securities (equity available for sale in the medium term), available-for-sale securities and trading securities.

With respect to trading securities, securities available for sale, held-to-maturity securities and portfolio activity, any known counterparty default risk whose impact can be separately identified is recognized in the form of impairment loss. Changes in impairment are recorded under cost of risk.

Compagnie de Financement Foncier does not hold trading securities, equity securities available for sale in the medium term or available for sale securities.

Moreover, as a *Société de Crédit Foncier*, Compagnie de Financement Foncier cannot hold equity investments, even as a minority interest. It only holds one share in SGFGAS which enables it to acquire loans secured by the French government on behalf of SGFGAS. This investment was approved by the regulatory authority.

Finally, disposals of securities are recognized in the financial statements of Compagnie de Financement Foncier on the “settlement-delivery” date and not on the transaction date.

### INVESTMENT SECURITIES

Held-to-maturity securities are fixed-income securities with fixed maturity, acquired or reclassified from the category “Trading securities” or “Available-for-sale securities”, with the clear intention and ability to hold them until maturity. These securities must not be subject to any existing restrictions, legal or other constraints that could compromise the capacity to hold them until maturity. The classification to securities held to maturity does not prevent them from being considered as items hedged against interest rate risk.

Securities held to maturity are recorded at cost excluding transaction costs, on their acquisition date. When previously classified as available for sale, they are recorded at cost and the previously recognized impairments are reversed over the residual life of the relevant securities. The difference between the acquisition cost and the redemption value of these securities, as well as the corresponding interest, are subject to the same rules that apply to fixed income securities available for sale.

An impairment loss may be recognized against these securities if there is a strong probability that the bank will not hold them until maturity due to new developments or if there is a risk that the issuer of the securities will default. Unrealized gains are not recognized.

Securities held-to-maturity cannot be sold or transferred into another category of security, except for certain cases detailed in Article 2341-2 of Regulation No. 2014-07 of the French National Accounting Standards Authority.

(in €k)	12/31/2022			12/31/2021			12/31/2020		
	Available-for-sale securities	Investment securities	Total	Available-for-sale securities	Investment securities	Total	Available-for-sale securities	Investment securities	Total
Treasury bills and equivalent*	0	2,979,124	2,979,124	0	3,012,810	3,012,810	0	3,152,759	3,152,759
Related receivables	0	41,156	41,156	0	39,776	39,776	0	43,768	43,768
<b>Subtotal</b>	<b>0</b>	<b>3,020,280</b>	<b>3,020,280</b>	<b>0</b>	<b>3,052,586</b>	<b>3,052,586</b>	<b>0</b>	<b>3,196,527</b>	<b>3,196,527</b>
Bonds*	0	2,820,361	2,820,361	0	3,047,484	3,047,484	0	3,179,939	3,179,939
Interbank market instruments (mortgage notes)*	0		0	0		0	0		0
Negotiable debt securities	0		0	0		0	0		0
Securitization units*		0			0			0	
Related receivables	0	34,369	34,369	0	38,767	38,767	0	40,685	40,685
<b>Subtotal</b>	<b>0</b>	<b>2,854,731</b>	<b>2,854,731</b>	<b>0</b>	<b>3,086,251</b>	<b>3,086,251</b>	<b>0</b>	<b>3,220,625</b>	<b>3,220,625</b>
<b>Doubtful loans and securities including related receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GROSS AMOUNTS</b>	<b>0</b>	<b>5,875,011</b>	<b>5,875,011</b>	<b>0</b>	<b>6,138,837</b>	<b>6,138,837</b>	<b>0</b>	<b>6,417,152</b>	<b>6,417,152</b>
Impairment on fixed-income securities	0	0	0	0	0	0	0	0	0
<b>NET AMOUNTS</b>	<b>0</b>	<b>5,875,011</b>	<b>5,875,011</b>	<b>0</b>	<b>6,138,837</b>	<b>6,138,837</b>	<b>0</b>	<b>6,417,152</b>	<b>6,417,152</b>

\* Of which

	12/31/2022	12/31/2021	12/31/2020
Listed securities	5,633,596	5,801,907	6,053,311
Unlisted securities	241,415	258,297	279,388
<b>TOTAL EXCLUDING RELATED RECEIVABLES</b>	<b>5,875,011</b>	<b>6,060,204</b>	<b>6,332,699</b>

Listed securities are normally available securities denominated in euros that are eligible for the ECB operations, as well as listed securities in other currencies. Unlisted securities now consist solely of bonds.

Under Regulation No. 2014-07 of the French National Accounting Standards Authority, the aggregate fair value of the investment portfolio amounted to €6,037.35m at December 31, 2022 excluding related receivables.

Unrealized capital gains on held-to-maturity securities amounted to €362.44m at December 31, 2022, before swaps. At December 31, 2021, unrealized capital gains on held-to-maturity securities amounted to €1,409.31m, before swaps.

Unrealized capital losses on held-to-maturity securities amounted to €124.57m at December 31, 2022, before swaps. At December 31, 2021, unrealized capital losses on held-to-maturity securities amounted to €71.19m, before swaps.

The Company did not reclassify any securities to the “Held-to-maturity securities” portfolio either during the 2022 fiscal year or in previous years.

## Note 9 A Sovereign risk

At December 31, 2022, the net exposures of the Compagnie de Financement Foncier sovereign risk in these countries are:

	12/31/2022			12/31/2021			12/31/2020		
	Carrying amount	Market value	Value after swap*	Carrying amount	Market value	Value after swap*	Carrying amount	Market value	Value after swap*
Held-to-maturity securities (in millions of euros)									
Italy	2,192.2	2,336.3	1,864.4	2,208.0	2,966.1	1,886.4	2,218.5	3,105.3	1,872.5
Poland	327.4	351.4	291.0	352.1	438.8	330.6	364.9	440.7	314.8
<b>TOTAL</b>	<b>2,519.6</b>	<b>2,687.7</b>	<b>2,155.4</b>	<b>2,560.0</b>	<b>3,404.9</b>	<b>2,217.0</b>	<b>2,583.4</b>	<b>3,546.0</b>	<b>2,187.3</b>

\*Fair value of the note taking into account micro hedging swap.

The values given above exclude related receivables. Carrying amounts are measured at the closing date if the securities are denominated in foreign currencies.

The maturity dates of net exposures at carrying amount as of December 31, 2022 are presented below:

	Residual maturity		
	< 8 years	> 8 years and < 10 years	>10 years
Italy	1,171.5	0.0	1,020.7
Poland	149.9	0.0	177.5
<b>TOTAL</b>	<b>1,321.4</b>	<b>0.0</b>	<b>1,198.2</b>

The global exposure of the Compagnie de Financement Foncier to the International public sector is also identified in the Risk Management report.

## Note 9 B Change in held-to-maturity securities

(in €k)	Gross	Disposals/		Current	Currency	Gross	Disposals/		Current	Currency	Gross	
	12/31/2020	Acquisitions	Redemptions*	change	differences	12/31/2021	Acquisitions	Redemptions*	change	differences	12/31/2022	
Investment securities	6,332,698	0	0	-384,114	111,710	6,060,294	0	0	-315,028	54,220	5,799,486	
<b>TOTAL</b>	<b>6,332,698</b>	<b>0</b>	<b>0</b>	<b>-384,114</b>	<b>111,710</b>	<b>6,060,294</b>	<b>0</b>	<b>0</b>	<b>-315,028</b>	<b>54,220</b>	<b>5,799,486</b>	
Related receivables	84,454			-5,911	0	78,542			-3,017	0	75,525	
<b>OVERALL TOTAL</b>	<b>6,417,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-390,025</b>	<b>6,138,837</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-318,045</b>	<b>54,220</b>	<b>5,875,011</b>

\* Disposals were conducted in accordance with the possibilities offered by Regulation No. 2014-07 of the French National Accounting Standards Authority, Article No. 2341-2, especially in cases of regulatory constraints.

These data are valued before swap, at the closing exchange rate.

## Note 9 C

## Reclassification of financial assets

### ACCOUNTING POLICIES

In order to harmonize accounting practices and ensure compliance with IFRS, Regulation No. 2014-07 of the French National Accounting Standards Authority includes the provisions of Notification No. 2008-19 of December 8, 2008 regarding transfers of securities out of the “Trading securities” and the “Securities available for sale” categories.

The reclassification out of the “Trading securities” category to the “Available-for-sale securities” and “Held-to-maturity securities” categories is now allowed under either of the following conditions:

- under exceptional market circumstances that require a change of strategy;
- when fixed-income securities are no longer, after their acquisition, tradable on active markets, and provided that the Company has the intention and the capacity to hold them in the foreseeable future or until they reach maturity.

Reclassifications from the “Available-for-sale securities” category to the “Held-to-maturity securities” are effective as from the reclassification date under either of the following conditions:

- under exceptional market circumstances that require a change of strategy;

- when fixed-income securities are no longer tradable on an active market.

Note that the French National Accounting Council, in its press release of March 23, 2009, specifies that portfolio transfer options, in particular from the securities available for sale portfolio to the held-to-maturity securities portfolio, as provided for by Article 19 of CRB Regulation No. 90-01 before its update by Regulation No. 2008-17, remain in force and are not repealed by Regulation No. 2014-07 of the French National Accounting Standards Authority (ANC).

Since Regulation No. 2008-17 of the CRC replaced by Regulation No. 2014-07 of French National Accounting Standards Authority provides for additional options of transfers between portfolios, these new transfer options complete the ones defined above, and this, as of the date of application of this regulation on July 1, 2008.

Consequently, a reclassification from the available for sale securities portfolio to the held-to-maturity securities portfolio remains possible with a simple change of intention, if on the day of the transfer, all the criteria of the investment portfolio are met.

No portfolio reclassification took place in the fiscal year 2022 as Compagnie de Financement Foncier did not own trading securities or securities available for sale.

## Note 10 Receivables due from credit institutions

### ACCOUNTING POLICIES

Loans to credit institutions comprise all loans and advances arising out of banking transactions, with the exception of debt securities. They include securities received under repurchase agreements, regardless of the type of underlying, and loans and advances relating to securities repurchase agreements. Loans and advances are broken down into the sub-categories “Demand loans and advances” and “Term loans and advances”.

Loans to credit institutions are recorded in the balance sheet at their nominal value or acquisition cost and include accrued interest that is not yet due but is net of any impairment charges recognized for credit risk.

Securities received are recognized off-balance sheet. They are revalued on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the outstanding loan amount.

### RESTRUCTURED LOANS

Within the meaning of ANC Regulation No. 2014-07 of the French National Accounting Standards Authority, restructured loans are doubtful loans and receivables whose initial contractual characteristics (term and interest rate) have been modified to ensure repayment by the counterparty.

### DOUBTFUL LOANS AND RECEIVABLES

Doubtful loans and receivables consist of all outstanding amounts, whether or not due and guaranteed or otherwise, where at least one commitment made by the debtor has involved a known credit risk,

classified as such on an individual basis. A risk is considered to be “known” when it is probable that the Group will not collect all or part of amounts owed under the terms of the commitments made by the counterparty, notwithstanding any guarantee or surety provided.

Compagnie de Financement Foncier has no receivables due from credit institutions falling under restructured or doubtful loans and receivables. When the collection of loans or other receivables is considered to be uncertain, an impairment loss is recognized on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of the guarantees received. They are determined on at least a quarterly basis, on the basis of the estimated credit risk and the guarantees provided. Impairment losses cover at a minimum the interest not received on doubtful loans.

As of December 31, 2022, there were no doubtful payables due from credit institutions. Accordingly, no impairment was recorded.

### REPURCHASE AGREEMENTS

Repurchase agreements delivered are recognized in accordance with the provisions of Regulation No. 2014-07 of the French National Accounting Standards Authority completed by amended directive No. 94-06 of the Banking Commission.

The transferor records the amount received under liabilities, representing its debt vis-à-vis the purchaser. The purchaser records the amount paid, representing its claim against the transferor, as an asset. At the balance sheet date, the collateralized assets, as well as the debt vis-à-vis the purchaser and the claim against the transferor, are valued according to the rules that apply to each.

<i>(in €k)</i>	12/31/2022	12/31/2021	12/31/2020
<b>Demand loans to credit institutions</b>	<b>58,322</b>	<b>51,508</b>	<b>50,858</b>
Current accounts with overdrafts	58,322	51,508	50,858
Overnight loans	0	0	0
Unallocated items (demand)	0	0	0
Related receivables	0	0	0
<b>Term loans to credit institutions</b>	<b>18,103,573</b>	<b>22,022,118</b>	<b>23,682,240</b>
Term accounts and loans	607,804	579,157	554,737
Secured receivables under L. 211-38 (described in greater detail in note 10 A)	17,475,813	21,435,325	23,120,017
Securities bought under repurchase agreements	0	0	0
Subordinated loans and participating loans	0	0	0
Related receivables	19,955	7,636	7,487
<b>Doubtful loans and receivables</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GROSS AMOUNT OF TERM LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS</b>	<b>18,161,894</b>	<b>22,073,625</b>	<b>23,733,098</b>
Impairment of doubtful loans	0	0	0
<b>Impairment of doubtful loans</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET AMOUNT OF TERM LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS</b>	<b>18,161,894</b>	<b>22,073,625</b>	<b>23,733,098</b>
<b>Breakdown of term receivables (Group/non-Group)</b>			
Term accounts and loans			
■ Including Group transactions	0	0	0
■ Including non-Group transactions	607,804	579,157	554,737
Secured receivables			
■ Including Group transactions	17,475,813	21,435,325	23,120,017
■ Including non-Group transactions	0	0	0
Related receivables			
■ Including Group transactions	18,958	7,636	7,487
■ Including non-Group transactions	997	0	0
<b>Group receivables</b>	<b>17,494,772</b>	<b>21,442,961</b>	<b>23,127,503</b>
<b>Non-Group loans</b>	<b>608,801</b>	<b>579,157</b>	<b>554,737</b>
<b>TOTAL</b>	<b>18,103,573</b>	<b>22,022,118</b>	<b>23,682,240</b>
<b>Breakdown of demand accounts (Group/non-Group)</b>			
Demand accounts and loans			
■ Including Group transactions	56,634	51,334	50,850
■ Including non-Group transactions	1,688	174	8
Related receivables			
■ Including Group transactions	0	0	0
■ Including non-Group transactions	0	0	0
Unallocated amounts			
■ Including Group transactions (at Crédit Foncier's scope)	0	0	0
■ Including non-Group transactions	0	0	0
<b>Group receivables</b>	<b>56,634</b>	<b>51,334</b>	<b>50,850</b>
<b>Non-Group loans</b>	<b>1,688</b>	<b>174</b>	<b>8</b>
<b>TOTAL</b>	<b>58,322</b>	<b>51,508</b>	<b>50,858</b>

## Note 10 A

## Breakdown of outstanding term loans to credit institutions

(in €k)	12/31/2022			12/31/2021	12/31/2020
	Gross amount	Impairment	Net amount	Net amount	Net amount
<b>Term loans</b>					
Refinancing of subsidized residential property	0		0	0	0
Refinancing of unsubsidized residential property	0		0	0	0
Public entities	608,801		608,801	579,157	554,737
Other loans to credit institutions*	17,494,772		17,494,772	21,442,961	23,127,503
Doubtful term loans					
<b>NET AMOUNT OF TERM LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS</b>	<b>18,103,573</b>	<b>0</b>	<b>18,103,573</b>	<b>22,022,118</b>	<b>23,682,240</b>
<i>* Of which:</i>					
Replacement values pursuant to L. 211-38, with BPCE	4,565,000		4,565,000	6,600,000	6,600,000
Loans guaranteed by loans and receivables (Local authorities, Individuals, Corporates) pursuant to L. 211-38, with Crédit Foncier	8,972,200		8,972,200	14,134,000	16,382,000
Loans guaranteed by local authority receivables pursuant to L. 211-38, with BPCE, CEP and Banques Populaires	3,938,613		3,938,613	701,325	138,017
Related and other receivables	18,958		18,958	7,636	7,487
<b>TOTAL</b>	<b>17,494,772</b>	<b>0</b>	<b>17,494,772</b>	<b>21,442,961</b>	<b>23,127,503</b>

## Note 11 Customer transactions

## ACCOUNTING POLICIES

Advances to customers include loans to entities other than credit institutions, with the exception of debt securities issued by customers, assets purchased under resale agreements and receivables corresponding to securities sold under repurchase agreements. They are broken down into business loans, current accounts with overdrafts and other facilities granted to customers. Loans issued to customers are recorded in the balance sheet at their nominal value or acquisition cost and include accrued interest that is not yet due but is net of any impairment charges recognized for credit risk. The commissions and marginal transaction costs that are amortized are integrated into the outstanding loan in question.

Amounts not yet paid are recognized as off-balance sheet items under "Financing commitments given".

Compagnie de Financement Foncier acquires loan and other receivables at market value. The difference between the market value and the net book value of the loans, known as a premium or discount depending on whether it is positive or negative, is recorded in a sub-account of the customer loans account.

Premiums and discounts on receivables acquired are then taken to the year's income on an actuarial basis over the remaining term of the receivables.

Past due payments are recorded as assets in each receivables category, unless they are considered as doubtful. In this case, they are included in the doubtful loans category.

The commissions and marginal transaction costs that are amortized are integrated into the outstanding loan in question.

Early repayment penalties are fully recognized in the income statement for the fiscal year during which the transactions took place. Renegotiation penalties are amortized over the duration of renegotiated loans.

In compliance with BPCE standards, Compagnie de Financement Foncier recognizes guarantees that are explicitly or implicitly attached to certain types of customer loans recorded on the balance sheet and which are of a sufficiently material nature, such as the value of mortgages or counter-guarantees received from SGFGAS and assumed by the French government (See Note 20.2 on commitments received). They are revalued on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the outstanding loan amount.

Securities received are recognized off-balance sheet. They are revalued on a regular basis. The total carrying amount of all guarantees received for a single loan is limited to the outstanding loan amount.

## RESTRUCTURED LOANS

Within the meaning of ANC Regulation No. 2014-07 of the French National Accounting Standards Authority, restructured loans are doubtful loans and receivables whose initial contractual characteristics (term and interest rate) have been modified to ensure repayment by the counterparty.

A discount is taken on restructured loans to reflect the difference between the present value of the contractual cash flows at inception and the present value of expected principal and interest repayments after restructuring. The discount rate used for fixed-rate loans is the initial effective interest rate and the discount rate used for floating-rate loans is the most recent effective interest rate prior to the restructuring date. The effective rate is the contractual rate. This discount is recorded in "Cost of risk" in the income statement and offset against the corresponding outstanding in the balance sheet. It is written back in net interest income in the income statement over the life of the loan using a yield-to-maturity approach.

A restructured loan may be reclassified as performing when the new payment due dates are respected. When a loan that has been reclassified becomes overdue, regardless of the restructuring terms agreed, the loan is downgraded to doubtful.

## DOUBTFUL LOANS AND RECEIVABLES

Doubtful loans and receivables consist of all outstanding amounts, whether or not due and guaranteed or otherwise, where at least one commitment made by the debtor has involved a known credit risk, classified as such on an individual basis. A risk is considered to be "known" when it is probable that the Group will not collect all or part of amounts owed under the terms of the commitments made by the counterparty, notwithstanding any guarantee or surety provided.

Notwithstanding French National Accounting Standards Authority Regulation No. 2014-07, the identification of doubtful loans is carried out, in particular with regard to unpaid loans for at least three consecutive months, in line with the default cases laid down in Article 178 of EU Regulation 575/2013 of June 26, 2013 on prudential requirements applicable to credit institutions and EBA guidelines (EBA/GL/2016/07) on the application of default determination and ECB delegated Regulation 2018/1845 on critical threshold measurement for unpaid credit obligations, effective no later than December 31, 2020. The definition of non-performing loans is thus clarified by the introduction of a relative threshold and an absolute threshold applicable to past-due receivables, to identify default cases, the clarification of the criteria for reverting to performing loans with a mandatory probation period and the introduction of explicit criteria for classifying restructured loans as default.

Doubtful loans are considered to be irrecoverable when full or partial collection is deemed to be highly unlikely and a write-off is considered. Receivables that have lapsed, terminated leases, open-ended competitions, whose closure has been notified are presumed to be entered as compromised doubtful loans. The decision to reclassify a doubtful loan as irrecoverable and the amount of impairment determined must take into account the guarantees provided and the recent loan repayment history. A debt that has been classified as doubtful for more than one year is assumed to be irrecoverable, unless a write-off is not foreseen. Reclassification of a debt from doubtful to irrecoverable does not automatically entail the reclassification of the counterparty's other doubtful loans and commitments to irrecoverable.

For doubtful loans and receivables, accrued interest or interest due but not received is recognized under income from banking operations and impaired accordingly. Where the receivable is classified as compromised, accrued interest that has not been collected is no longer recognized.

More generally, doubtful loans and receivables are reclassified as performing once the debtor restarts regular payments in accordance with the original repayment schedule, provided that the counterparty is no longer considered to be at risk of default.

## REPURCHASE AGREEMENTS

Repurchase agreements delivered are recognized in accordance with the provisions of Regulation No. 2014-07 of the French National Accounting Standards Authority completed by amended directive No. 94-06 of the Banking Commission.

The transferor records the amount received under liabilities, representing its debt vis-à-vis the purchaser. The purchaser records the amount paid, representing its claim against the transferor, as an asset. At the balance sheet date, the collateralized assets, as well as the debt vis-à-vis the purchaser and the claim against the transferor, are valued according to the rules that apply to each.

## IMPAIRMENT LOSS

When the collection of loans or other receivables is considered to be uncertain, an impairment loss is recognized on the asset to cover the risk of loss. Impairment losses are calculated on a case-by-case basis, taking into account the present value of the guarantees received and the costs of taking possession and selling the collateral. They are determined on at least a quarterly basis, on the basis of the estimated credit risk and the guarantees provided. Impairment losses cover at a minimum the interest not received on doubtful loans.

Impairment for probable losses includes all impairment charges, calculated as the difference between the principal outstanding and the projected cash-flows discounted at the initial effective interest rate. Projected cash flows are determined based on the type of receivables on the basis of historical losses and/or expert appraisals and are positioned over time using debt schedules based on historic recovery records.

Impairment provisions and reversals where there is a risk of non-recovery are recognized under "Cost of risk" except for impairment of interest on doubtful loans and receivables which, like the interest thus impaired, is booked under "Interest and similar income".

The risk is assessed on a case-by-case basis for loans of a significant amount and automatically for the others taking into account the present value of the guarantees received. Once litigation begins, the collateral value is haircut.

For loans to the subsidized sector and those guaranteed by SGFGAS, on behalf of the French government, the share of the risk assumed by the latter is also taken into account.

Since loans transferred or sold to Compagnie de Financement Foncier are recorded on the balance sheet at their acquisition value, it is with respect to this initial cost that impairment is calculated.

Pursuant to the asset transfer agreement between Crédit Foncier and Compagnie de Financement Foncier, there is a mechanism that when only a portion of a loan is acquired, Compagnie de Financement Foncier may claim a right of priority over the full amount of the guarantee. Accordingly, as long as the collateral value covers Compagnie de Financement Foncier's portion of the doubtful loan, no impairment is recognized in the latter's financial statements. This impairment is recognized in the financial statements of Crédit Foncier.

When Compagnie de Financement Foncier has acquired the whole loan, any provision for impairment is wholly recognized in its financial statements.

Credit risk on financing commitments and off-balance sheet guarantees is recorded as a provision for contingencies and charges.

When credit risk is identified on loans that are not doubtful but that have seen a significant increase in credit risk since initial recognition, it is measured on the basis of expected credit losses over the period to maturity. This credit risk is deducted from loans on the asset side by means of a provision on the liability side where the risk pertains to commitments given to customers. Since January 1, 2018, the measurement methods for these non-doubtful loans have also been aligned with those of IFRS 9 Stage 2 used for the consolidated financial statements. Expected credit losses are defined as an estimate of credit losses (i.e. the present value of cash shortfalls) weighted by the probability of occurrence of these losses over the expected life of the financial instruments. They are calculated individually for each exposure.

In practice, for Stage 2 outstandings, expected credit losses are calculated as the product of several parameters:

- expected cash flows over the life of the financial instrument, discounted at the valuation date – these flows are determined according to the characteristics of the contract, its effective interest rate and, for real estate loans, the expected level of early repayment for the contract;
- loss given default rate;
- probability of default until maturity of the contract.

Non-recoverable receivables are recorded as losses and the corresponding impairments are reversed.

The parameters used to measure expected credit losses are adjusted to the economic environment via the definition of three economic scenarios defined over a period of three years:

- the central scenario was updated based on the scenarios determined by the Group's economists and validated by the Groupe BPCE Watchlist and Provisions Committee on December 5, 2022;
- a pessimistic scenario, corresponding to a more degraded realization of the macroeconomic variables defined under the central scenario;
- an optimistic scenario, corresponding to a more favorable realization of the macroeconomic variables defined in the framework of the central scenario.

The definition and review of these scenarios follows the same organization and governance as that defined for the budget process, with a quarterly review of their relevance since the Covid-19 crisis, which may lead to a revision of macroeconomic projections in the event of a significant deviation of the situation observed, based on proposals from economic research and validation by the Executive Management Committee. The probability of occurrence of the scenarios is reviewed quarterly by the Group's Watchlist and Provisions Committee. The parameters thus defined enable the assessment of the expected credit losses of all exposures, whether they belong to a scope approved by the internal method or treated as standard for the calculation of risk-weighted assets.

(in €k)	Performing loans and receivables			Doubtful loans and receivables			Impairment of customer receivables <sup>(4)</sup>			Net amounts		
	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2020	12/31/2022	12/31/2021	12/31/2020
<b>Current accounts with overdrafts</b>	0	0	0	0	0	0	0	0	0	0	0	0
<b>Facilities granted to customers</b>	<b>34,092,228</b>	<b>32,548,560</b>	<b>34,120,342</b>	<b>646,194</b>	<b>1,280,252</b>	<b>1,277,451</b>	<b>36,833</b>	<b>51,778</b>	<b>58,711</b>	<b>34,701,588</b>	<b>33,777,035</b>	<b>35,339,082</b>
Loans to financial customers	211,543	233,486	235,305	0	0	0	0	0	0	211,543	233,486	235,305
Export credits	0	0	0	0	0	0	0	0	0	0	0	0
Short-term credit facilities <sup>(1)</sup>	310,010	352,227	421,469	0	0	0	0	0	0	310,010	352,227	421,469
Equipment loans	10,144,475	8,752,340	6,974,065	34	34	34	3,888	2,427	34	10,140,622	8,749,947	6,974,065
Home loans	23,321,651	23,136,989	26,408,175	645,419	1,278,421	1,275,514	32,946	49,351	58,665	23,934,125	24,366,059	27,625,024
Other customer loans	16,352	4,496	5,390	0	19	40	0	0	11	16,352	4,516	5,419
Unallocated amounts	0	0	0	0	0	0	0	0	0	0	0	0
Related receivables	88,197	69,023	75,938	740	1,778	1,863	0	0	0	88,937	70,801	77,801
<b>GENERAL<sup>(3)</sup></b>	<b>34,092,228</b>	<b>32,548,560</b>	<b>34,120,342</b>	<b>646,194</b>	<b>1,280,252</b>	<b>1,277,451</b>	<b>36,833</b>	<b>51,778</b>	<b>58,711</b>	<b>34,701,588</b>	<b>33,777,035</b>	<b>35,339,082</b>

Restructured loans amounted to €339.4m at December 31, 2022, including €134.05m classified as performing loans.

Note: Compagnie de Financement Foncier does not include any intragroup loans in customer loans.

(1) Since 2007, the Company purchased the French local authority loans of Natixis, which included revolving credit lines of €310.01m at December 31, 2022, versus €352.42m at December 31, 2021.

(2) Equipment loans are loans to local authorities.

(3) Customer loans eligible for refinancing with the Central Bank amounted to €6.4bn at December 31, 2022 in outstanding capital. This amount represents €4.7bn after haircut and overcollateralization constraints.

(4) Write-downs on customer loans include, on the one hand, write-downs on doubtful debts for €28.77m and, on the other hand, write-downs due to significant increases in credit risk on performing loans for €8.06m.

## Note 11 A 1

## Impairment and provisions for credit risks

(in €k)	12/31/2020	Reclassification	Additions	Reversals	12/31/2021	Reclassification	Additions	Reversals	Reversals used	12/31/2022
<b>Impairment of assets</b>										
Customer loans and due from credit institutions <sup>(1) (2)</sup>	58,711	0	26,746	-33,680	51,778	0	19,889	-34,833		36,833
<b>Provisions recognized as liabilities</b>										
Customer loans and due from credit institutions and provisions on securities <sup>(3)</sup>	227		0	-124	103		4	0		107
<b>TOTAL</b>	<b>58,938</b>	<b>0</b>	<b>26,746</b>	<b>-33,804</b>	<b>51,881</b>	<b>0</b>	<b>19,893</b>	<b>-34,833</b>	<b>0</b>	<b>36,941</b>

(1) Loan impairment is measured at discounted value in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority.

(2) In accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority, Compagnie de Financement Foncier now recognizes its impairment flows in accumulated stock at each closing: reversal of all impairment for the previous fiscal year and full allocation of impairment for the current fiscal year.

(3) A provision for risk is included in the scope of non-doubtful off-balance sheet commitments, for which the available information makes it possible to anticipate a risk of default and losses at maturity.

## Note 11 A 2

## Premiums/discounts on acquired receivables

(in €k)	12/31/2020	Reclassification – Repayment	Additions	Spreading	12/31/2021	Reclassification – Repayment	Additions	Spreading	12/31/2022	
<b>Receivables due from credit institutions</b>										
Premiums	0		0	0	0	0	0	0	0	
Discounts	0	0	0	0	0	0	0	0	0	
<b>Net</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Customer loans</b>										
<b>Performing loans and receivables</b>										
Premiums	758,398	-9,158	56,525	-140,150	665,615	1,562	112,726	-131,085	648,818	
Discounts	-1,225,976	13,361	-5,446	151,712	-1,066,349	2,609	-106,885	138,931	-1,031,694	
<b>Doubtful loans and receivables</b>										
Premiums	32,611	9,158	0	-7,518	34,251	-1,562	0	-18,107	14,582	
Discounts	-32,011	-13,361	0	8,149	-37,223	-2,609	0	19,558	-20,274	
<b>Net</b>	<b>-466,978</b>	<b>0</b>	<b>51,079</b>	<b>12,193</b>	<b>-403,706</b>	<b>0</b>	<b>5,841</b>	<b>9,297</b>	<b>-388,568</b>	
<b>TOTAL</b>	<b>-466,978</b>	<b>0</b>	<b>51,079</b>	<b>12,193</b>	<b>-403,706</b>	<b>0</b>	<b>5,841</b>	<b>9,297</b>	<b>-388,568</b>	

## Note 11 B

## Breakdown of outstanding customer loans

(in €k)	12/31/2022			12/31/2021	12/31/2020
	GROSS	IMPAIRMENT	NET	NET	NET
<b>Mortgage Loans France</b>	<b>21,781,454</b>	<b>3,606</b>	<b>21,777,848</b>	<b>22,360,527</b>	<b>25,524,701</b>
<b>Public sector</b>	<b>12,297,596</b>	<b>4,434</b>	<b>12,293,162</b>	<b>10,168,347</b>	<b>8,569,087</b>
■ French public sector	11,004,735	4,293	11,000,442	8,827,656	7,173,214
■ Social housing	1,326,022	439	1,325,583	690,565	721,981
■ French local authorities (FLA)	9,678,713	3,854	9,674,859	8,137,090	6,450,530
■ Sovereign France	0	0	0	0	703
Public-Private Partnership (PPP)	575,168	23	575,145	587,873	598,003
International public sector	717,694	118	717,576	752,818	797,869
■ International public financing	717,694	118	717,576	752,818	797,869
■ International Sovereign	0	0	0	0	0
<b>Commercial mortgage exposures</b>	<b>13,177</b>	<b>22</b>	<b>13,155</b>	<b>14,455</b>	<b>19,011</b>
<b>Other</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Subtotal performing customer loans</b>	<b>34,092,228</b>	<b>8,062</b>	<b>34,084,166</b>	<b>32,543,330</b>	<b>34,112,798</b>
<b>Doubtful loans and receivables</b>	<b>646,194</b>	<b>28,771</b>	<b>617,423</b>	<b>1,233,706</b>	<b>1,226,283</b>
<b>TOTAL CUSTOMER LOANS</b>	<b>34,738,422</b>	<b>36,833</b>	<b>34,701,588</b>	<b>33,777,035</b>	<b>35,339,082</b>

The 2016 outstanding loans are drawn up in line with the breakdown presented in the table "Exposure analysis to credit risk".

Outstanding loans in the unsubsidized sector include €13.33bn in loans guaranteed by SGFGAS.

## Note 11 C

## Breakdown of outstanding doubtful loans

12/31/2022 (in €k)	Total doubtful loans			Including compromised doubtful loans		
	Gross	Impairment	Net	Gross	Impairment	Net
<b>Mortgage Loans France</b>	<b>641,135,548</b>	<b>28,617,331</b>	<b>612,518,217</b>	<b>330,833,235</b>	<b>11,578,894</b>	<b>319,254,341</b>
<b>Public sector</b>	<b>65,483</b>	<b>52,043</b>	<b>13,440</b>	<b>0</b>	<b>0</b>	<b>0</b>
French public sector	65,483	52,043	13,440	0	0	0
■ Social housing	65,482	52,043	13,439	0	0	0
■ French local authorities (FLA)	1	0	1	0	0	0
■ Sovereign France	0	0	0	0	0	0
Public-Private Partnership (PPP)	0	0	0	0	0	0
International public sector	0	0	0	0	0	0
■ International public financing	0	0	0	0	0	0
■ International Sovereign	0	0	0	0	0	0
<b>Commercial mortgage exposures</b>	<b>4,993,035</b>	<b>4,590,137</b>	<b>402,898</b>	<b>4,488,167</b>	<b>4,488,167</b>	<b>0</b>
<b>Subtotal doubtful customer loans</b>	<b>646,194,067</b>	<b>33,259,511</b>	<b>612,934,555</b>	<b>335,321,403</b>	<b>16,067,061</b>	<b>319,254,341</b>

Doubtful loans and receivables outstanding in the unsubsidized sector includes €407.2m in loans guaranteed by SGFGAS.

In accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority, irrecoverable doubtful loans do not include loans with a guarantee covering nearly all of the risks. These are mainly subsidized sector loans and loans with a FGAS guarantee.

## Note 12 Other assets

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Options bought</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Securities settlement accounts</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other debtors</b>	<b>20,390</b>	<b>15,690</b>	<b>79,391</b>
Deposits on collateralization transactions	0	0	0
Other deposits and guarantees <sup>(1)</sup>	19,015	15,687	12,686
Tax consolidation receivables <sup>(2)</sup>	0	0	65,860
Other non-trade receivables	1,376	3	845
<b>Special bonus account</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>20,390</b>	<b>15,690</b>	<b>79,391</b>

(1) At December 31, 2022, this item includes mainly the guarantee deposits for 2015 to 2022 called by the Single Resolution Fund for €19,015k.

(2) This item represents remuneration due by Crédit Foncier for corporate tax savings due to the tax deficit.

## Note 13 Accrual accounts – Assets

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Collection accounts</b>	<b>8</b>	<b>8</b>	<b>24</b>
<b>Deferred expenses</b>	<b>165,224</b>	<b>147,370</b>	<b>170,578</b>
Issue and redemption premiums on fixed-income securities	165,224	14,370	170,578
Other deferred expenses	0	0	0
<b>Prepaid expenses</b>	<b>659,132</b>	<b>763,247</b>	<b>879,050</b>
Termination balances of paid swaps to be amortized	659,132	763,247	879,050
Other prepaid expenses	0	0	0
<b>Accrued income</b>	<b>263,415</b>	<b>250,811</b>	<b>368,357</b>
Accrued interest on swaps	262,925	250,321	367,868
Other accrued income	490	490	490
<b>Other accrual accounts – assets</b>	<b>85,199</b>	<b>89,308</b>	<b>119,398</b>
Cash in domiciliation	0	0	0
Deferred tax assets	71,532	87,544	116,115
Currency adjustment accounts	0	0	0
Other accrued income*	13,667	1,764	3,283
<b>TOTAL</b>	<b>1,172,979</b>	<b>1,250,744</b>	<b>1,537,408</b>

\* Essentially composed of transit accounts or financial relations with Crédit Foncier.

## Note 14 Due to credit institutions

### ACCOUNTING POLICIES

Payables to credit institutions are presented according to their initial term (sight deposit or term). Depending on the counterparty involved, these items may include repurchase agreements involving securities and other assets. Accrued interest is recorded on related debts.

## REPURCHASE AGREEMENTS

The collateralized assets under repurchase agreements are recognized in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority.

The transferor records the amount received under liabilities, representing its debt vis-à-vis the purchaser. The purchaser records the amount paid, representing its claim against the transferor, as an asset. At the balance sheet date, the collateralized assets, as well as the debt vis-à-vis the purchaser and the claim against the transferor, are valued according to the rules that apply to each.

<i>(in €k)</i>	12/31/2022	12/31/2021	12/31/2020
<b>Due to credit institutions – sight deposits <sup>(1)</sup></b>	<b>3,570</b>	<b>0</b>	<b>0</b>
Current accounts of credit institutions	3,570	0	0
Demand loans from credit institutions	0	0	0
Other amounts due to credit institutions	0	0	0
Related payables	0	0	0
<b>Due to credit institutions – term deposits <sup>(2)</sup></b>	<b>4,847,414</b>	<b>5,009,751</b>	<b>6,268,175</b>
Term deposits and loans	4,201,567	4,369,798	5,578,707
Values sold under repurchase agreements	0	0	0
Securities sold under repurchase agreements	642,540	640,055	689,722
Related payables	3,307	-102	-254
<b>TOTAL</b>	<b>4,850,984</b>	<b>5,009,751</b>	<b>6,268,175</b>
<b>(1) Details on due to credit institutions – sight deposits (Group/non-Group)</b>	<b>3,570</b>	<b>0</b>	<b>0</b>
<b>Including Group</b>	<b>0</b>	<b>0</b>	<b>0</b>
■ <i>Other amounts due to credit institutions</i>	0	0	0
■ <i>Demand loans from credit institutions</i>	0	0	0
■ <i>Related payables</i>	0	0	0
<b>Of which non-Group</b>	<b>3,570</b>	<b>0</b>	<b>0</b>
■ <i>Other amounts due to credit institutions</i>	3,570	0	0
<b>(2) Details on due to credit institutions – term deposits (Group/non-Group)</b>	<b>4,847,414</b>	<b>5,009,751</b>	<b>6,268,175</b>
<b>Including Group</b>	<b>4,847,415</b>	<b>5,009,751</b>	<b>6,268,174</b>
■ <i>Term deposits and loans</i>	4,204,875	4,369,696	5,578,453
■ <i>Securities sold under repurchase agreements</i>	642,540	640,055	689,722
<b>Of which non-Group</b>	<b>0</b>	<b>0</b>	<b>0</b>
■ <i>Term deposits and loans</i>	0	0	0
■ <i>Banque de France refinancing (3G pool)</i>	0	0	0
■ <i>Other term loans</i>	0	0	0
■ <i>Securities sold under repurchase agreements</i>	0	0	0
■ <i>Related payables</i>	0	0	0
<b>Subtotal due to Group credit institutions</b>	<b>4,847,415</b>	<b>5,009,751</b>	<b>6,268,174</b>
<b>Subtotal due to non-Group credit institutions</b>	<b>3,570</b>	<b>0</b>	<b>0</b>
<b>GENERAL</b>	<b>4,850,984</b>	<b>5,009,751</b>	<b>6,268,175</b>

## Note 15 Debt securities

### DEBT SECURITIES

Debt securities are shown according to how they are supported: short-term notes, interbank market instruments and negotiable debt securities, bonds and similar instruments, excluding subordinated securities which are shown on their own line in liabilities.

The outstanding principal amount on loans issued by Compagnie de Financement Foncier is recognized as a balance sheet liability for the gross amount. Foreign currency loans are measured in euros at the closing exchange rates.

Accrued interests relating to these securities are recorded in a related liabilities account through profit or loss.

(in €k)	12/31/2022	12/31/2021	12/31/2020
Negotiable debt securities	0	0	0
Related payables	0	0	0
<b>Negotiable debt securities and related payables</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Obligations foncières</i>	51,231,517	53,205,393	55,824,258
Related payables	413,036	468,084	619,052
<b><i>Obligations foncières</i> and related payables</b>	<b>51,644,553</b>	<b>53,673,477</b>	<b>56,443,309</b>
<b>TOTAL</b>	<b>51,644,553</b>	<b>53,673,477</b>	<b>56,443,309</b>

All of these debt securities benefit from a preferential payment claim defined by Article L. 513-11 of the French Monetary and Financial Code ("privilege" of *obligations foncières*).

## Note 16 Other liabilities

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Options sold</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other creditors</b>	<b>137,434</b>	<b>443,864</b>	<b>995,166</b>
Deposits on collateralization transactions	38,300	308,671	879,916
Margin calls on repurchase agreements	0	0	0
Trade payables*	847	15,578	14,719
Tax consolidation liabilities <sup>(1)</sup>	123	5,539	0
Other fiscal and social debts	53	37	34
Other payables accounts	-4,559	11,736	-1,336
Special bonus account	102,670	102,303	101,832
<b>Allocated public funds <sup>(2)</sup></b>	<b>40,323</b>	<b>40,785</b>	<b>39,920</b>
<b>TOTAL</b>	<b>177,757</b>	<b>484,649</b>	<b>1,035,086</b>
(1) Corporate tax due to Crédit Foncier (tax consolidation)	123	5,539	0
(2) including subsidized sector	39,911	39,959	38,200

\* Pursuant to provisions of Article D. 441-4 of the French Commercial Code, the breakdown of the amount of the suppliers invoices received and not settled at closing is the following:

Suppliers' invoices received and not settled as at the closing date	From 1 to 30 days	From 31 to 60 days	From 61 to 90 days	More than 91 days	Total
Total amount of invoices concerned incl. VAT (in thousands of euros)	0	0	0	0	0
Percentage of total purchases incl. VAT for the year	0.00%	0	0	0	0.00%
Number of invoices	0	0	0	0	0

## Note 17 Accrual accounts – Liabilities

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Collection accounts</b>	<b>0</b>	<b>0</b>	<b>22</b>
<b>Unearned income</b>	<b>590,206</b>	<b>705,960</b>	<b>827,335</b>
Subsidies on loans for low-income households (PAS) and former interest-free loans (PTZ)	3,252	5,439	9,601
Balances of swaps received to be amortized	483,541	581,935	705,979
Other unearned income	103,413	118,585	111,756
<b>Accrued expenses</b>	<b>215,351</b>	<b>117,976</b>	<b>127,884</b>
Accrued interest on derivatives (swaps)	206,540	106,596	112,980
Other accrued expenses	8,811	11,379	14,904
<b>Other accrual accounts</b>	<b>873,916</b>	<b>717,757</b>	<b>598,985</b>
Currency adjustment accounts*	831,574	625,039	569,129
Other items	42,342	92,718	29,856
<b>TOTAL</b>	<b>1,679,473</b>	<b>1,541,693</b>	<b>1,554,226</b>

\* This item restores the balance between assets and liabilities, following the recognition in the income statement of gains or losses relating to the measurement of off-balance sheet transactions in foreign currency. A similar item can be found in note 13.

## Note 18 Provisions

### PROVISIONS

This item covers provisions for contingencies and losses that are not directly related to banking transactions as defined under Article L. 311-1 of the French Monetary and Financial Code or to related transactions as defined under Article L. 311-2 of said Code, and which are clearly identifiable but of uncertain timing or amount. Unless covered by a specific text or reporting banking or related transactions,

such provisions may only be recognized if an obligation towards a third party exists at the end of the accounting period and is not offset by a receivable from this third party, in accordance with the provisions of Regulation No. 2014-03 of the French National Accounting Standards Authority.

In particular, this item includes a provision for counterparty risk on performing loans detailed in note 11.

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Provisions for counterparty risks</b>	<b>107</b>	<b>103</b>	<b>227</b>
Provisions for counterparty risks on performing loans	107	103	227
Sectoral provisions	0	0	0
Provisions for execution risks for commitments by signature	0	0	0
<b>Provisions for claims and litigation</b>	<b>12,059</b>	<b>12,059</b>	<b>0</b>
Tax litigation	0	0	0
Other litigations*	12,059	12,059	0
<b>Other provisions</b>	<b>222</b>	<b>263</b>	<b>374</b>
Other provisions <sup>(1)</sup>	222	263	374
<b>TOTAL</b>	<b>12,388</b>	<b>12,425</b>	<b>602</b>

\* The reserve for provisions only included one case and was therefore reclassified in 2020 after deduction of the outstanding amounts in question.

(1) A provision related to an estimate of an accelerated amortization of several termination balances.

Changes in the period (in €k)	Changes in 2022					12/31/2022
	12/31/2021	Additions	Reversals		Other changes	
			Used	Not used		
<b>Provisions for counterparty risks</b>	<b>103</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107</b>
Provisions for counterparty risks on performing loans	103	4	0	0	0	107
Sectoral provisions	0	0	0	0	0	0
Provisions for execution risks for commitments by signature	0	0	0	0	0	0
<b>Provisions for claims and litigation</b>	<b>12,059</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,059</b>
Tax litigation	0	0	0	0		0
Other litigation	12,059	0	0	0		12,059
<b>Other provisions</b>	<b>263</b>	<b>0</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>222</b>
Other provisions	263	0	0	41	0	222
<b>TOTAL</b>	<b>12,425</b>	<b>4</b>	<b>0</b>	<b>41</b>	<b>0</b>	<b>12,388</b>

## Note 19 Changes in equity

### FUND FOR GENERAL BANKING RISKS

This fund is intended to cover risks inherent to the entity's business activities, pursuant to the requirements of Article 3 of Regulation No. 90-02 of the French Banking and Financial Regulation Committee.

(in €k)	Changes in capital and reserves					Changes in capital and reserves			
	Opening 01/01/2021	Allocation	Dividends paid in shares		Amount at 12/31/2021	Allocation	Dividends paid in shares		Amount at 12/31/2022
			Other changes	Other changes			Other changes		
Share capital*	2,537,460	0	0	0	2,537,460	0	0	-1,000,000	1,537,460
Share premiums*	343,002	0	0	0	343,002	0	0	-133,135	209,867
<b>Reserves</b>									
■ Legal reserve	76,600	2,358	0	0	78,958	5,301	0	0	84,259
■ General reserve	55,517	0	0	0	55,517	0	0	0	55,517
■ Regulated reserves	0	0	0	0	0	0	0	0	0
<i>Including:</i>									
Regulated reserves of revaluation	0	0	0	0	0	0	0	0	0
Special reserves for long-term capital gains	0	0	0	0	0	0	0	0	0
Retained earnings	74,352	-2,357	0	0	71,995	-5,301	0	0	66,694
<b>Net equity before net income for the year</b>	<b>3,086,931</b>		<b>0</b>	<b>0</b>	<b>3,086,932</b>		<b>0</b>	<b>0</b>	<b>1,953,798</b>
Net income for the year before distributions	47,141	-47,141	0	0	106,004	-106,004	0	0	119,910
<b>Equity after net income for the year</b>	<b>3,134,072</b>		<b>0</b>	<b>0</b>	<b>3,192,937</b>		<b>0</b>	<b>0</b>	<b>2,073,708</b>
Dividends paid	0	47,140	0	0	0	106,004	0	0	0

(in €k)	Opening 01/01/2021	Changes in provisions			Amount at 12/31/2021	Changes in provisions			Amount at 12/31/2022
		Allocation	Additions	Reversals		Allocation	Additions	Reversals	
Special revaluation provision	0	0	0	0	0	0	0	0	0
Other regulated provisions	0	0	0	0	0	0	0	0	0
Regulated provisions	0	0	0	0	0	0	0	0	0
<b>Equity before distributions</b>	<b>3,134,072</b>				<b>3,192,937</b>				<b>2,073,708</b>

(in €k)	Opening 01/01/2021	Changes in the reserve for general banking risks (RGBR)		Amount at 12/31/2021	Changes in the reserve for general banking risks (RGBR)			Amount at 12/31/2022
		Allocation	Reversals		Allocation	Additions	Reversals	
Fund for general banking risks	20,000	0	0	20,000	0	0	0	20,000
<b>TOTAL</b>	<b>3,154,072</b>	<b>0</b>	<b>0</b>	<b>3,212,937</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,093,708</b>

\* After the decrease in capital of the first half-year 2022, the share capital is composed of 96,091,246 ordinary shares with a nominal value of €16, all of which confer the same rights on their holders.  
No free revaluation has been carried out to date.

## Note 19 A Proposed appropriation of income

(in €k)	At 12/31/2022	
<b>Sources</b>		
Retained earnings	0	66,694
Net income for the fiscal year	0	119,910
Deposit on dividends	0	0
Transfer from reserves	0	0
<b>Allocation</b>		
Allocation to reserves	0	0
■ Legal reserve	5,996	
■ Special long-term capital gains reserves	0	0
■ Other reserves	0	0
Dividends	119,910	
Other distributions	0	0
Retained earnings	60,698	0
<b>TOTAL</b>	<b>186,604</b>	<b>186,604</b>

## Note 20 Commitments given and received

### GENERAL PRINCIPLES

#### FINANCING COMMITMENTS

Financing commitments given to credit and similar institutions comprising refinancing agreements, payment approvals or payment commitments, documentary credit opening confirmation and other commitments given to credit institutions.

Financing commitments given to customers comprising confirmed credit openings, substitutions for commercial paper facilities, commitments on securities issue facilities and other commitments given to economic agents other than credit and similar institutions.

Financing commitments received list refinancing agreements and other commitments received from credit and similar institutions.

#### GUARANTEE COMMITMENTS

Credit institution guarantee commitments cover deposits, pledges and other guarantees from credit and similar institutions.

Customer guarantee commitment include deposits, pledges and other guarantees from economic agents other than credit and similar institutions.

Guarantee commitments include received list deposits, pledges and other guarantees received from credit and similar institutions.

## 20.1 COMMITMENTS GIVEN

(in €k)	12/31/2022		12/31/2021		12/31/2020	
	Loans authorized but not yet established	Amounts not drawn down on loans already partially established	Loans authorized but not yet established	Amounts not drawn down on loans already partially established	Loans authorized but not yet established	Amounts not drawn down on loans already partially established
<b>FINANCING COMMITMENTS</b>	<b>520,114</b>	<b>18</b>	<b>1,407,570</b>	<b>291</b>	<b>1,530,768</b>	<b>48,137</b>
Subsidized sector commitments	0	0	0	0	0	0
Unsubsidized sector commitments	520,114	18	1,407,570	291	1,530,768	48,137
<b>Non-Group commitments</b>	<b>520,114</b>	<b>18</b>	<b>1,407,570</b>	<b>291</b>	<b>1,530,768</b>	<b>48,137</b>
Credit institutions	0	0	0	0	0	0
Customers <sup>(1)</sup>	520,114	18	1,407,570	291	1,530,768	48,137
<b>Group commitments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GUARANTEE COMMITMENTS</b>	<b>175,389</b>	<b>0</b>	<b>208,404</b>	<b>0</b>	<b>201,322</b>	<b>0</b>
<b>Non-Group commitments</b>	<b>175,389</b>	<b>0</b>	<b>208,404</b>	<b>0</b>	<b>201,322</b>	<b>0</b>
Other collateral <sup>(2)</sup>	175,389	0	208,404	0	201,322	0
<b>COMMITMENTS ON SECURITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL <sup>(3)</sup></b>	<b>695,521</b>	<b>0</b>	<b>1,616,264</b>	<b>0</b>	<b>1,780,227</b>	<b>0</b>

(1) The main changes concerning financing commitments given to customers are:

(in €k)	12/31/2022	12/31/2021	12/31/2020
- Permanent credit lines (outstanding transferred from Ixis CIB)	520,114	1,407,570	1,478,701
- State housing savings accounts (primes d'épargne logement)	0	0	52,067

(2) This item represents assets and securities given as collateral to the Banque de France, within the framework of the pool of the Gestion Globale des Garanties (3G) including:

(in €k)	12/31/2022	12/31/2021	12/31/2020
Securities	130,492	157,599	147,225
Receivables	44,897	50,805	54,097

Receivables presented and accepted by the Banque de France are valued at their book value; securities are valued at ECB value before valuation haircut.

(3) including:

(in €k)	12/31/2022	12/31/2021	12/31/2020
Doubtful commitments	18	291	204

## 20.2 COMMITMENTS RECEIVED

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>FINANCING COMMITMENTS</b>	<b>20,524,459</b>	<b>23,352,895</b>	<b>24,869,427</b>
<b>Non-Group commitments</b>	<b>723,662</b>	<b>767,113</b>	<b>693,633</b>
Credit institutions <sup>(1)</sup>	723,662	767,113	693,633
<b>Group commitments</b>	<b>19,800,797</b>	<b>22,585,782</b>	<b>24,175,794</b>
Repurchase guarantee	0	0	0
Credit institutions <sup>(2)</sup>	1,000,000	2,000,000	2,000,000
Other assets received as collateral from the Group <sup>(3)</sup>	18,800,797	20,585,782	22,175,794
<b>GUARANTEE COMMITMENTS</b>	<b>26,741,120</b>	<b>27,787,877</b>	<b>31,463,810</b>
<b>Non-Group commitments</b>	<b>26,166,284</b>	<b>27,149,187</b>	<b>30,593,712</b>
Credit institutions and similar items <sup>(4)</sup>	4,669,715	4,407,573	4,754,066
Customers <sup>(5)</sup>	21,496,568	22,741,614	25,839,646
<b>Group commitments</b>	<b>574,837</b>	<b>638,689</b>	<b>870,097</b>
Credit institutions and similar items	541,407	609,535	835,417
Customers	33,430	29,154	34,680
<b>COMMITMENTS ON SECURITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other securities to be received	0	0	0
<b>TOTAL</b>	<b>47,265,579</b>	<b>51,140,772</b>	<b>56,333,237</b>

(1) Non-Group financing commitments included the commitment received from the Banque de France in relation to the collateral management mechanism for an amount of €154.36m at December 31, 2022 compared with €183.41m at December 31, 2021.

(2) Credit line entered into by Compagnie de Financement Foncier and BPCE on June 30, 2018 for €2bn.

(3) Guarantees related to receivables and securities held and put in place within the framework of loans authorized pursuant to Article L. 211-38 and mortgage notes.

(in €k)	12/31/2022	12/31/2021	12/31/2020
■ Guarantees received from Crédit Foncier and SOCFIM for loans to French local authorities (L. 211-38)	9,256,301	14,309,116	16,610,206
■ Guarantees received from BPCE SA as replacement values (L. 211-38 – RV)	5,190,289	5,549,140	5,429,097
■ Guarantees received from Caisses d'Épargne, SOCFIM, Banques Populaires and BPCE for loans to French local authorities (L. 211-38)	4,354,207	727,526	136,491
■ Guarantees received from Crédit Foncier for mortgage notes	0	0	0

(4) Mainly includes:

(in €k)	12/31/2022	12/31/2021	12/31/2020
■ Guarantees received from Crédit Logement rated Aa3 (Moody's)	4,490,765	4,192,988	4,515,149
■ Guarantees received from Créserfi	174,020	200,543	229,473

(5) Compagnie de Financement Foncier posts guarantees to the balance sheet related to certain types of customer loans on the balance sheet, in view of their materiality.

These guarantees include:

(in €k)	12/31/2022	12/31/2021	12/31/2020
■ Government guarantees on loans, mainly to the subsidized sector	11,981	17,140	102,922
■ Guarantees from the SGFGAS on FGAS-eligible loans and covered by the government	13,325,934	14,144,644	15,927,141
■ Mortgage guarantees for mortgage loans that are only covered by this guarantee	4,946,770	5,588,831	6,688,985
■ Guarantees given by local authorities and other organizations	1,114,348	592,344	668,463
■ Security enhancement guarantees given by governments	1,569,370	1,032,726	1,038,059
■ Security enhancement guarantees received from insurance companies	1,166,633	1,313,818	1,362,005

## Note 21 Forward financial instruments

### FOREIGN CURRENCY TRANSACTIONS

Income and capital gains or losses on foreign exchange transactions are calculated in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority.

Receivables, liabilities and off-balance sheet commitments denominated in a foreign currency are valued at the closing exchange rate. The corresponding income and expenses are immediately translated into euros at the spot rate when recognized in the income statement.

Unsettled spot foreign exchange transactions are valued at the exchange rate as at the reporting date.

Foreign exchange swaps are recognized as coupled long spot and short forward transactions. Premiums and discounts on foreign exchange forward and futures contracts used for hedging purposes are recognized in the income statement on a prorata temporis basis. Currency swaps are subject to regulation No. 2014-07 of the French National Accounting Standards Authority.

Realized and unrealized foreign exchange gains and losses are recognized in the income statement under "gains or losses on trading book transactions".

### FUTURE CONTRACTS

Hedging, forward interest rate, foreign exchange and equity futures transactions are recognized in accordance with the provisions of Regulation No. 2014-07 of the French National Accounting Standards Authority.

Commitments on these instruments are recorded as off-balance sheet items at the nominal value of the contracts. At closing, the amount recognized for these commitments represented the volume of the open transactions at closing.

The instruments held by Compagnie de Financement Foncier are mainly interest rate or foreign exchange swaps, forward foreign exchange swaps and caps and floors. All these instruments are traded OTC (including transactions processed by clearing houses – LCH).

Compagnie de Financement Foncier has no binding contracts on any organized or other markets.

The accounting policies applied vary depending on the type of instrument and the original purpose of the transaction.

### FORWARD TRANSACTIONS

Interest rate swaps and similar contracts (forward rate agreements, floor and ceiling guarantees) are classified according to the initial intention criterion in the following categories:

- micro-hedging (earmarked hedge);
- macro-hedging (overall asset and liability management);
- speculative positions/isolated open positions;
- specialized management of a trading book.

Income and expenses on the first two categories are recognized in the income statements on a prorata basis.

Income and expenses on instruments used to hedge an item or a group of similar assets are recorded as profit or loss, symmetrically with the recognition of income and expenses on hedged items. Comprehensive income items of the hedging instrument are recognized in the same line item as income and expenses for hedged items, under "Interest and similar income" and "Interest and similar expenses". The "Net gains or losses on trading book transactions" line item is used when the hedged items are included in the trading book.

Hedging swaps on loans are systematically reclassified under isolated open positions when the loan becomes doubtful.

Income and expenses on forward financial instruments used to hedge and manage the Company's overall interest rate exposure are recognized in the income statement on a prorata basis as "Interest and similar income" and "Interest and similar expenses". Unrealized gains and losses are not recognized.

Gains and losses on certain contracts qualified as isolated open positions are recorded in the income statement when the contracts are unwound or on a prorata basis depending on the nature of the instrument. Recognition of unrealized capital gains or losses is determined based on the type of market involved (organized, other markets considered as organized or over the counter):

- for over-the-counter options, unrealized mark-to-market losses are provided for at year-end. Unrealized gains are not recognized;
- instruments traded on organized markets or other markets considered as organized are continuously quoted and liquid enough to justify being marked to market. Unrealized gains are not recognized.

Compagnie de Financement Foncier does not have any trading book or isolated open position management contracts.

Termination balances or transfers are recognized as follows:

- transactions classified under specialized asset management or isolated open positions are recognized directly in the income statement;
- for micro-hedging and macro-hedging, the closing balances are either amortized over the remaining life of the item formerly hedged or carried directly to profit or loss.

When a micro-hedged item is divested the termination balance of the associated swap and, where applicable, the unamortized termination balances are booked in profit or loss on the same line as that on which the gain or loss on the disposal of the hedged item is recognized.

### OPTIONS

The notional amount of the underlying asset on which the option or forward contract is based is recorded by distinguishing between hedging contracts and contracts traded on the markets.

For transactions involving interest rate, foreign exchange or equity options, the premiums paid or received are recognized in a temporary account. At closing, these options are valued on the profit or loss in the case of products listed on an organized market or equivalent. For over-the-counter (OTC) options, provisions are recognized for capital losses but unrealized capital gains are not recognized. When an option is sold, repurchased or exercised, or when an option expires, the corresponding premium is recognized immediately in income.

Income and expenses for hedging instruments are recognized symmetrically with those from the hedged item. Put options are not eligible for classification as macro-hedging instruments.

Over-the-counter markets may be treated as organized markets when market makers ensure continuous quotations with spreads that reflect

market practice or when the underlying financial instrument is itself quoted on an organized market.

At December 31, 2022, Compagnie de Financement Foncier recognized no forward rate agreements on an isolated open position.

(in €k)	12/31/2022		12/31/2021		12/31/2020	
	Euros	Currencies <sup>(2)</sup>	Euros	Devises <sup>(2)</sup>	Euros	Devises <sup>(2)</sup>
<b>OVER-THE-COUNTER MARKETS</b>						
<b>Options (nominal amounts)</b>	<b>684,024</b>	<b>0</b>	<b>825,024</b>	<b>0</b>	<b>985,573</b>	<b>0</b>
<b>Hedging transactions (purchases)</b>						
■ Interest rate instruments	684,024	0	825,024	0	985,573	0
■ Foreign exchange instruments	0	0	0	0	0	0
■ Other instruments	0	0	0	0	0	0
<b>Other options</b>						
<b>Options (fair value)</b>	<b>9,115</b>	<b>0</b>	<b>2,705</b>	<b>0</b>	<b>405</b>	<b>0</b>
<b>Forward transactions (nominal amounts)</b>	<b>56,177,996</b>	<b>5,972,170</b>	<b>54,112,367</b>	<b>6,175,469</b>	<b>58,624,462</b>	<b>6,427,223</b>
<b>Hedging transactions</b>						
■ Interest rate instruments	51,534,406	326,732	49,274,609	334,752	53,286,982	315,932
■ Foreign exchange instruments <sup>(3)</sup>	4,643,590	5,645,439	4,837,758	5,840,717	5,337,480	6,111,291
■ Other instruments	0	0	0	0	0	0
<b>Other transactions</b>						
<b>Forward transactions (fair value)<sup>(1)</sup></b>	<b>27,389</b>	<b>-2,060,575</b>	<b>1,106,671</b>	<b>-2,213,663</b>	<b>1,390,161</b>	<b>-1,944,002</b>
<b>Forward and options transactions</b>	<b>56,862,021</b>	<b>5,972,170</b>	<b>54,937,391</b>	<b>6,175,469</b>	<b>59,610,036</b>	<b>6,427,223</b>
<b>TOTAL<sup>(2)</sup> (NOMINAL AMOUNTS)</b>	<b>62,834,191</b>		<b>61,112,860</b>		<b>66,037,259</b>	
<b>TOTAL (FAIR VALUE)</b>	<b>-2,024,071</b>		<b>-1,104,287</b>		<b>-553,436</b>	

Compagnie de Financement Foncier has no derivatives traded on the organized markets.

(1) Data disclosed in accordance with Regulation No. 2014-07 of the French National Accounting Standards Authority.

(2) Notional amounts in euros at the reporting date

(3) These items are financial micro-hedging currency swaps. They represent a foreign exchange forward position, the inverse position, spot currency transactions, is included in the balance sheet assets (See note 23).

## Note 22 Transactions with related credit institutions <sup>(1)</sup>

<i>(in €k)</i>	12/31/2022	12/31/2021	12/31/2020	12/31/2022 Valuation of assets received as collateral <sup>(2)</sup>
<b>BALANCE SHEET</b>				
<b>Asset items</b>				
<b>Receivables due from credit institutions</b>				
Sight deposit	56,634	51,334	50,850	
Term	0	0	0	
Term deposits guaranteed by repo securities	17,494,771	21,442,961	23,127,504	18,800,797
■ <i>Loans guaranteed by French local authority loans (SPT) under L. 211-38</i>	8,778,813	7,613,825	8,012,517	9,327,781
■ <i>to Crédit Foncier</i>	4,840,200	6,912,500	7,874,500	4,973,574
■ <i>to BPCE</i>	0	0	0	0
■ <i>to other Group entities</i>	3,938,613	701,325	138,017	4,354,207
■ <i>Loans guaranteed by mortgage loans under L. 211-38</i>	4,132,000	7,221,500	8,507,500	4,282,727
■ <i>to individuals</i>	3,593,000	6,567,000	7,844,000	3,695,648
■ <i>to corporates</i>	539,000	654,500	663,500	587,079
■ <i>Loans registered as replacement values under L. 211-38</i>	4,565,000	6,600,000	6,600,000	5,190,289
■ <i>to BPCE</i>	4,565,000	6,600,000	6,600,000	5,190,289
■ <i>Related receivables</i>	18,958	7,636	7,487	0
<b>Customer transactions</b>				
Receivables	0	0	0	0
<b>Securities transactions</b>				
Bonds and other fixed-income securities	0	0	0	0
■ <i>Mortgage notes</i>	0	0	0	0
■ <i>to Crédit Foncier</i>	0	0	0	0
■ <i>Other fixed-income securities</i>	0	0	0	0
■ <i>Related receivables</i>	0	0	0	0
<b>Other assets <sup>(2)</sup></b>				
Other debtors	0	0	65,860	0
<b>TOTAL ASSETS</b>	<b>17,551,405</b>	<b>21,494,295</b>	<b>23,244,214</b>	<b>18,800,797</b>

(in €k)	12/31/2022	12/31/2021	12/31/2020	12/31/2022 Valuation of assets received as collateral <sup>(2)</sup>
<b>Liabilities</b>				
<b>Due to credit institutions</b>				
Sight deposit	0	0	0	0
Term	4,203,168	4,370,485	5,579,084	0
Securities sold under repurchase agreements	644,247	640,844	690,354	0
<b>Customer transactions</b>				
Sight deposit	0	0	0	0
Debt securities	0	0	0	0
Subordinated debts	0	0	0	0
<b>Other liabilities</b>				
Other creditors	277	15,133	12,539	0
<b>TOTAL LIABILITIES</b>	<b>4,847,691</b>	<b>5,026,461</b>	<b>6,281,976</b>	<b>0</b>

Compagnie de Financement Foncier does not conduct transactions not concluded under normal market conditions between related parties (Regulation No. 2014-07).

(1) The definition of related credit institutions refers to the scope of consolidation of Groupe BPCE to which Compagnie de Financement Foncier belongs.

(2) Assets received as collateral are valued at their outstanding principal amount determined on the closing date.

## Note 23 Statement of foreign exchange positions

AT 12/31/2022

HEADING (in €k)	Australian \$	Canadian \$	US \$	Sterling	Swiss Franc	Yen	Hungarian Forint	New Zealand \$	Norwegian Krone	Danish Krone	TOTAL
<b>BALANCE SHEET</b>											
Financial assets	29	10	1,785,021	61,851	1,163,344	730,162	8	35	3,082	7	3,743,549
Financial liabilities	0	0	222,766	642,315	947,135	4,263	0	0	155,253		1,971,732
<b>Balance sheet differential (I)</b>	<b>29</b>	<b>10</b>	<b>1,562,255</b>	<b>-580,464</b>	<b>216,209</b>	<b>725,900</b>	<b>8</b>	<b>35</b>	<b>-152,171</b>	<b>7</b>	<b>1,771,818</b>
<b>OFF-BALANCE SHEET</b>											
Commitments received	0	0	242,910	619,935	921,836	0	0	0	152,171		1,936,853
Commitments given	0	0	1,805,184	39,450	1,138,080	725,871	0	0	0		3,708,586
<b>Off-balance sheet differential (II)</b>	<b>0</b>	<b>0</b>	<b>-1,562,274</b>	<b>580,485</b>	<b>-216,243</b>	<b>-725,871</b>	<b>0</b>	<b>0</b>	<b>152,171</b>	<b>0</b>	<b>-1,771,732</b>
<b>TOTAL DIFFERENTIAL (I)+ (II)</b>	<b>29</b>	<b>10</b>	<b>-19</b>	<b>21</b>	<b>-35</b>	<b>28</b>	<b>8</b>	<b>35</b>	<b>0</b>	<b>7</b>	<b>85</b>

Financial assets consist of amounts due from credit institutions and customers.

Financial liabilities are comprised of amounts due to credit institutions, customer deposits and debt securities.

## Note 24 Statement of liquidity positions

AT 12/31/2022

Heading (in €k)	Remaining maturity					Total <sup>(2)</sup>
	< 3 months	3M <D <6M	6M <D <1A	1A <D <5A	> 5 years	
<b>BALANCE SHEET</b>						
<b>Financial assets <sup>(1)</sup></b>	<b>2,404,191</b>	<b>2,527,515</b>	<b>4,773,558</b>	<b>16,516,276</b>	<b>31,633,720</b>	<b>57,855,261</b>
Receivables due from credit institutions	1,717,075	1,902,212	3,134,517	4,971,335	6,358,478	18,083,618
Receivables from customers	678,760	594,068	1,239,925	9,100,761	22,358,643	33,972,157
Bonds and other fixed-income securities	8,356	31,236	399,116	2,444,180	2,916,598	5,799,486
Subordinated term loans	0	0	0	0	0	0
<b>Financial liabilities</b>	<b>5,399,382</b>	<b>2,036,431</b>	<b>1,537,650</b>	<b>23,430,845</b>	<b>23,671,317</b>	<b>56,075,624</b>
Due to credit institutions	3,874,382	509,572	1,214	3,413	455,526	4,844,107
Due to customers	0	0	0	0	0	0
Debt securities:	1,525,000	1,526,859	1,536,436	23,427,431	23,215,790	51,231,517
■ <i>Retails certificates of deposit</i>	0	0	0	0	0	0
■ <i>Interbank market securities</i>	0	0	0	0	0	0
■ <i>Negotiable debt securities</i>	0	0	0	0	0	0
■ <i>Bonds</i>	1,525,000	1,526,859	1,536,436	23,427,431	23,215,790	51,231,517
■ <i>Other debt securities</i>	0	0	0	0	0	0
Subordinated term debt	0	0	0	0	0	0
<b>BALANCE SHEET DIFFERENTIAL (I)</b>	<b>-2,995,191</b>	<b>491,085</b>	<b>3,235,908</b>	<b>-6,914,569</b>	<b>7,962,403</b>	<b>1,779,637</b>
<b>OFF-BALANCE SHEET</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Commitments given	0	0	520,114	0	0	520,114
Commitments received	154,363	0	0	1,000,000	0	1,154,363
<b>OFF-BALANCE SHEET DIFFERENTIAL (II)</b>	<b>154,363</b>	<b>0</b>	<b>-520,114</b>	<b>1,000,000</b>	<b>0</b>	<b>634,249</b>
<b>TOTAL DIFFERENTIAL (I)+(II)</b>	<b>-2,840,828</b>	<b>491,085</b>	<b>2,715,795</b>	<b>-5,914,569</b>	<b>7,962,403</b>	<b>2,413,886</b>
Conditional positions	0	0	0	31,524	652,500	684,024

(1) The financial assets of Compagnie de Financement Foncier include €9bn of securities and receivables that meet the refinancing criteria of the European Central Bank (unencumbered assets).

(2) The difference with the amounts shown on the balance sheet is mainly due to unpaid loans, doubtful loans and related receivables.

## Note 25 Financial results of the Company over the last five years

Type of indications (in €)	2018	2019	2020	2021	2022
<b>I) Financial situation at the end of the fiscal year</b>					
a) Share capital	2,537,459,936	2,537,459,936	2,537,459,936	2,537,459,936	1,537,459,936
b) Number of shares in issue	158,591,246	158,591,246	158,591,246	158,591,246	96,091,246
c) Number of bonds convertible into shares	None	None	None	None	None
<b>II) Overall earnings from operations</b>					
a) Revenue excluding taxes	2,258,211,772	2,022,986,514	1,831,359,717	1,689,453,649	1,440,922,945
b) Income before tax, employee profit-sharing and net increase/reversal in amortization and provisions	146,646,334	164,320,963	52,079,307	147,791,688	153,594,570
c) Income tax	-67,561,772	-57,424,140	-30,783,931	-26,347,900	-48,547,653
d) Incidence of employee profit sharing for the fiscal year	None	None	None	None	None
e) Profit for the fiscal year after tax, employee profit sharing and net increase/reversal in amortization and provisions	89,783,493	111,278,471	47,140,925	106,004,329	119,910,205
f) Amount of profits distributed	89,783,262	111,277,134	47,139,662	106,003,975	119,910,344
<b>III) Earnings from operations per share*</b>					
a) Profit for the fiscal year after tax and employee profit sharing but before net increase/reversal in amortization and provisions	0.50	0.67	0.13	0.62	0.88
b) Profit for the fiscal year after tax and employee profit sharing and net increase/reversal in amortization and provisions	0.57	0.70	0.30	0.67	1.00
c) Dividend paid per share	0.57	0.70	0.30	0.67	1.25
<b>IV) Staff</b>					
a) Number of employees	Negligible	Negligible	Negligible	Negligible	Negligible
■ Management category	Negligible	Negligible	Negligible	Negligible	Negligible
■ Employee and Technician category	None	None	None	None	None
b) Total employee salaries	Negligible	Negligible	Negligible	Negligible	Negligible
c) Amount paid for social contributions and benefits (social security, other staff benefits, etc.)	Negligible	Negligible	Negligible	Negligible	Negligible

\*Earnings per share are determined by the average number of shares for the year concerned.

## Note 26 Consolidated cash flow statement

### 26.1 PRINCIPLES

The consolidated cash flow statement analyses the change in cash flow from operating, investment and financing transactions between two periods.

The consolidated cash flow statement of Compagnie de Financement Foncier is presented in accordance with ANC recommendation 2004-R-03, on the format used for corporate summary reports and overseen by the French Banking and Financial Services Regulatory Committee.

It is prepared using the indirect method: net income for the year is restated to reflect non-monetary items: depreciation, amortization and impairment for property, plant and equipment and intangible assets provisions, other transactions without cash payments, such as accrued income and expenses. Cash flows generated by operating, investing and financing activities are determined by the difference between the items in the annual financial statements for the previous year and the current year. Treasury transactions with no cash flow or impact on profit or loss are neutral: payment of the dividend in shares, provision

for retained earnings.

The breakdown of Compagnie de Financement Foncier's activities between operating, investing and financing activities takes into account its *Société de Crédit Foncier* status.

Operating activities include:

- the acquisition of eligible loans;
- the acquisition of securitization tranches and securities issued by public entities;
- the issue of *obligations foncières* and other long-term unsubordinated resources.

Financing activities include:

- dividends paid in cash;
- the issuance and redemption of subordinated debt.

Cash flow is defined according to the standards of the French National Accounting Council. It includes cash on hand and sight deposits at the Banque de France, in post office accounts and with credit institutions.

## 26.2 CONSOLIDATED CASH FLOW STATEMENT

(in €k)	12/31/2022	12/31/2021	12/31/2020
<b>Operating activities</b>			
Net income for the fiscal year	119,910	106,004	47,141
Restatement of earnings related to operating activities	0	0	0
Tangible and intangible fixed assets, excluding goodwill	0	0	0
Net provisions charges/customers and credit institutions	-14,827	-6,930	-5,310
Net provisions charges/available-for-sale securities	0	0	0
Net provisions charges/held-to-maturity securities	0	0	0
Net provisions charges/loans	-37	-236	-20,536
Net gain on sale of fixed assets	0	0	0
Other transactions without cash payments	172,403	-66,572	-82,180
Cash flows on loans to credit institutions and customers	3,039,391	3,235,410	1,598,778
Cash flows on securities available to sale	0	0	0
Cash flows on held-to-maturity securities	271,025	381,005	671,455
Cash flows on other assets	-591	93,807	83,188
Cash flows on debts/credit institutions and customers	-162,177	-1,258,575	1,833,239
Net borrowing	-1,973,876	-2,618,865	-4,045,602
Cash flows on other liabilities	-357,268	-487,597	-189,514
<b>Net cash flows used for operating activities</b>	<b>1,093,953</b>	<b>-622,549</b>	<b>-109,341</b>
<b>Investing activities</b>			
Cash flows related to the sale of:	0	0	0
Financial assets	0	0	0
Tangible and intangible fixed assets	0	0	0
Disbursements for the acquisition of:	0	0	0
Financial assets	0	0	0
Tangible and intangible fixed assets	0	0	0
Net cash flows from other investment activities	0	0	0
<b>Net cash flows used for investment activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing activities</b>			
Cash flows from share issuances	0	0	0
Dividends paid	-106,004	-47,140	-111,277
Net issuances of subordinated debt	0	0	0
Other	0	0	0
<b>Net cash flows from financing activities</b>	<b>-106,004</b>	<b>-47,140</b>	<b>-111,277</b>
<b>NET CHANGE IN CASH POSITION</b>	<b>987,949</b>	<b>-669,689</b>	<b>-220,618</b>
Opening cash and cash equivalents	730,508	1,400,197	1,620,815
Closing cash and cash equivalents	585,322	730,508	1,400,197
<b>Net</b>	<b>-145,186</b>	<b>-669,689</b>	<b>-220,618</b>
Cash: deposits at Banque de France	527,000	679,000	1,349,339
Amount due to credit institutions on demand*	58,322	51,508	50,858
<b>TOTAL</b>	<b>585,322</b>	<b>730,508</b>	<b>1,400,197</b>
* Of which:			
BPCE	56,634	51,053	50,383

## Note 27 Consolidation

In accordance with Article 4111-1 of Regulation No. 2014-07 of the French National Accounting Standards Authority, Compagnie de Financement Foncier does not provide consolidated financial statements.

The individual financial statements of Compagnie de Financement Foncier are integrated into the consolidated financial statements of both groupe Crédit Foncier and Groupe BPCE.

## Note 28 Remuneration, advances

The “Employee benefits expense” heading corresponds exclusively to the fees allocated to Board members.

## Note 29 Implementation in non-cooperative countries

Article L. 511-45 of the French Monetary and Financial Code and the French Minister for the Economy’s Decree of October 6, 2009 require credit institutions to include an appendix to their annual financial statements with information on their offices and activities in countries and territories that have not signed an agreement with France containing a mutual assistance clause to fight against tax evasion and fraud by allowing access to banking information.

These requirements are part of global endeavors arising from the various OECD initiatives and summits and contribute to the fight against money laundering and terrorist financing.

At December 31, 2022, Compagnie de Financement Foncier had no activities or offices in non-cooperative countries.

## Note 30 Information relating to Statutory Auditors’ fees

(in €k)	Mazars		KPMG				PricewaterhouseCoopers				Total					
	2022		2021		2022		2021		2022		2021					
	Amounts	%	Amounts	%	Amounts	%	Amounts	%	Amounts	%	Amounts	%				
<b>Audit</b>																
Certification of the financial statements	140	73%	0	0	42	62%	208	75%	242	86%	209	77%	424	78%	417	76%
Other procedures and services directly related to the Statutory Auditor’s assignment*	53	27%	0	0	26	38%	70	25%	38	14%	61	23%	117	22%	131	24%
<b>TOTAL</b>	<b>193</b>	<b>100%</b>	<b>0%</b>		<b>68</b>	<b>100%</b>	<b>278</b>	<b>100%</b>	<b>280</b>	<b>100%</b>	<b>270</b>	<b>100%</b>	<b>541</b>	<b>100%</b>	<b>548</b>	<b>100%</b>

The amounts indicated represent the accounting expenses taking non-deductible VAT into account.

\*Other services directly related to the mission of the auditors are fees for the issuance of letters of comfort as part of the bonds issued by Compagnie de Financement Foncier.

# STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31, 2022)

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

## OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Compagnie de Financement Foncier for the year ended December 31, 2022.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at December 31, 2022 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

## BASIS FOR OPINION

### AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

## INDEPENDENCE

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from January 1, 2022 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

## JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

**CREDIT RISK: IMPAIRMENT OF LOANS TO INDIVIDUALS****Description of risk**

Compagnie de Financement Foncier sets aside provisions for risks of losses resulting from customers' inability to meet their financial commitments. These provisions are recorded for expected losses on nonperforming loans (doubtful loans) as well as on non-doubtful loans (deteriorated or underperforming loans).

Since December 31, 2018, the methods for estimating impairment losses for these two categories of loans converge with the expected loss calculations performed in accordance with IFRS 9 for the consolidated financial statements of the Crédit Foncier group.

The measurement of impairment losses requires management to use judgment to classify exposures (non-doubtful, deteriorated or underperforming, or doubtful loans) and to determine recoverable future flows and recovery times. This judgment is all the more complex in a context of persistent uncertainty marked by the conflict in Ukraine and tensions over commodities and energy, as well as the resurgence of inflation and a rapid rise in interest rates.

Given the importance of the judgment required to determine impairment losses and the complexity of the estimates made in accordance with IFRS 9, we deemed the estimation of expected losses on loans to individuals to be a key audit matter.

At December 31, 2022, loans and receivables due from customers amounted to €34,738 million, including €646 million in gross doubtful loans. The impairment and provisions recognized to cover credit risks amounted to €36.8 million, including €6 million in impairment with respect to significant increases in credit risk on performing loans.

Cost of risk in 2022 was €6.6 million (versus €7.5 million in 2021). For more information on accounting principles and exposures, see Note 6 (Cost of risk) and Note 11 (Customer operations) to the financial statements.

**How our audit addressed this risk**

We examined the processes implemented by the Risk department to categorize loans (non-doubtful, deteriorated, underperforming or doubtful) and to measure the amount of expected or actual losses thereon.

We tested the controls implemented by management to identify deteriorated, underperforming or doubtful loans, assess the likelihood of recovery and measurement of impairment losses. We also gained an understanding of the main findings of the specialized committees responsible for monitoring these loans.

With regard to the impairment of non-doubtful loans that have been identified as deteriorated or underperforming:

- we examined the methods used to determine the different expected loss inputs and calculation models;
- we also gained an understanding of the procedures for performing the periodic review of the main inputs for the models used;
- we carried out controls on the entire IT system implemented by Groupe BPCE, including a review of general IT controls, interfaces and automated controls;
- lastly, we performed independent expected loss calculations on a sample basis.

Given the organization of the BPCE group, some of the above work was carried out with the support of BPCE's statutory auditors.

With regard to doubtful loans, we:

- examined the procedures for updating the recoverable amounts and remeasuring the value of collateral on provisioned loans on an individual basis or by category of homogeneous loans;
- verified provision calculations on a sample basis.

We assessed the appropriateness of the disclosures provided in the notes to the financial statements.

## SPECIFIC VERIFICATIONS

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

### **INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS WITH RESPECT TO THE COMPANY'S FINANCIAL POSITION AND THE FINANCIAL STATEMENTS**

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the following item.

- Concerning the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code, we have the following matter to report: as indicated in the management report, this information does not include banking and related transactions, as the Company has decided that such transactions do not fall within the scope of the required information.

### **REPORT ON CORPORATE GOVERNANCE**

We attest that the Board of Directors' report on corporate governance sets out the information required by articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

## OTHER VERIFICATIONS AND INFORMATION PURSUANT TO LEGAL AND REGULATORY REQUIREMENTS

### **PRESENTATION OF THE FINANCIAL STATEMENTS INCLUDED IN THE ANNUAL FINANCIAL REPORT**

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial

statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 2018.

On the basis of our work, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

### **APPOINTMENT OF THE STATUTORY AUDITORS**

We were appointed Statutory Auditors of Compagnie de Financement Foncier by the Annual General Meetings held on May 17, 2002 for PricewaterhouseCoopers Audit and May 9, 2022 for Mazars.

At December 31, 2022, PricewaterhouseCoopers Audit and Mazars were in the twenty-first and the first consecutive year of their engagement, respectively.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE FINANCIAL STATEMENTS

### OBJECTIVE AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgment throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### REPORT TO THE AUDIT COMMITTEE

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

### The Statutory Auditors

Paris La Défense, March 21, 2023  
**Audit Mazars**  
 Laurence Karagulian  
 Partner

Neuilly-sur-Seine, March 21, 2023  
**PricewaterhouseCoopers**  
 Emmanuel Benoist  
 Partner

## DETAILS OF THE CALCULATION OF THE OVERCOLLATERALIZATION RATIO AND CONTROL OF LIMITS

	Net carrying amounts or amounts eligible for refinancing (in €k)	Weighting (in %)	Risk-weighted amounts used in the coverage ratio (in €k)
	1	2	3
<b>ASSETS USED TO COVER PRIVILEGED RESOURCES</b>			
<b>1 MORTGAGE-BACKED LOANS – prime mortgages or equivalent collateral (including when received as collateral, pledge or full ownership)</b>	<b>21,527,213</b>	<b>100%</b>	<b>21,527,213</b>
<b>2 GUARANTEED LOANS (including when received as collateral, pledge or full ownership)</b>	<b>5,237,030</b>		<b>5,237,030</b>
Of which:			
2.1 Meeting the conditions of paragraph 1-a) of the appendix to regulation 99-10: the guarantee company outside the consolidation scope of the <i>Société de Crédit Foncier</i> or <i>société de financement de l'habitat</i> has a minimum of the second-highest grade of credit quality	5,237,030	100%	5,237,030
2.2 Meeting the conditions of paragraph 1-b) of the appendix to regulation 99-10: the guarantee company included in the consolidation scope of <i>société de financement de l'habitat</i> has a minimum of the second-highest grade of credit quality	0	80%	0
<b>3 EXPOSURES ON PUBLIC ENTITIES (including when received as collateral, pledge or full ownership)</b>	<b>27,321,979</b>	<b>100%</b>	<b>27,321,979</b>
Of which:			
3.1 Exposures referred to in paragraph 5 of Article L. 513-4 I of the French Monetary and Financial Code	481,753		481,753
<b>4 FIXED ASSETS RESULTING FROM THE ACQUISITION OF PROPERTY UNDER THE APPLICATION OF A GUARANTEE</b>	<b>0</b>	<b>50%</b>	<b>0</b>
<b>5 SUFFICIENTLY SAFE AND LIQUID SECURITIES, EXPOSURES AND DEPOSITS COVERED BY ARTICLE R. 513-6</b>	<b>4,626,443</b>	<b>100%</b>	<b>4,626,443</b>
5.1 Receivables and securities from credit institutions and investment firms corresponding to subparagraph 1 of Article R. 513-6	4,588,243	100%	4,588,243
5.2 Receivables and guarantees from the management of forward financial instruments corresponding to subparagraph 3 of Article R. 513-6	38,200	100%	38,200
5.3 Receivables and securities from credit institutions and investment firms corresponding to subparagraph 2 of Article R. 513-6	0	100%	0
<b>6 NET AMOUNTS RECEIVABLE IN TERMS OF FORWARD FINANCIAL INSTRUMENTS BENEFITING FROM THE PRIVILEGE DEFINED IN ARTICLE L. 513-11 OF THE FRENCH MONETARY AND FINANCIAL CODE</b>	<b>104,307</b>	<b>100%</b>	<b>104,307</b>
<b>7 OTHER ASSET ITEMS</b>	<b>259,036</b>	<b>100%</b>	<b>259,036</b>
7.1 Other class 1 items	527,000	100%	527,000
7.2 Other class 2 items	-276,536	100%	-276,536
7.3 Other class 3 items	8,572	100%	8,572
7.4 Other class 4 items	0	100%	0

	Net carrying amounts or amounts eligible for refinancing (in €k)	Weighting (in %)	Risk-weighted amounts used in the coverage ratio (in €k)
	1	2	3
<b>ASSETS USED TO COVER PRIVILEGED RESOURCES</b>			
<b>8 TRANSACTIONS DEDUCTED FROM ASSETS</b>	<b>604,962</b>	<b>100%</b>	<b>604,962</b>
8.1 Funds received from clients awaiting allocation, recorded under liabilities on the balance sheet	0	100%	0
8.2 Security repurchase agreements: securities sold	604,962	100%	604,962
8.3 Receivables funded under the conditions set by Articles L. 313-23 to L. 313-34 of the French Monetary and Financial Code	0	100%	0
8.4 Assets deducted following the implementation the final subparagraph of Article 9 of CRBF Regulation 99-10	0		0
<b>9 TOTAL WEIGHTED AMOUNTS OF ASSETS (1+2+3+4+5+6+7-8) A</b>	<b>0</b>		<b>58,471,045</b>
<b>COVERAGE RATIO</b> (with 2 decimals) (A/P x 100)	0		112.99%

	Amounts (in €k)
	1
<b>RESOURCES HAVING THE PRIVILEGE DEFINED IN ARTICLE L. 513-11 OF THE FRENCH MONETARY AND FINANCIAL CODE: LIABILITIES AND EXPECTED MAINTENANCE AND MANAGEMENT COSTS</b>	
<b>1 Privileged resources from credit institutions</b>	<b>0</b>
1.1 of which nominal amount	0
<b>2 Privileged resources from clients</b>	<b>0</b>
2.1 Financial sector customers/clients	0
2.2 Non-financial sector customers	0
2.3 of which nominal amount	0
<b>3 Securities with privilege</b>	<b>51,644,553</b>
3.1 <i>Obligations foncières</i> or housing finance bonds <sup>i</sup>	51,231,517
3.2 Negotiable debt securities	0
3.3 Other securities with privilege	0
3.4 Debts related to these securities	413,036
3.5 To be deducted: <i>obligations foncières</i> or housing finance bonds issued and subscribed for by the credit institution when they are not used as collateral for credit transactions by Banque de France	0
3.6 Subtotal	51,644,553
3.7 of which nominal amount	51,231,517
<b>4 Expected maintenance and management costs to terminate the <i>obligations foncières</i> or housing finance program</b>	<b>107,256</b>
<b>5 Amounts due in respect of the contract pursuant to Article L. 513-15 of the French Monetary and Financial Code</b>	<b>0</b>
<b>6 Net amounts due in respect of forward financial instruments having the privilege defined in Article L. 513-11 of the French Monetary and Financial Code</b>	<b>-4,177</b>
6.1 of which impact of variations in exchange rate on the nominal amount of privileged resources	-90,298
<b>7 Liabilities resulting from the incidental expenses set out in final subparagraph of Article L. 513-11 of the French Monetary and Financial Code</b>	<b>0</b>
<b>8 Privileged resources and planned maintenance and management costs (1 + 2 + 3 + 4 + 5 + 6 + 7) p</b>	<b>51,747,632</b>
<b>9 Nominal amount of privileged resources ("1.1"+"2.3"+"3.6"+"6.1")</b>	<b>51,141,219</b>

CONTROL OF LIMITS APPLICABLE TO ASSET CLASSES		Amounts used to calculate the limits (excluding exposures to credit institutions contributing to the overcollateralization) (in €k)	Exposures contributing to the overcollateralization excluded from the limit calculation	Total amounts (in € k) (including exposures excluded from the calculation of limits)	Ratio (to 2 decimal places)
<b>1</b>	<b>Total assets (A)</b>	<b>60,458,864</b>	<b>0</b>	<b>0</b>	<b>0</b>
2	Nominal amount of privileged resources (N)	51,141,219	0	0	0
3	Total exposures referred to in paragraph 5 of Article L. 513-4 I of the French Monetary and Financial Code	481,753	0	0	0
4	Ratio: Total exposures covered under paragraph 5 of Section I in Article L. 513-4 of the French Monetary and Financial Code/nominal amount of privileged resources ( $\leq 20\%$ ) (3/N)	0	0	0	0.94%
5	Sufficiently safe and liquid securities, exposures and deposits	0	4,626,443	4,626,443	0
	Of which:				
5.1	Total exposures to credit institutions in credit quality step 1	0	19	19	0
5.2	Total exposures to credit institutions in credit quality step 2	0	4,626,424	4,626,424	0
5.3	Total exposures to credit institutions in the third credit quality step in the form of short-term deposits or derivative contracts	0	0	0	0
5.4	Total exposures to credit institutions in the second or third credit quality step	0	4,626,424	4,626,424	0
6	Control of limits applicable to sufficiently safe and liquid securities, exposures and deposits	0	0	0	0
6.1	Ratio: Sufficiently safe and liquid securities, exposures and deposits/nominal amount of privileged resources ( $\leq 15\%$ ) (5/N)	0	0	0	0.00%
6.2	Ratio: Total exposures to credit institutions that fall within the first credit quality step/nominal amount of privileged resources ( $\leq 15\%$ ) (5.1/N)	0	0	0	0.00%
6.3	Ratio: Total exposures to credit institutions that fall into the second credit quality step/nominal amount of privileged resources ( $\leq 10\%$ ) (5.2/N)	0	0	0	0.00%
6.4	Ratio: Total exposures to credit institutions that fall into the third credit quality step and are in the form of short-term deposits or derivative contracts/nominal amount of privileged resources ( $\leq 8\%$ ) (5.3/N)	0	0	0	0.00%
6.5	Ratio: Total exposures to credit institutions that fall within the second or third credit quality step/nominal amount of privileged resources ( $\leq 10\%$ ) (5.4/N)	0	0	0	0.00%

DETAILS OF THE CALCULATION OF THE 25% EXPOSURE LIMIT TO ASSETS OF RELATED PARTIES PURSUANT TO THE FINAL SUBPARAGRAPH OF ARTICLE 9 OF REGULATION NO. 99-10		Amounts (in €k) 1	Weighting 2	Risk-weighted amounts (in €k) 3
<b>1</b>	<b>Exposure to the entities mentioned in the third subparagraph of Article R. 513-8 of the French Monetary and Financial Code</b>	<b>4,697,317</b>	<b>100%</b>	<b>4,697,317</b>
	Of which:			
1.1	Receivables and securities from credit institutions corresponding to subparagraphs 1 and 2 of Article R. 513-6 of the French Monetary and Financial Code	4,586,555	100%	4,586,555
1.2	Receivables and guarantees corresponding to subparagraph 3 of Article R. 513-6 of the French Monetary and Financial Code (including receivables and guarantees connected with the management of forward financial instruments)	38,200	100%	38,200
1.3	Other assets	72,562	100%	72,562
1.3.1	Interest accrued on swaps	48,816	100%	48,816
1.3.2	Accrued income	0	100%	0
1.3.3	Other	23,746	100%	23,746
<b>2</b>	<b>Non-privileged resources</b>	<b>7,737,997</b>	<b>100%</b>	<b>7,737,997</b>
2.1	Amount of the 25% limit of non-privileged resources pursuant to Article 9 of CRBF Regulation No. 99-10	1,934,499	0	0
<b>3</b>	<b>Any assets received as collateral, pledges or full ownership in respect of 1, in accordance with Articles L. 211-36 to L. 211-40, L. 313-23 to L. 313-35 and L. 313-42 to L. 313-49 of the French Monetary and Financial Code</b>	<b>2,802,994</b>	<b>0</b>	<b>2,802,994</b>
3.1	Assets weighted at 100%	2,802,994	100%	2,802,994
3.2	Assets weighted at 80%	0	80%	0
3.3	Assets weighted at 50%	0	50%	0
<b>4</b>	<b>Amount to be deducted from assets</b>	<b>0</b>	<b>0</b>	<b>0</b>

DETAILS FOR CALCULATING THE AMOUNTS ELIGIBLE FOR REFINANCING WITH PRIVILEGED RESOURCES	Item code	Net carrying amount 1	Value of the assets financed or provided as collateral (in €k) 2	Amount eligible for refinancing (in €k) 3
<b>Mortgage loans (including when received as collateral, pledge or full ownership)</b>	<b>0</b>	<b>22,153,370</b>	<b>0</b>	<b>21,737,375</b>
Of which:				
amount of loans for which the LTV is the outstanding principal	0	16,831,874	0	16,831,874
amount of loans for which the refinancing LTV is the product of the value of the assets pledged as collateral and the ratios referred to in Article R. 513-1 of the French Monetary and Financial Code	0	5,317,138	5,947,746	4,905,500
Of which:				
Mortgage loans covered by Article R. 513-1 II.1 or R. 313-20 II. 1 for which the LTV eligible for refinancing represents 60% of the value of the assets provided as collateral	0	201,282	299,413	179,648
Mortgage loans covered by Article R. 513-1 II.2 or R. 313-20 II. 2 for which the LTV eligible for refinancing represents 80% of the value of the assets provided as collateral	0	5,115,857	5,648,333	4,725,852
Loans covered by article R. 513-1 II.3 or R. 313-20.II.3 for which the portion eligible for refinancing represents 100% of the value of the assets provided as collateral for the portion of the loans covered by the FGAS guarantee	0	0	0	0
Of which:				
mortgage loans covered by Article R. 513-1 II.3		0	0	0
mortgage loans also guaranteed by a surety issued by a credit institution or an insurance company (Article L. 513-3 of the French Monetary and Financial Code)	0	0	0	0
mortgage loans also guaranteed by a public entity (Article L. 513-3 of the French Monetary and Financial Code)	0	0	0	0
<b>Loans with institutional guarantees (including when received as collateral, pledge or full ownership)</b>	<b>0</b>	<b>5,364,243</b>	<b>0</b>	<b>5,237,030</b>
Of which:				
amount of loans for which the LTV is the outstanding principal	0	3,913,519	0	3,913,519
amount of loans for which the refinancing LTV is the product of the value of the assets financed and the ratios referred to in Article R. 513-1 of the French Monetary and Financial Code	0	1,449,389	1,654,389	1,323,511
Of which:				
mortgage loans covered by Article R. 513-1 II.2 or R. 313-20 II. 2 for which the portion eligible for refinancing represents 80% of the value of the assets financed	0	1,449,389	1,654,389	1,323,511
Loans covered by Article R. 513-1 II.3 or R 313-20.II.3 whose portion eligible for refinancing represents 100% of the value of the assets financed for the portion of the loans benefiting from the FGAS guarantee	0	0	0	0

## ELEMENTS ALLOWING THE GRANTING AND CONTROL OF THE “EUROPEAN COVERED BOND (PREMIUM)” LABEL

Compliance with the requirements of Article 129 of Regulation (EU) No. 575/2013 of June 26, 2013 BONDS SECURED BY ONE OF THE FOLLOWING ELIGIBLE ASSETS:		Net carrying amounts or amounts eligible for refinancing (A)	including exposures contributing to the overcollateralization § 3a (B)	Net carrying amounts or amounts eligible for refinancing excluding exposures contributing to overcollateralization (C) = (A) - (B)
<b>a)</b>	<b>Exposures to or guaranteed by European Union entities</b>	<b>24,169,196</b>	<b>0</b>	<b>24,169,196</b>
	central governments, ESCB central banks, public sector entities, regional and local governments	0	0	0
<b>b)</b>	<b>Exposures to or guaranteed by third country entities</b>	<b>2,121,105</b>		<b>2,121,105</b>
	central governments, central banks, multilateral development banks, international organizations, public sector entities, regional and local governments	0	0	0
b1	within the first credit quality step	1,759,625	0	1,759,625
b2	within the second credit quality step	361,479	0	361,479
<b>c)</b>	<b>Exposure to credit institutions</b>	<b>4,626,443</b>	<b>4,626,443</b>	<b>0</b>
c1	within the first credit quality step	19	19	0
c2	within the second credit quality step	4,626,424	4,626,424	0
c3	within the third credit quality step	0	0	0
c3.1	short-term deposits with an initial maturity not exceeding 100 days	0	0	0
c3.2	derivative contracts in accordance with Article 11 § 1 of EU directive 2019/2162	0	0	0
<b>d)</b>	<b>Loans secured by residential real estate</b>	<b>20,448,565</b>	<b>0</b>	<b>20,448,565</b>
	To the extent of the lesser of the principal amount of the related mortgages combined with all prior mortgages or 80% of the value of the collateral	20,448,565	0	20,448,565
<b>e)</b>	<b>Residential real estate loans fully guaranteed by an eligible provider of sureties within the meaning of Article 201 of the EU Regulation and falling at least within the second credit quality step</b>	<b>5,237,030</b>	<b>0</b>	<b>5,237,030</b>
	Amount retained up to the lower of the portion of each loan that is used to satisfy the collateral requirement and 80% of the value of the corresponding residential real estate located in France and the loan-to-income ratio is no more than 33% at the time the loan is granted	5,237,030	0	5,237,030
<b>f)</b>	<b>Loans secured by commercial real estate</b>	<b>697,598</b>	<b>0</b>	<b>697,598</b>
	Amount retained up to the lower of the principal amount of the corresponding mortgages combined with all domestic mortgages and 60% of the value of the collateral	697,598	0	697,598
<b>A</b>	<b>Total eligible assets (a + b + c + d + e + f)</b>	<b>57,299,937</b>	<b>0</b>	<b>0</b>
<b>N</b>	<b>Nominal amount of privileged resources</b>	<b>51,141,219</b>	<b>0</b>	<b>0</b>
<b>(A/N) - 1</b>	<b>Overcollateralization - § 3a</b>	<b>12.04%</b>	<b>0</b>	<b>0</b>

<b>COMPLIANCE WITH THE LIMITS DEFINED IN POINTS 1B AND 1A OF ARTICLE 129 OF REGULATION (EU) NO. 575/2013 OF JUNE 26, 2013 - EXCLUDING EXPOSURES TO CREDIT INSTITUTIONS CONTRIBUTING TO THE OVERCOLLATERALIZATION § 3A</b>		<b>Ratio based on the net carrying amount of exposures (A)</b>	<b>Ratio based on the net carrying amounts of exposures excluding exposures contributing to the overcollateralization (C)</b>
Limit 1 b)	b2/N less than or equal to 20%	0.71%	0.00%
Limit 1a a)	c1/N less than or equal to 15%	0.00%	0.00%
Limit 1a b)	c2/N less than or equal to 10%	0.00%	0.00%
Limit 1a c)	c3/N less than or equal to 8%	0.00%	0.00%
Limit 1a d)	(c2 + c3)/N less than or equal to 10%	0.00%	0.00%
Limit 1a d)	(c1 + c2 + c3)/N less than or equal to 15%	0.00%	0.00%

*\*Residual outstanding mortgage loans and guaranteed loans transferred to the creation of Compagnie de Financement Foncier in 1999 are assets that can be fully refinanced by privileged resources, in accordance with the so-called “grandfather” clause.*





# 6

## LEGAL INFORMATION

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## GENERAL INFORMATION

### Corporate name of the registered office

The registered office of Compagnie de Financement Foncier is located at 182 avenue de France – 75013 Paris.

### Activity

Compagnie de Financement Foncier is the *Société de Crédit Foncier* of groupe Crédit Foncier de France, specifically governed by the provisions of section IV of the second part of French act No. 99-532 of June 25, 1999 governing savings and financial security, which has been incorporated into Articles L. 513-2 to L. 513-27 of the French Monetary and Financial Code.

Pursuant to Article 110 of this law, Crédit Foncier transferred on October 21, 1999 to Compagnie de Financement Foncier assets and

liabilities covered by the specific legislative and regulatory requirements that applied to it before the transfer.

The purpose of Compagnie de Financement Foncier is to grant or purchase secured loans and exposures to public authorities financed by the issuance of covered bonds, by other privileged resources, or by resources which may not benefit from the preferred status, or “privilege”, as defined by Article L. 513-11 of the French Monetary and Financial Code.

### Structure of the relationship between Compagnie de Financement Foncier and Crédit Foncier

As stipulated by law, Compagnie de Financement Foncier draws on the technical and human resources of its parent company under agreements binding the two companies; these agreements cover all of the Company's activities.

The texts are drafted taking into account the special nature of the relationship between Crédit Foncier and its subsidiary Compagnie de Financement Foncier.

Seventeen agreements were signed by and between Crédit Foncier and Compagnie de Financement Foncier as of December 31, 2022, namely:

- a framework agreement, setting forth the general principles;
- an agreement for loan assignments;
- an agreement for loan servicing and debt collection;
- an agreement governing financial services;
- an asset/liability management (ALM) agreement;
- an administrative and accounting management agreement;

- a service agreement on internal control and compliance;
- an agreement related to the implementation of information technology services;
- an agreement concerning human resources;
- an agreement concerning remuneration for services;
- an agreement related to settlement bank services;
- a guaranteed agreement for variable-rate loans;
- a guarantee and compensation agreement;
- a paying agent agreement;
- an agreement related to shareholders' advance account effective;
- an agreement on the assignment of mortgage ranking/priority;
- a tripartite agreement between Crédit Foncier, Compagnie de Financement Foncier, and the State: an agreement for State-aided loan servicing and debt collection.

Compagnie de Financement Foncier does not have any direct employees.

### Legal form and applicable legislation

Compagnie de Financement Foncier is a credit institution authorized as a financial sector company and a *Société de Crédit Foncier* by a decision of the French Credit Institutions and Investment Companies Committee (CECEI – *Comité des établissements de crédit et des entreprises d'investissement*) on July 23, 1999. It is thus subject to all laws and regulations applicable to credit institutions and, as a *Société de Crédit Foncier*, it is also subject to Articles L. 513-2 to L. 513-27 of the French Monetary and Financial Code. The most recent text, the Covered Bonds directive of November 27, 2019 (directive (EU)

2019/2162), was transposed into French law by the publication in the Official Journal, on July 1, 2021 of order No. 2021-858, and on July 7, 2021, of decree No. 2021-898, for entry into force on July 8, 2022.

It was formed as a *société anonyme* (French limited company) and, for this reason, is also subject, apart from certain exemptions, to the requirements applicable to commercial companies under the French Commercial Code.

A *Société de Crédit Foncier* benefits from a certain number of exemptions from ordinary laws, specifically:

- Article L. 513-11 of the French Monetary and Financial Code instituting a privilege for holders of *obligations foncières*;
- Article L. 513-20 of the French Monetary and Financial Code, which stipulates that the safeguard procedure, legal receivership or liquidation of a company holding shares of a *Société de Crédit Foncier* cannot be extended to the *Société de Crédit Foncier*;

## Duration

The Company was incorporated on December 22, 1998 for a period of 99 years.

## Corporate purpose (Article 2 of the Bylaws)

### ARTICLE 2 – PURPOSE

The purpose of the Company, in the context of the laws and regulations applicable to *sociétés de crédit foncier*, is:

- 1° performing all transactions mentioned in Articles L. 513-2 *et seq.* of the French Monetary and Financial Code without restrictions in terms of the countries in which it operates other than those resulting from said Articles.

These transactions include:

- granting or acquiring secured loans, exposures to public authorities and investments and securities as defined in Articles L. 513-3 to L. 513-5 and L. 513-7 of the French Monetary and Financial Code,
- financing these types of loans, exposures, investments and securities by issuing covered bonds known as *obligations foncières*, benefiting from the “privilege” defined in Article L. 513-11 of the French Monetary and Financial Code and by raising other resources whose issuance or subscription agreement mentions this “privilege”.

The Company may also finance the activities mentioned above by issuing bonds or resources that do not benefit from the “privilege”. It may issue the promissory notes referred to in Articles L. 313-42 to L. 313-49-1 of the French Monetary and Financial Code.

Notwithstanding any other provisions or stipulations to the contrary, the Company may carry out temporary transfers of its securities in accordance with Articles L. 211-22 to L. 211-34 of the French Monetary and Financial Code, pledge securities accounts pursuant to Article L. 211-20 of said Code and assign all or some of the receivables that it holds in accordance with Articles L. 211-36 to L. 211-40 or in accordance with Articles L. 313-23 to L. 313-35, whether or not these receivables are professional. The receivables or securities thus assigned or transferred do not fall within the scope of the “privilege” defined in Article L. 513-11 of the French Monetary and Financial Code and are not booked pursuant to Article L. 513-12 of said Code.

- in addition, Article L. 513-21 of the French Monetary and Financial Code provides that, notwithstanding any provisions to the contrary, including those of Book VI, Title II to IV of the French Commercial Code, contracts that make provision for the loan servicing or debt collection of a *Société de Crédit Foncier* may be terminated immediately in the event of the safeguard, compulsory liquidation or administration of the Company in charge of the servicing or collection of such debts.

As an exception to Articles L. 1300 of the French Civil Code and L. 228-44 and L. 228-74 of the French Commercial Code, the Company may subscribe for its own *obligations foncières* solely for the purpose of using them as collateral for access to the refinancing facilities of the Banque de France under the conditions set forth in Article L. 513-26 of the French Monetary and Financial Code.

The Company cannot hold equity investments;

- 2° concluding, with any credit institution or financial company, all agreements necessary for:
  - servicing and recovering loans, exposures and securities,
  - managing bonds and other resources,
  - more generally, providing all services necessary to manage Company assets, liabilities and financial balances,
  - as well as all agreements concerning the distribution and refinancing of loans;
- 3° acquiring and holding all property and equipment necessary to fulfill its purpose or arising from the recovery of its loans and contracting with any authorized third party any agreement related to the acquisition, ownership, management, maintenance and disposal of such assets;
- 4° concluding, with any insurance company, any agreement that serves the corporate purpose, notably to cover risks related to borrowers, risks in respect of both assets securing the loans and assets being held by the Company, and the liability risks of the Company or its corporate officers;
- 5° in connection with its own activity or on behalf of other companies, providing customers with and managing payment instruments, in particular:
  - for the payment of funds or the receipt of all cash flows arising from loan activities,
  - for maintenance of any financial relationship or account with any other credit institution, financial institution or public entity,
  - for the management of technical accounts in respect of expenses and receipts;

- 6° participating in any system for interbank settlements, settlement-delivery of securities and any clearing system, as well as any transaction within the framework of the monetary policy of the European Central Bank, that contributes to the development of the Company's activities;
- 7° more generally:

- carrying out all operations contributing to the fulfillment of its corporate purpose, as long as such transaction complies with the purpose of *sociétés de crédit foncier* as defined in the legislation and regulations that regulate their activity,
- concluding any agreement that allows the Company to use essential outsourcing services and related controls.

## Company register number and Legal Entity Identifier

Compagnie de Financement Foncier is registered in the Paris Trade and Companies Register under number 421 263 047.

Compagnie de Financement Foncier is identified under number LEI DKGVVH5FKILG8R13C013.

## Fiscal year

The fiscal year begins on January 1 and ends on December 31

## Statutory allocation of earnings

If the financial statements for a given fiscal year, as approved by the General Meeting, show distributable earnings as defined by law, shareholders shall decide either to attribute them to one or more reserve accounts, the allocation and use of which it determines, or to retained earnings, or to distribute them.

After noting the existence of the reserves at its disposal, the General Meeting may decide to distribute amounts drawn from those reserves.

In such a case, the decision shall specify the reserve accounts from which the distributed amounts are to be drawn.

However, dividends shall be withdrawn first from the distributable earnings for the fiscal year.

The General Meeting also has the right to grant each shareholder an option to receive payment either in the form of cash or in shares for all or part of the dividend or interim dividend to be distributed.

## Dividend policy

### 2022

The Combined General Meeting, which met on May 9, 2022, resolved that a dividend of €106,003,974.74 would be paid out in respect of fiscal year 2021 to shareholders, equal to €0.66841 per share.

### 2021

The Ordinary Shareholders' Meeting, which met on May 5, 2021, resolved that a dividend of €47,139,661.96 would be paid out in respect of fiscal year 2020 to shareholders, equal to €0.29724 per share.

### 2020

The Ordinary Shareholders' Meeting, which met on May 4, 2020, resolved that a dividend of €111,277,133.67 would be paid out in respect of fiscal year 2019 to shareholders, equal to €0.70166 per share.

# CAPITAL

## SHARE CAPITAL

At December 31, 2022, the Company's share capital amounted to €1,537,459,936. It is divided into 96,091,246 fully paid-up shares with a par value of €16 each.

## SHARE CAPITAL AUTHORIZED BUT NOT SUBSCRIBED

No authorization to increase the share capital has been issued which has not been used, nor is there any potential capital share.

## DIFFERENT VOTING RIGHTS

The Bylaws do not grant double voting rights to all fully paid-up shares for which a nominative registration has been given for at least two

years in the name of the same shareholder. Each member of the Shareholders' Meeting is entitled to as many votes as he or she owns or represents shares.

## OWNERSHIP STRUCTURE AND VOTING RIGHTS

Major shareholders at December 31, 2022	Number of shares	As a %
Crédit Foncier de France	96,091,245	100.00
Director	1	n.s
<b>TOTAL</b>	<b>96,091,246</b>	<b>100.00</b>

## CHANGES IN OWNERSHIP STRUCTURE OVER THE LAST FIVE YEARS

No change was made to the share capital in 2018.

No change was made to the share capital in 2019.

No change was made to the share capital in 2020.

No change was made to the share capital in 2021.

At its meeting of March 30, 2022, the Board of Directors unanimously decided to use the delegation of authority granted by the Extraordinary Shareholders' Meeting of March 28, 2022, and to reduce the share capital by €1,000,000,000, from €2,537,459,936 to €1,537,459,936, by buying back shares with a view to their cancellation.

In accordance with the share buyback schedule decided by the Board, the share capital of Compagnie de Financement Foncier is €1,537,459,936 since June 23, 2022.

## NATURAL OR LEGAL PERSONS THAT EXERCISE CONTROL OVER THE COMPANY

Crédit Foncier de France – 182, avenue de France – 75013 Paris – 542 029 848 RCS Paris

## INFORMATION ON GROUPE CRÉDIT FONCIER DE FRANCE, INCLUDING COMPAGNIE DE FINANCEMENT FONCIER

From its creation in 1852 and until 1999, Crédit Foncier has held the special status of a *Société de Crédit Foncier* and as such, issued *obligations foncières*.

## BYLAWS

Bylaws applicable at the filing date of this Universal Registration Document.

## Section I: Legal form – Purpose – Corporate name – Head office – Term of the Company

### ARTICLE 1 – LEGAL FORM

The Company is a French public limited company (*société anonyme*).

The Company is governed by the legislative and regulatory provisions in force applicable to *sociétés anonymes*, credit institutions, and in particular to *sociétés de crédit foncier*, and by these Bylaws.

### ARTICLE 2 – PURPOSE

The purpose of the Company, in the context of the laws and regulations applicable to *sociétés de crédit foncier*, is:

- 1° performing all transactions mentioned in Articles L. 513-2 *et seq.* of the French Monetary and Financial Code without restrictions in terms of the countries in which it operates other than those resulting from said Articles.

Acting as a key player in the specialized real estate financing market and responsible for distributing French-state-subsidized loans, following the real estate crisis in the 1990s and the abolition of subsidized loans, in 1999 Crédit Foncier joined the Private sector after its acquisition by Groupe Caisse d'Épargne.

In the legal context governing this acquisition, the Parliament created a specific new status for *sociétés de crédit foncier*. Compagnie de Financement Foncier was then founded and authorized as a *Société de Crédit Foncier* by the CECEI (French Credit Institutions and Investment Firms Committee). Crédit Foncier transferred all its *obligations foncières* and pledged assets to Compagnie de Financement Foncier pursuant to Article 110 of the act of June 25, 1999.

Crédit Foncier has been an affiliate of Groupe BPCE since 2009, created by the merger of the Caisse d'Épargne and Banque Populaire groups. Since August 5, 2010, Crédit Foncier is fully owned by the Central institution of BPCE.

Since April 1, 2019, as part of the implementation of the industrial structure announced by Groupe BPCE on June 26, 2018, Crédit Foncier has been refocusing its efforts on the management of outstanding loans and on refinancing certain Groupe BPCE assets, through Compagnie de Financement Foncier.

### IMPROPER CONTROL

The Company is controlled as described in chapter "Distribution of capital and voting rights"; however, the Company believes there is no risk of said control being exercised improperly.

These transactions include:

- granting or acquiring secured loans, exposures to public authorities and investments and securities as defined in Articles L. 513-3 to L. 513-5 and L. 513-7 of the French Monetary and Financial Code,
- financing these types of loans, exposures, investments and securities by issuing covered bonds known as *obligations foncières*, benefiting from the "privilege" defined in Article L. 513-11 of the French Monetary and Financial Code and by raising other resources whose issuance or subscription agreement mentions this "privilege".

The Company may also finance the activities mentioned above by issuing bonds or resources that do not benefit from the "privilege". It may issue the promissory notes referred to in Articles L. 313-42 to L. 313-49-1 of the French Monetary and Financial Code.

Notwithstanding any other provisions or stipulations to the contrary, the Company may carry out temporary transfers of its securities in accordance with Articles L. 211-22 to L. 211-34 of the French Monetary and Financial Code, pledge securities accounts pursuant to Article L. 211-20 of said Code and assign all or some of the receivables that it holds in accordance with Articles L. 211-36 to L. 211-40 or in accordance with Articles L. 313-23 to L. 313-35, whether or not these receivables are professional. The receivables or securities thus assigned or transferred do not fall within the scope of the “privilege” defined in Article L. 513-11 of the French Monetary and Financial Code and are not booked pursuant to Article L. 513-12 of said Code.

As an exception to Articles 1300 of the French Civil Code and L. 228-44 and L. 228-74 of the French Commercial Code, the Company may subscribe for its own *obligations foncières* solely for the purpose of using them as collateral for access to the refinancing facilities of the Banque de France under the conditions set forth in Article L. 513-26 of the French Monetary and Financial Code.

The Company cannot hold equity investments;

- 2° concluding, with any credit institution or financial company, all agreements necessary for:
- servicing and recovering loans, exposures and securities,
  - managing bonds and other resources,
  - more generally, providing all services necessary to manage Company assets, liabilities and financial balances,
  - as well as all agreements concerning the distribution and refinancing of loans;
- 3° acquiring and possessing any real or personal property necessary for the accomplishment of its purpose or resulting from the collection of its debts:
- concluding with any authorized third party any agreement relating to the acquisition, holding, management, maintenance and sale of these assets;
- 4° concluding, with any insurance company, any agreement that serves the corporate purpose, notably to cover risks related to borrowers, risks in respect of both assets securing the loans and assets being held by the Company, and the liability risks of the Company or its corporate officers;

5° In connection with its own activity or on behalf of other companies, providing customers with and managing payment instruments, in particular:

- for the payment of funds or the receipt of all cash flows arising from lending business,
- for maintenance of any financial relationship or account with any other credit institution, financial institution or public entity,
- for the management of technical accounts in respect of expenses and receipts;

6° participating in any system for interbank settlements, settlement-delivery of securities and any netting system, as well as any transaction within the framework of the monetary policy of the European Central Bank, that contributes to the development of the Company's activities;

7° More generally:

- carrying out all operations contributing to the fulfillment of its corporate purpose, as long as such transaction complies with the purpose of *sociétés de crédit foncier* as defined in the legislation and regulations that regulate their activity,
- concluding any agreement that allows the Company to use essential outsourcing services and related controls.

### ARTICLE 3 – CORPORATE NAME

The corporate name of the Company is “Compagnie de Financement Foncier”.

### ARTICLE 4 – REGISTERED OFFICE

The registered office is located in Paris (75013) 182 avenue de France.

If the location of the registered office is moved by the Board of Directors in accordance with the conditions set out in the applicable legislation, the new location shall be automatically substituted for the previous one in this Article, subject to ratification by the Ordinary Shareholders' Meeting.

### ARTICLE 5 – TERM

The legal life of the Company is ninety-nine years, starting from December 22, 1998, unless the period is extended or the Company is liquidated, in accordance with the legislation in force or these Bylaws.

## Section II: Share capital – Shares

### ARTICLE 6 – SHARE CAPITAL

The share capital is set at €1,537,459 936.00 (one billion, five hundred and thirty-seven million, four hundred and fifty-nine thousand, nine hundred and thirty-six euros).

It is divided into 96,091,246 shares with a par value of €16 (sixteen) each, all of which belong to the same class and are fully paid up in cash.

### ARTICLE 7 – FORM OF THE SHARES

The shares are in registered form.

They are registered in accordance with the terms and conditions set forth by law.

### ARTICLE 8 – RIGHTS AND OBLIGATIONS ATTACHED TO THE SHARES

Each share confers a right to ownership of the Company's assets and a share in its profits proportional to the fraction of the Company's share capital that it represents.

All shares which comprise or will comprise the share capital, as long as they are of the same type and the same par value, are strictly equivalent to each other so long as they have the same dividend-bearing date. Both during the Company's existence and its liquidation, they provide payment of the same net amount on all allocations or redemptions, so that, if applicable, all shares are aggregated without distinction with respect to all tax savings or charges resulting from such allocations or redemptions.

The rights and obligations attached to shares are transferred with the title to the shares.

Ownership of a share automatically implies acceptance of the Bylaws and the decisions of General Shareholders' Meetings.

The beneficiaries, creditors, successors or other representatives of a shareholder cannot cause legal seals to be placed on the assets and securities of the Company or request the distribution or division of such assets and securities or interfere in any manner in the Company's administration.

They must refer to the financial statements and to the decisions of General Meetings to exercise their rights.

Every time when an ownership of several shares is required to exercise a given right, in cases of exchange, grouping or allotment of shares, or as a result of an increase or decrease in capital stocks, splits or reverse splits of shares, or any other operation on the share capital, the owners of single shares or of less than the required number of shares, may exercise their rights only if they undertake to combine, sell or purchase the necessary number of shares.

## Section III: Corporate governance

### ARTICLE 11 – BOARD OF DIRECTORS

The Company is administered by a Board of Directors comprised of at least three and at most eighteen members, selected among the shareholders and appointed by the Ordinary Shareholders' Meeting.

Directors can be natural persons or legal entities. Legal entity Directors shall, at the time of their appointment, appoint a permanent representative who is subject to the same conditions and obligations and bears the same liability as if he/she were a Director in his/her own name; this without prejudice to the joint and several liabilities with the legal entity he/she represents.

When the legal entity Director terminates the term of its permanent representative, it must notify the Company without delay by registered mail of its decision as well as the identity of the new permanent representative. The same applies in the event of the death or resignation of the permanent representative.

### ARTICLE 12 – TERM OF OFFICE OF DIRECTORS

The Directors' term of office is six years.

The renewal of the terms is carried out gradually, in such a way that members of the Board are required to seek re-election on a regular basis in the most equal proportions possible.

Exceptionally, the Ordinary Shareholders' Meeting may elect a Director to serve for a term of two or four years, in order to ensure adequate rotation of Board members.

Directors can be dismissed at any time by the Ordinary Shareholders' Meeting.

They may resign from their term without giving any reason.

Reaching the end of his or her term, each Director may be re-elected.

The age limit for exercising the function of Director is set at 72 years old. The number of Directors above the age of 68 may not be more than a third of the number of Directors. Once the age limit is reached, the oldest Director is deemed to have resigned from office following the next General Meeting.

### ARTICLE 9 – TRANSFER OF SHARES

Shares can be traded freely.

Shares can be transferred, with respect to third parties and the Company, by an order to transfer them from one account to another.

### ARTICLE 10 – INDIVISIBILITY OF SHARES

Shares are indivisible vis-à-vis the Company, which only recognizes one owner for each share. Joint owners of a share are required to be represented within the Company by one of the joint owners or by a single agent.

The beneficial owner shall represent the bare owner in Ordinary Shareholders' Meetings, however, the bare owner is the only one entitled to vote in Extraordinary General Meetings.

### ARTICLE 13 – MEETINGS AND PROCEEDINGS OF THE BOARD – MINUTES

The Board of Directors is called to meetings by its Chairman, as often as the interest of the Company requires, either at the registered office, or at any other location indicated on the notice. Meetings may be called by all means, even verbally.

If no meeting has been held for more than two months, at least one third of the members of the Board of Directors can request that the Chairman calls a Board meeting with a specific agenda.

The Chief Executive Officer can also at any time request that the Chairman calls a meeting of the Board of Directors with a specific agenda.

The Chairman must comply with requests that have been made to him in accordance with the two previous paragraphs.

Resolutions are adopted with the quorum and majority required by law. In the event of a tie vote, the Chairman shall cast the deciding vote.

For the purposes of calculating a quorum and majority, Directors participating in the meeting through videoconferencing or other means of telecommunication that allow them to identify themselves and effectively participate shall be considered present.

This rule is not applicable to the adoption of resolutions that require, in accordance with the current legislation, the physical presence of Directors.

Sufficient proof of the number of Directors in office and of their presence at a meeting of the Board is provided by the production of a copy or an excerpt of the minutes of the Board meeting.

The minutes of the meeting are prepared, and the copies or excerpts are delivered and certified as required by law.

### ARTICLE 14 – POWERS OF THE BOARD

The Board of Directors determines the strategic direction of the Company's activities and supervises the implementation of such strategies. Subject to the powers expressly attributed to Annual Shareholders' Meetings, and within the limits of the Company's purpose, the Board deals with any issue affecting the Company's operations and settles, through its decisions, all matters concerning the Company.

The Board shall carry out any controls and checks that it considers appropriate.

Each Director receives all the information necessary to perform his or her duties and can request all documents that he or she considers useful.

In its relations with third parties, the Company is responsible for the acts of the Board of Directors which are not in accordance with the Company's purpose, unless it can prove that the third party knew that the act in question was not in accordance with the Company's purpose or that the third party could not have been unaware of this fact given the circumstances, the sole fact that the Company's Bylaws are published does not constitute sufficient evidence.

In addition, without any effect to third parties, unless the Company proves that the third party knew that the acts exceeded those purposes or could not in view of the circumstances have been unaware of it, decisions are submitted to the prior approval of the Board of Directors:

- (i) to establish the strategic guidelines of the Company;
- (ii) to agree on a business plan;
- (iii) to agree on the annual budget of the Company;
- (iv) any expenditure decisions exceeding thirty million euros (€30m);
- (v) to grant any pledge, collateral, or other guarantees on the Company's assets outside banking operations;
- (vi) to authorize all proposals on issuing securities (bonds, other debt and hybrid securities) other than those approved in the budget or the debt issuance program of the Company;
- (vii) to approve the strategy and the policy in relation to risk-taking and the monitoring, management and reduction of risks;
- (viii) to examine the results of the review covering the policy, procedures and limits governing liquidity risk that are not included in the statement of risk appetite;
- (ix) to regularly review outsourced activities as well as the associated risks;
- (x) to annually perform a review of the efficiency and effectiveness of the risk management function in terms of positioning, resources and independence.

The Board of Directors can grant any representative of its choice a delegation of powers within the limit of its powers under law or these Bylaws.

## ARTICLE 15 – REMUNERATION OF THE BOARD OF DIRECTORS

An Ordinary Shareholders' Meeting may allocate to the Board of Directors a fixed annual remuneration in the form of attendance fees, the amount of which it shall determine. This remuneration remains applicable until an Ordinary Shareholders' Meeting decides otherwise.

The Board of Directors shall allocate this remuneration in the proportions that it considers appropriate.

## ARTICLE 16 – CHAIRMAN OF THE BOARD OF DIRECTORS

The Board of Directors elects, from among its individual members, a Chairman and determines his or her remuneration. It also sets the Chairman's term of office, which may not exceed his or her term as Director. He is eligible for re-election.

The Chairman's term must expire no later than the end of the Ordinary Shareholders' Meeting that follows the date on which the Chairman reaches the age of 68.

The Chairman represents the Board of Directors. He or she organizes and directs the work of the Board, and reports to the General Meeting on such work. The Chairman verifies that the Company's decision-making bodies function properly and ensures, in particular, that the Directors are able to fulfill their responsibilities.

The Board may confer on one or more of its members or on third parties, whether or not they are shareholders, special mandates for one or more specific purposes.

It may also appoint one or more committees, the structure and roles of which it shall determine. These committees, which can include both Directors and third parties chosen for their expertise, study the questions that the Board or the Chairman submits for their review.

In these various cases, the Board may allocate special remuneration to the appointed Directors.

## ARTICLE 17 – EXECUTIVE MANAGEMENT

The Company's Executive Management is directed, under his or her responsibility, by an individual appointed by the Board of Directors with the title of Chief Executive Officer. The positions of Chairman of the Board of Directors and Chief Executive Officer may no longer be held by the same person.

The Board of Directors shall appoint the Chief Executive Officer, determine the period for which the Chief Executive Officer is appointed and, if applicable, the limitation of his/her powers beyond the provisions laid down in Article 14 of these Bylaws.

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of the Company, within the limits of its purpose, and subject to the specific powers expressly attributed to General Shareholders' Meetings by law and to the specific powers of the Board of Directors.

The Chief Executive Officer represents the Company in its relationships with third parties. The Company is responsible for the acts of the Chief Executive Officer which are not in accordance with the Company's purpose, unless it can prove that the third party knew that the act in question was not in accordance with the Company's purpose, or that the third party could not have been unaware of this fact in light of the circumstances. The sole fact that the Company's Bylaws are published does not constitute sufficient proof.

On the recommendation of the Chief Executive Officer, the Board of Directors can appoint one or more individuals, whether Directors or not, to assist the Chief Executive Officer, with the title of Deputy Chief Executive Officer. The number of Deputy Chief Executive Officers may not exceed five. The scope and duration of the powers of the Deputy Chief Executive Officers shall be determined by the Board of Directors with the consent of the Chief Executive Officer.

With respect to third parties, Deputy Chief Executive Officers have the same powers as the Chief Executive Officer.

The Board of Directors determines the remuneration of the Chief Executive Officer and the Deputy Chief Executive Officers.

The Chief Executive Officer and, if they have been appointed, Deputy Chief Executive Officers, even if not members of the Board, are invited to the meetings of the Board of Directors.

The duties of the Chief Executive Officer and Deputy Chief Executive Officer must cease no later than the end of the Ordinary Shareholders' Meeting that follows the date at which the person reaches the age of 68.

The Chief Executive Officer may be removed at any time by the Board of Directors. The same applies, on the recommendation of the Chief Executive Officer, to the Deputy Chief Executive Officers. If the removal is decided without just cause, it may result in legal damages.

If the Chief Executive Officer resigns, or cannot carry out his or her duties, the Deputy Chief Executive Officers retain, unless the Board decides otherwise, their positions and the responsibilities assigned to them until a new Chief Executive Officer is appointed.

## ARTICLE 18 – NON-VOTING DIRECTORS

The Ordinary Shareholder's Meeting may, on the recommendation of the Board of Directors, appoint up to four non-voting directors.

The term of a non-voting director is six years. They may be re-appointed.

The renewal of the terms is carried out gradually, in such a way that non-voting directors are required to seek re-election on a regular basis in the most equal proportions possible.

Exceptionally, the Ordinary Shareholders' Meeting may elect non-voting directors to serve for a term of two or four years, in order to ensure adequate rotation.

The age limit for exercising the function of non-voting director is set at 72 years old. The number of non-voting directors above the age of 68 may not be more than a third of the number of non-voting directors in office. Once the age limit is reached, the oldest non-voting director is deemed to have resigned from office following the next General Meeting.

Non-voting directors are responsible for ensuring that Bylaws are strictly applied.

Non-voting directors attend meetings of the Board of Directors and have an advisory role.

The Board of Directors determines their remuneration in the context of the attendance fees awarded by the General Meeting.

## Section IV: Company Audits

### ARTICLE 19 – STATUTORY AUDITORS

The General Shareholders' Meeting shall designate one or more Statutory Auditors, under the conditions stipulated by law.

### ARTICLE 20 – SPECIFIC CONTROLLER

Under the conditions stipulated by law and by the legislation

applicable to a *Société de Crédit Foncier*, and after obtaining the opinion of the Board of Directors, the Chief Executive Officer shall appoint one Specific Controller and a substitute.

The Specific Controller and, if applicable, the substitute shall perform the duties assigned to them by the laws governing the *sociétés de crédit foncier*.

## Section V: General Shareholders' Meetings

### ARTICLE 21 – GENERAL SHAREHOLDERS' MEETINGS

General Shareholders' Meetings shall be called and shall deliberate under the conditions stipulated by law.

An Ordinary Shareholders' Meeting must be held within five months of the fiscal year-end.

Meetings shall be held at the registered office or at another location stated in the notice of meeting.

Any shareholder may participate personally, or by proxy, in General Shareholders' Meetings with proof of identity and ownership of shares in the form of a record in his name on the Company's books five days before the date of the General Shareholders' Meeting.

He may also vote by email under the conditions stipulated by law.

Shareholders who participate in General Shareholders' Meetings by videoconference or telecommunication means that enable them to be identified shall be considered present for calculating the quorum and

the majority.

General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors or, in his or her absence, by a Director specially authorized for that purpose by the Board. Otherwise, the General Shareholders' Meeting shall appoint a Chairman.

An attendance sheet shall be kept under the conditions stipulated by law.

Minutes of General Shareholders' Meetings shall be drawn up and copies shall be certified and issued pursuant to law.

### ARTICLE 22 – DELIBERATIONS OF GENERAL SHAREHOLDERS' MEETINGS

Ordinary and Extraordinary Shareholders' Meetings ruling with the quorum and majority set by law shall exercise the powers that are conferred to them by law.

## Section VI: Annual financial statements – Distribution of earnings

### ARTICLE 23 – FISCAL YEAR

The Company's fiscal year starts on January 1 and ends on December 31.

The Board of Directors may change the closing date of the fiscal year if it determines such a change to be in the Company's best interest.

As an exception, the first fiscal year started on December 22, 1998, from the registration date, and ended on December 31, 1998.

### ARTICLE 24 – DISTRIBUTION OF EARNINGS

If the financial statements for a given fiscal year, as approved by the General Meeting, show distributable earnings as defined by law, shareholders shall decide either to attribute them to one or more reserve

accounts, the allocation and use of which it determines, or to retained earnings, or to distribute them.

After noting the existence of the reserves at its disposal, the General Meeting may decide to distribute amounts drawn from those reserves. In such a case, the decision shall specify the reserve accounts from which the distributed amounts are to be drawn.

However, dividends shall be withdrawn first from the distributable earnings for the fiscal year.

The above provisions shall apply if non-voting preferred shares are created.

The General Shareholders' Meeting also has the right to grant each shareholder an option to receive payment either in the form of cash or in shares for all or part of the dividend or interim dividend to be distributed.

## Section VII: Dissolution – Liquidation – Disputes

### ARTICLE 25 – DISSOLUTION AND LIQUIDATION

At the expiration of the Company or in the event of early dissolution, the General Meeting shall determine the method of liquidation and shall appoint one or more liquidators, whose powers it shall determine and who shall perform their duties pursuant to law.

### ARTICLE 26 – DISPUTES

All disputes that might arise during the legal life of the Company or at the time of liquidation, either between the shareholders, regarding the interpretation or execution of these Bylaws or between the Company

and its shareholders, shall be adjudicated as required by law and shall be subject to the jurisdiction of the competent courts of the place of the registered office.

To this effect, in the case of a dispute, any shareholder is bound to designate an address for service of process within the area of jurisdiction of the court of the registered office and any assignments or notifications will be duly issued to this elected domicile, without consideration of the actual address.

Failing an election of domicile, the assignments and notifications will be validly issued to the Public Prosecutor's office in the county court in the location of the registered office.

## Location of legal documents concerning the Company

Legal documents concerning Compagnie de Financement Foncier may be consulted at 182, avenue de France - 75013 Paris.

## Material contracts

As of the date of publication of this financial information, with the exception of the agreements referred to in the present chapter, Compagnie de Financement Foncier has not entered into any material

contracts other than those entered into in the normal course of business.

## Outlook for Compagnie de Financement Foncier

### RECENT EVENTS

The Company has not recorded any recent events that significantly impact the evaluation of its solvency.

### TRENDS

No significant deterioration has affected the Company's outlook since its last financial report was audited and published.

No known trend, uncertainty, claim, commitment or event is reasonably likely to have a negative material influence on the Company's outlook.

### CONTROL

To the Company's knowledge, no agreement exists of which the implementation at a later date could lead to a change in control of the Company.

### MATERIAL EVENTS

The financial statements of Compagnie de Financement Foncier for the 2022 fiscal year were approved by the Board of Directors on February 9, 2023. With the exception of the information given in the sub-section "Post-balance sheet events" in the Management report, no material changes have occurred affecting the financial or commercial position of Compagnie de Financement Foncier, between December 31, 2022 (year-end) and March 21, 2023, (date on which this Document was filed with the AMF).

## Additional information

- No potential conflicts of interest exist between the duties of Board members towards Compagnie de Financement Foncier and their private interests and/or other duties.
- As of December 31, 2022, there were no exceptional events or legal disputes (government, legal or arbitration procedures) likely to have or to have had a material impact on Compagnie de

Financement Foncier's financial position, operations, results or assets.

- Compagnie de Financement Foncier conducts itself and its corporate entities operate according to the corporate governance framework applicable in France.

# NOTICE OF GENERAL MEETING AND REPORT OF THE BOARD TO THE MEETING

## Report of the Board of Directors

### ORDINARY SHAREHOLDERS' MEETING OF MAY 9, 2023

Dear Shareholders,

The Ordinary Shareholders' Meeting, after having reviewed the reports of the Board of Directors and the Statutory Auditors, is called to vote on the draft resolutions presented by the Board.

- The purpose of the **first resolution** is to approve the parent company financial statements for the year ended December 31, 2022.
- The **second resolution** relates to the allocation of income.
  - Distributable profit amounts to €186,604,363.56, corresponding to the net income for the financial year of €119,910,204.93, plus positive retained earnings of €66,694,158.63.
  - Allocated to legal reserves: €5,996,000.00.
  - Dividend: €119,910,344.06.
  - Retained earnings: €60,698,019.50.
- The **third resolution** relates to the power given to the Board of Directors to put in place an option for receiving all or part of any interim dividend payments in shares in respect of the dividend for 2023.
- The **fourth resolution** relates to the approval of the transactions referred to in Article L. 225-38 of the French Commercial Code and related-party agreements.
- The **fifth and sixth resolutions** relate to the renewal of the term of office of a Director.
- **Resolutions seven to nine** relate to the individual remuneration of executive corporate officers for the fiscal year ended December 31, 2022.
- **Resolutions ten to twelve** relate to the approval of the principles and criteria for the determination, distribution and allocation composing the total remuneration and the benefits of any kind attributable to the Chairman of the Board, Chief Executive Officer and Deputy Chief Executive Officer in respect of their office for the fiscal year 2023.
- The **thirteenth resolution** relates to the consultation, pursuant to Article L. 511-73 of the French Monetary and Financial Code, regarding the overall package of all kinds of remuneration, paid to the persons referred to in Article L. 511-71 of the French Monetary and Financial Code, for the fiscal year ended at December 31, 2022.
- The **last resolution** relates to powers to accomplish formalities.

## RESOLUTIONS SUBMITTED TO THE GENERAL MEETING

### FIRST RESOLUTION: APPROVAL OF THE INDIVIDUAL FINANCIAL STATEMENTS

The General Meeting, having considered the Management report of the Board of Directors and the report of the Statutory Auditors, approves the annual financial statements for the fiscal year ended December 31, 2022 as presented and that show a profit of €119,910,204.93 .

Consequently, the General Shareholders' Meeting grants full and unconditional discharge to the members of the Board of Directors for this fiscal period.

The General Meeting takes note that the fiscal statements for the past fiscal year do not include any non-tax deductible expenses as per Article 39-4 of the French General Tax Code.

### SECOND RESOLUTION: ALLOCATION OF INCOME

The General Meeting, having recorded the distributable earnings of €186,604,363.56 composed of net income for the financial year of €119,910,204.93, plus retained earnings of €66,694,158.63, resolves to allocate said distributable earnings as follows:

Allocated to legal reserves: €5,996,000.00

Dividend: €119,910,344.06

Retained earnings: €60,698,019.50

The dividend per share for each of the 96,091,246 shares comprising the share capital is therefore fixed at €1.24788.

Pursuant to Article 243 bis of the French General Tax Code, it is specified that the total dividend proposed is eligible for the 40% discount available to individuals who are resident in France for tax purposes, provided for in Article 158-3 of the French General Tax Code.

The dividend payment date is set for June 26, 2023. Pursuant to Article 24 of the Bylaws, the General Meeting decides to grant each shareholder the possibility of choosing to receive payment of the dividend in shares. New shares will have the same features and the same rights as the shares that gave the entitlement to the dividend. Their vesting date is set for January 1, 2023.

The issuance price of the new shares will be equal to the amount of share capital after allocation, as shown in the balance sheet as of December 31, 2022 approved by the General Meeting in the first resolution set forth above, divided by the number of existing shares.

It stands at €20.33 per share.

The number of shares that can be allocated to shareholders who have chosen to receive payment of the balance of the dividend in shares will be determined in function of the calculated price. It is understood that shareholders cannot receive the dividend to which they are entitled partly in shares and partly in cash.

If the dividends thus determined do not give rise to a whole number of shares, shareholders who have chosen to receive payment in shares may subscribe for the nearest whole number of shares below the dividend payable, with the balance being paid in cash or the nearest whole number above the dividend payable, with the shareholder paying the difference in cash.

Shareholders must make their choice between June 1, 2023 and June 15, 2023.

Any shareholder who has not exercised his or her option by June 15, 2023 at the latest will receive the dividends in cash on the dividend payment date of June 26, 2023.

The General Shareholders' Meeting gives full powers to the Board of Directors to record the number of shares issued and the corresponding capital increase and to amend Article 6 of the Bylaws accordingly.

Pursuant to Article 47 of the act of July 12, 1965 and Article 243 bis of the French General Tax Code, it is recalled that the dividend and total earnings per share have evolved as follows over the last three fiscal years:

Fiscal year	Number of shares	Total earnings per share	Dividends paid*
2019	158,591,246	€0.0541	€0.0541
2020	158,591,246	€0.29724	€0.29724
2021	158,591,246	€0.66841	€0.66841

\* Eligible for the 40% discount provided for in Article 158-3 of the French General Tax Code.

### THIRD RESOLUTION: DIVIDENDS PAID IN SHARES

The General Meeting, pursuant to Article 24 of the Bylaws and Articles L. 232-12, L. 232-18 and L. 232-20 of the French Commercial Code, authorizes the Board of Directors to consider allowing shareholders to receive all or part of any interim dividends for the 2023 fiscal year in shares and to establish the terms thereof, pursuant to the regulations in force.

### FOURTH RESOLUTION: APPROVAL OF THE AGREEMENTS REFERRED TO IN ARTICLE L. 225-38 OF THE FRENCH COMMERCIAL CODE

The General Meeting, having considered the Statutory Auditors' special report concerning the agreements referred to in Article L. 225-38 of the French Commercial Code, approves the agreements mentioned therein.

### FIFTH RESOLUTION: RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR

The General Meeting, noting that the term of office of BPCE SA has come to an end, resolves to renew said term of office for a period of six years, ending at the General Meeting that will approve the financial statements for the year 2028.

### SIXTH RESOLUTION: RENEWAL OF THE TERM OF OFFICE OF A DIRECTOR

The General Meeting, noting that the term of office of Crédit Foncier de

France SA has come to an end, resolves to renew said term of office for a period of six years, ending at the General Meeting that will approve the financial statements for the year 2028.

### SEVENTH RESOLUTION: APPROVAL OF THE INDIVIDUAL REMUNERATION OF MR. ÉRIC FILLIAT, CHAIRMAN OF THE BOARD OF DIRECTORS, EXECUTIVE CORPORATE OFFICER FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, hereby expresses a favorable opinion on the remuneration due or allocated for the fiscal year ended December 31, 2022 to Mr. Éric FILLIAT, Chairman of the Board of Directors

### EIGHTH RESOLUTION: APPROVAL OF THE INDIVIDUAL REMUNERATION OF MR. OLIVIER AVIS, CHIEF EXECUTIVE OFFICER FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, hereby expresses a favorable opinion on the remuneration due or allocated for the fiscal year ended December 31, 2022 to Mr. Olivier AVIS, Chief Executive Officer, executive corporate officer as presented in the financial report.

**NINTH RESOLUTION: APPROVAL OF THE INDIVIDUAL REMUNERATION OF MR. PAUL DUDOUIT, DEPUTY CHIEF EXECUTIVE OFFICER FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, hereby expresses a favorable opinion on the remuneration due or allocated for the fiscal year ended December 31, 2022 to Mr. Paul DUDOUIT, Deputy Chief Executive Officer, executive corporate officer as presented in the financial report.

**TENTH RESOLUTION: APPROVAL OF THE INDIVIDUAL REMUNERATION OF MR. ÉRIC FILLIAT, CHAIRMAN OF THE BOARD OF DIRECTORS FOR THE 2023 FISCAL YEAR**

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, issues a favorable opinion on the remuneration of Mr. Éric FILLIAT, Chairman of the Board of Directors, scheduled for the 2023 fiscal year.

**ELEVENTH RESOLUTION: APPROVAL OF THE INDIVIDUAL REMUNERATION OF MR. OLIVIER AVIS, CHIEF EXECUTIVE OFFICER FOR THE 2023 FISCAL YEAR**

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, issues a favorable opinion on the remuneration of Mr. Olivier AVIS, Chief Executive Officer, scheduled for the 2023 fiscal year.

**TWELFTH RESOLUTION: APPROVAL OF THE INDIVIDUAL REMUNERATION OF MR. PAUL DUDOUIT, DEPUTY CHIEF EXECUTIVE OFFICER FOR THE 2023 FISCAL YEAR**

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, issues a favorable opinion on the remuneration of Mr. Paul DUDOUIT, Deputy Chief Executive Officer, scheduled for the 2023 fiscal year.

**THIRTEENTH RESOLUTION: CONSULTATION, PURSUANT TO ARTICLE L. 511-73 OF THE FRENCH MONETARY AND FINANCIAL CODE, REGARDING THE OVERALL PACKAGE OF ALL KINDS OF REMUNERATION, PAID TO THE PERSONS REFERRED TO IN ARTICLE L. 511-71 OF THE FRENCH MONETARY AND FINANCIAL CODE, FOR THE FISCAL YEAR ENDED AT DECEMBER 31, 2022**

The General Meeting, consulted pursuant to Article L. 511-73 of the French Monetary and Financial Code, acting in accordance with the quorum and majority requirements for Ordinary Shareholders' Meetings, having considered the report of the Board of Directors, expresses a favorable opinion on the null remuneration package for the fiscal year ended December 31, 2022 to the persons referred to in Article L. 511-71 of the French Monetary and Financial Code, either with respect to the office of Chief Executive Officer or of Deputy Chief Executive Officer.

**FOURTEENTH RESOLUTION: POWERS**

The General Meeting gives full powers to the bearer of a copy or excerpt of the minutes of this meeting for the accomplishment of all filing and publication formalities.

# STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS

*This is a free translation into English of the Statutory Auditors' special report on related-party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## (Annual General Meeting for the approval of the financial statements for the year ended December 31, 2022)

To the Shareholders,

In our capacity as Statutory Auditors of Compagnie de Financement Foncier, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements.

### **AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING**

We were not informed of any agreements authorized and entered into during the year to be submitted for the approval of the Annual General Meeting pursuant to the provisions of article L.225-38 of the French Commercial Code.

### **AGREEMENTS ALREADY APPROVED BY THE ANNUAL GENERAL MEETING**

We were not informed of any agreement already approved by the Annual General Meeting which remained in force during the year.

## The Statutory Auditors

Paris La Défense, March 21, 2023  
**Audit Mazars**  
 Laurence Karagulian

Neuilly-sur-Seine, March 21, 2023  
**PricewaterhouseCoopers**  
 Emmanuel Benoist

# PERSONS RESPONSIBLE FOR THE DOCUMENT AND AUDITING THE FINANCIAL STATEMENTS

## Person responsible for financial information

Olivier AVIS  
Chief Executive Officer  
Compagnie de Financement Foncier

Address: 182, avenue de France - 75013 Paris  
Telephone: +33 (1) 58 73 58 34

## Statement from the person responsible for the 2022 Universal Registration Document

I certify, that the information provided in this Universal Registration Document is, to my knowledge, true to fact and that no information has been omitted that would change the interpretation of the information provided.

I further certify that, to the best of my knowledge, the financial statements have been prepared in compliance with the applicable

accounting standards and give a true and fair view of the Company's assets, financial position and earnings, and that the Management Report included in Chapter 3 of this Universal Registration Document provides an accurate representation of the business trends, earnings and financial position of the Company, and that it describes the primary risks and uncertainties the Company faces.

Paris, March 21, 2023

The Chief Executive Officer of Compagnie de Financement Foncier

**Olivier AVIS**

## Persons responsible for auditing the financial statements

### PRINCIPAL

#### PRICEWATERHOUSECOOPERS AUDIT

Represented by Mr. Emmanuel BENOIST

Address: 63, rue de Villiers – 92200 Neuilly-sur-Seine

302 474 572 RCS (Trade and Companies Register) Paris

Member of the *Compagnie Régionale des Commissaires aux comptes de Versailles* (Regional Association of Statutory Auditors of Versailles)

Start of first term: June 30, 2003

Length of term: six fiscal years

End of term: at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the 2025 fiscal year.

#### MAZARS

Represented by Laurence KARAGULIAN

Address: 61, rue Henri Regnault – 92400 Courbevoie

784 824 153 RCS (Trade and Companies Register) Nanterre

Start of first term: May 9, 2022

Length of term: six fiscal years

End of term: at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the 2027 fiscal year.

## Specific controllers

### PRINCIPAL

#### CAILLIAU DEDOUIT & ASSOCIÉS

Represented by Mr. Laurent BRUN

Address: 19, rue Clément-Marot – 75008 Paris

Date of assent from the ACPR (French Prudential Supervisory and Resolution Authority): January 4, 2019

RCS (Trade and Companies Register) number: 722 012 051

Start of first term: June 29, 2004

Length of term: four years

Expiration of term: after submission of the report and certified statements relating to the fiscal year ending December 31, 2026.

### SUBSTITUTE

#### MR. RÉMI SAVOURNIN

Address: 19, rue Clément-Marot – 75008 Paris

Date of assent from the ACPR (French Prudential Supervisory and Resolution Authority): January 4, 2019

RCS (Trade and Companies Register) number: 722 012 051

Start of first term: January 1, 2015

Length of term: four years

Expiration of term: after submission of the report and certified statements relating to the fiscal year ending December 31, 2026.

## CROSS-REFERENCE TABLE

### Incorporation by reference

The 2022 Universal Registration Document should be read and interpreted in conjunction with the documents listed below. These documents are incorporated into this Amendment and are deemed to form an integral part thereof:

- the 2021 Universal Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority on March 23, 2022 under number D. 22-0138 which includes the annual financial report, available on the Compagnie de Financement Foncier website: <https://foncier.fr/en/annual-reports/>;
- the 2020 Registration document filed with the AMF on March 23, 2021 under number D. 21-0179 which includes the annual

financial report, available on the Compagnie de Financement Foncier website: <https://foncier.fr/en/annual-reports/>.

All documents incorporated by reference in this Amendment to the 2022 Universal Registration Document have been filed with *Autorité des marchés financiers*, the French financial markets authority, and published on the websites of the Issuer (<https://foncier.fr/en/annual-reports/>) and the AMF (<https://www.amf-france.org/en>). The information incorporated by reference should be read in accordance with the following cross-reference table. Any information not included in this cross-reference table but forming part of the documents incorporated by reference is provided solely for information purposes.

## Appendices I and II of European delegated Regulation 2019/980 of the European Commission supplementing European Regulation 2017/1129 of the European Parliament and of the Council

	Appendix I headings "Registration document for equity securities"	Page of the URD filed with the AMF on March 21, 2023	Page of the URD filed with the AMF on March 23, 2022	Page of the URD filed with the AMF on March 23, 2021
<b>Section 1</b>	<b>Persons responsible, third party information, experts' reports and competent authority approval</b>	<b>120 ; 207</b>	<b>113; 201</b>	<b>115-116; 202</b>
<b>Section 2</b>	<b>Statutory Auditors</b>	<b>207-208</b>	<b>201-202</b>	<b>202</b>
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## Cross-reference table for the Annual financial report and the Management report

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In accordance with Article 19 of European Regulation No. 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in this Universal Registration Document:

- Compagnie de Financement Foncier's parent company financial statements for the fiscal year ended December 31, 2021 and the Statutory Auditors' report, presented on pages 133 to 178 of the Universal Registration Document filed with the AMF on March 23, 2022 under number D. 22-0138;

The information can be found using the following link: <https://foncier.fr/en/annual-reports/>

- Compagnie de Financement Foncier's parent company financial statements for the fiscal year ended December 31, 2020 and the Statutory Auditors' report, presented on pages 138 to 179 of the Registration document filed with the AMF on March 23, 2021 under number D. 21-0179;

The information can be found using the following link: <https://foncier.fr/en/annual-reports/>

- Compagnie de Financement Foncier's parent company financial statements for the fiscal year ended December 31, 2019 and the Statutory Auditors' report, presented on pages 136 to 176 of the Universal Registration Document filed with the AMF on March 27, 2020 under number D. 20-0200;

The information can be found using the following link: <https://foncier.fr/en/annual-reports/>

- the management report for the year ended December 31, 2021 presented on pages 75 to 94 of the Universal Registration Document filed with the AMF on March 23, 2022 under number D. 22-0138;

The information can be found using the following link: <https://foncier.fr/en/annual-reports/>

- the Management report for the year ended December 31, 2020 presented on pages 77 to 96 of the Registration document filed with the AMF on March 23, 2021 under number D. 21-0179;

The information can be found using the following link: <https://foncier.fr/en/annual-reports/>

- the Management report for the year ended December 31, 2019 presented on pages 79 to 96 of the Registration document filed with the AMF on March 27, 2020 under number D. 20-0200.

The information can be found using the following link: <https://foncier.fr/en/annual-reports/>

The 2022 Universal Registration Document can be consulted on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and Compagnie de Financement Foncier ([www.foncier.fr](http://www.foncier.fr)).



Translated by  LABRADOR +33 (0)1 53 06 30 80

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With capital of 1,537,459,936 euros – Paris Trade and Companies Register No. 421 263 047  
Head Office: 182 avenue de France - 75013 Paris - Tel.: +33 (0)1 58 73 58 34  
**fancier.fr**



**COMPAGNIE DE  
FINANCEMENT FONCIER**