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Press Release

Second public issue in 2015 by CAFFIL, Caisse Française de Financement Local with a maturity of eight years and an amount of EUR 1,0 billion

Caisse Française de Financement Local (CAFFIL) launched today, April 16, 2015, its second public issue of *Obligations Foncières* (covered bonds) for this year, and the sixth since the creation of CAFFIL signature in 2013. This issue has a benchmark size of EUR 1.0 billion, and the choice of an eight year maturity creates a new point on the public issue curve of CAFFIL.

This transaction was announced yesterday and swiftly executed this morning in an environment marked by a significant rebound in the primary covered bond market, after several weeks of low activity. The intermediate maturity chosen for this issue allowed CAFFIL to benefit from the excellent current market conditions, with historically tight spreads.

The transaction was launched with a coupon of 0.20%, which translates into a spread of minus 11 basis points (-0.11%) over the 6-months swap curve and 9 basis points over the OAT-curve for a similar maturity.

The order book reached EUR 1.9 billion, i.e. an oversubscription by a factor of 1.9, consisting of more than 60 real money investors, which is a nice diversification for such a maturity.

Investors were mainly based in Germany and Austria (39% of allocations) and in France (37%), but there was also significant demand from Asia (10%), the Nordic countries (4%) and the United Kingdom (4%).

Quite logically, in the context of the Covered Bond Purchase Program put in place by the Eurosystem, central banks contributed 45% of allocations. Bank treasuries, representing 31% of allocations, provided strong support to the transaction. Asset managers contributed another 20% of allocations.

This transaction confirms that CAFFIL is a reference issuer in the European covered bond market, benefitting from an access to the market at very competitive conditions compared to peers and offering to investors a combination of the security provided by the status of Société de Crédit Foncier (rated Aaa, AA+, AA) and the financial solidity of its shareholders. CAFFIL, as a regular issuer, plans to issue between EUR 4.5 à 5.5 billion in 2015 via public transaction and private placements.

'The success of this transaction confirms the capacity of CAFFIL to regularly raise funding with large volumes, at a very competitive cost and covering the whole maturity range required to fulfill the two missions entrusted by the French State to SFIL, the holding company of CAFFIL : refinancing loans to French local authorities and public hospitals, originated by La Banque Postale, and the refinancing of large French export loans benefitting from a state guarantee, at the service of banks active in this sector', explains Philippe Mills, CEO of SFIL and Chairman of the supervisory board of CAFFIL.

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