

**Report on asset quality**  
**as of December 31, 2020**  
Caisse Française de Financement Local  
(Instruction n° 2011-I-07 of June 15, 2011)

The report on asset quality, compliant with Instruction No. 2011-I-07 of, June 15, 2011, aims at presenting all of the assets comprising the cover pool of Caisse Française de Financement Local and the management framework of its interest rate and liquidity risks.

As of December 31, 2020, Caisse Française de Financement Local's cover pool is made of EUR 51.5 billion of loans, EUR 5.5 billion of bonds and EUR 1.5 billion of replacement assets, that correspond to the following exposures:

| EUR thousands, as of 12/31/2020 | Total cover pool  | Assets removed from the cover pool | Total Outstanding |
|---------------------------------|-------------------|------------------------------------|-------------------|
| Exposures on public sector      | 56,995,709        | 554                                | 56,996,263        |
| Asset-backed securities         | -                 | -                                  | -                 |
| Replacement assets              | 1,452,506         | -                                  | 1,452,506         |
| <b>TOTAL</b>                    | <b>58,448,215</b> | <b>554</b>                         | <b>58,448,769</b> |

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 December 31, 2020.

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 cover pool does not contain any asset-backed securities. 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 are also compliant with regulations rules CRR / CRD IV.

## 1. MORTGAGE LOANS

Caisse Française de Financement Local has no mortgage loans in its cover pool.

## 2. EXPOSURES ON PUBLIC SECTOR

### 2.1 BREAKDOWN BY COUNTERPARTY

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.

| EUR thousands                           |                   | Direct Exposure |                  | Indirect Exposure |                   |                               |                   |   |
|---|-------------------|-----------------|------------------|-------------------|-------------------|-------------------------------|-------------------|---|
| COUNTRY                                 | Loans             | Bonds           | Loans            | Bonds             | Total             | Of which non-performing loans | Of which past due | Of which specific impairment <sup>(1)</sup> |
| <b>France</b>                           |                   |                 |                  |                   |                   |                               |                   |   |
| State :                                 |                   |                 |                  |                   |                   |                               |                   |   |
| - export refinancing                    | -                 | -               | 3,587,587        | -                 | 3,587,587         | -                             | -                 | -   |
| - others                                | 20,000            | -               | 84               | 230,000           | 250,084           | -                             | -                 | -   |
| Banque de France <sup>(2)</sup>         | 1,798,311         | -               | -                | -                 | 1,798,311         | -                             | -                 | -   |
| Regions                                 | 2,264,461         | 75,008          | 239,547          | -                 | 2,579,016         | 48,851                        | 12,747            | -12,731                                     |
| Departments                             | 7,095,019         | -               | 144,901          | -                 | 7,239,920         | 1,051                         | 55                | -26   |
| Municipalities                          | 14,448,622        | 13,884          | 284,827          | -                 | 14,747,333        | 73,863                        | 19,849            | -10,855                                     |
| Groups of municipalities <sup>(3)</sup> | 12,937,536        | 62,176          | 86,665           | -                 | 13,086,377        | 20,611                        | 3,440             | -810  |
| Public sector entities :                |                   |                 |                  |                   |                   |                               |                   |   |
| - health                                | 5,989,402         | 8,391           | -                | -                 | 5,997,793         | 45,393                        | 655               | -352  |
| - social housing                        | 967,424           | -               | -                | -                 | 967,424           | -                             | -                 | -   |
| - others                                | 768,078           | 162,167         | 466              | -                 | 930,711           | 18,716                        | 146               | -53   |
| <b>Sub total</b>                        | <b>46,288,853</b> | <b>321,626</b>  | <b>4,344,077</b> | <b>230,000</b>    | <b>51,184,556</b> | <b>208,485</b>                | <b>36,892</b>     | <b>-24,827</b>                              |
| <b>Germany</b>                          |                   |                 |                  |                   |                   |                               |                   |   |
| Länder                                  | -                 | 274,943         | -                | -                 | 274,943           | -                             | -                 | -57   |
| <b>Sub total</b>                        | <b>-</b>          | <b>274,943</b>  | <b>-</b>         | <b>-</b>          | <b>274,943</b>    | <b>-</b>                      | <b>-</b>          | <b>-57</b>                                  |
| <b>Austria</b>                          |                   |                 |                  |                   |                   |                               |                   |   |
| Länder                                  | -                 | -               | 172,676          | -                 | 172,676           | -                             | -                 | -   |
| <b>Sub total</b>                        | <b>-</b>          | <b>-</b>        | <b>172,676</b>   | <b>-</b>          | <b>172,676</b>    | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>Belgium</b>                          |                   |                 |                  |                   |                   |                               |                   |   |
| Regions                                 | 1,166             | -               | 4,000            | -                 | 5,166             | -                             | -                 | -   |
| Public sector entities                  | 37,087            | -               | -                | -                 | 37,087            | -                             | -                 | -   |
| <b>Sub total</b>                        | <b>38,253</b>     | <b>-</b>        | <b>4,000</b>     | <b>-</b>          | <b>42,253</b>     | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>Canada</b>                           |                   |                 |                  |                   |                   |                               |                   |   |
| Municipalities                          | 100,287           | -               | -                | -                 | 100,287           | -                             | -                 | -   |
| Public sector entities                  | 34,485            | -               | -                | -                 | 34,485            | -                             | -                 | -   |
| <b>Sub total</b>                        | <b>134,772</b>    | <b>-</b>        | <b>-</b>         | <b>-</b>          | <b>134,772</b>    | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>Spain</b>                            |                   |                 |                  |                   |                   |                               |                   |   |
| State                                   | -                 | 145,000         | -                | -                 | 145,000           | -                             | -                 | -   |
| Regions                                 | -                 | 50,000          | -                | -                 | 50,000            | -                             | -                 | -   |
| Municipalities                          | 66,758            | -               | -                | -                 | 66,758            | -                             | -                 | -   |
| <b>Sub total</b>                        | <b>66,758</b>     | <b>195,000</b>  | <b>-</b>         | <b>-</b>          | <b>261,758</b>    | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>United States</b>                    |                   |                 |                  |                   |                   |                               |                   |   |
| Federated States                        | -                 | 210,761         | -                | -                 | 210,761           | -                             | -                 | -   |
| <b>Sub total</b>                        | <b>-</b>          | <b>210,761</b>  | <b>-</b>         | <b>-</b>          | <b>210,761</b>    | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |

| EUR thousands               | Direct Exposure   |                  | Indirect Exposure |                |                   |                               |                   |   |
|-----------------------------|-------------------|------------------|-------------------|----------------|-------------------|-------------------------------|-------------------|---|
| COUNTRY                     | Loans             | Bonds            | Loans             | Bonds          | Total             | Of which non-performing loans | Of which past due | Of which specific impairment <sup>(1)</sup> |
| <b>Italy</b>                |                   |                  |                   |                |                   |                               |                   |   |
| State                       | -                 | 1,147,693        | -                 | -              | 1,147,693         | -                             | -                 | -20,253                                     |
| Regions                     | -                 | 1,791,472        | -                 | -              | 1,791,472         | -                             | -                 | -   |
| Provinces                   | -                 | 406,449          | -                 | -              | 406,449           | -                             | -                 | -   |
| Municipalities              | 4,540             | 921,925          | -                 | -              | 926,465           | -                             | -                 | -   |
| <b>Sub total</b>            | <b>4,540</b>      | <b>4,267,539</b> | <b>-</b>          | <b>-</b>       | <b>4,272,079</b>  | <b>-</b>                      | <b>-</b>          | <b>-20,253</b>                              |
| <b>Japan</b>                |                   |                  |                   |                |                   |                               |                   |   |
| Municipalities              | -                 | 25,000           | -                 | -              | 25,000            | -                             | -                 | -   |
| <b>Sub total</b>            | <b>-</b>          | <b>25,000</b>    | <b>-</b>          | <b>-</b>       | <b>25,000</b>     | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>Portugal</b>             |                   |                  |                   |                |                   |                               |                   |   |
| State                       | -                 | -                | -                 | -              | -                 | -                             | -                 | -   |
| Municipalities              | 7,587             | -                | -                 | -              | 7,587             | -                             | -                 | -   |
| Public sector entities      | 2,148             | -                | -                 | -              | 2,148             | -                             | -                 | -   |
| <b>Sub total</b>            | <b>9,735</b>      | <b>-</b>         | <b>-</b>          | <b>-</b>       | <b>9,735</b>      | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>United Kingdom</b>       |                   |                  |                   |                |                   |                               |                   |   |
| State                       | -                 | -                | -                 | 7,887          | 7,887             | -                             | -                 | -   |
| <b>Sub total</b>            | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>7,887</b>   | <b>7,887</b>      | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>Sweden</b>               |                   |                  |                   |                |                   |                               |                   |   |
| Municipalities              | 18,490            | -                | -                 | -              | 18,490            | -                             | -                 | -   |
| <b>Sub total</b>            | <b>18,490</b>     | <b>-</b>         | <b>-</b>          | <b>-</b>       | <b>18,490</b>     | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>Switzerland</b>          |                   |                  |                   |                |                   |                               |                   |   |
| Cantons                     | 65,253            | -                | 6,453             | -              | 71,706            | -                             | -                 | -   |
| Municipalities              | 233,480           | -                | -                 | -              | 233,480           | -                             | -                 | -   |
| Public sector entities      | 60,350            | -                | -                 | -              | 60,350            | -                             | -                 | -   |
| <b>Sub total</b>            | <b>359,083</b>    | <b>-</b>         | <b>6,453</b>      | <b>-</b>       | <b>365,536</b>    | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>Supranational</b>        |                   |                  |                   |                |                   |                               |                   |   |
| International organizations | 15,263            | -                | -                 | -              | 15,263            | -                             | -                 | -   |
| <b>Sub total</b>            | <b>15,263</b>     | <b>-</b>         | <b>-</b>          | <b>-</b>       | <b>15,263</b>     | <b>-</b>                      | <b>-</b>          | <b>-</b>                                    |
| <b>TOTAL</b>                | <b>46,935,747</b> | <b>5,294,869</b> | <b>4,527,206</b>  | <b>237,887</b> | <b>56,995,709</b> | <b>208,485</b>                | <b>36,892</b>     | <b>-45,137</b>                              |

(1) Specific impairments on loans and bonds are composed as followed:

- specific impairment on non performing loans : EUR 24,765 thousand. In addition to these impairments, Caisse Française de Financement Local makes collective and sector specific provisions.  
- provisions for unrealised losses on placement portfolio bonds : EUR 20,372 thousand

(2) Caisse Française de Financement Local's Banque de France account as of December 31, 2020

(3) Of which EUR 15,401 thousand on operations linked to partnership agreements.

## 2.2 RATINGS

Caisse Française de Financement Local has no exposure (except replacement assets as described below) that would require a minimal rating from a rating agency recognized by the Autorité de contrôle prudentiel et de résolution (ACPR).

## 2.3 BREAKDOWN BY MATURITY DATE

EUR thousands, as of 12/31/2020

| Residual maturity       |                                |                   |
|-------------------------|--------------------------------|-------------------|
| Maturity date in years  | Number of deals <sup>(1)</sup> | Total outstanding |
| 0                       | 2,149                          | 2,048,325         |
| 1                       | 2,573                          | 596,873           |
| 2                       | 2,579                          | 812,748           |
| 3                       | 2,233                          | 810,489           |
| 4                       | 2,476                          | 1,173,587         |
| 5                       | 4,101                          | 1,381,113         |
| 6                       | 2,421                          | 2,064,714         |
| 7                       | 2,464                          | 2,582,511         |
| 8                       | 2,743                          | 2,822,157         |
| 9                       | 2,499                          | 3,908,941         |
| 10                      | 2,632                          | 3,459,435         |
| 11                      | 1,483                          | 2,758,662         |
| 12                      | 1,556                          | 2,925,631         |
| 13                      | 1,569                          | 3,176,926         |
| 14                      | 1,924                          | 4,830,983         |
| 15                      | 1,349                          | 3,235,523         |
| 16                      | 1,067                          | 3,325,924         |
| 17                      | 949                            | 2,726,318         |
| 18                      | 1,031                          | 2,710,797         |
| 19                      | 992                            | 2,855,282         |
| 20                      | 401                            | 1,726,806         |
| 21                      | 150                            | 704,423           |
| 22                      | 168                            | 516,634           |
| 23                      | 250                            | 603,998           |
| 24                      | 231                            | 475,880           |
| 25                      | 81                             | 326,918           |
| 26                      | 55                             | 277,839           |
| 27                      | 62                             | 953,399           |
| 28                      | 94                             | 424,946           |
| 29                      | 101                            | 429,298           |
| 30                      | 13                             | 93,071            |
| 31                      | 7                              | 28,496            |
| 32                      | 28                             | 22,876            |
| 33                      | 19                             | 68,631            |
| 34                      | 17                             | 102,720           |
| 35                      | 27                             | 44,730            |
| 36                      | 17                             | 28,563            |
| 37                      | 8                              | 24,449            |
| 38                      | 8                              | 33,120            |
| 39                      | 2                              | 16,413            |
| 40                      | 1                              | 9,223             |
| 41                      | 1                              | 6,520             |
|                         | <b>42,531</b>                  | <b>57,125,892</b> |
| TRANSLATION ADJUSTMENTS |                                | - 130,183         |
| <b>TOTAL</b>            |                                | <b>56,995,709</b> |

(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 12/31/2020

| COUNTRY                                  | Early repayments<br>during the year 2020 | Rate of early<br>repayments |
|--|--|-----------------------------|
| <b>France</b>                            |  |                             |
| State                                    | -  | -                           |
| Departments                              | 15,050                                   | 0.21%                       |
| Municipalities                           | 26,366                                   | 0.18%                       |
| Groups of municipalities                 | 5,546                                    | 0.04%                       |
| Public sector entities :                 |  |                             |
| - health                                 | -  | -                           |
| - social housing                         | 28                                       | 0.00%                       |
| - others                                 | 82                                       | 0.01%                       |
| <b>Sub total</b>                         | <b>47,072</b>                            | <b>0.10%</b>                |
| <b>GLOBAL exposures on public sector</b> | <b>47,072</b>                            | <b>0.08%</b>                |

The rate of early repayments at the end of 2020 corresponds to the volume of early repayments occurred over the year divided by the arithmetic average outstanding amount for the period (equal to the average amount of daily outstandings).

In 2019, the rate of early repayments for this entire year was 0.47% for a total amount of repayments of EUR 255 million.

### 3. ASSET-BACKED SECURITIES AND SIMILAR STRUCTURES

#### 3.1 BREAKDOWN BY COUNTERPART

As of December 31, 2020, Caisse Française de Financement Local did not hold any asset-backed securities or similar structures on its balance sheet.

#### 3.2 RATINGS

Not applicable

#### 3.3 BREAKDOWN BY MATURITY DATE

Not applicable

#### 3.4 EARLY REPAYMENTS

Not applicable

## 4. REPLACEMENT ASSETS

### 4.1. BREAKDOWN BY COUNTERPART

| EUR thousands, as of 12/31/2020  | Country                    | Amount           |
|----------------------------------|----------------------------|------------------|
| <b>Step 1 credit rating</b>      |                            |                  |
| Covered Bonds                    |                            |                  |
|                                  | France                     | 338,280          |
|                                  | Other countries            | 675,614          |
| Other Bank bonds                 |                            |                  |
|                                  | France                     | 147,590          |
|                                  | Other countries            | 286,605          |
| Loans to SFIL                    | France                     | -                |
| <b>Step 2 credit rating</b>      |                            |                  |
| Bank bonds (Maturity < 100 days) |                            |                  |
|                                  | France                     | -                |
|                                  | Other countries            | -                |
| Bank accounts' balances          | France and other countries | 4,417            |
| <b>TOTAL</b>                     |                            | <b>1,452,506</b> |

Bank bonds correspond to cash investments made of certificates of deposit or bonds issued by credit institutions.

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

Caisse Française de Financement Local can grant loans to SFIL, its parent company, in order to invest its surplus cash.

No non-performing or litigious loans are enumerated among replacement assets.

### 4.2 RATINGS

As of December 31, 2020, replacement assets were composed of bank bonds and, to a lesser extent, of bank accounts balances. These exposures should benefit from ratings corresponding to a step 1, or step 2 credit rating when the maturity is under 100 days.

### 4.3 BREAKDOWN BY MATURITY DATE

| EUR thousands, as of 12/31/2020 |                                |                    |                |                    |                |                   |                  |
|---------------------------------|--------------------------------|--------------------|----------------|--------------------|----------------|-------------------|------------------|
| Residual maturity               |                                | Term to maturity   |                |                    |                |                   | TOTAL            |
| Maturity date in years          | Number of deals <sup>(1)</sup> | Less than 3 months | 3 to 6 months  | 6 months to 1 year | 1 to 5 years   | More than 5 years |                  |
| 0                               | 12                             | 454,407            | 185,240        | -                  | -              | -                 | 639,647          |
| 1                               | 15                             | -                  | -              | 148,686            | 272,931        | -                 | 421,617          |
| 2                               | 9                              | -                  | -              | -                  | 232,360        | -                 | 232,360          |
| 3                               | 5                              | -                  | -              | -                  | 158,882        | -                 | 158,882          |
| <b>Total</b>                    | <b>41</b>                      | <b>454,407</b>     | <b>185,240</b> | <b>148,686</b>     | <b>664,173</b> | <b>-</b>          | <b>1,452,506</b> |

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

Balances of bank current accounts are presented as a unique matured deal.



#### 4.4 EARLY REPAYMENTS

No early repayment occurred in 2020.

## 5. MANAGEMENT OF THE INTEREST RATE RISK

To limit its impact, interest rate risk is hedged in two stages by Caisse Française de Financement Local:

- in the first stage, all the assets and the liabilities benefiting from the privilege which do not naturally have a floating rate are hedged against Euribor until maturity as soon as they are recorded on the balance sheet. In practice, acquisitions of loan portfolios (in which the unit amount is generally small) are usually macro-hedged. Loans granted individually or bond issues can be micro- or macro-hedged. Hedging of assets and liabilities is more often obtained by entering into interest rate swaps, but also when this is possible, by the cancellation of swaps of opposite direction;
- in the second stage, Euribor lending and borrowing flows (naturally or after hedges) are swapped against Eonia or €str in order to eliminate the basis risk generated by differences in the Euribor (1, 3, 6 or 12 months) and the fixing risk due to the reset dates of reference indices that differ for the assets and the liabilities. The residual risk is managed using macro-hedges with a management horizon of one week.

More recently, some hedges have been entered into directly in Eonia or €str, without intermediate swaps against Euribor.

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.

Non-privileged debt is not concerned by these hedging operations. In fact, debt contracted by Caisse Française de Financement Local with its shareholder to finance over-collateralization is borrowed either directly with an Eonia or €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 the Banque de France with a fixed rate (if any) is not hedged, but finances fixed rate assets.

These different kinds of interest rate risks are monitored, analyzed and managed through:

- the production of gaps (fixed rate, basis and fixing respectively), calculated statically:

|                    |  |
|--------------------|--|
| The 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 gaps         | 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.                   |
| Basis gaps         | Gap resulting from the matching of two index gaps. There are therefore as many basis gaps as there are index pairs.  |
| Fixing gap         | corresponds, for a given tenor index, to the difference between adjustable rate balance sheet and off-balance sheet assets and liabilities, by fixing date.  |

- the monthly production of net present value (NPV) sensitivity indicators, calculated for a rate shock of 100bp, which aim to regulate the fixed or set rate residual positions of Caisse Française de Financement Local (after setting up hedges). These indicators are calculated for 4 predefined time buckets (short-term, medium-term, long-term, very long-term) regulated by limits which are calibrated to avoid losing more than 6% of equity (i.e. EUR 80 million) with a 99% quantile calculated on a 10-year history.

As at December 31, 2020, the sensitivity limits to interest rate risk are the following :

|   |   |
|---|---|
| <b>Translation of the rate curve</b>  | Limit of EUR 25 million   |
| <b>Sloping/rotation of the interest rate curve on distant points on the curve</b> | EUR 15 million limit over Short term time buckets<br>EUR 10 million limit over Medium term time buckets<br>EUR 10 million limit over Long term time buckets<br>EUR 9 million limit over Very long term time buckets |
| <b>Sloping/rotation of the interest rate curve inside a time bucket</b>           | EUR 30 million limit on the absolute value of the sensitivities inside each time bucket   |

The measurement of sensitivity for shifts in rates of 100 basis points at the end of each quarter is presented below:

**Directional risk**

Total sensitivity

| EUR millions, end of quarter | Limit       | 3/31/2020   | 6/30/2020   | 9/30/2020   | 12/31/2020  |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Sensitivity</b>           | <b>25.0</b> | <b>-2.7</b> | <b>-1.9</b> | <b>-1.0</b> | <b>-6.8</b> |

**Risk of slope between two distant points on the rate curve**

Sum of sensitivities

| EUR millions, end of quarter | Limit*      | 3/31/2020   | 6/30/2020   | 9/30/2020   | 12/31/2020  |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Short term</b>            | <b>15.0</b> | <b>-6.0</b> | <b>-4.0</b> | <b>-5.3</b> | <b>-9.5</b> |
| <b>Medium term</b>           | <b>10.0</b> | <b>-2.1</b> | <b>-6.6</b> | <b>-6.1</b> | <b>3.1</b>  |
| <b>Long term</b>             | <b>10.0</b> | <b>1.6</b>  | <b>4.1</b>  | <b>5.1</b>  | <b>-2.5</b> |
| <b>Very long term</b>        | <b>9.0</b>  | <b>3.8</b>  | <b>4.6</b>  | <b>5.3</b>  | <b>2.2</b>  |

\* The limits applicable to points prior to 6/30/2020 were EUR 10 million for each time bucket. Since 6/30/2020, the limit is EUR 15 million for the short-term time bucket, EUR 10 million for the medium-term and long-term time buckets and EUR 9 million for the very long-term time bucket.

**Risk of slope between two close points on the rate curve**

Sum of sensitivities in absolute value

| EUR millions, end of quarter | Limit*      | 3/31/2020   | 6/30/2020   | 9/30/2020   | 12/31/2020  |
|------------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Short term</b>            | <b>30.0</b> | <b>17.3</b> | <b>9.0</b>  | <b>12.6</b> | <b>10.9</b> |
| <b>Medium term</b>           | <b>30.0</b> | <b>12.7</b> | <b>13.0</b> | <b>13.9</b> | <b>22.3</b> |
| <b>Long term</b>             | <b>30.0</b> | <b>12.3</b> | <b>10.4</b> | <b>3.7</b>  | <b>11.3</b> |
| <b>Very long term</b>        | <b>30.0</b> | <b>7.0</b>  | <b>7.6</b>  | <b>8.2</b>  | <b>8.8</b>  |

\* The limit applicable to points prior to 12/31/2019 was EUR 20 million. As of 12/31/2019 and 3/31/2020, the limit applicable was EUR 40 million. Since 6/30/2020, the limit applicable is EUR 30 million.

## 6. MANAGEMENT OF THE 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.

Moreover, Caisse Française de Financement Local ensures that at any time, its cash needs over a period of 180 days are covered by replacement assets and assets eligible for refinancing by the Banque de France. 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.

As at December 31, 2020, forecast cash needs at 180 days presented a maximum liquidity need of EUR 2.7 Billion. Management measures were taken or will be taken to cover this liquidity needs. The movements observed correspond to cash flows from amortization of obligations foncières, cash collateral, non-privileged liabilities and assets.

