



Paris, January 7, 2014

Press release

First 2014 public issuance for Caisse Française de Financement Local

The first public covered bond issue was successfully launched by Caisse Française de Financement Local on January 7, 2014. This *obligations foncières* issue amounts to EUR 1 billion and carries a 10 year maturity.

This issue is intended to finance loans to French local authorities and public hospitals within the structure put in place by the State in the beginning of the year 2013. It is part of the annual financing program of Caisse Française de Financement Local (Caffil) which will reach EUR 4 to 6 billion in 2014, which represents an increase compared to the EUR 3 billion raised in 2013 through public issues and private placements.

The quality of the signature of Caffil, rated Aaa, AA+, AA+, combined with the safety of the legal statute of "société de crédit foncier" and the solidity of its shareholding, has attracted many institutional investors. The order book has reached a size of close to EUR 1.8 billion, i.e. an oversubscription of 1.8 X compared to the amount Caffil wished to raise, with a little bit more than 80 orders from buy and hold investors.

The order book displays good diversification with investors mainly located in Germany and Austria (56%) as well as in France (14%), but also with significant orders from Asia (10%), Scandinavia (7%) and the Middle East (6%). In terms of categories of investors, the book comes out well balanced, with 32% for asset managers, 27% for banks, 22% for central banks and other government entities and 19% for insurance companies.

With significant orders from Asia (10%) and the Middle East (6%), central banks and other government entities represent 22% of the order book, which is absolutely exceptional for a covered bond issuer for such a maturity. As a reminder, they represented 11% of the book for the July 2013 issue.

The transaction will pay a rate of interest of 2.375%, corresponding to a spread over 6 months swaps of 36 basis points (0.36%) and only 6.5 basis points over the reference OAT.

« One year after its creation under the impulse of the State, Caisse Française de Financement Local is now a recognized borrower in the international bond market, as testified by the quality and variety of investors that have underwritten this first issue of the year. After completing in 3 months our 2013 borrowing program, the success of this new transaction confirms the capacity of Caisse Française de Financement Local to collect resources, both in terms of amounts and maturities, necessary to fulfil its mission to finance the French public sector » stresses Philippe Mills, CEO of Société de Financement Local (Sfil) and chairman of the supervisory board of Caisse Française de Financement Local.

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