



**Press release**  
Paris, 20 February 2024

## 2023 RESULTS <sup>(1)</sup> <sup>(2)</sup>

The financial statements of Caffil<sup>3</sup> for the year ended 31 December 2023 were approved by the Management Board on 14 February 14 2024 and presented to the Supervisory Board on 15 February 2024.

### Activity

In 2023, despite the combined effect of higher financing costs in a context of significant volatility on the financial markets and the full-year impact of 2022 production strongly constrained by the usury rate on the local public sector, Caffil's financial performance remained solid.

#### Export credit refinancing

2023 was a record year since the launch of this activity in terms of the number of contracts signed, the amounts committed and the number of exporters supported. Sfil signed 6 contracts that we have refinanced or have committed to refinance, for EUR 5.0 billion, vs EUR 0.7 billion in 2022. These transactions enabled EUR 7.3 billion in export contracts to be set up, involving 10 exporters, 5 of whom benefited from our Group refinancing scheme for the first time.

Since the activity was launched in 2015, our Group supported 16 exporters in 28 transactions for a total amount of EUR 16.1 billion, enabling the conclusion of EUR 28 billion in export contracts.

#### Loans to local public sector refinancing

In 2023, we acquired or refinanced EUR 3.4 billion in loans originated by La Banque Postale and Banque des Territoires, partners of the Sfil group. This amount is down from EUR 4.8 billion in 2022, due to lower volumes originated in 2022 which were constrained by the usury rate over the period.

The share of thematic loans was significant in 2023. They accounted for 42% of loans acquired (EUR 1.4 billion) and broke down as follows:

- EUR 0.8 billion in green loans to local authorities
- EUR 0.4 billion in loans to hospitals

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<sup>1</sup> The data presented below is taken from Caffil's financial statements prepared under French GAAP, except where otherwise stated.

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

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

- EUR 0.2 billion in social loans to local authorities.

Launched at the end of 2022, social loans to local authorities have met with strong demand: a total of EUR 0.7 billion has been granted to 169 clients since then.

### **Issuance of covered bonds**

In 2023, the covered bond market was driven by the rapid normalization of monetary policies by the main central banks (Federal Reserve and European Central Bank) in response to inflation, combined with a significant increase in issued volumes on the primary market. In concrete terms, this led to a shortening of the maturities sought by issuers on the primary market, and to a general consolidation of spreads against swaps, maintaining a good overall level of investor demand.

In this context, we achieved a total issue volume of EUR 3.6 billion over an overall average life of 7.5 years with:

- EUR 3.0 billion on the primary public market, by calling 4 times on the market;
- EUR 0.2 billion through a tap on an existing benchmark issue;
- EUR 0.5 billion in the private placement segment.

In particular, we issued a green bond for EUR 0.8 billion in October 2023 and a social bond for EUR 0.5 billion in November 2023. As a result, sustainable issues will account for 35% of financing raised in 2023.

Covered bonds that we have issued benefit from the "European Covered Bond (Premium)" label.

## **Key accounting figures**

### **Income statement**

<i>EUR million</i>	<b>2023</b>	<b>2022</b>
Interest margin	179	226
Net commissions	(3)	(3)
Impairment and gains on disposals of placement securities	7	(4)
<b>Net banking income</b>	<b>183</b>	<b>219</b>
General expenses	(110)	(110)
<b>Gross operating income</b>	<b>75</b>	<b>109</b>
Cost of risk	2	6
<b>Operating income</b>	<b>77</b>	<b>115</b>
Gains or losses on fixed assets	-	(3)
Income tax	(11)	(24)
<b>Net income</b>	<b>66</b>	<b>88</b>

The 2023 result stands at EUR 66 million, down EUR 22 million from 2022. This change is mainly due to lower net banking income (EUR 183 million vs EUR 219 million in 2022). In 2022, net banking income included EUR +14 million in non-recurring income on the sale of loans. It also included upfront payments of EUR +16 million (vs EUR +9 million in 2023). These resulted from the termination of interest-rate hedges as part of the policy of natural

hedge between fixed-rate assets and liabilities. Adjusted for these items, the decline in net banking income was more limited (EUR -11 million), despite higher financing costs, in a context of a disrupted market environment, as well as the full-year impact of the usury rate which had strongly constrained in 2022 the production of loans to the local public sector.

General expenses remained stable at EUR 110 million.

Cost of risk, in reversal of EUR 2 million, reflects the excellent quality of our assets.

## **Balance sheet**

Caffil's total assets amounted to EUR 65.0 billion at the end of 2023.

The vast majority of assets are held in the cover pool. The outstanding cover pool stands at EUR 61.2 billion, up by 2.3% from 31 December 2022.

The EUR 57.4 billion in public sector loans and securities outstanding at the end of 2023 constitutes the main part of the cover pool. Doubtful and impaired loans amounted to EUR 0.1 billion, or 0.2% of total assets.

<i>EUR billion</i>	<b>2023</b>	<b>2022</b>
Loans and bonds to the public sector	57.4	57.5
<i>of which local public sector</i>	49.0	50.3
<i>of which large export credits refinancing</i>	7.8	6.6
<i>of which cash investment in bonds</i>	0.6	0.6
Banque de France cash deposit	1.1	1.8
Exposure to credit institutions	2.8	0.5
<b>ASSETS IN THE COVER POOL</b>	<b>61.2</b>	<b>59.8</b>

At the end of 2023, our outstanding covered bonds amounted to EUR 53.2 billion, up from EUR 52.9 billion at the end of 2022. The net balance of privileged liabilities consists of cash collateral received from derivative counterparties (EUR 0.1 billion at the end of 2023 as at the end of 2022).

In accordance with regulations applicable to *sociétés de crédit foncier*, we maintained a privileged liabilities coverage ratio of over 105%, which was at 113.8%<sup>4</sup> at 31 December 2023.

In accordance with regulations applicable to *sociétés de crédit foncier*, we maintained a maximum weighted average life gap between assets eligible for the over-collateralization ratio and privileged liabilities of 1.5 year. At 31 December 2023, it stood at 0.6 year.

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

## Other information

The rating of the covered bonds issued by Caffil, which benefit from the highest credit quality level, remained unchanged in 2023.

	<b>Moody's</b>	<b>DBRS</b>	<b>Standard &amp; Poor's</b>
Long-term rating	Aaa	AAA	AA+
Outlook	-	-	Negative
Last update	October 2023	October 2023	November 2023

### Contacts

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## Appendix: French GAAP financial statements <sup>5</sup>

### Assets

<i>EUR million</i>	<b>2023</b>	<b>2022</b>
Central banks	1,053	1,808
Government and public securities	2,889	3,049
Loans and advances to banks	8,016	6,705
Loans and advances to customers	46,238	47,346
Bonds and other fixed income securities	4,186	2,237
Other assets	93	109
Accruals and other assets	2,497	2,236
<b>TOTAL ASSETS</b>	<b>64,973</b>	<b>63,490</b>

### Liabilities

<i>EUR million</i>	<b>2023</b>	<b>2022</b>
Due to banks	6,926	6,210
Debt securities	53,751	53,337
Other liabilities	162	169
Accruals and other liabilities	2,622	2,240
Provisions	28	34
Equity	1,483	1,500
<i>Share capital</i>	1,350	1,350
<i>Reserves and retained earnings</i>	67	62
<i>Net income</i>	66	88
<b>TOTAL LIABILITIES</b>	<b>64,973</b>	<b>63,490</b>

<sup>5</sup> The audit procedures carried out by the Statutory Auditors were in progress at the date of publication of this press release.

## Income statement

<i>EUR million</i>	<b>2023</b>	<b>2022</b>
Interest income	2,815	1,145
Interest expense	(2,636)	(918)
Commission income	0	-
Commission expense	(3)	(3)
Net gains (losses) on held for trading portfolio	(0)	0
Net gains (losses) on placement portfolio	7	(4)
Other banking income and expense	0	0
<b>Net banking income</b>	<b>183</b>	<b>219</b>
General operating expenses	(110)	(110)
<b>Gross operating income</b>	<b>75</b>	<b>109</b>
Cost of risk	2	6
<b>Income from operations</b>	<b>77</b>	<b>115</b>
Gains or losses on fixed assets	-	(3)
<b>Income before non-recurring items and taxes</b>	<b>77</b>	<b>112</b>
Income tax	(11)	(24)
<b>NET INCOME</b>	<b>66</b>	<b>88</b>
Basic earnings per share	4.91	6.52
Diluted earnings per share	4.91	6.52