

**FOURTH SUPPLEMENT DATED 27 FEBRUARY 2025
TO THE BASE PROSPECTUS DATED 8 JULY 2024**



CAISSE FRANÇAISE DE FINANCEMENT LOCAL
(société de crédit foncier duly licensed as a French specialised credit institution)
€75,000,000,000 Euro Medium Term Note Programme
for the issue of *Obligations Foncières*
Due from one month from the date of original issue

This fourth supplement (the "**Fourth Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 8 July 2024 which was approved by the *Autorité des marchés financiers* (the "**AMF**") under number No. 24-287 on 8 July 2024 (the "**Base Prospectus**"), as supplemented by the first supplement dated 13 September 2024 which was approved by the AMF under number No. 24-400 on 13 September 2024, the second supplement dated 30 September 2024 which was approved by the AMF under number No. 24-417 on 30 September 2024 and the third supplement dated 26 December 2024 which was approved by the AMF under number No. 24-542 on 26 December 2024 (the "**Previous Supplements**"), prepared in relation to the €75,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Caisse Française de Financement Local (the "**Issuer**", "**Caisse Française de Financement Local**" or "**Caffil**"). The Base Prospectus as supplemented by the Previous Supplements and this Fourth Supplement constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of the European Parliament and of the Council dated 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, as amended (the "**Prospectus Regulation**").

Application has been made for approval of this Fourth Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation. This Fourth Supplement has been prepared pursuant to Article 23 of the Prospectus Regulation for the purpose of updating the Base Prospectus, as supplemented by the Previous Supplements following the publication of the press release dated 13 February 2025 relating to the financial performance of Caffil.

With this respect, the following sections of the Base Prospectus, as supplemented by the Previous Supplements, shall be updated and amended:

- i. the section entitled "Recent Developments"; and
- ii. the section entitled "General Information".

Save as disclosed in this Fourth Supplement, no significant new factor, material mistake or material inaccuracy has arisen or has been noted which may affect the assessment of the *Obligations Foncières* since the approval of the Base Prospectus, as supplemented by the Previous Supplements.

Unless the context otherwise requires, terms defined in the Base Prospectus, as supplemented by the Previous Supplements, shall have the same meaning when used in this Fourth Supplement.

To the extent that there is any inconsistency between (a) any statement in this Fourth Supplement or any statement incorporated by reference in the Base Prospectus, as supplemented by the Previous Supplements and this Fourth Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, as supplemented by the Previous Supplements, the statements in (a) above will prevail.

In accordance with Article 23.2 of the Prospectus Regulation and to the extent applicable, investors who have already agreed to purchase or subscribe for *Obligations Foncières* to be issued under the Programme before this Fourth Supplement is published have the right to withdraw their acceptances within a time limit of minimum three (3) working days after publication of this Fourth Supplement. This right to withdraw shall expire by close of business on 4 March 2025, provided that the *Obligations Foncières* had not yet been delivered to the investors at the time when the significant new factor, material mistake or material

inaccuracy arose or was noted. Investors may notify the Issuer should they wish to exercise the right of withdrawal.

Copies of this Fourth Supplement shall be (a) published on the websites of the AMF (www.amf-france.org) and of the Issuer (<https://caissefrancaisedefinancementlocal.fr>) in accordance with applicable laws and regulation and (b) available for inspection and obtainable, upon request and free of charge, during usual business hours, on any weekday at the registered office of the Issuer (112-114 avenue Emile Zola, 75015 Paris, France).

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RECENT DEVELOPMENTS

The section entitled "**Recent Developments**" on page 157 of the Base Prospectus, as supplemented by the Previous Supplements, is amended as follows:

- The following paragraph of the section entitled "**Recent Developments**" is deleted and replaced as follows:
"The Issuer's debt securities (*Obligations Foncières* and registered covered bonds) increased by an amount of EUR 451 million between 30 June 2024 and 25 February 2025."
- The last paragraph of the section entitled "**Recent Developments**" is deleted and replaced as follows:
"In addition, following up the publication of the European Commission's decision on 20 February 2025, the Sfil Group is now authorized to broaden the type of public assets that it can finance in accordance with its mandates."
- The following press release dated 13 February 2025 relating to the financial performance of Caffil is included at the end of the section entitled "**Recent Developments**":

"PRESS RELEASE

Paris, 13 February 2025

2024 RESULTS ⁽¹⁾ ⁽²⁾

The Management Board approved on 10 February 2025 the financial statements of Caffil³ for the year ended 31 December 2024. They were presented to the Supervisory Board on 11 February 2025.

Activity

Caffil achieved a very solid performance supported by a record amount of loan acquisition to the French local public sector and dynamic export credit refinancing. Caffil also successfully carried out its 2024 issuance programme, relying on its long-term issuance capacity, especially in H1 2024. The level of over-collateralization rose sharply to 19% from 14% in December 2023. Such level is a significantly above the regulatory ratio of 5%.

Loans to local public sector

¹ The information presented below is extracted from Caffil's financial statements prepared under French GAAP, unless otherwise stated.

² In some cases, rounded sums do not add up the sum of rounded amounts disclosed in this document.

³ Caffil is a "*société de crédit foncier*" (a covered bond issuer), fully controlled by Sfil.

In 2024, Caffil acquired or refinanced a record volume of EUR 5.5 billion of loans originated by La Banque Postale and Banque des Territoires, partners of the Sfil group. The 64% rise from 2023 specifically highlighted the acceleration of the loan production since 4Q23.

The share of thematic loans was significant in 2024 and represented 44% of acquired loans (i.e. EUR 2.4 billion). Thematic loans included:

- EUR 1.2 billion in green loans to local authorities ;
- EUR 0.7 billion in social loans to local authorities ;
- EUR 0.5 billion in loans to hospitals.

Export credit refinancing

Refinancing of export credits on behalf of Sfil remained at a high level. In 2024, Caffil concluded 5 contracts for a total amount of EUR 2.4 billion after a record of EUR 5.0 billion in 2023. These operations enabled the closing of EUR 4.1 billion in export contracts involving 6 different exporters including 1 who benefited of our refinancing scheme for the first time.

Issuance of covered bonds

In 2024, Caffil issued a total volume of EUR 5.3 billion with a 9.4 year average maturity:

- EUR 4.75 billion on the primary public market on maturities ranging from 5 years to 15 years of which EUR 1.75 billion in social issues and EUR 0.5 billion through taps on existing benchmark issues ;
- EUR 0.57 billion in the private placement segment.

The covered bond issuance market experienced two highly contrasting periods in 2024.

The end of the monetary tightening cycle from the Federal Reserve and the European Central Bank as well as their anticipated first measures of monetary easing marked the covered bonds market in 1H24. In this context, Caffil benefited from a dynamic activity of the primary market sustained by a high demand from investors on a large maturity spectrum, especially on long-term maturities. After a 10-year issue in January 2024 and a 12-year issue in March 2024, Caffil issued a 15-year covered bond for EUR 500 million in May 2024. This transaction was the first issue of this maturity on the covered bond market in the last 2 years; it benefited from a particularly enthusiastic reception with the participation of 160 investors and an order book of EUR 7.4 billion.

The announcement in June 2024 of new legislative elections in France contributed to widened OAT vs Bund spreads for French issuers all along 2H24. This market environment along with the results of US elections and deteriorated geopolitical, economic and financial prospective from November 2024 slowed down the covered bonds issuance activity and shortened maturities requested by investors. In this context, Caffil launched two issuances on the primary market:

- In September 2024 with a 7-year social covered bond for an amount of EUR 1.25 billion, and
- In November 2024 with a 5-year covered bond for an amount of EUR 1 billion.

The covered bonds issued by Caffil benefit from the label European Covered Bond (Premium).

Key accounting figures

Balance sheet

Total assets amounted to EUR 68.6 billion at the end of December 2024.

The vast majority of assets are held in the cover pool. The outstanding cover pool stood at EUR 64.7 billion, up by 5.7% on 31 December 2023.

The EUR 60.3 billion in public sector loans and securities outstanding at the end of December 2024 constituted the main part of the cover pool.

Non-technical arrears remain stable at EUR 2 billion. They remained stable at their lowest historical level. Doubtful and litigious loans amounted to EUR 0.2 billion, or 0.2% of total assets.

| <i>EUR billion</i> | Dec. 2024 | Dec. 2023 |
|--|------------------|------------------|
| Loans and bonds to the public sector | 60.3 | 57.4 |
| <i>of which local public sector</i> | 49.9 | 49.0 |
| <i>of which large export credits refinancing</i> | 9.4 | 7.8 |
| <i>of which cash investment in bonds</i> | 1.0 | 0.6 |
| Banque de France cash deposit | 1.3 | 1.1 |
| Exposure to credit institutions | 3.1 | 2.8 |
| ASSETS IN THE COVER POOL | 64.3 | 61.2 |

At the end of December 2024, outstanding covered bonds amounted to EUR 53.5 billion, up from EUR 53.2 billion at the end of 2023. The net balance of privileged liabilities consists of cash collateral received from derivative counterparties (EUR 0.1 billion stable compared to year-end 2023).

In accordance with the applicable regulation to *sociétés de crédit foncier*, Caffil maintained an over-collateralization ratio above 105% for the privileged liabilities; it rose distinctly from 114% to 119%⁴ between December 2023 and June 2024.

Income statement

| <i>EUR million</i> | Dec. 2024 | Dec. 2023 |
|---|------------------|------------------|
| Interest margin | 193 | 179 |
| Net commissions | (3) | (3) |
| Impairment and gains on trading portfolio | - | - |
| Impairment and gains on disposals of placement securities | 2 | 7 |
| Other income and expense | (0) | (0) |
| Net banking income | 192 | 183 |
| General expenses | (98) | (109) |
| Gross operating income | 94 | 75 |
| Cost of risk | (2) | 2 |
| Operating income | 92 | 77 |
| Income tax | (21) | (11) |
| Net income | 71 | 66 |

Net result in 2024 stood at EUR 71 million, increasing by EUR 5 million from 2023. It mainly resulted from the increase in the net banking income (EUR 192 million in 2024 vs. EUR 183 million in 2023): the dynamic activity since 4Q2023 in lending to the French local public sector as well as in export refinancing offset rising financing costs in a context of high volatility on financial markets.

General expenses decreased by EUR 11 million (down by 10% from 2023).

Cost of risk remained marginal at EUR 2 million reflecting the excellent quality of our assets.

⁴ Information in the validation process by the specific controller at the date of publication of this press release.

Other information

The ratings of covered bonds issued by Caffil confirmed in 2024 the highest credit quality level.

| | Moody's | DBRS |
|------------------|----------------|----------------|
| Long-term rating | Aaa | AAA |
| Outlook | - | - |
| Last update | December 2024 | September 2024 |

Contact

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Appendix: French GAAP financial statements⁵

Assets

| <i>EUR million</i> | Dec. 2024 | Dec. 2023 |
|---|------------------|------------------|
| Central banks | 1,295 | 1,053 |
| Government and public securities | 3,075 | 2,889 |
| Loans and advances to banks | 9,814 | 8,016 |
| Loans and advances to customers | 47,465 | 46,238 |
| Bonds and other fixed income securities | 4,422 | 4,186 |
| Other assets | 86 | 93 |
| Accruals and other assets | 2,459 | 2,497 |
| TOTAL ASSETS | 68,617 | 64,973 |

Liabilities

| <i>EUR million</i> | Dec. 2024 | Dec. 2023 |
|---------------------------------------|------------------|------------------|
| Due to banks | 10,216 | 6,926 |
| Debt securities | 53,978 | 53,751 |
| Other liabilities | 168 | 162 |
| Accruals and other liabilities | 2,736 | 2,622 |
| Provisions | 29 | 28 |
| Equity | 1,490 | 1,483 |
| <i>Share capital</i> | 1,350 | 1,350 |
| <i>Reserves and retained earnings</i> | 70 | 67 |
| <i>Net income</i> | 71 | 66 |
| TOTAL LIABILITIES | 68,617 | 64,973 |

⁵ The Management Board approved the financial statements on 10 February 2025. They were presented to the Supervisory Board on 11 February 2025. The audit procedures carried out by the Statutory Auditors are in progress.

Income statement

| <i>EUR million</i> | 2024 | 2023 |
|--|-------------|-------------|
| Interest income | 3,354 | 2,815 |
| Interest expense | (3,161) | (2,636) |
| Commission income | 0 | 0 |
| Commission expense | (3) | (3) |
| Net gains (losses) on held for trading portfolio | 0 | 0 |
| Net gains (losses) on placement portfolio | 2 | 7 |
| Other banking income and expense | 0 | 0 |
| Net banking income | 192 | 183 |
| General operating expenses | (98) | (109) |
| Gross operating income | 94 | 75 |
| Cost of risk | (2) | 2 |
| Income from operations | 92 | 77 |
| Gains or losses on fixed assets | - | - |
| Income before non-recurring items and taxes | 92 | 77 |
| Income tax | (21) | (11) |
| NET INCOME | 71 | 66 |
| Basic earnings per share | 5.22 | 4.91 |
| Diluted earnings per share | 5.22 | 4.91 |

"

- The following paragraph is included after the press release dated 13 February 2025 relating to the financial performance of Caffil in the section entitled "**Recent Developments**":

"Figures and financial information provided in the Fourth Supplement are based on the financial statements of Caffil prepared under French GAAP for the fiscal year ended on 31 December 2024 and approved by Caffil's Executive Board (*Directoire*) on 10 February 2025. Such figures and financial information are both (a) comparable with the historical financial information of the Issuer included in the Base Prospectus, as supplemented by the Previous Supplements, and (b) consistent with the Issuer's accounting policies."

GENERAL INFORMATION

The section entitled "**General Information**" on pages 224 to 228 of the Base Prospectus, as supplemented by the Previous Supplements, is amended as follows:

- The paragraph entitled "(2) **Corporate authorisations**" on page 224 is deleted and replaced as follows:

"The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the updating of the Programme.

Any drawdown of *Obligations Foncières* under the Programme, to the extent that such *Obligations Foncières* constitute *obligations*, requires the prior authorisation of the Executive Board (*Directoire*) of the Issuer.

For this purpose, on 20 December 2024, the Executive Board (*Directoire*) of the Issuer authorised the issue of *obligations foncières* under the Programme up to an aggregate maximum amount of €5,600,000,000 for the period from 1 January 2025 to 31 December 2025 and delegated the power to realise such issues to Mrs. Herdile Guérin, in her capacity as *Présidente du Directoire* of the Issuer and to Mr. Olivier Eudes, in his capacity as *Directeur Général* of the Issuer, each of them having the capacity to act separately, the power to decide the issue of *obligations foncières* and to determine their final terms and conditions subject to the conditions set forth therein."

- The paragraph entitled "(4) **Significant change in the Issuer's financial position or financial performance**" on page 225 is deleted and replaced as follows:

"There has been no significant change in the financial position or financial performance of the Issuer since 31 December 2024 (being the date of its last financial period for which financial information has been published through the press release dated 13 February 2025 included in the Fourth Supplement)."

**PERSON RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FOURTH
SUPPLEMENT**

I declare, to the best of my knowledge, that the information contained in this Fourth Supplement is in accordance with the facts and that this Fourth Supplement makes no omission likely to affect its import.

Caisse Française de Financement Local
112-114 avenue Emile Zola
75015 Paris
France

Duly represented by:
Herdile GUERIN, *Présidente du Directoire*

on 27 February 2025



This Fourth Supplement to the Base Prospectus, as supplemented by the Previous Supplements, has been approved on 27 February 2025 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this Fourth Supplement after having verified that the information in the Base Prospectus, as supplemented by the Previous Supplements and this Fourth Supplement, is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129. The approval does not imply that the AMF has verified the accuracy of such information.

This approval should not be considered as a favourable opinion on the Issuer and on the quality of the *Obligations Foncières* described in this Fourth Supplement. Investors should make their own assessment of the opportunity to invest in such *Obligations Foncières*.

This Fourth Supplement to the Base Prospectus, as supplemented by the Previous Supplements, obtained the following approval number: 25-053.