

2024 INTERIM RESULTS ⁽¹⁾ ⁽²⁾

The Management Board approved on 4 September 2024 for the period the financial statements of Caffil³ from January 1 to June 30 2024. They were presented to the supervisory board on 5 September 2024.

Activity

Caffil achieved a solid performance supported by a dynamic activity from loans to local public sector and export credit refinancing. At the same time, Caffil successfully carried out the 2024 issuance programme, relying on its long-term issuance capacity. The level of over-collateralization rose sharply to 19%. Finally, Standard & Poor's confirmed the credit rating to AA+ with an outlook revised to stable from negative.

Loans to local public sector

During 1H24, Caffil acquired or refinanced EUR 2.8 billion of loans originated by La Banque Postale and Banque des Territoires, partners of the Sfil group. The 27% rise from 1H23 highlighted especially the acceleration of the loan production during 4Q2023.

The thematic loans represent a significant share of the loans acquired in 2024 (44%, i.e. EUR 1.2 billion) and are broke down as follows:

- EUR 0.6 billion in green loans to local authorities ;
- EUR 0.3 billion in social loans to local authorities ;
- EUR 0.3 billion in loans to hospitals.

Export credit refinancing

Caffil refinanced two contracts that Sfil signed for EUR 1.7 billion. These operations enabled the closing of EUR 3.1 billion in export contracts. They also contributed to achieve the SDG 8 aimed at achieving full employment in France.

Issuance of covered bonds

The end of the monetary tightening cycle from the Federal Reserve and the European Central Bank as well as the anticipation of the first measures of their monetary easing

¹ The data presented below is extracted from Caffil's financial statements prepared under French GAAP, except where 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.

marked the covered bonds market in 1H24. The activity of the primary market was dynamic and sustained through a high demand from investors on a large maturity spectrum, especially on long-term maturities. The average maturity of the issuances during 1H24 was thus 12 years, up from 7 years in 2023. Caffil issued particularly covered bonds on 10, 12 and 15 years maturities. The issuance of the 15-year covered bond was successfully launched in May 2024 for EUR 500 million with a record demand as the order book reached EUR 7.4 billion through the interest of 160 international investors.

However, the anticipated French legislative elections at the end of the semester slowed down the issuance activity and widened the spreads of French issuers.

In this context, Caffil achieved a total issue volume of EUR 2.7 billion;

- EUR 2.0 billion through 3 transactions on the primary public market ;
- EUR 0.35 billion through 2 taps on an existing benchmark issue ;
- EUR 0.34 billion in the private placement segment.

Caffil issued notably a social bond for EUR 0.5 billion in March 2024, in line with the group objective to reach 25% of green, social or sustainable bond issuance in 2024.

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

Key accounting figures

Balance sheet

Total assets amounted to EUR 68.0 billion at the end of June 2024.

The vast majority of assets are held in the cover pool. The outstanding cover pool stood at EUR 64.3 billion, up by 5.1% on 31 December 2023.

The EUR 59.3 billion in public sector loans and securities outstanding at the end of June 2024 constituted the main part of the cover pool.

Non-technical arrears reach EUR 2 billion and only related to five clients in France. They remained stable at their lowest historical level in 1H24. Doubtful and litigious loans amounted to EUR 0.1 billion, or 0.2% of total assets.

<i>EUR billion</i>	June 2024	Dec. 2023
Loans and bonds to the public sector	59.3	57.4
<i>of which local public sector</i>	49.6	49.0
<i>of which large export credits refinancing</i>	8.9	7.8
<i>of which cash investment in bonds</i>	0.8	0.6
Banque de France cash deposit	2.0	1.1
Exposure to credit institutions	3.0	2.8
ASSETS IN THE COVER POOL	64.3	61.2

At the end of June 2024, outstanding covered bonds amounted to EUR 53.4 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).

Accordingly to 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>	June 2024	June 2023
Interest margin	78	105
Net commissions	(1)	(1)
Impairment and gains on disposals of placement securities	(0)	7
Net banking income	76	110
General expenses	(49)	(60)
Gross operating income	28	50
Cost of risk	0	(1)
Operating income	28	49
Income tax	(5)	(11)
Net income	24	38

2024 interim net result stood at EUR 24 million, only decreasing by EUR 14 million from 1H23. This mainly resulted from the contraction of the net banking income (EUR 76 million in 1H24 vs. EUR 110 million in 1H23). Adjusted from the impact of non-recurring items (EUR -9 million in 1H24 vs. EUR 16 million in 1H23), the decrease in net banking income was limited to EUR 9 million despite the rise of financing costs observed for all covered bonds issuers in a context of a high volatility on the financial markets.

Furthermore, general expenses stood at EUR 49 million, down by 18% from 1H23.

Cost of risk, null over the period, reflects the excellent quality of our balance sheet assets.

Other information

The ratings of covered bonds issued were confirmed within the period. Standard & Poor's also revised the related outlook from negative to stable in early July 2024.

	Moody's	DBRS	Standard & Poor's
Long-term rating	Aaa	AAA	AA+
Outlook	-	-	stable
Last update	May 2024	May 2024	July 2024

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

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Appendix: French GAAP financial statements

Assets

<i>EUR million</i>	June 2024	Dec. 2023
Central banks	1,996	1,053
Government and public securities	3,078	2,889
Loans and advances to banks	9,183	8,016
Loans and advances to customers	46,954	46,238
Bonds and other fixed income securities	4,320	4,186
Other assets	72	93
Accruals and other assets	2,541	2,497
TOTAL ASSETS	68,145	64,973

Liabilities

<i>EUR million</i>	June 2024	Dec. 2023
Due to banks	9,983	6 926
Debt securities	53,911	53 751
Other liabilities	135	162
Accruals and other liabilities	2,645	2 622
Provisions	28	28
Equity	1,443	1,483
<i>Share capital</i>	1,350	1,350
<i>Reserves and retained earnings</i>	70	67
<i>Net income</i>	24	66
TOTAL LIABILITIES	68,145	64,973

Income statement

<i>EUR million</i>	June 2024	June 2023
Interest income	1,706	1,268
Interest expense	(1,628)	(1,164)
Commission income	-	-
Commission expense	(1)	(1)
Net gains (losses) on held for trading portfolio	-	-
Net gains (losses) on placement portfolio	(0)	7
Other banking income and expense	-	-
Net banking income	76	110
General operating expenses	(49)	(60)
Gross operating income	28	50
Cost of risk	0	(1)
Income from operations	28	50
Gains or losses on fixed assets	-	-
Income before non-recurring items and taxes	28	49
Income tax	(5)	(11)
NET INCOME	24	38
Basic earnings per share	1.7	2.8
Diluted earnings per share	1.7	2.8