



COMPAGNIE
EUROPÉENNE
DE GARANTIES
ET CAUTIONS

CEGC BUSINESS REPORT 2022

 GROUPE BPCE

2022

Back to normal relationships

2022 undoubtedly marked the return of normal human contact. After two years affected by Covid and its aftermath, meetings between clients and staff, trade shows and professional exchanges regained their natural place at the heart of our activities.

And rightly so, because at CEGC we believe that listening to clients' needs and dialog are fundamental to making the right decisions and conducting successful projects.

The successive tensions and crises in 2022 and their ensuing uncertainties and difficulties further accentuate the need to refocus on human, so as to adjust our actions and consolidate the outlook for our business.

At CEGC, we believe in practical commitment. Day after day in 2022, we worked to enhance the quality of our products and services, to support our clients' projects by factoring in their constraints and to improve our ESG footprint.

The renewed trust of our clients and staff is reflected in our results. It also encourages us to maintain our pragmatic commitment.

CEGC will be more present than ever at your side in 2023.



Anne Sallé-Mongauze
Chief Executive Officer, CEGC



A TRUSTWORTHY GUARANTOR



FINANCIALLY SOLID



ENGAGED AT OUR CLIENTS' SIDE



RESPONSIBLE EMPLOYER



CEGC, A TRUSTWORTHY GUARANTOR FOR GREATER PROSPECTS

We are a specialist provider of sureties and financial guarantees, and belong to the Financial Solutions & Expertise Division of Groupe BPCE, the second-largest banking group in France.

Our goal is to secure the projects and operations of our clients and their partners within Groupe BPCE.

Our proven risk-assessment expertise and our financial solidity make us a pivotal guarantor in the market.

CEGC GOVERNANCE AND EXECUTIVE COMMITTEE

BOARD OF DIRECTORS

Catherine Halberstadt

Chairwoman of the Board of Directors
Head of Financial Solutions & Expertise
BPCE

Banque Populaire Aquitaine Centre Atlantique

Represented by Valérie Gillo

Banque Populaire Alsace Lorraine Champagne

Represented by Isabelle Laurent

Anne-Claude Pont

Chairwoman, Wilov

Bertrand Magnin

Chairman of the Management Board,
Caisse d'Épargne Loire Drôme Ardèche

Caisse d'Épargne Grand Est Europe

Represented by Olivier Vimard

Caisse d'Épargne Normandie

Represented by Christophe Descos

PRINCIPAL STATUTORY AUDITORS

Guillaume Wadoux

MAZARS

Sébastien Arnault

PricewaterhouseCoopers Audit

GROUPE BPCE ORGANIZATIONAL CHART



Engaged at your side

Engaged at our clients' side in their risk-taking, we work on a day-to-day basis to deliver a high-quality service combining efficient digital solutions and personalized support from our experts.

Beyond our profession of insurer, thanks to our ability to listen to and understand our clients' needs in detail, we can anticipate changes in their businesses and markets, while also incorporating sustainable development issues.

Our teams support you on three types of products:

- 1 Loan guarantees for individuals, SMEs, companies and the social economy and public housing sectors,
- 2 Contractual, regulatory and tax guarantees for companies,
- 3 Financial guarantees and specialized insurance for real estate professionals: property managers and real estate agents, real estate developers and individual-house builders.

Aurélie Nicot
Head of Finance & Actuarial,
Head of Data Management

Emmanuelle Renon
Head of Business Development,
Customer Relations & Underwriting

Mohamed Aoulad-Hadj
Deputy Chief Executive Officer

Pascale Leblanc
Head of General Secretariat

Dorra Kallel
Head of Risk



Alain Viret
Chief Information Officer

Yolaine Fadda
Head of Human Resources &
Continuous Improvement

Anne Sallé-Mongauze
Chief Executive Officer

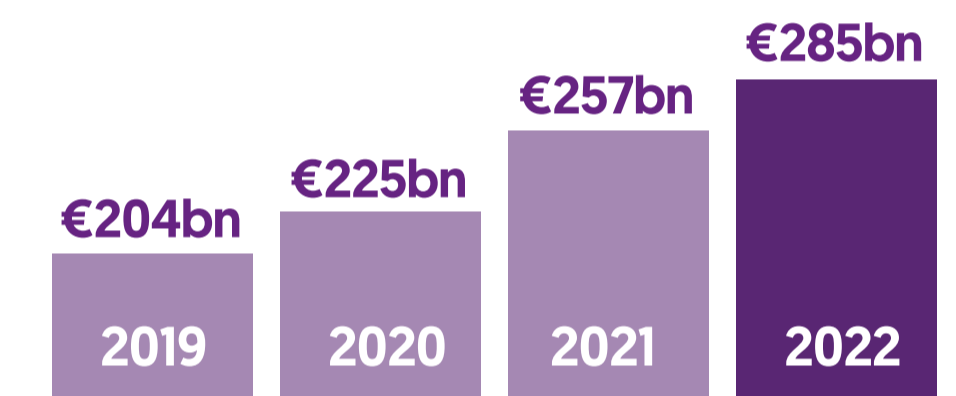
Valérie Dumont
Head of Marketing
& Partnerships

Agnès Gervois
Head of Claims
Management & Recovery

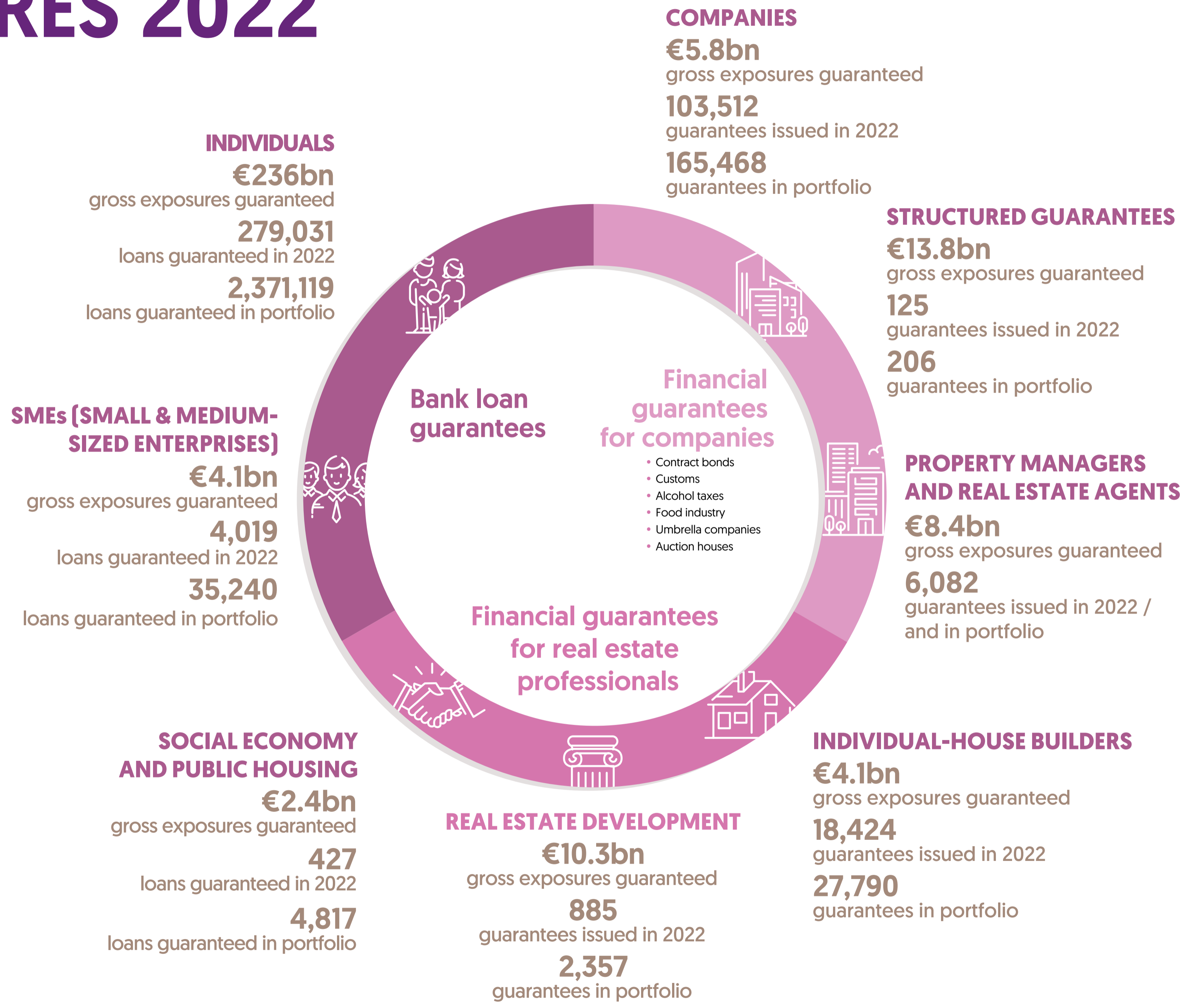
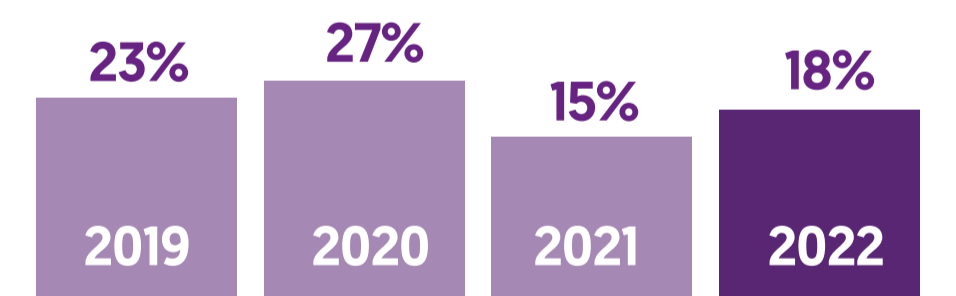
KEY BUSINESS FIGURES 2022

As an insurer, CEGC combines the desire to expand with careful risk management.

Gross exposures guaranteed



Loss ratio



Engaged and responsible guarantor

At CEGC, we consider corporate social responsibility to be a means of fueling a virtuous circle for staff, clients and society.

We believe in reasonable and sustainable growth that combines responsibility and profitability.

We take into account our clients' **responsible practices**



We incorporate **ESG criteria**¹ into our investment policy



We are actively involved in **solidarity initiatives** and support the values of sport



We place **our staff at the heart of our priorities**



1. ESG criteria: Environmental, Social and Governance (ESG) criteria generally constitute the three pillars for analyzing non-financial performance. They are considered in order to assess the extent to which sustainable development and long-term issues are factored into the strategies employed by economic actors. ESG criteria provide a means of assessing the responsibility exercised by companies in terms of their impact on society and the environment and on their stakeholders (employees, partners, suppliers and customers).

We take into account our clients' responsible practices

In 2021, we incorporated the **Green Weighting Factor**^{®2} into all operations for our real estate development clients and for investment projects in social economy and public housing segments. This tool is used to measure the environmental and climate impact of all individual projects.

Since 2022, we have extended use of the Green Weighting Factor[®] to projects for our individual-house builder clients.

Of the 335 guarantees issued for real estate development and the social economy and public housing segments, over 95% concerned projects with a positive environmental impact [dark green, medium green, light green].

100% of our 332 individual-house builder clients are classified as light green, due to their adoption of France's RE2020 environmental regulation.

Our goal is to assign an environmental rating to all our portfolios of company clients, and thus ensure our decision-making process takes better account of environmental issues. The first measures

of France's Climate and Resilience law³ came into force in August 2022 and notably prohibited rent increases for housing units rated G and F. In a later stage, a ban will also be introduced on offering for rent housing units considered to be "thermal sieves", with G-rated units first to be prohibited in 2025, followed by F-rated homes in 2028 and E-rated accommodation in 2034.

CEGC is attentive to physical climate risk and energy transition. We work to estimate their impacts on our portfolios and to adapt our underwriting policy accordingly.



2. The Green Weighting Factor[®] (GWF) is a tool developed by Natixis since 2018. Based on a methodology that notably helps accelerate the transition toward sustainable finance, it systematically incorporates climate transition risk into financing activities, manages climate alignment and prepares for the introduction of future climate regulations. – **3.** Article 158 of France's law n° 2021-1104 of August 22, 2021 geared to fighting climate change and increasing resilience to its effects, now makes it mandatory to perform an energy audit before selling certain housing units belonging to the D, E, F or G energy categories. This measure entered force on April 1, 2023 for housing units rated F or G, and will then be extended to units classified as E as from January 1, 2025 and then to those rated D as from January 1, 2034. The energy performance audit (DPE) assesses the energy consumption of a housing unit or a building and its impact in terms of greenhouse gas emissions. Since July 1, 2021, this audit has ceased to be purely informative and is now fully binding. The calculation method was reviewed to render it more reliable and also more easily readable.

We incorporate ESG criteria¹ into our investment policy

As a responsible investor, we adhere to the United Nations Principles of Responsible Investment (UN PRI) and have amended our investment policy accordingly. Our investment choices follow the “three Rs” of Responsibility, Return and Risk.

Further information is available in the “Financially solid” section.



1. ESG criteria: ESG (Environmental, Social and Governance) criteria generally constitute the three pillars for analyzing non-financial performance. They are considered in order to assess the extent to which sustainable development and long-term issues are factored into the strategies employed by economic actors. ESG criteria provide a means of assessing the responsibility exercised by companies in terms of their impact on society and the environment and on their stakeholders (employees, partners, suppliers and customers).

We are actively involved in solidarity initiatives and support the values of sport

We engage through our patronage activities:

- On April 7, we signed an upskilling and financial support agreement with the Ligue Nationale Contre le Taudis (LNCT), a not-for-profit association that works to improve and maintain access to decent housing for very low-income people, with a view to helping them regain their place in society and find employment.
- We are supporting three young high-level climbing hopefuls, Naïlé Meignan, Paul Jenft and Oriane Bertone. We signed a patronage agreement with the French Sports Foundation, within the framework of the Foundation's Performance Pact initiative⁴, that enables the

young climbers to focus on their dual sport and professional project free of stress.

We follow Groupe BPCE's objective of reducing its carbon footprint, so as to gradually move onto a temperature trajectory in line with the Paris Agreement.

- Following the Group's signature on October 11, 2022 of the EcoWatt Charter backed by France's Ministry for Ecological Transition⁵, RTE⁶ and ADEME⁷, we set up exceptional measures as part of France's energy sobriety program (Energie -10% program) for a period of six months.



⁴. The Performance Pact is a French Sports Foundation initiative enabling companies and individuals to support French high-level athletes by securing the athletes' income through patronage agreements. CEGC part-finances these three young hopefuls in their preparations for their potential selection for the Paris 2024 Olympic and Paralympic Games. ⁵. <https://www.entreprises.gouv.fr/fr/actualites/presentation-du-plan-de-sobriete-energetique> – ⁶. RTE: the manager of France's electricity grid – ⁷. ADEME: the French Environment and Energy Management Agency.

PARIS 2024 OLYMPIC AND PARALYMPIC GAMES

Alongside Groupe BPCE, Premium Partner of the Paris 2024 Olympic and Paralympic Games, **we are supporting three young high-level climbing hopefuls through a Performance Pact** signed with the French Sports Foundation.

This patronage agreement enables us to part-finance these three young hopefuls in their preparations for their potential selection for the Paris 2024 Olympic and Paralympic Games.

We are supporting:



Oriane BERTONE



Paul JENFT



Nailé MEIGNAN

For athletes, the agreement allows them to focus on their dual sport and professional project free of stress

- Welcome financial assistance covering the travel-related costs entailed by this multi-faceted sport
- The peace of mind conducive to studying
- The pride from knowing they are supported in their young career through a human commitment

For CEGC, climbing is a natural choice and a sport that reflects who we are


- Climbing is a young sport making its entrance for the first time at the Paris 2024 Olympic and Paralympic Games. Young and dynamic, like CEGC's teams
- Climbing attracts passionate amateurs, well removed from sports business
 - At CEGC, the human aspect is central to our activity and our staff are engaged
- An individual sport that combines risk-taking, challenges and control based on technique
 - At CEGC, we manage risk-taking in a controlled manner


The opportunity to also strengthen the collective engagement of our staff through a unique adventure that is set to mark our lives


- Unite our teams around a global project. At CEGC, we have run various sports initiatives in the past and this climbing initiative was quickly adopted
- Give our staff the choice and the chance to engage differently: through shared news of the athletes, by supporting them, by discovering sport, etc.
 - **#Club Com** follows the athletes and relays their news
 - **#Fan Club** supports, travels with, and encourages the athletes during their competitions
 - **#Club Escalade** arranges sequences for groups of around 10 people to discover climbing: some 50 employees are set to discover this sport each year from 2022 to 2024

Meet our athletes:



	Oriane BERTONE			
	Specialist in Boulder			
	2022	2021	2020	2019
<ul style="list-style-type: none"> • French Boulder vice-champion • Boulder Silver medal at the World Cup in Seoul • Boulder Bronze medal at the European Championships in Munich 	<ul style="list-style-type: none"> • Boulder Silver medal at the World Cup in Meiringen, then in Salt Lake City 	<ul style="list-style-type: none"> • French Boulder youth champion 	<ul style="list-style-type: none"> • Multiple Boulder and Lead gold medals at the European and World Youth Championships 	

	Paul JENFT		
	Specialist in Boulder and Lead		
	2022	2021	2019
<ul style="list-style-type: none"> • French Boulder senior (upgraded) champion • 4th at the Boulder World Cup in Meiringen • 4th at the Boulder World Cup in Seoul • 4th at the Boulder and Lead World Cup in Morioka 	<ul style="list-style-type: none"> • 6th at the Lead World Senior Cup in Villard • 8th at the Lead World Senior Cup in Chamonix • 2nd at the Lead World Championships • Winner of the Tout A Bloc International Open 	<ul style="list-style-type: none"> • European Boulder champion • European Lead champion • 6th at the Lead World Youth Championships 	

	Naïlé MEIGNAN			
	Specialist in Boulder			
	2021	2020	2019	2018
<ul style="list-style-type: none"> • European Boulder youth champion • World Boulder junior champion 	<ul style="list-style-type: none"> • Boulder Silver medal at the World Cup in Meiringen, then in Salt Lake City 	<ul style="list-style-type: none"> • European Boulder youth champion • French Boulder senior vice-champion 	<ul style="list-style-type: none"> • Boulder Silver medal at the World Youth Championships 	

Naïlé resumed training after a recovery period.

GROUP ENERGY SOBRIETY

Alongside Groupe BPCE, we rolled out the Group's energy sobriety plan in mid-October: consume less/consume better.

Here are some of the actions to have been applied:

Energy sobriety > Consume less

- Temperature in our premises set to the lowest point of 19°C
- Lighting automatically turned off in our offices twice a day, at 12 noon and 8pm
- Closure of our premises for fifteen days, spread between end-October and end-January, during periods of low presence¹.

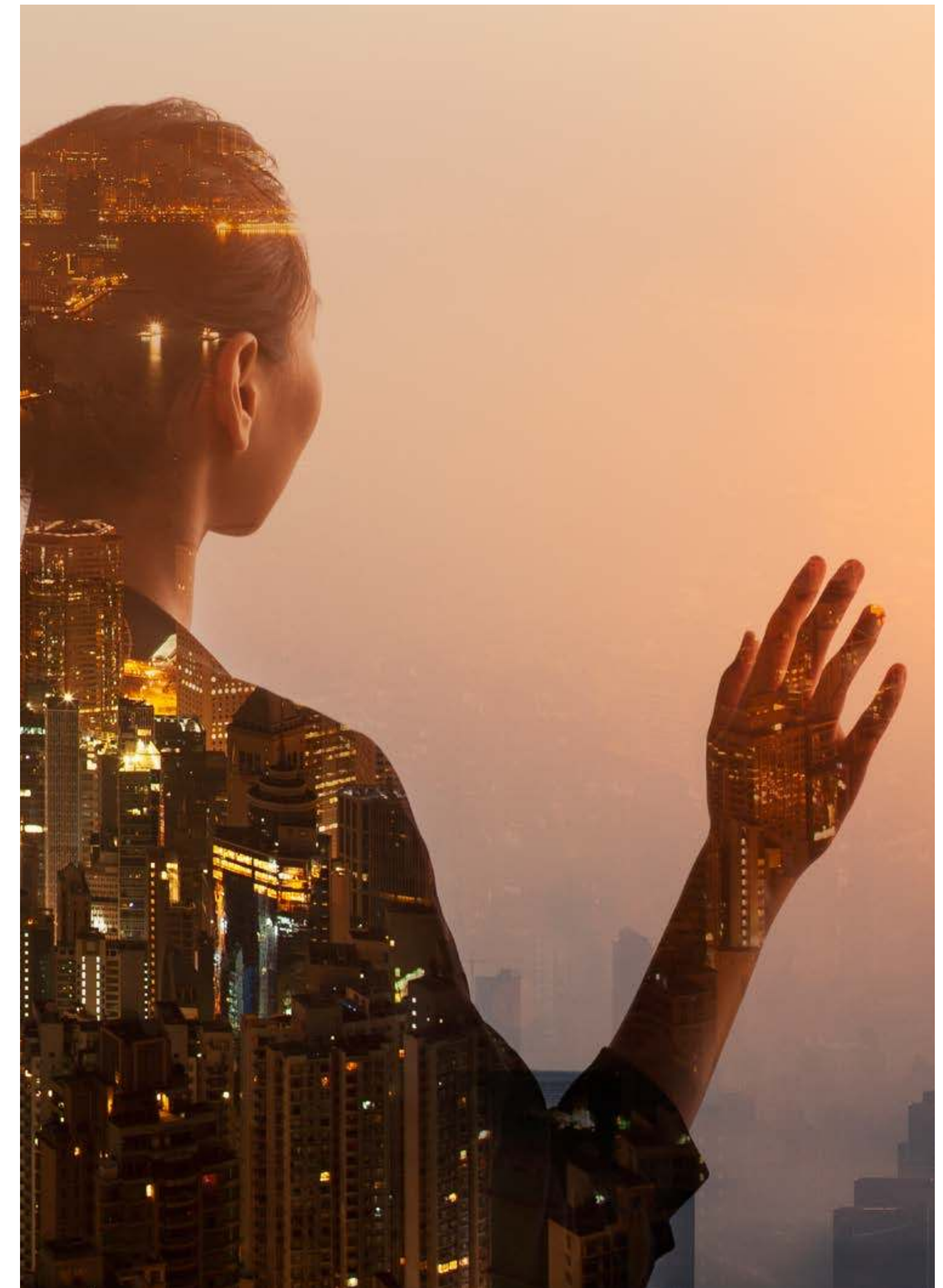
Energy efficiency > Consume better

- Partial deactivation of dynamic display screens in shared areas and on floors
- Individual application of ecogestures, notably during EcoWatt alert periods, e.g. individual screens systematically turned off manually, postponement of the most energy-intensive actions like printing, etc.

In addition, an intranet was set up for the Group-wide Energie -10% program launched in September 2022. It provides staff with details on the measures applied by Group companies, questions & answers on the program, practical information and data on the MonEcoWatt website developed by RTE² and ADEME³.

To cope with a potential red warning, the Group Security Department prepared a business continuity plan.

In fourth-quarter 2022, the Group's results showed a more-than 8% reduction in our energy consumption relative to 2021. This was a fine outcome for the first stage of the process.



We place our staff at the heart of our priorities

CEGC fosters diversity in the workforce: 64% women and 36% men, 63% of leadership positions occupied by women, a gender equality index score of 94/100⁸, disabled employees account for 6.2% of the workforce and 13 nationalities on our team.

We help our staff develop their careers through training (an average of 16 hours per employee) and by encouraging internal mobility.

We also run a regular initiative designed to listen to employees and gather their points of view, with the aim of responding to their expectations.

PROFESSIONAL DIVERSITY at CEGC

GENDER EQUALITY INDEX CEGC

94/100



PAY DIFFERENCES

39/40



DIFFERENCES IN THE PROPORTION OF WOMEN AND MEN RECEIVING RISES

20/20



DIFFERENCES IN THE PROPORTION OF WOMEN AND MEN PROMOTED

10/15



RISES FOR WOMEN ON THEIR RETURN FROM MATERNITY LEAVE

15/15



EQUALITY AMONG THE 10 HIGHEST EARNERS

10/10



NUMBER OF CEGC STAFF
(PERMANENT AND FIXED-TERM CONTRACTS AT 12/31/2022)

383



64 %
WOMEN



36 %
MEN

PROPORTION OF WOMEN AMONG EXECUTIVE STATUS STAFF



61 %

PROPORTION OF WOMEN AMONG LEADERS



63 %

8. An index based on five indicators of professional equality between women and men.

FINANCIALLY SOLID AND ENGAGED ON SOCIETAL AND ENVIRONMENTAL ISSUES

We are a financially solid guarantor and can thus provide the trust sought by our clients and partners.

As an insurer, we are subject to the Solvency II Directive and supervised by the ACPR¹.

We are recognized for the quality of our guarantees. Our sureties for credit institutions comply with the eligibility requirements of the CRR² and France's Housing Finance Companies (SFH).

While cementing the profitability and solvency of our financial model, we are also highly attentive to corporate social responsibility (CSR) issues and assign the human aspect a central place in our decisions.

1. ACPR = Autorité de Contrôle Prudentiel et de Résolution, the French supervisory body for banking and insurance - 2. CRR = the EU Capital Requirements Regulation



In 2022, we fully embedded non-financial performance aspects into our investment policy

We are aligned in this respect with Groupe BPCE's 2024 strategic plan, which makes climate a priority for action by all the Group's businesses.

In 2022, we signed up to the United Nations Principles of Responsible Investment (UN PRI) and made a number of responsible investment commitments:

- Exclude issuers engaged in harmful practices for the environment and society
- Reduce fossil fuel investments
- Incorporate Environmental, Social and Governance (ESG) criteria into our asset selection and improve the ESG quality of the existing portfolio
- Reduce our portfolio's carbon intensity
- Increase the proportion of green assets in our financial investments

We also measure the temperature of our asset portfolio and target issuers or projects that help to reduce global warming:

Our investment choices now combine the search for financial returns, control of market risks and the assessment of non-financial performance.

We work with Trucost, a rating agency managed by S&P Global Market Intelligence and specialized in estimating the hidden costs of unsustainable use of natural resources by companies.

A PRI SIGNATORY

In 2022, we asserted our commitment to invest responsibly by signing the Principles for Responsible Investment (PRI) initiated by the United Nations Environment Programme (UNEP) and the United Nations Global Compact.

We strive to act practically in favor of a more sustainable economic and financial model.

The PRI Association is a global organization that works closely with its international network of signatories in order to put the six principles for responsible investment into practice and thus to help create a sustainable financial system.

The PRI's objectives are to understand the implications of environmental, social and governance issues in terms of investments and to help the signatories to embed these issues into their investment and engagement decisions.

By signing up to the PRI, we have made a commitment to promote and develop the ESG performance of the entities in which we invest, by contributing to the sustainable development goals (SDGs), while also limiting

the physical risks and transition risks to which our portfolio is exposed.

Our commitments:

- Increase the share of positive-impact investments, based on their social and/or environmental contribution;
- Manage sustainability risks actively by excluding companies entailing ESG risk;
- Act against global warming, by taking account of the carbon aspect of our financial assets and aligning ourselves with the 1.5°C pathway.

Our active participation or that of our proxy in the role of shareholder through voting policy also provides a means of influencing companies.

For more information on the PRI: <https://www.unpri.org/>



Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6
We will incorporate ESG issues into investment analysis and decision-making processes	We will be active owners and incorporate ESG issues into our ownership policies and practices	We will seek appropriate disclosure on ESG issues by the entities in which we invest	We will promote acceptance and implementation of the Principles within the investment industry	We will work together to enhance our effectiveness in implementing the Principles	We will each report on our activities and progress towards implementing the Principles

ESG criteria: Environmental, Social and Governance (ESG) criteria generally constitute the three pillars for analyzing non-financial performance. They are considered in order to assess the extent to which sustainable development and long-term issues are factored into the strategies employed by economic actors. ESG criteria provide a means of assessing the responsibility exercised by companies in terms of their impact on society and the environment and on their stakeholders (employees, partners, suppliers and customers).

Consolidation of our financial solidity in adverse market conditions

The sharp upturn in inflation prompted monetary authorities to raise interest rates, the consequence of which was to reduce the market value of our portfolio of bonds. Our capital for covering the solvency capital requirement thus decreased mechanically. However, as we remain long-term investors in high-quality assets, the market values of our investments will re-appreciate as they near their maturity dates.



With the trust of our shareholder and reinsurers, we decided to boost our solvency by over €600m. This enabled us to continue to expand our ability to issue guarantees to assist our clients and to support business in our partner banking networks.

We strengthened our Own funds

- We issued €150m of Tier 2³ subordinated debt
- We increased our Tier 1³ capital by €150m

The quality of CEGC's signature was confirmed by Moody's and DBRS, with both renewing their high ratings (A1 and A High, respectively).

We successfully renewed and increased our reinsurance treaties

As is the case every year, reinsurers reiterated their confidence in us and we thus renewed all our reinsurance treaties for 2023.

We welcomed new entrants to our programs and developed our existing treaties in order to add reinsurance in response to the increase in our exposures guaranteed and our solvency capital requirement.

These renewals took place in a narrower reinsurance market that was reflected in an erosion of capacity. Reinsurers reacted to the decrease in their capital that was triggered by declines in financial markets and by claims (natural catastrophes, war in Ukraine, residual Covid effects).

³.Tier 1/Tier 2: since 1988 and for the purpose of calculating the solvency ratio, the capital held by banks has been classified into two categories depending on the type of risk that it can offset, i.e. Tier 1 capital refers to so-called core capital (ordinary shares and investment certificates, minority interests), while Tier 2 includes supplementary capital (unrealized capital gains, provisions, subordinated bonds).

Robust solvency at year-end

At December 31, 2022, we had €1.671bn of capital eligible for covering the solvency capital requirement.

Our solvency capital requirement (SCR) ratio amounts to 145%⁴.

Net income under French GAAP amounted to €102m.

	2022	2021
Capacity to absorb losses	5.6	5.5
Capital	1.7	1.5
Technical reserves	1.4	1.5
Reinsurance capacity	2.5	2.2

in €bn



Our solvency level is based on the ability to absorb over €5.5bn of losses. It comprises €1.4bn of technical reserves, €1.7bn of eligible capital and €2.5bn of reinsurance capacity placed with a pool of high-quality international reinsurers with minimum signatures of A- (Standard & Poor's).

A risk policy suited to our business and based on effective valuation tools

With our BPCE network partners and our real estate and construction sector clients operating in difficult conditions (rising loan interest-rates, slowdowns in transactions and housing starts, higher raw material and energy costs and supply chain difficulties), our response is to be more vigilant as regards risks and to reinforce our close-knit support.

In practical terms:

- Prudent provisioning policy;
- In-depth analysis of risks in the portfolio;
- Close surveillance of certain sectors and companies in difficulty;
- Particular attention paid to risk during underwriting.

Further information is available in the **Balance sheet** and **Income statement** sections.

⁴The figure of 145% represents the ratio between economic capital [EC] and the Solvency Capital Requirement [SCR] [€1.671bn / €1.153bn = 145%]

The human aspect is central to our decisions

We maintain relations of close proximity with our partners and clients.

A large proportion of our decisions to issue guarantees result from scores that are regularly updated to take account of changes in society and feedback from the field.

Our issuance processes therefore require the intervention of expert analysts for specific cases, in order to ensure the security of our underwriting, particularly in a period characterized by rapidly rising interest rates and pressure on margins caused by a lesser rise in the usury rate⁵.

At the same time, our proven risk-assessment expertise and our in-depth knowledge of the real-estate ecosystem enables us to fine tune our analysis and improve our tools thanks to data and artificial intelligence.

Behind every home loan in arrears is a family in difficulty. We are aware of the marked human and social aspects of these situations and consequently apply ethical operating principles when managing claims. We systematically assign priority to amicable solutions for recoveries, to the extent that fewer than 10% of our recoveries originate from court-ordered property sales.



5. The maximum legal rate that lenders are authorized to charge when granting loans.

DATA & AI

We combine artificial intelligence and data in order to optimize our risk-selection tools and our decision-making processes.

As is the case for 50% of companies around the world¹, our Data Management department uses artificial intelligence to accelerate decisions and to reduce low value-added tasks which are often the most time-consuming.

By training it on the basis of the decisions made by our analysts, artificial intelligence has enabled us to define an automated guarantee issuance score and to significantly increase **immediate approvals of requests for home loan guarantees for individuals: some 50% of requests from our partners in the Caisse d'Épargne and Banque Populaire networks are approved in real-time.**

In the future, the use of artificial intelligence will be extended to claims management, particularly for providing guidance for recoveries and for valuing property more rapidly according to its geo-location and condition.



1. "State of AI 2022" report on the uptake of artificial intelligence (AI) around the world published by McKinsey in December 2022, compiled from a self-administered questionnaire from 3-27 May and 15-17 August 2022, based on a sample of 1,492 companies on 5 continents. Results weighted for the weight of companies in GDP

ENGAGED AT OUR CLIENTS' SIDE

A relation of trust and engaged with our clients in a contracting market

2022 was the second-best year for housing transactions in France, although momentum was dampened in the second half by households finding it harder to secure credit and by higher costs.

2022 was **another excellent year for housing sales**, largely fueled by transactions on existing property. The year also saw **rising prices go into reverse** and the **market for new housing slow down**.

- **1,109,000 transactions on existing housing in the year** to December¹
 - Ahead of the pre-Covid level: +3% versus 2019; down year-on year: -6% versus 2021
- **The increase in prices of existing housing²** slowed in the second quarter of 2022, after the rapid rises of 2020 and 2021 [reaching a nationwide average of +7.5% in 3Q21], which reflected the French public's increased need for space and growth in working from home. Since then, prices have slowed at a mixed pace depending on the type of property and its location. This has been associated with the end of post-lockdown projects and the increase in mortgage rates which has shifted demand towards the most financially comfortable households.

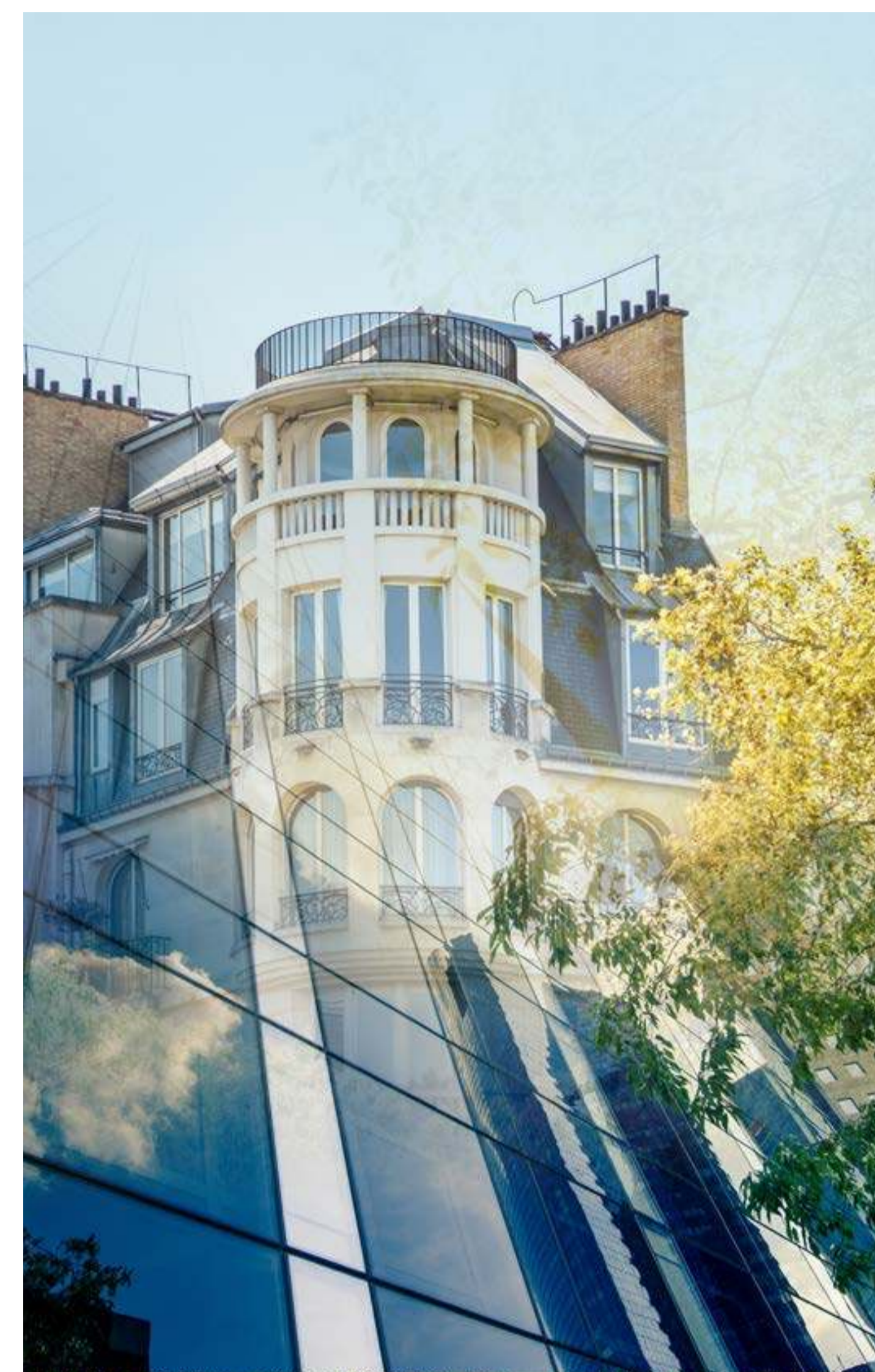
- **New housing is in difficulty**, despite the **rebound in the segment** at the end of lockdown in 2021 which lasted **until March 2022**. New housing starts are not matching the increase in housing permits³. **Stocks are dwindling** and the mismatch between supply and demand is driving prices higher.
 - 482,200 housing units authorized: +3.1% year-on-year at end-2022
 - 376,200 housing units begun: -3.7% year-on-year versus 2021
- **The rebound in housing permits does not reflect the real situation in the market:** the strong growth recorded in first-quarter 2022 (+26% year-on-year) was closely correlated with pre-emptive requests for building permits ahead of the entry into force on January 1, 2022 of the RE2020 environmental regulation⁴ and the first stage of the “zero net land take” target [ZAN]⁵.

The impact was even more marked for individual-house building, whereas this type of property enjoyed increased demand after the pandemic:

- 95,900 sales of newly-built individual houses⁶: -31.3% versus 2021 (139,600 sales) and -23.6% versus 2019 (125,600 sales)
- An estimated 25% year-on-year increase in cost prices, which are being partly passed on to final selling prices⁷.

However, experts observe that **the French continue to consider real estate to be a prime form of investment⁸:**

- A safe investment for 2 in 5 French people
- The most profitable investment for 2023.



Experts observe that the French continue to consider real estate to be a prime form of investment⁸

3. Ministry for Ecological Transition – **4.** Réglementation Environnementale **RE2020** – **5.** Zéro Artificialisation Nette (**ZAN**) = net land take. France’s Climate and Resilience law (Loi Climat et Résilience), introduced a definition of land take to the Urban Development Code, as well as an approach geared to reducing urban sprawl by limiting building on natural spaces or agricultural land and by offsetting urbanization by assigning a greater place to nature in towns – **6.** Markemétron n°84 – December 2022, Markemétron n°48 – December 2019 – **7.** Article in Les Echos “Real estate: a dark year for individual housing” (Immobilier: année noire pour la maison individuelle) by Elsa Dicharry on February 23, 2023 – **8.** BPCE/Audirep savings and investments survey (Baromètre épargne et placements); November 2022. Self-administered questionnaire [Computer Assisted Web Interviewing (CAWI)]

In terms of tertiary real estate⁹, investment dipped slightly in 2022 versus 2021. It remained close to the 10-year average, but was down by a third compared to the exceptional level of 2019. At €25.4bn, it was 3% lower than in 2021.

The recovery lasted through the first three quarters, but activity then slowed sharply in the fourth quarter due to the rising cost of finance, higher debt levels and reduced asset valuations. Large transactions and the proportion of foreign inward investments were both down.

The big winners were France's regions: they represented 33% of investments versus 17% in 2016.

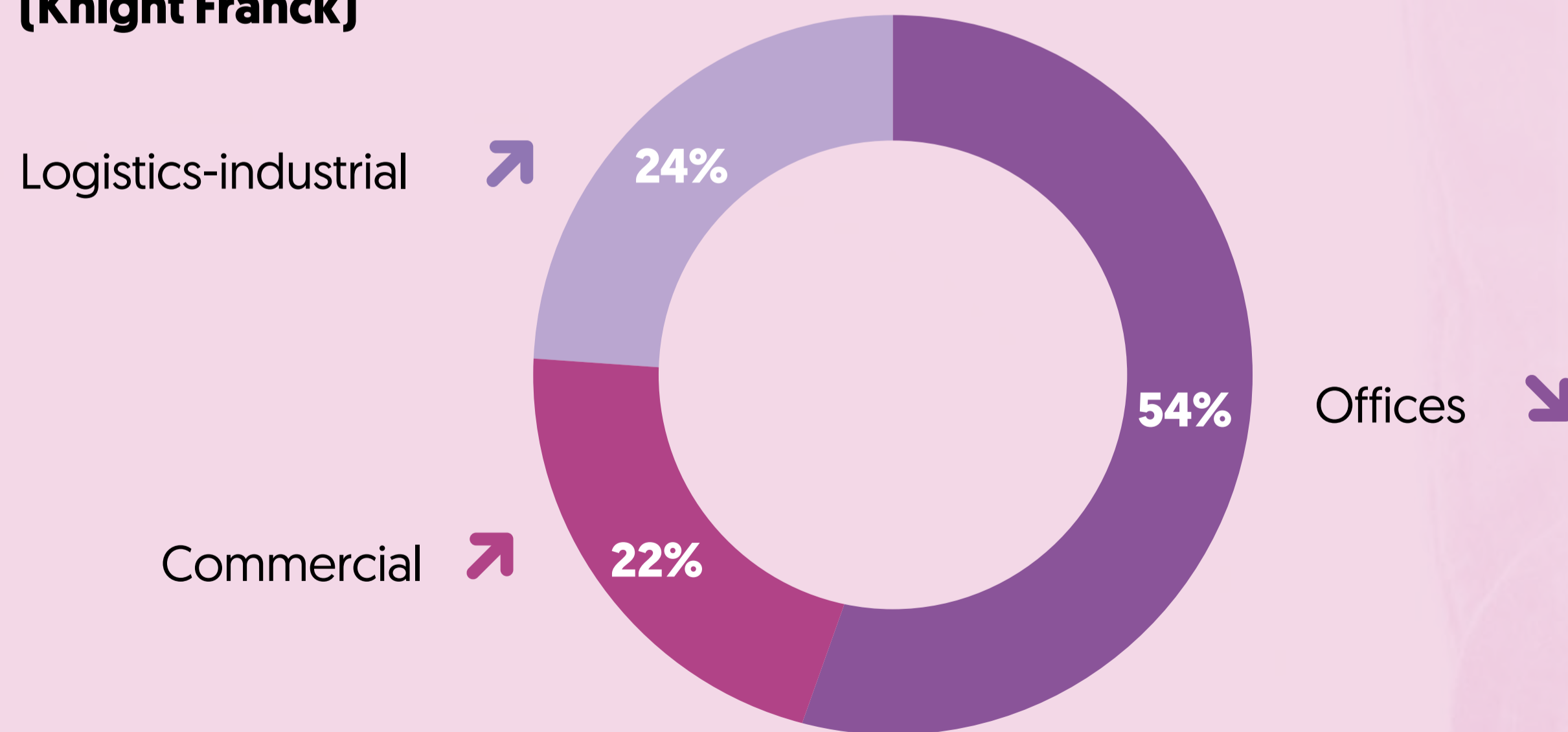
Both in the French provinces and the Île-de-France region that includes Paris, offices make up the bulk of investments.

To respond to new needs (hybrid working, flexibility, energy sobriety) and to preserve their liquidity on the market, offices need to continue to be transformed and upgraded. Offices accounted for a reduced share of investments during the pandemic, but they once again head the list of preferred assets for investment in 2023¹⁰.

Commercial property⁹, is recovering and nearing the segment's historic levels, but investment is being undermined by the sharp increase in energy costs in 2022.

Lastly, the logistics-industrial sector was well up on its 10-year average. It benefited from e-commerce and from reorganization efforts made during the pandemic.

Investment by sector 2022 (Knight Franck)



9. Knight Frank, annual round-up and outlook – (“Bilan annuel et perspectives”): January 17, 2023, January 18, 2022 – 10. 32nd edition of the MSCI-BPCE Solutions Immobilières survey (Baromètre) on French real estate investment “Hold course in the fog?” (Garder le cap dans le brouillard?), December 2022.



Working in close proximity with our clients, CEGC turned in fine performances in 2022

- Our business of **providing real estate loan guarantees for individuals** declined by less than the market: the amount of new guarantee commitments dipped only 2% in 2022, reflecting momentum in our Groupe BPCE partner networks, whereas new real estate loans for individuals contracted 5% at national level.¹¹
- Our guarantee commitments amounted to €46bn, well above the pre-Covid level.

Our use of artificial intelligence in order to respond quickly to requests from our partners is a real asset: **some 50% of applications for guarantees on real estate loans for individuals examined by the Caisse d'Epargne and Banque Populaire banks receive immediate approval.**

- 2022 was a year of endurance for our **SME clients who we supported** by working closely with our Groupe BPCE partners: 4,019 loans guaranteed for an amount of €786m, representing increases of 1.9% in number and 8.7% in amount.

2022 was a busy year for our **social economy and public housing** clients: our portfolio reached €2.4bn for over 4,800 guarantees, after growing by 9% in terms of amount and 6% in number during the year. We also contributed to the **Caisse d'Epargne's new "Impact Loans" offering** designed for public housing and social economy actors, by granting a price discount to be passed on to a not-for-profit association with a social or environmental purpose.

IMPACT LOANS

In an extension of our ESG commitment, we are supporting the Caisse d'Épargne network in the rollout of its new “Impact Loans” offering for public housing clients.

These Impact Loans enable public housing actors to:

- Obtain preferential loans from the Caisse d'Épargne network, provided that the client respects or engages with a social or environmental theme
- Benefit from a price discount on a CEGC guarantee, that can be passed on to a not-for-profit association with a social or environmental purpose

Our goal with this initiative is to incentivize the development of more responsible projects.

During the **82nd public housing congress of the Union Sociale pour l'Habitat that took place in Lyon** on September 28, 2022, CEGC teamed up with **Caisse d'Épargne Grand Est Europe** to sign an Impact Loan with Plurial Novilial. This financing is devoted to real estate projects set to **reduce the environmental footprint of housing**.

For more information on this [offering from the Caisse d'Épargne network](#).



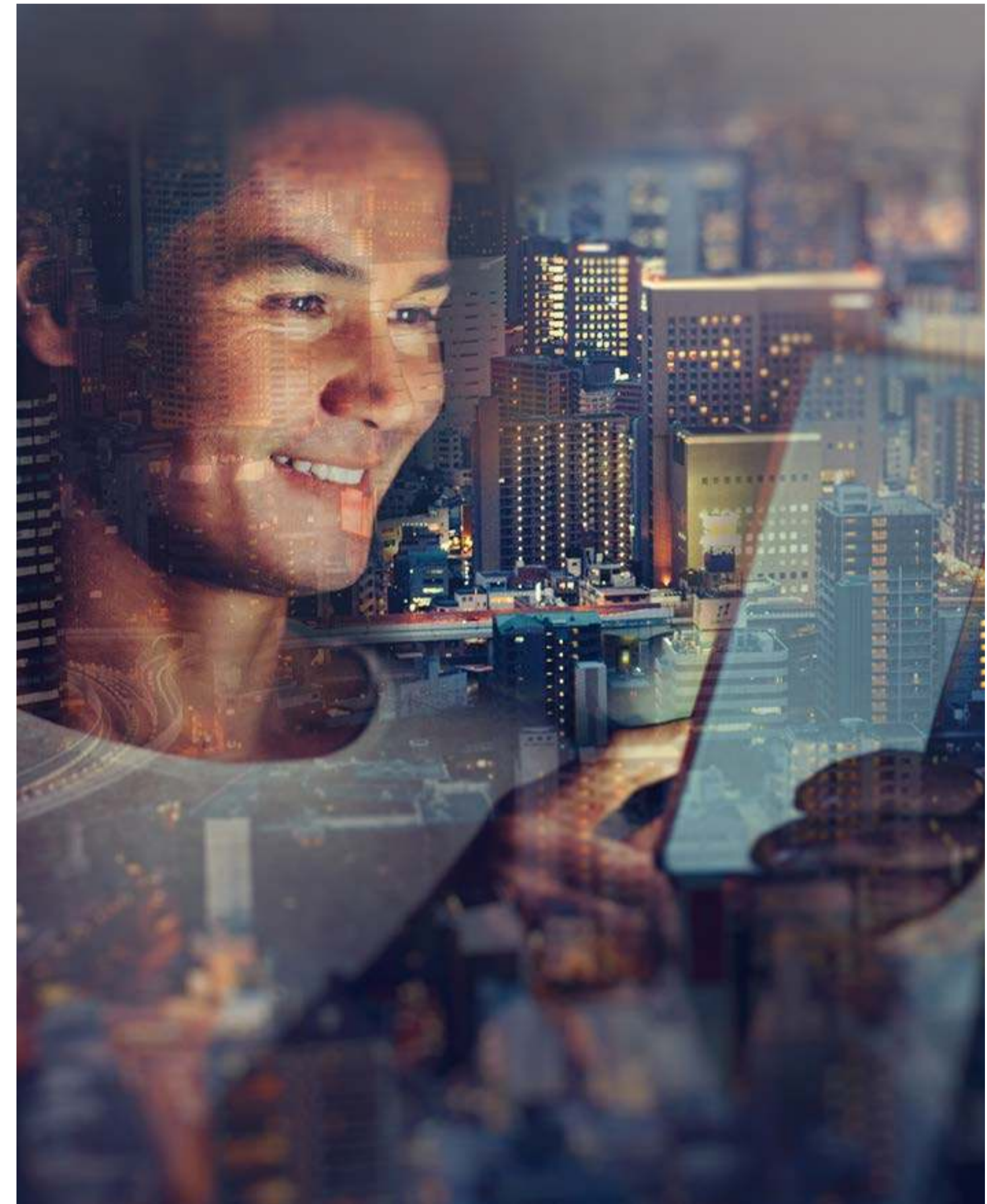
We are also extending our offering of guarantees so as to help our partners to grow their business with company clients in all sectors of activity. 2022 proved to be a strong year for our **structured guarantees**, with the portfolio reaching €13.8bn for a total of 206 guarantees.

■ **On the construction market, we supported our clients in adverse conditions:**

- We guaranteed 885 real-estate development operations in 2022 [-8.2% versus 2021] for a gross amount of €3.1bn [-12% versus 2021].

Our clients demonstrated resilience in second-half 2022, after a difficult first half and under the impact of heavy pressure on prices and a limited number of construction permits.

In addition, in order to facilitate the transmission of information and documents on real-estate development operations between user promoters and their partners, we further enhanced our service by joining a digital platform¹².



Concerning the **individual-house building** sector, we delivered **13,027 completion bonds** in 2022 [-2%] representing €3.3bn [+9.3%].

This **better-than-market performance was part-fueled by robust guarantee volume in the first half**, under the continuing impact of strong commercialization of houses post-Covid.

At the same time, we shouldered a higher level of claims than in previous years, though without it undermining our financial solidity. In this difficult period, we are supporting families whose house-building projects have been compromised and are helping them to complete their project in the event of non-performance by the builder.

Lastly, we extended use of the Green Weighting Factor^{®13} to the operations of our individual-house builder clients. This tool measures the environmental and climate impact of all individual projects.



13. The Green Weighting Factor[®] (GWF) is a tool developed by Natixis since 2018. Based on a methodology that notably helps accelerate the transition toward sustainable finance, it systematically incorporates climate transition risk into financing activities, manages climate alignment and prepares for the introduction of future climate regulations.

GREEN WEIGHTING FACTOR

As an extension of Groupe BPCE’s actions and its desire to be a major player in environmental transition, **we are supporting our clients with their own energy transition issues.**

We implemented the **Green Weighting Factor® (GWF)¹ to measure our clients’ engagement with ecological transition:**

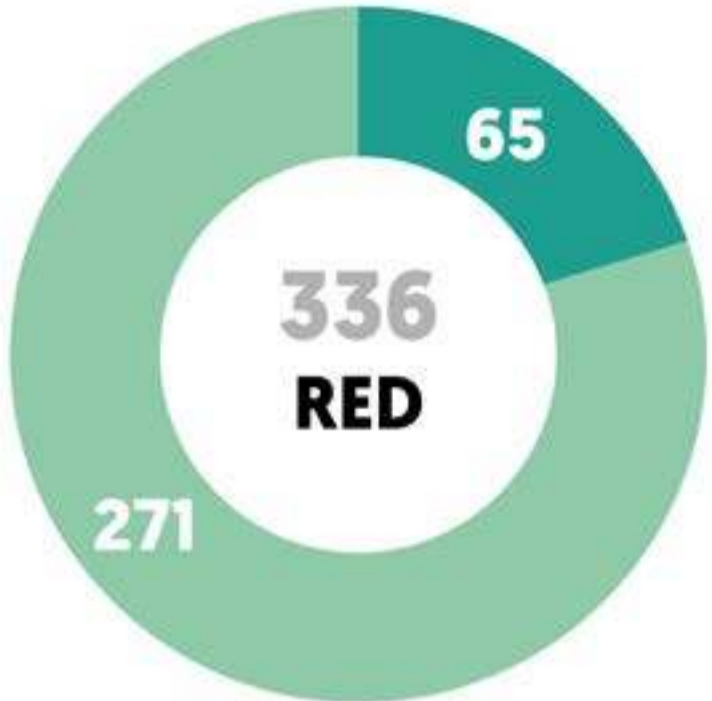
- Developed by Natixis, this tool is used to assign each financing project a color-coded rating that measures the project’s climate impact (carbon strategy) and environmental impact;
- Ratings are issued on a scale of seven colors, ranging from the highest-emitting projects (dark brown) to the most virtuous projects (dark green).

Since 2021, we have incorporated this indicator into our analyses of real-estate development and public-housing guarantee applications.

And **since 2022**, we have also employed it for applications concerning individual-house building operations.

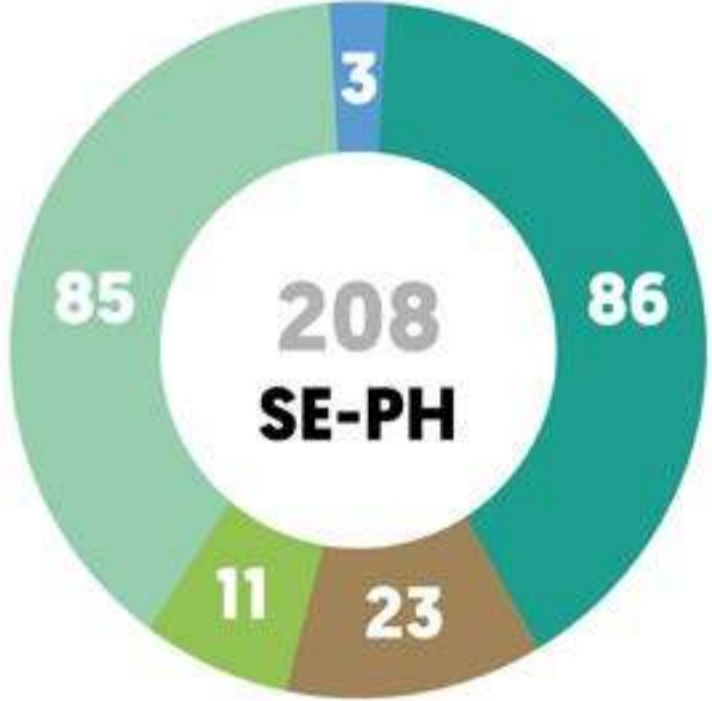
Our goal for 2024 is to assign an environmental rating to all of our corporate client portfolios.

Of the 876 projects guaranteed since 2021, a large majority have been for clients and partners rated in the “green” category.



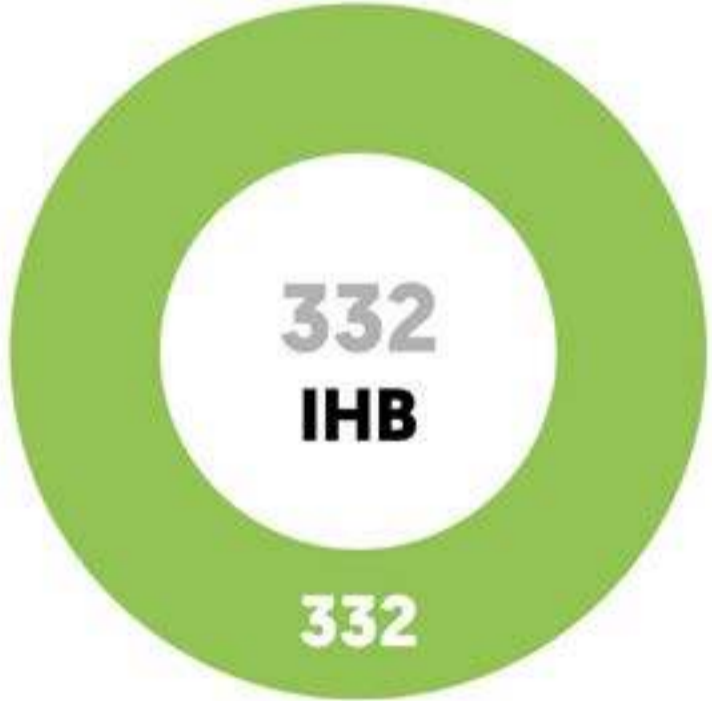
Real estate development

Period from March 1, 2021 to December 31, 2022
Number of operations set up by level



Social economy – Public housing

Period from July 1, 2021 to December 31, 2022
Number of operations set up by level



Individual-house building

Period from July 1, 2022 to December 31, 2022
Number of operations set up by level

The “light green” marker here indicates gradual progress toward compliance with the RE2020 Environmental Regulation.

¹ The Green Weighting Factor® [GWF] is a tool developed by Natixis since 2018. Based on a methodology that notably helps accelerate the transition toward sustainable finance, it systematically incorporates climate transition risk into financing activities, manages climate alignment and prepares for the introduction of future climate regulations.

For our **property manager and real-estate agent clients** we delivered over 6,000 guarantees for a total amount of €8.4bn [+4.5% versus 2021].

For these professionals, 2022 saw the entry into force of new legal measures and notably of decree n°2021-1420 of October 29, 2021¹⁴ relating to the procedures and conditions under which financial guarantors exercise their duties of control over the funds of the real-estate professionals they guarantee.

These measures bring into effect practices that we had already implemented with our clients in the form of **audits** and which are perceived as value-generating for the professionals concerned and their clients.

We also support property managers by enabling them to provide security for their clients in a changing rental market, particularly via our rent-guarantee product designed for property managers for the benefit of their landlord clients.

With 2022 marking the end of Covid lockdowns, we took the opportunity to meet our clients by **organizing an event dedicated to our rent-guarantee product** at Studio Harcourt in Paris on March 29, 2022.

Reflecting our proximity with professional organizations and with the concerns of property managers, we renewed our partnership with **UNIS¹⁵** in 2022, at national level and with its regional antennae.



RENT GUARANTEES

Against a backdrop of inflation and reduced purchasing power, our rent-guarantee product enables owners to protect themselves against a potential increase in unpaid rent.

Landlords, who are themselves exposed to the crisis, have to deal with a growing risk of unpaid rent from their tenants. Our rent-guarantee insurance provides an effective answer to this uncertainty: in the event of non-payment, we take over from the tenant and proceed with recovery.

In June 2021, 67% of French people thought that the incidence of unpaid rent was going to increase over subsequent months¹. In November 2022, the Observatoire National des Impayés Locatifs, the French institute that surveys rent arrears, said that “the rate of arrears was holding steady, at a normal level”.

However, the subject remains valid, particularly following the French parliament’s adoption of a measure enabling landlords to unilaterally terminate a tenant’s lease in the event of rental arrears, without instigating legal proceedings.

With the risk of non-payment continuing to exist, how can landlords secure the rate of return on their investment in rental property, the correct payment of the instalments on

the associated loan and their ability to cover the property manager’s fees?

Rent-guarantee insurance is proving to be an appropriate solution for landlords and a preferable one to a personal guarantee, which entails a certain formalism and tends to be more cumbersome.

Our new-generation rent-guarantee insurance provides a means of outsourcing recovery procedures (we shoulder the associated expenses*) and protecting the landlord from the cost of wear-or-tear or damage to the property (optional), while also offering a tax deduction in certain cases.

**According to the conditions and limits set out in the contract.*



Our website dedicated to our rent-guarantee product



Our brochure



We held an event dedicated to our rent-guarantee product at Studio Harcourt in Paris on March 29, 2022

By choosing CEGC, clients benefit from:

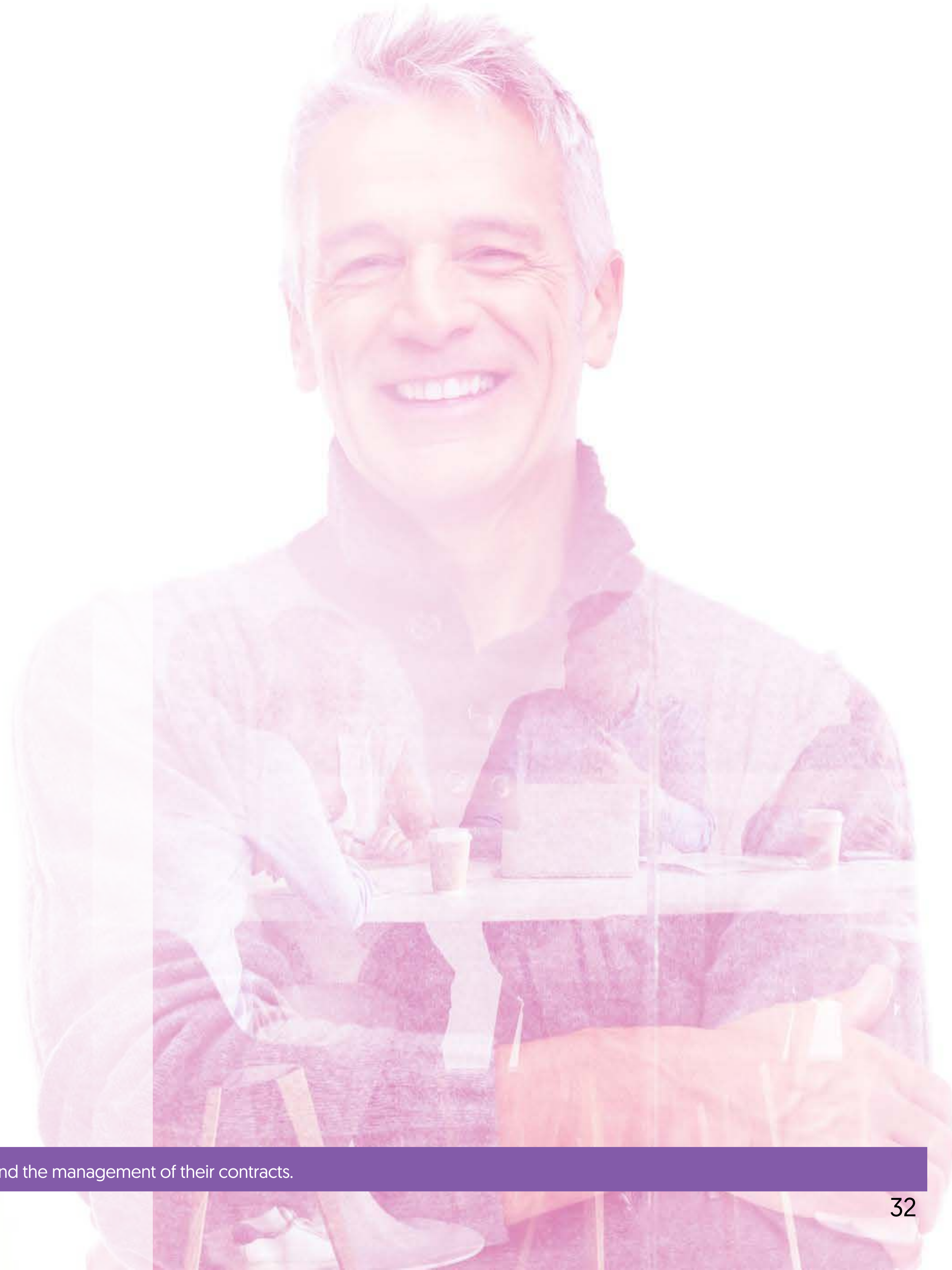
- the strength of Groupe BPCE
- high-quality service and customized support
- broader eligibility criteria, thanks to our longstanding and extensive expertise in assessing risk related to “individuals” (over 300,000 real-estate loan cases examined each year)
- an innovative module providing real-time responses
- an integrated tool for checking documents provided by prospective tenants
- a product offering several optional extras
- extended coverage
- competitive pricing
- recognized experience and know-how in recovering arrears

1. Harris Interactive survey for Odealim from June 8 to 10, 2021. Self-administered questionnaire [Computer Assisted Web Interviewing (CAWI)] of 1,032 people representative of the French population aged 18 or over.

In terms of **contract bonds for corporate clients**, our portfolio reached €4.7bn for over 160,000 guarantees, equivalent to annual increases of 17% in terms of amount and 9% in number.

Thanks to our www.cautiondemarche.com website, our clients can manage and terminate their outstanding guarantees simply and through just a few clicks, thus saving themselves significant time. All in all, 98% of our clients are satisfied with the available functionalities and 47% very satisfied¹⁶.

To support CEGC's business, we decided to reinforce our capital and level of reinsurance in order to continue to expand our ability to issue guarantees for our partners and clients.



CUSTOMER AND PARTNER SATISFACTION

Retail customer advisors, BPCE partner networks

in relation with CEGC for real-estate loan guarantees for individuals

97% satisfied with CEGC's products and services (52% very satisfied)
CEGC recommendation level = +45

Source: BPCE network advisor satisfaction survey conducted by Enov between February and November 2022.

SME advisors, BPCE partner networks

in relation with CEGC for real-estate loan guarantees for SMEs

87% satisfied with CEGC's onboarding process (40% very satisfied)
CEGC recommendation level = +18

Source: BPCE network advisor satisfaction survey conducted by Enov between February and November 2022.

Corporate final clients CEGC contract bonds

99% satisfied with the overall relationship with CEGC (54% very satisfied)

97% satisfied with the functionalities of the www.cautiondemarche.com* contract bond website (51% very satisfied)

CEGC recommendation level = +41

Recommendation level for the contract bond tool by website users* = +45

* Our www.cautiondemarche.com website enables our clients to apply for their guarantees in just a few clicks.

Source: BPCE customer satisfaction survey conducted by Enov between February and November 2022 on the quality of our relationship and CEGC's contract management.



The Net Promoter Score (NPS) measures the probability of recommendation: the score results from the difference between promoters (those assigning ratings of 9 or 10) and detractors (those assigning ratings of 0 to 6).

RESPONSIBLE EMPLOYER

Our staff are the strength of our company. Developing and promoting their expertise in the best conditions is central to our concerns.

Convinced that a positive working environment is a factor of performance and sustainable growth, we seek to foster this environment through a number of approaches.

- We promote diversity and inclusion,
- We foster quality of life at work and skills development,
- We are actively involved in social solidarity initiatives,
- We are attentive to reducing our environmental footprint.

Promoting diversity and inclusion

Our high diversity score of 94/100 reflects the actions in favor of equal pay we have applied for many years.

All in all, 6.2% of our employees are disabled. We aim to support them in their career development, paying particular attention to adjusting their work stations in an environment of shared offices and working from

home, thanks to the intervention of an ergonomist.

We raise collective awareness of handicap, through information corners, conferences featuring inspiring personalities with disabilities and training.

PROFESSIONAL DIVERSITY AT CEGC

GENDER EQUALITY INDEX CEGC 2022

CEGC obtained a score of 94/100 for 2022.

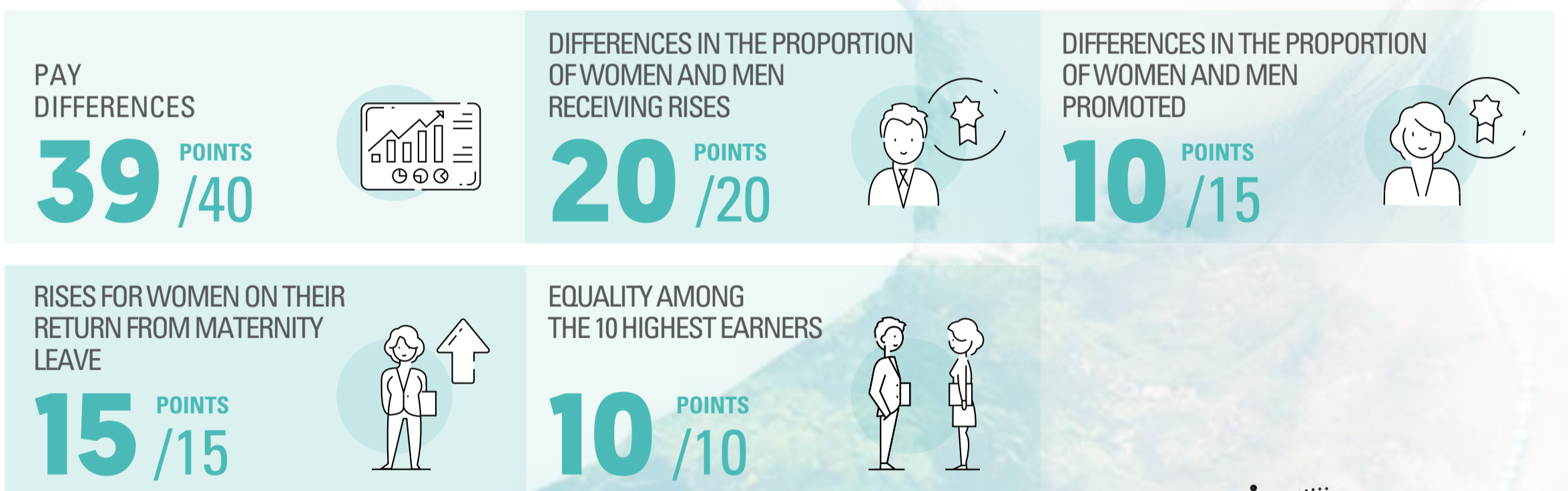


AN INDEX BASED ON 5 INDICATORS

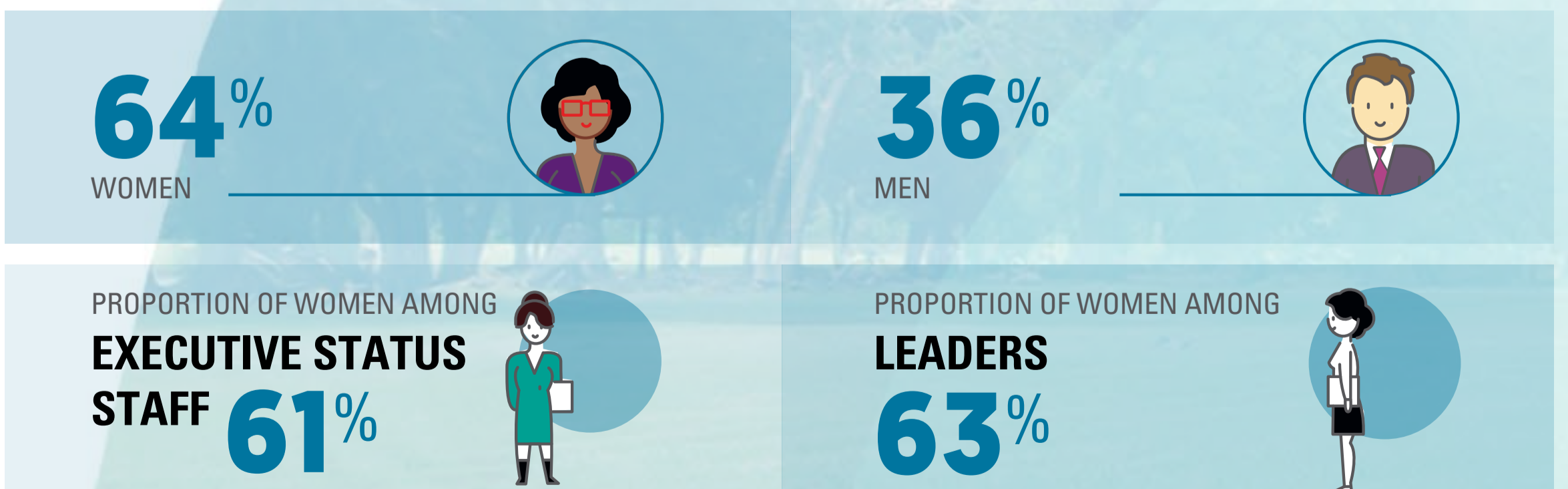
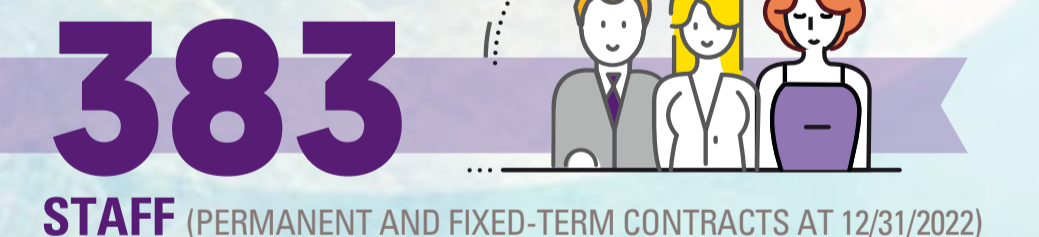
Index based on five indicators and calculated out of a total of 100 points.

It measures different data relating to professional equality.

CEGC's results for each indicator were as follows:



DIVERSITY AT CEGC IN 2022





Fostering quality of life at work and skills development

We pay particular attention to working conditions. We run a regular initiative designed to listen to employees and gather their points of view, with the aim of responding to their expectations.

Flex offices and remote working at a rate of 50% is now our operating model. It seeks a balance between collaborative-thinking time and remote working time.

Back in 2020, we involved staff upstream in the process of fitting out our future Austerlitz 2 office situated in Paris's 13th arrondissement. Our move to the new office scheduled for June 2023 will provide staff with a highly attractive working environment in the East of Paris, close to the Tours BPCE, the Group's headquarters.

Initiatives fostering quality of life at work and various staff-focused activities are offered on a regular basis, e.g. organic fruit

baskets, seated amma massages, webinars to learn how to keep healthy, etc.

With the hybrid collaboration mode increasing the need for sharing, we organize a range of collaborative initiatives that bring staff together, e.g. events, speed meetings, fortnightly information webinars with time set aside for Q&A sessions, informal meetings.

As a member of Groupe BPCE, we can offer staff attractive career development prospects as well as a wide variety of experience. Mobility within the Group is also encouraged. In 2022, for example, 50% of positions within CEGC were filled by people already employed by CEGC or within the Group.



Actively involved in solidarity initiatives

We support causes that matter to us and in which our staff feel strongly about:

- **Odyssée** race to assist in the fight against cancer in which some 15 CEGC employees took part.
- **Enfants sans Cancer** charity race organized by the Imagine for Margo association and aimed at accelerating children's cancer research and for which CEGC staff collected €4,200 in donations.
- **Les Foulées de l'Assurance** sports event to raise funds for preventing and fighting cardiovascular diseases in which the CEGC team finished 4th overall and 2nd among insurance companies.
- **OuiLive Challenge Noël Solidaire** operation designed to finance the Coffrets Solidaires Christmas gift basket campaign run by the Emmaüs association.
- Large-scale **toy-donation** run in partnership with the Natixis foundation and the Rejoué association for which CEGC collected 16 boxes of toys.
- Our business of insurer and guarantor naturally leads us to support **causes focused on solidarity and trust**.
- We are engaged in favor of sustainable, social and responsible development.
- In conjunction with Groupe BPCE, we were quick to respond to the call for humanitarian assistance for victims in Ukraine, by supporting the French Red Cross.

Attentive to reducing our environmental footprint

- We encourage staff to clean up their e-mail boxes and to delete unused and energy-consuming documents and applications to mark Cyber World CleanUp Day,
- We apply eco-gestures to promote energy sobriety, such as reducing heating, automatically switching off lights, closing the office during periods of low presence, etc.



CYBER WORLD CLEANUP DAY

March 19, 2022
Overview of data gathered¹

Participation rate/
2021 edition

x3

Total amount
of savings made

11.3 To
5,6 To in 2021

ACTIONS

For a saving of

01 Cleaning up
in-boxes

4 million
e-mails deleted

3.7 To

02 Deleting unused
documents

2.9 million
files deleted

7 To

03 Deleting unused apps
on smartphones

7,448
apps deleted

440 Go

1. Groupe BPCE Communication. Actions and data gathered from March 11 to 19, 2022 from Groupe BPCE staff.

BALANCE SHEET

AT 12/31/2022

ASSETS	2022	2021
Intangible assets	30,237	33,994
Investments	4,032,105	3,318,305
Land & buildings	205,771	200,168
Investments in affiliated companies	2,765	2,765
Other investments	3,823,570	3,115,372
Ceded share of technical provisions	21,480	15,532
Receivables	258,364	270,573
Non-issued earned premiums	5,891	7,827
Other receivables arising from insurance activities	3,714	20,631
Reinsurance transfer receivables	1,873	2,253
Government, social security organisations	19	54
Staff costs	0	3
Miscellaneous debtors	246,867	239,805
Other assets	20,277	114,264
Property, plant and equipment assets	305	1,322
Net balances of cash and amounts	19,971	112,942
Accrual accounts – assets	269,390	270,930
Accrued interest not yet due	15,225	19,405
Deferred acquisition costs	234,184	219,929
Prepaid expenses	464	832
Others	19,516	30,764
TOTAL ASSETS	4,631,852	4,023,598

LIABILITIES	2022	2021
Equity	738,567	558,615
Capital	262,391	235,996
Merger premiums	66,563	66,563
Issue premiums	133,069	9,464
Current provisions	174,952	174,952
Retained earnings	54,227	4,788
Net income	101,538	71,635
Subordinated liabilities	552,187	401,431
Subordinated debt	552,187	401,431
Technical provisions	3,128,871	2,849,539
Provisions for unearned premiums	2,860,663	2,625,165
Provisions for outstanding claims	268,208	224,374
Liquidity risk provisions	4,781	4,718
Liabilities for reinsurance deposits	55	55
Other liabilities	194,414	188,645
Insurance liabilities	102,971	118,411
Reinsurance liabilities	12,202	5,251
Liabilities with credit institutions	327	0
Miscellaneous financial debt and liabilities	-38	0
Deposits and guarantees received	6,266	5,954
Staff	13,069	12,004
Government, social security organizations	8,613	11,034
Miscellaneous creditors	51,004	35,991
Accrual accounts – liabilities	12,978	20,595
TOTAL LIABILITIES	4,631,852	4,023,598

Individual (non-consolidated) accounts in thousands of euros – rounded figures (French GAAP)

INCOME STATEMENT

AT 12/31/2022

TECHNICAL ACCOUNT	Gross transactions	Cessions and retrocessions	2022	2021
			Net transactions	Net transactions
Earned premiums	443,881	114,180	329,701	252,413
Premiums	679,379	114,178	565,201	590,829
Change in unearned premium income	-235,498	2	-235,500	-338,416
Investment income			31,692	42,766
Other technical accounts			2,641	1,349
Claims expenses	-89,171	-8,459	-80,712	-48,142
Benefit expenses	-54,677	-2,510	-52,167	-72,271
Provisions for claims expenses	-34,494	-5,950	-28,544	24,128
Share of Company profits			135	-424
Acquisition and administrative costs			-123,719	-124,645
Acquisition costs			-127,986	-124,782
Administrative costs			-14,187	-14,657
Gains from reinsurers' commissions			18,453	14,794
Other technical expenses			-42,798	-38,160
TECHNICAL RESULT			116,940	85,156

Individual (non-consolidated) accounts in thousands of euros - Rounded figures (French GAAP)

NON-TECHNICAL ACCOUNT	2022	2021
	Net transactions	Net transactions
Total investment income	158,246	84,465
Investment income	59,921	55,749
Other investment income	4,291	3,306
Capital gains on disposal of investments	94,034	25,409
Investment expenses	-119,021	-33,269
Management fees and financial fees	-14,728	-13,755
Other investment expenses	-15,253	-9,105
Capital losses on disposal of investments	-89,040	-10,409
Income relative to assets pledged as transferred	-31,692	-42,766
Other non-technical income	250	273
Non-recurring income	-60	-2
Non-recurring gains	72	0
Non-recurring losses	-132	-2
Employee profit-sharing	-1,043	-1,292
Bonus/malus taxes	1,550	2,489
Income taxes	-23,632	-18,442
INCOME/[LOSS] FOR THE YEAR	101,538	71,635

FOR FURTHER INFORMATION

Go to our publications section on our website

www.c-garanties.com

Our activity report is also available in French in a digital and interactive format





COMPAGNIE
EUROPÉENNE
DE GARANTIES
ET CAUTIONS

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