

Paris, October 11th 2016

SFIL issues a highly successful inaugural bond transaction

SFIL, the French local public sector and export financing agency, has today launched its inaugural bond transaction with a maturity of 8 years and a volume of EUR 1 billion.

Strong and well diversified demand for this inaugural bond issue reflects the public development bank status of SFIL, the classification as Level 1 debt for LCR purposes and the role of the French State as reference shareholder.

After having finalized the documentation of its EMTN Program, SFIL presented the plans for an inaugural bond transaction during a pan-European roadshow that started on September 30th. The inaugural transaction was announced on October 11th 2016, shortly after completion of the roadshow.

The choice of maturity was driven by market investor demand for an intermediate maturity on the one hand, offering a positive yield on the other hand.

The transaction was announced on October 10th with order books opening on October 11th in the morning. The orderbook quickly reached a total order volume of EUR 2.2 billion with a participation of over 80 investors.

Strong support was provided by investors based in France (49%) and Germany and Austria (21%), followed by Nordic investors (11%), the United Kingdom (5%), Asia (5%), Italy (3%), Benelux (2%), Switzerland (2%) and other countries (2%). Asset manager represented 46% of allocations followed by bank treasuries (36%), central banks and official institutions (10%) and insurance companies (8%).

The coupon was set at 0.125% with the yield corresponding to a spread of 21 basis points above the OAT yield curve and flat to the 6-months swap curve.

SFIL was set up in 2013 as public development bank by the French State to ensure a stable access to long dated funding for the French local public sector. Since 2015, SFIL acts as a public refinancing platform for French export loans as second public policy mission.

This inaugural transaction is a way to widen the investor base of SFIL Group beyond the existing covered bond investor base by establishing SFIL as issuer in the French agency market. Following the launch of the commercial paper program in 2015, the new EMTN program further increases the financial flexibility for SFIL Group.

"This inaugural bond transaction marks another milestone in the development of SFIL Group as leading local government and export financing agency. Strong investor demand for today's transaction - with a very significant number of new investors for the SFIL Group - reflects the importance of the role of SFIL as public development bank for the French economy. Looking forward, SFIL will be a regular issuer on international capital markets along with CAFFIL to fulfill the two public policy missions entrusted to SFIL by the French State" explains Philippe Mills, Chairman and CEO of SFIL.

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