Crédit Foncier de France S.A.

Rating report

Issuer

A+

Outlook

Stable

Lead Analyst

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Scope affirms the A+/Stable issuer rating on CFF and CieFF, June 2025

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Table of content

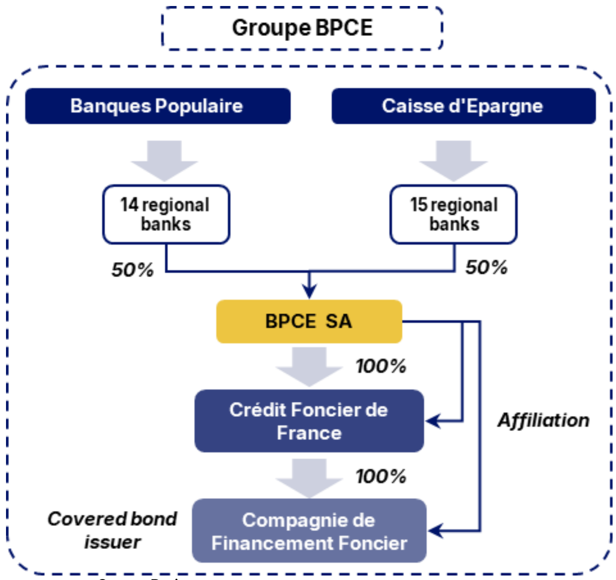
Summary and Outlook

The issuer ratings of Crédit Foncier de France (CFF) and its wholly owned subsidiary Compagnie de Financement Foncier (CieFF) are aligned to the issuer rating of the parent. The application of a top-down rating approach and alignment with the parent reflects Scope's expectation of full support from the parent, BPCE group, given the guarantee and solidarity mechanism that covers the group's subsidiaries/affiliates.

CFF is a wholly owned subsidiary of BPCE S.A., the central institution of Groupe BPCE. Within Groupe BPCE, CFF operates as a leading specialist in property financing, real estate services and public entity financing. Following a strategic review in 2018, CFF no longer originates loans but continues to manage its portfolio and refinances the group through covered bonds issued by its subsidiary CieFF.

CieFF's role is to refinance the lending business of Groupe BPCE entities in the public and mortgage sectors, as well as provides refinancing of outstanding loans historically originated by CFF. CieFF is the issuer of covered bonds, 100% owned by CFF and licensed as a specialist credit institution and a 'société de crédit foncier'.

Groupe BPCE and affiliation of CFF and CieFF



*Scope estimate. Source: company, Scope Ratings

The upside scenario for the rating and Outlook is:

- An upgrade of BPCE S.A.'s issuer rating.

The downside scenarios for the rating and Outlook are (individually or collectively):

- A change in the assumption of support from the parent to CFF's and CieFF's.
- A downgrade of BPCE S.A.'s issuer rating.

Table 1: Credit ratings

		Credit rating	Outlook
Issuer	**Crédit Foncier de France S.A.**		
	Issuer rating	A+	Stable
Issuer	**Compagnie de Financement Foncier SCF**		
	Issuer rating	A+	Stable

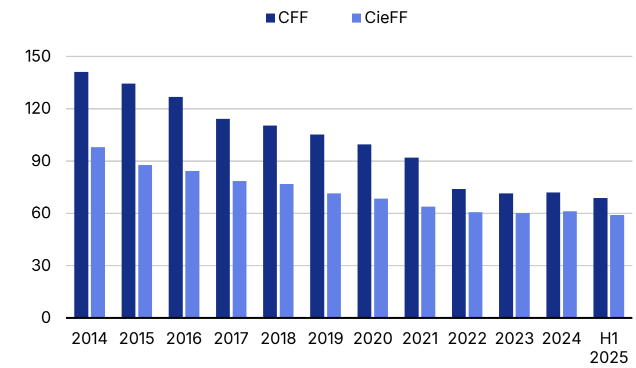
1. Role and integration with Groupe BPCE

The purpose of a société de crédit foncier is defined in Article L.513-2 of the French Monetary and Financial Code, which is to grant or acquire collateralised loans (loans backed by first-ranked mortgages or real property collateral conferring at least an equivalent security, or exposures to public sector entities) and finance these loans through the issuance of obligations foncières (covered bonds).

The strategic relevance of CFF within Groupe BPCE stems primarily from its refinancing role as active issuer of covered bonds for the benefit of the group's funding diversification.

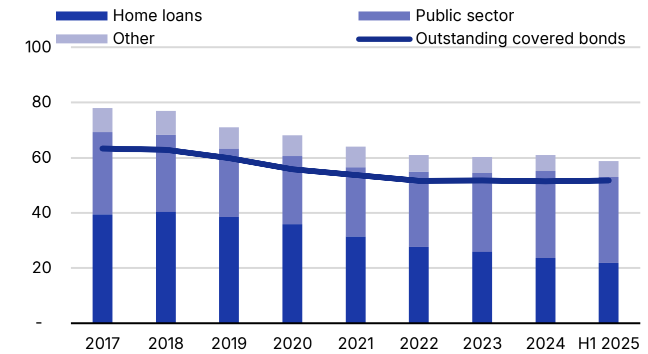
As part of its business of funding eligible assets originated by BPCE Groupe's institutions, CieFF refinanced receivables for EUR 397m and continues to provide Groupe BPCE's entities with funding of eligible assets in the form of true sale disposals or through collateralized. The outstanding amount of collateralized loans as of June-2025 is EUR 19.6bn, with guarantees received in the amount of EUR 21bn.

Figure 1: CieFF and CFF total assets (EUR bn)



Source: company, Scope Ratings

Figure 2: CieFF's loans vs covered bond outstanding, (EUR bn)



Source: company, Scope Ratings

CFF's role has changed since early 2019, as it was undertaken to improve group efficiencies. New mortgage loan production ceased and was redeployed in other group entities, along with other activities such as property financing and real estate services, focused on refinancing public sector and similar assets generated by Groupe BPCE. At the same time, CieFF's and CFF's balance sheet started to gradually decrease as it was expected, as existing loans roll-off. As a result, CFF and CieFF's balance sheets are converging.

2. Support from Groupe BPCE

Intra-group solidarity mechanism

CFF and CieFF both benefit from a strong internal solidarity mechanism within Groupe BPCE, which underpins our expectation of full support from the parent in case of need. This would primarily take the form of direct support from the BPCE S.A., which uses its own capital resources in its duty as a shareholder. The entities are further backed by guarantee funds within Groupe BPCE, as well as the ability to tap into the resources of its member banks.

All credit institutions affiliated with Groupe BPCE, including CFF and CieFF, are covered by the group's guarantee and solidarity mechanism, set up pursuant to Article L.512-107-6 of the French Monetary and Financial Code.

Although CFF's role changed following the 2018 strategic review, the solidarity mechanism remains unchanged. CFF and CieFF continue to carry the legal status of group affiliates, which supports the continued equalisation of their issuer ratings with the credit quality of BPCE S.A. If CFF or CieFF encounter financial difficulty, these funds can be called upon in the following order until sufficient:

I. BPCE S.A.'s own capital (in accordance with its duty as a shareholder)
II. The mutual guarantee fund created and controlled by BPCE S.A.
III. The guarantee funds of the BP and CE networks, called upon in equal proportions
IV. Additional sums requested from all member banks in the BP and CE networks

The aforementioned guarantee funds consist of a Groupe BPCE internal guarantee mechanism that can be activated by BPCE S.A.'s executive board or the French banking regulator.

It is worth noting that as affiliates, CFF and CieFF do not contribute to Groupe BPCE's guarantee mechanism and will not be called upon in the event of a regional bank default.

BPCE's track record supporting group members

Groupe BPCE has a strong track record of supporting group entities. CFF benefited from a EUR 1.5bn capital increase in late 2011. Later on, in September 2014, CFF's securitisation portfolio was transferred to BPCE S.A. under BPCE S.A.'s risk management division's monitoring. A disposal plan was also established and coordinated by the group's finance division.

In 2015, Groupe BPCE implemented measures to ensure the capital adequacy of its networks and subsidiaries. For example, BPCE S.A. can grant redeemable subordinated loans or subscribe to perpetual, deeply subordinated notes.

A relevant source of funding diversification for BPCE S.A.

CFF's strategic importance stems from its clearly defined purpose within Groupe BPCE, which is to manage its existing loan portfolio and provide refinancing to other group entities through covered bonds issued by its subsidiary, CieFF.

CieFF is an active covered bond issuer in France, with a record issuance volume of EUR 5.8bn in 2024 and EUR 2.8bn in the first half of 2025. The outstanding amount of covered bonds, while decreasing, is material and amounts to EUR 52bn as of June 2025. CFF actively looks for business development opportunities with other group entities in its core area of expertise, to provide them access to the covered bond market.

As a major role as covered bond issuer, CieFF has developed a deep and diverse investor base, both by geography and by investor type. As of June-2025, the diversification by investor type is well balanced, 37% of issuances are held by banks, 29% by asset managers, 23% by central banks and other institutions and 10% by insurance companies and pension funds. In terms of geographic distribution, Germany/Austria represents 35% of the investors base, followed by France (17%), the Nordics (16%), Southern Europe (11%), 7% by Benelux based investors and 6% Switzerland.

Risk management strongly aligned with Groupe BPCE S.A.'s framework

Both CFF and CieFF benefit from the group's strong risk control culture and oversight.

While CFF's executive management implements internal controls, BPCE S.A. is responsible, as stipulated by the French Monetary and Financial Code, for defining the internal control system of

Groupe BPCE and its networks, controlling the financial position of affiliated institutions, and defining group risk management policies, procedures and limits.

Thus, CFF's control systems incorporate BPCE S.A.'s standards and have become more integrated since 2012. Members of BPCE S.A.'s general inspection department periodically perform internal audits.

CFF has its own risk department and a board-level risk management committee. The risk control systems were developed by CFF over a long period. As an example of cooperation and risk management alignment, loans refinanced by CieFF are subject to a rigorous selection process. An initial analysis is carried out by the originator institution and then by CieFF that follows a second, in-depth and independent analysis of the proposed receivable. Then, BPCE may also intervene, with a third analysis. This provides a strong control framework that ensures the quality and security of the execution of refinancing transactions.

The management board's chair and the CEO of Groupe BPCE preside over CFF's board. Its exposures are regularly reviewed in risk management committees at group level. CFF's risk and compliance functions are responsible for CieFF's internal controls and compliance.

Appendix 1. Selected financial information – Credit Foncier de France S.A

	2021	2022	2023	2024	H1 2025
Balance sheet summary (EUR m)					
Assets					
Cash and interbank assets	16,922	14,253	15,802	18,693	17,935
Total securities	15,909	6,538	7,251	7,072	6,298
of which, derivatives	7,757	-220	1,046	1,477	1,090
Net loans to customers	57,401	52,209	47,238	45,281	43,630
Other assets	1,690	1,051	1,017	927	931
Total assets	**91,922**	**74,051**	**71,308**	**71,973**	**68,794**
Liabilities					
Interbank liabilities	23,007	17,329	13,363	13,891	11,067
Senior debt	57,498	48,189	49,955	50,473	50,437
Derivatives	6,864	4,096	3,846	3,572	3,261
Deposits from customers	247	135	79	86	82
Subordinated debt	10	10	0	0	0
Other liabilities	755	614	575	523	564
Total liabilities	**88,381**	**70,373**	**67,818**	**68,545**	**65,411**
Ordinary equity	3,025	3,165	2,994	2,936	NA
Equity hybrids	516	513	496	492	NA
Minority interests	0	0	0	0	0
Total liabilities and equity	**91,922**	**74,051**	**71,308**	**71,973**	**68,794**
Core tier 1/ common equity tier 1 capital	*2,911*	*2,838*	*2,815*	*2,768*	*2,748*
Income statement summary (EUR m)					
Net interest income	181	88	56	55	NA
Net fee & commission income	148	115	87	78	NA
Net trading income	15	203	52	32	NA
Other income	57	70	64	45	NA
Operating income	**401**	**476**	**259**	**210**	**NA**
Operating expenses	225	175	136	114	NA
Pre-provision income	**176**	**301**	**123**	**96**	**NA**
Credit and other financial impairments	0	-11	-14	1	NA
Other impairments	0	0	0	-2	NA
Non-recurring income	0	0	0	0	0
Non-recurring expense	0	0	0	0	0
Pre-tax profit	**176**	**312**	**137**	**97**	**NA**
Income from discontinued operations	0	0	0	0	0
Income tax expense	57	78	26	10	NA
Other after-tax Items	0	0	0	0	0
Net profit attributable to minority interests	0	0	0	0	0
Net profit attributable to parent	**119**	**234**	**111**	**87**	**52**

Source: SNL, Scope Ratings
Note: Figures above may differ from reported figures.

Appendix 2. Selected financial information – Credit Foncier de France S.A

	2021	2022	2023	2024	H1 2025
Funding and liquidity					
Net loans/ deposits (%)	NA!	NA	NA	NA	NA
Liquidity coverage ratio (%)	NA	NA	NA	NA	NA
Net stable funding ratio (%)	104%	103%	101%	105%	106%
Asset mix, quality and growth					
Net loans/ assets (%)	62.4%	70.5%	66.2%	62.9%	63.4%
Problem loans/ gross customer loans (%)	4.4%	3.9%	3.7%	3.5%	3.5%
Loan loss reserves/ problem loans (%)	23.3%	23.5%	22.2%	21.0%	21.1%
Net loan growth (%)	-8.9%	-9.0%	-9.5%	-4.1%	-7.3%
Problem loans/ tangible equity & reserves (%)	61.5%	49.4%	45.9%	42.8%	41.6%
Asset growth (%)	-7.7%	-19.4%	-3.7%	0.9%	-8.8%
Earnings and profitability					
Net interest margin (%)	0.2%	0.1%	0.1%	0.1%	NA
Net interest income/ average RWAs (%)	0.8%	0.5%	0.4%	0.4%	NA
Net interest income/ operating income (%)	45.1%	18.5%	21.6%	26.2%	NA
Net fees & commissions/ operating income (%)	36.9%	24.2%	33.6%	37.1%	NA
Cost/ income ratio (%)	56.1%	36.8%	52.5%	54.3%	NA
Operating expenses/ average RWAs (%)	1.1%	1.0%	0.9%	0.9%	NA
Pre-impairment operating profit/ average RWAs (%)	0.8%	1.7%	0.8%	0.7%	NA
Impairment on financial assets / pre-impairment income (%)	0.0%	-3.7%	-11.4%	1.0%	NA
Loan loss provision/ average gross loans (%)	0.0%	0.0%	0.0%	0.0%	NA
Pre-tax profit/ average RWAs (%)	0.8%	1.7%	0.9%	0.8%	NA
Return on average assets (%)	0.1%	0.3%	0.2%	0.1%	0.1%
Return on average RWAs (%)	0.6%	1.3%	0.7%	0.7%	1.0%
Return on average equity (%)	3.4%	6.5%	3.1%	2.5%	3.1%
Capital and risk protection					
Common equity tier 1 ratio (%, fully loaded)	14.4%	17.5%	18.9%	25.1%	31.2%
Common equity tier 1 ratio (%, transitional)	14.4%	17.5%	18.9%	25.1%	31.2%
Tier 1 capital ratio (%, transitional)	17.1%	20.9%	22.7%	30.1%	37.4%
Total capital ratio (%, transitional)	17.1%	20.9%	22.7%	30.1%	37.4%
Leverage ratio (%)	4.8%	5.8%	6.2%	6.3%	6.7%
Asset risk intensity (RWAs/ total assets, %)	22.0%	21.9%	20.8%	15.3%	12.8%
Market indicators					
Price/ book (x)	NA	NA	NA	NA	NA
Price/ tangible book (x)	NA	NA	NA	NA	NA
Dividend payout ratio (%)	NA	NA	NA	NA	NA

Source: SNL, Scope Ratings
Note: Figures above may differ from reported figures.

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