



Report on asset quality
of the cover pool and on outstanding covered bonds
as of June 30, 2024
Caisse Française de Financement Local
(Instruction n° 2022-I-04 of March 9, 2022)

In compliance with Instruction No. 2022-I-04 of March 9, 2022, the report on asset quality aims at presenting information on:

- all of the assets comprising the cover pool of Caisse Française de Financement Local, excluding accrued interest
- the outstanding *obligations foncières*
- the framework for managing interest rate, exchange, liquidity and credit risks.

As of June 30, 2024, Caisse Française de Financement Local's cover pool is made of:

- exposure on public sector entities amounting to EUR 61.3 billion including EUR 57 billion of loans (of which cash deposits with Banque de France amounting to 2 billion) and EUR 4.3 billion of bonds, and
- exposure on credit institutions (bonds and deposits) amounting to EUR 3 billion.

The detail of the cover pool is presented in the table below:

EUR thousands, as of 06/30/2024	Total Outstanding	Assets removed from the cover pool	Total cover pool
Exposures on public sector			
-Loans (except cash deposits with Banque de France)	55,291,504	307,352	54,984,152
-cash deposits with Banque de France	1,995,592	-	1,995,592
-Bonds	4,284,511	-	4,284,511
Other exposures: Exposures to credit institutions Bonds, exposures and deposits	3,011,616	-	3,011,616
Collective impairment	- 13,616	-	- 13,616
TOTAL	64,569,607	307,352	64,262,255

As a *société de crédit foncier*, Caisse Française de Financement Local can access the refinancing possibilities offered by the Banque de France to banks. Within the framework of the management of its cover pool and its cash, Caisse Française de Financement Local can thus remove some assets from its cover pool and pledge them to the central bank to obtain funding from tenders organized by the Banque de France. Caisse Française de Financement Local did not use this possibility over the course of the last three years (with the exception of operational access tests, regularly implemented) and no asset has been pledged to the Banque de France as of June 30, 2024.

Some assets held by Caisse Française de Financement Local may also be removed from the cover pool if they become non-eligible, before being sold or matured.

The *obligations foncières* issued by Caisse Française de Financement Local are in line with the eligibility criteria required by the European Central Bank for refinancing and also comply with the covered bond directive and the CRR/CRD IV regulation.

1. MORTGAGE LOANS

Caisse Française de Financement Local has no guaranteed nor mortgage loans in its cover pool.

2. EXPOSURE ON PUBLIC SECTOR

2.1 BREAKDOWN BY COUNTERPARTY

In the table below, direct exposures refer to exposures on public sector entities and indirect exposures to exposures fully guaranteed by public sector entities. Exposures in a foreign currency are converted into euro using the exchange rate of the hedging swap. Loans and bonds are presented after specific impairments and are off premium / discount. The total amount of these exposures is presented net of collective impairment.

COUNTRY	Direct Exposure		Indirect Exposure		Total	Of which non-performing loans (4)	Of which past due ⁽¹⁾	Of which specific impairment ⁽³⁾	of witch provisions on placement securities
	Loans	Bonds	Loans	Bonds					
France									
Central governments :									
- export refinancing	-		8 876 128	-	8 876 128	-	-	-	-
- others	5 000	120 000	22	230 000	355 023	-	-	-	-
Central banks									
- cash deposits with Banque de France ⁽²⁾	1 995 592		-	-	1 995 592	-	-	-	-
Regional and local authorities									
- Regions	2 732 287	55 010	5 408	-	2 792 705	2 299	-	(46)	-
- Departments	6 691 050	-	280 877	-	6 971 927	4 199	130	(156)	-
- Municipalities	13 773 062	12 240	504 612	-	14 289 914	78 412	198	(32)	-
- Overseas Territories	66 339	-	3 626	-	69 965	-	-	-	-
- Groups of municipalities ⁽³⁾	14 125 173	37 284	85 382	-	14 247 839	4 857	797	(133)	-
Public sector entities :									0
- health	6 031 887	-	-	-	6 031 887	29 901	0	(1 093)	-
- others	1 204 782	270 000	-	-	1 474 782	10 099	33	-108	-
Sub total	46 625 172	494 534	9 756 054	230 000	57 105 759	129 766	1 159	(1 568)	-
Austria									
Regional and local authorities									
- Länder	149 232	-	-	-	149 232	-	-	-	-
Sub total	149 232	-	-	-	149 232	-	-	-	-
Belgium									
Regional and local authorities									
- Regions	159	-	17 760	-	17 919	-	-	-	-
Sub total	159	-	17 760	-	17 919	-	-	-	-
Canada									
Regional and local authorities									
- Municipalities step 1 credit rating	100 287	-	21 471	-	121 757	-	-	-	-
Sub total	100 287	-	21 471	-	121 757	-	-	-	-
Spain									
Central governments		208 000			208 000				
Regional and local authorities									
- Regions		50 000			50 000				
- Municipalities	56 195				56 195				
Sub total	56 195	258 000	-	-	314 195	-	-	-	-
United States									
Regional and local authorities									
- Federated States step 1 credit rating		107 943			107 943				
Sub total	-	107 943	-	-	107 943	-	-	-	-

EUR thousands, as of 06/30/2024	Direct Exposure		Indirect Exposure		Total	Of which non-performing loans	Of which past due ⁽¹⁾	Of which specific impairment ⁽³⁾	of witch provisions on placement securities
	Loans	Bonds	Loans	Bonds					
Italy									
Central governments	-	1,081,084	-	-	1,081,084	-	-	-	(13,916)
Regional and local authorities									
- Regions	-	1,175,967	-	-	1,175,967	-	-	-	-
- Provinces	-	352,042	-	-	352,042	-	-	-	-
- Municipalities	3,068	553,535	-	-	556,603	-	-	-	-
- Groups of municipalities	-	6,406	-	-	6,406	-	-	-	-
Sub total	3,068	3,169,034	-	-	3,172,102	-	-	-	(13,916)
Japan									
Regional and local authorities									
- Municipalities step 2 credit rating	-	25,000	-	-	25,000	-	-	-	-
Sub total	-	25,000	-	-	25,000	-	-	-	-
Portugal									
Regional and local authorities									
- Municipalities	3,754	-	-	-	3,754	-	-	-	-
Sub total	3,754	-	-	-	3,754	-	-	-	-
Sweden									
Regional and local authorities									
- Municipalities	18,490	-	-	-	18,490	-	-	-	-
Sub total	18,490	-	-	-	18,490	-	-	-	-
Switzerland									
Regional and local authorities									
- Cantons step 1 credit rating	65,253	-	30,175	-	95,428	-	-	-	-
- Municipalities step 1 credit rating	132,674	-	-	-	132,674	-	-	-	-
Sub total	197,927	-	30,175	-	228,102	-	-	-	-
GENERAL SUB TOTAL	47,154,285	4,054,511	9,825,459	230,000	61,264,255	129,766	1,159	(1,568)	(13,916)
Collective impairment					(13,616)				
GENERAL TOTAL					61,250,639				

(1) Caisse Française de Financement Local publishes annual and semi-annual accounts. Consequently, data relating to nonperforming and litigious loans, and specific impairments as of June 30, 2024, are not disclosed in the table below. Nevertheless, non-performing and litigious loans and specific impairments are under regular monitoring and can lead to some adjustments of exposures presented in this table.

(2) Caisse Française de Financement Local's Banque de France account as of June 30, 2024

(3) Of which EUR 8,915 thousand on operations linked to partnership agreements.

(4) of witch EUR 0 thousands of litigious claim

2.2 RATINGS

Caisse Française de Financement Local has exposure on public entities in Canada, United States, Japan and Switzerland that require a minimal rating from an external rating agency recognized by the *Autorité de contrôle prudentiel et de résolution* (ACPR).

2.3 BREAKDOWN BY MATURITY DATE

EUR thousands, as of 06/30/2024

Residual maturity		
Maturity date in years	Number of deals ⁽¹⁾	Total outstanding
0	1,056	2,185,093
1	3,984	524,341
2	2,496	977,574
3	2,061	1,071,017
4	2,955	1,664,389
5	2,386	2,687,184
6	2,889	2,436,866
7	1,927	1,906,549
8	1,476	2,153,936
9	1,762	2,622,031
10	1,702	4,482,214
11	1,952	5,005,738
12	1,673	5,685,680
13	1,463	4,034,868
14	1,328	3,003,599
15	1,230	3,089,802
16	892	2,657,412
17	818	3,043,269
18	782	2,573,974
19	638	1,820,295
20	495	1,626,839
21	203	441,271
22	232	712,739
23	291	1,136,899
24	230	1,293,506
25	233	693,211
26	66	408,121
27	55	217,438
28	68	373,416
29	93	399,047
30	68	260,024
31	24	98,297
32	20	29,493
33	19	34,819
34	10	27,185
35	12	26,668
36	11	21,898
37	1	6,282
39	7	53,730
40	40	93,978
41	1	2,047
	37,649	61,582,741
TRANSLATION ADJUSTMENTS		- 318,486
Non allocated collective impairment		- 13,616
TOTAL		61,250,639

(1) Number of loans and bonds maturing during the period.

The first period (maturity date in 0 year) includes the balance of Banque de France account.

2.4 EARLY REPAYMENTS

EUR thousands, as of 06/30/2024

COUNTRY	Early repayments during the year 2024	Rate of early repayments
- Refinancements export	-	0.00%
- Secteur public local	3,925	0.01%
GLOBAL exposure on public sector	3,925	0.01%

The rate of early repayments for the year 2024 corresponds to the volume of early repayments occurred over the year divided by the average outstanding amount (equal to the arithmetic average amount of daily outstanding over the period).

In 2023, the rate of early repayments for this entire year was 0.27% for a total amount of repayments of EUR 162 million.

2.5 Accounting policies relating to the classification of exposures as non-performing loans

As long as loans are not classified as non-performing, they are classified as sound or stressed; they remain in their original position. A loan is considered as non-performing when it presents one of the following characteristics:

- A probable or certain risk that it will not be repaid (past-due for more than nine months for local government borrowers, and for more than three months for the other counterparties). A counterparty that is overdue by more than this amount may not be downgraded to non-performing if special circumstances demonstrate that the overdue amounts are due to causes unrelated to the debtor's situation (technical overdue amounts).
- when the situation of a counterparty presents characteristics such that, independently of the existence of any outstanding payments, it can be concluded that a proven risk exists (worsening of the financial situation or alert procedures for example).

For the sake of operational simplicity and conservatism, Caffil has aligned the notion of non-performing loan with the prudential notion of actual default, i.e. a default due to arrears in payment and/or due to the risk of non-payment of the totality of outstanding due by the borrower (notion of "Unlikely To Pay (UTP)" with reference to the default policy of the Company. Counterparties on probation prior a potential reclassification out of the default category are also on the scope of non-performing loans from an accounting perspective.

3. OTHER EXPOSURE: EXPOSURE ON CREDIT INSTITUTIONS

3.1. BREAKDOWN BY COUNTERPART

EUR thousands, as of 06/30/2024	Country	Amount	of witch placement securities	of witch provisions on placement securities	of witch investments securities	of witch provisions on investments securities
Step 1 credit rating						
Covered Bonds						
	France	814,300	-	-	814,300	-
	Other countries	1,309,725	-	-	1,309,725	-
Other Bank bonds						
	France	21,000	-	-	21,000	-
	Other countries	265,000	-	-	265,000	-
Loans to SFIL						
	France	-				
Bank accounts' balances						
	France and other countries	9				
Step 2 credit rating						
Covered Bonds						
	France	-	-	-	-	-
	Other countries	-	-	-	-	-
Other Bank bonds						
	France	352,000	-	-	352,000	-
	Other countries	228,500	-	-	228,500	-
Bank accounts' balances						
	France and other countries	21,082				
Step 3 credit rating						
Bank bonds (Maturity < 100 days)						
	France	-	-	-	-	-
	Other countries	-	-	-	-	-
Bank accounts' balances						
	France and other countries	-				
TOTAL		3,011,616	-	-	2,990,525	-

Other exposure corresponds mainly to cash investments made of bonds, covered bonds or certificates of deposit issued by credit institutions. This section also includes bank accounts' balances in different currencies. It can also include loans that Caisse Française de Financement Local grant to SFIL, its parent company, in order to invest its surplus cash.

Derivative instruments included in the cover pool are recognized off-balance sheet and therefore do not appear in the table of exposures to credit institutions on the asset side of the balance sheet.

Bank bonds are presented after specific impairments and are off premium / discount.

No non-performing or litigious loans are included among these exposures.

3.2 RATINGS

In order to be eligible to the cover pool, exposure on credit institutions should benefit from ratings corresponding to a step 1 or step 2 credit rating, or, when their maturity is less than 100 days and when they are in the form of short-term deposits used to meet the cover pool liquidity buffer requirement, a step 3 credit rating.

Volume limits are applicable to these exposures depending on their rating. However, assets that contribute to the minimum level of over-collateralization of 105% are not subject to these limits.

As of June 30, 2024 all these conditions are completed.

3.3 BREAKDOWN BY MATURITY DATE

EUR thousands, as of 06/30/2024

Residual maturity		
Maturity date in years	Number of deals ⁽¹⁾	TOTAL
0	4	229,291
1	16	418,375
2	9	300,025
3	8	250,000
4	14	542,800
5	10	519,500
6	6	171,425
7	9	300,400
8	1	5,000
9	3	205,800
10	1	69,000
Total	81	3,011,616

(1) Numbers of loans and bonds maturing during the period

Balances of bank current accounts are presented as a unique matured deal with a maturity of less 1 year.

3.4 EARLY REPAYMENTS

No early repayment occurred neither during the year 2024, nor during the whole year 2023.

3.5 AMOUNT OF SECURITIES, SUMS AND VALUES RECEIVED AS COLLATERAL FOR HEDGING TRANSACTIONS

The amount received as collateral for hedging transactions consists solely of cash and is fungible with the rest of the company's cash. The debt for restitution of the cash collateral received as of June 30, 2024 amounts to EUR 91.3 million.

3.6 VALUATION METHOD OF INVESTISSEMENT AND PLACEMENT SECURITIES

Investissement securities

Fixed income securities with a specified maturity are recognized as investment securities when there is the intention and the capacity to hold them to maturity. Securities in this category are subject to back-financing or interest rate hedging over their residual maturity.

Investment securities are recognized on the date of purchase at acquisition clean price, excluding fees.

They are presented excluding accrued interest and any discounts or premiums on acquisition.

At closing date, unrealized gains are not recognized and unrealized losses are generally not impaired. By way of exception, unrealized losses are impaired in the following cases:

- a doubt about the issuer's ability to meet its obligations;
- the probability that the Company will not hold these securities until maturity due to new circumstances.

Placement securities

Securities that do not fit into the category investment securities are recognized as placement securities.

Placement securities are recognized on the date of purchase at acquisition clean price, excluding fees

They are presented excluding accrued interest and any discounts or premiums on acquisition.

In application of the principle of prudence, placement securities are recognized on the balance sheet at their acquisition cost including if applicable the amortization of discount or premium or selling price at closing date, whichever is lower, after accounting, when relevant, for the value of the micro-hedge swap.

If the market for a financial instrument is not active, valuation techniques are used to calculate its selling price. The valuation model should take into account all the factors that market players would consider to value the asset. Within this framework, Caffil relies on its own valuation models, making every effort to take into account the market conditions at the date of the valuation as well as any changes in the credit quality of these financial instruments and market liquidity.

Placement securities transferred to investment securities are recognized at their acquisition cost and previously recognized impairment is reversed over the residual maturity of the securities concerned.

4. LIST OF INTERNATIONAL SECURITIES IDENTIFICATION NUMBERS (ISIN)

ISIN code / Internal Code	European Covered Bond Premium	ISIN code / Internal Code	European Covered Bond Premium	ISIN code / Internal Code	European Covered Bond Premium	ISIN code / Internal Code	European Covered Bond Premium	ISIN code / Internal Code	European Covered Bond Premium	ISIN code / Internal Code	European Covered Bond Premium	ISIN code / Internal Code	European Covered Bond Premium
FR0000486581	No	RCB 110	No	RCB 176	No	RCB 2013-24	No	RCB 2015-4	No	FR0013267251	No	FR0014005N34	No
AU0000DXAHB0	No	FR0010766923	No	RCB 177	No	RCB 2013-25	No	RCB 2015-5	No	FR0013267751	No	FR0014005Y20	No
FR0010114371	No	FR0010775486	No	CH0111862063	No	RCB 2013-26	No	FR001256822	No	RCB 2017-12	No	FR0014007PX9	No
FR0010134577	No	RCB 116	No	RCB 178	No	RCB 2013-27	No	RCB 2015-6	No	RCB 2017-13	No	FR0014007PY7	No
FR0010160911	No	RCB 117	No	RCB 179	No	FR001158058	No	RCB 2015-7	No	FR0013284071	No	RCB 2022-1	No
FR0010163394	No	RCB 118	No	RCB 181	No	RCB 2014-1	No	RCB 2015-8A	No	FR0013293571	No	FR0014008C18	No
FR0010212977	No	RCB 119	No	RCB 182	No	RCB 2014-10	No	RCB 2015-8B	No	RCB 2017-14	No	FR0014008E65	No
FR0010261529	No	RCB 120	No	RCB 183	No	RCB 2014-11	No	RCB 2015-9	No	RCB 2017-15	No	RCB 2022-2	No
FR0010279109	No	RCB 121	No	FR0010923920	No	RCB 2014-12	No	RCB 2015-10	No	FR0013310011	No	FR0014009OM1	No
FR0010289322	No	RCB 122	No	FR0010925073	No	RCB 2014-2	No	RCB 2015-11	No	FR0013310021	No	FR0014009QA1	No
FR0010289371	No	FR0010781591	No	RCB 184	No	RCB 2014-3	No	FR0013311491	No	FR0013311491	No	FR001400ACQ1	No
FR0010306456	No	RCB 123	No	FR0010963959	No	RCB 2014-4	No	FR001268611	No	RCB 2018-1	No	FR001400AJT0	No
FR0010306498	No	RCB 124	No	RCB 185	No	RCB 2014-5	No	FR001272297	No	FR0013319391	No	FR001400BAQ3	No
FR0010306506	No	RCB 125	No	RCB 187	No	RCB 2014-6	No	RCB 2015-12	No	RCB 2018-2	No	FR001400BA16	Yes
FR0010306514	No	RCB 126	No	RCB 188	No	RCB 2014-7	No	RCB 2015-13	No	FR0013330691	No	FR001400DXR9	Yes
FR0010306522	No	RCB 127	No	RCB 189	No	RCB 2014-8	No	RCB 2015-14	No	FR0013330151	No	FR001400E159	Yes
FR0010306548	No	RCB 128	No	RCB 190	No	RCB 2014-9	No	RCB 2015-15	No	RCB 2018-3	No	RCB 2022-3	Yes
FR0010318410	No	RCB 129	No	RCB 191	No	RCB 2014-13	No	FR001293988	No	RCB 2018-4	No	FR001400FGK4	Yes
FR0010322792	No	RCB 131	No	RCB 192	No	RCB 2014-14	No	FR001296845	No	FR0013345481	Yes	FR001400FFW1	Yes
RCB 1	No	RCB 132	No	RCB 193	No	FR001170104	No	FR001302922	No	RCB 2018-5	No	FR001400FKH2	Yes
RCB 10	No	RCB 133	No	RCB 194	No	RCB 2014-15	No	RCB 2015-16	No	FR0013347081	No	FR001400GM85	Yes
RCB 11	No	RCB 134	No	RCB 195	No	RCB 2014-16	No	RCB 2015-17	No	FR0013347141	No	RCB 2023-1	Yes
RCB 13	No	RCB 135	No	RCB 196	No	RCB 2014-17	No	FR001308104	No	RCB 2018-6	No	FR001400HMS1	Yes
RCB 14	No	RCB 136	No	RCB 197	No	FR001173795	No	RCB 2015-18	No	FR0013348911	No	FR001400HQE2	Yes
RCB 15	No	RCB 137	No	RCB 199	No	RCB 2014-18	No	RCB 2015-19	No	FR0013351841	No	FR001400HS62	Yes
RCB 16	No	RCB 138	No	RCB 200	No	RCB 2014-19	No	FR001308843	No	FR0013352491	No	RCB 2023-2	Yes
RCB 4	No	RCB 139	No	RCB 202	No	RCB 2014-20	No	RCB 2016-1	No	FR001335781	No	RCB 2023-3	Yes
RCB 5	No	RCB 140	No	RCB 203	No	RCB 2014-25	No	RCB 2016-2	No	FR0013387361	No	RCB 2023-4	Yes
RCB 7	No	RCB 141	No	RCB 204	No	RCB 2014-21	No	FR001310824	No	FR0013396351	No	FR001400ID75	Yes
RCB 20	No	RCB 142	No	RCB 205	No	RCB 2014-22	No	RCB 2016-3	No	FR0013396361	No	FR001400IIR7	Yes
RCB 21	No	RCB 143	No	RCB 206	No	RCB 2014-23	No	FR001311907	No	FR0013397201	No	RCB 2023-5	Yes
RCB 22	No	RCB 144	No	RCB 208	No	RCB 2014-24	No	RCB 2016-4	No	FR0013397361	No	FR001400IWN7	Yes
RCB 26	No	RCB 145	No	FR0011546886	No	RCB 2014-26	No	RCB 2016-5	No	FR0013397671	No	RCB 2023-6	Yes
RCB 27	No	RCB 146	No	FR0011547744	No	RCB 2014-27	No	RCB 2016-6	No	FR0013397761	No	FR001400KL72	Yes
RCB 28	No	RCB 147	No	FR0011548791	No	RCB 2014-28	No	FR001315025	No	RCB 2019-1	No	FR001400LDK9	Yes
RCB 29	No	RCB 149	No	FR0011548866	No	RCB 2014-31	No	FR001318418	No	FR0013400531	No	FR001400M159	Yes
RCB 30	No	RCB 150	No	FR0011549997	No	RCB 2014-32	No	RCB 2016-7	No	FR001319822	No	RCB 2023-7	Yes
FR0010443630	No	RCB 151	No	RCB 2013-1	No	RCB 2014-29	No	RCB 2016-8	No	FR0013403431	No	FR001400NE03	Yes
RCB 35	No	RCB 152	No	RCB 2013-2	No	RCB 2014-30	No	FR0013403511	No	FR0013403511	No	RCB 2024-1	Yes
RCB 39	No	RCB 153	No	RCB 2013-3	No	RCB 2014-33	No	FR001320285	No	FR0013405561	No	FR001400NUE2	Yes
RCB 40	No	RCB 154	No	RCB 2013-4	No	RCB 2014-34	No	FR001320361	No	RCB 2019-4	No	RCB 2024-2	Yes
RCB 44	No	RCB 155	No	RCB 2013-5	No	RCB 2014-35	No	FR001320460	No	RCB 2019-3	No	RCB 2024-3	Yes
RCB 45	No	RCB 156	No	RCB 2013-10	No	RCB 2014-36	No	FR001321963	No	RCB 2019-5	No	RCB 2024-4	Yes
RCB 50	No	RCB 157	No	RCB 2013-11	No	RCB 2014-37	No	FR001322138	No	FR0013436621	No	FR001400OGL4	Yes
FR0010504761	No	RCB 158	No	RCB 2013-12	No	RCB 2014-38	No	FR001323070	No	FR0013456581	No	RCB 2024-5	Yes
RCB 51	No	RCB 159	No	RCB 2013-13	No	RCB 2014-40	No	RCB 2017-1	No	FR0013459751	No	FR001400OJK0	Yes
FR0010526376	No	RCB 160	No	RCB 2013-7	No	FR001190796	No	FR001323495	No	FR0013479051	No	FR001400OK0	Yes
FR0010594374	No	RCB 162	No	RCB 2013-8	No	RCB 2014-39	No	RCB 2017-2	No	FR0013482181	No	FR001400PAP5	Yes
RCB 69	No	RCB 163	No	RCB 2013-9	No	RCB 2014-41	No	RCB 2017-3	No	FR0013511611	No	RCB 2024-6	Yes
RCB 76	No	FR0010840108	No	RCB 2013-6	No	RCB 2014-42	No	RCB 2017-4	No	FR0013519561	No	FR001400Q494	Yes
RCB 80	No	RCB 165	No	RCB 2013-14	No	FR001191622	No	RCB 2017-5	No	RCB 2020-1	No		
RCB 97	No	RCB 166	No	RCB 2013-15	No	RCB 2014-43	No	RCB 2017-6	No	FR0013535821	No		
RCB 98	No	RCB 167	No	RCB 2013-16	No	RCB 2014-44	No	RCB 2017-7	No	FR00140006K	No		
RCB 103	No	RCB 168	No	RCB 2013-17	No	RCB 2014-45	No	RCB 2017-8	No	FR0014000N3	No		
RCB 104	No	RCB 169	No	RCB 2013-18	No	RCB 2014-46	No	RCB 2017-9	No	FR0014001GV	No		
RCB 105	No	RCB 170	No	RCB 2013-19	No	FR001216991	No	RCB 2017-10	No	FR0014001ZD	No		
RCB 106	No	RCB 172	No	RCB 2013-20	No	RCB 2015-1	No	FR001325586	No	FR00140024A	No		
RCB 107	No	RCB 173	No	RCB 2013-21	No	FR001246794	No	FR001325687	No	FR00140033E	No		
RCB 108	No	RCB 174	No	RCB 2013-22	No	RCB 2015-2	No	RCB 2017-11	No	FR00140049N	No		
RCB 109	No	RCB 175	No	RCB 2013-23	No	RCB 2015-3	No	FR001326737	No	FR0014005M	No		

The table above presents the list of International Securities Identification Numbers (ISIN) for all issues of obligations foncières to which an ISIN code has been assigned, and the contract number for private placements made in the form of registered covered bonds (RCB).

5. EXPOSURE TO MARKET, CREDIT AND LIQUIDITY RISKS

5.1 INTEREST RATE RISK

- Hedging policy:

Caisse Française de Financement Local has defined a fixed-rate risk appetite, which is broken down into a system of limits governing the sensitivity of the net present value (NPV). In order to manage this sensitivity within the limits set, Caisse Française de Financement Local has implemented the following hedging strategy:

- micro-hedging of interest rate risk on balance sheet items denominated in a currency other than the euro or indexed to a complex interest rate structure. Certain euro-denominated vanilla transactions may also be micro-hedged if their notional value or duration could lead to a sensitivity limit being exceeded. Micro-hedging is carried out exclusively by swaps;
- macro-hedging of interest rate risk for all transactions that are not micro-hedged. The transactions concerned are mainly (i) loans to the local public sector and (ii) issues of *obligations foncières* denominated in euros. This macro-hedging is obtained as much as possible by matching fixed-rate assets and liabilities *via* the unwinding of swaps and, for the rest, by setting up new swaps against €str (previously against euribor).

This fixed-rate risk management is supplemented by monitoring of the fixings of operations at adjustable rates in order to ensure that they do not lead to the short-term sensitivity limit being exceeded. Where appropriate, swaps against €str may be entered into to hedge the fixing risk.

These hedges can be entered into either directly on the market by Caisse Française de Financement Local, or through Sfil, which in turn hedges its resulting position in the market.

Debt not benefiting from the non-privileged debt is not hedged. Debt contracted by Caisse Française de Financement Local with its shareholder to finance over-collateralization is borrowed either directly with a €str index and does not need to be swapped, or with a Euribor index and thus finances assets also indexed on Euribor. Short-term debt owed to the Banque de France with a fixed rate (if any) is not hedged, but finances fixed rate assets.

- monitoring of fixed-rate, index and fixing gaps, calculated using a static approach:

Fixed rate gap	Difference between balance sheet and off-balance sheet assets and liabilities for fixed-rate transactions or transactions for which the rate has been set. It is calculated every month until balance sheet run-off.
Index gap	Difference between balance sheet and off-balance sheet assets and liabilities for a given index tenor that has not yet been fixed. This gap is calculated every month until balance sheet run-off.
Fixing gap	Difference between balance sheet and off-balance sheet assets and liabilities for a given index tenor that has not yet been fixed.

- the monthly production of net present value sensitivity indicators: the measurement of this risk is equal to the maximum loss in net present value observed compared to eight different interest rate scenarios. These eight scenarios correspond to the six scenarios used for calculating the regulatory "outlier" ratio, to which are added two additional internal scenarios based on historical variations in rates. Unlike regulatory ratios, equity is taken into account in the calculation of these indicators. The maximum loss observed at the end of the quarter among the eight scenarios used is presented below:

Sensitivity (EUR mns)	12/31/2023	06/30/2024
"Outlier" regulatory scenario of a 200bp rate increase	-4.4	19.3
"Outlier" regulatory scenario of a 200 bp rate decrease with application of a floor	11.6	-20.9
"Outlier" regulatory scenario of a increase in short-term rates	-0.9	0.4
"Outlier" regulatory scenario of a decrease in short-term rates with application of a floor	0.9	-0.3
"Outlier" regulatory scenario of flattening of the rate curve with application of a floor	1.8	-5.3
"Outlier" regulatory scenario of steepening of the rate curve with application of a floor	-1.1	8.9
Internal rate curve flattening scenario	-13.9	4.8
Internal rate curve inversion scenario	-5.3	-23.5

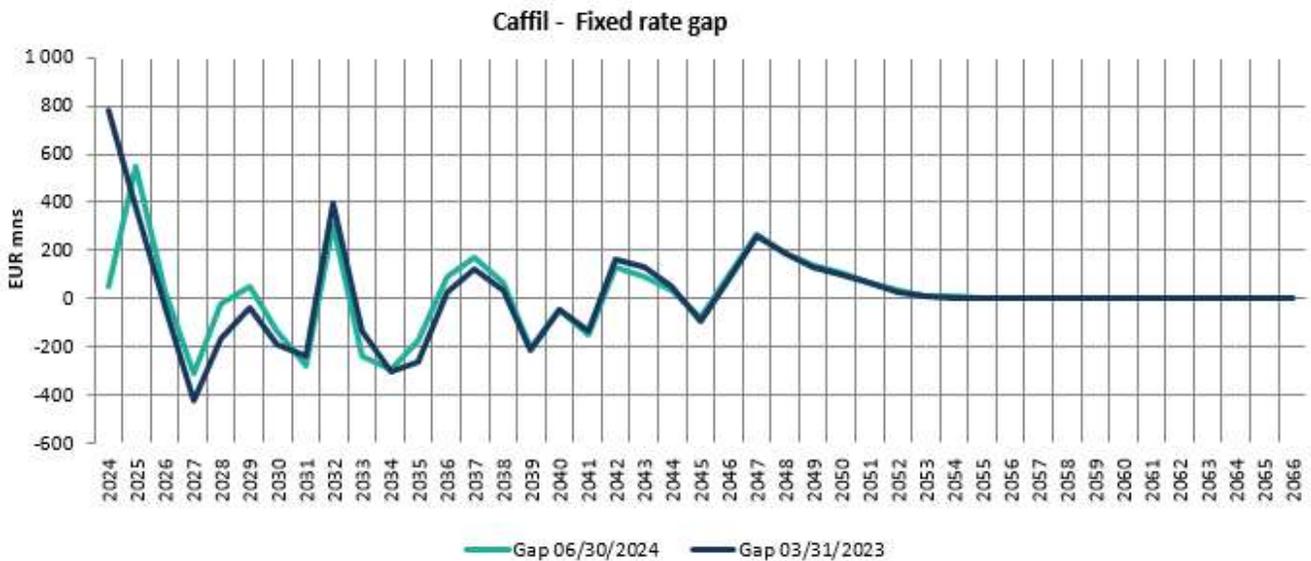
Assets portfolios for which the strategy is to be entirely hedged are not sensitive to interest rates changes and thus are not integrated in the calculation of the global sensitivity of Caisse Française de Financement Local's balance sheet.

- Measurement of interest rate position:

The fixed interest rate position is measured by modelling a fixed rate gap based on the flow of balance sheet and off-balance sheet transactions at fixed rates. It is calculated for each time interval as being equal to the difference between the average outstanding fixed rate assets and the average outstanding fixed rate liabilities. To be noted:

- the current fixing of adjustable rate transactions is included in the fixed rate gap,
- the investment of equity, represented by internal contracts, is included in the fixed rate gap,
- premiums and discounts related to derivatives, which are amortized in the accounts, are also included in the fixed rate gap

Caisse Française de Financement Local's interest rate position as of June 30, 2024 is as follows:



5.2 EXCHANGE RATE RISK

Caisse Française de Financement Local's foreign exchange risk management policy is to incur no foreign exchange risk: it enters into cross-currency swaps against the euro for its issues and assets denominated in foreign currency, on initial recognition at the latest and until their final maturity, thereby ensuring that these balance sheet items' principal and interest rates are hedged. Floating rate exposures in euros generated by this management policy are incorporated into interest rate risk management.

Foreign exchange risk is monitored using the net foreign exchange position in each currency, calculated on all foreign currency balance sheet receivables, debts (including accrued interest not yet due) and off-balance sheet commitments. The net foreign exchange position per currency must be zero, with the exception of USD, GBP and CHF, in which a marginal position is tolerated for operational reasons.

Nonetheless, certain loans to refinance large export credits denominated in foreign currency may cause a very limited temporary foreign exchange risk during their drawing phase in case of a shift between effective drawing dates and those initially scheduled and hedged. This residual risk is controlled by a sensitivity limit on the euro/currency basis, calculated over the life of the loans.

5.3 MARKET RISK

Caisse Française de Financement Local, as a société de crédit foncier, is not authorized to hold a trading or stocks investment portfolio and is therefore not exposed to regulatory market risks.

Certain positions or activities in the banking portfolio of Caisse Française de Financement Local, even if they do not carry any market risk in the regulatory sense of the term, are nevertheless sensitive to the volatility of market parameters and pose a risk to the accounting result or on equity; they are monitored for non-regulatory market risks.

These are investment securities, for which the losses in value on the closing date are provisioned in accordance with French accounting standards.

5.4 LIQUIDITY RISK

Caisse Française de Financement Local's management makes it possible to provide a structural coverage of its liquidity needs by assets eligible for refinancing by the Banque de France, until the full amortization of the privileged liabilities.

Caisse Française de Financement Local has its own resources and can by order of priority :

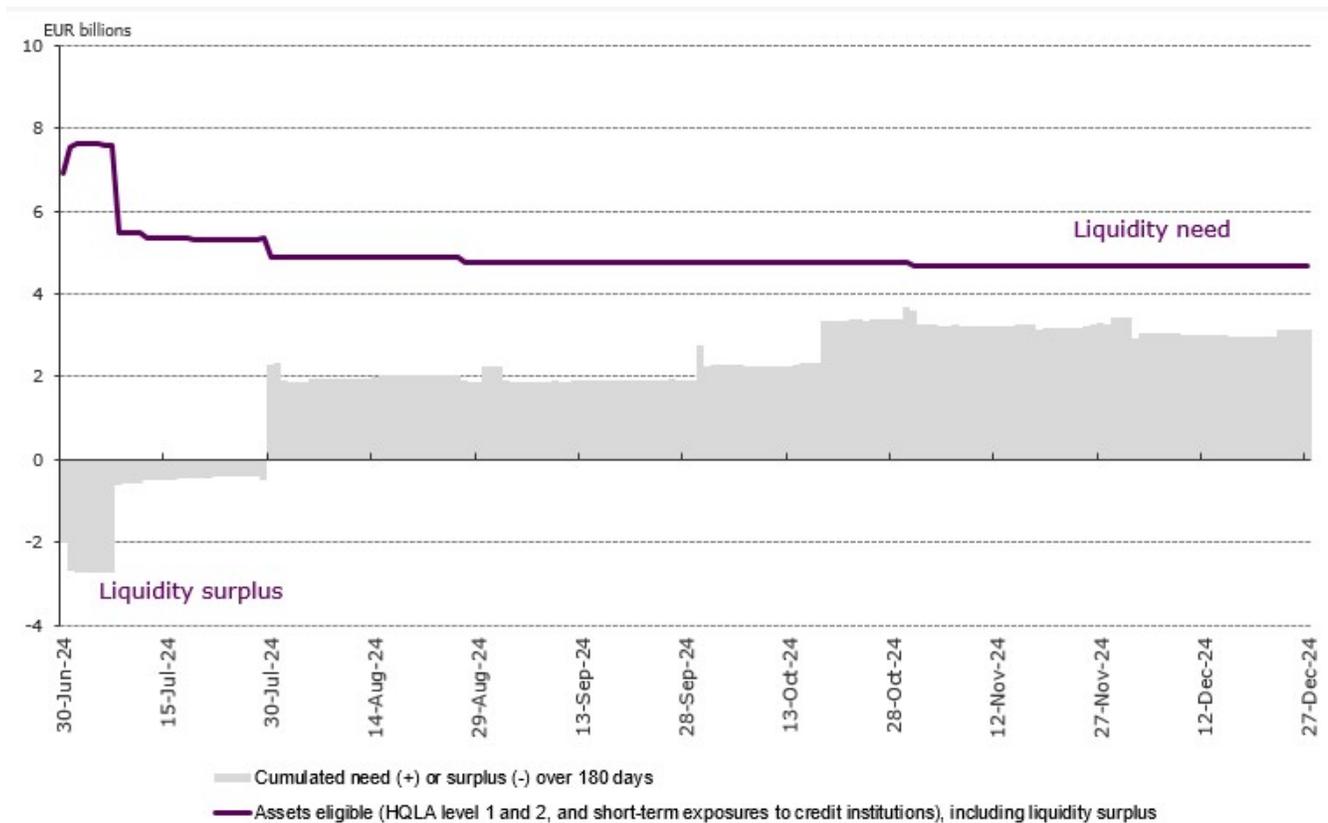
- Use the excess cash available. As of June 30, 2024, they amount to EUR 2,021.7 million before taking into account the assumption of non-performance of assets;
- Carry out a covered bond issue;
- Have additional drawings from its parent company within the framework of the financing agreement;
- Assign, obtain reimbursement or give as a guarantee to the Banque de France, to obtain financing during calls for tenders, the following assets:
 - Exposures to credit institutions (excluding bank current accounts). As of June 30, 2024, these amount to EUR 2,990.5 million, including EUR 2,198.5 million of high quality liquid assets (level 1, 2A, or 2B);
 - High quality liquid securities (level 1, 2A or 2B), excluding bank securities. As of June 30, 2024, these amount to EUR 2,610.1 million.
 - Other assets which are directly eligible for refinancing from the Banque de France. As of June 30, 2024, these amount to EUR 35,149.7 million, before haircut.

As of June 30, 2024, Caisse Française de Financement Local thus had approximately EUR 42,772.0 million

in liquid assets or assets eligible for refinancing by the Banque de France, including its cash deposited with the bank or the Banque de France. There are no legal obstacles likely to prevent the use of a part of these assets in compliance with Articles L. 513-12 and R. 513-8 of the Monetary and Financial Code.

Moreover, Caisse Française de Financement Local monitors that, at any time, its liquidity need over a 180-day period, calculated in a run-off situation, is covered firstly by high quality liquid assets (level 1, 2A or 2B) and, secondly, by short-term exposures on credit institutions benefiting from the best or the second best step of credit quality, or the third best credit quality step for short-term deposits. Unsecured receivables deemed to be in default, in accordance with Article 178 of Regulation (EU) No. 575/2013 of June 26, 2013, cannot participate in covering cash requirements.

Cash needs are defined as repayments of obligations foncières and registered covered bonds (RCB), of debts that do not benefit from the legal privilege and forecasts of repayment of the cash collateral received, after deduction of amortization cash flows from assets, taking into account cash flows from hedging derivatives. As of June 30, 2024, the liquidity situation at 180 days shows needs liquidity until end of October 2024 (with a maximum of EUR 3.671 billion). Over the period, liquidity needs are covered at all times by high-quality liquid assets (level 1, 2A or 2 B) or by short-term exposures to credit institutions. (see chart below). In addition, specific management measures may be taken to cover needs (for example, the completion of a new bond issue or the use of central bank financing).



The movements observed correspond to cash flows from amortization of *obligations foncières*, cash collateral, non-privileged liabilities, derivatives and assets.

The projection of the cash balance at 180 days is calculated on the basis of the contractual schedule of interest flows and nominal amounts of the assets and liabilities present in the balance sheet of Caisse Française de Financement Local at September 30, 2023. Furthermore, this projection takes into account flows related to certain operations but beginning after the closing date.

Caisse Française de Financement Local does not hold any financial assets that include maturity extension

triggers. It has not issued any *obligations foncières* that include maturity extension triggers. Certain *obligations foncières* include call options that can only be exercised by Caisse Française de Financement Local.

The assumptions used for the calculation are as follows:

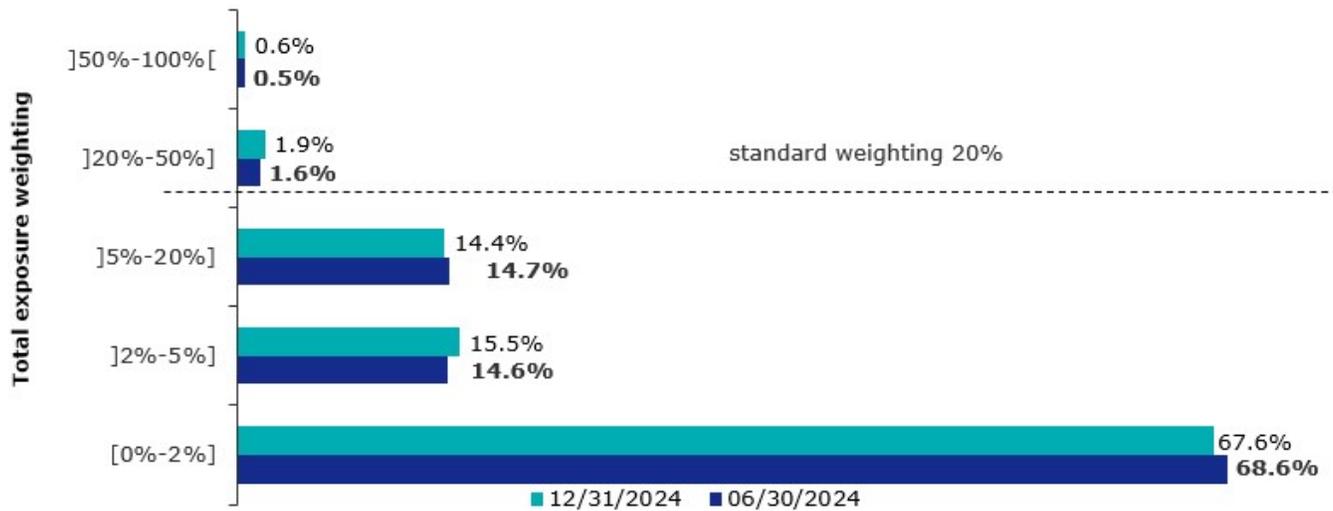
- No voluntary early repayment on commercial loans in accordance with the assumptions used in ALM management, nor exercise of options on securities held by Caisse Française de Financement Local. From a liquidity point of view, this is therefore the worst case scenario.
- Modelling of liabilities with an early redemption clause in hand with Caisse Française de Financement Local: case-by-case analysis of options exercisable over 180 days. It should be noted that there are no liabilities on Caisse Française de Financement Local's balance sheet that include an early repayment clause in the hands of the investor.
- Cash guarantees received from counterparties for hedging derivatives (cash collateral or variation margin) are presented on the basis of future cash flows and by projecting the market value of the underlying transactions at unchanged market conditions. In concrete terms, for each framework agreement, a projection of the valuation of the swaps is made taking into account the flows of interest and capital remaining to be received and paid until the maturity of the swaps. The amount of cash collateral to be paid or received over the next 180 days is determined on the basis of this valuation.
- Projection of variable rate interest flows based on the last known fixing for the first payment of interest and the projected rate for the following flows.
- Estimate of the non-performance of assets based on the highest variation in the amount of outstanding payments over a period of 180 days observed over the period December 31, 2011 – December 31, 2023 (currently EUR 34.9 million positioned on the first day).

5.5 CREDIT RISK

- Breakdown of the total of assets according to risk weightings:

The quality of Caisse Française de Financement Local's portfolio can be illustrated by the risk weighting assigned to each of its assets for the calculation of the bank's solvency ratio. This reflects the fact that for most of its assets, Caisse Française de Financement Local has opted for the advanced method of calculating regulatory capital requirements.

Risk Weighting of Caisse Française de Financement Local's portfolio as of June 30, 2024:



This analysis confirms the excellent quality of the assets in Caisse Française de Financement Local's portfolio:

- 83% of the portfolio has a risk weighting of 5% or less;
- 2% of the portfolio has a weighting greater than 20%.

The average risk weighting of assets is 4.6% versus 20% for European local government entities according to the Basel standard method.

- Bank counterparty risk

Caisse Française de Financement Local holds two types of exposure to banks:

- exposures on credit institution in the amount of EUR 3.01 billion;
- derivative contracts, entered into within the framework of its management of interest rate and foreign exchange risks.

All of Caisse Française de Financement Local's derivative operations are conducted within the framework of standard ISDA or FBF (Fédération Bancaire Française) contracts with major international banks. These contracts have particular characteristics, since they must meet the standards set by rating agencies for sociétés de crédit foncier (and other issuers of covered bonds). Over the last few years, Caisse Française de Financement Local amended these contracts to take into account recent EMIR regulatory changes (signing of variation margin amendments). Caisse Française de Financement Local's derivatives are not subject to the clearing obligation nor the payment of initial margin. These interest rate and currency swaps all benefit from the same legal privilege as obligations foncières. For this reason, Caisse Française de Financement Local does not pay its derivative counterparties any collateral (or variation margin), whereas they have to pay Caisse Française de Financement Local except for some which benefit from the agencies highest short-term rating. At the end of June 2022, a new derivatives agreement was concluded with SFIL to which is attached only the derivatives that cover the few assets that are excluded from the cover pool from July 8, 2022 as part of the implementation of the covered bonds directive. Since these derivatives do not benefit from the privilege of the law, the agreement provides for the possibility of exchanging collateral in both directions. The collateral claim paid under this agreement is classified outside the cover pool, like the corresponding derivatives and their covered assets.

All derivative exposures as of June 30, 2024 are listed below.

EUR billions	Total of notional amounts	% of total notional amounts	Mark to Market		Collateral received	Collateral paid
			-	+		
Cover pool - external counterparties	67.1	81%	(1.3)	0.1	(0.1)	-
cover pool - SFIL	15.7	19%	(1.4)	-	-	-
Outside cover pool - SFIL	0.2	0%	(0.1)	-	-	0.1
Total	83.0	100%	(2.7)	0.1	(0.1)	0.1

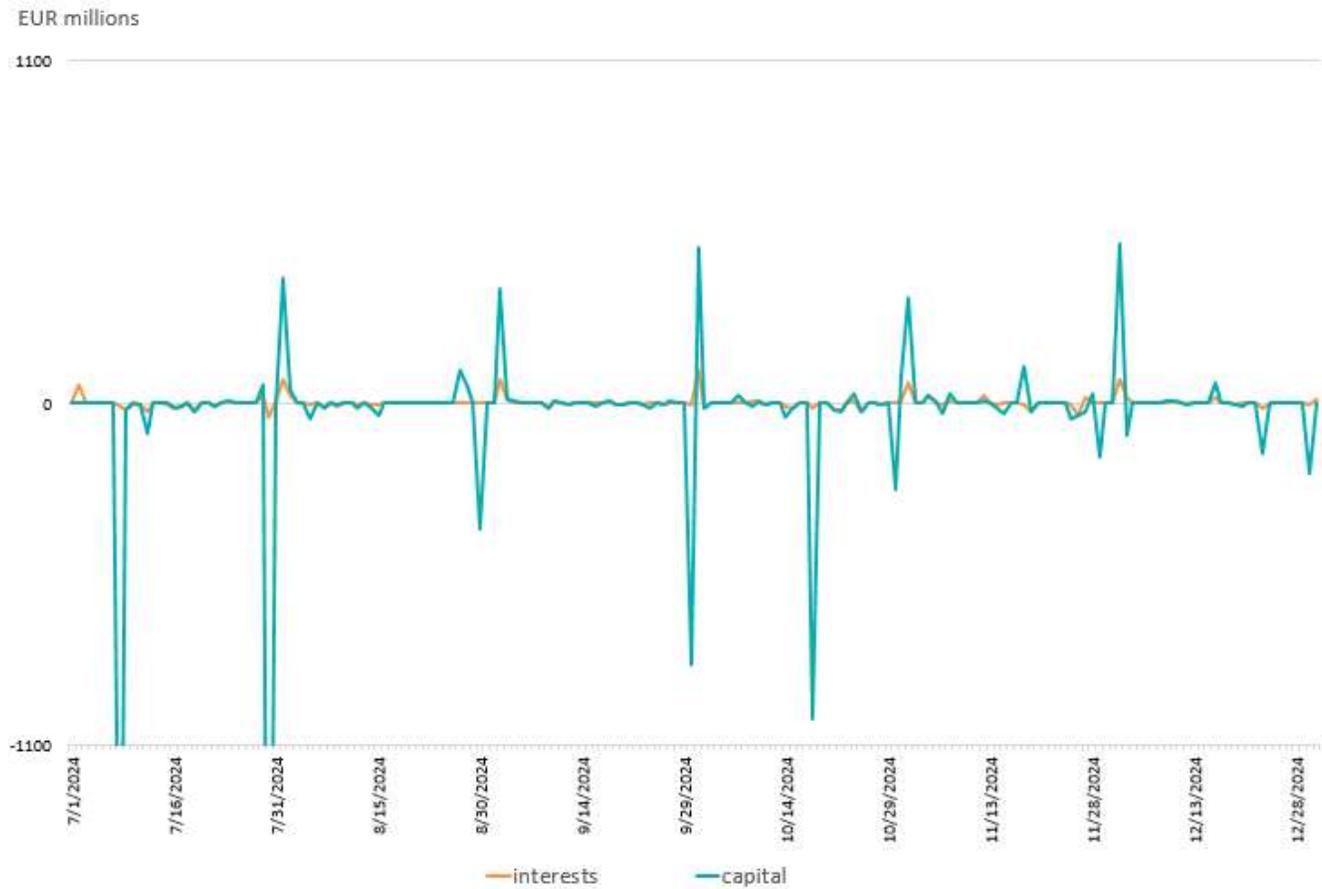
As of June 30, 2024, Caisse Française de Financement Local was exposed (positive fair value of swaps) to six bank counterparties, all of these paid cash collateral totalling EUR 0.1 billion, offsetting the total exposure.

The swaps negotiated with external counterparties represented 81% of outstanding swaps and those signed with SFIL 19%. The swaps signed with the five largest counterparties represented a total of 53.2% of notional amounts.

6. Coverage of liquidity needs

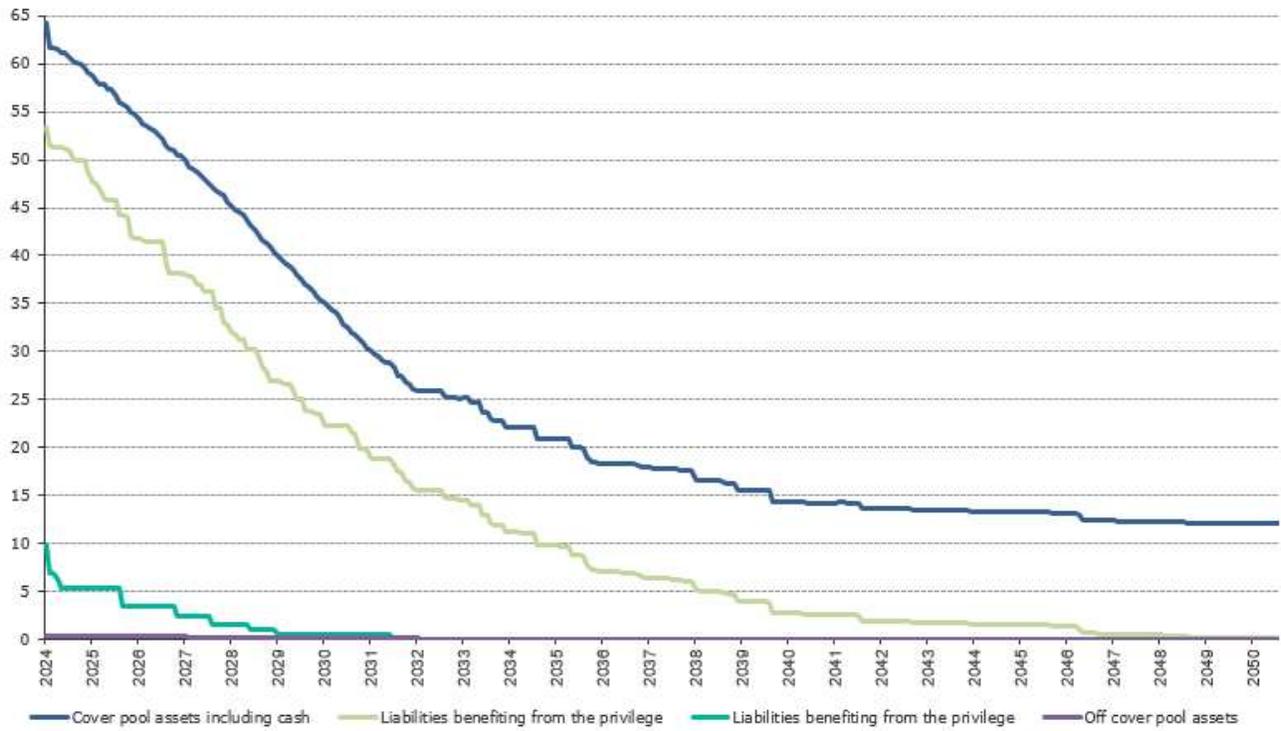
Information on the 180-day cash requirement and the hedging methods are presented in paragraph 5.4.

The graph below shows the distinction between capital flows and interest flows which constitute the 180-day liquidity requirement:



7. Maturity structure

EUR billion



Caisse Française de Financement Local does not hold any financial assets that include maturity extension triggers. It has not issued any *obligations foncières* that include maturity extension triggers. Certain *obligations foncières* include call options that can only be exercised by Caisse Française de Financement Local.

8. Level of coverage of privileged resources

The certified regulatory coverage ratio, corresponding to the situation as of June 30, 2024, amounts to 119.17%.