

CDC HABITAT GROUP

Consolidated financial statements for the year ended 31 December 2022

This is a free translation into English of the consolidated financial statements of CDC Habitat Group prepared in the French language and is provided solely for the convenience of English-speaking readers.

The translation reflects the most recent developments in IFRSs.

These consolidated financial statements and the notes thereto should be read in conjunction with, and construed in accordance with French law and professional accounting standards applicable in France.

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CONSOLIDATED INCOME STATEMENT

Notes	2022	2021
Gross rental income	558.1	570.7
Income from recoverable rental charges	78.0	81.7
Recoverable rental charges	-88.3	-89.3
Net rental income	547.8	563.2
Income from property development	12.7	2.0
Cost of inventory	-11.0	-1.8
Property development margin	1.7	0.2
Income from other activities	43.9	34.6
Purchases consumed	-3.8	-3.1
Maintenance	-56.5	-57.7
External services	-111.7	-112.6
Taxes other than income taxes	-61.1	-60.8
Personnel expenses, incentive bonuses and profit-sharing	-72.6	-76.5
Other operating income	6.23	10.2
Other operating expense	6.24	-15.6
RECURRING OPERATING INCOME	279.1	281.9
Disposal gains on investment property	550.3	155.0
GROSS OPERATING INCOME	829.4	437.0
Depreciation and amortisation net of government grants and subsidies	-193.7	-193.5
Net (additions to) reversals of provisions	-42.3	0.0
Net disposal gains (losses)	0.0	0.0
OPERATING INCOME	593.4	243.5
Share in net income of associates	6.28	14.0
OPERATING INCOME AFTER SHARE IN NET INCOME OF ASSOCIATES	595.0	257.4
Cost of gross debt	6.25	-115.6
Income from cash and cash equivalents	6.26	43.9
Fair value adjustments to derivatives	4.1	4.8
Cost of net debt	-89.7	-66.9
Fair value adjustments to non-consolidated investments	14.5	10.8
PROFIT BEFORE TAX	519.8	201.4
Income tax expense	6.27	-49.9
NET PROFIT	394.7	151.5
Non-controlling interests	0.0	0.0
NET PROFIT ATTRIBUTABLE TO OWNERS	394.7	151.5
Earnings per share (€)	17.14 €	7.00 €
Diluted earnings per share (€)	17.14 €	7.00 €
Statement of comprehensive income	2022	2021
Net income reported in the income statement	394.7	151.5
<i>Items that may be recycled subsequently to profit or loss</i>		
Available-for-sale financial assets	0.0	0.0
Cash flow hedges	297.6	119.8
Fair value adjustments recognised directly in equity	299.2	122.3
Instruments not qualifying for hedge accounting transferred to profit or loss	-1.6	-2.4
Tax on items that may be recycled to profit or loss	-77.3	-28.9
<i>Items that will not be recycled subsequently to profit or loss</i>		
Actuarial gains and losses on employee benefits	15.5	2.4
Fair value adjustments to non-consolidated investments	5.4	0.0
Tax on items that will not be recycled to profit or loss	-3.2	-0.2
Total comprehensive income (loss) recognised in equity	238.0	93.2
o/w recycled to profit or loss	1.6	2.4
Total comprehensive income (loss) for the period	632.7	244.7
Attributable to non-controlling interests	0.0	0.0
Attributable to owners	632.7	244.7

CONSOLIDATED BALANCE SHEET

ASSETS	Notes	2022	2021
Intangible assets	6.1	13.8	8.5
Owner-occupied property and equipment	6.1	25.9	27.9
Investment property	6.1	7,995.7	6,851.6
Investments in associates	6.2	579.7	463.5
Non-current financial assets	6.3	1,218.2	927.4
Derivatives	6.18	117.6	373.0
Other non-current financial assets	6.4	98.3	131.1
Deferred tax assets	6.5	0.0	1.0
NON-CURRENT ASSETS		10,049.2	8,784.0
Inventories and work in progress	6.6	58.5	50.1
Trade receivables	6.7	186.5	189.0
Current tax assets	6.8	0.8	0.5
Sundry receivables	6.9	84.0	456.9
Current financial assets	6.10	1.2	127.5
Other current financial assets	6.11	0.0	0.1
Cash and cash equivalents	6.12	1,766.8	1,003.6
CURRENT ASSETS		2,097.8	1,827.7
Assets held for sale	6.13	0.0	1,069.5
TOTAL ASSETS		12,147.0	11,681.2
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EQUITY AND LIABILITIES	Notes	2022	2021
Share capital		2,303.3	2,163.3
Additional paid-in capital		372.1	291.0
Consolidated reserves		1,717.0	1,644.8
Revaluation reserve		38.1	-198.1
Attributable net profit		394.7	151.5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	6.14	4,825.2	4,052.5
Non-controlling interests		0.0	
TOTAL EQUITY	6.14	4,825.2	4,052.5
Non-current provisions	6.15	37.2	47.2
Non-current borrowings	6.16	4,824.0	4,680.8
Other non-current financial liabilities	6.17	210.3	137.2
Derivatives	6.18	99.8	630.3
Deferred tax liabilities	6.19	42.8	0.0
NON-CURRENT LIABILITIES		5,214.1	5,495.5
Current provisions	6.15	12.1	9.5
Current borrowings	6.16	1,594.5	1,040.6
Trade accounts payable	6.2	88.9	87.4
Current tax liabilities	6.21	6.6	6.1
Sundry payables	6.22	405.6	417.8
CURRENT LIABILITIES		2,107.7	1,561.4
Liabilities related to assets held for sale	6.13	0.0	571.8
TOTAL EQUITY AND LIABILITIES		12,147.0	11,681.2

CONSOLIDATED STATEMENT OF CASH FLOWS

	2022	2021
NET PROFIT FOR THE PERIOD	394.7	151.5
Net depreciation, amortisation and impairment expense	236.0	194.6
Impact of fair value adjustments and effective interest rate	-22.4	-2.5
Other non-cash income and expenses	-15.4	-1.0
Disposal gains or losses	-550.3	-155.0
Interest income or expense on sales of consolidated investments	0.0	0.0
Share in net income of associates	-1.6	-14.0
Dividends received	-1.4	-0.4
Receivables written off and bad debts	2.6	2.8
Gross cash flow from operating activities after cost of debt and tax	42.2	176.0
Cost of net debt	89.7	66.9
Current and deferred tax expense	125.3	49.8
Gross cash flow from operating activities before cost of debt and tax	257.2	292.7
Cost of debt net of interest income and expense	0.2	-1.4
Net change in trade accounts receivable and payable	45.0	-29.2
Employee benefit obligation	7.4	4.8
Tax paid	-154.9	-50.4
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (a)	155.0	216.5
Expenditure on acquisitions of investment property	-1,360.9	-1,372.9
Proceeds from disposals of investment property	624.0	258.7
Expenditure on acquisitions of equity investments	-216.5	-181.8
Proceeds from disposals of equity investments	889.1	0.0
Proceeds from on unwinding of term deposits	125.0	0.0
Impact of changes in scope of consolidation - mergers	0.0	0.0
Impact of changes in scope of consolidation - disposals	0.0	0.0
Proceeds and expenses related to disposals	0.0	0.0
Dividends received	6.9	5.5
Interest income received	0.0	-8.9
Proceeds from other securities held for long-term investment	0.0	52.6
Cash in for financial claims	21.0	0.0
Cash out for financial claims	0.0	-20.9
NET CASH FLOW GENERATED FROM (USED IN) INVESTING ACTIVITIES (b)	88.6	-1,267.7
Share capital subscriptions received from shareholders	521.3	369.0
<i>o/w paid up by the parent</i>	<i>521.3</i>	<i>369.0</i>
<i>o/w paid up by non-controlling interests</i>	<i>0.0</i>	<i>0.0</i>
New borrowings and debt	324.3	869.6
Repayment of borrowings and debt	-247.1	-168.4
Change in other financial liabilities	-0.8	0.9
Gross interest paid	-92.5	-100.3
Change in sundry receivables and payables	-17.6	-4.5
Dividends paid	0.0	-50.0
NET CASH FLOW GENERATED FROM FINANCING ACTIVITIES (c)	487.6	916.3
Reclassification of term deposits to cash and cash equivalents (d)		
Reclassification from current account to non-consolidated equity investments (e)		
Change in cash and cash equivalents (I) = (a) + (b) + (c) + (d) + (e)	731.2	-134.9
Net cash and cash equivalents at start of year (A)	656.3	791.2
Net cash and cash equivalents at end of year (B)	1,387.5	656.3
Change in cash and cash equivalents (1) (II) = (B) - (A)	731.2	-134.9

(1) cash and cash equivalents are stated net of short-term bank loans and overdrafts (note 6.12)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Number of shares	Share capital	Consolidated reserves	Equity attributable to owners	Non-controlling interests	Total equity
At 31 December 2020	21,633,016	2,163.3	1,694.4	3,857.8	0.0	3,857.8
Capital increase (1)				0.0		0.0
Fair value adjustments to derivatives (2)			92.7	92.7		92.7
Derivatives recycled to profit or loss			-1.7	-1.7		-1.7
Actuarial gains and losses on post-employment benefits			2.2	2.2		2.2
Fair value adjustments to non-consolidated investments			0.0	0.0		0.0
Total amount of adjustments recognised directly in reserves			93.2	93.2		93.2
Net profit for the year ended 31 December 2021			151.5	151.5		151.5
Total comprehensive income for the year ended 31 December 2021			244.7	244.7		244.7
Dividends paid			-50.0	-50.0		-50.0
At 31 December 2021	21,633,016	2,163.3	1,889.2	4,052.5	0.0	4,052.5
Capital increase (1)	1,400,000	140.0		140.0		140.0
Total increase in share capital		140.0		140.0		140.0
Fair value adjustments to derivatives (2)			221.2	221.2		221.2
Derivatives recycled to profit or loss			-0.8	-0.8		-0.8
Actuarial gains and losses on post-employment benefits (3)			12.4	12.4		12.4
Fair value adjustments to non-consolidated investments			5.2	5.2		5.2
Total amount of adjustments recognised directly in reserves (A)			238.0	238.0		238.0
Net profit for the year ended 31 December 2022 (B)			394.7	394.7		394.7
Total comprehensive income for the year ended 31 December 2022 (A+B)			632.7	632.7		632.7
Dividends paid			0.0	0.0		0.0
At 31 December 2022	23,033,016	2,303.3	2,521.9	4,825.2	0.0	4,825.2

(1) Capital increase of 13 May 2022, fully subscribed to and paid up by Caisse des Dépôts.

(2) Recognition in equity of the effective portion of fair value adjustments to derivatives.

(3) Of which, €1.5 million attributable to a change in accounting method in Adoma concerning first-time application of Revised IAS 19 with effect from 24 May 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CDC Habitat is a French *société anonyme d'économie mixte* (semi-public limited company) with a Supervisory Board and a Management Board. It is 99.99%-owned by Caisse des Dépôts et Consignations (CDC). CDC Habitat is registered in the Paris Trade and Companies Register (RCS) under no. 470 801 168 and its new head office is located at 33 avenue Pierre Mendès France-75013 Paris – France.

The CDC Habitat Group is France's biggest landlord and manages a portfolio of nearly 545,000 units of housing. This includes:

- over 109,000 units managed by its consolidated entities specialised principally in intermediate housing and contractual affordable housing (CDC Habitat and Sainte Barbe);
- over 354,000 units of social housing:
 - 198,000 units managed via its subsidiary CDC Habitat Social;
 - 91,000 units managed by eight real estate companies in French Overseas Departments (*Sociétés Immobilières d'Outre-Mer*);
 - 65,000 units managed via its subsidiary Maisons & Cités in the Hauts de France region of northern France; and
- almost 82,000 units of emergency accommodation operated by its subsidiary ADOMA.

The consolidated financial statements cover the period from 1 January to 31 December 2022.

These consolidated financial statements were approved by the Management Board on 8 March 2023.

1. Basis of preparation of the consolidated financial statements

Unless indicated otherwise, all amounts are presented in millions of euros and rounded out to one decimal place. The Group does not carry out any transactions denominated in a foreign currency.

1.1 Presentation of the balance sheet

Items are broken out into their current and non-current portions.

Non-current assets have maturities of greater than 12 months and mainly comprise intangible assets, investment property, non-consolidated investments, investments accounted for by the equity method, derivatives, other non-current financial assets and deferred tax assets.

Current assets comprise assets held for sale or for consumption in the course of the Group's business cycle such as inventories and work in progress, trade accounts receivable and cash and cash equivalents.

Non-current liabilities include the portion of bank debt, derivatives and other borrowings with maturities of greater than one year and deferred tax liabilities.

Current liabilities consist of all operating liabilities and the portion of debt that falls due within 12 months of the reporting date. Current liabilities also include bank overdrafts.

1.2 Presentation of the income statement

The income statement is presented by type of income or expense and broken down as follows:

Recurring operating income and Gross operating income

Recurring operating income comprises all income and expenses generated by the Group's main cash-generating units (CGUs) and all of its other businesses before:

- net disposal gains or losses on investment property (*), and
- net depreciation and amortisation expense and government grants related to investment property.

(*) amount net of the related marketing fees and work required.

The Group uses this indicator to calculate financial ratios and to analyse financial data (Recurring operating income/Revenue). Gross operating income is equal to Recurring operating income plus net disposal gains or losses on investment property.

Operating income

Operating income comprises all income and expenses generated by the Group's main cash-generating units (CGUs) and all of its other businesses that are not related to investing or financing activities.

Operating income after share in net income of associates

In accordance with Recommendation 2013-01 issued by France's accounting standards setter (*Autorité des Normes Comptables*) on 4 April 2013, "Share in net income of associates" is now presented as part of "Operating income".

Cost of net debt

Cost of net debt comprises the sum of the following items for the reporting period:

Cost of gross debt, consisting of:

- all bank borrowings carried in liabilities (both the current and non-current portion, including short-term bank loans and overdrafts);
- all other borrowings (current and non-current portion).

Income from cash and cash equivalents comprises interest income net of interest expense on investments in money market funds, dividends received, share in net income of associates, and net financial income (expense) from the Group's cash pooling agreement.

Cost of net debt is the sum of cost of gross debt, change in fair value of derivatives and income from cash and cash equivalents.

Fair value adjustments to non-consolidated investments

Fair value adjustments to non-consolidated investments correspond to unrealised gains and losses on these assets in light of their fair value recorded following the adoption of IFRS 9.

2. Significant events of the year

War in Ukraine and inflationary environment

The year was dominated by the war in Ukraine and a deterioration in the economic outlook, particularly in the second-half of the year, resulting in an increase in inflation and major impacts on the markets (i.e., on financial markets, raw materials, energy, goods and services). These developments have been factored into the assessments and estimates made by management when preparing the consolidated financial statements for the year ended 31 December 2022.

This context did not have a material impact on the financial statements for the year ended 31 December 2022. Nevertheless, problems with materials supplies and significant price increases that have led to numerous renegotiations and question marks over the financial viability of operations (both for new builds and for work on the existing property portfolio), slowed down the Group's activity in 2022 (as has happened throughout the property sector). Production and renovation of the existing property portfolio was therefore below target.

At 31 December 2022, the current situation was beginning to impact the solvency of the poorest households in terms of arrears in social housing and emergency accommodation. Support measures introduced by the Group aim to mitigate the effects of the unfavourable economic environment.

Restructuring of the Lamartine fund

The Lamartine fund was restructured in the first quarter of 2022 and, as of 31 December 2022, 85% was owned by CNP Assurances and 15% by CDC Habitat.

As part of this process, the following successive operations were carried out:

- transfer of a real estate portfolio by CDC Habitat to SCI Lamartine and SCI Milly by means of a contribution and sale agreement;
- CDC Habitat transferred its shares in SCI Milly to SCI Lamartine;
- sale of 85% of the capital of SCI Lamartine by CDC Habitat to CNP Assurances.

These operations generated consolidated net income before tax of €501 million, after adjusting for internal income of €82 million, reflecting CDC Habitat's residual 15% stake in the fund, accounted for by the equity method in CDC Habitat Group's consolidated financial statements.

Increase in the capital of CDC Habitat

Capital increase of 2020:

The Extraordinary General Meeting of 30 June 2020 approved a €1,230 million share capital increase for cash through the issue of 12,300,000 new shares with a par value of €100 each, of which €479.7 million were paid up in 2020. After another €369 million was paid during 2021, the unpaid balance at end-2021 of €381.3 million was duly paid up on 17 February 2022.

Capital increase of 2022:

The Extraordinary General Meeting of 13 May 2022 approved a new €140 million share capital increase for cash through the issue of 1,400,000 new shares with a par value of €100 each, increasing the share capital from €2,163.3 million to €2,303.3 million. Based on a certificate issued by the custodian on 1 June 2022, the Management Board formally recorded the increase in the Company's share capital, subscribed to on an irrevocable and revocable basis by Caisse des Dépôts et Consignations.

Changes in CDC Habitat's real estate portfolio

Construction starts

- **Intermediate housing**

The development of intermediate housing continued apace in 2022 with a total of 2,856 Service Orders, including 1,856 direct new builds and 1,000 new builds for third parties.

At end-2022, 29,636 intermediate housing Service Orders had been issued since the creation of *LLI* status (intermediate rental housing) in 2014 by all of the investment vehicles, including 12,348 direct new builds and 17,288 new builds for third parties.

- **"VEFA 40 000" stimulus plan**

In 2020, CDC Habitat launched a major programme to support the construction and housing sector based around a call for projects to build 40,000 units of contractual, affordable, intermediate and social housing. At end-2022, 27,727 Service Orders had been issued since the beginning of the stimulus plan, including:

- 16,262 units of contractual, affordable housing (of which, 12,478 direct new builds and 3,784 new builds for third parties);
- 6,381 units of intermediate housing (4,039 direct new builds and 2,342 new builds for third parties);
- 5,084 units of social housing (1,633 units for CDC Habitat Social, 2,810 units for SIDOM, 605 units for Maisons & Cités, and 36 units for CDC Habitat).

Deliveries

CDC Habitat delivered 8,550 units of new housing in 2022 (including as property developer):

- 1,656 units of intermediate housing,
- 2,739 family housing units outside of the intermediate housing sector;
- 4,125 units as part of its management activities for third parties;
- 30 units as property developer.

Disposals

Disposals generated pre-tax gains net of costs to sell of €613.2 million (€169.6 million in 2021). Excluding property development, 4,661 housing units were sold in 2022 (a year-on-year increase of 3,263 units attributable to the Lamartine Fund effect). 4,202 were sold in block sales and 459 in split sales. For the property development business, 20 sales agreements were signed in 2022 generating a margin of €1.7 million.

Other movements

Other movements represent a net decrease in properties held in portfolio of 199 units, corresponding to the loss of management contracts on 64 units, the demolition of 184 units, and miscellaneous movements representing an increase of 49 units.

Management of the housing domains of the Ministry of the Armed Forces

On 8 April 2019, the French Ministry of the Armed Forces put out a call for tenders to outsource management of its state-owned housing, currently managed by CDC Habitat under a civil law lease dating from 2009, amended and extended to 31 December 2022.

The bid submitted by the consortium which included CDC Habitat was not selected and consequently, CDC Habitat no longer manages this housing since 1 January 2023.

Recognition of impairment on 35 isolated assets

Under IAS 36, the Group must test its assets – including its investment property – for impairment at least once a year.

Indications of impairment may be attributable to events, changes in the technological, economic or legal environment, or internal factors that may significantly reduce the asset's market value.

As part of the annual programme to measure the value of CDC Habitat's investment properties, an indication of impairment was identified in a specific part of the Group's business in which 35 assets presented abnormal vacancy rates (i.e., over 50%), with a risk that the leases would not be renewed beyond the initial 12 year lease term. Consequently, the valuation assumptions for these assets were adjusted to factor this risk into the valuation of the buildings concerned.

An impairment loss was recognised for a total of €42 million, as the estimated recoverable amount (€99 million) was less than the carrying amount (€141 million) for the 35 assets concerned. This impairment loss was recognised in "Net (additions to) reversals of provisions" in the 2022 consolidated income statement.

Changes in equity investments

Acquisitions

- increase in capital subscribed by ADESTIA on behalf of CDC Habitat Social, i.e., a stake of 65.8%;
- acquisition of an additional stake in SEM Reims, taking ADESTIA's total stake to 25.4%;
- acquisition of a stake in the Hab'Initio fund, bringing the total stake owned by the Group to 15%;
- acquisition of a stake in LLI Résidences, taking CDC Habitat's total stake to 45%;
- acquisition of an additional stake in SEM EUROMETROPOLE METZ HABITAT, increasing the stake owned by ADESTIA to 19.4%;
- acquisition of an additional stake in SIMKO by CDC Habitat, increasing its total stake to 92%;
- increase in capital subscribed by CDC Habitat on behalf of Foncière Méditrine, taking CDC Habitat's total stake to 40%;
- acquisition of a stake in SEM URBAVILEO, taking ADESTIA's total stake to 14.7%;
- acquisition of an additional stake by ADESTIA in AGIRE – SAIEM, increasing its total stake to 40.1%;
- acquisition of an additional stake in COOP Charente - Maritime, taking ADESTIA's total stake to 19.9%;
- acquisition of additional stakes in a number of semi-public social housing companies (SEM) and ESH social housing entities for a total amount of €2.7 million.

Disposal of investments

CDC Habitat sold its shares in YesPark in March 2022 for an amount of €6.1 million, generating a capital gain of €5.4 million in the consolidated financial statements where it was recorded in equity.

Adestia sold its shares in MEECAM to CDC Habitat Social in October 2022 at their book value, i.e., €1.5 million.

The units held in the Lamartine fund were sold on 4 March 2022 (see section 2. Significant events of the year - Restructuring of the Lamartine fund).

Property portfolio divestment programme

CDC Habitat and Sainte-Barbe continued to implement their asset disposal programmes in line with plan.

Human Resources

Five agreements were signed in 2022:

Agreements negotiated within the scope of the CDC Habitat Economic and Social Group (UES):

- Agreement of 6 January 2022 on the application of the French National Collective Bargaining Agreement to employees of limited companies and social housing entities, regarding the classification of local staff within the CDC Habitat Economic and Social Group (UES).
- The non-discretionary profit-sharing agreement of 24 June 2022 applicable within the CDC Habitat Economic and Social Group for 2022-2023 and 2024.
- Amendment No.1 dated 1 September 2022, concerning the application of the Group teleworking agreement of 15 March 2021 within the CDC Habitat Economic and Social Group.

Agreements negotiated for the Group as a whole:

- The agreement of 31 May 2022 on manpower planning and career paths within the CDC Habitat Group.
- Amendment to the Group Committee agreement of 12 October 2022, covering the representation of the SIDOM entities on the Group Committee.

Energy transition plan

In 2022, CDC Habitat completed its commitments by deploying an energy savings plan designed to tackle the big increases in energy costs and the risks of supply disruption.

CDC Habitat uses Energy Saving Certificates for retrofits eligible under the national Energy Saving Certificates scheme. The scheme also provides support for the Group's work programme designed to cut energy consumption.

In 2022, the longstanding partnership with EDF, which was renewed for the 2022-2025 period, enabled the Group to continue its ambitious energy retrofit programme supported by the valuation of Energy Saving Certificates.

CDC Habitat is now gradually replacing systematic analysis of projects using the *EVE Habitat* environmental impact rating application with new French RE 2020 energy performance requirements.

CDC Habitat continues to deploy *Etalement Urbain* (i.e., urban sprawl) an application that can be used to limit the spatial encroachment of new Group developments or acquisitions.

As part of its partnership with CDC Biodiversité, the Group also remains fully committed to Nature 2050, a long-term initiative in which CDC Habitat supports projects that aim to preserve or reconstitute natural areas, ecological networks, forests and farmland.

Rental management risk

Controlling the basics

The average vacancy rate of dwellings for more than one month dropped from 8.77% at end-2021, to 8.56% at the end of 2022 (7.79% and 21.35%, respectively, across the portfolio in mainland France and the overseas departments, i.e., 2,682 units operated by APAVOU). It is mainly attributable to the neutralisation of certain dwellings for sale, building work or demolition: 6.14% at the end of 2022 (5.30% in mainland France and 21.09% in the overseas departments) compared to 6.20% at the end of 2021.

The average commercial vacancy rate for more than one month (excluding vacancy for sale, building work or demolition) stood at 2.42% at end-2022 (2.48% and 0.26%, respectively, in mainland France and the overseas departments), compared to 2.57% at the end of 2021.

The rate of rent receivables in arrears fell to 0.96% at the end of 2022 (0.57% and 13.6%, respectively, across the portfolio in mainland France and the overseas departments), compared with 1.23% in 2021.

Rents

Rents across the Group's property portfolio (i.e., both subsidised and non-subsidised rents) increased by 0.42% at 1 January 2022 (application of the increase in the rent review index for the second quarter of 2021).

Rents in *PLI*-type housing (i.e., with intermediate housing rental status) increased by 1.61% at 1 July 2022 (application of the increase in the rent review index for the fourth quarter of 2021).

Financing

The Consolidated entities raised an additional €310 million of debt over the period (CDC Habitat +€302 million / Sainte-Barbe +€8 million). The financing solutions used were as follows: €41 million in medium term notes (NEU MTN), €235 million worth of NSV "nominative bonds", €23 million in bank debt and €11 million worth of loans at regulated rates of interest.

In view of the sharp rise in interest rates in the second quarter of 2022 and in accordance with the Supervisory Board decision of 1 July 2022, the Group Finance department was authorised to unwind €165 million worth of term deposits and transfer them to new fixed/variable positions. As part of this operation, a balancing cash payment of €15.9 million was recognised as a financial expense in the consolidated financial statements for 2022.

The average cash balance held by the Consolidated division during the period was €1,276 million and the average yield on cash balances came out at 0.88%. This performance was largely due to significant balances held in long-term deposits.

CDC Habitat's rating was confirmed at AA-, i.e., one notch below our shareholder and sponsor (CDC). This rating is a reflection of the support provided by CDC as well as the financial strength of CDC Habitat.

3. Valuation principles

3.1 Accounting standards

In accordance with European directive 1606/2002/EC of 19 July 2002, the consolidated financial statements of CDC Habitat and its subsidiaries ("the Group") for 2022 have been prepared in accordance with the International Financial Reporting Standards adopted by the European Union before 31 December 2022.

The standards adopted by the European Commission may be consulted on the IASB's website at (<http://www.ifrs.org/issued-standards/list-of-standards/>).

International Accounting Standards include IFRSs (International Financial Reporting Standards) and IASs (International Accounting Standards) as well as the related interpretations (SICs and IFRICs).

The standards, amendments and interpretations applicable for the first time at 31 December 2022 are:

- Amendments to IAS 37 — Onerous Contracts — Cost of Fulfilling a Contract;
- Amendments to IFRS 3 — amendments to the IFRS conceptual framework;
- The IFRS annual improvements 2018-2020 cycle concerning the following standards:
 - IFRS 9 — Fees and cost included in the 10 per cent test for derecognition of financial liabilities;
 - IFRS 16 — Lease Incentives (Amendment to Illustrative Example 13);
 - IAS 41 — Taxation in Fair Value Measurements when measuring the fair value of biological assets (not applicable to the Group);
 - IFRS 1: calculation of the unrealised foreign exchange gains/losses of a subsidiary using amounts from the parent (not applicable to the Group);
- Amendments to IAS 16 regarding proceeds before intended use of property, plant and equipment (not applicable to the Group).

The following standards, amendments and interpretations adopted but mandatory for subsequent periods, or awaiting adoption by the European Union, were not early adopted due to the non-material impact they are expected to have on the consolidated financial statements:

- Mandatory for reporting periods beginning on or after 1 January 2023:
 - Amendments to IAS 8 regarding accounting estimates;
 - Amendments to IFRS 17 — Insurance Contracts;
 - Amendments to IAS 12 — Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
 - Amendments to IAS 1 — Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).
- Other standards awaiting adoption by the European Union:
 - Amendments to IAS 1 — Classification of liabilities as current or non-current and liabilities subject to covenants;
 - Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;
 - Amendments to IFRS 16 — Lease Liability in a Sale and Leaseback;
 - The IASB's project on goodwill and impairment.

3.2 Consolidation methods

All entities, over which the Group exercises exclusive control, either directly or indirectly, are fully consolidated. Entities over which the Group exercises significant influence and jointly-controlled companies are accounted for by the equity method.

3.3 Scope of consolidation

The Group's scope of consolidation at 31 December 2022 comprises nine entities (including Lamartine Group itself comprising 3 entities) listed in the following table:

Entity	Legal form	2022		2021	Head Office
		Consolidation method	% control	% control	
CDC Habitat	parent	FULL	100%	100%	33 avenue Pierre Mendes France 75013 Paris – France
Sainte Barbe SAS	subsidiary	FULL	100%	100%	Avenue Emile Huchet 57800 FREYMING-MERLEBACH - France
ADOMA SAEM	subsidiary	EQUITY	56.44%	56.44%	33 avenue Pierre Mendes France 75013 Paris – France
FLI	subsidiary	EQUITY	19.14%	19.14%	33 avenue Pierre Mendes France 75013 Paris – France
Ampere Gestion	subsidiary	FULL	100%	100%	33 avenue Pierre Mendes France 75013 Paris – France
Adestia	subsidiary	FULL	100%	100%	33 avenue Pierre Mendes France 75013 Paris – France
Groupe Lamartine	subsidiary	EQUITY	15.00%	0.00%	33 avenue Pierre Mendes France 75013 Paris – France

FULL: fully consolidated / EQUITY: equity method / NC: Not consolidated

Consolidation method used for ADOMA

Despite CDC Habitat's majority stake in this entity, and in view of the existence of a shareholders' agreement, it is not deemed to exercise control within the meaning of IFRS 10. Instead, ADOMA is treated as a joint-venture within the meaning of Revised IAS 28.

Companies excluded from the scope of consolidation

- CDC Habitat Social is excluded from the scope of consolidation. Although Adestia is its strategic shareholder from a legal standpoint, its exposure to the earnings of *ESH* social housing companies (*Entreprise Sociale pour l'Habitat*) is severely constrained by the French building and housing code (*Code de la construction et de l'habitation*) (i.e., annual dividend entitlement is capped at the nominal amount of shares multiplied by the interest rate payable on Livret A passbook accounts plus a fixed margin; limit on the disposal price of shares, etc.). Consequently, Adestia has a very limited ability to influence the earnings of CDC Habitat Social and its relative exposure in terms of the latter's total earnings is non-material. Therefore, Adestia does not control CDC Habitat Social within the meaning of IFRS 10.
- In view of their similarities with *ESH* social housing companies in terms of the cap on distributable profits, the *SIDOM* entities (*Société Immobilière d'Outre-Mer* – French Overseas Department real estate companies) are not included in the scope of consolidation.

Consequently, shares and interests in these entities are recognised in "Non-current financial assets".

3.4 Consolidation adjustments and intercompany transactions

Accounting policies are applied throughout the Group in a consistent manner and all entities have a 31 December year-end.

Inter-company transactions and any disposal gains or losses between Group entities are eliminated in consolidation.

3.5 Business combinations (Revised IFRS 3)

The cost of the business combination corresponds to the fair value of the assets and liabilities contributed or equity instruments given in exchange for the acquiree. Goodwill is recognised in assets for the excess of the cost of the acquisition over the Group's share in the net fair value of the acquiree's identifiable assets after adjusting for the impact of deferred taxation. Any negative goodwill is recognised directly in profit or loss.

IFRS 3 does not apply to the acquisition of an asset or a group of assets that does not constitute a business. The cost of such a transaction will be allocated to individual identifiable assets and liabilities based on their fair values and will not give rise to the recognition of any goodwill.

3.6 Segment reporting (IFRS 8)

The Group only reports one operating segment for the following reasons:

- the vast majority of its activities are concentrated in a single business segment, i.e., the management of property consisting primarily of housing used for rental purposes held in freehold or managed on behalf of third parties (the investment management activity is non-material);
- the Group's entire property portfolio is located in France.

This business segment is used for management reporting purposes and the chief operating decision maker is the Management Board.

3.7 Fair Value Measurement (IFRS 13)

The Group applies IFRS 13. This standard provides a single framework for measuring fair value based on the notion of disposal price. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

It sets out the following three-level measurement hierarchy:

- Level 1 inputs (unadjusted quoted prices) are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value measurement hierarchy ranks measurement inputs in order of importance, it does not rank the measurement techniques actually used. In the event that inputs from different levels are used, the resulting fair value is classified at the same level as the lowest-ranked input used.

Investment properties

Measurement at fair value must reflect the asset's highest and best use.

CDC Habitat has not identified any alternative use (in the event of reconversion of the asset, for example), that would result in a fair value that is greater than that measured according to the asset's current use.

Measuring buildings at their fair value requires the use of different measurement techniques (see section 4.4) that use observable and unobservable inputs that have been subject to certain adjustments.

Consequently, the Group's property portfolio is deemed to be measured based on Level 3-type inputs.

Financial instruments

IFRS 13 requires that counterparty credit risk and CDC Habitat's own credit risk is factored into the measurement of financial assets and liabilities at fair value. Credit risk is based on Moody's historical default rates applied to bad debt recovery rates.

In the measurement of derivative instruments, credit risk is deemed to be a component of the ineffective portion of effectiveness testing. The impact of recommended adjustments under IFRS 13 on the consolidated financial statements at 31 December was not material.

The measurement of derivatives based on the measurement hierarchy is disclosed in Note 6.18.6.

4. Accounting policies - measurement

4.1 Intangible assets (IAS 38)

An intangible asset is an identifiable non-monetary asset without physical substance, controlled by an entity as a result of past events from which future economic benefits are expected to flow to the entity. An intangible asset is identifiable when it is separable or arises from contractual or other legal rights.

Intangible assets with determinable useful lives are amortised using the straight-line method over the asset's expected useful life.

These intangible assets, comprising leases on managed property, are amortised over the lease term.

4.2 Property and equipment (IAS 16)

Owner-occupied property and equipment consists mainly of office improvements and furniture. They are measured at historical cost and depreciated over periods of between five and twenty years using the straight-line method.

4.3 Investment property (IAS 40)

Property held on a long-term basis and leased to third parties under operating leases and/or held for capital appreciation purposes is deemed to be investment property.

The Group has elected to measure investment properties using the cost model.

Investment property is property (land or buildings) held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.

This category includes buildings under construction or buildings being refitted for subsequent use as investment property as well as advances paid on such property.

In accordance with IAS 40, investment property is measured using the cost model, i.e., cost less accumulated depreciation and any accumulated impairment losses.

The cost of investment property includes:

- the purchase price as per the sale agreement or cost of construction, including non-refundable taxes, less any trade or cash discounts;
- the cost of renovation work;
- any directly attributable expenditure required to prepare the property for rental in line with the use intended by management. Directly attributable expenditure includes, for example, professional fees for legal services, property transfer taxes and other transaction costs;
- the cost involved in bringing the property into line with safety and environmental regulations;
- capitalised borrowing costs (see Note 4.8).

The gross carrying amount is broken out into separate components, each with its own useful life.

Each investment property is depreciated over its expected useful life using the straight-line method, with the exception of land which is not depreciated. These periods are as follows:

- new buildings and recent acquisitions: 40 years for the shell and between 15 and 25 years for the other components;
- acquisitions of old property: 30 years for the shell and between 12 and 20 years for the other components;

- renovation work: 15, 25 or 40 years, depending on the component.

In accordance with IAS 36, investment property is tested for impairment when recent events or changes in the market or internal sources of information indicate that the asset may be impaired.

In accordance with the amendment to IAS 40, investment property may only be transferred to another category if:

- the building complies (or ceases to comply) with the definition of investment property;
- the change of use is substantiated by audit evidence (e.g., marketing initiatives that coincide with a decision of the Group Commitments Committee to change a building's use).

4.4 Asset measurement and impairment testing (IAS 36)

IAS 36 requires entities to test goodwill and finite-lived intangible assets for impairment at least once a year and to test other non-financial, non-current assets such as investment property if there is an indication that the assets may be impaired.

An indication of impairment may take the form of a significant decline in the assets' market value and/or a significant change in the technological, economic or legal environment.

An impairment loss provision is recognised when the recoverable amount of an asset is less than its carrying amount.

Basis for determining impairment of intangible assets and other property and equipment

These assets are tested individually or with other groups of assets when they do not generate cash flows that are independent of the cash inflows of other assets or groups of assets.

If an indication of impairment no longer exists or diminishes and an asset's recoverable amount once again exceeds its carrying amount, impairment previously recognised on property and equipment and intangible assets may be reversed.

Basis for determining impairment of investment property

The recoverable amount of investment property is the higher of its fair value less costs to sell and its value in use. Fair value is the net market value determined by expert valuations. Value in use is equal to the value of future income expected from these assets discounted to present value.

If an indication of impairment exists and the estimated recoverable amount is less than the carrying amount, an impairment loss is recognised for the difference. This will alter the asset's depreciable basis and may change its depreciation schedule.

If an indication of impairment no longer exists or diminishes and an investment property's recoverable amount once again exceeds its carrying amount, impairment previously recognised may be reversed. The carrying amount after the impairment reversal is capped at the amount net of accumulated depreciation that would have been determined had the impairment not been recognised previously.

Measurement of housing portfolio

Every year, the Group's investment property portfolio is subject to an external or in-house expert appraisal of its value:

Use of an external expert appraiser

- buildings with an estimated market value greater than or equal to €10 million in Y-1, or buildings earmarked for a block sale in Y+1 are subject to an on-site appraisal;
- for buildings with a market value of between €5 million and €10 million in Y-1, an expert value opinion is issued every two years. In the year in which an expert opinion is not issued, the previous year's valuation is used.

Internal evaluation

The rest of the portfolio is valued based on a methodology developed in-house:

- an in-house expert appraisal is performed on buildings with a market value of less than €5 million in Y-1 by taking the median value generated by capitalising rents, market comparisons and discounting future cash flows to present value;
- by way of an exception, commercial property and buildings that have been capitalised for less than three years are valued at their carrying amount less any grants and subsidies received.

Basis for determining the fair value of buildings

Three methods are commonly used to appraise the fair value of property:

- comparisons based on data collected internally or by the French *Chambre des notaires* (or Callon);
- capitalisation of gross rents (or yield methods);
- discounting future cash flows from the property concerned to present value.

The fair value is also a function of the probable method of disposal and a block sale is used as the default assumption when appraising market values.

These methods are applied both for external appraisals and in-house valuations performed by the Group where the estimated market value is equal to the median value for the three methods. External appraisals are entrusted to the firm of Cushman&Wakefield which has signed up to the real estate appraisal charter drafted under the auspices of *Institut Français de l'Expertise Immobilière* (French institute of property appraisers). The estimated market value is generally equal to the average value under the three methods.

4.5 Leases (IFRS 16)

On 1 January 2019, the Group began applying IFRS 16, which sets out the guidelines for accounting for, measuring and reporting leases. It requires lessees to recognise leases directly in the balance sheet using a single model, without distinguishing between finance and operating leases.

A lease implies (i) the existence of an identified asset, and (ii) control by the Group of a right of use over this asset. The Group recognises control over a right-of-use asset when it enjoys substantially all of the rewards related to the asset over the lease term and may decide the purpose and manner for which the asset will be used.

The Group's leases are sublet to its – mostly non-consolidated – subsidiaries (mainly *GIEs* [inter-company partnerships]).

The intermediate lessor must recognise two separate leases:

- the head lease for which they are the lessee. The intermediate lessor must recognise the right-of-use asset granted under the head lease in accordance with IFRS 16 for the lessees;
- the sublease for which they are the lessor. They must classify it as an operating lease or a financial lease as of the sublease inception date, by referring to the right-of-use asset under the head lease (and not to the underlying asset leased from the lessor under the head lease):

As lessee

The asset is recognised in property and equipment with a matching entry in financial liabilities. It is measured at the lower of the fair value of the leased asset or the value of minimum lease payments discounted to present value.

At the lease inception date, the Group recognises:

- a debt (= a lease liability), corresponding to the present value of future lease payments from inception through to the end of the lease term, comprising fixed rents and, where applicable, sums payable for exercising options or residual value guarantees, discounted at the Group's marginal borrowing rate; and
- an asset representing the right to use the underlying asset over the lease term (= right to use the leased asset, recognised in fixed assets), initially measured at the amount of the debt recognised as a liability.

Any amounts already paid by the lessee, lease set-up costs and future renovation expenses are added to this amount.

The Group then records interest on the lease liability and the depreciation expense on the right-of-use asset separately. Once it has been measured initially, the lease liability is recorded using a technique similar to amortised cost at the effective interest rate. This results in an interest charge that corresponds to the application of the initial discount rate to the amount of debt brought forward at the beginning of the period. Lease payments made by the Group are deducted from the amount of the liability. The right-of-use asset is depreciated and written down, respectively, in accordance with IAS 16 – Property, Plant and Equipment, and IAS 36 – Impairment of Assets. Depreciation schedules may not exceed the lease term unless the Group intends to become owner of the underlying asset.

As lessor

At the sublease inception date, the Group recognises:

- For operating leases, the right-of-use asset arising from the head lease is kept on the intermediate lessor's balance sheet and income from subleasing the asset is recorded in profit or loss over the sublease term, in principle on a straight-line basis.
- If the sublease is classified as a finance lease:
 - the right-of-use asset under the head lease is derecognised;
 - a receivable is recorded for a value equal to the net investment in the sublease;
 - any difference between the right-of-use asset and the net investment in the sublease is recorded in profit and loss;
 - the lease liability (under the head lease) is kept in liabilities.

Consequently, the receivable (i.e., the net investment in the sublease) and the lease liability under the head lease may not be offset.

At end-2022, the Group applied the following optional exemptions:

- exemptions for short-term leases of less than 12 months for certain categories of assets;
- exemptions for leases of low-value assets (replacement cost of less than \$5,000).

The right-of-use asset, lease liability and receivable are presented on different lines of the balance sheet.

The Group reassesses lease liabilities after certain events (e.g., lease term, a change in future lease payments resulting from a change in an index or rate used to determine payments). The lease liability will then be adjusted against a matching adjustment to the right-of-use asset.

4.6 Administrative long leases

The Group has acquired a property portfolio from the French State, public bodies and local and regional authorities on long leases with a maximum 99-year term. At inception of the lease, these agreements generally provide for balancing cash payments.

These operations and the balancing payments are analysed lease by lease in order to determine the most appropriate treatment under IFRS.

4.7 Treatment of government grants and subsidies (IAS 20)

The Group accounts for subsidies and government grants received in the course of its business as follows:

- investment subsidies are deducted from the value of the related assets and taken to profit or loss based on the depreciation schedule;
- subsidies received from institutions entitled to a reserved portion of an estate are recognised in rental income and amortised over the term of the reservation agreement.

4.8 Borrowing costs (IAS 23)

Borrowings costs directly attributable to the construction or production of a qualifying asset are included in the cost of that asset through completion of the work.

The amount of borrowing costs included in the value of an asset is determined as follows:

- when funds are borrowed to build a specific qualifying asset, the borrowing costs eligible for capitalisation are the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings;
- when funds are borrowed to build a number of qualifying assets, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on said assets. This capitalisation rate shall be the weighted average of the borrowing costs applicable to the borrowings of the entity that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining the qualifying assets. The amount of borrowing costs capitalised during a period shall not exceed the amount of borrowing costs incurred during that period net of any investment income.

4.9 Assets held for sale (IFRS 5)

An asset (or disposal group) is classified in assets held for sale if:

- the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups); and
- its sale is highly probable within one year.

In the Group's case, block sales of property subject to a sale agreement at the reporting date are classified as assets held for sale.

The accounting treatment is as follows:

- the asset (or disposal group) available for sale is measured at the lower of its carrying amount and fair value less costs to sell;
- the asset is no longer depreciated once it has been reclassified;
- liabilities related to the asset (or disposal group) classified as held for sale, are presented separately in the balance sheet.

4.10 Non-consolidated equity investments (IFRS 9)

Under IFRS 9, measurement at fair value has been reinforced. The asset must be measured at fair value either:

- through profit or loss; or
- through other comprehensive income but may not be reclassified to profit or loss (potential gains and losses during the asset holding period or actual gains or losses at disposal are never recognised in profit or loss).

The Group has classified its investment portfolio on this basis and most of its investments are measured at fair value through profit or loss, with the exception of investments in entities with activities that are dissimilar to the Group's main businesses. The following bases are used for fair value measurement:

- the fair value of social housing entities owned by ADESTIA (see Scope of consolidation) is equal to at most, the acquisition cost of the shares, plus interest for each year preceding their disposal calculated at the interest rate paid to holders of passbook savings accounts plus 1.5 points, less any dividends paid over the same period (Article 423-4 of the French building and housing code (*Code de la construction et de l'habitation*));
- for semi-public social housing companies: although the disposal price is not regulated by the French building and housing code (*CCH*), restrictions on the distribution of dividends are identical to those for social housing entities. Therefore, by analogy, the fair value of semi-public social housing companies (*SEMs*) may be calculated using the method for measuring social housing entities (*ESHs*) described above.
- entities operating partially or entirely in the unregulated market are measured on a case-by-case basis by taking their actual economic value.

Fair value adjustments are presented on a separate line of the income statement (see Note 1.2) and in the consolidated statement of changes in equity.

Non-consolidated equity investments whose gross carrying amount is greater than 1% of CDC Habitat's share capital:

Equity investment	Share capital	Non-share capital equity	% control	Gross carrying amount of shares	Impairment	Net carrying amount of shares	Revaluation adjustments - IFRS 9	Other adjustments (2)	Choice of revaluation method	Revalued net carrying amount
CDC HABITAT SOCIAL 33, Avenue Pierre Mendès France, 75013 Paris - France Registered in the Trade and Companies Register (RCS) under no. 552 046 484	281.1	4,329.8	66%	236.2	0.0	236.2	4.1	0.0	FVPL	240.3
SEMCODA (1) 50, rue du Pavillon, 01000 Bourg-en-Bresse - France Registered in the Trade and Companies Register (RCS) under no. 759 200 751	81.0	580.1	21%	37.9	0.0	37.9	0.0	0.0	FVPL	37.9
HABITAT PERPIGNAN MEDITERRANEE SAS (1) 35, Boulevard Saint Assisclé, 66000 Perpignan - France Registered in the Trade and Companies Register (RCS) under no. 882 650 864	101.6	95.8	33%	34.0	0.0	34.0	0.0	0.0	FVPL	34.0
FONCIERE MEDITRINE 33, avenue Pierre Mendès France, 75013 Paris - France Registered in the Trade and Companies Register (RCS) under no. 889 274 478	80.1	2.2	40%	32.1	0.0	32.1	0.0	0.0	FVPL	32.1
MAISONS ET CITE (1) 167, rue des foulons-59500 – Douai - France Registered in the Trade and Companies Register (RCS) under no. 334 654 035	679.7	577.5	34%	150.2	0.0	150.2	0.0	0.0	FVPL	150.2
Société Immobilière de la Martinique Pettit Paradis - 97 233 SCHOELCHER Registered in the Trade and Companies Register (RCS) under no. 303 188 528	70.0	88.0	63%	41.9	0.0	41.9	0.0	0.0	FVPL	41.9
Société Immobilière du Département de la Réunion 12 Rue Félix Guyon - 97 400 St Denis Registered in the Trade and Companies Register (RCS) under no. 310 863 592	125.0	40.0	53%	31.3	0.0	31.3	0.0	0.0	FVPL	31.3
Société Immobilière de Kourou 33 Avenue Jean Jaures 97310 Kourou Registered in the Trade and Companies Register (RCS) under no. 305 934 606	49.3	67.6	92%	64.9	0.0	64.9	0.0	0.0	FVPL	64.9
OPPCI JUNO 33, Avenue Pierre Mendès France, 75013 Paris - France Registered in the Paris Trade and Companies Register (RCS) under no. 844 060 475	530.3	0.2	20%	87.0	0.0	87.0	19.7	0.0	FVPL	106.7
LRVE (1) 145 Rue Yves Le Coz RP 1124 - 78 011 Versailles Cedex - France Registered in the Trade and Companies Register (RCS) under no. 308 435 460	219.2	422.2	46%	100.0	0.0	100.0	0.0	0.0	FVPL	100.0
Action Copropriété (1) 33, Avenue Pierre Mendès France, 75013 Paris - France Registered in the Paris Trade and Companies Register (RCS) under no. 853 319 036	30.0	-0.1	100%	30.0	0.0	30.0	0.0	0.0	FVPL	30.0
SEM Reims (1) 71 Avenue d'Epemay Bp 2720, 51055 Reims Cedex - France Registered in the Paris Trade and Companies Register (RCS) under no. 902 718 998	175.0	37.4	25%	45.1	0.0	45.1	0.0	0.0	FVPL	45.1
Habitat Metz Métropole (1) 10 rue du Chanoine BP 20725, 57012 METZ Cedex 01 - France Registered in the Paris Trade and Companies Register (RCS) under no. 908 780 422	79.8	101.3	19%	35.0	0.0	35.0	0.0	0.0	FVPL	35.0
HAB INITIO 33, Avenue Pierre Mendès France, 75013 Paris - France Registered in the Paris Trade and Companies Register (RCS) under no. 909 705 766	19.8	1.5	15%	37.5	0.0	37.5	0.0	0.0	FVPL	37.5
LLI Résidences (1) 145-147 rue Yves le Coz, 78011 Versailles - France Registered in the Paris Trade and Companies Register (RCS) under no. 892 326 646	0.0	0.0	45%	36.0	0.0	36.0	0.0	0.0	FVPL	36.0
Other shares revalued through Other Comprehensive Income				0.5	-0.5	0.0	0.0	0.0	FVOCI	0.0
Other shares revalued at FVPL (including non-consolidated real estate investment companies)				190.5	0.0	190.5	3.7	1.1	FVPL	195.3
Total				1,190.1	-0.5	1,189.6	27.5	1.1		1,218.2

(1) Data at 31 December 2021.

(2) Revaluation of merged real estate investment companies (SCF).

4.11 Other financial assets (IFRS 9)

These financial assets are classified and measured as follows under IFRS 9:

Nature of asset	Intended use (IFRS 9)	Impact of fair value adjustments
Loans and advances to subsidiaries and affiliates	Collect contractual cash flows	Amortised cost
Employee loans	Collect contractual cash flows	Amortised cost
Security deposits and guarantees	Collect contractual cash flows	Amortised cost
UCITS*	Collect contractual cash flows	Fair value through profit or loss

* UCITS presented here do not comply with the criteria for classification as cash and cash equivalents

Impairment loss provisions are calculated using the new expected credit loss model under IFRS 9 and recognised in unrealised losses in profit or loss.

4.12 Inventories (IAS 2), building contracts and off-plan sales (IFRS 15)

Buildings that are related to commercial property development or acquired with a view to being resold in the near term are recognised in inventories at cost. A provision for impairment loss is recognised if their expert appraisal value is less than their carrying amount.

The cost of building contracts and off-plan sales is equal to costs directly attributable to the contract (including the cost of land) plus borrowing costs through to completion of the work. Marketing fees are expensed directly. If it becomes probable that total project costs will exceed total revenue, the Group recognises a provision for loss on completion in profit or loss for the period.

Partial payments received for these contracts before completion of the corresponding work are recorded as prepayments in liabilities.

4.13 Trade accounts receivable (IFRS 9)

Rent receivables for which receipts have been issued are recognised for the initial amount of the invoice less any provisions for bad debts, calculated using the simplified approach permitted under IFRS 9 for rent and trade receivables. This impairment loss model based on expected credit losses involves calculating impairment from historic customer default rates observed over time, adjusted for forecast estimates.

Impairment provisions are calculated using historical operating data that make it possible to differentiate provisions based on:

- how long receivables have been overdue;
- the situation of the tenants (i.e., present / departed / ordinary tenants / in dispute).

4.14 Cash and cash equivalents (IFRS 9)

Cash consists of cash at bank and demand deposits. Cash equivalents comprise money market funds and investments with maturities of less than three months, readily convertible into known amounts of cash and subject to an insignificant risk of changes in value, held to meet the Group's short-term liquidity requirements. Cash and money market funds are disclosed at fair value and any adjustments are recognised in profit or loss.

Receivables from non-consolidated subsidiaries arising from the Group's cash pooling agreement are disclosed at amortised cost.

4.15 Provisions (IAS 37)

A provision is recognised when the Group has a present obligation to a third party arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits and whose amount may be measured with sufficient reliability. In the case of obligations with maturities of over one year, the provision is discounted to present value and the related impacts are recognised in financial income (expense).

All types of risks – especially operating and financial risks – are tracked on a regular basis to determine the amounts of the appropriate provisions.

4.16 Employee benefits (IAS 19)

Pensions and length-of-service awards

Pensions and other post-employment benefits consist of retirement benefits and jubilees provided for in the French National Collective Bargaining Agreement for Real Estate companies and in Group-wide agreements.

Pension plans and other post-employment benefits treated as defined benefit plans (i.e., the Group guarantees to pay a defined amount or level of benefit) are recognised in liabilities based on an actuarial analysis of the Group's benefit obligation at the reporting date, less the fair value of the related plan assets. Payments made under defined contribution plans (i.e., the Group's obligation is limited to the amount of the contributions paid) are recognised as an expense in the current period.

The provision set aside in the consolidated accounts is calculated using the projected unit credit method and includes the related social charges. The benefit obligation is calculated based on the cost of service at the measurement date assuming unenforced retirement at between 63 and 65, depending on socio-professional category.

Actuarial gains and losses reflect distortions between assumptions used and actual experience or changes in the assumptions used to calculate the benefit obligation and related plan assets, i.e.:

- employee turnover,
- rate of salary increase,
- discount rate,
- mortality tables,
- return on plan assets.

All actuarial gains and losses are recognised in equity in accordance with Revised IAS 19.

A provision is accrued for length-of-service awards over a given employee's period of employment. It is determined for each employee grade based on the probability of employees actually reaching the required length of service and the provision is discounted to present value at the reporting date.

For information, on 24 May 2021, the IASB ratified a decision taken by the IFRS Interpretations Committee in April 2021 concerning the allocation of service costs associated with defined benefit pension plans with the following features:

- vesting of benefits is contingent on the employee being employed by the entity when they reach retirement age (e.g., 62).,
- the amount of benefits depends on the length of employee service; and
- the amount is capped at a specified number of consecutive years of service (e.g., 16).

The scope of application of this decision concerns all plans with the three features described above, regardless of the nature of the benefits (i.e., retirement benefits, healthcare benefits, top-up pension scheme, etc.).

Because the applicable pension plan has none of the three afore-mentioned features, the amendment has no impact on the consolidated financial statements of CDC Habitat at 31 December 2022, as was the case in the previous reporting period.

Incentive bonuses

The employee profit-sharing provision is calculated based on the Group's branch agreement currently in force.

4.17 Financial liabilities (IFRS 9)

After initial recognition, interest-bearing borrowings and other financial liabilities are remeasured at amortised cost using the effective interest rate of the loan. Arrangement fees and issuance costs impact the initial carrying amount and these are deferred over the loan term using the effective interest rate.

Interest-free long-term advances received from institutions entitled to a reserved portion of an estate and repayable over variable terms of up to 50 years have been remeasured at fair value using the average effective interest rate on borrowings.

Security deposits are considered current liabilities and are not discounted to present value.

Income from reservation agreements in consideration for fixed-term housing reservation rights granted to third parties is deferred over the term of the agreement and treated as either other non-current financial liabilities (non-current portion - maturing in over one year) or sundry payables (current portion – maturing in under one year).

4.18 Derivative instruments (IFRS 9)

The Group uses derivative instruments to hedge its exposure to fluctuations in interest rates. The Group's financial risk management policies together with the methods used to determine the fair values of derivative instruments are disclosed in Note 5 "Management of financial risk".

Derivatives are recognised at their fair value and used to hedge variable-rate borrowings against interest rate risk (hedging of future cash flows). The Group uses hedge accounting when the contract complies with the requisite conditions in terms of documentation and hedge effectiveness (before the fact and retrospectively).

If derivatives qualify for hedge accounting, changes in the fair value of the effective portion of the hedge are recognised directly in equity net of tax. The ineffective portion is recognised in profit or loss immediately during the period. Gains or losses accumulated in equity are recycled to the income statement (in the same heading as the hedged item) over the periods in which the hedged cash flows impact earnings.

If derivatives do not qualify for hedge accounting, changes in fair value are recognised directly in profit or loss for the period.

The amendments to IFRS 9, IAS 39 and IFRS 7 concerning "Interest rate benchmark reform – Phase I" were early adopted by the Group as of 1 January 2019. Phase II was adopted with effect from 1 January 2021 (mandatory application).

4.19 Related party transactions (Revised IAS 24)

As a 99.99%-owned subsidiary of Caisse des Dépôts et Consignations, the Group avails of the exemption from disclosure requirements in relation to transactions and related outstanding balances with government-related entities.

Transactions with related parties are disclosed in Note 7.6.

4.20 Revenue and receivables

Gross rental income (including financial rents) – IFRS 16

Rental income generated by operating leases mainly comprises housing rental income as well as some office rental income. This revenue is recognised on a straight-line basis over the fixed term of the leases along with any specific provisions or advantages (rent-free periods, step rents, lease rights, etc.) without adjusting for inflation. The benchmark period is the first fixed lease term.

The framework management agreements signed with public or private third parties are analysed as follows on a case-by-case basis to ascertain whether they qualify as operating or finance leases under IFRS 16:

- Operating lease revenue is recognised as described above.
- Finance lease revenue (CDC Habitat as lessor) is broken out into:
 - the portion corresponding to the rendering of services (rental management, major upkeep and repairs, day-to-day operation, etc.), which is recognised under income from other activities in accordance with IFRS 15; and
 - the portion corresponding to repayment of the investment, which is broken down into repayment of principal and offset against the corresponding payable, and repayment of interest which is recognised in income from other activities.

Property development (building contracts and off-plan sales) – IFRS 15

Income from property development is recognised on a percentage-of-completion basis. The portion recognised during the period corresponds to estimated final forecast revenue multiplied by the cumulative percentage of completion at the reporting date (including the cost of land in accordance with IFRS 15), less revenue recognised in prior periods for the operations already in construction at the beginning of the period. Only revenue for plots sold is recognised on a percentage-of-completion basis and the recognition period begins on the date on which the notarial deed is signed.

Income from other activities – IFRS 15

Income from other activities essentially comprises the following:

- services rendered and resources provided to non-consolidated subsidiaries;
- services rendered under framework management agreements (see Note 4.20.1);
- the portion corresponding to repayment of a receivable under finance leases (see Note 4.20.1).

4.21 Income taxes (IAS 12)

Income tax expense is recognised in profit or loss, except for tax on items recognised directly in equity.

The Group has not elected to file a consolidated tax return under French group relief rules.

Standard tax treatment

Current tax is determined based on tax rates applicable to Group entities and to operations not covered by the special tax treatment available to semi-public companies (*SEMs*).

Special tax treatment available to French semi-public companies (SEMs)

Pursuant to Article 207-1-4° of the French Tax Code, amended by Article 44-II and III of the Amending Finance Law of 2005, semi-public companies (*Sociétés d'Economie Mixte*) covered by Article L.481-1-1 of the French building and housing code (*Code de la construction et de l'habitation*) are exempted from income tax on the portion of their income generated on social housing. This tax treatment applies only to CDC Habitat and to ADOMA.

Deferred taxes

Deferred taxes are recognised using the liability method for temporary differences between the carrying amount of assets and liabilities and their tax base. Under this method, deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred taxes are calculated at the level of each tax entity and deferred tax assets and liabilities for the same entity may be offset. Deferred tax assets are recognised only when it is probable that sufficient taxable profits will be available to permit their recovery.

4.22 Measurement basis – Assessment and use of estimates

The preparation of the Group's consolidated financial statements involves making certain estimates and assumptions that are revised regularly and based on both historical data and other factors, including reasonable forecasts of future events in light of present circumstances. The estimates that could significantly affect the carrying value of assets and liabilities during the following reporting period are analysed below. The fair value of financial instruments that are not traded on an organised market (e.g., derivatives traded over the counter) is determined using valuation techniques.

The Group applies the methods and assumptions that it deems to be most appropriate, based mainly on market conditions at the reporting date. The actual disposal value of these instruments may be very different to the reported amount.

The fair value of the property portfolio (whether held for short- or long-term investment purposes) is determined essentially based on independent expert appraisals as described in Note 4.4.

The method used to measure the fair value of non-consolidated equity investments in subsidiaries is disclosed in Note 4.10.

Measurement of provisions for employee benefits is described in Notes 4.15 and 4.16.

The basis for determining fair value in accordance with IFRS 13 is described in Note 3.7.

5. Financial and operational risk management

5.1 Interest rate risk

Interest rates and financing levels are essential components in the Group's property operations and particular attention is paid to this risk and the impact of changes in interest rates on earnings.

Variable-rates (at Euribor and the interest rate payable on Livret A passbook accounts) are combined with an interest rate hedging policy that must be validated by the Management Board.

Borrowings indexed to Euribor are hedged for 100% of their outstanding amount using long-term swaps and options. Livret A outstandings are hedged for a maximum of 50% of their value. Deferred hedges may be set up for medium-term loans if necessary.

CDC Habitat began using the financial markets in 2012 to meet its financing needs, mostly using fixed-rate debt. When coupons are linked to interest rates, the Group uses interest rate hedges to manage the related risk. In certain cases, notably when rent indexation is determined at the inception of an operation, CDC Habitat may pre-finance investment projects that have been validated by senior management. The coupons are hedged using interest rate hedges and the related derivatives qualify for hedge accounting.

The Group operates a centralised hedging policy run from a single department.

5.2 Liquidity risk

Liquidity risk related to CDC Habitat's debt is hedged by managing the Group's financing structure, namely:

- the use of amortizable financing, which allows the Group to smooth its debt repayment schedule;
- issuing tranches of bullet financing in private placements designed to spread annual repayment volumes while maintaining average maturities equivalent to those of amortizable financing.

CDC Habitat negotiated short-term credit facilities with a banking consortium and commercial paper and medium term note programmes (NEU CP-NEU MTN) to provide financing for property development projects and asset acquisitions. These short-term drawdown facilities have been designed to meet project development costs as well as any possible changes in outstanding deposit balances centralised by the Group under cash pooling arrangements.

The Group's treasury management function is run from a single platform and this makes it easier to secure and manage.

5.3 Counterparty risk

The Group monitors its investments very carefully. It is especially attentive to the quality of the banks in which it holds deposits and tracks their credit ratings closely. Virtually all term deposits are placed with counterparties or banking groups that are also long-term lenders for investment projects.

All such counterparty risks are detailed in the Liquidity charter approved by the Group's governance structures and CDC Habitat submits a half-yearly risk report to the CDC's Risk Management department. All of these financial indicators are also provided to the Group's sole shareholder on a quarterly basis as part of the Caisse des Dépôts Group's capital adequacy reporting framework.

5.4 Operational risk

CDC Habitat is mainly exposed to the following operational risks:

▪ **Business development risk**

- The Group's capacity to maintain a sufficient level of equity to enable it to achieve its development objectives. It prepares a Medium-term Plan based on conservative assumptions. Financial simulations are used to assess the impact of regulatory changes on equity levels and to seek out the financing necessary to maintain a balance in the Group's operations (support measures taken by our shareholder, new financing, etc.) and limit the impact on consolidated equity.
- Meeting delivery deadlines and controlling costs. To avoid late deliveries and financial overruns, dedicated reporting systems have been deployed. Moreover, construction operations are closely tracked in "Target Monitoring meetings" and validated by special committees. Finally, quality markers have been laid down (Project management quality control process) in order to secure renovation development work.

▪ **Property portfolio risk**

- Rising upkeep and maintenance costs and compliance requirements (fire safety, asbestos, lead, lifts, accessibility for disabled people, energy efficiency standards, etc.) push up building costs and require a constant regulatory watch. To cover these costs, the Group raises *ad hoc* financing (e.g., Energy Saving Certificates) and organises information seminars (day-long seminars on development, project and portfolio management, etc.).
- Setting objectives in terms of block and split sales of property due to the wait-and-see attitude on the markets and buyers' difficulties in obtaining long-term financing. To overcome this risk, performance indicators and contacts with the people responsible for overseeing property sales are used to track operations. Property arbitration processes have been reviewed and an application designed to identify potential property sales has been deployed since 2020.

▪ **Rental management risk**

- Unoccupied housing in outlying regions may result in significant amounts of lost revenue. Guidelines for monitoring all sensitive properties are included in the annual property arbitration and review process which may result in either disposals or lowering of rents to bring them into line with the local rental market. An action plan to reduce vacancy rates of over three months was launched in 2022;
- Risk of increases in overdue balances. For information, a drive to recover overdue receivables was launched by the Rental Management division in September 2019 throughout CDC Habitat that involves chasing up queries that have generated alerts in close concertation with the agencies. At the present time, although there has been a decrease in bad debts, this risk continues to be closely monitored in view of current circumstances. A working group has also been set up to study arrears of higher rents.
- Provisioning for recoverable rental charges and processing times for adjusting charges may put pressure on tenants. To mitigate this risk, the Group has centralised the service that manages rental charges. The teams also prepare schedules for budgets and performance indicators with regularly updated information on adjustments to charges in order to avoid lengthy delays;
- The increase in the volume of deliveries may delay the start of the pre-marketing phase (meetings to prepare for leasing out the properties, creation of the portfolio, setting rents and service charge

budgets, etc.). Network Management has deployed an action plan to deal with peaks in activity generated by deliveries under the stimulus plan.

▪ **Failure in the management and organisation of an IT transition project**

Certain types of IT project may have a major impact on the business. This was the case with the project to merge the different IKOS environments deployed on 1 January 2020.

Possibilities for improved structuring of the levels at which risky projects are managed have been identified for more effective change management throughout the project. The criteria for ranking projects have been reviewed and included in the new versions of project commitment files.

▪ **Tax matters**

A continued deterioration in the tax environment (VAT, income tax, social contributions, etc.) could negatively impact current financing operations even though such impacts are staggered over time. To counteract these trends, the Group anticipates developments and keeps tabs on potential changes while seeking to foster intelligent dialogue either directly or through professional bodies.

▪ **Non-compliance / Anti-corruption processes**

CDC Habitat has incorporated anti-money laundering and countering the financing of terrorism (AML/CFT – 5th EU directive) and corruption (the “Sapin II Law” of December 2016) into its internal control process in three different ways:

- By incorporating risk prevention into the operational risk mapping process, the Group's procedural guidelines and rules on ethics. An anti-corruption policy was circulated to all Group employees at the end of 2021, detailing the Group's commitment to conducting its business in an ethical manner, explaining and describing prohibited behaviour, and providing guidelines to be adopted when faced with risky situations;
- Raising awareness among all Group employees of the fight to stamp out money laundering, the financing of terrorism, fraud and corruption via e-learning modules on the learning platform;
- Organising workshops with internal control correspondents to devise periodic controls designed to comply with regulatory obligations to combat fraud, money laundering and corruption. This work has been used to draft operating guidelines for making accounting control procedures compliant and identifying risky operations. A new application was introduced in 2022 to automate accounting controls as well as a specific control plan enabling the Group to comply with Article 17, section II-8° of the Sapin II law.

6. Notes to the consolidated financial statements

6.1 Property and equipment and intangible assets

GROSS VALUE						
	2022	Additions	Disposals	Additional Govt. grants	Transfers between accounts	2021
Investment property	10,180.1	1,316.5	-1,165.2	-0.4	1,184.3	8,844.9
Intangible assets	19.6	6.5	0.0	0.0	0.0	13.1
Owner-occupied property and equipment	69.9	1.1	-0.1	0.0	0.4	68.5
Assets held for sale (IFRS 5)	0.0	0.0	0.0	0.0	-1,184.7	1,184.7
TOTAL GROSS VALUE	10,269.6	1,324.1	-1,165.3	-0.4	0.0	10,111.2

DEPRECIATION, AMORTISATION AND IMPAIRMENT						
	2022	Additions	Reversals	Release of gov. grants	Transfers between accounts	2021
Investment property	-2,141.8	-197.9	150.5	13.8	-115.2	-1,993.0
Intangible assets	-5.8	-1.2	0.0	0.0	0.0	-4.6
Owner-occupied property and equipment	-44.1	-3.5	0.1	0.0	0.0	-40.7
Assets held for sale (IFRS 5)	0.0	0.0	0.0	0.0	115.2	-115.2
TOTAL DEPRECIATION AND AMORTISATION	-2,191.7	-202.6	150.6	13.8	0.0	-2,153.4
TOTAL IMPAIRMENT	-42.6	-42.3				-0.3

NET BOOK VALUE						
	2022	Additions	Disposals	Release of gov. grants	Transfers between	2021
Investment property	7,995.7	1,076.3	-1,014.7	13.4	1,069.1	6,851.6
Intangible assets	13.8	5.3			0.0	8.5
Owner-occupied property and equipment	25.9	-2.4			0.4	27.9
Assets held for sale (IFRS 5)	0.0				-1,069.5	1,069.5
NET BOOK VALUE	8,035.4	1,079.2	-1,014.7	13.4	0.0	7,957.5

FAIR VALUE OF INVESTMENT PROPERTY

	2022	2021
Net book value (1)	7,995.7	7,921.1
Fair value (1)	11,426.7	10,946.5
Unrealised gain	3,431.0	3,025.4

(1) Net book value and fair value include property held for sale (IFRS 5)

FAIR VALUE HIERARCHY

Residential property	"Block" value per m ²		Discount rate (DCF)		Rate of return	
	Min	Max	Min	Max	Min	Max
Paris / Greater Paris region	736 €	9,437 €	3.25%	5.50%	3.00%	10.00%
Rest of France	371 €	4,737 €	3.75%	6.00%	3.30%	12.00%

In accordance with IFRS 13, the above table discloses the ranges of the main unobservable inputs (Level 3 inputs) used by real estate appraisers.

RIGHT-OF-USE ASSETS (IFRS 16)

On 1 January 2019, the Group began applying IFRS 16 - Leases. Movements in right-of-use assets and lease assets/liabilities over the period may be broken down as follows:

	1 January 2022 under IFRS 16	Movements during the year	Depreciation expense over the period	31 December 2022
Right-of-use asset (1)	7.6	-		7.6
Depreciation (1)	2.2	-	0.8	3.0
Total right-of-use assets related to leases - net carrying amount	5.4	-	0.8	4.6

	1 January 2022 under IFRS 16	Movements during the year	Repayment of principal during the year	31 December 2022	Current portion	Non-current portion
Receivable against assets covered by subleases (1)	88.6	-	6.5	82.1	12.2	69.9
Lease liabilities (1)	94.3	-	7.1	87.2	13.1	74.1

(1) Concerns Rives de France and Galaxie premises

6.2 Investments in associates

The following data is presented on a 100% ownership basis in the reporting format (IFRS) used by ADOMA, FLI and the Lamartine Group, the only entities accounted for using the equity method at the present time.

Summary balance sheet	ADOMA		FLI		Lamartine Group	
	2022	2021	2022	2021	2022	2021
Property portfolio	1,472.7	1,377.6	1,464.4	1,441.6	2,057.0	0.0
Other assets	415.7	333.8	90.0	182.2	76.9	0.0
Total assets	1,888.4	1,711.3	1,554.4	1,623.8	2,133.9	0.0
Equity	537.3	499.9	975.8	947.8	1,150.1	0.0
Borrowings	1,091.8	955.5	577.8	512.4	845.4	0.0
Other liabilities	259.3	255.9	0.8	163.6	138.4	0.0
Total liabilities	1,888.4	1,711.3	1,554.4	1,623.8	2,133.9	0.0
Net profit (loss)	4.5	24.6	1.3	0.5	-7.7	0.0
% control	56.44%	56.44%	19.14%	19.14%	15.00%	15.00%
Share in income of associates	2.6	13.9	0.2	0.1	-1.2	0.0
Equity	537.3	499.9	975.8	947.8	1,150.1	0.0
% control	56.44%	56.44%	19.14%	19.14%	15.00%	15.00%
UNADJUSTED INVESTMENTS IN ASSOCIATES	303.2	282.1	186.8	181.4	172.5	0.0
Neutralisation of internal income for Lamartine (1)					-82.8	
ADJUSTED INVESTMENTS IN ASSOCIATES	303.2	282.1	186.8	181.4	89.7	0.0

(see Note 2 Significant events of the year - Restructuring of the Lamartine fund).

	2022	2021
TOTAL SHARE IN NET INCOME OF ASSOCIATES	1.6	14.0
TOTAL INVESTMENTS IN ASSOCIATES	579.7	463.5

CHANGES IN FAIR VALUE OF INVESTMENTS IN ASSOCIATES	TOTAL share in CDC H (A) + (B)	ADOMA		FLI		Lamartine Group	
		Net book assets (100% of shares)	CDC H share 56.44% (A)	Net book assets (100% of shares)	CDC H share 19.14% (B)	Net book assets (100% of shares)	CDC H share 15% (C)
Fair value at 31.12.2021	463.5	499.9	282.1	947.8	181.4	0.0	0.0
Newly-consolidated investments in 2022	149.6					149.6	149.6
2022 share capital increase	16.3					108.8	16.3
Cancellation of capital gain on Lamartine	-82.8					-552.0	-82.8
Net income for 2022 under IFRS	1.6	4.5	2.6	1.3	0.2	-7.7	-1.2
Dividends paid in 2022	-5.5	0.0	0.0	-28.1	-5.4	-0.9	-0.1
Gains and losses recognised in equity under IFRS	37.0	32.8	18.5	54.8	10.6	52.8	7.9
Fair value at 31.12.2022	579.7	537.2	303.2	975.8	186.8	-249.4	89.7

6.3 Non-current financial assets

GROSS VALUE	2022	Changes in scope of consolidation	Disposal	Acquisition / Increase	2021
Non-consolidated equity investments (1)	1,190.7		-2.4	278.8	914.3
Fair value adjustments - IFRS 9 (2)	27.5			14.4	13.1
Loans and advances to non-consolidated entities – FVPL	0.0				0.0
TOTAL GROSS VALUE	1,218.2	0.0	-2.4	293.2	927.4

(1) these included the acquisition of equity interests totalling €279 million (mainly consisting of a €77 million stake in CDC Habitat Social, a €45 million stake in the capital increase of SEM Reims, a €38 million stake in the capital increase of Hab Initio, a €36 million stake in LLI Résidences, a €35 million stake in SEM Metz Habitat, an €8 million stake in SIMKO, a €7 million stake in SEM Urbavileo, a €7 million stake in SPPICAV Foncière Méditrine, a €5 million stake in AGIRE SAIEM, and other equity interests for a total amount of €21 million). They also included a negative amount of €3 million for the sale of shares (-€1 million for Yes Park and -€2 million for Meecam).

(2) including €14 million in fair value adjustments to equity investments (in JUNO, CDC HS, Hestia).

IMPAIRMENT	2022	Changes in scope of consolidation	Reversals	Additions	2021
Provision for impairment	0.0		0	0.0	0.0
TOTAL IMPAIRMENT	0.0	0.0	0.0	0.0	0.0

NET BOOK VALUE	2022	Changes in scope of consolidation	Reversals	Additions	2021
NET BOOK VALUE	1,218.2	0.0	-2.4	293.2	927.4

6.4 Other non-current financial assets

	2022	2021
Loans and advances to subsidiaries and affiliates	5.4	24.5
Medium- and long-term loans	8.9	9.9
Other long-term receivables	84.0	96.7
TOTAL	98.3	131.1

6.5 Deferred tax assets

As of 31 December 2021, a net deferred tax asset was recognised in the consolidated accounts of CDC Habitat for an amount of €1 million. At 31 December 2022, there was a net deferred tax liability on the consolidated balance sheet (see Note 6.19).

6.6 Inventories and work in progress

	Gross 2022	Impairment 2022 (1)	Net 2022	Net 2021
Property in production (in progress)	58.9	-0.4	58.5	50.1
Property	0.0	0.0	0.0	0.0
TOTAL	58.9	-0.4	58.5	50.1

(1) o/w charge for the period of 0.0
(1) o/w reversal for the period of 0.1

6.7 Trade receivables

	Gross 2022	Impairment 2022 (1)	Net 2022	Net 2021
Prepayments	24.7		24.7	29.4
Receivables from tenants (1)	72.7	-24.6	48.1	44.9
Receivables from property development transactions	97.3		97.3	102.7
Receivables for management services for third parties	16.4		16.4	12.0
TOTAL	211.1	-24.6	186.5	189.0
(1) o/w charge for the period of		-7.4		
(1) o/w reversal for the period of		6.7		
(1) o/w newly-consolidated		0.0		

6.8 Current tax assets

	2022	2021
Current tax assets	0.8	0.5
TOTAL	0.8	0.5

6.9 Sundry receivables

	Gross 2022	Impairment 2022 (1)	Net 2022	Net 2021
Unpaid portion of capital increase	0.0		0.0	381.3
Sundry and unbilled receivables	20.9	-1.4	19.5	14.1
Accrued government grants and subsidies	13.5		13.5	15.6
Tax receivables	9.2		9.2	12.3
Receivables on disposals of property	2.7		2.7	3.0
Miscellaneous receivables	32.5	-1.6	30.9	25.8
Prepaid expenses	8.2		8.2	4.8
TOTAL	87.0	-3.0	84.0	456.9
(1) o/w charge for the period of		-1.1		
(1) o/w reversal for the period of		0.6		

6.10 Current financial assets

	2022	2021
Negotiable debt instruments	0.0	125.0
Fair value adjustments to current financial assets (accrued interest)	1.2	2.5
TOTAL	1.2	127.5

6.11 Other current financial assets

	2022	2021
Short-term loans	0.0	0.1
TOTAL	0.0	0.1

6.12 Cash and cash equivalents

	2022	2021
Group cash pooling agreement – debit position	199.5	217.3
Mutual funds and other short-term investments (<3 months)	1,289.9	496.0
Cash at bank	277.4	290.3
TOTAL cash and cash equivalents (in ASSETS)	1,766.8	1,003.6
Group cash pooling agreement – credit position	185.6	256.4
Bank overdrafts	193.7	91.0
TOTAL cash (in LIABILITIES)	379.3	347.4
NET CASH AND CASH EQUIVALENTS	1,387.5	656.3

6.13 Assets held for sale and liabilities related to assets held for sale

	2022	2021
Investment property held for sale	0.0	1,184.7
Investment grants and subsidies	0.0	0.0
Cumulative amortisation and depreciation charges	0.0	-115.2
Provisions	0.0	0.0
TOTAL Assets held for sale (1)	0.0	1,069.5
Borrowings / assets held for sale	0.0	571.8
TOTAL Liabilities related to assets held for sale (1)	0.0	571.8

(1) For information, at December 31, 2021, assets held for sale concerned the draft contribution and sale agreement entered into with Lamartine on 23 December 2021.

The sale and contribution operations were duly completed on February 28 and March 1, 2022, respectively.

6.14 Equity

Information regarding changes in equity is disclosed in “CONSOLIDATED STATEMENT OF CHANGES IN EQUITY”.

At 31 December 2022, share capital amounted to €2,303.3 million, comprising 23,033,016 shares of 100 euros each.

Breakdown of share capital	2022	2021
Share capital	2,303.3	2,163.3
Additional paid-in capital	140.0	140.0
Legal reserves	232.1	151.1
Revaluation reserve	2.7	2.7
Other reserves - Actuarial gains and losses on post-employment benefits -	0.3	- 14.1
Untaxed reserves	-	-
Other reserves	-	-
Retained earnings	340.7	340.7
Reserves	1,373.6	1,301.3
Unrealised gains and losses on FV adjustments through OCI	38.4	- 183.9
Profit for the period	394.7	151.5
Equity	4,825.2	4,052.5

6.15 Non-current and current provisions

NON-CURRENT PROVISIONS

	2022	Additions	Reversals	Impact on equity	2021
Retirement benefits	31.3	3.9	-2.1	-11.0	40.5
Jubilees and other long-service benefits	3.0	0.0	-0.6		3.6
Other employee benefit expense	0.0		-0.3		0.3
Non-current risks	2.9	0.9	-0.8		2.8
TOTAL NON-CURRENT PROVISIONS	37.2	4.8	-3.8	-11.0	47.2

CURRENT PROVISIONS

	2022	Additions	Reversals	Impact on equity	2021
Risks related to investment property	4.3	0.4	-0.1		4.0
Current risks	7.8	4.4	-2.1		5.5
TOTAL CURRENT PROVISIONS	12.1	4.8	-2.2	0.0	9.5

6.16 Non-current and current borrowings

6.16.1 Net debt

	Contractual amount	FV adjustment	2022	2021
Non-current borrowings (1)	4,873.7	-49.7	4,824.0	4,680.8
Current borrowings (1)	1,595.8	-1.3	1,594.5	1,040.6
Gross debt	6,469.5	-51.0	6,418.5	5,721.4
Current financial assets	0.0	1.2	1.2	127.5
Other current financial assets	0.0	0.0	0.0	0.1
Cash and cash equivalents	1,765.6	1.2	1,766.8	1,003.6
Net debt	4,703.9	-53.4	4,650.5	4,590.2

(1) o/w a leasing liability related to IFRS 16

6.16.2 Debt profile by maturity

	< 1 year	> 1 year	2022	2021
Borrowings from credit institutions		4,521.9	4,521.9	4,366.1
Other borrowings and debt		228.0	228.0	227.5
Non-current leasing liabilities		74.1	74.1	87.2
Non-current borrowings	0.0	4,824.0	4,824.0	4,680.8
Borrowings from credit institutions (1)	1,167.7		1,167.7	656.8
Other borrowings and debt	34.4		34.4	29.3
Group cash pooling agreement – credit position	185.6		185.6	256.4
Bank overdrafts	193.7		193.7	91.0
Current leasing liabilities	13.1		13.1	7.1
Current borrowings	1,594.5	0.0	1,594.5	1,040.6
TOTAL GROSS DEBT	1,594.5	4,824.0	6,418.5	5,721.4
(1) o/w accrued interest			99.0	83.0

6.16.3 Impact of changes in borrowings on statement of cash flows

	2022	Cash flows	Non cash movements				2021
			Transfers	Capitalised borrowing costs	Newly-consolidated	Evaluation of early repayment indemnities	
Non-current borrowings (1)	4,749.9	68.2	80.5			7.6	4,593.6
Current borrowings (2)	1,202.1	24.7	491.3				686.1
Liabilities related to assets held for sale	0.0		-571.8				571.8
TOTAL GROSS DEBT	5,952.0	92.9	0.0	0.0	0.0	0.0	5,851.5

(1) excl. non-current leasing liability accounts (right-of-use asset) totalling €74.1 million
(2) excluding current account balances of €185.6 million, bank overdrafts of €193.7 million and current leasing liabilities of €13.1 million in 2022 (€256.4 million, €91.0 million and €7.1 million, respectively in 2021).

Sums received from shareholders	521.3
Changes in security deposits and guarantees received	0.0
Changes in miscellaneous receivables and payables	-18.5
Gross interest paid (excl. accrued interest)	-108.1
Dividends paid	0.0
TOTAL CASH FLOW GENERATED FROM FINANCING ACTIVITIES	487.6

6.17 Other non-current financial liabilities

	2022	2021
Security deposits and guarantees received	33.7	34.2
Uncalled, unpaid capital	132.4	53.1
Other liabilities and deferred income	44.2	49.9
Other non-current financial liabilities	210.3	137.2

6.18 Derivatives

6.18.1 Presentation of derivative instruments in the balance sheet

	2022	2021
Consolidated division, excluding ESHs – net position	17.8	-257.3
<i>Derivative instruments in assets</i>	46.6	5.5
<i>Derivative instruments in liabilities</i>	28.8	262.8
ESH division – net trading position on hedging operations carried on behalf of Group entities	0.0	0.0
<i>Derivative instruments in assets</i>	71.0	367.5
<i>Derivative instruments in liabilities</i>	71.0	367.5
Consolidated Group position - net	17.8	-257.3
<i>Derivative instruments in assets</i>	117.6	373.0
<i>Derivative instruments in liabilities</i>	99.8	630.3

6.18.2 Table of interest rate hedges

Type	Initial notional amount	Current notional amount	Value of hedges
CAPs	10.0	3.6	-0.1
Livret A passbook accounts	193.0	193.0	6.1
SWAPs	2,550.1	1,301.9	11.8
TOTAL hedges	2,753.1	1,498.5	17.8

6.18.3 Fair value adjustments to derivatives

	FV adj. for 2022 in equity	FV adj. for 2022 in profit or loss	2022	2021
Interest rate swaps qualifying as hedging instruments (1)	270.9		270.9	108.7
Interest rate swaps not qualifying as hedging instruments		4.1	4.1	4.8
Total financial instruments	270.9	4.1	275.0	113.5

(1) Excluding swaps contracted for Adoma, FLI and Groupe Lamartine which are accounted for using the equity method, net of deferred taxation and restructured derivatives recycled to profit or loss.

6.18.4 Notional current amounts by maturity of derivative instrument

	Due within 1 year	1 to 5 years	Due in over 5 years	2022	2021
Derivative portfolio at 31 December					
Fixed-rate payer swaps	72.9	307.2	921.8	1,301.9	1,386.2
Interest-rate options	0.4	3.2	0.0	3.6	4.0
Variable rate against variable rate swaps	0.0	103.0	90.0	193.0	193.0
Total	73.3	413.4	1,011.8	1,498.5	1,583.2
Derivative portfolio with deferred impact					
Fixed-rate payer swaps				0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0
TOTAL	73.3	413.4	1,011.8	1,498.5	1,583.2

Hedging relationships covered by the “Interest rate benchmark reform”

31.12.2022

	Assets	Equity and liabilities	Notional amount	Fair value adjustments used to calculate ineffectiveness
<i>(in millions of euros)</i>				
Interest rate hedges				
Foreign currency hedges				
Equity derivatives				
Other derivatives				
Fair value hedges				
Interest rate hedges	46.6	28.8	1,498.5	275.0
Foreign currency hedges				
Equity derivatives				
Other derivatives				
Cash flow hedges	46.6	28.8	1,498.5	275.0
Net investment hedges in foreign currency				
Total hedging derivative instruments	46.6	28.8	1,498.5	275.0

6.18.5 Analysis of debt after hedging

	Classification of debt		2022
	Fixed rate	Variable rate	
Borrowings (excluding IFRS 5)	4,025.2	1,646.6	5,671.8
Interest-free debt	262.4		262.4
Leases	26.7		26.7
Capitalised borrowing costs	-8.9		-8.9
Lease liabilities	87.2		87.2
Group cash pooling agreement – credit position		185.6	185.6
Bank overdrafts		193.7	193.7
GROSS DEBT BEFORE HEDGING	4,392.6	2,025.9	6,418.5
Hedging of variable-rate debt at fixed rates (borrowings)	1,147.3	-1,147.3	0.0
Hedging of <i>Livret A</i> debt at fixed rates (borrowings)	193.0	-193.0	0.0
NET DEBT AFTER HEDGING	5,732.9	685.6	6,418.5
Term deposits and other investments	1,289.9	0.0	1,289.9
Group cash pooling agreement – debit position		199.5	199.5
Bank current account		277.4	277.4
TOTAL CURRENT FINANCIAL ASSETS AND CASH	1,289.9	476.9	1,766.8
NET DEBT AFTER HEDGING	4,443.0	208.7	4,651.7

Recognition of financial assets and liabilities

	Note	Classification	NBV 2022	Fair value
Non-current financial assets	6.3	Fair value through profit or loss (1)	1,218.2	1,218.2
		Fair value through equity (not to be recycled subsequently to P&L) (2)	0.0	0.0
Other non-current financial assets	6.4	Amortised cost	98.3	98.3
Group non-current derivative instruments	6.18	Cash flow hedges (3)	46.6	46.6
Other receivables	6.7 to 6.9	Amortised cost	271.3	271.3
Current financial assets	6.7 to 6.9	Fair value through profit or loss	1.2	1.2
Other current financial assets	6.11	Amortised cost	0.0	0.0
Cash and cash equivalents	6.12	Fair value through profit or loss / amortised cost	1,766.8	1,766.8
TOTAL FINANCIAL ASSETS			3,402.4	3,402.4
Non-current borrowings	6.16	Amortised cost	4,824.0	4,824.0
Other non-current financial liabilities	6.17	Amortised cost	210.3	210.3
Group non-current derivative instruments (3)	6.2	Cash flow hedges	28.8	28.8
Current borrowings	6.16	Amortised cost	1,594.5	1,594.5
Other liabilities	6.19 - 6.21	Amortised cost	501.1	501.1
TOTAL FINANCIAL LIABILITIES			7,158.7	7,158.7

(1) o/w non-consolidated equity investments for an amount of €1,189.9 million, Fair value adjustments under IFRS 9 for an amount of €27.5 million

(2) o/w non-consolidated equity investments with a gross and net carrying amount of €0.5 million

(3) net of hedging carried out on behalf of the ESH division

6.18.6 Fair value hierarchy for measuring financial instruments

The criteria used for measuring the fair value of financial instruments were disclosed in Note 3.7.

The hierarchy may be summarised as follows:

- Level 1: quoted on an active market
- Level 2: measured using observable inputs
- Level 3: measured using non-observable inputs

	2022			2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Available-for-sale financial assets			1,218.2			927.4
Derivative instruments		117.6			373.0	
Other current financial assets	1.2			127.5		
Cash and cash equivalents	0.0			0.0		
Liabilities						
Derivative instruments		99.8			630.3	

6.19 Deferred tax liabilities

	2022	2021
DT / Timing differences	21.8	12.5
DT / Cash flow hedges	-3.8	66.8
DT/ Valuation variances	-12.6	-13.0
DT / Capitalisation of acquisition and borrowing costs	-46.7	-47.2
DT/ FV of debt	-8.6	-9.8
DT / Other IFRS adjustments	7.1	-8.3
Net deferred tax asset (liability) (1)	-42.8	1.0

(1) for information, at 31 December 2021, there was a net deferred tax asset in the consolidated balance sheet.

6.20 Trade accounts payable

	2022	2021
Trade accounts payable	3.8	3.2
Unbilled trade payables	51.4	61.1
Prepaid trade receivables	33.7	23.2
TOTAL TRADE PAYABLES	88.9	87.4

6.21 Current tax liabilities

	2022	2021
Current tax liabilities	6.6	6.1
TOTAL	6.6	6.1

6.22 Sundry payables

	2022	2021
Tax and employee-related liabilities	88.3	77.8
Amounts owed to property developers	235.9	230.3
Miscellaneous payables	43.3	71.3
Deferred income	38.1	38.4
TOTAL	405.6	417.8

6.23 Other operating income

	2022	2021
Other operating income	9.9	6.2
Reversal of provisions taken on trade receivables	7.3	4.0
Reversal of provisions taken on other operating income and expenses	0.0	0.0
TOTAL	17.2	10.2

6.24 Other operating expense

	2022	2021
Royalties and patent fees	-1.8	-1.3
Other operating expense	-15.5	-5.9
Additions to provisions taken on trade receivables	-8.5	-8.4
Additions to provisions taken on other operating income and expenses	0.0	0.0
TOTAL	-25.8	-15.6

6.25 Cost of gross debt

	2022	2021
Interest on borrowings from credit institutions	-110.2	-111.9
Interest on net lease liabilities	-0.1	-0.1
Fair value adjustments to debt at preferential rates	-7.6	-6.1
Restructured derivatives recycled to profit or loss	2.1	2.4
Other debt-related expenses (gross)	0.0	0.1
TOTAL	-115.8	-115.6

6.26 Income from cash and cash equivalents

	2022	2021
Income from marketable securities with maturities of less than three months	6.3	6.6
Income on disposal of marketable securities (1)	-17.0	0.0
Financial charges on cash pooling agreement	-6.0	-2.8
Financial income from cash pooling agreement	33.2	21.2
Dividends received and share in income of associates	6.9	5.5
Fair value adjustments to current financial assets and cash and cash equivalents	-1.4	0.4
Gains on disposal of equity instruments	0.0	13.0
TOTAL	22.0	43.9

(1) This heading includes the charges incurred on unwinding term deposits. See Note 2 Significant events - Financing.

6.27 Income tax expense

	2022	2021
Income tax expense	-155.2	-54.0
Deferred income tax benefit (expense)	30.1	4.1
TOTAL	-125.1	-49.9

Tax proof

	2022	2021
Net profit (loss)	394.7	151.5
Current tax	-155.2	-54.0
Deferred tax benefit (expense)	30.1	4.1
Profit before tax	519.8	201.4
Share in net income of associates	1.6	14.0
Profit before tax and share in net income of associates	518.2	187.4
Theoretical tax expense (1)	-133.8	-53.2
Permanent differences	8.7	3.2
Variable carryforwards	0.0	0.0
Other	0.0	0.1
Actual tax expense	-125.1	-49.9

(1) Theoretical tax rate of 25.825% in 2022 compared to 28.41% in 2021.

6.28 Share in net income of associates

	2022	2021
Share in net income of associates	1.6	14.0
Reversal of negative goodwill on investments in associates		
TOTAL	1.6	14.0

7. Other disclosures

7.1 Off-balance sheet commitments

	2022	2021
Commitments given	2,084.8	2,576.8
Endorsements and sureties given	330.7	345.7
Pledges given on securities	0.0	0.0
Commitments relating to off-plan sales	1,434.5	1,839.8
Secured debt and mortgages registered as collateral	256.1	322.7
Other commitments given	63.5	68.6
Commitments received	386.8	377.1
Pledges and guarantees received	144.1	153.0
Financing commitments received	238.0	220.0
Bank guarantees for building contracts	4.7	4.1

7.2 Disclosures concerning leases

7.2.1 Finance and operating leases (as lessor)

Lease type

<i>Category of tenants</i>	<i>Conditions of renewal or purchase</i>	<i>Indexation clauses</i>	<i>Lease term</i>
Dwellings	Tacit renewal or renewal proposition	Rent review index (IRL)	3 to 6 years
Gendarmerie-type lease (leased by the Group)	Lease renewal	Construction cost index	6 to 9 years
EDF lease	Renewable once by tacit renewal	Construction cost index	12 years, renewable after 6 years
Ecole Polytechnique lease (leased by the Group)	Non-renewable	Rent review index (IRL)	29 years
Public property-type lease	Non-renewable	Varies from lease to lease	variable depending on lease (between 25 and 35 years)

Minimum rents (1)

<i>(€ million)</i>	2022	2021
Received during the period	131.5	131.4
Receivable in under 1 year	123.0	125.2
Receivable in 1 to 5 years	352.3	402.4
Receivable in over 5 years	114.6	127.8
TOTAL	721.4	786.8

(1) Excluding dwellings

7.2.2 Finance and operating leases (as lessee)

Lease type

<i>Category of tenants</i>	<i>Conditions of renewal or purchase</i>	<i>Indexation clauses</i>	<i>Lease term</i>
Gendarmerie-type lease (premises put at the Group's disposal by local authorities)	Non-renewable	Not applicable	variable (maximum 99 years)
Ecole Polytechnique lease (premises put at the Group's disposal by the State)	Non-renewable	Not applicable	29 years
Public property-type lease	Non-renewable	Varies from lease to lease	variable depending on lease (between 25 and 35 years)

Net book value of property

	2022	2021
Gendarmerie-type leases	516.8	553.4
Ecole Polytechnique lease	21.4	23.0
Public property-type leases	93.6	102.6
Total	631.8	679.0

7.3 Employee benefit obligations

7.3.1 In relation to retirement benefits

Change in projected benefit obligation

	2022	2021
Projected benefit obligation at start of year	40.5	38.3
Current service cost	3.9	4.6
Interest cost for the period	0.4	0.1
Benefits paid	-1.8	-1.7
Actuarial gains and losses for the period	-11.7	-0.9
Effect of changes in scope of consolidation & other	0.0	0.1
Projected benefit obligation at end of year	31.3	40.5

	2022	2021
Current service cost	3.9	4.6
Interest cost for the period	0.4	0.1
TOTAL	4.3	4.7

The projected benefit obligation is discounted at a rate based on the yield on blue chip corporate bonds with similar maturities to iBoXX€ Corporate AA 10+ bonds at the reporting date, i.e., 3.16% at 31 December 2022.

The estimated sensitivity of the benefit obligation to a 1% change in the discount rate is shown in the following table:

Parameters	+/-1% change	Retirement benefit		
		oblig.	variance (€M)	variance (%)
Discount rate	-1	35.1	-3.9	-11.0%
Discount rate	1	28.0	3.2	11.6%
Turnover	-1	32.5	-1.2	-3.7%
Turnover	1	27.9	3.4	12.1%
Revaluation rate	-1	28.0	3.3	11.9%
Revaluation rate	1	35.1	-3.9	-11.0%

7.3.2 In relation to length-of-service awards

The Group measures and recognises its long-term commitments in relation to length-of-service awards using similar assumptions to those used for other post-employment benefits. Length-of-service award

commitments recognised on the balance sheet at 31 December 2022 total €3 million (see Note 6.15 – Non-current and current provisions).

7.4 Headcount at the reporting date

	2022	2021
Management grade	1,001	924
Non-management grade	1,009	1,036
TOTAL	2,010	1,960

7.5 Statutory Auditors' fees

	2022	2021
Mazars	0.2	0.2
PricewaterhouseCoopers Audit	0.2	0.2
Other audit firms		
Total - statutory audit engagements	0.4	0.4
Mazars		
PricewaterhouseCoopers Audit		
Other audit firms		
Services other than statutory audit engagements	0.0	0.0
TOTAL	0.4	0.4

7.6 Related party-transactions and senior executive compensation

The Group's parent, CDC, complies with the notion of a "government-related entity" under Revised IAS 24 and CDC Habitat avails of the reporting exemption provided under paragraph 25 of the standard.

7.6.1 Relations with the parent company

Relations with the parent mainly concern bank loans granted under arm's length conditions and guarantees provided to either CDC Habitat or one of its subsidiaries.

	2022	2021
Uncalled subscribed capital	0.0	0.0
Bank current account	1.5	0.0
Miscellaneous non-operating receivables	0.0	380.3
Borrowings - Caisse des dépôts et consignations	-7.7	-12.8
Operating income/(loss)	0.0	0.0
Financial income (expense)	0.0	0.0
Endorsements and sureties given	-22.4	-28.7
Pledges and guarantees received	84.3	93.1
RELATIONS WITH CDC – BALANCE SHEET (1)	-6.2	367.5
RELATIONS WITH CDC – INCOME STATEMENT (2)	0.0	0.0
RELATIONS WITH CDC –OFF BALANCE SHEET (3)	61.9	64.4

(1) "+asset / - liability", (2) "+ income / - expense", (3) "+ received / - given"

7.6.2 Relations with consolidated entities

These mainly concern the Group cash pooling agreement, secondment of personnel and provision of premises and on-site facilities, and guarantees provided to subsidiaries.

	2022	2021
Loans and advances to consolidated companies	2.9	3.3
Group cash pooling agreement – in B/S assets	0.0	0.0
Group cash pooling agreement – in B/S liabilities	-99.3	-232.4
Sundry receivables	7.8	7.1
Other non-current financial liabilities	0.0	0.0
Sundry payables	-3.9	-5.2
Operating income/(loss)	12.6	12.5
Net financial income (expense) from cash management facilities	-0.5	-0.1
RELATIONS WITH CONSOLIDATED ENTITIES – BALANCE SHEET (1)	-92.5	-227.2
RELATIONS WITH CONSOLIDATED ENTITIES – INCOME STATEMENT (2)	12.1	12.4

(1) "+asset / - liability", (2) "+ income / - expense";

7.6.3 Relations with ESHs (social housing companies)

These mainly concern the Group cash pooling agreement and the provision of debt hedging services.

	2022	2021
Group cash pooling agreement – in B/S assets	0.0	0.0
Group cash pooling agreement – in B/S liabilities	-5.5	-31.3
Net financial income (expense) from cash management facilities	0.0	-0.1
Derivative instruments - Assets	71.0	367.5
Derivative instruments - Liabilities	-71.0	-367.5
RELATIONS WITH ESHs – BALANCE SHEET (1)	-5.5	-31.3
RELATIONS WITH ESHs – INCOME STATEMENT (2)	0.0	-0.1

(1) "+asset / - liability", (2) "+ income / - expense";

7.6.4 Senior executive compensation

Total remuneration paid to Management Board and Supervisory Board members in 2022 amounted to €1.3 million.

7.7 Subsequent events

No material changes occurred in the CDC Habitat Group's financial or commercial position between the end of the year and the date on which the financial statements were prepared.