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Press release

Successful new CAFFIL 10-year transaction

Caisse Française de Financement Local (CAFFIL) today completed its second public bond issue of the year with a volume of EUR 1.5 billion and a maturity of 10 years.

Following a very active week on the primary market with more than EUR 5 billion of issues on the covered market, CAFFIL has chosen to propose investors a transaction with a maturity of 10 years.

The transaction was particularly well received by international investors with a EUR 2 billion order book with nearly 70 different accounts.

The transaction offers an interest rate of 1% which corresponds to a spread over the 6-month swap rate of +4 basis points (+ 0.04%) and 26.5 basis points over the interpolated OAT curve.

In terms of distribution, investors are mainly located in Germany and Austria (49%), France (20%), Benelux (15%), Ireland (6%), the United Kingdom (4%), the Nordic countries (2%) and Asia (2%). By type of investor, the order book is well diversified with bank treasuries accounting for 38%, central banks and official institutions for 27%, asset managers for 27% and insurers for 8%.

The maturity of this new transaction is well adapted to medium and long term financing needs of the group.

"The success of this transaction demonstrates the confidence that investors place in our signature. It is this confidence that has allowed us to become the main provider of liquidity for large French export credits guaranteed by the State and to remain - in partnership with La Banque Postale - the leader in financing the French local public sector. The success of this transaction allows us to fully perform our public policy mission" 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.

CAFFIL :

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

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

« **Best Covered Bond Issuer** » - *CMD Portal* – décembre 2016 et décembre 2017

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