

# Caisse Francaise de Financement Local

Issuer View • 10. April 2025

Authors: Alexander Grenner // Lukas Kühne // Dr Frederik Kunze

## Ratings

### SFIL

	Rating	Outlook
Fitch	-	-
Moody's	Aa3	Stable
S&P	AA-	Negative

Caisse Francaise de Financement Local (CAFFIL) emerged in 2013 from the acquisition of Dexia Municipal Agency (Dexia MA) by the newly founded public-sector credit institution Societe de Financement Local (SFIL; banking license since Q1/2013). Following the acquisition, Dexia MA was renamed CAFFIL and now operates as an accredited Societe de Credit Foncier (SCF). SFIL is 99.99% owned by the Caisse des Depots. The French state remains the owner of one share and is still authorised to appoint a non-voting member of SFIL's Board of Directors. Today, CAFFIL is still a wholly owned subsidiary of SFIL. It is responsible for refinancing loans from La Banque Postale and Banque des Territoires to public institutions by issuing covered bonds (Obligations Foncières). CAFFIL and the SFIL Group hold a leading position in France in lending to public schools, the public healthcare system and "clean public transport". CAFFIL has set itself the target of issuing between EUR 4.0bn and EUR 6.0bn in covered bonds each year. As planned, 25% of the SFIL Group's new issues are to be in a sustainable format. At 69% (FY/2024), loans to public institutions form the main component of the public sector loan portfolio, followed by export loans guaranteed by the French state (16%) and loans for public hospitals (10%). Since 2019, the funding has also been supplemented by placements in ESG formats (green and social bonds). In 2024, sustainable formats accounted for a total of 33% of the bonds issued by CAFFIL and SFIL.

## Homepage

[www.caissefrancaisedefinancementlocal.fr](http://www.caissefrancaisedefinancementlocal.fr)

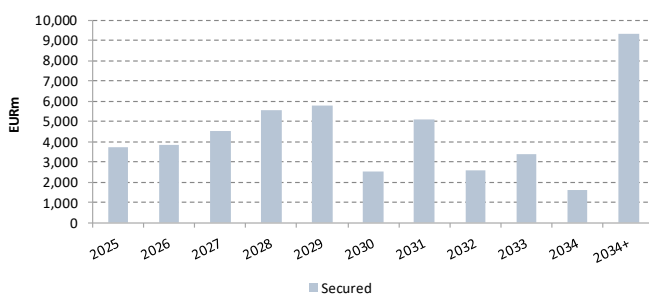
## Balance Sheet

(EURm)	2022Y	2023Y	2024Y
Net Loans to Customers	47,346	46,238	47,465
Total Securities	5,286	7,075	7,498
Total Deposits	-	-	-
Tier 1 Common Capital	-	-	-
Total Assets	63,490	64,973	68,617
Total Risk-weighted Assets	3,370	3,377	3,042

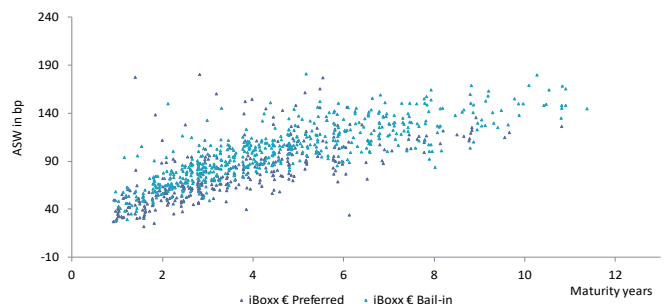
## Income Statement

(EURm)	2022Y	2023Y	2024Y
Net Interest Income	227	179	193
Net Fee & Commission Inc.	-3	-3	-3
Net Trading Income	-4	7	2
Operating Expense	110	109	98
Credit Commit. Impairment	-6	-2	2
Pre-tax Profit	112	77	92

## Redemption Profile



## Senior Unsecured Bonds (EUR BMK)



## Company Ratios

	2022Y	2023Y	2024Y		2022Y	2023Y	2024Y
Net Interest Margin	0.37	0.29	0.30	Liquidity Coverage Ratio	100.00	100.00	100.00
ROAE	5.87	4.43	4.78	IFRS Tier 1 Leverage Ratio	-	-	-
Cost-to-Income	50.93	59.56	51.04	NPL/ Loans at Amortised Cost	-	-	-
Core Tier 1 Ratio	-	-	-	Reserves/Loans at Amort. Cost	-	-	-

As of 10.04.2025; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

## Strengths / Opportunities

- Indirectly state-owned
- Strategic unit within the Group

## Risks / Weaknesses

- Profitability
- Leverage

# Covered Bonds

Authors: Alexander Grenner // Lukas Kühne // Dr Frederik Kunze

## Public sector cover pool comprises EUR 64.7bn

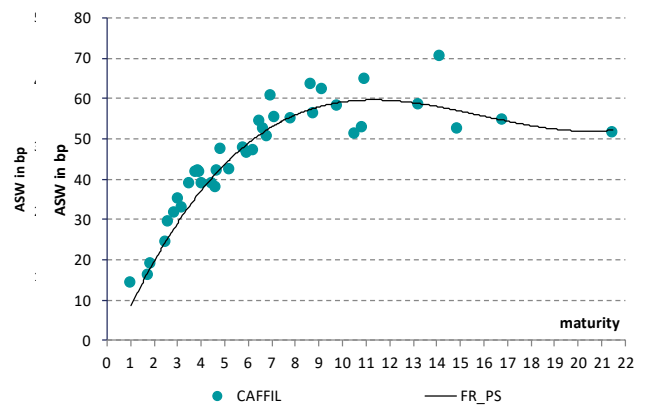
As at the reporting date of 31 December 2024, the issuer CAFFIL had an outstanding volume of EUR 53.5bn in publicly secured covered bonds in accordance with French legislation (Obligations Foncières). This is offset by a cover pool of EUR 64.7bn, resulting in an arithmetical overcollateralisation ratio of 20.9%. In the current composition of the iBoxx EUR Covered benchmark index, the credit institution is represented with a total of 40 issues, with the outstanding volume of public sector covered bonds totalling EUR 33.3bn.

### Programme data

31 December 2024	Public Sector
Covered bonds outstanding	EUR 53,528m
Cover pool volume	EUR 64,719m
Current OC (nominal / legal)	20.9% / 5.0%
Type	95.2% Public Sector
Main country	93.5% France
Main regions	30.8% Ile-de-France
Number of loans / exposures	35,674
10 largest exposures	23.2%
Fixed interest (Cover Pool / CBs)	69.5% / 96.1%
WAL (Cover Pool / CBs)	6.8y / 6.1y
NPL	0.1%
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

### Spread overview (BMK) – France



## The major share of the cover assets with French origin

CAFFIL's cover pool has primary cover assets totalling EUR 61.6bn, resulting in a substitute cover ratio of 4.8%. In addition, 90.9% of the public primary cover is made up of loans, while the remaining 9.1% is attributable to the "Bonds" and "Other" category. With regard to the distribution of debtors, the largest share is attributable to the category of local and municipal authorities (48.2%), followed by regional authorities and federal states (19.4%). In terms of geographical distribution, France accounts for the largest share of assets (93.5%), followed by Italy (4.8%). With a share of 30.8%, Ile-de-France is the region to which most cover assets are allocated. This is followed by the Auvergne-Rhone-Alpes region (9.8%) and Hauts-de-France and Occitanie with 8.4% each. While 96.1% of the outstanding covered bonds have a fixed coupon, the proportion of fixed-interest cover assets is 69.5%. The granularity of the cover pool is characterised by a total of 35,674 public exposures, which have an average exposure amount of EUR 1.7m. The share of the ten largest exposures is 23.2%.

## Rating and regulatory treatment

The programme for issuing publicly collateralised covered bonds is rated Aaa by the rating agency Moody's. Based on the rating, a risk weight of 10% is applicable for the issuer's covered bonds in accordance with the CRR. In addition, we believe that EUR benchmark transactions are suitable as Level 1 assets for LCR management purposes. CAFFIL's covered bonds are also suitable as collateral in transactions with the ECB and the issues can be marketed as European covered bonds (premium).

# Appendix

## Contacts at NORD/LB

### Floor Research



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Länder/Regionen	+49 511 9818-9660
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