



Paris, 8th of January 2019

Press release

Successful first covered bond benchmark transaction of the year for CAFFIL

Today, CAFFIL launched its first benchmark covered bond transaction of the year. This dual tranche transaction consisted of a EUR 750 m 6 year tranche and a EUR 500 m tranche with a 15 year maturity.

Despite a very busy primary market for covered bonds, the transaction generated strong demand from investors. The combined order books quickly reached a total amount of EUR 2.4 billion with participation of 110 different investors.

The 6 year tranche was priced with yield of 0.51%, equivalent to a spread of 16 basis points above mid-swaps.

Investor demand was well diversified across the following regions:

- 43% Germany and Austria
- 31% France
- 9% Nordics
- 6% Benelux
- 4% UK
- 3% Asia
- 2% Italy
- 2% Ireland

The transaction was well distributed across different investor types:

- 48% banks
- 24% central banks and official institutions
- 23% investment managers
- 5% Other

The yield of the 15 year tranche was fixed at 1.49%, corresponding to a spread of 31 basis points above mid-swaps.

Demand was led by investor from Germany and Austria:

- 68% Germany and Austria
- 27% France
- 2% Switzerland
- 3% Others

Insurance companies represented the largest investor group:

- 34% insurance companies
- 31% investment managers
- 28% banks
- 7% central banks and official institutions

"We are very pleased with this first transaction of the year for CAFFIL. A total order book of EUR 2.4 billion in a context of reducing buying by the European Central Bank is a clear sign of the trust investors place in our name. The successful execution of our funding program allows us to provide financing for French local public sector investments and large export contracts at the best possible conditions." underlines Philippe Mills, CEO of SFIL and Chairman of the Supervisory Board of CAFFIL.

About bonds issued by SFIL and CAFFIL

CAFFIL is the main European issuer of covered bonds secured by loans to public sector entities. Its bond issues provide the adequate funding to cover the needs associated with the two missions that SFIL group has been entrusted with by the French State: the refinancing of loans to French local authorities and public health care institutions originated by its partner La Banque Postale, and the refinancing of large French export loans benefitting from a State guarantee ("enhanced guarantee"), as a refinancing platform at the service of banks active in this sector.

Bonds issued by CAFFIL and SFIL are both eligible to the purchase programs from the European Central Bank (PSPP and CBPP), and are classified in the best liquidity categories for regulatory ratios. Bonds issued by CAFFIL comply with the *ECBC Covered bond label* and have a hard bullet structure.

« **Best Euro Covered Bond Issuer** » - *The Covered Bond Report* – 2016.

« **Best Euro Covered Bond Issuer** » - *The Cover* - 2016

« **Best Covered Bond Issuer** » - *CMD Portal* – 2017, 2018, 2019

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