



COMPAGNIE DE FINANCEMENT FONCIER

**AMENDMENT TO THE 2023 UNIVERSAL
REGISTRATION DOCUMENT**

including the 2024 half-year financial report



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

COMPAGNIE DE FINANCEMENT FONCIER

AMENDMENT TO THE **2023** UNIVERSAL REGISTRATION DOCUMENT

including the 2024 Half-year financial report



This is a free translation into English of Compagnie de Financement Foncier 2023 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. 2023 Universal Registration Document and annual financial report filed with the AMF on March 20, 2024, under number D. 24-0145.

This Amendment to the 2023 Universal Registration Document was filed on August 22, 2024 with the Autorité des Marchés Financiers (AMF), the French financial markets authority, as the competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of said Regulation.

The 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) No. 2017/1129.

PROFILE

A wholly-owned subsidiary of Crédit Foncier [A(stable)/A1(stable)/A(stable)/A+(stable)]⁽¹⁾, an affiliate of BPCE [A+(stable)/A1(stable)/A(stable)/A+(stable)]⁽²⁾, 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)]⁽³⁾, are French legal covered bonds that comply with European directives UCITS 52-4⁽⁴⁾ and CRD⁽⁵⁾ as well as with Article 129 of the European Capital Requirements Regulation (CRR)⁽⁶⁾. All obligations foncières of Compagnie de Financement Foncier are eligible for the European Central Bank (ECB) refinancing operations except for some private placements and issuances in foreign currencies.

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

In 2024, Compagnie de Financement Foncier continues to be a major player in its market, with a total covered bonds outstanding of €53.1bn (including related receivables) as of June 30, 2024 and an issuance volume of €4.1bn.

€53.1 bn

COVERED BONDS OUTSTANDING
(including related payables)

€4.1 bn

ISSUANCE OF COVERED BONDS
at June 30, 2024

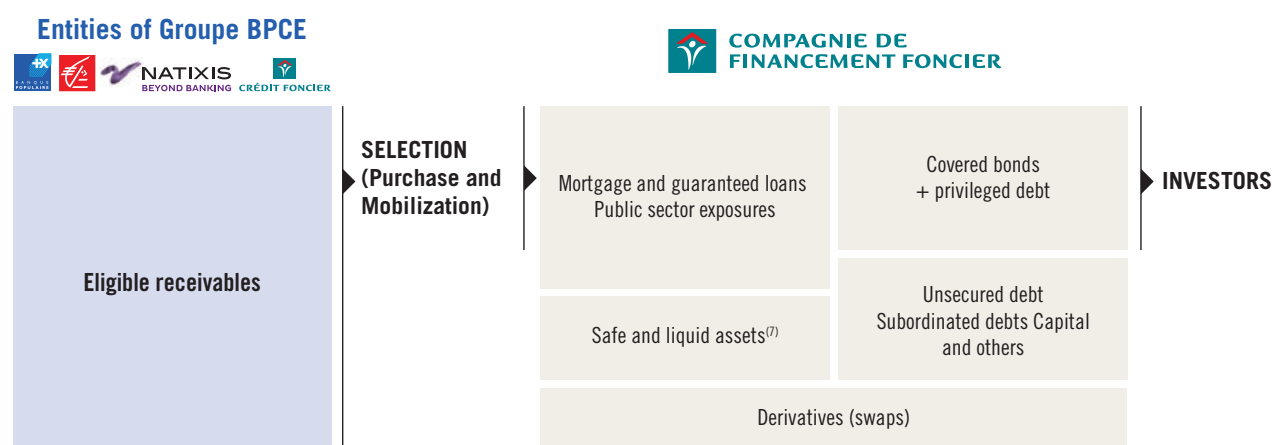
Our strategy and our mission

Compagnie de Financement Foncier refinances the lending business 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⁽³⁾. A permanent search for quality assets and optimization of the balance sheet structure contribute to successfully fulfilling this mission.

ACTIVITY

Business model of Compagnie de Financement Foncier



(1) Standard & Poor's/Moody's/Fitch/Scope Ratings, updated as of the filing date of the Amendment to the 2023 Universal Registration Document.

(2) Standard & Poor's/Moody's/Fitch Ratings/R&I, updated as of the filing date of the Amendment to the 2023 Universal Registration Document.

(3) Standard & Poor's/Moody's/Scope Ratings, updated as of the filing date of the Amendment to the 2023 Universal Registration Document.

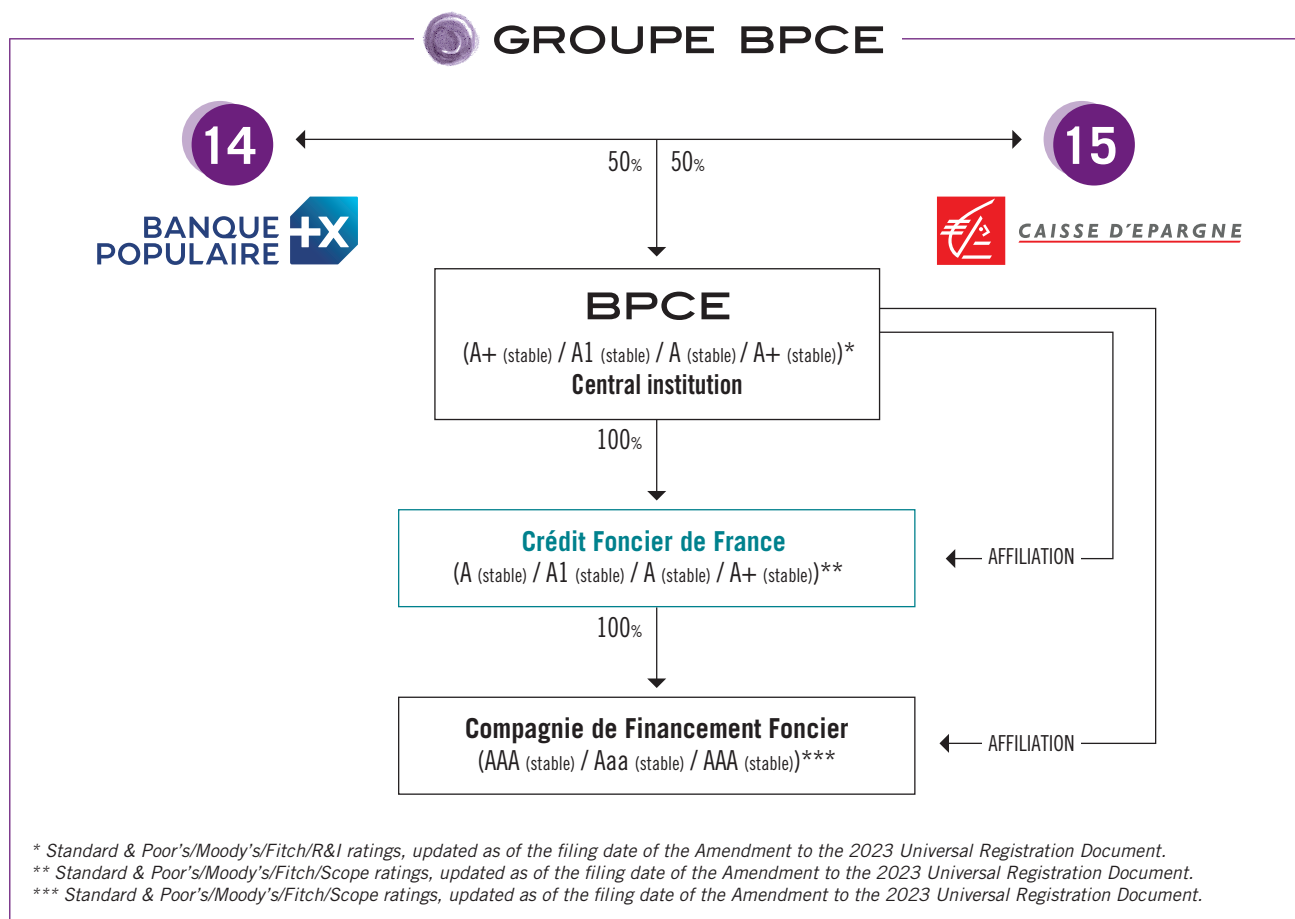
(4) UCITS: Undertakings for Collective Investment in Transferable Securities, a directive on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities.

(5) CRD: Capital Requirements Directive.

(6) CRR: Capital Requirements Regulation.

(7) Articles L. 513-7 and R. 513-6 of the French Monetary and Financial Code.

POSITIONING WITHIN GROUPE BPCE



HIGHLIGHTS OF THE 1ST HALF OF 2024

Funding

€4.1bn, total amount of public issuances and private placements carried out by Compagnie de Financement Foncier in the 1st half of 2024.

Success of benchmarks issued by Compagnie de Financement Foncier:

- €2bn double tranche three years (€1.25bn) and eight years (€750m) in April: a high level of oversubscription which confirms Compagnie de Financement Foncier's ability to issue under good conditions in all circumstances.
- €1.5bn over a six-year maturity in May: a diversity of beneficiaries that reflects the strength of Compagnie de Financement Foncier's investor base.

Currency diversification strategy with an issuance in CHF with an equivalent value of €161m at the transaction date and an issuance in USD with an equivalent value of €139m at the transaction date.

Compagnie de Financement Foncier – supporting Groupe BPCE

€2.5bn, total amount of funding granted to Group institutions:

- €1.375bn: refinancing of state-guaranteed loans (SGLs) originated by Groupe BPCE.

Confirmation of the interest of the Group's institutions in the highly competitive resources offered by Compagnie de Financement Foncier to re-finance their assets in a context of increased competition and rising rates.

Key event

Compagnie de Financement Foncier received first prize in the "Social Covered Bond of the Year" at the Sustainable debt Awards 2024 for its inaugural social issue in October 2023.

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: covered bonds and similar

Issuance programs: EMTN, AMTN & USMTS

Sole service provider:

Crédit Foncier [A(stable)/A1(stable)/A(stable)/A+(stable)]⁽¹⁾

A subsidiary of BPCE [A+(stable)/A1(stable)/A(stable)/A+(stable)]⁽²⁾

RATINGS OF COVERED BONDS

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

Simplified economic balance sheet

	06/30/2024		12/31/2023		12/31/2022	
	€bn	%	€bn	%	€bn	%
ASSETS (by type of exposures)						
Mortgage loans and related items	24.7	40.2%	25.9	43.0	27.6	45.6
Public sector exposure	30.9	50.4%	28.6	47.4	27.4	45.4
French public sector*	24.4	39.8%	22.0	36.5	20.6	34.1
Foreign public sector	6.5	10.6%	6.6	10.9	6.8	11.2
Safe and liquid assets and other assets	5.8	9.4%	5.7	9.5	5.4	9
Safe and liquid assets	4.7	7.6%	4.7	7.8	4.6	7.7
Other assets	1.1	1.8%	1.0	1.7	0.8	1.3
TOTAL ASSETS	61.4	100.0%	60.3	100.0	60.5	100.0

* Including deposits and short-term loans at Banque de France of €1.6bn at end June 2024, €0.5bn at the end of 2023, and €0.5bn at the end of 2022.

	06/30/2024		12/31/2023		12/31/2022	
	€bn	%	€bn	%	€bn	%
LIABILITIES						
Privileged resources	53.2	86.6%	51.6	85.7	51.6	85.4
Covered bonds	53.1	86.5%	51.7	85.8	51.6	85.4
Foreign exchange difference on covered bonds	-0.1	-0.2%	-0.2	-0.3	-0.1	-0.1
Other privileged resources	0.2	0.3%	0.1	0.2	0.1	0.1
Translation difference associated with hedging balance sheet items	1.1	1.8%	1.2	2.0	1.1	1.8
Non-privileged resources	7.1	11.6%	7.4	12.3	7.8	12.8
Unsecured debt	5.0	8.1%	5.2	8.6	5.6	9.2
Subordinated debts and similar debt	0.1	0.2%	0.1	0.2	0.1	0.1
Shareholders' equity and reserve for general banking risks	2.0	3.3%	2.1	3.5	2.1	3.5
TOTAL LIABILITIES	61.4	100.0%	60.3	100.0	60.5	100.0
Regulatory capital according to CRR/CRD IV	2.0		2.0		2.0	

(1) Standard & Poor's/Moody's/Fitch Ratings/Scope, updated as of the Amendment to the 2023 Universal Registration Document's filing date.

(2) Standard & Poor's/Moody's/Fitch Ratings/R&I, updated as of the Amendment to the 2023 Universal Registration Document's filing date.

Breakdown of assets

BY TYPE

JUNE 30, 2024



€61.4bn

- 50%** Public sector exposures
- 40%** Mortgage loans and related items
- 8%** Safe and liquid assets
- 2%** Other assets

BY REGION

JUNE 30, 2024



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

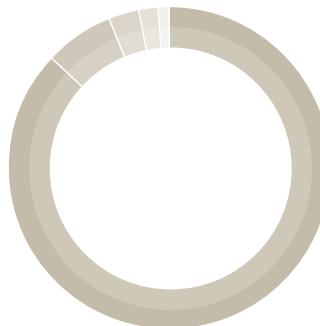
DECEMBER 31, 2023



€60.3bn

- 48%** Public sector exposures
- 42%** Mortgage loans and related items
- 8%** Safe and liquid assets
- 2%** Other assets

DECEMBER 31, 2023



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

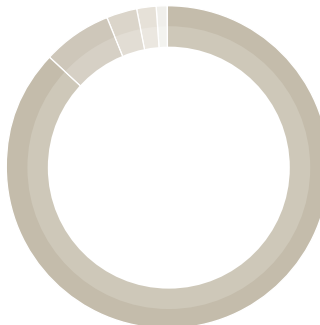
DECEMBER 31, 2022



€60.5bn

- 46%** Mortgage loans and related items
- 45%** Public sector exposures
- 8%** Safe and liquid assets
- 1%** Other assets

DECEMBER 31, 2022

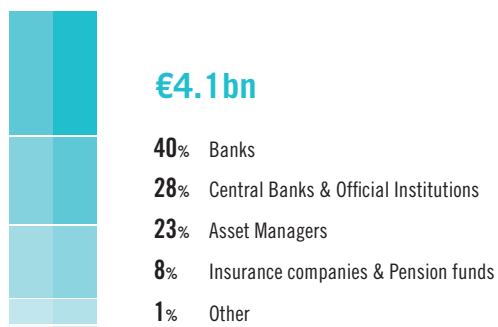


- 88%** France
- 7%** European Union (excluding France)
- 3%** North America
- 2%** Switzerland
- 1%** Japan

Breakdown of issuances

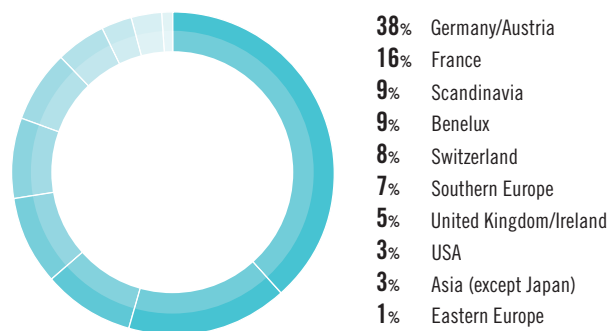
BY TYPE OF INVESTOR

JUNE 30, 2024



BY REGION

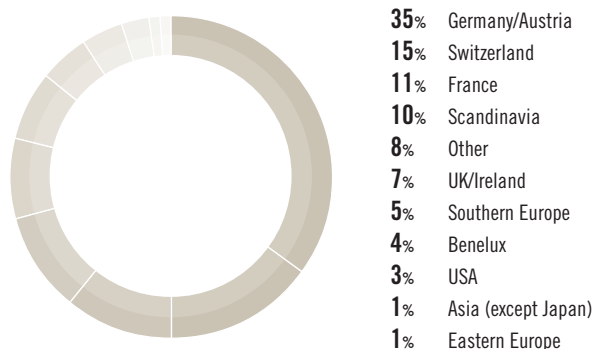
JUNE 30, 2024



DECEMBER 31, 2023



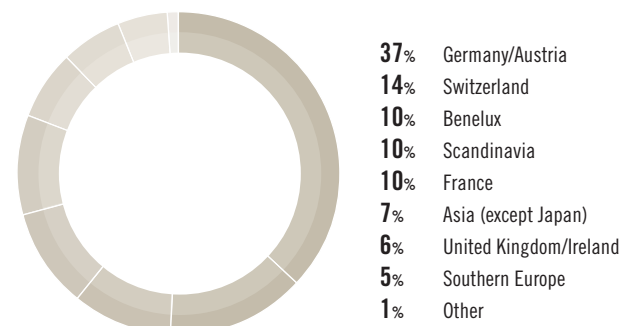
DECEMBER 31, 2023



DECEMBER 31, 2022



DECEMBER 31, 2022*



* Except Eurosystem.

Groupe BPCE funding and portfolio management

 June 30, 2024

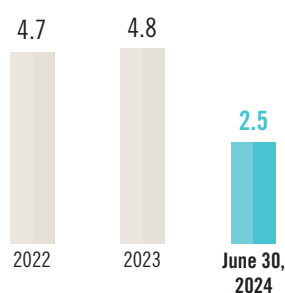
€2.5bn

REFINANCED ASSETS
FOR GROUPE BPCE

ACTIVITY

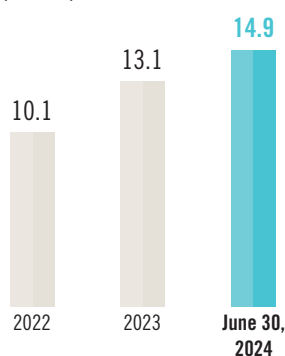
REFINANCING OF GROUPE BPCE

(in €bn)



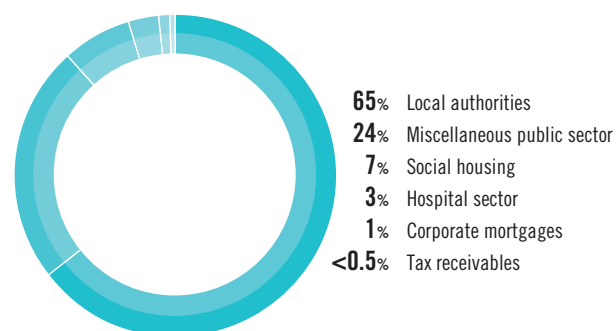
CHANGE IN OUTSTANDINGS**

(in €bn)

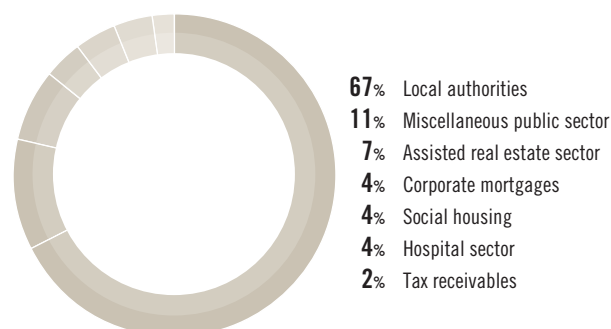


OUTSTANDING REFINANCED ASSETS BY CATEGORY

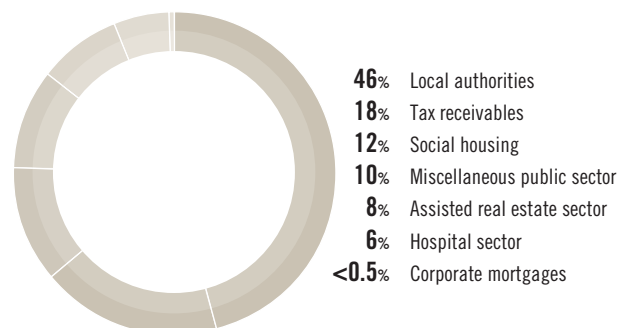
JUNE 30, 2024*



DECEMBER 31, 2023



DECEMBER 31, 2022



* Excluding SGL refinancing

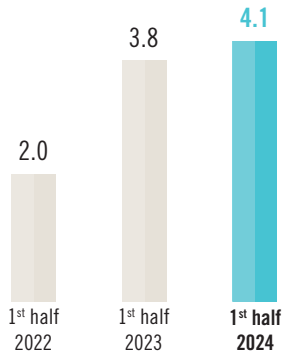
** In respect of the activity "Compagnie de Financement Foncier – supporting Groupe BPCE"

Performance indicators

ACTIVITY

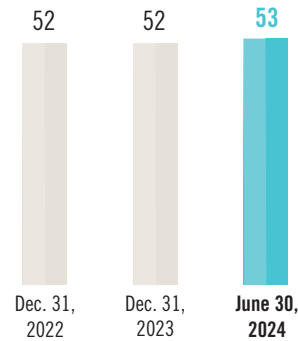
COVERED BONDS ISSUED

(in €bn)



PRIVILEGED LIABILITIES

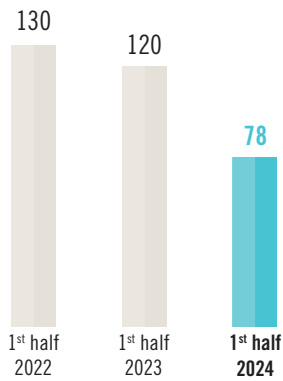
(in €bn)



INCOME

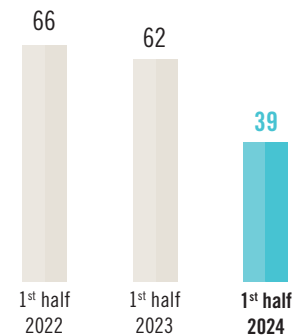
NET BANKING INCOME

(in €m)



NET INCOME

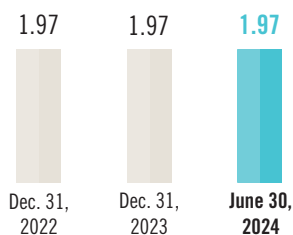
(in €m)



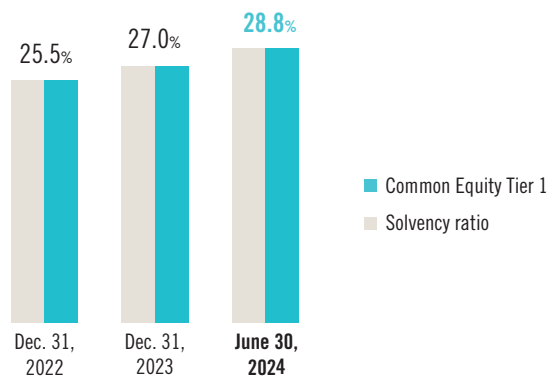
FINANCIAL STRUCTURE

REGULATORY CAPITAL

(in €bn)



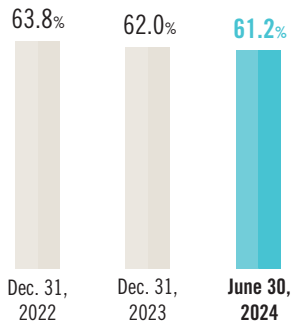
CAPITAL ADEQUACY RATIOS



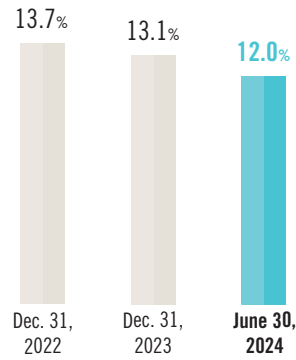
Solvency ratio: exclusively Common Equity Tier 1

SOCIETE DE CREDIT FONCIER'S SPECIFIC RATIOS

AVERAGE LTV OF MORTGAGE LOANS FOR INDIVIDUAL CUSTOMERS

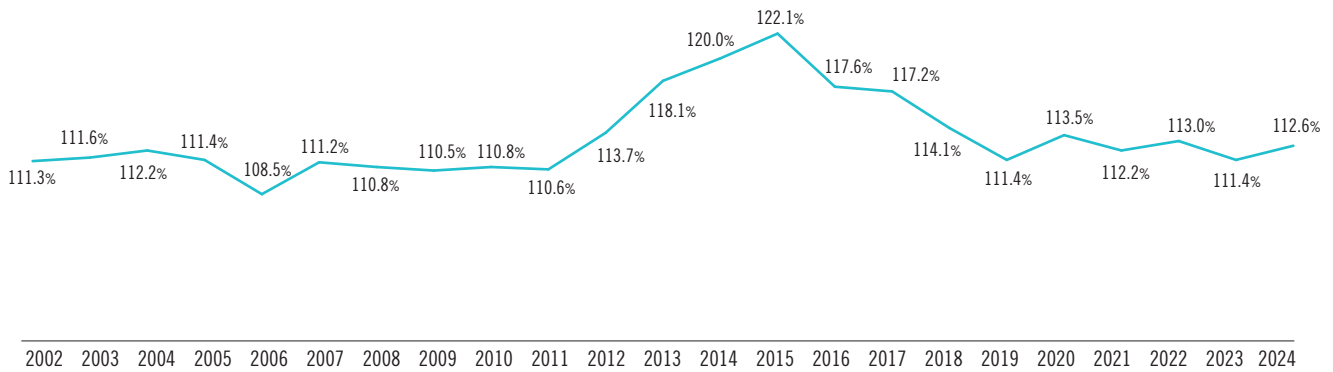


**RESOURCES RATIO
NON-PRIVILEGED/PRIVILEGED RESOURCES**



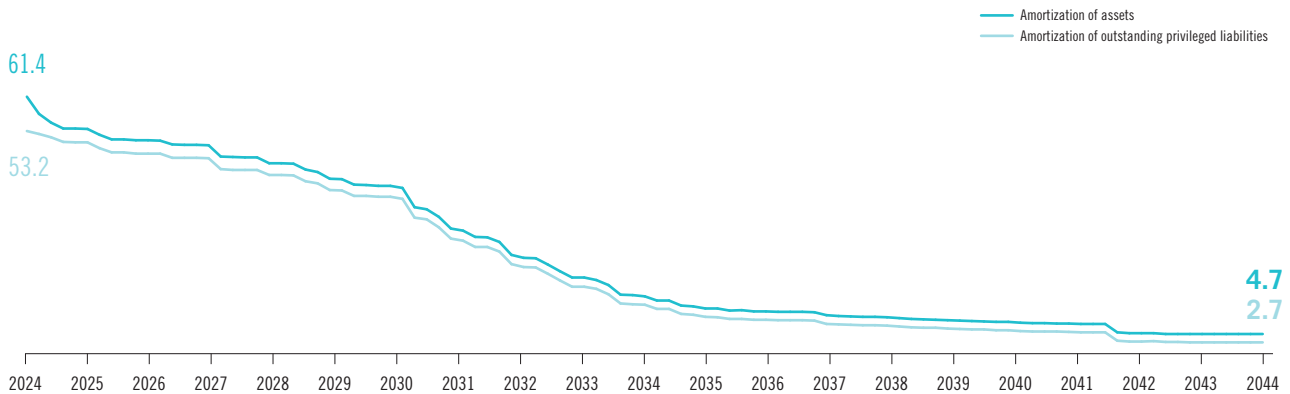
REGULATORY OVERCOLLATERALIZATION RATIO

(in %)



AMORTIZATION OF ASSETS AND PRIVILEGED LIABILITIES

(in €bn)





1

PRESENTATION OF COMPAGNIE DE FINANCEMENT FONCIER

**COMPAGNIE DE FINANCEMENT FONCIER'S
BUSINESS ACTIVITIES IN THE FIRST HALF
OF 2024**

12

FINANCIAL TRANSACTIONS

12

- | | | |
|----|---|----|
| 1. | Funding | 12 |
| 2. | Compagnie de Financement Foncier – supporting Groupe BPCE | 13 |
| 3. | Managing collateral | 13 |
| 4. | Managing derivatives | 13 |

COMPAGNIE DE FINANCEMENT FONCIER'S BUSINESS ACTIVITIES IN THE FIRST HALF OF 2024

FINANCIAL TRANSACTIONS

1. Funding

1.1. MARKET (1)

Despite the decline in inflation, 10-year rates have rebounded sharply since the end of 2023 due to the postponement of the monetary easing process until the second half of the year. The 10-year OAT reached 3.29% on June 28, compared to 2.8% on March 26 and 2.56% at the end of 2023. The spread with the German 10-year rate reached 75 basis points (bps), compared to an average Franco-German spread of 35 bps over the 2015-2019 period. Uncertainties over the outcome of the legislative elections and the fear of an expensive fiscal stimulus program weighed.

This uncertain climate generated volatility on the CAC 40, which finally corrected at the end of June to reach 7,479.4 points on June 28, below the level of 7,543.18 at the end of December. Conversely, the US stock markets remained dynamic, more than ever dependent on a few tech stocks.

With €107bn of new issues in the first half of 2024, including €11.3bn in ESG covered bonds, the covered bond market decreased by 20% compared to the same period in 2023. Issuers in the Eurozone accounted for 64% of the supply. Some countries, including Austria, Spain, Canada and Australia, have already completed 63% of their annual financing programs.

Around €60bn in issues are expected in the second half of 2024. The total offer for the year 2024 would thus be between €160bn and €170bn. The most significant issuance volumes are expected to come from France (€14bn), Germany (€12bn) and Canada (€8bn).

With €36bn in maturities in the second half, the net supply of covered bonds should remain positive. The highest levels of payments will come from France (€9bn), Germany (€8bn) and Italy (€4bn).

1.2 COMPAGNIE DE FINANCEMENT FONCIER'S FUNDING ACTIVITIES

At the end of June 2024, Compagnie de Financement Foncier achieved an issuance volume of €4.11bn at competitive levels. The maturities selected made it possible to provide Groupe BPCE institutions with competitive, back-to-back liquidity. The performance – supported by a close commercial relationship – reflects investors' confidence in Compagnie de Financement Foncier's business model and strategic guidelines, and confirms its position as a benchmark French issuer in the European covered bond market.

On the public market, the first half of 2024 was marked by two euro benchmark issuances totaling €3.5bn. In April, Compagnie de Financement Foncier tapped the primary market for a €2bn dual-tranche issuance. The two tranches of €1.25bn and €750m were issued with maturities of three and eight years. Despite a tense geopolitical context and market volatility, this transaction met with strong investor demand, with an order book totaling €4.75bn. In May 2024, an issuance of €1.5bn was carried out with a maturity of six years. The diversity of investors in this latest issuance testifies to the strength of Compagnie de Financement Foncier's investor base.

Compagnie de Financement Foncier successfully pursued its currency diversification strategy with CHF issuances worth €161m at transaction date and USD issuances worth €139m at transaction date.

The breakdown by geography of the subscribers of Compagnie de Financement Foncier's issuances shows that German and Austrian investors remain in first place (38% of allocations), followed by French investors (16%, up five points on the same period in 2023). Then come investors from the Nordics, the UK and the Benelux countries. The presence of investors from Asia and the Middle East is also noteworthy.

By investor category, the share of central banks rose slightly (28% of allocations in the first half of 2024 vs. 25% in the first half of 2023) despite the end of ECB support for the covered bond market. Exposure to banks remain significant, although down on the same period in 2023 (40% of allocations in the first half of 2024 vs. 47% in the first half of 2023). Banks and asset managers form a solid base, with 63% of investments in the first half of 2024.

In April 2024, Compagnie de Financement Foncier was awarded first prize in the "Social Covered Bond of the Year" category at the Sustainable debt Awards 2024 for its inaugural social issuance in October 2023. It thereby confirms its significant entry into this specialized market.

The sustained activity of the first half of 2024 confirms Compagnie de Financement Foncier's ability to issue under good conditions in all circumstances.

(1) Natixis Research – Covered Bond Market Weekly – June 25, 2024.

2. Compagnie de Financement Foncier – supporting Groupe BPCE

GRUPE BPCE FUNDING AND PORTFOLIO MANAGEMENT

As in 2023, Groupe BPCE institutions continued to show interest in the competitive resources offered by Compagnie de Financement Foncier in the first half of 2024.

Despite heightened competition on the local authority market and high interest rate volatility, primary business was buoyant over the period under review. The Caisses d'Epargne and Banque Populaire banks won calls for tenders amounting to €619m to refinance 76 loans. Some of these operations involved significant amounts: 18 operations alone totaled €435m.

As part of the diversification strategy agreed with BPCE, a refinancing operation for state-guaranteed loans (SGL) originated by Group entities was set up amounting to €1.375bn. This liquidity was distributed among 31 Groupe BPCE institutions. Also of note are a number of long-term corporate transactions (with mortgage guarantees) and ongoing discussions concerning the refinancing of outstanding export credits.

At the end of June 2024, 32 institutions (15 Caisses d'Epargne and one subsidiary, 12 Banque Populaire banks and two subsidiaries, Banque Palatine and Natixis) had benefited from Compagnie de

Financement Foncier liquidity. More specifically, 46,798 receivables were refinanced for a total of €2.466bn, including:

- €743m (530 loans) for the Caisses d'Epargne network, divided into €360m (36 loans) from successful calls for tenders and €383m (494 loans) in secondary refinancing;
- €347m (218 loans) for the network of Banque Populaire banks divided into €258m (39 loans) from successful calls for tenders and €89m (179 loans) in secondary refinancing;
- €1m (1 loan) for Natixis;
- and €1.375bn (46,049 loans) to 31 of the Group's institutions to refinance state-guaranteed loans.

The loans refinanced by Compagnie de Financement Foncier are subject to a rigorous selection process, governed by procedures and an ad hoc delegation scheme. Prior to the transaction, an initial analysis is carried out by the originating institution, followed by a second independent analysis by Compagnie de Financement Foncier. Depending on the amounts involved, BPCE may also intervene, in which case a third analysis is carried out. It is this system that allows Compagnie de Financement Foncier to fund only those loans 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.

3. Managing collateral

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

In the first half of 2024, Crédit Foncier sold €48.6m in public sector loans (outstanding capital and related receivables) to Compagnie de Financement Foncier for its funding transactions.

Assignments of eligible assets (under Article L. 211-38 of the CMF) in the amount of €6.4bn were also pledged as collateral with Compagnie de Financement Foncier for its funding transactions.

4. 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.

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



2

REPORT ON CORPORATE GOVERNANCE

COMPOSITION OF EXECUTIVE AND MANAGEMENT BODIES

Executive Management at June 30, 2024	16
The Board of Directors at June 30, 2024	16
The committees set up by the Board of Directors at June 30, 2024	17

POTENTIAL CONFLICTS OF INTEREST

17

COMPOSITION OF EXECUTIVE AND MANAGEMENT BODIES

Executive Management at June 30, 2024

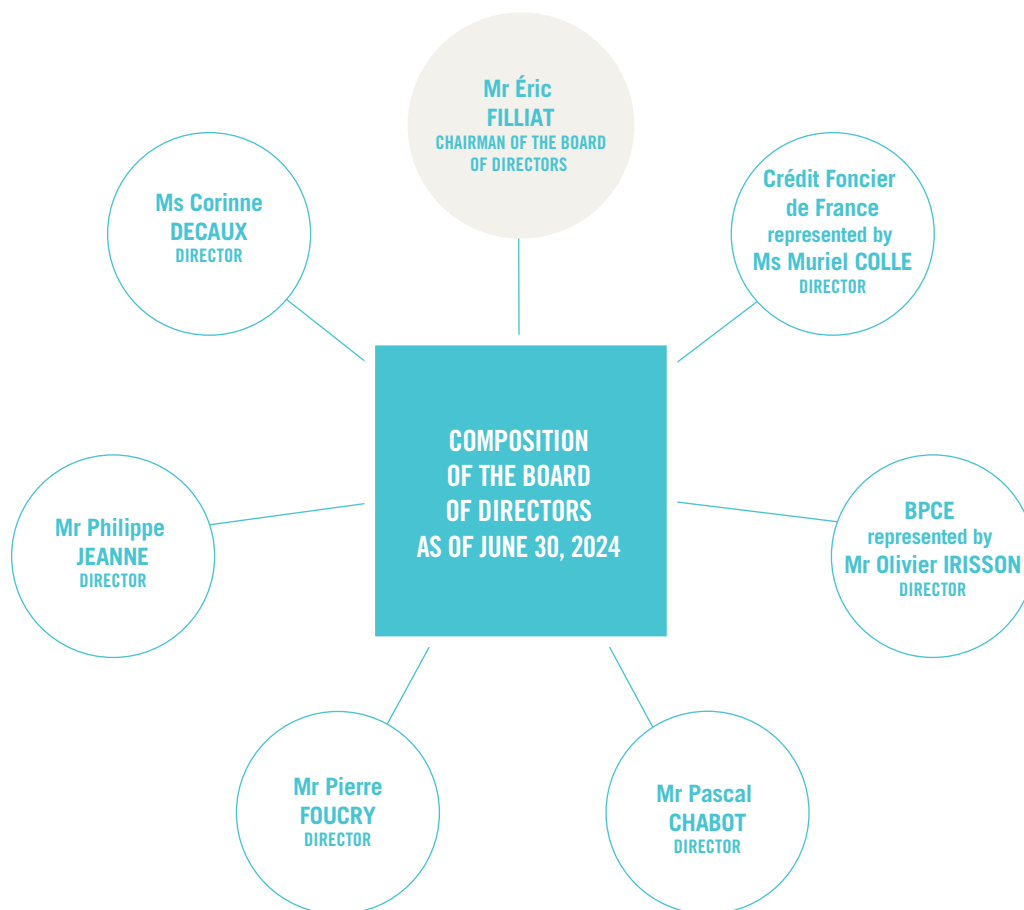
Mr Olivier AVIS, Chief Executive Officer

Mr Paul DUDOUIT, Deputy Chief Executive Officer

CHANGES IN EXECUTIVE MANAGEMENT DURING THE FIRST HALF OF 2024

None.

The Board of Directors at June 30, 2024



The Board is also attended by the Statutory Auditors, of whom there have been three since the General Meeting of May 6, 2024, and by the Company's Specific Controller.

CHANGES IN THE BOARD OF DIRECTORS DURING THE FIRST HALF OF 2024

Resignation of Ms Nathalie BRICKER on April 11, 2024.

The committees set up by the Board of Directors at June 30, 2024

The Company has the following committees:

APPOINTMENTS COMMITTEE

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.

AUDIT COMMITTEE

The Audit Committee operates in accordance with internal rules approved by the Board of Directors at its meeting of December 18, 2019 and updated on December 16, 2022.

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 individual 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

The Risk Committee operates in accordance with internal rules approved by the Board of Directors at its meeting of December 18, 2019 and updated on December 16, 2022.

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 of intervention 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;
- respect for the independence of the audit function performed by the Group's Internal Audit Division, as well as the review of its work and its annual program;
- following up on the findings of missions of *Autorité de Contrôle Prudentiel et de Résolution* (ACPR – French Prudential Supervisory and Resolution Authority) and/or the European Central Bank (ECB) and the Group's Internal Audit Division;
- 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.).

Mr 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 16 *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.

POTENTIAL CONFLICTS OF INTEREST

Any potential conflicts of interest are detailed on page 70 of the 2023 Universal Registration Document.



3

FINANCIAL REPORT

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MANAGEMENT REPORT

1. Economic and financial environment in the first half of 2024

The global economy is showing signs of strengthening and resilience. Thwarting fears of stagflation and global recession, economic activity has accelerated steadily, and inflation is receding around the world. Employment and income growth remained stable, thanks to a combination of favorable demand trends (higher-than-expected public spending and household consumption) and an increase in supply linked to the rise in activity. This resilience of the economy is also the result of the ability of households in the main advanced countries to draw on savings accumulated during the Covid 19 pandemic. What's more, the vitality of the residential real estate and home loans markets over the past ten years of low interest rates has cushioned the short-term impact of central bank rate hikes.

Impacted by persistently restrictive monetary policies and uncertainties linked to geopolitical tensions, global economic growth in 2024 and 2025 should continue at a similar pace to 2023 (3.2%)⁽¹⁾, slightly below the average global growth rate of the last decade. In advanced countries, growth is expected to reach 1.7% in 2024 and 1.8% in 2025. In emerging and developing countries, growth is estimated at 4.2% for 2024 and 2025. However, the situation varies from region to region, with a slowdown already observed in emerging and developing Asian countries, offset by higher growth in the Middle East, Central Asia and sub-Saharan Africa.

Global inflation should fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025.

This outlook is still subject to a number of uncertainties, particularly in terms of global growth. Risk factors include, by way of example, a further surge in commodity prices linked to the continuation of several regional conflicts, a slower-than-expected decline in inflation and financial tensions, a loss of momentum in China's recovery, and the destabilizing effect of fiscal consolidation policies undertaken by certain countries. Conversely, factors such as the implementation of structural reforms to stimulate productivity growth in certain countries, or the easing of monetary policies, could have a beneficial effect.

After five quarters of overall stagnation, GDP in the euro zone rose by 0.3%⁽²⁾ in the first quarter of 2024. Industrial production continues to be affected by weak demand, particularly in energy-intensive sectors. By contrast, the service sector is showing clearer signs of a general improvement. The euro zone economy should continue to recover over the course of 2024, driven by rising real incomes resulting from falling inflation, rising wages, as well as the easing of monetary policy and exports that should continue to grow. Based on this outlook, annual GDP growth is expected to reach 0.9% in 2024, accelerating to 1.4% in 2025 and 1.6% in 2026. Euro zone employment rose by 0.3% in the first quarter of 2024, and the unemployment rate fell to 6.4% in April from 6.5% in March, reaching its lowest level since the

introduction of the single currency. Demand for labor remains at high levels, although the vacancy rate fell slightly in the first quarter of 2024 to 2.8%, 0.1 percentage points lower than in the previous quarter. Total inflation in the euro zone rose to 2.6% in May from 2.4% in April. This trend can be attributed to an acceleration in the rise in energy and services prices, while the rise in food and non-energy industrial goods prices eased. Over 2024, overall inflation should consolidate at around 2.9%.

In France, modest economic growth is expected (+0.8%)⁽³⁾ in 2024 after 0.9% in 2023. Growth is expected to be driven more by household consumption than in 2023, due to lower inflation. By 2025, growth should reach 1.5%, benefiting from an upturn in private investment as monetary and financial conditions improve. Inflation is expected to stabilize at around 2% by the end of 2024. The change in nominal wages is likely to slow more than expected in 2024, due to a lower-than-expected rise in the SMIC in the first quarter of 2024 and a moderation in wage increases by companies.

EUROPEAN MONETARY POLICIES IN THE FIRST HALF OF 2024⁽⁴⁾

At its meeting on June 6, 2024, the ECB decided to lower its three key rates by 25 basis points, bringing the interest rates on the main refinancing operations, the marginal lending facility and the deposit facility to 4.25%, 4.50% and 3.75% respectively, with effect from June 12, 2024.

After holding its key rates steady for nine months, and on the back of a much-improved inflation outlook, the ECB has decided to reduce the restrictive nature of its monetary policy. Indeed, since the September 2023 Board of Governors meeting, inflation has slowed by over 2.5 percentage points. In addition, after five quarters of stagnation, the euro zone economy grew by 0.3% in the first quarter of 2024, driven by a significant expansion in the services sector. Employment rose by 0.3% in the first quarter of 2024, with 500,000 new jobs created, and the unemployment rate fell slightly in April 2024 to 6.4%, its lowest level since the creation of the euro. Overall, in the second quarter of 2024, the euro zone economy, buoyed by net exports and a rise in household spending, recovered more strongly than expected.

The Asset Purchase Program (APP) portfolio is contracting at a steady and predictable pace, as the Eurosystem no longer reinvests principal repayments on securities maturing on July 1, 2023. The Pandemic Emergency Purchase Programme (PEPP) continued to benefit from the reinvestment of maturing securities until the end of June 2024. In the second half of 2024, reinvestments will be limited to an average of €7.5bn per month. These reinvestments will cease at the end of 2024.

(1) IMF - World Economic Outlook - April 2024.

(2) ECB - Economic Bulletin - Issue 4/2024.

(3) Banque de France - Economic forecasts - March 2024.

(4) European Central Bank - Economic Bulletin 4/June 2024.

The restrictive monetary policy pursued for most of the half-year had an impact on overall financing conditions. As a result, at the end of April 2024, bank lending rates to businesses and individual customers for housing purchases remained stable at high levels. In April, corporate rates (5.18%) were only slightly below the peak of 5.27% reached in October 2023. Over the same period, rates on new home loans to households remained unchanged at 3.80%, below the high point of 4.02% observed in November 2023. Moreover, as lending criteria remained strict, the annual growth rate in bank loans to businesses and households remained virtually nil.

The ECB reiterated that its future decisions will remain based on its assessment of the economic and financial outlook and that it will continue to steer its key rates so that they ensure that inflation returns to its 2% target as soon as possible.

In the first half of 2024, in a strengthened global economy still impacted by an unstable geopolitical context and restrictive monetary policies, Compagnie de Financement Foncier confirmed its position as a historic player in the covered bond market by offering Groupe BPCE institutions particularly competitive refinancing terms.

2. Main transactions of the half-year

ACQUISITIONS AND DISPOSALS

Article L. 211-38 of the French Monetary and Financial Code (MFC) 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 amount of €6,773m at June 30, 2024. Loans of an identical nature were also granted to BPCE SA for an amount of €4,565m, excluding related receivables, and to other Groupe BPCE entities for €8,577m. Total loans granted were collateralized for €21,699m.

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 at the acquisition date of €2,357m, including €1,863m in the form of refinancing guaranteed by French local authorities (FLA) loans, as well as financing commitments of €110m.

In addition, during the first half of 2024, Compagnie de Financement Foncier acquired receivables from Crédit Foncier de France amounting to €49m.

FINANCING AND CASH MANAGEMENT

During the first half of 2024, Compagnie de Financement Foncier issued €4.11bn of covered bonds.

On the public market, the first half was marked by two transactions: in April, a €2bn dual-tranche issuance (€1.25bn and €750m with respective maturities of three and eight years) and in May, a €1.5bn issue with a six-year maturity.

Over the past six months, Compagnie de Financement Foncier issued €4.11bn in covered bonds under the “European Covered Bond Premium” label.

Rating agencies give the highest AAA/Aaa/AAA ratings⁽¹⁾ to the covered bonds issued by Compagnie de Financement Foncier. These ratings confirm the high level of security conferred by the protective legal status of a *Société de Crédit Foncier* and by the additional commitments made in terms of financial management and risk control.

At June 30, 2024, the balance sheet of Compagnie de Financement Foncier totaled €61.4bn and its net income was €38.8m.

Compagnie de Financement Foncier remains a strategic subsidiary of Crédit Foncier and Groupe BPCE, under the affiliation regime and therefore part of the latter's solidarity mechanism. It focuses on refinancing the assets of Groupe BPCE entities. Within this framework, it refines mainly the public sector and the commercial mortgage sector, while pursuing the objective of diversifying the assets refinanced.

Compagnie de Financement Foncier successfully pursued its currency diversification strategy with CHF issuances worth €161m at transaction date and USD issuances worth €139m at transaction date.

By region, German and Austrian investors (38% of allocations) remain in first place for subscriptions to Compagnie de Financement Foncier issuances, followed by French investors (16%) and Nordic countries.

By investor category, the share of central banks rose slightly (28% of allocations in the first half of 2024 vs. 25% in the first half of 2023) despite the end of ECB support for the covered bond market. Exposure to banks remains significant (40% of allocations). Banks and asset managers form a solid base, with 63% of investments in the first half of 2024.

EARLY REPAYMENTS

The annualized early repayment rate on loans to individual customers stands at 3%, with related asset outflows representing €321m for the first half of 2024 (vs. €510m for the first half of 2023). Early repayments have the following impact on net banking income:

- the impact of accelerated amortization of acquisition premiums/ discounts is estimated at +€4.9m over the fiscal year;
- the collection of early repayment penalties from individual customers of €4.0m; as a reminder, according to the agreement on services rendered by Crédit Foncier, one third of these penalties is transferred to the latter.

The volume of renegotiations (€1.3m) is negligible.

The average early repayment rate on loans to corporates is 0.3% for the first half of 2024 (vs. 0.2% for the first half of 2023).

(1) Standard & Poor's/Moody's/Scope Ratings, updated as of the filing date of this Amendment to the 2023 Universal Registration Document.

3. Changes in assets

ASSETS

(in €k)	06/30/2024	12/31/2023
Cash and amounts due from central banks	1,590,002	472,108
Treasury bills and equivalent	2,759,915	2,751,720
Loans and advances to banks at amortized cost	20,748,668	19,812,556
■ Sight deposit	53,560	51,680
■ Term	20,695,108	19,760,877
Customer transactions	32,318,289	33,228,352
Bonds and other fixed-income securities	2,502,505	2,541,080
Equity interests and other long-term investments	0	0
Intangible assets and property, plant & equipment	0	0
Other assets	33,490	25,430
Accrual accounts	1,439,462	1,419,046
TOTAL ASSETS	61,392,331	60,250,293

The total balance sheet of Compagnie de Financement Foncier stood at €61.4bn at the end of June 2024, up by €1.1bn or 1.9% compared with the end of 2023.

The change in the assets of Compagnie de Financement Foncier between these two dates was marked, in particular, by:

- an increase in “Cash and amounts due from central banks” (+€1.1bn);
- an increase in loans and advances to banks at amortized cost (+€0.9bn);
- a decrease in customer transactions (-€0.9bn).

HOME LOANS

Outstanding home loans, held directly or pledged *via* L. 211-38 loans, decreased compared to the end of 2023 due to the natural amortization of inventories given the cessation of production by Crédit Foncier.

(in €m)	06/30/2024	12/31/2023	Change
Non-commercial mortgage loans (See note 11)	21,123	22,173	-4.7%
Loans to private individuals guaranteed by real estate loans under L. 211-38 (See note 22)	3,010	3,164	-4.9%
TOTAL	24,133	25,337	-4.8%

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 loans in the form of true sale disposals or through collateralized loans backed by said receivables.

These collateralized loans are classified as term loans and receivables from credit institutions. At the end of the first half of 2024, the outstanding loans amounted to €20.0bn broken down into:

- €6.8bn in loans to Crédit Foncier, mainly guaranteed by receivables from French local authorities;

- €8.6bn in loans to other Groupe BPCE entities, also guaranteed by receivables from French local authorities;
- €4.6bn in loans to BPCE for safe and liquid assets (formerly known as replacement assets).

The total amount of guarantees received to cover these loans amounted to €21.5bn at June 30, 2024.

OTHER ASSETS AND ACCRUAL ACCOUNTS

Other assets totaled €33.5m at June 30, 2024 compared with €25.4m at December 31, 2023.

The accrual accounts stood at €1.4bn at June 30, 2024, virtually unchanged from December 31, 2023.

4. Changes in liabilities

LIABILITIES (in €k)	06/30/2024	12/31/2023
Central banks	0	0
Due to credit institutions	4,421,017	4,565,451
■ <i>Sight deposit</i>	0	0
■ <i>Term</i>	4,421,017	4,565,451
Customer transactions	0	177
■ <i>Sight deposit</i>	0	177
Debt securities	53,141,468	51,699,868
■ <i>Interbank market instruments and negotiable debt securities</i>	0	0
■ <i>Bond issues (covered bonds)</i>	53,141,468	51,699,868
Other liabilities	220,116	232,582
Accrual accounts	1,584,909	1,647,299
Provisions	12,225	12,285
Subordinated debts	0	0
Fund for general banking risks	20,000	20,000
Equity excluding reserve for general banking risks	1,992,596	2,072,631
■ <i>Share capital</i>	1,537,460	1,537,460
■ <i>Issue premium</i>	209,867	209,867
■ <i>Reserves</i>	151,714	145,772
■ <i>Regulated provisions and investment subsidies</i>	0	0
■ <i>Retained earnings</i>	54,756	60,698
■ <i>Income to be allocated</i>	0	0
■ <i>Net income for the period</i>	38,798	118,833
TOTAL LIABILITIES AND EQUITY	61,392,331	60,250,293

The change in debt securities posted a positive net balance of €1.4bn, with the €4.1bn in issuances carried out in the first half of 2024 being higher than the amount of bond maturities for the period.

Amounts due to credit institutions decreased by €0.1bn as part of optimized cash management.

Share capital stood at €2bn, stable compared with the end of 2023.

5. Analysis of the income statement

INCOME STATEMENT

(in €k)

	06/30/2024	06/30/2023
Net interest margin	74,646	114,647
Net commissions	4,496	6,697
Other bank operating charges	-1,448	-1,240
Net banking income	77,694	120,103
General operating expenses	-26,365	-35,037
Gross operating income	51,330	85,066
Cost of risk	663	1,214
Net operating income	51,992	86,280
Gains or losses on long-term investments	0	0
Income before tax	51,992	86,280
Income tax	-13,194	-23,970
NET INCOME	38,798	62,310

NET BANKING INCOME

The net banking income for the first half of 2024 amounted to €77.7m, down compared to the first half of 2023, in connection with the non-recurring items recorded in 2023 and with the decrease in the average margin of its assets (the assets refinanced for Groupe BPCE having narrower margins than the historical assets in run-off).

Net commissions, mainly composed of early repayment fees, were down compared to the first half of 2023 in correlation with the decrease in early repayment volumes.

GROSS OPERATING INCOME

General operating expenses came to €26.4m, down €8.7m on the first half of 2023 due to lower invoicing for services provided by Crédit Foncier and income for the restatement of the SRF contribution.

Gross operating income amounted to €51.3m in the first half of 2024 compared to €85.1m at June 30, 2023.

COST OF RISK

Cost of risk was a net reversal of €0.7m in the first half of 2024. It includes an improvement in individual risk and a net reversal of collective risk in line with the decline in outstandings.

NET INCOME

Net income amounted to €38.8m in the first half of 2024, compared to €62.3m in the first half of 2023.

6. Cash flows

Refer to chapter 3 – "Financial information", note 25 – "Consolidated cash flow statement" (pages 62 and 63).

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 receivable due from credit institutions repayable on demand was reclassified as doubtful in the first half of 2024. Out of the €20.7bn in receivables due from credit institutions, €20.1bn 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.

LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers amounted to €32.3bn at June 30, 2024, including €0.6bn of doubtful loans and receivables,

compared with €33.2bn and €0.6bn, respectively, at December 31, 2023. Doubtful loans remained almost exclusively concentrated on home loans for 99.88%. By the same token, all loan impairments (€27m) relate to home loans.

INVESTMENT SECURITIES

Outstanding held-to-maturity securities amounted to €5.168bn at June 30, 2024.

None of these securities were reclassified as doubtful or impaired in 2024.

The outstanding amounts in terms of net carrying amount (excluding accrued interest and after premiums or discounts) break down between Italy (53%), the United States (26%), Japan (7%), Poland (5%), Canada (4%), Spain (3%), France (1%) and other countries with non-material amounts (1%).

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 transformed into euros at the moment of their execution by means of currency derivatives.

Interest rate risk is hedged if necessary, using micro or macro-hedging derivatives (transformation of fixed-rate items into floating-rate items).

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. The limits were complied with during the first half of 2024.

Given these strict management rules, 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 this risk.

Since mid-2022, early repayment volumes have fallen significantly, in line with the rise in real estate loans. Early repayments and renegotiations of outstanding loans to individual customers on Compagnie de Financement Foncier's balance sheet represented 3.0% of outstanding loans during the first half of 2024, compared to 4.2% at December 31, 2023.

LIQUIDITY RISK

In the first half of 2024, Compagnie de Financement Foncier pursued its policy of prudent liquidity management and has sufficient cash to meet the contractual maturities of all its senior debt for six months, without any new resources.

At June 30, 2024, Compagnie de Financement Foncier had available cash of €1.64bn, including €1.59bn with Banque de France. In addition, €4.57bn in short-term loans (<11 months) to BPCE guaranteed by a portfolio of assets help manage the vehicle's liquidity.

At June 30, 2024, Compagnie de Financement Foncier also held €16.7bn (before haircut) in assets that could be mobilized with the ECB.

Compagnie de Financement Foncier's Liquidity Coverage Ratio (LCR), has always been equal to or greater than 100% since 2015.

9. Information on internal control

For all information related to internal control, please refer to the 2023 Universal Registration Document of Compagnie de Financement Foncier (pages 79 to 83).

10. Regulatory and prudential information

Compagnie de Financement Foncier publishes a Risk Management report in which all the ratios and indicators applicable to *Sociétés de Crédit Foncier* are disclosed in accordance with the regulations in force.

Furthermore, this report includes additional information on the risk supervision of Compagnie de Financement Foncier.

For further information, please refer to chapter 4 – Risk factors and risk management of this Amendment to the 2023 Universal Registration Document (pages 74 to 99).

11. Other information

SUPPLIER PAYMENT TERMS (ARTICLE L. 441-14 OF THE FRENCH COMMERCIAL CODE) (1)

(in €k)

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
A) Late payment tranche					
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					0
B) Invoices excluded from A) associated with disputed or unrecognized receivables					
Number of invoices excluded	0	0	0	0	None
Total amount of excluded invoices	0	0	0	0	None
C) Benchmark payment periods (contractual or legal – Article L. 441-14 or Article L. 443-1 of the French Commercial Code)					
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 Economic Modernization Act (LME) 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.

CUSTOMER PAYMENT TERMS (ARTICLE L. 441-14 OF THE FRENCH COMMERCIAL CODE) (2)

(in €k)

Invoices issued but 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
A) Late payment tranche					
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					
B) Invoices excluded from A) associated with disputed or unrecognized receivables					
Number of invoices excluded	0	0	0	0	None
Total amount of excluded invoices	0	0	0	0	None
C) Benchmark payment periods (contractual or legal – Article L. 441-14 or Article L. 443-1 of the French Commercial Code)					
Payment periods used for late payment calculation	Contractual periods: Invoice date				0

(1) The information below does not include banking and related transactions.

(2) The information below does not include banking and related transactions.

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

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 first half of 2024.

12. Post-balance sheet events

No post-balance sheet event liable to have a material impact on the financial statements at June 30, 2024 occurred between the closing date and July 19, 2024, the date on which the Board of Directors approved the financial statements.

13. Outlook

Compagnie de Financement Foncier intends to continue its loan funding business for the benefit of Groupe BPCE in the second half of 2024 by ensuring:

- the development and management of a network of investors in covered bonds;
- the funding of eligible assets of Groupe BPCE entities, through true sales and collateralized loans;

To the best of the Company's knowledge, there is no agreement providing for the realization of such an investment in the future.

For further information, please refer to the 2023 Universal Registration Document of Compagnie de Financement Foncier (page 85).

RESEARCH AND DEVELOPMENT

No research and development activity was carried out by Compagnie de Financement Foncier in the first half of 2024.

MAIN RISKS AND UNCERTAINTIES

Information on the main risks and uncertainties is described in chapter 4 – Factors and risk management report of this Amendment to the 2023 Universal Registration Document (pages 69 to 74).

- the active management of its outstandings in order to maintain their high quality, while preserving their profitability;
- the optimization of financial risk hedging.

For further information on the outlook, and in particular on the economic and financial environment, please refer to "Economic and financial environment" in chapter 3, page 20 of this Amendment to the 2023 Universal Registration Document.

14. Social and environmental information

For social and environmental information, please refer to the 2023 Universal Registration Document of Compagnie de Financement Foncier (page 86).

INDIVIDUAL FINANCIAL STATEMENTS

Income statements

<i>(in €k)</i>	See Notes	06/30/2024	06/30/2023	12/31/2023
Interest and similar income	1	976,370	829,981	1,788,708
Interest and similar expenses	1	-901,724	-715,334	-1,569,233
Net interest margin		74,646	114,647	219,475
Fees and commissions income	2	4,852	7,072	13,372
Fees and commissions	2	-355	-376	-734
Net gains/losses on trading book transactions	3	-12	-11	-4
Other banking income	4	187	214	496
Other banking expenses	4	-1,623	-1,443	-2,771
Net banking income		77,694	120,103	229,835
Employee benefits expense	5	-18	-25	-36
Taxes and other contributions	5	-1,906	-1,726	-4,135
External services and other expenses	5	-24,440	-33,285	-63,741
Amortization		0	0	0
General operating expenses		-26,365	-35,037	-67,913
Gross operating income		51,330	85,066	161,923
Cost of risk	6	663	1,214	2,817
Net operating income		51,992	86,280	164,739
Gains or losses on long-term investments	7	0	0	0
Income before tax		51,992	86,280	164,739
Non-recurring income		0	0	0
Income tax	8	-13,194	-23,970	-45,906
NET INCOME		38,798	62,310	118,833
Earnings per share* <i>(in €)</i>		0.40	0.65	1.24
Diluted earnings per share <i>(in €)</i>		0.40	0.65	1.24

* 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	06/30/2024	06/30/2023	12/31/2023
Cash and amounts due from central banks		1,590,002	2,092,000	472,108
Treasury bills and equivalent	9	2,759,915	3,023,568	2,751,720
Loans and advances to banks at amortized cost	10	20,748,668	17,434,842	19,812,556
■ <i>Sight deposit</i>		53,560	50,870	51,680
■ <i>Term</i>		20,695,108	17,383,972	19,760,877
Customer transactions	11	32,318,289	34,069,133	33,228,352
■ <i>Other facilities granted to customers</i>		32,318,289	34,069,133	33,228,352
Bonds and other fixed-income securities	9	2,502,505	2,702,431	2,541,080
Equity interests and other long-term investments		0	0	0
Intangible assets and property, plant & equipment		0	0	0
Other assets	12	33,490	23,056	25,430
Accrual accounts	13	1,439,462	1,362,118	1,419,046
TOTAL ASSETS		61,392,331	60,707,149	60,250,293

LIABILITIES

<i>(in €k)</i>	See Notes	06/30/2024	06/30/2023	12/31/2023
Central banks		0	0	0
Due to credit institutions	14	4,421,017	4,486,777	4,565,451
■ <i>Sight deposit</i>		0	0	0
■ <i>Term</i>		4,421,017	4,486,777	4,565,451
Customer transactions		0	0	177
■ <i>Sight deposit</i>		0	0	177
Debt securities	15	53,141,468	52,335,066	51,699,868
■ <i>Interbank market instruments and negotiable debt securities</i>		0	0	0
■ <i>Bond issues (obligations foncières)</i>		53,141,468	52,335,066	51,699,868
Other liabilities	16	220,116	193,699	232,582
Accrual accounts	17	1,584,909	1,643,121	1,647,299
Provisions	18	12,225	12,379	12,285
Subordinated debts		0	0	0
Fund for general banking risks		20,000	20,000	20,000
Equity excluding reserve for general banking risks	19	1,992,596	2,016,107	2,072,631
Share capital		1,537,460	1,537,460	1,537,460
Issue premium		209,867	209,867	209,867
Reserves		151,714	145,772	145,772
Regulated provisions and investment subsidies		0	0	0
Retained earnings		54,756	60,698	60,698
Income to be allocated		0	0	0
Net income for the period		38,798	62,310	118,833
TOTAL LIABILITIES AND EQUITY		61,392,331	60,707,149	60,250,293

Off-balance sheet

<i>(in €k)</i>	See Notes	06/30/2024	06/30/2023	12/31/2023
TOTAL COMMITMENTS GIVEN				
Financing commitments		484,073	412,843	478,711
■ Commitments given to credit institutions	20 (20.1)	0	0	0
■ Commitments given to customers	20 (20.1)	484,073	412,843	478,711
Guarantee commitments		166,466	175,019	162,753
■ Commitments given to credit institutions	20 (20.1)	0	0	0
■ Other securities pledged as collateral	20 (20.1)	166,466	175,019	162,753
Commitments on securities		0	0	0
■ Other commitments given	20 (20.1)	0	0	0
TOTAL COMMITMENTS RECEIVED				
Financing commitments		23,172,767	24,659,651	20,797,814
■ Guarantees received from credit institutions	20 (20.2)	1,703,131	7,003,526	1,710,610
■ Other assets received as collateral from the Group	20 (20.2)	21,469,635	17,656,125	19,087,204
Guarantee commitments		23,919,397	26,231,990	25,069,795
■ Guarantees received from credit institutions	20 (20.2)	4,654,862	5,077,565	4,888,709
■ Commitments received from customers	20 (20.2)	19,264,536	21,154,425	20,181,086
Commitments on securities		0	0	0
TOTAL RECIPROCAL COMMITMENTS				
■ Sale and purchase of foreign currencies	21	11,655,055	11,123,050	11,531,148
■ Other financial instruments	21	61,375,977	55,504,401	56,903,020

The notes on the following pages are part of the half-year individual financial statements.

Notes to the individual financial statements of Compagnie de Financement Foncier

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 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 affiliated subsidiary, Compagnie de Financement Foncier does not contribute to the guarantee mechanism of the networks and will not be called upon in case of a Banque Populaire or a Caisse d'Épargne default.

SIGNIFICANT EVENTS OF THE FIRST HALF OF 2024

CURRENT ACTIVITY

During the first half of 2024, Compagnie de Financement Foncier acquired loans from Crédit Foncier de France for an amount of outstanding capital of €49m.

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. Accordingly, Compagnie de Financement Foncier carried loans (primarily with its parent company, Crédit Foncier de France), in the total amount of €6,773m at June 30, 2024. At June 30, 2024, loans of an identical nature were also granted to BPCE SA for an amount of €4,565m, excluding related receivables, and to other Groupe BPCE entities for €8,402m. Total loans granted were collateralized for €21,699m.

Furthermore, as part of its business of funding eligible assets originated by the Groupe BPCE institutions, Compagnie de Financement Foncier refinanced receivables in the French local authorities (FLA) in the amount of outstanding capital of €2,357m, including €1,863m in the form of refinancing guaranteed by FLA loans, as well as financing commitments of €110m. Lastly, a specific refinancing of state-guaranteed loans (SGLs) was also carried out in the amount of €1.375bn.

The safe and liquid assets (new terminology for replacement values) of Compagnie de Financement Foncier, defined according to Decree No. 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 €4,697m, including related receivables. In addition to cash and cash equivalents, these safe and liquid assets essentially comprise loans granted under Article L. 211-38 of the French Monetary and Financial Code.

With regard to resources, Compagnie de Financement Foncier issued €4,110m in *obligations foncières* during the first half of 2024.

Compagnie de Financement Foncier can also access refinancing lines with the Banque de France (overall collateral management – pool 3G). However, this option was not exercised during the first half of 2024.

TAXES

In accordance with the consolidated tax agreement signed with Crédit Foncier de France, Compagnie de Financement Foncier recognized a tax charge of €5.3m vis-à-vis its parent company due to its taxable income of €20.4m. In addition, a deferred tax charge of €7.9m was recognized, bringing income tax to a total charge of -€13.2m.

EVENTS AFTER THE REPORTING PERIOD

No events after the reporting period liable to have a significant impact on the June 30, 2024 financial statements occurred between the closing date and July 19, 2024, the date on which the Board of Directors approved the financial statements.

GENERAL ACCOUNTING POLICIES

VALUATION METHODS, PRESENTATION OF INDIVIDUAL FINANCIAL STATEMENTS AND CLOSING DATE

The individual half-year 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.

The individual half-year financial statements at June 30, 2024 were approved by the Board of Directors on July 19, 2024.

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.

CHANGES IN ACCOUNTING METHODS

No change in accounting methods affected the financial statements for the half year ended June 30, 2024.

The texts adopted by the French National Accounting Standards Authority with mandatory application in 2024 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.

GENERAL ACCOUNTING POLICIES

The financial statements 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.

PRINCIPLES APPLICABLE TO BANKING RESOLUTION MECHANISMS

The conditions for setting-up the deposits and resolution guarantee fund were changed by the Order 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 set up in 2015 pursuant to Directive 2014/59/EU known as the Bank Recovery and Resolution Directive (BRRD), 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 the Single Resolution Fund (SRF) between member States participating in the Single Resolution Mechanism (SRM). 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 on *ex-ante* contributions to the resolution's financing arrangements, the Single Resolution Board set the contributions to the Single Resolution Fund for 2024. The amount of contributions paid by Compagnie de Financement Foncier was nil in 2024 for both the portion recognized as an expense and the portion in the form of irrevocable payment commitments (IPC). The target of funds to be collected for the resolution fund has been achieved. Contributions may be called in the future depending, in particular, on the evolution of deposits and the possible use of the funds. However, income of €1.37m was recognized at June 30, due to the downward revision of the calculation bases for the 2017 to 2023 fiscal years.

The share of IPC corresponds to 15% of calls for funds guaranteed by cash deposits until 2022 and 22.5% for the 2023 contribution. These deposits have been remunerated at €ster-20bp since May 1, 2023. The total amount of contributions entered on the asset side of the balance sheet amounted to €22.7m as of June 30, 2024. The conditions for using SRF resources, and therefore for calling up irrevocable payment commitments, are strictly regulated. These resources can only be called up in the event of an institution's resolution proceedings, and after shareholders and holders of relevant equity instruments and other commitments usable for internal bailout have contributed a minimum of 8% of total liabilities. In addition, the SRF contribution must not exceed 5% of the total liabilities of the institution subject to a resolution procedure.

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NOTE 1 Interest and similar income and expenses

INTEREST AND SIMILAR – 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)	06/30/2024			06/30/2023	12/31/2023
	Income	Expenses	Net	Net	Net
Interbank transactions	350,186	-92,700	257,485	170,932	406,168
Interest on Central Bank accounts	18	0	18	16,603	68
Interest on current accounts	18,839	-1,658	17,181	-411	45,477
Interest on forwards	328,746	-77,817	250,929	168,649	386,136
Interest on subordinated loans	0	0	0	0	0
Interest on secured receivables (safe and liquid assets)	0	0	0	0	0
Interest on securities received/sold under repurchase agreements	0	-12,257	-12,257	-13,757	-26,047
Contingent liabilities and commitments	0	0	0	0	0
Other interest income and expenses	0	0	0	0	0
Hedging transactions (netting)	2,583	-969	1,614	-152	534
Hedged losses on receivables	0	0	0	0	0
Non-hedged losses on receivables	0	0	0	0	0
Net changes in provisions	0	0	0	0	0
Customer transactions	396,761	-9,923	386,838	375,695	763,639
Interest on demand deposits, term deposits and regulated savings accounts	0	0	0	0	0
Interest on loans to customers	389,378	0	389,378	376,373	772,561
Interest on subordinated loans	0	0	0	0	0
Interest on doubtful loans	6,782	0	6,782	6,427	13,384
Spreading of additional loans fees	171	0	171	-598	-194
Interest on ABS cash collateral	0	0	0	0	0
Other interest income and expenses	429	-1,185	-755	-778	-1,961
Income on financing and guarantee commitments	0	0	0	0	0
Hedging transactions (netting)	0	-7,941	-7,941	-9,222	-22,074
Hedged losses on receivables	0	-117	-117	-243	-642
Non-hedged losses on receivables	0	-543	-543	-410	-838
Net changes in provisions*	0	-138	-138	4,145	3,401
Finance lease transactions	0	0	0	0	0
Securities portfolio transactions	219,295	-777,754	-558,459	-428,800	-965,251
Interest on available-for-sale securities	0	0	0	0	0
Spreading of discounts/premiums on available-for-sale securities	0	0	0	0	0
Interest on held-to-maturity securities	132,242	0	132,242	138,685	278,366
Spreading of discounts/premiums on held-to-maturity securities	0	-9,385	-9,385	-14,639	-27,717
Interest on medium-term notes (BMTN) issued	0	0	0	0	0

(in €k)	06/30/2024			06/30/2023	12/31/2023
	Income	Expenses	Net	Net	Net
Interest on mortgage notes issued	0	0	0	0	0
Interest and expenses on bond issuances	0	-554,947	-554,947	-474,074	-988,010
Interest on doubtful securities	0	0	0	0	0
Hedging transactions (netting)	87,053	-213,422	-126,369	-78,772	-227,890
Losses on non-recoverable receivables	0	0	0	0	0
Net changes in provisions	0	0	0	0	0
Subordinated debts	0	0	0	0	0
Payables on subordinated term securities	0	0	0	0	0
Payables on subordinated debt – credit institutions	0	0	0	0	0
Payables on subordinated debt – customers	0	0	0	0	0
Other interest and similar income and expenses	10,129	-21,346	-11,217	-3,180	14,919
Income on debt securities	10,103	0	10,103	10,295	20,737
Fees on credit derivatives	0	0	0	0	0
Commitments received/given on securities	0	-603	-603	-754	-2,274
Other interest income and expenses	0	0	0	0	0
Hedging transactions (netting)	0	-20,743	-20,743	-12,734	-3,609
Net changes in provisions	26	0	26	12	65
TOTAL INTEREST AND SIMILAR INCOME AND EXPENSES	976,370	-901,724	74,646	114,647	219,475

* Net impact of charges and reversals on customer interest recognized in net interest income.

NOTE 2 Net 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.

<i>(in €k)</i>	06/30/2024	06/30/2023	12/31/2023
Commissions on interbank and cash transactions (Net)	0	0	0
Income	0	0	0
Expenses	0	0	0
Commissions on customer transactions (Net)*	4,694	6,936	13,118
Income	4,694	6,936	13,118
Expenses	0	0	0
Commissions on securities transactions (Net)	-217	-287	-493
Income	0	0	0
Expenses	-217	-287	-493
Other commissions (Net)	19	48	14
Income	158	136	254
Expenses	-139	-88	-240
Income	4,852	7,072	13,372
Expenses	-355	-376	-734
NET FEES AND COMMISSIONS	4,496	6,697	12,638

* 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 individuals was 3% of outstanding loans in the first half of 2024.

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 book transactions.

<i>(in €k)</i>	06/30/2024	06/30/2023	12/31/2023
Gains on currency and arbitrage transactions	-12	-11	-4
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
NET GAINS OR LOSSES ON TRADING BOOK TRANSACTIONS AT FAIR VALUE THROUGH PROFIT OR LOSS	-12	-11	-4

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)	06/30/2024			06/30/2023	12/31/2023
	Income	Expenses	Net	Net	Net
Transfers of expenses and income, reallocated expenses	0	0	0	0	0
Other banking income and expenses ⁽¹⁾	187	-1,623	-1,436	-1,230	-2,274
Other operating income and expenses	187	-1,623	-1,436	-1,230	-2,274
Additions to and reversals from provisions for other operating income and expenses	0	0	0	0	0
TOTAL	187	-1,623	-1,436	-1,230	-2,274

(1) Details

Other banking income and expenses	187	-1,623	-1,436	-1,230	-2,274
■ Transfers to exceptional gains	0	0	0	0	0
■ Other operating income	187	0	187	214	496
■ Central institution contribution*	0	-1,481	-1,481	-1,320	-2,640
■ Other operating expenses	0	-143	-143	-124	-131
■ Additions to provisions	0	0	0	0	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

Operating expenses consist of employee benefits expense, including salaries and wages, social security contributions, taxes and duties relating to employee benefits expense. Other administrative expenses, including other taxes and duties and remuneration of external services are also recorded.

<i>(in €k)</i>	06/30/2024	06/30/2023	12/31/2023
EMPLOYEE BENEFITS EXPENSE	-18	-25	-36
Wages and salaries ⁽¹⁾	-18	-25	-36
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
OTHER ADMINISTRATIVE EXPENSES	-26,347	-35,012	-67,877
Taxes and other contributions	-1,906	-1,726	-4,135
CET (local business tax) and CVAE (tax on company value added)	-179	-706	-701
Social solidarity contribution	-1,575	-877	-3,151
Other taxes	-152	-143	-283
Charges/reversals of provisions for tax disputes	0	0	0
External services	-24,440	-33,285	-63,741
Leasing	0	0	0
External services provided by the Group	-23,678	-25,243	-47,305
Contribution to the supervision expenses of the ACPR ⁽²⁾	-211	-202	-405
Systemic banking risk tax	0	0	0
Contributions to Single Resolution Fund	1,368	-6,279	-12,559
Management fees to ECB	-443	-372	-1,006
Fees, subcontracting and services	-1,293	-1,059	-2,250
Advertising	-52	-69	-124
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	-132	-60	-93
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
Other expenses	0	0	0
Transfers of expenses	0	0	0
OPERATING EXPENSES	-26,365	-35,037	-67,913

(1) In the first half of 2024, a provision of €18k was recorded for attendance fees allocated to management bodies. At December 31, 2023, these amounted to €36k. 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)	06/30/2024			06/30/2023	12/31/2023
	Expenses	Income	Net	Net	Net
Net additions/reversals on held-to-maturity securities	0	0	0	0	0
Net additions/reversals on securities transactions	0	0	0	0	0
Net additions/reversals on customer transactions	-2,254	3,388	1,134	1,986	5,356
Impairment of customer transactions	0	0	0	0	0
Impairment of customer transactions on doubtful loans	-2,289	2,513	224	1,056	4,500
Impairment of customer transactions on performing loans	0	875	875	933	818
Provisions for counterparty risks on performing loans	34	0	34	-3	38
Other provisions for liabilities and charges	0	0	0	0	0
Losses/recoveries on customer transactions	-2,072	1,601	-471	-772	-2,539
Losses on irrecoverable loans and receivables covered by provisions	-323	0	-323	-266	-1,138
Losses on irrecoverable loans and receivables not covered by provisions	-602	0	-602	-1,169	-2,531
Recoveries of bad debts written off	0	1,601	1,601	1,934	3,428
Legal fees and litigation	-1,147	0	-1,147	-1,271	-2,299
Losses/recoveries on other transactions	0	0	0	0	0
Losses on the covered irrecoverable loans and receivables	0	0	0	0	0
COST OF RISK	-4,326	4,989	663	1,214	2,817

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)	06/30/2024	06/30/2023	12/31/2023
Capital gains or losses on disposals of long-term securities	0	0	0
Capital gains or losses on disposals of held-to-maturity securities	0	0	0
Additions for impairment on held-to-maturity securities	0	0	0
Reversals for impairment on held-to-maturity securities	0	0	0
NET INCOME (EXPENSE) FROM OTHER ASSETS	0	0	0

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.

At June 30, 2024, Compagnie de Financement Foncier recognized a total tax expense of €13.19m.

(in €k)	06/30/2024	06/30/2023	12/31/2023
Tax expense components			
Current tax expenses (income)*	-5,330	-15,975	-30,261
Deferred tax expenses (income)*	-7,864	-7,996	-15,645
Provisions for deferred taxes	0	0	0
Provisions for risks or for tax litigations	0	0	0
TOTAL	-13,194	-23,970	-45,906
Breakdown of deferred taxes for the period			
Termination swap balance	-5,671	-6,145	-12,384
Client provisions including credit risk provisions	-183	-605	-778
Provisions for investment securities	0	0	0
Other temporary differences	-2,010	-1,246	-2,483
TOTAL	-7,864	-7,996	-15,645

* 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 taxable income 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 “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 available-for-sale securities.

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)	06/30/2024			06/30/2023			12/31/2023		
	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	2,703,483	2,703,483	0	2,964,951	2,964,951	0	2,711,178	2,711,178
Related receivables	0	56,432	56,432	0	58,617	58,617	0	40,543	40,543
Subtotal	0	2,759,915	2,759,915	0	3,023,568	3,023,568	0	2,751,720	2,751,720
Bonds*	0	2,465,126	2,465,126	0	2,666,751	2,666,751	0	2,506,350	2,506,350
Interbank market instruments (mortgage notes)*	0	0	0	0	0	0	0	0	0
Negotiable debt securities	0	0	0	0	0	0	0	0	0
Securitization units*	0	0	0	0	0	0	0	0	0
Related receivables	0	37,379	37,379	0	35,680	35,680	0	34,731	34,731
Subtotal	0	2,502,505	2,502,505	0	2,702,431	2,702,431	0	2,541,080	2,541,080
Doubtful loans and securities including related receivables	0	0	0	0	0	0	0	0	0
GROSS AMOUNTS	0	5,262,420	5,262,420	0	5,726,000	5,726,000	0	5,292,801	5,292,801
Impairment on fixed-income securities	0	0	0	0	0	0	0	0	0
NET AMOUNTS	0	5,262,420	5,262,420	0	5,726,000	5,726,000	0	5,292,801	5,292,801

* Including:

(in €k)	06/30/2024	06/30/2023	12/31/2023
Listed securities	5,041,923	5,484,270	5,072,488
Unlisted securities	220,497	241,730	220,312
TOTAL EXCLUDING RELATED RECEIVABLES	5,262,420	5,726,000	5,292,801

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 (ANC), the aggregate fair value of the investment portfolio amounted to €5,438.68m at June 30, 2024, excluding related receivables.

Unrealized capital gains on held-to-maturity securities amounted to €348.87m at June 30, 2024, before swaps. At December 31, 2023, unrealized capital gains on held-to-maturity securities amounted to €454m, before swaps.

Unrealized capital losses on held-to-maturity securities amounted to €78.81m at June 30, 2024, before swaps. At December 31, 2023, unrealized capital losses on held-to-maturity securities amounted to €68.71m, before swaps.

The Company did not reclassify any securities to the “Held-to-maturity securities” portfolio either during the first half of 2024 or in previous fiscal years.

NOTE 9 A Sovereign risk

At June 30, 2024, the net exposures of Compagnie de Financement Foncier to sovereign risk in these countries were:

Held-to-maturity securities (in € m)	06/30/2024			06/30/2023			12/31/2023		
	Carrying amount	Market value	Value after swap*	Carrying amount	Market value	Value after swap*	Carrying amount	Market value	Value after swap*
Italy	2,164.8	2,387.8	1,909.6	2,182.0	2,407.6	1,934.0	2,170.7	2,448.8	1,896.9
Poland	267.4	280.5	239.3	292.3	320.8	256.2	296.0	316.1	261.1
TOTAL	2,432.2	2,668.4	2,148.9	2,474.2	2,728.4	2,190.2	2,466.7	2,764.9	2,158.0

* 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 for net exposures of carrying amounts at June 30, 2024 are presented below:

	Residual maturity		
	< 8 years	> 8 years and < 10 years	> 10 years
Italy	1,144.7	93.4	926.7
Poland	122.4	0.0	145.0
TOTAL	1,267.1	93.4	1,071.7

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 12/31/2022	Acquisitions	Disposals/Redemptions*	Reclassifications	Current change	Currency differences	Gross 12/31/2023	Acquisitions	Disposals/Redemptions	Reclassifications	Current change	Currency differences	Gross 06/30/2024
Investment securities	5,799,486	0	0	0	-454,630	-127,329	5,217,527	0	0	0	-36,229	-12,689	5,168,610
TOTAL	5,799,486	0	0	0	-454,630	-127,329	5,217,527	0	0	0	-36,229	-12,689	5,168,610
Related receivables	75,525	0	0	0	-252	0	75,274	0	0	0	18,537	0	93,811
OVERALL TOTAL	5,875,011	0	0	0	-454,882	-127,329	5,292,801	0	0	0	-17,692	-12,689	5,262,421

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 “Available-for-sale securities” categories.

The reclassification out of the “Trading securities” category to the “Held-to-maturity securities” and “Available-for-sale 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.

The regulation authorizes institutions to sell all or part of the securities reclassified as “held-to-maturity securities” provided that the following two conditions are met:

- the reclassification was motivated by an exceptional situation;
- the market has become active again for these securities.

Moreover, 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. In this case, the sale of these securities is only authorized in very limited cases.

No portfolio reclassification took place in the first half of 2024 as Compagnie de Financement Foncier did not own trading securities or available-for-sale securities.

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.

At June 30, 2024, there were no doubtful payables due from credit institutions. Accordingly, no impairment was recorded at the same date.

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>	06/30/2024	06/30/2023	12/31/2023
Demand loans to credit institutions	53,560	50,870	51,680
Current accounts with overdrafts	53,560	50,870	51,680
Overnight loans	0	0	0
Unallocated items (demand)	0	0	0
Related receivables	0	0	0
Term loans to credit institutions	20,695,108	17,383,972	19,760,877
Term accounts and loans	649,902	614,583	645,435
Secured receivables under L. 211-38 (described in greater detail in note 10A)	19,914,180	16,696,842	18,975,702
Securities bought under repurchase agreements	0	0	0
Subordinated loans and participating loans	0	0	0
Related receivables	131,025	72,547	139,740
Doubtful loans and receivables	0	0	0
GROSS AMOUNT OF TERM LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	20,748,668	17,434,842	19,812,556
Impairment of doubtful loans	0	0	0
Impairment of doubtful loans	0	0	0
NET AMOUNT OF TERM LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	20,748,668	17,434,842	19,812,556
Breakdown of term receivables (Group/non-Group)			
Term accounts and loans			
■ Including Group transactions	27,100	0	0
■ Including non-Group transactions	622,802	614,583	645,435
Secured receivables			
■ Including Group transactions	19,914,180	16,696,842	18,975,702
■ Including non-Group transactions	0	0	0
Related receivables			
■ Including Group transactions	128,591	70,096	136,570
■ Including non-Group transactions	2,434	2,451	3,170
Group receivables	20,069,871	16,766,937	19,112,271
Non-Group receivables	625,236	617,035	648,605
TOTAL	20,695,108	17,383,972	19,760,877
Breakdown of demand accounts (Group/non-Group)			
Demand accounts and loans			
■ Including Group transactions	50,363	50,758	49,414
■ Including non-Group transactions	3,197	112	2,265
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
Group receivables	50,363	50,758	49,414
Non-Group receivables	3,197	112	2,265
TOTAL	53,560	50,870	51,680

NOTE 10 A

Breakdown of outstanding term loans to credit institutions

(in €k)	06/30/2024			06/30/2023	12/31/2023
	Gross amount	Impairment	Net amount	Net amount	Net amount
Term loans					
Refinancing of subsidized residential property	0	0	0	0	0
Refinancing of unsubsidized residential property	0	0	0	0	0
Public entities	652,355	0	652,355	617,035	648,605
Other loans to credit institutions*	20,042,753	0	20,042,753	16,766,937	19,112,271
Doubtful term loans	0	0	0	0	0
NET AMOUNT OF TERM LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS	20,695,108	0	20,695,108	17,383,972	19,760,877
<i>* Including:</i>					
Safe and liquid assets under L. 211-38, with BPCE	4,565,000	0	4,565,000	4,565,000	4,565,000
Loans guaranteed by loans and receivables (French local authorities, Individuals, Corporates) pursuant to L. 211-38, with Crédit Foncier	6,772,500	0	6,772,500	7,332,700	7,325,000
Loans guaranteed by French local authority receivables pursuant to L. 211-38, with BPCE, CEP and Banques Populaires	8,576,680	0	8,576,680	4,799,142	7,085,702
Related and other receivables	128,573	0	128,573	70,096	136,570
TOTAL	20,042,753	0	20,042,753	16,766,937	19,112,271

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 spread 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 loans and other receivables at market value. The difference between the market value and the net carrying amount 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 spread 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 No. 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 No. 2018/1845 on critical threshold measurement for unpaid credit obligations. 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 banking income 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 liabilities 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 (S2) 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 outstanding, 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 used by the Group is the one developed in January 2024. It corresponds to the consensus forecasts on the main economic variables that have an impact on the calculation of expected credit losses;
- 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.

As for the central scenario, the slight changes in the economic situation observed since the last closing did not lead to an in-depth revision of the pessimistic and optimistic limits, determined when the macroeconomic scenario was prepared in January 2024.

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 forecasts 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 Watch List 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 ⁽³⁾			Net amounts		
	06/30/2024	06/30/2023	12/31/2023	06/30/2024	06/30/2023	12/31/2023	06/30/2024	06/30/2023	12/31/2023	06/30/2024	06/30/2023	12/31/2023
Current accounts with overdrafts	0	0	0	0	0	0	0	0	0	0	0	0
Facilities granted to customers	31,715,139	33,454,852	32,632,866	630,148	644,939	623,558	26,999	30,658	28,072	32,318,289	34,069,133	33,228,352
Loans to financial customers	211,361	213,772	212,554	0	0	0	0	0	0	211,361	213,772	212,554
Export credits	0	0	0	0	0	0	0	0	0	0	0	0
Short-term credit facilities	208,848	242,466	277,754	0	0	0	0	0	0	208,848	242,466	277,754
Equipment loans ⁽¹⁾	10,650,416	10,180,346	10,448,628	0	34	34	0	34	2,529	10,650,416	10,180,346	10,446,133
Home loans	20,520,219	22,700,547	21,575,921	629,378	644,164	622,721	26,999	30,624	25,543	21,122,598	23,314,088	22,173,099
Other customer loans	15,272	17,600	16,259	0	0	0	0	0	0	15,272	17,600	16,259
Unallocated amounts	0	0	0	0	0	0	0	0	0	0	0	0
Related receivables	109,022	100,121	101,750	770	740	803	0	0	0	109,793	100,861	102,554
GENERAL⁽²⁾	31,715,139	33,454,852	32,632,866	630,148	644,939	623,558	26,999	30,658	28,072	32,318,289	34,069,133	33,228,352

Restructured loans amounted to €306.53m at June 30, 2024, of which €138.09m classified as performing loans.

Note: Compagnie de Financement Foncier does not include any intragroup loans in customer loans.

(1) Equipment loans are loans to local authorities.

(2) Customer loans eligible for refinancing with the Central Bank amounted to €6.8bn at June 30, 2024 in outstanding capital. This amount represents €1.13bn after haircut and overcollateralization constraints.

(3) Write-downs on customer loans include, on the one hand, write-downs on doubtful loans and receivables for €20.63m and, on the other hand, write-downs due to significant increases in credit risk on performing loans for €6.37m.

NOTE 11 A1

Impairment and provisions for credit risks

(in €k)	12/31/2022	Reclassifications	Additions	Reversals	12/31/2023	Reclassifications	Additions	Reversals	Reversals used	06/30/2024
Impairment of assets										
Customer loans and due from credit institutions ^{(1) (2)}	36,833	0	7,852	-16,613	28,072	0	3,659	-4,733		26,999
Provisions recognized as liabilities										
Customer loans and due from credit institutions and provisions on securities ⁽³⁾	107	0	0	-38	69	0	0	-34		35
TOTAL	36,941	0	7,852	-16,651	28,141	0	3,659	-4,767	0	27,034

(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 A2

Premiums – discounts on acquired receivables

(in €k)	12/31/2022	Reclassification – Repayment	Additions	Spreading	12/31/2023	Reclassification – Repayment	Additions	Spreading	06/30/2024
Receivables due from credit institutions									
Premiums	0	0	0	0	0	0	0	0	0
Discounts	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0
Customer loans									
Performing loans and receivables									
Premiums	648,818	-2,588	18,818	-100,899	564,149	-1,250	13,797	-43,640	533,056
Discounts	-1,031,694	6,901	-86,914	116,291	-995,416	3,473	0	51,883	-940,060
Doubtful loans and receivables									
Premiums	14,581	2,588	0	-3,479	13,689	1,250	0	-1,514	13,425
Discounts	-20,274	-6,901	0	5,411	-21,764	-3,473	0	2,858	-22,380
Net	-388,568	0	-68,096	17,324	-439,341	0	13,797	9,586	-415,959
TOTAL	-388,568	0	-68,096	17,324	-439,341	0	13,797	9,586	-415,959

NOTE 12 Other assets

(in €k)	06/30/2024	06/30/2023	12/31/2023
Options bought	0	0	0
Securities settlement accounts	0	0	0
Other debtors	33,490	23,056	25,430
Deposits on collateralization transactions	0	0	0
Other deposits and guarantees ⁽¹⁾	22,661	22,661	22,661
Tax consolidation receivables ⁽²⁾	10,046	0	1,892
Other non-trade receivables	782	396	877
Special bonus account	0	0	0
TOTAL	33,490	23,056	25,430

(1) At June 30, 2024, this item mainly includes the guarantee deposits for the years 2015-2023 set up within the framework of the Single Resolution Fund (SRF) amounting to €22,661k.

(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)	06/30/2024	06/30/2023	12/31/2023
Collection accounts	0	8	0
Deferred expenses	430,234	342,819	326,977
Issue and redemption premiums on fixed-income securities	430,234	342,819	326,977
Other deferred expenses	0	0	0
Prepaid expenses	89,470	617,989	565,843
Termination balances of paid swaps to be amortized*	82,430	611,646	565,843
Other prepaid expenses	7,040	6,343	0
Accrued income	399,867	307,994	450,384
Accrued interest on swaps	398,140	307,504	449,353
Other accrued income	1,727	490	1,031
Other accrual accounts – assets	519,892	93,308	75,842
Cash in domiciliation	0	0	0
Deferred tax assets	48,022	63,536	55,887
Currency adjustment accounts	0	0	0
Other accrued income*	471,869	29,771	19,955
TOTAL	1,439,462	1,362,118	1,419,046

* These changes are explained by a reclassification of €434,148.11k made at June 30, 2024 to distinguish between cash balances on unwound contracts and those not settled.

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>	06/30/2024	06/30/2023	12/31/2023
Due to credit institutions – sight deposits ⁽¹⁾	0	0	0
Current accounts of credit institutions	0	0	0
Demand loans from credit institutions	0	0	0
Other amounts due to credit institutions	0	0	0
Related payables	0	0	0
Due to credit institutions – term deposits ⁽²⁾	4,421,017	4,486,777	4,565,451
Term deposits and loans	3,742,127	3,574,021	3,940,129
Values sold under repurchase agreements	0	0	0
Securities sold under repurchase agreements	666,538	904,869	614,972
Related payables	12,352	7,887	10,350
TOTAL	4,421,017	4,486,777	4,565,451
(1) Details of sight deposits (Group/non-Group)	0	0	0
Of which Group	0	0	0
■ Other amounts due to credit institutions	0	0	0
■ Demand loans from credit institutions	0	0	0
■ Related payables	0	0	0
Of which non-Group	0	0	0
■ Other amounts due to credit institutions	0	0	0
(2) Details of term deposits (Group/non-Group)	4,421,017	4,486,777	4,565,451
Of which Group	4,421,017	4,486,777	4,565,451
■ Term deposits and loans	3,754,479	3,581,908	3,950,479
■ Securities sold under repurchase agreements	666,538	904,869	614,972
Of which non-Group	0	0	0
■ Term deposits and loans	0	0	0
■ Banque de France refinancing (3G pool)	0	0	0
■ Other term loans	0	0	0
■ Securities sold under repurchase agreements	0	0	0
■ Related payables	0	0	0
Subtotal due to Group credit institutions	4,421,017	4,486,777	4,565,451
Subtotal due to non-Group credit institutions	0	0	0
OVERALL TOTAL	4,421,017	4,486,777	4,565,451

NOTE 15 Debt securities

DEBT SECURITIES

Debt securities are shown according to how they are supported: savings certificates, 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)	06/30/2024	06/30/2023	12/31/2023
Negotiable debt securities	0	0	0
Related payables	0	0	0
Negotiable debt securities and related payables	0	0	0
<i>Obligations foncières</i>	52,691,379	51,939,888	51,214,106
Related payables	450,089	395,177	485,761
<i>Obligations foncières</i> and related payables	53,141,468	52,335,066	51,699,868
TOTAL	53,141,468	52,335,066	51,699,868

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)	06/30/2024	06/30/2023	12/31/2023
Options sold	0	0	0
Other creditors	166,398	141,918	179,912
Deposits on collateralization transactions	43,256	30,290	71,900
Margin calls on repurchase agreements	0	0	0
Trade payables*	514	12,405	7,881
Tax consolidation liabilities ⁽¹⁾	0	185	0
Other fiscal and social debts	0	0	39
Other payables accounts	15,339	-4,821	-5,443
Special bonus account	107,287	103,859	105,535
Allocated public funds ⁽²⁾	53,718	51,781	52,670
TOTAL	220,116	193,699	232,582

(1) Corporate tax due to Crédit Foncier (tax consolidation) 0 185 0

(2) Including subsidized sector 53,536 51,501 52,435

* Pursuant to provisions of Article L. 441-4 of the French Commercial Code, the breakdown of the amount of the suppliers invoices received and not settled at closing is as follows:

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 €k)	0	0	0	0	0
Percentage of the total amount of the year purchases incl. VAT	0.00%	0	0	0	0.00%
Number of invoices concerned	0	0	0	0	0

NOTE 17 Accrual accounts – liabilities

(in €k)	06/30/2024	06/30/2023	12/31/2023
Collection accounts	0	0	0
Unearned income	433,234	534,962	480,073
Subsidies on loans for low-income households (PAS – Social Accession Loan) and former interest-free loans (PTZ)	1,470	2,577	2,004
Balances of swaps received to be amortized	359,192	439,266	395,393
Other unearned income	72,573	93,118	82,676
Accrued expenses	467,929	366,949	427,714
Accrued interest on derivatives (swaps)	450,605	360,071	420,117
Other accrued expenses	17,324	6,878	7,597
Other accrual accounts – liabilities	683,745	741,210	739,512
Currency adjustment accounts*	678,434	701,510	665,484
Other items	5,312	39,700	74,028
TOTAL	1,584,909	1,643,121	1,647,299

* 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 liabilities and charges 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)	06/30/2024	06/30/2023	12/31/2023
Provisions for counterparty risks	35	110	69
Provisions for counterparty risks on performing loans	35	110	69
Sectoral provisions	0	0	0
Provisions for execution risks for commitments by signature	0	0	0
Provisions for claims and litigation	12,059	12,059	12,059
Tax litigation	0	0	0
Other litigation*	12,059	12,059	12,059
Other provisions	132	210	158
Other provisions ⁽¹⁾	132	210	158
TOTAL	12,225	12,379	12,285

* 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 2024					06/30/2024
	12/31/2023	Additions	Reversals		Other changes	
			Used	Not used		
Provisions for counterparty risks	69	0	0	34	0	35
Provisions for counterparty risks on performing loans	69	0	0	34	0	35
Sectoral provisions	0	0	0	0	0	0
Provisions for execution risks for commitments by signature	0	0	0	0	0	0
Provisions for claims and litigation	12,059	0	0	0	0	12,059
Tax litigation	0	0	0	0		0
Other litigation	12,059	0	0	0		12,059
Other provisions	158	0	0	26	0	132
Other provisions	158	0	0	26	0	132
TOTAL	12,285	0	0	60	0	12,225

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 01/01/2023	Allocation	Dividends paid in shares	Other changes	Amount at 12/31/2023	Allocation	Dividends paid in shares	Other changes	Amount at 06/30/2024
Share capital*	1,537,460	0	0	0	1,537,460	0	0	0	1,537,460
Share premiums*	209,867	0	0	0	209,867	0	0	0	209,867
Reserves									
■ Legal reserve	84,259	5,996	0	0	90,255	5,942	0	0	96,197
■ General reserve	55,517		0	0	55,517		0	0	55,517
■ Regulated reserves	0	0	0	0	0	0	0	0	0
■ Including:									
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	66,694	-5,996	0	0	60,698	-5,942	0	0	54,756
Net equity before net income for the year	1,953,798	0	0	0	1,953,797	0	0	0	1,953,798
Net income for the year before distributions	119,910	-119,910	0	0	118,833	-118,833	0	0	38,798
Net equity after net income for the year	2,073,708	0	0	0	2,072,631		0	0	1,992,596
Dividends paid	0	119,910	0	0	0	118,833	0	0	0

	Opening 01/01/2023	Changes in provisions			Amount at 12/31/2023	Changes in provisions			Amount at 06/30/2024
		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
Equity before distributions	2,073,708	0	0	0	2,072,631	0	0	0	1,992,596

	Opening 01/01/2023	Changes in the reserve for general banking risks (RGBR)			Amount at 12/31/2023	Changes in the reserve for general banking risks (RGBR)			Amount at 06/30/2024
		Allocation	Additions	Reversals		Allocation	Additions	Reversals	
Fund for general banking risks	20,000	0	0	0	20,000	0	0	0	20,000
TOTAL	2,093,708	0	0	0	2,092,631	0	0	0	2,012,596

* 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 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 issuance 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 commitments 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)	06/30/2024		06/30/2023		12/31/2023	
	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
FINANCING COMMITMENTS	484,061	12	412,825	18	478,711	0
Subsidized sector commitments	0	0	0	0	0	0
Unsubsidized sector commitments	484,061	12	412,825	18	478,711	0
Non-Group commitments	484,061	12	412,825	18	478,711	0
Credit institutions	0	0	0	0	0	0
Customers ⁽¹⁾	484,061	12	412,825	18	478,711	0
Group commitments	0	0	0	0	0	0
GUARANTEE COMMITMENTS	166,466	0	175,019	0	162,753	0
Non-Group commitments	166,466	0	175,019	0	162,753	0
Other securities pledged as collateral ⁽²⁾	166,466	0	175,019	0	162,753	0
COMMITMENTS ON SECURITIES	0	0	0	0	0	0
TOTAL ⁽³⁾	650,539		587,862		641,464	

(1) The main changes concerning financing commitments given to customers are:

(in €k)	06/30/2024	06/30/2023	12/31/2023
Corporate loans	484,061	412,825	478,711
State housing savings accounts (primes d'épargne logement)	0	0	0

(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)	06/30/2024	06/30/2023	12/31/2023
Securities	130,094	132,424	123,972
Receivables	36,372	42,595	38,782

Receivables presented and accepted by the Banque de France are valued at their carrying amount; securities are valued at ECB value before valuation haircut.

(3) Of which:

(in €k)	06/30/2024	06/30/2023	12/31/2023
Doubtful commitments	12	18	0

20.2 COMMITMENTS RECEIVED

(in €k)	06/30/2024	06/30/2023	12/31/2023
FINANCING COMMITMENTS	23,172,767	24,659,651	20,797,814
Non-Group commitments	703,131	5,968,444	710,610
Credit institutions ⁽¹⁾	703,131	5,968,444	710,610
Group commitments	22,469,635	18,691,207	20,087,204
Repurchase guarantee	0	0	0
Credit institutions	1,000,000	1,035,082	1,000,000
Other assets received as collateral from the Group ⁽²⁾	21,469,635	17,656,125	19,087,204
GUARANTEE COMMITMENTS	23,919,397	26,231,990	25,069,795
Non-Group commitments	23,434,816	25,689,997	24,533,463
Credit institutions and similar items ⁽³⁾	4,198,132	4,566,595	4,381,790
Customers ⁽⁴⁾	19,236,683	21,123,402	20,151,674
Group commitments	484,582	541,992	536,332
Credit institutions and similar items	456,729	510,969	506,920
Customers	27,852	31,023	29,412
COMMITMENTS ON SECURITIES	0	0	0
Other securities to be received	0	0	0
TOTAL	47,092,164	50,891,641	45,867,610

(1) Non-Group financing commitments included the commitment received from the Banque de France in relation to the pool of the Gestion Globale des Garanties for an amount of €153.98m at June 30, 2024 compared with €153.72m at December 31, 2023.

(2) 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)	06/30/2024	06/30/2023	12/31/2023
■ Guarantees received from Crédit Foncier for loans to French local authorities (L. 211-38):	6,948,885	7,520,983	7,759,213
■ Guarantees received from BPCE SA as safe and liquid assets (L. 211-38 – RV):	3,644,947	4,957,047	3,775,528
■ Guarantees received from Caisses d'Épargne, SOCFIM, Banques Populaires and BPCE for loans to French local authorities (L. 211-38)	10,875,803	5,178,095	7,552,463
■ Guarantees received from Crédit Foncier for mortgage notes:	0	0	0

(3) Of which mainly:

(in €k)	06/30/2024	06/30/2023	12/31/2023
■ Guarantees received from Crédit Logement rated Aa3 (Moody's)	4,198,132	4,395,664	4,217,608
■ Guarantees received from Créserfi:	10	164,623	155,133

(4) 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)	06/30/2024	06/30/2023	12/31/2023
■ Government guarantees on loans, mainly to the subsidized sector:	2,722	5,380	4,540
■ Guarantees from the SGFGAS on FGAS-eligible loans and covered by the government:	11,971,248	13,031,116	12,480,298
■ Mortgage guarantees for mortgage loans that are only covered by this guarantee:	4,172,904	4,861,982	4,494,114
■ Guarantees given by local authorities and other organizations:	1,123,140	1,201,364	1,152,427
■ Security enhancement guarantees given by governments:	1,474,376	1,511,420	1,538,318
■ Security enhancement guarantees received from insurance companies:	492,293	1,093,385	481,976

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 "Net 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 the closing date, 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.

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 June 30, 2024, Compagnie de Financement Foncier recognized no forward rate agreements in an isolated open position.

(in €k)	06/30/2024		06/30/2023		12/31/2023	
	Euros	Currencies ⁽²⁾	Euros	Currencies ⁽²⁾	Euros	Currencies ⁽²⁾
OVER-THE-COUNTER MARKETS	0	0	0	0	0	0
Options (nominal amounts)	159,024	0	187,524	0	172,524	0
Hedging transactions (purchases)						
■ Interest rate instruments	159,024	0	187,524	0	172,524	0
■ Foreign exchange instruments	0	0	0	0	0	0
■ Other instruments	0	0	0	0	0	0
Other options						
Options (fair value)	538	0	1,231	0	682	0
Forward transactions (nominal amounts)	66,270,458	6,601,550	60,091,925	6,348,001	61,657,086	6,604,557
Hedging transactions						
■ Interest rate instruments	60,877,231	339,721	54,981,404	335,472	56,392,145	338,350
■ Foreign exchange instruments ⁽³⁾	5,393,227	6,261,828	5,110,521	6,012,529	5,264,941	6,266,207
■ Other instruments	0	0	0	0	0	0
Other transactions						
Forward transactions (fair value)⁽¹⁾	-909,760	-771,435	-693,044	-1,420,140	-711,527	-987,851
Forward and options transactions	66,429,483	6,601,550	60,279,449	6,348,001	61,829,611	6,604,557
TOTAL⁽²⁾ (NOMINAL AMOUNTS)	73,031,032		66,627,450		68,434,167	
TOTAL (FAIR VALUE)	-1,680,658		-2,111,953		-1,698,696	

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 ⁽¹⁾

(in €k)	06/30/2024	06/30/2023	12/31/2023	06/30/2024 Valuation of assets received as collateral ⁽²⁾
BALANCE SHEET				
Asset items				
Receivables due from credit institutions				
Sight deposit	50,363	50,758	49,414	0
Term*	18	0	0	0
Term deposits guaranteed by repo securities	20,069,853	16,766,937	19,112,271	21,698,615
■ <i>Loans guaranteed by French local authority loans (FLA) under L. 211-38</i>	11,773,660	8,812,842	10,816,202	14,302,774
■ <i>to Crédit Foncier</i>	3,372,000	4,013,700	3,730,500	3,426,970
■ <i>to BPCE</i>	0	0	0	0
■ <i>to other Group entities</i>	8,401,660	4,799,142	7,085,702	10,875,803
■ <i>Loans guaranteed by mortgage loans under L. 211-38</i>	3,602,620	3,319,000	3,594,500	3,750,895
■ <i>to Crédit Foncier</i>	0	0	0	0
■ <i>to individuals</i>	3,009,500	2,835,500	3,164,000	3,149,945
■ <i>to corporates</i>	593,120	483,500	430,500	600,950
■ <i>Loans recorded as safe and liquid assets under L. 211-38</i>	4,565,000	4,565,000	4,565,000	3,644,947
■ <i>to BPCE</i>	4,565,000	4,565,000	4,565,000	3,644,947
■ <i>Related receivables</i>	128,573	70,096	136,570	0
Customer transactions				
Receivables	0	0	0	0
Securities transactions				
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
Other assets ⁽²⁾				
Other debtors	10,046	0	1,892	0
TOTAL ASSETS	20,130,281	16,817,696	19,163,578	21,698,615

(in €k)	06/30/2024	06/30/2023	12/31/2023
Liabilities			
Due to credit institutions			
Sight deposit	0	0	0
Term	3,749,418	3,575,520	3,946,133
Securities sold under repurchase agreements	671,599	911,257	619,318
Customer transactions			
Sight deposit	0	0	0
Securities transactions			
Debt securities	0	0	0
Subordinated debts	0	0	0
Other liabilities			
Other creditors	40	12,404	7,881
TOTAL LIABILITIES	4,421,057	4,499,181	4,573,332

* Excluding term deposits guaranteed by repo securities.

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 06/30/2024

HEADING (in €k)	Australian \$	Canadian \$	US \$	Sterling	Swiss Franc	Hungarian Yen	New Zealand Forint	Norwegian \$	Danish Krone	Total	
BALANCE SHEET											
Financial assets	29	11	1,660,298	56,755	1,173,438	584,616	8	34	1,797	7	3,476,992
Financial liabilities	0	0	558,350	664,244	1,488,417	3,389	0	0	141,998	0	2,856,398
Balance sheet differential (I)	29	11	1,101,949	-607,489	-314,979	581,227	8	34	-140,201	7	620,594
OFF-BALANCE SHEET											
Commitments received	0	0	568,421	648,782	1,463,586	0	0	0	140,201	0	2,820,990
Commitments given	0	0	1,670,316	41,286	1,148,032	581,204	0	0	0	0	3,440,838
Off-balance sheet differential (II)	0	0	-1,101,895	607,496	315,553	-581,204	0	0	140,201	0	-619,848
TOTAL DIFFERENTIAL (I)+(II)	29	11	54	7	574	23	8	34	0	7	746

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 positions: liquidity risk

AT 06/30/2024

Heading (in €k)	Remaining maturity					Total ⁽²⁾
	< 3 months	3M<D<6M	6M<D<1Y	1Y<D<5Y	> 5 years	
BALANCE SHEET						
Financial assets ⁽¹⁾	2,560,640	2,201,470	4,333,947	18,645,574	29,585,854	57,327,486
Receivables due from credit institutions	1,503,320	1,475,866	3,079,861	7,857,549	6,647,487	20,564,083
Receivables from customers	596,044	626,800	1,144,018	8,806,758	20,421,174	31,594,794
Bonds and other fixed-income securities	461,276	98,804	110,068	1,981,268	2,517,193	5,168,609
Subordinated term loans	0	0	0	0	0	0
Financial liabilities	6,163,572	1,468,232	2,309,429	25,412,231	21,746,581	57,100,044
Due to credit institutions	4,120,763	815	240	3,280	283,567	4,408,665
Due to customers	0	0	0	0	0	0
Debt securities:	2,042,809	1,467,417	2,309,189	25,408,950	21,463,014	52,691,379
■ <i>Savings certificates</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>	2,042,809	1,467,417	2,309,189	25,408,950	21,463,014	52,691,379
■ <i>Other debt securities</i>	0	0	0	0	0	0
Subordinated term debt	0	0	0	0	0	0
Balance sheet differential (I)	-3,602,931	733,238	2,024,518	-6,766,656	7,839,273	227,442
OFF-BALANCE SHEET						
Commitments given	262	548	23	210,821	272,407	484,061
Commitments received	153,976	0	0	1,000,000	0	1,153,976
Off-balance sheet differential (II)	153,714	-548	-23	789,179	-272,407	669,915
TOTAL DIFFERENTIAL (I)+(II)	-3,449,217	732,690	2,024,495	-5,977,478	7,566,866	897,357
Conditional positions	4,524	1,500	6,000	27,000	120,000	159,024

(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 Consolidated cash flow statement

25.1 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 French National Accounting Council 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 & equipment and intangible assets, 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 issuance 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.

25.2 CONSOLIDATED CASH FLOW STATEMENT

<i>(in €k)</i>	06/30/2024	06/30/2023	12/31/2023
Operating activities			
Net income for the fiscal year	38,798	62,310	118,833
Restatement of earnings related to operating activities	0	0	0
Depreciation, amortization and impairment for property, plant & equipment and intangible assets	0	0	0
Net provisions charges/customers and credit institutions	-1,073	-6,133	-8,762
Net provisions charges/available-for-sale securities	0	0	0
Net provisions charges/held-to-maturity securities	0	0	0
Net provisions charges/loans	-60	-9	-103
Net gain on sale of fixed assets	0	0	0
Other transactions without cash payments	-572,074	-386,912	-52,134
Cash flows on loans to credit institutions and customers	-24,570	1,422,747	-41,905
Cash flows on available-for-sale securities	0	0	0
Cash flows on held-to-maturity securities	566,070	243,346	261,421
Cash flows on other assets	-17,532	-10,775	4,325
Cash flows on debts/credit institutions and customers	-146,613	-368,788	-292,399
Net borrowing	1,477,273	708,371	-17,411
Cash flows on other liabilities	-81,612	13,301	86,511
Net cash flows used for operating activities	1,238,607	1,677,458	58,376
Investing activities			
Cash flows related to the sale of:			
■ Financial assets	0	0	0
■ Property, plant & equipment and intangible assets	0	0	0
Disbursements for the acquisition of:	0	0	0
■ Financial assets	0	0	0
■ Property, plant & equipment and intangible assets	0	0	0
Net cash flows from other investment activities	0	0	0
Net cash flows used for investment activities	0	0	0
Financing activities			
Cash flows from share issuances	0	0	0
Dividends paid	-118,833	-119,910	-119,910
Net issuances of subordinated debt	0	0	0
Other	0	0	0
Net cash flows from financing activities	-118,833	-119,910	-119,910
NET CHANGE IN CASH POSITION	1,119,774	1,557,548	-61,534
Opening cash and cash equivalents	523,788	585,322	585,322
Closing cash and cash equivalents	1,643,562	2,142,870	523,788
Net	1,119,774	1,557,548	-61,534
Cash: deposits at Banque de France	1,590,002	2,092,000	472,108
Amount due to credit institutions – sight receivables*	53,560	50,870	51,680
TOTAL	1,643,562	2,142,870	523,788
* Of which BPCE:	50,363	50,758	49,414

NOTE 26 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 included in the consolidated financial statements of groupe Crédit Foncier (SIREN 542 029 848) located at 182 Avenue de France – 75013 Paris and those of Groupe BPCE (SIREN 493 455 042) located at 7 Promenade Germaine Sablon – 75013 Paris.

NOTE 27 Remuneration, advances

The “Employee benefits expense” heading corresponds exclusively to the remuneration paid to Directors.

NOTE 28 Presence in non-cooperative countries

Article L. 511-45 of the French Monetary and Financial Code and the French Minister for the Economy’s Order 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 June 30, 2024, Compagnie de Financement Foncier had no activities or offices in non-cooperative countries.

STATUTORY AUDITORS' LIMITED REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

For the period from January 1st to June 30th, 2024

This is a translation into English of the statutory auditors' limited review report issued in French on the half yearly financial information of the Company issued in French and it is provided solely for the convenience of English-speaking users.

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,
Compagnie de Financement Foncier
 182 avenue de France
 75013 PARIS

In compliance with the assignment entrusted to us by the general assembly and in accordance with the requirements of article L.451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the limited review of the accompanying condensed half-yearly financial statements of the Compagnie de Financement Foncier for the period from January 1st to June 30th, 2024;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our limited review.

Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A limited review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Accordingly, we do not express an audit opinion.

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly financial statements are not prepared, in all material respects, in accordance with French accounting standards and rules, the regularity and sincerity of the half-yearly financial statements and the fair image they give of the company's assets and financial position at the half year as well as the half year results of the company.

Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly financial statements subject to our limited review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly financial statements.

1Neuilly-sur-Seine and Paris-La Défense, August 22nd, 2024

The Statutory Auditors

PricewaterhouseCoopers Audit
 Aurore PRANDI

Deloitte & Associés
 Charlotte VANDEPUTTE

Forvis Mazars SA
 Laurence KARAGULIAN



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RISK FACTORS AND MANAGEMENT

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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 and equity investments, which protects it against market risks associated with proprietary trading.

The risks considered to be the most significant in terms of their probability of occurrence and their potential impact to which Compagnie de Financement Foncier is exposed are identified below.

The main categories of risk factors specific to Compagnie de Financement Foncier's business activity are presented below. These risks can be assessed through risk-weighted assets or other quantitative or qualitative indicators (e.g. credit and counterparty risks, liquidity risks).

Risk-weighted assets (in €m)	06/30/2024	12/31/2023
Credit risk-weighted exposures	6,362	6,798
Market risk-weighted exposures	0	0
Operational risk-weighted exposures	455	455
Credit value adjustment	41	51
TOTAL	6,858	7,304

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 results and its financial position.

As part of its activities, Compagnie de Financement Foncier may be required to record asset impairments in order to reflect 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 mainly based on the valuation of the guarantees associated with the loans and receivables, the 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 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, as well as 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 comply with strict rules regarding the choice of the assets it acquires, by verifying in particular the credit quality of counterparties and the presence of guarantees.

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 (€23.4bn) 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 in Italy, the United States or Switzerland.

At June 30, 2024, Compagnie de Financement Foncier's risk charge is a reversal of €0.7m. For further information, please refer to this Amendment to the 2023 Universal Registration Document of Compagnie de Financement Foncier (page 91).

The degradation of the financial stability or 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 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 position 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 June 30, 2024, Compagnie de Financement Foncier's balance sheet amounted to a total €61.4bn. The breakdown of Compagnie de Financement Foncier's outstanding assets/liabilities with regard to credit institutions and central banks is as follows:

ASSETS

<i>Including:</i>	(in €m)
Cash and amounts due from central banks	1,590
Loans and advances to banks at amortized cost	20,749

LIABILITIES

<i>Including:</i>	(in €m)
Central banks	0
Due to credit institutions	4,421

1.2 CONCENTRATION RISK

Compagnie de Financement Foncier's exposure to the public sector is mainly concentrated in France, with some significant unit concentrations in its international portfolio, whose development ceased several years ago, notably in the Italian sovereign.

The real estate loans recognized in Compagnie de Financement Foncier's balance sheet are mainly residential loans (assets with high granularity) financing properties in France. In the event that the French real estate market suffers a significant downturn, adverse consequences on the quality of these assets may occur.

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, meaning 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 was 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 institutions.

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 a moderate final direct impact on Compagnie de Financement Foncier.

The international exposure of Compagnie de Financement Foncier was €6.9bn at June 30, 2024, compared to €7.1bn at December 31, 2023, 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 international portfolio (excluding sovereigns) and "Large Corporates" for €3.4bn, down by €0.1bn from December 31, 2023 (€3.5bn). It may be noted that 72% of this portfolio has an internal rating of at least A;
- outstanding amounts in the portfolio counter-guaranteed by monoline insurers on International Public Sector, Large Corporates and Sovereign exposures for €1.0bn. 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.

In order to hedge against interest rate risk, Compagnie de Financement Foncier's assets and liabilities are, if necessary, converted into variable-rate euro-denominated items through the use of interest rate derivatives (swaps).

Concerning option risk, its materiality was significantly reduced by the rise in interest rates. Early repayments and renegotiations on outstanding loans to individual customers on Compagnie de Financement Foncier's balance sheet declined significantly in 2023 to reach 4.2% at December 31, 2023 compared to 9.3% at December 31, 2022. This decrease continues in 2024 with an annualized early repayment rate of 3.0% as of June 30, 2024.

2.2 CREDIT-SPREAD RISK

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 call into question the AAA rating of its covered bonds. In addition, a deterioration in the credit rating of Crédit Foncier or Groupe BPCE could also ultimately impact the AAA rating of the covered bonds.

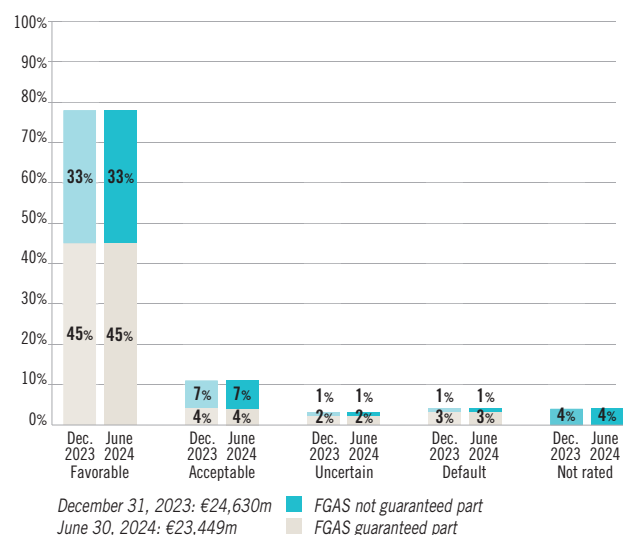
The decline in the credit rating of the covered bonds would increase the funding costs of Compagnie de Financement Foncier and could impair its profitability.

At June 30, 2024, 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 Ratings).

Compagnie de Financement Foncier has outstandings with a good level of quality assets.

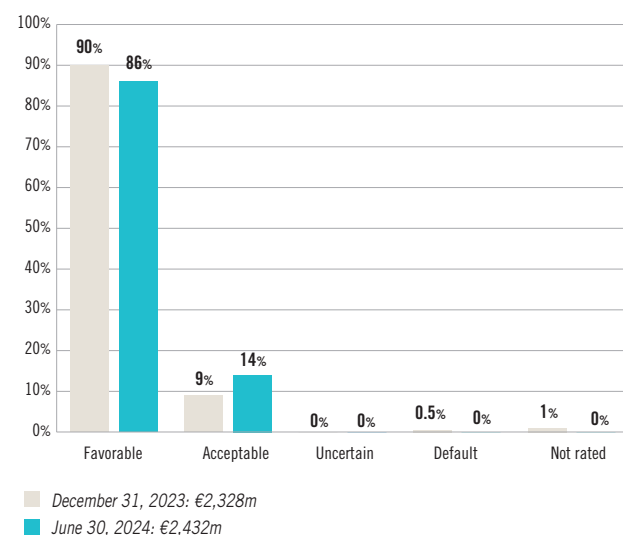
OUTSTANDING AMOUNTS ON MORTGAGE LOANS TO INDIVIDUAL CUSTOMERS (INTERNAL RATING)

JUNE 30, 2024

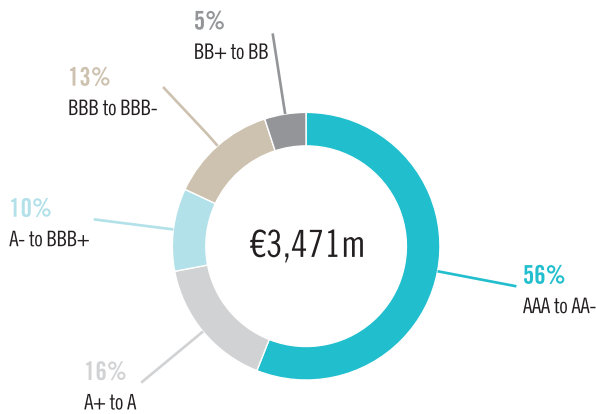


SOCIAL HOUSING PORTFOLIO (BASEL II RATING)

JUNE 30, 2024



**EXPOSURES TO THE INTERNATIONAL PUBLIC SECTOR (EXCLUDING SOVEREIGN) AND LARGE CORPORATES (INTERNAL RATING)
JUNE 30, 2024**



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 the management of mortgage loans on its balance sheet.

In accordance with agreements concluded between Crédit Foncier and Compagnie de Financement Foncier (debt management and recovery, administrative and accounting management, internal control and compliance services, implementation of information technology services, settlement bank services, asset/liability management and financial services), Crédit Foncier is responsible, on behalf of Compagnie de Financement Foncier, for monitoring credit risks, counterparty risks, interest rate and foreign exchange risks, structural ALM, operational risk and liquidity and settlement risk.

In theory, Compagnie de Financement Foncier could be exposed to the risk of Crédit Foncier failing to comply with these agreements. Should this risk arise, the impact on Compagnie de Financement Foncier could be significant (cessation of activities, related image risk).

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 issuance 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 transactions;
- reduction of liquidity lines granted by Crédit Foncier and/or Groupe BPCE.

At June 30, 2024, Compagnie de Financement Foncier held €16.7bn (before haircut) in assets that could be mobilized with the ECB.

In order to meet the contractual maturities of all of its privileged debt for at least 180 days, Compagnie de Financement Foncier holds €17.7bn in high-quality securities and liquid assets (HQLA).

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 regulatory 100% limit applicable since January 1, 2018.

However, in the context of the relationship between the two institutions, this risk is well managed. Operational risks, as defined by the Order 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 Risk 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 of Crédit Foncier. The results of the controls are regularly presented to this Internal Control 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 very regularly.

Past due payment and default rates are also monitored by the Executive Risk Committees and remain very stable to date.

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 business, results and financial position could be unfavorably affected.

A deterioration in the international macroeconomic situation or the national political situation could impact the refinancing 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. Such a deterioration 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.

REGULATORY RISK

The activity of Compagnie de Financement Foncier, which is mainly focused on the issuance of covered bonds, is very strictly regulated. 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 (Covered Bond directive, 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 operating expenses 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 SYSTEM RISKS

Like all banking players, groupe Crédit Foncier, including Compagnie de Financement Foncier, is highly dependent on its information and communication systems as well as those of third parties, such as its service providers and suppliers and counterparties.

Compagnie de Financement Foncier's activities require it to process complex transactions on an industrial scale, for which any breakdown or failure of information or communication systems is likely to result in:

- malfunctions or interruptions in customer management, accounting, transaction and/or loan processing operations;
- a loss of revenue, or even losses or additional expenses for the institution.

Compagnie de Financement Foncier entrusts Crédit Foncier with a certain number of missions that require the use of information systems services.

Through the information systems services agreement, Crédit Foncier acts as a subcontractor on behalf of Compagnie de Financement Foncier, providing the means and resources to enable Compagnie de Financement Foncier to benefit from the entire Groupe BPCE information systems security system, *via* the information systems platforms shared by several Groupe BPCE entities (BPCE-SI and BPCE-IT).

In a general context where the cyber risk is assessed as high, Compagnie de Financement Foncier thus benefits from all the measures implemented by Groupe BPCE to reduce the probability of its occurrence and any negative effects.

The Chief Information Security Officer (CISO) of BPCE SA, also the Crédit Foncier CISO, is responsible for the security of the information system within the groupe Crédit Foncier scope; the latter benefits from a team of experts and best practices in information systems security (ISS).

Thus, the governance of groupe Crédit Foncier's information systems is mainly 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;
- a dedicated governing body with the Internal Information Systems Security Committee (IISSC) chaired by a Deputy Chief Executive Officer;
- an outreach plan to raise awareness about cyber risks and information systems security risks among all employees, both internal and external;
- a permanent control system for Information Systems Security, combined with a half-yearly security report (security indicators);
- indicators of the level of security of Crédit Foncier's IS and, by extension, of that of Compagnie de Financement Foncier.

Groupe BPCE's resources reinforce this system 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 responds to identified external threats.

Thus, the main ISS risk factors are addressed through the following (DICP):

- **Availability of the information system and resources:** a Contingency and Business Continuity Plan system is integrated into the Business Continuity Plan and deployed. It is in the operational conditions maintenance (MCO) phase and is tested at least once a year. The IT Business Recovery Plan is organized by the Group's operators, BPCE-SI and BPCE-IT.

The residual risk relating to the availability of the service is rated as medium given the measures put in place and regularly tested. The tests carried out, both within Groupe Crédit Foncier and Groupe BPCE through its participation in the marketplace test organized by the Banque de France, are designed to strengthen the management of this risk.

- **Integrity of the information system, processing and data:** 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. In addition, the CISO exercises regular control over the processing and actions carried out in terms of IS security by these two service providers. The summary of this monitoring is presented to the appropriate governing bodies.

The residual risk in terms of integrity is rated as medium: the integrity guarantee mechanisms implemented by the BPCE-SI and BPCE-IT 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 systems from the operators 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 rated as medium, taking into account the provisions measures described 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, classifying messages and documents, monitoring external data output, etc.) also lead to better control of this risk.

- **Proof system:** this risk is addressed through the implementation, by its two IT service providers, of traceability and logging systems for transactions carried out on Crédit Foncier's information systems and, therefore, on those of Compagnie de Financement Foncier.

The residual risk relating to the proof is rated as 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 terrorist financing, 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 issuances of covered bonds.

Inadequate management of these aspects could also increase the legal risk for Compagnie de Financement Foncier or expose it to sanctions.

For further information, please refer to the 2023 Universal Registration Document of Compagnie de Financement Foncier (page 183).

RISK MANAGEMENT

1. Governance and risk management system

1.1. ORGANIZATION OF THE RISKS, COMPLIANCE AND PERMANENT CONTROL DIVISIONS

The Risk and Compliance Division of Crédit Foncier is responsible for internal control and compliance for Compagnie de Financement Foncier. It is composed of:

- the Risk Division – Credit;
- the Risk Division – Financial Risks (including financial control);
- the Risk Division – Governance (including business security);
- the Risk Division – Reporting;
- the Compliance and Permanent Control Division (DCCP).

This division reports to an Executive Director 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 Executive Risk 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 permanent control system.

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 oversee the implementation of the risk policy defined by Executive Management (risk monitoring, surveillance and control system).

Compagnie de Financement Foncier's Executive Risk Committee is chaired by its Chief Executive Officer. Meeting 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 cost of risk, producing and analyzing stress scenarios, and monitoring share capital.

The Internal Control Committee, chaired by the Chief Executive Officer of Crédit Foncier, meets 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 ALM and Liquidity Management Committee (CGBPL) is a General Advisory 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 Coordination Division (DCCP) coordinates Compagnie de Financement Foncier's compliance function in accordance with the February 22, 2022 agreement on internal control and compliance services and the April 17, 2023 work program framework letter.

The DCCP covers the following areas:

- banking compliance, investment services compliance, general and financial ethics;
- financial security in charge of preventing and dealing with money laundering, financing of terrorism and internal and external fraud risks;
- coordination of permanent controls;
- operational risks.

Crédit Foncier's DCCP reports functionally to the Group divisions running the corresponding division (in particular, the Group Compliance Division (DCG) and the Group Permanent Control Division).

It is independent of all other business lines, in accordance with banking regulations.

Pursuant to the Group Internal Control Charter of July 30, 2020, the Risks, Compliance and Permanent Control Charter of December 9, 2021, as well as the Group Compliance Framework document of April 2022, the Group Permanent Controls Framework document of April 2021 and the Group Ethics Framework document of December 2021, the compliance function is responsible for the prevention, detection, assessment and monitoring of non-compliance risks in the aforementioned scope.

It reports on its activities and controls through periodic reports sent to the Institutional Relations Division, the Internal Control Committee, the Executive Risk Committee, the Supervisory Board of Compagnie de Financement Foncier and the central institution.

This structure works in close collaboration with second-level permanent control teams and the Institutional Relations Division, ensuring the existence and effectiveness of the permanent control system.

1.1.3. ORGANIZATION OF THE INFORMATION SYSTEMS SECURITY DEPARTMENT

The information systems security department of Crédit Foncier also covers Compagnie de Financement Foncier.

Since end 2022, as part of the outsourcing of Crédit Foncier's business security activities to BPCE SA (Information Systems Security, Business Continuity and Personal Data Protection), the Information Systems Security Officer (RSSI) function has been delegated to the BPCE SA Security Manager.

As part of this delegation, the RSSI, accompanied by an operational team, ensures the monitoring, maintenance and management of the IS Security systems. A member of Crédit Foncier's Business Security team, who reports to the Risk Governance Division, remains the point of contact for Crédit Foncier's business lines in the three areas of activity, including ISS, and coordinates work and exchanges between entities.

Information Systems Security governance 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 semi-annual Internal Security and Continuity Committee (ISCC), chaired by a member of Crédit Foncier's Executive Management;
- an outreach plan to raise awareness about cyber-attacks and security risks among all employees;
- a permanent control system 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 Crédit Foncier's Business Continuity Plan Manager (BCPM). This function, previously performed internally, is now entrusted to the BPCE SA Business Continuity Plan Manager.

As part of this delegation, the BCPM, accompanied by an operational team, carries out the monitoring, maintenance and management of the business continuity systems. A member of Crédit Foncier's Business Security team, who reports to the Risk Governance Division, remains the point of contact for Crédit Foncier's business lines in the three areas of activity, including business continuity, and coordinates work and exchanges between entities.

The business continuity management system is based on:

- a Group business continuity and crisis management policy for Crédit Foncier;
- oversight and supervision of business continuity through bodies such as the Internal Information Systems Security Committee (IISSC) chaired by a member of Executive Management;
- coordination of a network of BCP correspondents (BCPC) in charge of maintaining operational continuity plans for preserved activities within their scope;
- mobilizable business line experts identified by critical activity;
- a crisis management system, involving the managerial line and business line experts with a crisis decision unit and an operational crisis unit, which can be mobilized by the BCPM;
- awareness-raising campaigns for all employees;
- a permanent control system for business continuity.

1.1.5. ORGANIZATION OF THE PERSONAL DATA PROTECTION SYSTEM

The Personal Data Protection Officer (DPO) of Crédit Foncier, appointed by the French Data Protection Authority (CNIL), also acts within the scope of Compagnie de Financement Foncier. He ensures compliance with the General Data Protection Regulation (GDPR) and is responsible for implementing the Group's rules and standards.

This function, performed internally until 2022 by the Business Security Manager, is now outsourced and entrusted to the BPCE SA Data Protection Officer.

A member of Crédit Foncier's Business Security team, who reports to the Risk Governance Division, remains the point of contact for Crédit Foncier's business lines in the three areas of activity, including data protection, and coordinates work and exchanges between entities.

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 unit made up of data protection specialist appointed on the recommendation of a Comex member, led by the Data Protection Specialist (DPS);

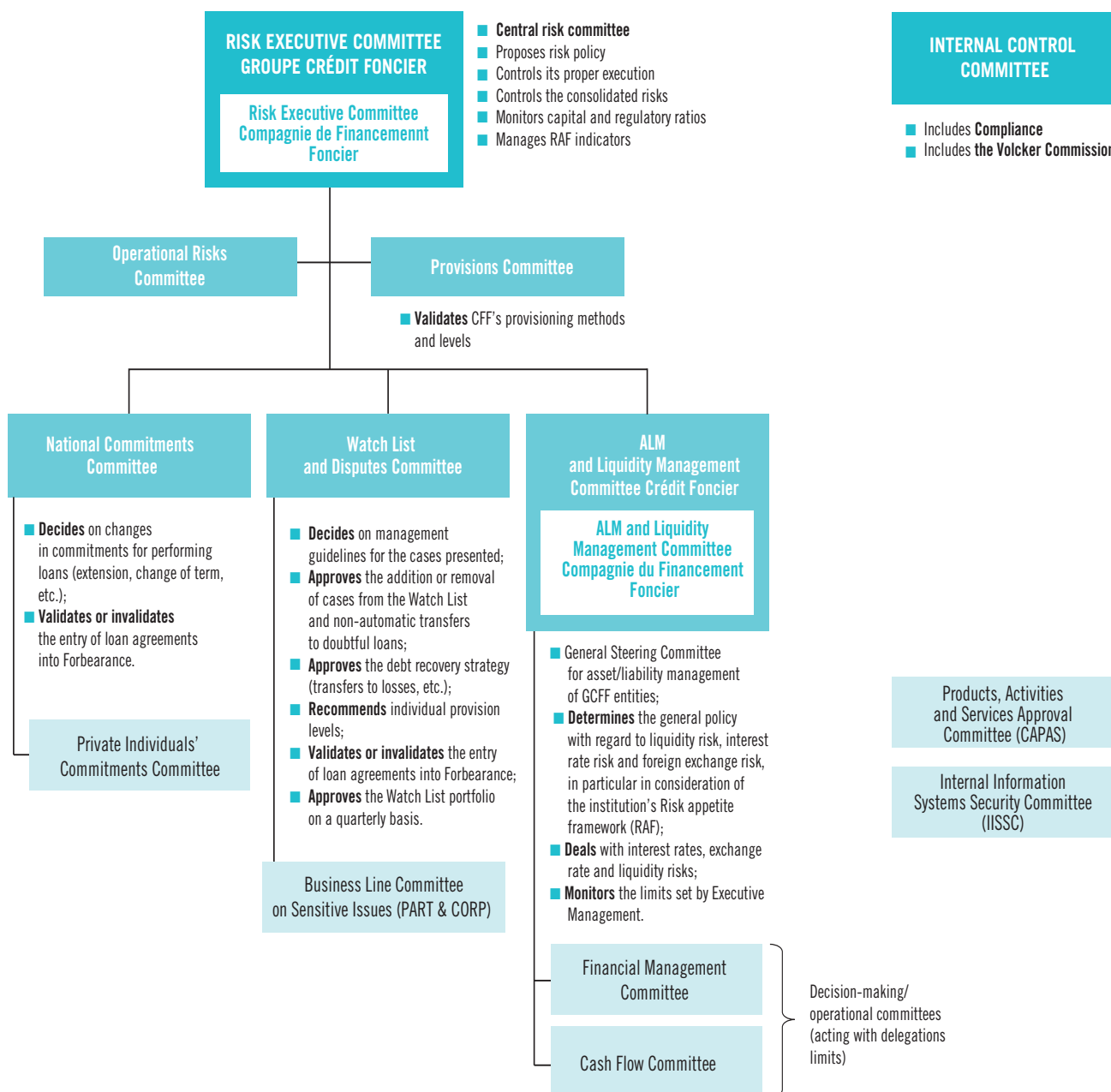
- information notices on the processing of personal data for prospective customers and customers, and for Crédit Foncier employees;
- a personal data protection awareness plan for all employees;
- documentation dedicated to the various requirements of the GDPR standard;
- a permanent control system for personal data protection.

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 DIVISION – 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.

For purchases or receivables, the analysis is similar for all Groupe BPCE institutions.

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 falls within the general framework of groupe Crédit Foncier's risk appetite, approved by the Board of Directors on December 19, 2023 and March 29, 2024.

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 and Risk Division of Groupe BPCE.

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 Commitments Committee level where a representative of the Risk Division expresses an independent opinion supported by his/her 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 for files presented in the National Commitments Committee.

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

Individual customers

The system for rating the creditworthiness of individual customers 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 PAS - social accession loans) 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);
- sureties and financial guarantees issued by institutions with a sufficiently high rating (in particular Crédit Logement, a financial sector company rated Aa3 by Moody’s to date).

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 an 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 activated as soon as the receivable is recorded as a doubtful loan (for a period of four years from the date of sale).

FOR ENTIRE CRÉDIT FONCIER SCOPE

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	Segment or sub-segment not eligible							✗	✗		
	Performing and not doubtful during the last 2 years	Segment and sub-segment known	Eligible segments and subsegments	Age of the loan	≤ 4 years	Outstanding rating	1 to 7	Rating at origination	0 to 5	✓	✓
> 4 years					8,9,10, Not rated		6 to 9, Not rated		✗	✓	✓
Age of the loan			Outstanding rating	1 to 7	Rating at origination	0 to 5	✓	✓			
				8,9,10, Not rated		6 to 9, Not rated	✗	✓	✓		

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 (≥AA-).

PRIVATE CORPORATES

Since 2016, certain long-term private corporate loans financed by Crédit Foncier or other Groupe BPCE entities, 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.

Following the shutdown of loan production, new rules adapted to Crédit Foncier's internal limits were put in place.

They are now based on Groupe BPCE's individual limits where they exist and are assessed in gross amounts. Credit limits are approved by the National Commitments Committee. These individual limits, which are reviewed and proposed by the Risk Division, are monitored at groupe Crédit Foncier 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 Risk Committee.

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 customers and once a fortnight for retail clients;
- production of internal, external and regulatory reports.

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).

Individual customers

Monitoring is carried out by the business line's Committee on Sensitive Issues (CMAS), which meets every month or as requested and reviews troubled loans and recommends 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 Division. 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 as part of the assignment renewal process.

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	06/30/2024		12/31/2023	
	(in €m)	(% of balance sheet)	(in €m)	(% of balance sheet)
Guaranteed loans (Articles L. 513-3, L. 513-5 and L. 513-6)	24,664	40.2%	25,916	43.0%
Mortgage loans secured by the FGAS	11,977	19.5%	12,474	20.7%
Other mortgage loans	8,484	13.8%	9,055	15.0%
Guaranteed loans	4,203	6.8%	4,387	7.3%
Exposures on public entities (Articles L. 513-4 and L. 513-5)	30,957	50.4%	28,614	47.5%
Public sector loans	12,930	21.1%	12,880	21.4%
Public loans assigned under L. 211-38	11,175	18.2%	9,969	16.5%
Public entity securities	5,262	8.6%	5,293	8.8%
Deposits at Banque de France	1,590	2.6%	472	0.8%
Other assets (interests on IFAT, adjustment accounts, etc.)	1,074	1.7%	1,014	1.7%
Safe and liquid assets (Article L. 513-7)	4,697	7.7%	4,705	7.8%
TOTAL ASSETS	61,392	100.0%	60,250	100.0%

At June 30, 2024, Compagnie de Financement Foncier's balance sheet was up by €1.1bn compared with December 31, 2023. This increase reflects different changes depending on the asset classes considered:

- mortgage loans were down by €1.3bn. The historical stock of assets held or used was amortized by €1.8bn. Compagnie de Financement Foncier refinanced €0.6bn of the Group's residential loans;
- securities of public entities remained stable at €5.2bn;
- loans to the public sector were up by €1.3bn following the refinancing of public assets by the regional banks for €2.5bn and in particular state-guaranteed loans (SGL) for €1.4bn. This increase reflects the relevance of the "Compagnie de Financement Foncier – supporting Groupe BPCE" strategy: refinancing assets of the Groupe BPCE entities at very competitive margins.

The breakdown of assets by geography changed little over the year, with most of the underlying assets on the balance sheet (88.6%) located in France.

As of June 30, 2024, international assets, mainly linked to the public sector, totaled €7.0bn. Main geographical exposures are Italy (€2.9bn), the United States (€1.3bn) and Switzerland (€1.2bn). To a lesser extent follow Belgium (€0.5bn), Japan (€0.4bn), Poland (€0.3bn), Canada (€0.2bn) 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, in particular relating to swaps, with various other bank counterparties,
 - subordinated debt and share capital, resources contributed by Crédit Foncier.

BREAKDOWN OF LIABILITIES BY GUARANTEE RANK

Liabilities	06/30/2024		12/31/2023	
	(in €m)	(% of balance sheet)	(in €m)	(% of balance sheet)
Privileged resources	53,187	86.6%	51,646	85.7%
<i>Obligations foncières</i> at the reporting date	53,141	86.6%	51,700	85.8%
Foreign exchange difference on <i>obligations foncières</i>	-100	-0.2%	-175	-0.3%
Other privileged resources	146	0.2%	120	0.2%
Translation difference associated with hedging balance sheet items*	1,138	1.9%	1,211	2.0%
Non-privileged resources	7,067	11.5%	7,393	12.3%
Unsecured debt	5,000	8.1%	5,245	8.7%
Subordinated debt and similar debt	55	0.1%	55	0.1%
■ of which subordinated securities	0	0.0%	0	0.0%
Shareholders' equity and reserve for general banking risks	2,013	3.3%	2,093	3.5%
TOTAL LIABILITIES	61,392	100.0%	60,250	100.0%
Regulatory capital according to CRR/CRD IV:	1,974	3.2%	1,974	3.3%
■ of which Common Equity Tier-1 capital	1,974	3.2%	1,974	3.3%
■ 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. Interests accrued on swaps are calculated after netting for the same counterparty.

During the half-year, the privileged resources increased by €1.5bn. €4.1bn in issues were made, of which €1.2bn related to SGLs.

Unsecured debt decreased slightly by €0.3bn.

Share capital decreased slightly to €2.0bn.

4. Capital adequacy ratios

4.1. SPECIFIC RATIOS

Compagnie de Financement Foncier discloses its prudential solvency ratios on a voluntary basis. As a Société de Crédit Foncier, Compagnie de Financement Foncier is subject to a certain number of specific regulatory ratios, most of which are subject to validation by the specific controller.

4.1.1. COVERAGE RATIO

Compagnie de Financement Foncier calculates the coverage ratio that corresponds to the ratio between weighted assets and privileged debt. It must remain above 105% at all times.

The 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 June 30, 2024, outstanding loans in excess of the LTV threshold amounted to €0.3bn, still significantly lower than those for non-privileged liabilities, standing at €7.1bn 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 €0.7bn at June 30, 2024, was not included for the purposes of calculating the ratio.

The coverage ratio was 112.6% at June 30, 2024 (vs. 114.0% at the end of 2023), including any associated currency hedging for assets and liabilities.

4.1.2. 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 who issues a certificate. This certification and a description of the methods used to value and re-value property together with their results are presented in section 5.3.2 of the 2023 Universal Registration Document.

Taking into account all outstanding loans to individual customers, both directly held or used to guarantee loans under L. 211-38, the average LTV at the end of June 2024 came to 61.2% for a total outstanding amount of €24bn, breaking down as:

- 63.1% for loans guaranteed by FGAS in the amount of €13.3bn;
- 58.9% for other mortgage or guaranteed loans to individual customers, with €10.6bn outstanding.

The average loan-to-value (LTV) ratio of corporate loans stood at 45.8% for outstandings of €0.7bn.

Overall, mortgage loans and guarantees totaled €24.7bn for an average LTV of 60.7%.

4.1.3. 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.

4.1.4. 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.

Compagnie de Financement Foncier has €16.7bn in assets that can be mobilized by the Eurosystem (excluding repurchase agreements) that could provide it with an estimated additional €8.0bn 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 capital adequacy ratios applicable to credit institutions are monitored by groupe 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* (ACPR – French Prudential Supervisory and Resolution Authority).

Consequently, as of June 30, 2024, on the basis of the Basel III standard approach, its Common Equity Tier-1 (CET1) ratio, which is equal to its Tier-1 ratio and its solvency ratio, was 28.8%, up 1.8% compared with the end of December 2023. Total risk exposures amounted to €6.9bn, down €0.4bn compared with December 31, 2023.

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 Standard & Poor's/Moody's/Scope.

4.2.1 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-1 capital, Additional Tier-1 capital and Tier-2 capital.

The amount of capital of Compagnie de Financement Foncier was €2.0bn at June 30, 2024. This amount also represents the Common Equity Tier-1 capital.

4.2.2 CAPITAL REQUIREMENTS

Capital requirements were calculated using the Basel III standard approach. 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)	06/30/2024		12/31/2023	
	Capital requirements	RWA	Capital requirements	RWA
Central governments	17	217	19	234
Institutions	2	25	2	30
Regional governments	248	3,095	226	2,820
Corporations	12	146	16	205
Retail customers	1	11	58	721
Mortgage-backed exposure	214	2,669	202	2,522
Exposure at default	15	189	19	243
Other assets	1	9	2	24
Requirements for credit risk (A)	509	6,362	544	6,798
Requirements for market risk (B)	0	0	0	0
Requirements for operational risk (C)	36	455	36	455
Credit value adjustment (D)	3	41	4	51
CAPITAL REQUIREMENTS (A)+(B)+(C)+(D)	549	6,858	584	7,304

SOLVENCY RATIO

Compagnie de Financement Foncier's solvency ratio at June 30, 2024 was determined using the standard approach.

	06/30/2024	12/31/2023
Solvency ratio	28.8%	27.0%
CET-1 ratio	28.8%	27.0%
Tier-1 ratio	28.8%	27.0%

Source: COREP (Common Solvency Ratio Reporting) as of June 30, 2024.

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 safe and liquid assets (previously known as replacement values) 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 guaranteed loans granted under Article 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;
- safe and liquid assets 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 individual customers 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, safe and liquid assets (previously referred to as "replacement values") are analyzed by their exposure to the counterparty (and not according to the underlying assets when they come under Article L. 211-38 of the French Monetary and Financial Code).

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 Commercial Mortgage-Backed Securities (CMBS);
- 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 06/30/2024			Exposures as of 12/31/2023		
	Sold	Assigned ⁽³⁾	Total	Sold	Assigned ⁽³⁾	Total
A – Individual mortgage loans ^{(1) (2) (6)}	19,794	3,655	23,449	20,772	3,858	24,630
B – Public financing	19,370	11,174	30,543	18,227	9,961	28,188
French public financing	12,948	10,527	23,475	11,722	9,392	21,114
■ Social housing	1,193	1,238	2,432	1,248	1,081	2,328
■ French local authorities (FLA)	10,165	8,964	19,128	10,002	7,825	17,827
■ Sovereign France	1,590	325	1,915	472	486	958
Infrastructure project financing (IPF)	548	646	1,194	562	569	1,131
International public financing	5,874	0	5,874	5,943	0	5,943
■ International public sector (IPS)	3,241	0	3,241	3,297	0	3,297
■ International sovereign	2,403	0	2,403	2,422	0	2,422
■ Public sector large corporations	229	0	229	223	0	223
C – Commercial mortgage exposures ⁽⁶⁾	11	596	607	11	632	643
D – Banking sector exposures	679	4,644	5,322	700	4,653	5,353
Banks with sovereign guarantees or similar	625	0	625	649	0	649
Other banks	54	0	54	52	0	52
L. 211-38-VR ⁽⁴⁾	0	4,644	4,644	0	4,653	4,653
TOTAL RISK EXPOSURE (A + B + C + D)	39,853	20,068	59,921	39,710	19,104	58,814
Miscellaneous adjustments and other assets ⁽⁵⁾	1,496	2	1,498	1,456	9	1,464
TOTAL	41,349	20,070	61,419	41,166	19,112	60,278

(1) The “mortgage loans France” line item includes a limited amount of outstanding Dutch loans for €16m.

(2) Of which BH Belgium for €459m (carrying amount).

(3) Of which €7,047m under L. 211-38 with the Caisses d’Épargne and Banques Populaires 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 June 30, 2024, total credit risk exposure was up by €1.1bn compared to December 31, 2023 and reached €61.4bn. The main changes are as follows:

- €1.2bn decrease in individual customers’ mortgage and guarantee loans to €23.4bn, mainly due to an amortization effect linked to the halt in new loan production from the end of March 2019;

- €2.3bn increase in public sector borrowers due to the refinancing activity of Compagnie de Financement Foncier for Groupe BPCE (by pledge in L. 211-38 and acquisition of receivables):

- €1.3bn increase in French local authorities,
- €1bn increase in sovereign France.

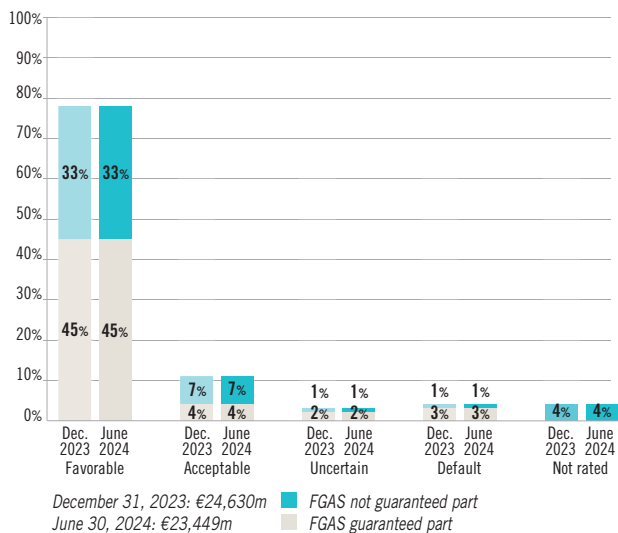
BREAKDOWN OF EXPOSURES BY GEOGRAPHY

Breakdown of exposures by geography	06/30/2024		12/31/2023	
	Balance sheet (in €m)	(in %)	Balance sheet (in €m)	(in %)
France	54,445	89	53,185	88
Other countries in the European Economic Area	3,914	6	3,971	7
■ of which Italy	2,945	5	2,945	5
■ of which Belgium	459	1	489	1
■ of which Poland	268	ns	297	1
■ of which Spain	158	ns	158	ns
■ of which Portugal	67	ns	66	ns
■ of which the Netherlands	16	ns	17	ns
Switzerland	1,155	2	1,203	2
North America (USA & Canada)	1,550	3	1,525	2
Japan	355	1	394	1
TOTAL	61,419	100	60,278	100

5.1.2. QUALITY OF THE PORTFOLIO EXPOSED TO CREDIT RISK

PORTFOLIO OF LOANS TO INDIVIDUALS

INTERNAL RATING AND QUALITY OF INDIVIDUAL MORTGAGES OUTSTANDING



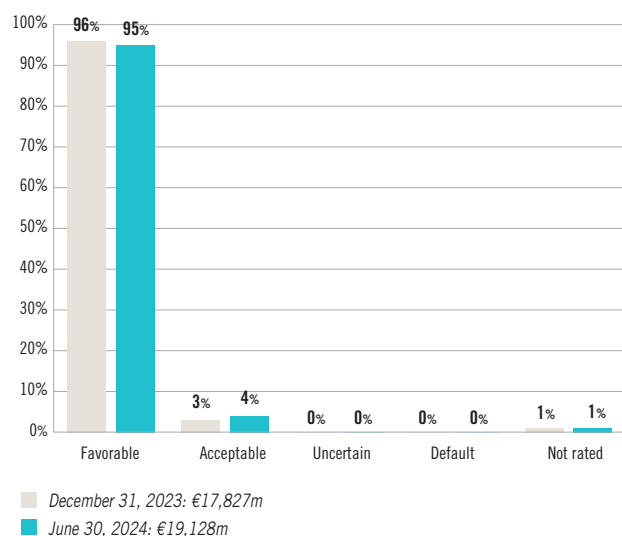
The distribution of ratings attests to the ongoing good quality of outstanding loans.

FRENCH PUBLIC SECTOR PORTFOLIO

The French public sector portfolio stood at €23.5bn and breaks down as follows:

- French local authorities: €19.1bn;
- Social housing: €2.4bn;
- Sovereign France: €2.0bn.

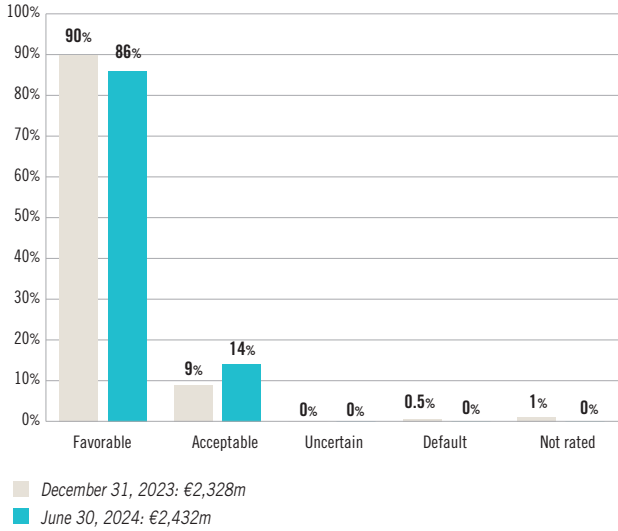
PORTFOLIO OF FRENCH PUBLIC OPERATORS – BREAKDOWN BY BASEL II RATING



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

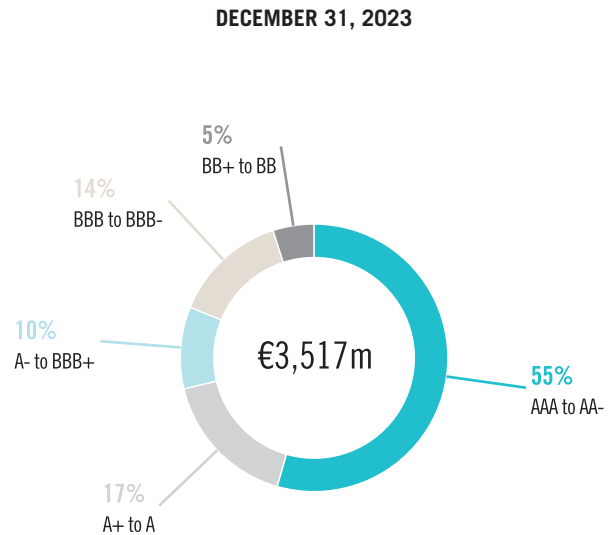
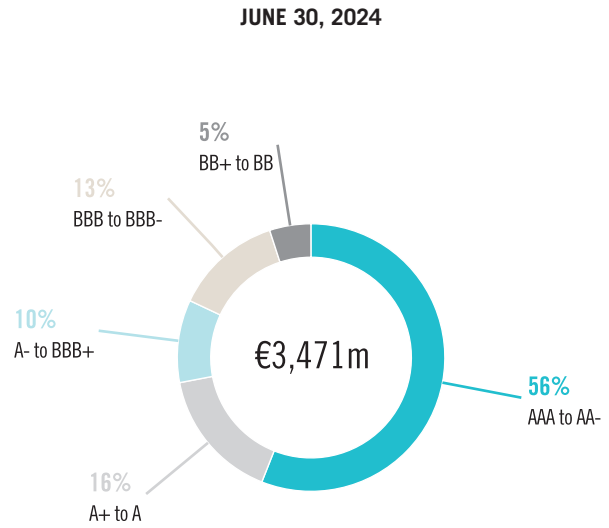
The quality of the social housing portfolio held by Compagnie de Financement Foncier stays at a very high level.

INTERNATIONAL PUBLIC SECTOR PORTFOLIO

INTERNATIONAL PUBLIC SECTOR (EXCLUDING SOVEREIGNS) AND LARGE PUBLIC SECTOR CORPORATES

At June 30, 2024, the IPS portfolio (excluding sovereigns) and large corporates stood at €3.47bn, down -€0.05bn compared with December 31, 2023, due to asset amortization and maturities. Compagnie de Financement Foncier has stopped making new acquisitions in recent fiscal years.

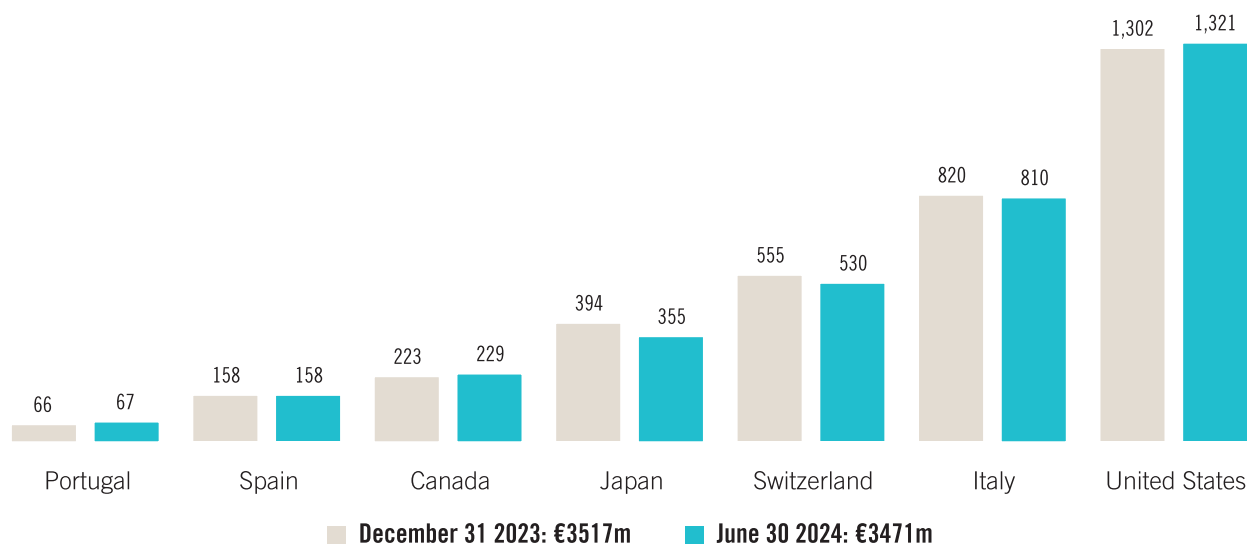
BREAKDOWN BY INTERNAL RATING OF EXPOSURES TO THE INTERNATIONAL PUBLIC SECTOR AND LARGE CORPORATES*



* At net carrying amount before including swaps.

The average quality of internal ratings remains unchanged from 2023: 82% of ratings are BBB+ or higher; the percentage of AAA to AA- ratings remained stable at 56%.

BREAKDOWN OF DIRECT EXPOSURES TO THE INTERNATIONAL PUBLIC SECTOR AND LARGE CORPORATES



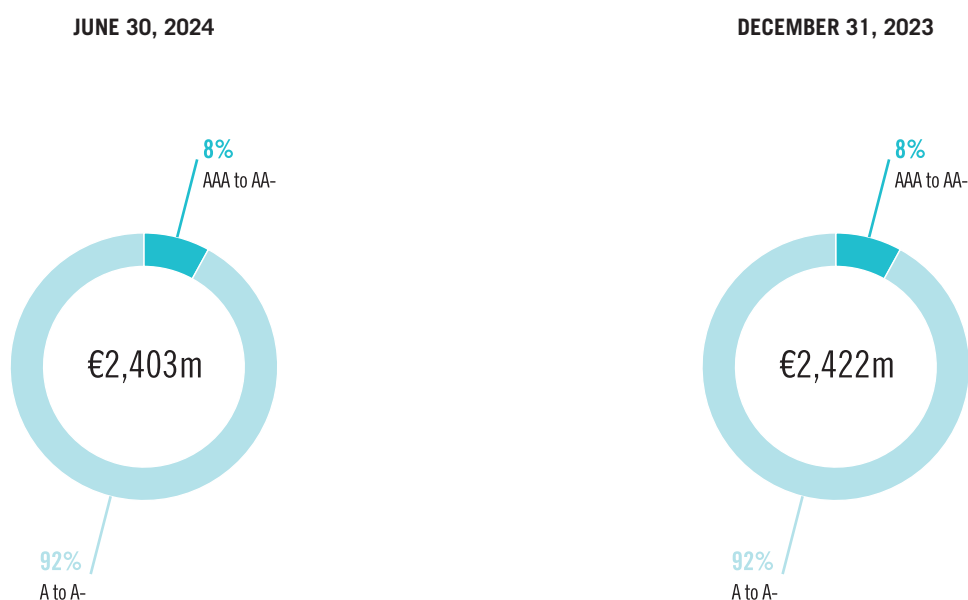
Currency exchange fluctuations affect the outstandings of assets denominated in foreign currencies (USD, JPY, CAD, etc.), shown before currency swap effects.

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

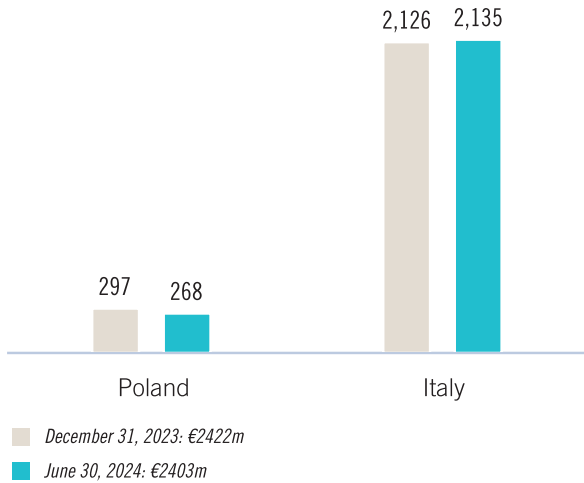
Following the disposals and repayments, Compagnie de Financement Foncier's residual exposure to sovereign issuers is concentrated on Italy and, to a lesser extent, on Poland.

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 both repayments and 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.

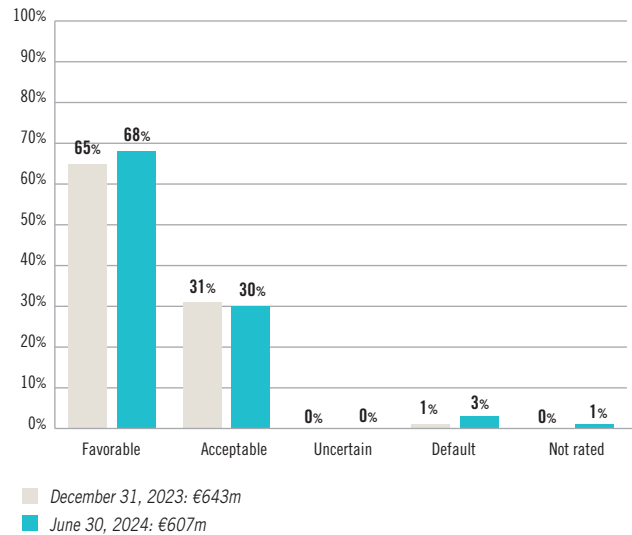
Thus, €1.0bn of outstandings in the portfolio is counter-guaranteed by monoline insurers.

The monoline insurers solicited:

- Assured Guaranty Municipal Corp. and Assured Guaranty Europe maintain high credit ratings of AA/A+ (by S&P and Moody's) and AA (by S&P), respectively, while Assured Guaranty UK LTD has a rating of A1 (by Moody's) – guaranteeing a total of €0.86bn of securities outstanding;
- more marginally, National Public Finance Guarantee Corp. (ex-MBIA), rated Baa2 by Moody's, guarantees €13m of outstanding securities;
- the FGIC monoline is not rated, which reduces the quality of its credit support (counter-guaranteed outstandings of €129.8m).

PRIVATE CORPORATES PORTFOLIO

At June 30, 2024, the private corporates outstandings sold and assigned amounted to €607m, with 98% of the outstandings having "Favorable" or "Acceptable" ratings.



BANKING SECTOR PORTFOLIO

At €13.9bn, exposures to the banking sector are up compared to December 31, 2023 (€12.4bn). They consisted of short-term transactions with BPCE, L. 211-38 mobilization transactions with the Caisses d'Épargne and Banques Populaires banks and SGL. 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 06/30/2024				GROSS exposures as of 12/31/2023				GROSS exposures as of 06/30/2023			
	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	Total balance sheet ⁽³⁾	Doubtful loan rate sold	Doubtful loan rate assigned	Overall doubtful loan rate
A – Individual mortgage loans ^{(1) (2) (5)}	23,449	3.18%	9.72%	4.20%	24,630	3.00%	9.66%	4.04%	25,151	2.93%	0.09%	2.56%
B – Public financing	30,543	0.00%	0.00%	0.00%	28,188	0.00%	0.00%	0.00%	28,384	0.00%	0.00%	0.00%
French public financing	23,475	0.00%	0.00%	0.00%	21,114	0.00%	0.00%	0.00%	21,289	0.00%	0.00%	0.00%
■ Social housing	2,432	0.02%	0.00%	0.01%	2,328	0.02%	0.00%	0.01%	2,284	0.02%	0.00%	0.01%
■ French local authorities (FLA)	19,128	0.00%	0.00%	0.00%	17,827	0.00%	0.00%	0.00%	15,788	0.00%	0.00%	0.00%
■ Sovereign France	1,915	0.00%	0.00%	0.00%	958	0.00%	0.00%	0.00%	3,216	0.00%	0.00%	0.00%
■ Infrastructure project financing (IPF)	1,194	0.00%	0.00%	0.00%	1,131	0.00%	0.00%	0.00%	1,058	0.00%	0.00%	0.00%
International public financing	5,874	0.00%	0.00%	0.00%	5,943	0.00%	0.00%	0.00%	6,037	0.00%	0.00%	0.00%
■ International public sector (IPS)	3,241	0.00%	0.00%	0.00%	3,297	0.00%	0.00%	0.00%	3,366	0.00%	0.00%	0.00%
■ International sovereign	2,403	0.00%	0.00%	0.00%	2,422	0.00%	0.00%	0.00%	2,445	0.00%	0.00%	0.00%
■ Public sector large corporations	229	0.00%	0.00%	0.00%	223	0.00%	0.00%	0.00%	226	0.00%	0.00%	0.00%
C – Commercial mortgage exposures ⁽⁵⁾	607	0.20%	0.00%	0.00%	643	2.05%	0.00%	0.04%	518	2.01%	0.00%	0.05%
D – Banking sector exposures	5,322	0.00%	0.00%	0.00%	5,353	0.00%	0.00%	0.00%	5,285	0.00%	0.00%	0.00%
Banks with sovereign guarantees or similar	625	0.00%	0.00%	0.00%	649	0.00%	0.00%	0.00%	617	0.00%	0.00%	0.00%
Other banks	54	0.00%	0.00%	0.00%	52	0.00%	0.00%	0.00%	51	0.00%	0.00%	0.00%
L. 211-38-VR ⁽³⁾	4,644	0.00%	0.00%	0.00%	4,653	0.00%	0.00%	0.00%	4,617	0.00%	0.00%	0.00%
TOTAL RISK EXPOSURE (A + B + C + D)	59,921	1.58%	1.77%	1.64%	58,814	1.57%	1.95%	1.69%	59,337	1.51%	0.02%	1.09%
Miscellaneous adjustments and other assets ⁽⁴⁾	1,498	0.00%	0.00%	0.00%	1,464	0.00%	0.00%	0.00%	1,400	0.00%	0.00%	0.00%
TOTAL	61,419	1.52%	1.77%	1.60%	60,278	1.51%	1.95%	1.65%	60,738	1.46%	0.02%	1.06%

(1) The "mortgage loans France" line item includes a limited amount of outstanding Dutch loans for €16m.

(2) Of which BH Belgium for €459m (carrying amount).

(3) Short-term loans to BPCE guaranteed by collateralized assets.

(4) The "Miscellaneous adjustments and other assets" line item is mainly composed of accrued interest on forward financial instruments and adjustment accounts.

(5) Including guaranteed.

The overall doubtful loan rate stood at 1.60%, down 0.05% compared to the 4th quarter of 2023.

For mortgage or guaranteed loans to individual customers, the doubtful loan rate increased from 4.04% at end-December 2023 to 4.20% at end-June 2024. This change is mainly due to the assignment in L. 211-38 of doubtful loans and receivables.

5.2.2 COST OF RISK OF COMPAGNIE DE FINANCEMENT FONCIER

(in €m)	12/31/2023	06/30/2024
Individual cost of risk (A)	2.00	-0.25
Collective provisions (B)	0.82	0.91
Cost of risk (A+B)	2.82	0.66
Cost of risk, Net Banking Income (C)	4.01	0.27
NET (A+B+C)	6.83	0.93

At June 30, 2024, Compagnie de Financement Foncier's cost of risk accounts for a reversal of €0.93m. It is made up of the cost of risk on a solo basis (expense of €0.25m), the cost of risk on a collective basis (reversal of €0.91m) and risk income recognized in NBI (reversal of €0.27m).

5.3. RISK MITIGATION TECHNIQUES

5.3.1. CREDIT 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 3rd quarter of 2014. Since the 4th 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

The methodology remained unchanged in the first half of 2024.

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 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 (preparation of the financing plan, evaluation of cash requirements) that includes business forecasts over the current and following periods. Dynamic analyses 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. MONITORING OF LIQUIDITY RISK

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 covered bonds.

At the end of June 2024, Compagnie de Financement Foncier had issued €4.1bn of covered bonds.

Furthermore, Compagnie de Financement Foncier has a number of potentially pledgeable assets that are eligible for the ECB's refinancing operations. At June 30, 2024, these outstandings amounted to €16.7bn in nominal value, divided into:

- €6.8bn in public sector loans;
- €7.7bn in public sector loans received *via* L. 211-38;
- €2.2bn in securities.

This financing option was not used by Compagnie de Financement Foncier in the first half of 2024.

6.2.2. MONITORING OF LIQUIDITY RISK

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 continued in 2024. 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 Management Committee as well as by the Executive Risk 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 June 30, 2024, Compagnie de Financement Foncier had cash of €1.64bn, of which €1.59bn 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 – mixed crisis at three months (maintenance of a proportion of new loan production for the Group and a proportion of refinancing) 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;
- stress known as “catastrophic” – mixed crisis at three months completes the scenario and is reflected in particular by a sharp reduction in new issuances or the renewal of financing; the observed liquidity situation is compared to the liquidity buffer;
- major stress – specific crisis completes the scenario.

The stress test limit was complied with in the first half of 2024.

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 complied with during the first half of 2024. 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 resources;
- 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.

6.2.4. 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.

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 if necessary 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 issuances 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).

The interest rate position is reviewed each quarter by the Compagnie de Financement Foncier ALM and Liquidity Management 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. At June 30, 2024, 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 Liquidity Management Committee (CGBPL) and the Executive Risk 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 complied with during the first half of 2024.

6.4. MONITORING OF FOREIGN EXCHANGE RISK

A foreign exchange risk exists when a change in exchange rates adversely affects the value of assets and liabilities denominated in foreign currencies. Compagnie de Financement Foncier refrains from any open foreign exchange position on its assets and liabilities denominated in foreign currencies. These are generally swapped to the euro equivalent as soon as they are recognized on the balance sheet. Residual differences arising from the adjustment of balance sheet positions, in particular those resulting from interest rate mismatches, are adjusted as necessary.

6.5. MONITORING OF 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 forecasts;

They are monitored by the Financial Transactions Division and the Risk Division of Crédit Foncier, which monitors compliance with the limits. 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 was complied with at June 30, 2024.

- 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, operational risks are defined as the risk of loss resulting from inadequate or faulty procedures, personnel, information systems or external events. Operational risks include internal and external fraud, model risk and reputational risk.

Compagnie de Financement Foncier's operational 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.

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 operational risk standards and methods employed by Groupe BPCE's Risk Division and on groupe Crédit Foncier's operational risk policy.

7.2. MANAGEMENT ENVIRONMENT

7.2.1. 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.

7.2.2. 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;

7.3. ORGANIZATION OF BUSINESS CONTINUITY

In accordance with the service agreements between Crédit Foncier and Compagnie de Financement Foncier, business continuity of Compagnie de Financement Foncier is covered by groupe Crédit Foncier's Business Continuity Plan. As these agreements fall within the regulatory framework for Critical or Significant Outsourced Services (CSOS), Crédit Foncier therefore provides Compagnie de Financement Foncier with an annual justification of the operational readiness of its system, through continuity exercises and resulting action plans.

The IT Business Recovery Plan (PRA) is the responsibility of BPCE IS, the Group's operator, to which the IT service has been delegated.

7.4. 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.

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 operational 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 Operational Risk Committee every quarter.

- 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.

The Business Continuity Plan Manager (BCPM) of Crédit Foncier is also BCPM of Compagnie de Financement Foncier. This function is performed by the BPCE SA Business Continuity Manager, in conjunction with Crédit Foncier's Business Security division. A business continuity officer and deputy are responsible for maintaining the operational readiness of Compagnie de Financement Foncier's business.

7.5. 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.

7.6. 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 contracts taken out by BPCE primarily covering the following risks:

- computer fraud and acts of malevolence and subsequent losses of banking activities;
- professional civil liability;
- civil liability of senior executives and corporate officers.

7.7. 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 have been rejected by the courts and, in any event, groupe Crédit Foncier is strongly contesting all of these claims, which it considers to be totally unfounded.

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. Some borrowers are even becoming discouraged and withdrawing their claims without waiting for the outcome of their lawsuit, which they know will be unfavorable.

Dynamic monitoring of this litigation shows that the flow of new writs has ceased and that we have definitively entered the extinction phase of the "TEG disputes" issue.

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 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 Control Coordination Director is responsible for the Compliance Verification function. He 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 nine aggregate risks, 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 or assignment of receivables.

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, who provide relevant reports to the Internal Control Committee and Compagnie de Financement Foncier's Executive Risk 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 early prepayments, are analyzed by the Financial Security Unit of the Compliance and Permanent Control Coordination Division.

8.3. COMPLIANCE

BANKING COMPLIANCE

In accordance with the Group's outsourcing policy, the Compliance and Permanent Control Coordination Division ensures that the Critical or Significant Outsourced Services (CSOS) management system is correctly applied and that the risks of non-compliance for critical or important services are controlled.

On December 12, 2023, Crédit Foncier's Compliance and Permanent Control Coordination Division thus presented to the Risk Committee the "measures taken to ensure the control of outsourced activities" pursuant to Article 253c of the amended Order of November 3, 2014, highlighting the absence of resulting risks for Compagnie de Financement Foncier.

It 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.

The Institutional Relations Division relies on the controls carried out by the dedicated control units to ensure that the risks of activities outsourced to Crédit Foncier are managed. The governance and supervision of outsourcing is carried out by Crédit Foncier's Organization and Transformation Division.

VOLCKER RULE AND THE LAW ON THE SEPARATION AND REGULATION OF BANKING ACTIVITIES (SRBA)

Compagnie de Financement Foncier is subject to the French act 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 (the Volcker Rule).

The Volcker Committee meeting of February 13, 2024 validated the changes to the manuals constituting the system of procedures implemented as part of the application of the Volcker Act:

- the draft report on the effectiveness of the control system, which describes the application of the Volcker 2023 compliance system.

This system includes the mapping of "Units" as well as the Crédit Foncier and Compagnie de Financement Foncier certification tree. It is based on the controls carried out during 2023;

- Desk Manuals and the risk mandates of the various desks of Crédit Foncier updated at December 31, 2023;
- Crédit Foncier's Sector Manual, unchanged compared to 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 27, 2024 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 Liquidity Management Committee on November 18, 2023.

INVESTMENT SERVICES

Crédit Foncier's Compliance and Permanent Control Coordination Division is responsible for verifying Compagnie de Financement Foncier's compliance.

Specifically, Compliance includes the requirements relating to MIF 2 (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 Control Coordination Division is also responsible for supervising non-compliance risks related to customer knowledge and the issuer function.

Compliance has completed the preparation of the RCSI annual report pursuant to Article L. 621-8-4 of the French Monetary and Financial Code. It was filed on the ROSA extranet of the AMF before the deadline of June 14, 2024.

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 financial ethics system also incorporates the provisions of the Sapin II act No. 2016 of December 9, 2016, as amended by the Wasserman act of March 21, 2022, through procedures relating to whistleblowing, compliance with banking secrecy and obligations concerning sums or benefits received. Employees receive regular reminders from Crédit Foncier's Compliance and Permanent Control Coordination Division on these issues.



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GENERAL INFORMATION

Detailed general information is presented in the 2023 Universal Registration Document of Compagnie de Financement Foncier (pages 188 to 190).

Material contracts

At the date of publication of the financial information, Compagnie de Financement Foncier had not entered into any material contracts other than those entered into in the normal course of its business.

Outlook for Compagnie de Financement Foncier

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 half-year financial statements of Compagnie de Financement Foncier at June 30, 2024 were approved by the Board of Directors on July 19, 2024. With the exception of the information given in the sub-section "Post-balance sheet event" no material changes occurred affecting the financial or commercial position or the financial performance of Compagnie de Financement Foncier, between June 30, 2024 (end of half-year) and August 22, 2024 (date on which this Amendment was filed with the AMF).

Shareholders' Meeting

An Ordinary Shareholders' Meeting was held on May 6, 2024. The proposed resolutions were approved in their entirety.

Capital

SHARE CAPITAL

At June 30, 2024, 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.

OWNERSHIP STRUCTURE AND VOTING RIGHTS

Major shareholders at June 30, 2024	Number of shares	As a %
Crédit Foncier de France	96,091,245	100.00
Director	1	n.s
TOTAL	96,091,246	100.00

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.

IMPROPER CONTROL

The Company is controlled as described in the section "Ownership structure and voting rights". The Company considers that there is no risk of improper control.



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ADDITIONAL INFORMATION

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PERSONS RESPONSIBLE FOR THE AMENDMENT TO THE UNIVERSAL REGISTRATION DOCUMENT AND FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Statement from the person responsible for the Amendment to the 2023 Universal Registration Document

I certify that the information provided in this Amendment to the 2023 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 condensed financial statements for the previous half-year have been prepared in compliance with the 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 Amendment to the 2023 Universal Registration Document provides an accurate representation of the material events that occurred in the first six months of the fiscal year, their impact on the financial statements, the main related parties' transactions and a description of the primary risks and uncertainties expected for the remaining six months of the year.

Paris, August 22, 2024

The Chief Executive Officer of Compagnie de Financement Foncier

Olivier AVIS

Persons responsible for auditing the financial statements

PRINCIPAL

FORVIS MAZARS SA

Represented by Ms. Laurence KARAGULIAN

Address: Tour Exaltis – 61, rue Henri Regnault – 92400 Courbevoie

784 824 153 RCS (Trade and Companies Register) Nanterre

Member of the Compagnie Régionale des Commissaires aux comptes de Versailles et du Centre (Regional Association of Statutory Auditors of Versailles and Centre)

Start of first term: May 9, 2022

Length of term: six fiscal years

End of term: at the end of the General Meeting called to approve the financial statements for the 2027 fiscal year.

DELOITTE AND ASSOCIATES

Represented by Ms. Charlotte VANDEPUTTE

Address: 6 place de la Pyramide – 92908 Paris-La Défense Cedex

572 028 041 RCS (Trade and Companies Register) Nanterre

Member of the Compagnie Régionale des Commissaires aux comptes de Versailles et du Centre (Regional Association of Statutory Auditors of Versailles and Centre)

Start of first term: May 6, 2024

Length of term: six fiscal years

End of term: at the end of the General Meeting called to approve the financial statements for the 2029 fiscal year.

PRICEWATERHOUSECOOPERS AUDIT

Represented by Ms. Aurore PRANDI

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 et du Centre (Regional Association of Statutory Auditors of Versailles and Centre)

Start of first term: June 30, 2003

Length of term: six fiscal years

End of term: at the end of the General Meeting called to approve the financial statements for the 2025 fiscal year.

Specific controllers

PRINCIPAL

CAILLIAU DEDOIT & ASSOCIÉS

Represented by Mr. Laurent BRUN

Address: 19, rue Clément-Marot – 75008 Paris

Date of assent from the *Autorité de Contrôle Prudentiel et de Résolution* (ACPR – French Prudential Supervisory and Resolution Authority): November 17, 2022

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: November 17, 2022

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.

LOCATION OF LEGAL DOCUMENTS CONCERNING THE COMPANY

Legal documents concerning Compagnie de Financement Foncier may be consulted at the head office of Crédit Foncier de France, located at 182, avenue de France – 75013 Paris.

CROSS-REFERENCE TABLE

Incorporation by reference

The Amendment to the 2023 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 2023 Universal Registration Document filed with the *Autorité des marchés financiers* (AMF), the French financial markets authority on March 20, 2024 under number D. 24-0145 which includes the annual financial report, available on the Compagnie de Financement Foncier website: <https://foncier.fr/en/annual-rapports/>

All documents incorporated by reference in this Amendment to the 2023 Universal Registration Document have been filed with the AMF 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 EU delegated Regulation 2019/980 of the European Commission supplementing EU Regulation 2017/1129 of the European Parliament and of the Council

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Cross-reference table for the half-year financial report

Pursuant to Article 212-13 of the AMF's General Regulation, this Amendment to the 2023 Universal Registration Document comprises the information contained in the half-year financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-4 of the AMF's General Regulation.

	Information required under Article L. 451-1-2 of the French Monetary and Financial Code	Page of the Amendment to the 2023 URD filed with the AMF on August 22, 2024	Page of the 2023 URD filed with the AMF on March 20, 2024
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In accordance with Article 19 of EU Regulation 2017/1129 of the European Parliament and of the Council of June 14, 2017, the following information is incorporated by reference in this Amendment to the 2023 Universal Registration Document:

■ Compagnie de Financement Foncier's parent company financial statements for the fiscal year ended December 31, 2023 and the Statutory Auditors' report, presented on pages 87 to 129 of the Universal Registration Document filed with the AMF on March 20, 2024 under number D. 24-0145.

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, 2022 and the Statutory Auditors' report, presented on pages 141 to 191 of the Universal Registration Document filed with the AMF on March 21, 2023 under number D. 23-024.

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, 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/>;

■ the management report for the year ended December 31, 2023 presented on pages 74 to 86 of the Universal Registration Document filed with the AMF on March 20, 2024 under number D. 24-0145;

The information can be found using the following link: <https://foncier.fr/en/annual-reports/>;

■ the management report for the year ended December 31, 2022 presented on pages 79 to 100 of the Universal Registration Document filed with the AMF on March 21, 2023 under number D. 23-0124;

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 Amendment to the 2023 Universal Registration Document can be consulted on the websites of the AMF (www.amf-france.org/en) and Compagnie de Financement Foncier (www.foncier.fr/en).

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The annual reports, half-year reports, quarterly reports relating to the quality of the financed assets and ECBC label reportings of Compagnie de Financement Foncier can be downloaded at www.foncier.fr/en.

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