

SECOND SUPPLEMENT DATED 13 FEBRUARY 2024
TO THE BASE PROSPECTUS DATED 16 JUNE 2023



COMPAGNIE DE FINANCEMENT FONCIER
Euro 125,000,000,000
Euro Medium Term Note Programme
for the issue of *Obligations Foncières* due from one month
from the date of original issue

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 16 June 2023 (the “**Base Prospectus**”) which has been prepared by Compagnie de Financement Foncier (the “**Issuer**”) with respect to its €125,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) and the first supplement dated 29 August 2023 (the “**First Supplement**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”). The *Autorité des marchés financiers* (the “**AMF**”) has granted approval number no. 23-230 on 16 June 2023 on the Base Prospectus and approval number no. 23-371 on 29 August 2023 on the First Supplement.

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

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

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

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

Copies of this Second Supplement (a) may be obtained, free of charge, at the principal place of business of the Issuer, 182, avenue de France, 75013 Paris, France, during normal business hours, and (b) will be available on the Issuer’s website (www.foncier.fr) and on the website of the AMF (www.amf-france.org).

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

- (i) including the press release dated 31 January 2024 “Compagnie de Financement Foncier’s results in 2023” and the financial information as at 31 December 2023 (extract from 2023 unaudited annual accounts) in the Section “RECENT DEVELOPMENTS” of the Base Prospectus; and
- (ii) updating Section “GENERAL INFORMATION” of the Base Prospectus.

To the extent applicable, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right to withdraw their acceptances by no later than 15 February 2024, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period or the delivery of the Notes, whichever occurs first. Investors may contact the Authorised Offerors should they wish to exercise the right of withdrawal.

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1. RECENT DEVELOPMENTS

On page 149, the following paragraphs are included in Section “RECENT DEVELOPMENTS” of the Base Prospectus:

“Press release dated 31 January 2024 – Compagnie de Financement Foncier’s results in 2023

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

I. COMPAGNIE DE FINANCEMENT FONCIER’S ACTIVITIES

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

- **Issuance of covered bonds**

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

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

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

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

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

- **Refinancing of Groupe BPCE receivables**

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

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

II. COMPAGNIE DE FINANCEMENT FONCIER'S INCOME STATEMENT

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

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

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

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

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

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

III. BALANCE SHEET INFORMATION

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

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

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

IV. PRUDENTIAL INFORMATION

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

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

Appendices

Unless otherwise stated, the financial data in this press release are, to date, estimated and taken from Compagnie de Financement Foncier's financial statements. These include the individual financial statements and the related explanatory notes, prepared pursuant to French accounting standards and the applicable Groupe BPCE standards.

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

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

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

Financial information as at 31 December 2023 (extract from 2023 unaudited annual accounts), 31 December 2022 (extract from 2022 audited annual accounts) and 31 December 2021 (extract from 2021 audited annual accounts)

BALANCE SHEET (in thousands of euros)

▪ Assets	12/31/2023	12/31/2022	12/31/2021
Cash and amounts due from central banks	472,108	527,000	679,000
Treasury bills and equivalent	2,751,720	3,020,280	3,052,586
Loans and receivables due from credit institutions	19,812,556	18,161,894	22,073,625
▪ Demand	51,680	58,322	51,508
▪ Term	19,760,877	18,103,573	22,022,118
Customers transactions	33,228,352	34,701,588	33,777,035
▪ Other facilities granted to customers	33,228,352	34,701,588	33,777,035
Bonds and other fixed-income securities	2,541,080	2,854,731	3,086,251
Equity interests and other long term investments	0	0	0
Intangible assets and property plant and equipment	0	0	0
Other assets	25,430	20,390	15,690
Accrual accounts	1,419,046	1,172,979	1,250,744
TOTAL ASSETS	60,250,293	60,458,864	63,934,931

▪ Liabilities	12/31/2023	12/31/2022	12/31/2021
Central banks	0	0	0
Amounts due to credit institutions	4,565,451	4,850,984	5,009,751
▪ Demand	0	3,570	0
▪ Term	4,565,451	4,847,414	5,009,751
Amounts due to customers	177	0	0
▪ Demand	177	0	0
Debt securities	51,699,868	51,644,553	53,673,477
▪ Interbank market instruments and negotiable debt securities	0	0	0
▪ Bonds (obligations foncières)	51,699,868	51,644,553	53,673,477
Other liabilities	232,582	177,757	484,649
Accrual accounts	1,647,299	1,679,473	1,541,693
Provisions	12,285	12,388	12,425
Subordinated debt	0	0	0
Fund for general banking risks	20,000	20,000	20,000
Equity excluding fund for general banking risks	2,072,631	2,073,708	3,192,937
▪ Subscribed capital	1,537,460	1,537,460	2,537,460
▪ Additional paid-in capital	209,867	209,867	343,002
▪ Reserves	145,772	139,776	134,475
▪ Regulated provisions and investment subsidies	0	0	0
▪ Retained earnings	60,698	66,694	71,995
▪ Income to be allocated	0	0	0
▪ Net income for the period	118,833	119,910	106,004
TOTAL LIABILITIES	60,250,293	60,458,864	63,934,931

INCOME STATEMENT (in thousands of euros)

	12/31/2023	12/31/2022	12/31/2021
Interest and similar income	1,788,708	1,448,876	1,728,256
Interest and similar expenses	-1,569,233	-1,221,041	-1,505,678
Net interest margin	219,475	227,835	222,577
Fees and commissions income	13,372	22,915	31,307
Fees and commissions expenses	-734	-799	-937
Net gains or losses on trading books transactions	-4	53	-88
Other banking income	496	897	18,010
Other banking expenses	-2,771	-3,849	-19,345
Net banking income	229,835	247,051	251,524
Payroll costs	-36	-47	-41
Taxes and regulated provisions	-4,135	-4,277	-4,742
External services and other expenses	-63,741	-80,867	-98,135
Amortization	0	0	0
Total operating expenses	-67,913	-85,190	-102,918
Gross operating income	161,923	161,860	148,606
Cost of risk	2,817	6,597	7,452
Operating income	164,739	168,458	156,058
Gains or losses on long-term investments	0	0	0
Income before tax	164,739	168,458	156,058
Non-recurring income	0	0	0
Income tax	-45,906	-48,548	-50,053
NET INCOME	118,833	119,910	106,004
Earnings per share ⁽¹⁾ (in €)	1.24	1.25	0.67
Diluted earnings per share (in €)	1.24	1.25	0.67

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

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

On page 230, paragraph 5 of Section “GENERAL INFORMATION” of the Base Prospectus, as supplemented by the First Supplement, is deleted and replaced as follows:

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

Except as disclosed in this Base Prospectus, there has been no significant change in the financial position or financial performance of the Issuer since 31 December 2023.”

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

In the name of the Issuer

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

Compagnie de Financement Foncier

182, avenue de France
75013 Paris
France

Duly represented by: Paul Dudouit
Directeur Général Délégué / Deputy C.E.O.
Duly authorized
on 13 February 2024



Autorité des marchés financiers

This Second Supplement has been approved on 13 February 2024 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

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

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

This Second Supplement obtained the following approval number: n° 24-028.