

SECOND SUPPLEMENT DATED 20 FEBRUARY 2023  
TO THE BASE PROSPECTUS DATED 14 JUNE 2022



COMPAGNIE DE  
FINANCEMENT FONCIER

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

This second supplement (the “**Second Supplement**”) is supplemental to, and should be read in conjunction with, the Base Prospectus dated 14 June 2022 (the “**Base Prospectus**”) which has been prepared by Compagnie de Financement Foncier (the “**Issuer**”) with respect to its €125,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) and the first supplement dated 30 August 2022 (the “**First Supplement**”). The Base Prospectus as supplemented constitutes a base prospectus for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended (the “**Prospectus Regulation**”). The *Autorité des marchés financiers* (the “**AMF**”) has approval number no. 22-212 on 14 June 2022 on the Base Prospectus and approval number no. 22-361 on 30 August 2022 on the First Supplement.

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

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

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

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

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

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

- (i) including the press release dated 9 February 2023 “Compagnie de Financement Foncier results in 2022” and the financial information as at 31 December 2022 (extract from 2022 unaudited annual accounts) in the Section “RECENT DEVELOPMENTS” of the Base Prospectus; and
- (ii) updating Section “GENERAL INFORMATION” of the Base Prospectus.

To the extent applicable, investors who have already agreed to purchase or subscribe for Notes to be issued under the Programme before this Second Supplement is published, have the right to withdraw their acceptances by no later than 23 February 2023, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period or the delivery of the Notes, whichever occurs first. Investors may contact the Authorised Offerors should they wish to exercise the right of withdrawal.

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## 1. RECENT DEVELOPMENTS

On page 158, the following paragraphs are included in Section "RECENT DEVELOPMENTS" of the Base Prospectus:

### "Press release dated 9 February 2023 – Compagnie de Financement Foncier results in 2022

On February 9, 2023, the Board of Directors of Compagnie de Financement Foncier met under the chairmanship of Éric FILLIAT to approve the 2022 annual financial statements.

## I. ACTIVITY OF COMPAGNIE DE FINANCEMENT FONCIER

Compagnie de Financement Foncier achieved solid commercial and financial performances in 2022, a year marked by a return of inflation and volatility on the markets, phenomena amplified by the impact of the Russian-Ukrainian conflict. In this context of deteriorating economic growth and a sharp rise in interest rates, the resilience of the covered bond market is a major asset for the refinancing of Groupe BPCE activities by Compagnie de Financement Foncier.

### ▪ Issuance of covered bonds

In 2022, Compagnie de Financement Foncier issued €4.6bn of *obligations foncières* at competitive financial conditions, including 3 public euro benchmark issuances.

In March 2022, it completed its first benchmark of the year for €1.25bn with a maturity of 6 years. This issuance, carried out at satisfactory margin levels despite the Russian-Ukrainian conflict, is a reminder of investors' confidence in the quality of Compagnie de Financement Foncier's credit rating.

In April 2022, it made a return to the Swiss franc market for French covered bonds with an issuance of an equivalent amount of €255m with a maturity of seven years.

Finally, in the private placement segment, Compagnie de Financement Foncier confirmed its innovative and customized positioning with €500m of transactions recorded in 2022.

These performances confirm Compagnie de Financement Foncier's role as a historical benchmark issuer and the continued interest of investors in covered bonds in general.

### ▪ Awarded the "European Covered Bond Premium" label

As of July 8, 2022, Compagnie de Financement Foncier has been authorized by the French prudential supervisory and resolution authority to use the demanding "European Covered Bond Premium" label initiated by the Covered Bonds Directive for its future issuances.

Covered bonds issued before July 8, 2022 continue to benefit from preferential prudential treatment.

### ▪ Funding of Groupe BPCE receivables

In accordance with its strategic guidelines, Compagnie de Financement Foncier refinanced a total of €4.7bn in receivables for Groupe BPCE institutions (excluding transactions initiated in 2021 for €0.2bn). Fiscal 2021, which was already growing, had recorded €3.2bn in refinancing.

The significant increase in refinanced volumes in 2022 reflects the success of the scheme and the acceleration of the diversification strategy developed with Groupe BPCE, which allows Compagnie de Financement Foncier to finance various business lines of the Group at very competitive conditions.

## II. COMPAGNIE DE FINANCEMENT FONCIER INCOME STATEMENT

<i>In millions of euros</i>	<b>2022</b>	<b>2021</b>
<b>Net interests margin</b>	<b>228</b>	<b>223</b>
Net commissions	22	30
Other bank operating charges (net)	-3	-1

<b>Net banking income</b>	<b>247</b>	<b>252</b>
General operating expenses	-85	-103
<b>Gross operating income</b>	<b>162</b>	<b>149</b>
Cost of risk	7	7
Gains or losses on long-term investments	0	0
<b>Income before tax</b>	<b>169</b>	<b>156</b>
Income tax	-49	-50
<b>Net income</b>	<b>120</b>	<b>106</b>

Net banking income was stable overall at €247m, due to a slight increase in the net interest margin as a result of higher interest rates and lower volumes of early repayments and renegotiations of real estate loans to individual customers.

General operating expenses amounted to €85m, down from the previous year due to lower billing for services provided by Crédit Foncier.

Gross operating income reached €162m, up €13m compared with 2021.

The cost of risk for 2022 was a net reversal of €7m, reflecting the quality of the assets carried on Compagnie de Financement Foncier's balance sheet.

Net income amounted to €120m at December 31, 2022, compared with €106m at December 31 2021.

### **III. BALANCE SHEET INFORMATION**

Compagnie de Financement Foncier's total balance sheet amounts to €60.5bn.

The refinancing of Groupe BPCE institutions by Compagnie de Financement Foncier in 2022 mainly involved public sector assets, increasing the relative proportion of this type of asset in Compagnie de Financement Foncier's balance sheet.

At the end of 2022, the outstanding amount of covered bonds amounted to €51.6bn, including related payables, down from €53.7bn at December 31, 2021.

### **IV. PRUDENTIAL INFORMATION**

Although exempt from regulatory requirements with respect to solvency ratios, Compagnie de Financement Foncier establishes, for information purposes, a Common Equity Tier One (CET 1) ratio at its limits. At December 31, 2022, the latter amounted to 25.5% and remains well above the minimum threshold provided for by Regulation 575/2013 (CRR).

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

## **Appendices**

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*Unless otherwise stated, the financial data in this press release are currently estimated and taken from the financial statements of Compagnie de Financement Foncier. These include the individual financial statements and related explanatory notes, prepared in accordance with French accounting standards and the applicable BPCE standards.*

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

*Compagnie de Financement Foncier is a credit institution approved as a specialized credit institution and a société de crédit foncier, affiliated with BPCE and a wholly-owned subsidiary of Crédit Foncier and Groupe BPCE.*

*Regulated information is available on the website [www.foncier.fr](http://www.foncier.fr) in the "Investor relations/Regulated information" section."*

Financial information as at 31 December 2022 (extract from 2022 unaudited annual accounts), 31 December 2021 (extract from 2021 audited annual accounts) and 31 December 2020 (extract from 2020 audited annual accounts)

## BALANCE SHEET (in thousands of euros)

▪ Assets	12/31/2022	12/31/2021	12/31/2020
Cash and amounts due from central banks	527,000	679,000	1,349,339
Treasury bills and equivalent	3,020,280	3,052,586	3,196,527
Loans and receivables due from credit institutions	18,161,894	22,073,625	23,733,098
▪ Demand	58,322	51,508	50,858
▪ Term	18,103,573	22,022,118	23,682,240
Customers transactions	34,701,588	33,777,035	35,339,082
▪ Other facilities granted to customers	34,701,588	33,777,035	35,339,082
Bonds and other fixed-income securities	2,854,731	3,086,251	3,220,625
Equity interests and other long term investments	0	0	0
Intangible assets and property plant and equipment	0	0	0
Other assets	20,390	15,690	79,391
Accrual accounts	1,172,979	1,250,744	1,537,408
<b>TOTAL ASSETS</b>	<b>60,458,864</b>	<b>63,934,931</b>	<b>68,455,470</b>

▪ Liabilities	12/31/2022	12/31/2021	12/31/2020
Central banks	0	0	0
Amounts due to credit institutions	4,850,984	5,009,751	6,268,175
▪ Demand	3,570	0	0
▪ Term	4,847,414	5,009,751	6,268,175
Amounts due to customers	0	0	0
▪ Demand	0	0	0
Debt securities	51,644,553	53,673,477	56,443,309
▪ Interbank market instruments and negotiable debt securities	0	0	0
▪ Bonds (obligations foncières)	51,644,553	53,673,477	56,443,309
Other liabilities	177,757	484,649	1,035,086
Accrual accounts	1,679,473	1,541,693	1,554,226
Provisions	12,388	12,425	602
Subordinated debt	0	0	0
Fund for general banking risks	20,000	20,000	20,000
Equity excluding fund for general banking risks	2,073,708	3,192,937	3,134,072
▪ Subscribed capital	1,537,460	2,537,460	2,537,460
▪ Additional paid-in capital	209,867	343,002	343,002
▪ Reserves	139,776	134,475	132,117
▪ Regulated provisions and investment subsidies	0	0	0
▪ Retained earnings	66,694	71,995	74,352
▪ Income to be allocated	0	0	0
▪ Net income for the period	119,910	106,004	47,141
<b>TOTAL LIABILITIES</b>	<b>60,458,864</b>	<b>63,934,931</b>	<b>68,455,470</b>

# INCOME STATEMENT (in thousands of euros)

	12/31/2022	12/31/2021	12/31/2020
Interest and similar income	1,448,876	1,728,256	1,841,107
Interest and similar expenses	-1,221,041	-1,505,678	-1,723,964
<b>Net interest margin</b>	<b>227,835</b>	<b>222,577</b>	<b>117,143</b>
Fees and commissions income	22,915	31,307	35,311
Fees and commissions expenses	-799	-937	-853
Net gains or losses on trading books transactions	53	-88	-53
Other banking income	897	18,010	53
Other banking expenses	-3,849	-19,345	-5,232
<b>Net banking income</b>	<b>247,051</b>	<b>251,524</b>	<b>146,368</b>
Payroll costs	-47	-41	-44
Taxes and regulated provisions	-4,277	-4,742	-4,380
External services and other expenses	-80,867	-98,135	-88,381
Amortization	0	0	0
<b>Total operating expenses</b>	<b>-85,190</b>	<b>-102,918</b>	<b>-92,805</b>
<b>Gross operating income</b>	<b>161,860</b>	<b>148,606</b>	<b>53,563</b>
Cost of risk	6,597	7,452	4,314
<b>Operating income</b>	<b>168,458</b>	<b>156,058</b>	<b>57,878</b>
Gains or losses on long-term investments	0	0	20,047
<b>Income before tax</b>	<b>168,458</b>	<b>156,058</b>	<b>77,925</b>
Non-recurring income	0	0	0
Income tax	-48,548	-50,053	-30,784
<b>NET INCOME</b>	<b>119,910</b>	<b>106,004</b>	<b>47,141</b>
Earnings per share <sup>(1)</sup> (in €)	1.25	0.67	0.30
Diluted earnings per share (in €)	1.25	0.67	0.30

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

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

On page 247, paragraph 5 of Section “GENERAL INFORMATION” of the Base Prospectus, as supplemented by the First Supplement, is deleted and replaced as follows:

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

Except as disclosed in this Base Prospectus, there has been no significant change in the financial position or financial performance of the Issuer since 31 December 2022.”



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

#### **In the name of the Issuer**

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

#### **Compagnie de Financement Foncier**

182, avenue de France  
75013 Paris  
France

Duly represented by: Paul Dudouit  
Directeur Général Délégué / Deputy C.E.O.  
Duly authorized  
on 20 February 2023



#### ***Autorité des marchés financiers***

This Second Supplement has been approved on 20 February 2023 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

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

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

This Second Supplement obtained the following approval number: n° 23-043.