

2024 RESULTS ⁽¹⁾ ⁽²⁾

The Management Board approved on 10 February 2025 the financial statements of Caffil³ for the year ended 31 December 2024. They were presented to the Supervisory Board on 11 February 2025.

Activity

Caffil achieved a very solid performance supported by a record amount of loan acquisition to the French local public sector and dynamic export credit refinancing. Caffil also successfully carried out its 2024 issuance programme, relying on its long-term issuance capacity, especially in H1 2024. The level of over-collateralization rose sharply to 19% from 14% in December 2023. Such level is a significantly above the regulatory ratio of 5%.

Loans to local public sector

In 2024, Caffil acquired or refinanced a record volume of EUR 5.5 billion of loans originated by La Banque Postale and Banque des Territoires, partners of the Sfil group. The 64% rise from 2023 specifically highlighted the acceleration of the loan production since 4Q23.

The share of thematic loans was significant in 2024 and represented 44% of acquired loans (i.e. EUR 2.4 billion). Thematic loans included:

- EUR 1.2 billion in green loans to local authorities ;
- EUR 0.7 billion in social loans to local authorities ;
- EUR 0.5 billion in loans to hospitals.

Export credit refinancing

Refinancing of export credits on behalf of Sfil remained at a high level. In 2024, Caffil concluded 5 contracts for a total amount of EUR 2.4 billion after a record of EUR 5.0 billion in 2023. These operations enabled the closing of EUR 4.1 billion in export contracts involving 6 different exporters including 1 who benefited of our refinancing scheme for the first time.

¹ The information presented below is extracted from Caffil's financial statements prepared under French GAAP, unless 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.

Issuance of covered bonds

In 2024, Caffil issued a total volume of EUR 5.3 billion with a 9.4 year average maturity:

- EUR 4.75 billion on the primary public market on maturities ranging from 5 years to 15 years of which EUR 1.75 billion in social issues and EUR 0.5 billion through taps on existing benchmark issues ;
- EUR 0.57 billion in the private placement segment.

The covered bond issuance market experienced two highly contrasting periods in 2024.

The end of the monetary tightening cycle from the Federal Reserve and the European Central Bank as well as their anticipated first measures of monetary easing marked the covered bonds market in 1H24. In this context, Caffil benefited from a dynamic activity of the primary market sustained by a high demand from investors on a large maturity spectrum, especially on long-term maturities. After a 10-year issue in January 2024 and a 12-year issue in March 2024, Caffil issued a 15-year covered bond for EUR 500 million in May 2024. This transaction was the first issue of this maturity on the covered bond market in the last 2 years; it benefited from a particularly enthusiastic reception with the participation of 160 investors and an order book of EUR 7.4 billion.

The announcement in June 2024 of new legislative elections in France contributed to widened OAT vs Bund spreads for French issuers all along 2H24. This market environment along with the results of US elections and deteriorated geopolitical, economic and financial prospective from November 2024 slowed down the covered bonds issuance activity and shortened maturities requested by investors. In this context, Caffil launched two issuances on the primary market:

- In September 2024 with a 7-year social covered bond for an amount of EUR 1.25 billion, and
- In November 2024 with a 5-year covered bond for an amount of EUR 1 billion.

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

Key accounting figures

Balance sheet

Total assets amounted to EUR 68.6 billion at the end of December 2024.

The vast majority of assets are held in the cover pool. The outstanding cover pool stood at EUR 64.7 billion, up by 5.7% on 31 December 2023.

The EUR 60.3 billion in public sector loans and securities outstanding at the end of December 2024 constituted the main part of the cover pool.

Non-technical arrears remain stable at EUR 2 billion. They remained stable at their lowest historical level. Doubtful and litigious loans amounted to EUR 0.2 billion, or 0.2% of total assets.

<i>EUR billion</i>	Dec. 2024	Dec. 2023
Loans and bonds to the public sector	60.3	57.4
<i>of which local public sector</i>	49.9	49.0
<i>of which large export credits refinancing</i>	9.4	7.8
<i>of which cash investment in bonds</i>	1.0	0.6
Banque de France cash deposit	1.3	1.1
Exposure to credit institutions	3.1	2.8
ASSETS IN THE COVER POOL	64.3	61.2

At the end of December 2024, outstanding covered bonds amounted to EUR 53.5 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).

In accordance with 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>	Dec. 2024	Dec. 2023
Interest margin	193	179
Net commissions	(3)	(3)
Impairment and gains on trading portfolio	-	-
Impairment and gains on disposals of placement securities	2	7
Other income and expense	(0)	(0)
Net banking income	192	183
General expenses	(98)	(109)
Gross operating income	94	75
Cost of risk	(2)	2
Operating income	92	77
Income tax	(21)	(11)
Net income	71	66

Net result in 2024 stood at EUR 71 million, increasing by EUR 5 million from 2023. It mainly resulted from the increase in the net banking income (EUR 192 million in 2024 vs. EUR 183 million in 2023): the dynamic activity since 4Q2023 in lending to the French local public sector as well as in export refinancing offset rising financing costs in a context of high volatility on financial markets.

General expenses decreased by EUR 11 million (down by 10% from 2023).

Cost of risk remained marginal at EUR 2 million reflecting the excellent quality of our assets.

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

Other information

The ratings of covered bonds issued by Caffil confirmed in 2024 the highest credit quality level.

	Moody's	DBRS
Long-term rating	Aaa	AAA
Outlook	-	-
Last update	December 2024	September 2024

Contact

Investor relations

Ralf Berninger
ralf.berninger@sfil.fr

Mathilde Sobol
mathilde.sobol@sfil.fr

Press contact

Christine Lair-Augustin
christine.lair-augustin@sfil.fr

Appendix: French GAAP financial statements⁵

Assets

<i>EUR million</i>	Dec. 2024	Dec. 2023
Central banks	1,295	1,053
Government and public securities	3,075	2,889
Loans and advances to banks	9,814	8,016
Loans and advances to customers	47,465	46,238
Bonds and other fixed income securities	4,422	4,186
Other assets	86	93
Accruals and other assets	2,459	2,497
TOTAL ASSETS	68,617	64,973

Liabilities

<i>EUR million</i>	Dec. 2024	Dec. 2023
Due to banks	10,216	6,926
Debt securities	53,978	53,751
Other liabilities	168	162
Accruals and other liabilities	2,736	2,622
Provisions	29	28
Equity	1,490	1,483
<i>Share capital</i>	1,350	1,350
<i>Reserves and retained earnings</i>	70	67
<i>Net income</i>	71	66
TOTAL LIABILITIES	68,617	64,973

⁵ The Management Board approved the financial statements on 10 February 2025. They were presented to the Supervisory Board on 11 February 2025. The audit procedures carried out by the Statutory Auditors are in progress.

Income statement

<i>EUR million</i>	2024	2023
Interest income	3,354	2,815
Interest expense	(3,161)	(2,636)
Commission income	0	0
Commission expense	(3)	(3)
Net gains (losses) on held for trading portfolio	0	0
Net gains (losses) on placement portfolio	2	7
Other banking income and expense	0	0
Net banking income	192	183
General operating expenses	(98)	(109)
Gross operating income	94	75
Cost of risk	(2)	2
Income from operations	92	77
Gains or losses on fixed assets	-	-
Income before non-recurring items and taxes	92	77
Income tax	(21)	(11)
NET INCOME	71	66
Basic earnings per share	5.22	4.91
Diluted earnings per share	5.22	4.91