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Caisse Française de Financement Local

**Attestation by one of Caisse Française de Financement Local's
Statutory Auditors on the Allocation of Proceeds, as at September
30, 2020 from the Green Bond issuance of November 5, 2019**

Caisse Française de Financement Local
1 – 3, rue du Passeur de Boulogne
92130 Issy-Les-Moulineaux
This report contains 5 pages



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Registered Office: 1 – 3, rue du Passeur de Boulogne, 92130 Issy-Les-Moulineaux

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To the Executive Management of Caisse Française de Financement Local,

In our capacity as Statutory Auditor of Caisse Française de Financement Local (hereinafter the *CAFFIL* or the *company*) and in response to your request, we have prepared this attestation on information relating to the allocation, on September 30, 2020, of proceeds amounting to € 750 million from the Green Bond issuance of November 5, 2019, as reported in the report entitled SFIL Group Green Bond Reporting (hereinafter the *Report*), which was prepared in accordance with the terms and conditions of the issuance agreement dated October 2019 (hereinafter the *Green Bond Framework*).

This Report, which is intended for green bondholders, states that €750 million of proceeds have been allocated to eligible projects as at September 30, 2020.

The information was prepared under your responsibility. The Report specifies the methods and eligibility criteria used to prepare the information contained in the Report.

It is our responsibility to express an opinion on the following information disclosed on page 12 of the Report regarding:

- the compliance, in all material respects, of the eligible projects with the eligibility criteria specified in the Green Bond Framework (the *Eligible Projects*);
- the allocation of the net proceeds to the Eligible Projects.

However, it is not our responsibility to:

- call into question the eligibility criteria specified in the Green Bond Framework which were validated in the Second Party Opinion by Sustainalytics prior to the inaugural issuance, and, in particular, to give an interpretation of the terms and conditions of the Green Bond Framework;
- express an opinion on the management of net proceeds from the Green Bond issuance prior to the allocation to the identified Eligible Projects;
- express an opinion on the use of proceeds allocated to Eligible Projects once they have been allocated;
- express an opinion on the non-financial performance indicators disclosed in the Report.

Caisse Française de Financement Local
*Attestation by one of Caisse Française de Financement Local's Statutory Auditors
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the Green Bond issuance of November 5, 2019
November 9, 2020*

Our assignment, which did not constitute an audit or a review, was performed in accordance with the professional standards applicable in France. Our work included:

- identifying the people responsible for data collection within the company and, where appropriate, for the internal control and risk management procedures implemented;
- assessing the appropriateness of the data collection procedures in terms of their relevance, completeness, reliability, neutrality and understandability;
- verifying the existence of internal control and risk management procedures implemented by the company;
- examining, using sampling techniques, the processes used for data collection, compilation, processing and control, particularly the procedures relating to the allocation of proceeds set out in the Green Bond Framework;
- based on a representative sample of Eligible Projects that are loans granted:
 - verifying the compliance, in all material respects, of the Eligible Projects with the eligibility criteria, as specified in the Green Bond Framework;
 - verifying the proceeds allocated to each Eligible Project;
 - reconciling the information with the supporting documents, in particular the records with the nature of borrowers as well as the underlying accounting data and the accounting and loan management system.
- implementing analytical procedures on the allocation of proceeds and verifying their consistency with information provided in the Report.

Based on our work, we have no comments regarding:

- **the compliance, in all material respects, of the Eligible Projects disclosed in the attached report with the eligibility criteria specified in the Green Bond Framework;**
- **the statement of allocation of proceeds disclosed on page 12 of the Report in Appendix to this attestation.**

This attestation has been prepared for you in connection with the context mentioned in the first paragraph and it may not be used, disclosed or referred to for any other purpose.

In our capacity as Statutory Auditor of CAFFIL, our responsibility to CAFFIL is defined by French law and we do not accept any extension of our responsibility beyond that specified by French law. We shall not be liable to any third parties, including green bondholders, and we are not party to the Green Bond Framework agreement. We shall not be held liable for the execution of the Green Bond Framework or for any resulting damages, loss, cost or expense.



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This attestation is governed by French law. All disputes, claims, or disagreements arising from our engagement letter or this attestation fall under the exclusive jurisdiction of the French courts. Both parties irrevocably forego their right to oppose any case brought before the French courts, or to argue that the case has been brought before a court that lacks jurisdiction, or that the French courts do not have jurisdiction.

Paris-La Défense, November 9, 2020

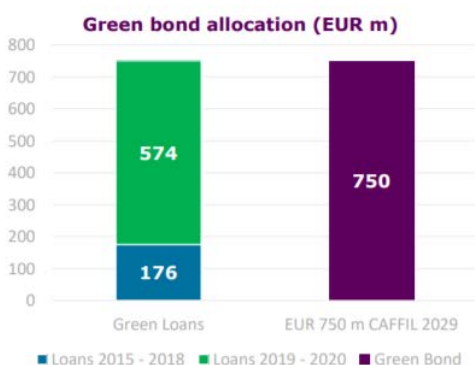
KPMG S.A.

Fanny Houlliot
Partner
Sustainability Services

Jean-François Dandé
Partner

APPENDIX

ALLOCATION REPORTING
EUR 750 M CAFFIL GREEN BOND 2029



For loans acquired prior to issuance, the allocation is based on the outstanding amount of the loans on the date of issuance of the Green Bond. For all loans acquired after issuance of the Green Bond, the allocation is based on the total loan amount acquired from La Banque Postale.

The allocation has been independently verified by KPMG. This assessment is reproduced in the appendix of this reporting.

Overall EUR 750 m in green loans have been allocated to the EUR 750 m CAFFIL Green Bond 2029.

The green loan program to French local authorities in partnership with La Banque Postale has been set up in 2019. Green loans with a volume of EUR 574 m have been acquired by SFIL Group from La Banque Postale in 2019 and 2020, i.e. 76% of total allocated green loans.

The remaining EUR 176 m in loans date back to the period 2015 to 2018. All the necessary data has been collected from borrowers to ensure that loans fully comply with the green bond framework.

Allocation and Impact
Report 2020