

Paris, April 8, 2020

Press release

SFIL publishes very solid results for 2019 and confirms the relevance of its public development bank model for responding to the current crisis

- On the occasion of the publication of its annual financial report, SFIL announces net income of EUR 50 million and an excellent level of solvency (CET1: 24.4%) for 2019.
- These results are fully in line with the moderate profitability objective that characterizes public development banks and which is underpinned by a low level of risk and an extremely robust management model.
- SFIL is comfortably fulfilling the two public policy missions that the State has entrusted to it, and strengthening its position as the leading funder on its two markets:
 - ⇒ Financing of the local public sector (including public hospitals): a record EUR 5.7 billion in loans (including EUR 650 million for health institutions) granted through the SFIL/LBP mechanism;
 - ⇒ Refinancing of large export credit contracts: EUR 1.0 billion in loans granted.

Key figures at 31 December 2019

- Consolidated net income: €50 million
- New loans to the local public sector (fiscal year 2019): EUR 5.7 billion
- New export refinancing loans (fiscal year 2019): EUR 1.0 billion
- Bond issues (fiscal year 2019): EUR 6.1 billion
- Cost/income ratio on recurring gross operating income: 65%
- Total assets (consolidated financial statements): EUR 75 billion
- CET 1 ratio: 24.4% vs. the ECB's SREP requirement of 7.99%, of which 0.75% under the Pillar 2 requirement (P2R) – the lowest level of all banks included in Europe's Single Supervisory Mechanism

External ratings

- Moody's: Aa3
- Standard & Poor's: AA
- DBRS: AA (high)

[See the 2019 financial report, published on SFIL.FR](#)

A record year for the financing of French local government entities and public hospitals

In 2019, lending to the local public sector, carried out in partnership with La Banque Postale, reached a record volume of EUR 5.7 billion, a year-on-year increase of more than 50% (2018: EUR 3.7 billion). The average maturity of loans granted exceeded 19 years. Loans to public hospitals totaled EUR 650 million, for an average maturity of 20 years.

Since its creation, SFIL has provided a total of €30 billion of financing through loans of wide-ranging amounts (from EUR 40,000 to EUR 65 million) and terms (from 10 to 30 years), drawing on La Banque Postale's dense distribution network.

Steady contribution to the refinancing of guaranteed export loans

After 2018, a year marked by exceptional volumes of new lending (EUR 3.8 billion granted by SFIL in 4 transactions), the market contracted in 2019. SFIL granted €1.0 billion in new loans, making a stable contribution to total liquidity (estimated at 42% compared with 45% in 2018).

Since the public authorities launched this market mechanism involving 25 partner banks in 2015, SFIL has provided EUR 8.1 billion of refinancing through 14 export contracts, for 10 exporters on 4 continents.

Roll-out of an ambitious CSR policy, at the heart of SFIL's DNA

Showing exemplary corporate social responsibility is a key part of the public development bank model that has been deeply embedded in SFIL's DNA since its creation in 2013. SFIL passed several major milestones in 2019:

- It adopted a governing principle: **“Financing a sustainable future by responsibly supporting regional development and the international activity of large companies over the long term”**;
- Its inaugural issues in its two new financing channels dedicated to sustainable finance were a resounding success: a **“social issue”** to finance hospitals* and a **“green” issue** to refinance environmentally beneficial local authority investments in partnership with LBP: these issues represented more than a quarter of the SFIL Group's 2019 EUR 6.1 billion bond program;
- It published its first CSR report and calculated its **carbon footprint, which it is undertaking to reduce by 15% in three years**.

**The SFIL Group's “social bonds” program exclusively refinances loans granted to French public health institutions, based in particular on an analysis of their “health care added value”. Calculated by SFIL's teams using a series of defined indicators, this value measures a hospital's importance in the overall healthcare offering.*

This program's inaugural issue on February 2, 2019 was the first of its kind in Europe, and the first sustainable finance issue in France in the form of covered bonds. Totalling EUR 1 billion, it was oversubscribed 2.7 times and taken up by 114 investors, including 15 first-time investors in the Group, at a price of 25bp above the equivalent OAT and without a subscription premium.

In 2020, having obtained the necessary authorizations, SFIL will join the major public financial hub set up within the Caisse des Dépôts Group.

SFIL will continue to carry out all the public policy missions entrusted to it, in coordination with the other institutions of this large public interest structure.

[See the press release on SFIL's change of shareholder structure](#)

Like all public development banks, SFIL is mobilized to protect the economy from the impact of the current health crisis.

“Public development banks **are both robust and long lasting financial institutions and powerful public policy instruments**. They are therefore **key assets for responding to the economic consequences of the COVID-19 crisis**.”

SFIL, **the leading lender to French public hospitals**, is **already mobilized** to meet the exceptional needs of these players on the front line of the health crisis: it has already granted EUR 200 million of loans in 2020, with an average maturity of 24 years, and is offering to defer second-quarter repayments free of charge. It **intends to play a full role in the ensuing economic relaunch**, which will necessarily require the support of our nation's local investment players and large export companies”, commented Philippe Mills, SFIL’s Chief Executive Officer.

[See the press release of the European Association of Public Banks](#)

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