Rating Report
SFIL SA

DBRS Morningstar
27 September 2021

Contents

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Ratings

Debt	Rating	Rating Action	Trend
Long-Term Issuer Rating	AA (high)	Confirmed Apr. '21	Stable
Short-Term Issuer Rating	R-1 (high)	Confirmed Apr. '21	Stable

Rating Drivers

Factors with Positive Rating Implications

- An upgrade of the Republic of France´s ratings would lead to an upgrade of SFIL´s ratings.

Factors with Negative Rating Implications

- Similarly, a downgrade of the Republic of France´s ratings would lead to a downgrade of SFIL´s ratings. The Long-Term and the Short-Term Ratings' Trends move in line with the Ratings' Trends of the Republic of France. Any indication of the weakening of the efficiency and timeliness of the support mechanisms between SFIL, CDC and the French State could also lead to a downgrade of SFIL's ratings.

Rating Considerations

Franchise Strength

- Full indirect ownership by the French government through Caisse des Dépôts et Consignations. Leading domestic position in public sector financing and export credit refinancing, which are critical activities in France. Very strong likelihood of support from the French State.

Earnings Power

- SFIL has been profitable, but margins are low due to the Bank's public sector financing mandate.

Risk Profile

- Low risk profile due to French public sector exposures. De-risking process of the legacy portfolio of problematic structured loans almost completed. Impact of COVID-19 crisis expected to be marginal.

Funding and Liquidity

- SFIL is wholesale funded, mainly through covered bonds issued by CAFFIL. However this is mitigated by its public ownership, as SFIL may benefit from funding provided by its shareholder CDC and by its partner LBP. Strong liquidity profile as public-sector lending can be used as collateral with the ECB.

Capitalisation

- Overall sound capital levels. SFIL's leverage is well above regulatory requirements since the introduction of the amendment regarding the leverage ratio framework for public development banks.

Financial Information

SFIL	2020Y	2019Y	2018Y	2017Y	2016Y
EUR Millions					
Total Assets	77,036	74,796	72,722	72,432	78,937
Equity Attributable to Parent	1,667	1,621	1,563	1,469	1,388
Income Before Provisions and Taxes (IBPT)	68	56	75	71	31
Net Attributable Income	44	50	63	54	18
IBPT over Avg RWAs (%)	1.23	0.98	1.33	1.27	0.56
Cost / Income ratio (%)	62.22	66.27	59.68	61.41	76.98
Return on Avg Equity (ROAE) (%)	2.68	3.14	4.16	3.78	1.30
Gross NPLs over Gross Loans (%)	1.04	2.00	2.17	0.98	0.93
CET1 Ratio (%)	29.40	24.40	24.80	22.61	22.75

Sources: DBRS Morningstar, Copyright © 2021, S&P Global Market Intelligence.

Issuer Description

SFIL SA (SFIL or the Bank) is a French public development bank with two public policy missions: public sector financing and refinancing of export credit agreements.

Rating Rationale

SFIL’s Long-Term Issuer Rating of AA (high) reflects DBRS Morningstar’s Long-Term Foreign and Local Currency rating of the Republic of France. SFIL’s ratings reflect its statutory ownership by Caisse des Dépôts et Consignations (CDC), which is entirely owned by the Republic of France and the letter of comfort they provide to support SFIL’s creditworthiness in addition to the letter of comfort provided by the Republic of France. As a result, DBRS Morningstar’s support assessment for SFIL is SA1.

Franchise Strength

SFIL is a French public development bank, founded in February 2013. With total assets of around EUR 77 billion at end-2020, SFIL is the 7th largest credit institution in France by asset size. The entity was created following the bankruptcy of the French-Belgian banking group Dexia. The Belgian part of Dexia, which combined public sector financing activities and retail banking, was transformed into Belfius. The French part, Dexia Credit Local (DCL), that focused only on public-sector financing was transformed into a public financing bank, approved by the Autorité de Contrôle Prudentiel et de Regulation (ACPR), the French regulator.

SFIL, with its commercial partner, La Banque Postale (LBP), is the leader in public sector financing in France, leveraging off LBP's extensive domestic network and its franchise inherited from DCL. The Bank had a market share of around 24% at end-2020, servicing around 7,200 borrowers and providing EUR 35 billion loans to the French public sector since its establishment. At end-2020, the Bank had 344 employees.

SFIL owns 100% of the Caisse Française de Financement Local (CAFFIL), through which it refinances medium and long-term loans offered by LBP in partnership with the Caisse des Dépôts et Consignations (CDC) to local authorities and public health institutions. LBP has committed to transfer to CAFFIL for refinancing all the loans that would be eligible for its cover pool. At end-2020, CAFFIL's portfolio of assets totaled EUR 58.3 billion.

In May 2015 in order to strengthen the export capacity of French companies, SFIL was mandated by the State to create a system dedicated to the refinancing of major export credit agreements, insured by BPI France Assurance Export. Since 2018, SFIL has been the leading liquidity provider in France for export credits, reaching more than 40% market share.

Since October 1, 2020, SFIL is 100% indirectly owned by the French State (rated AA high, Stable Trend, by DBRS Morningstar) through CDC, with the French State retaining only one share in the Bank. Previously, SFIL was jointly owned by the French State (75%), CDC (20%) and La Banque Postale (LBP – 5%), the latter two being entirely State owned. The French Republic is committed to ensuring that SFIL is able to maintain continuity of its activities and honour its financial commitments at any point in time. This commitment is documented in a letter of comfort issued to the French financial supervisor ACPR. In addition, DBRS Morningstar understands that the new reference shareholder has provided a letter of comfort to support SFIL's creditworthiness in addition to the letter of comfort provided by the Republic of France. As such, DBRS Morningstar considers that both CDC and the French State are committed to ensuring that SFIL is able to pursue its activities in an ongoing manner and to honour SFIL's financial commitments. The continuous presence of the French State on the Board of Directors of SFIL with a direct representative also confirms the oversight from the national government over the Bank's operations.
DBRS Morningstar considers that CDC, given the size of its balance sheet (EUR 1,015 billion at end-2020), its sound and ample liquidity on the back of strong access to the market and the very large scale of its operations, has the financial strength to support SFIL, in case of need.
The Board has 15 members, of which one represents the State, seven the CDC, four are independent members and three are representatives of the employees.

Exhibit 1 SFIL's shareholder structure, end-2020

Source: DBRS Morningstar, Company Documents.

Earnings Power

As it is carrying out a public service mandate, SFIL does not have a goal to maximise profits. Hence, profitability is moderate given the low margins on its loan portfolio, and net interest income represents a large part of the Bank's operating revenues.

SFIL was profitable in 2020, with net income of EUR 44 million, down from EUR 50 million in 2019. The drop was mostly driven by higher cost of risk despite higher banking income and contained operating expenses. NII was up 3% YoY in 2020 to EUR 135 million. Total operating income was EUR 180 million, up 8% YoY. Profitability remains low, with total operating income representing roughly 0.23% of SFIL's total assets.

SFIL's total operating expenses remained fairly stable at EUR 112 million in 2020 from EUR 110 million in 2019. The Bank's cost base remains relatively low, since SFIL has no branch network and the workforce is small compared to its asset size. SFIL's operating costs represented only 0.12% of total assets in 2020, a much lower level than for commercial banks. However, SFIL's revenue generation capacity reflects the focus on low-risk public sector lending. In 2020, the Bank's cost-income ratio was 62%, compared to 66% in 2019.

In relation with the COVID-19 crisis, SFIL placed all its exposures to the cruise sector on Watchlist, which lead to an increase in collective provisions. Nevertheless, the cost of risk remained very low, with provisions absorbing only 9% of IBPT.

Exhibit 2 Profitability Evolution, 2016-2020

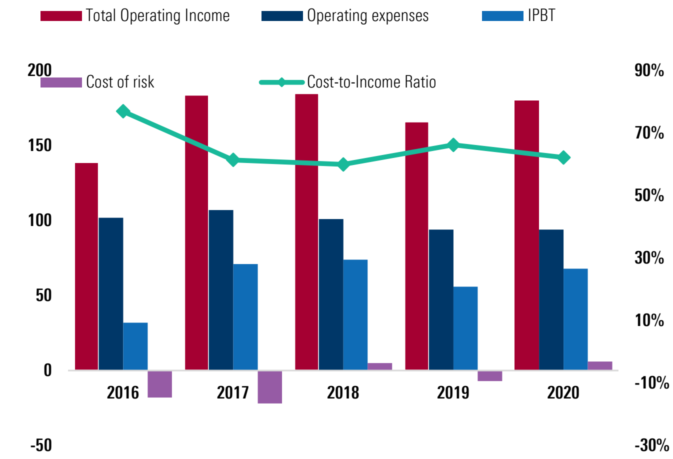
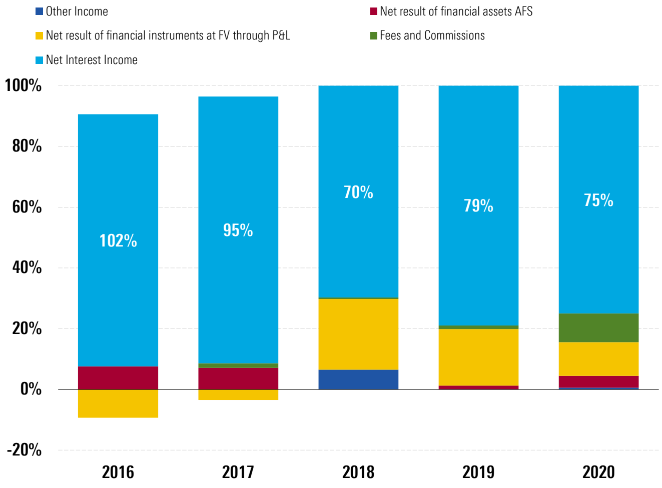


Exhibit 3 Breakdown of operating income, 2016-2020



Source: DBRS Morningstar, Company Documents

Risk Profile

DBRS Morningstar considers SFIL's risk profile to be solid, underpinned by high quality exposures and low levels of market and operational risk.

SFIL's outstanding loan and securities portfolio totalled EUR 57.8 billion at end-2020, compared to EUR 57.0 billion at end-2019. The vast majority of the portfolio relates to the French Public Sector, which accounted for 89% of the total at end-2020. The remainder related to central government entities outside of France, the two largest being Italy (8%) and Switzerland (1%). These loans were originated by Dexia prior to 2013 and are in run-off mode. As such, DBRS Morningstar does not expect SFIL's risk profile to be materially affected by the current crisis and it has not shown sign of deterioration so far. Volumes of public sector lending in 2020 were lower compared to a very high base in 2019 which benefited from good funding conditions and a pre-election year. We expect volumes to pick up in 2002-2023, especially for the health sector.

The drawn-down export credits represented 6% (EUR 3.6 billion) of total outstanding loans and securities at end-2020, which is 43% of the EUR 8.3 billion export credits originated at end-2020.

DBRS Morningstar notes that new lending has been focused on the French public sector. In 2020, through CAFFIL, SFIL acquired EUR 4.6 billion of public sector loans from its partner, LBP. In addition, the loan book grew by EUR 200 million in relation to new loans granted as part of de-risking of the legacy structured loans portfolio and by EUR 1.2 billion, drawdowns of export loans.

The French public-sector loan portfolio consists primarily of municipalities and federations of municipalities (56%), departments (15%) and public healthcare institutions (12%).

Asset quality trends

Reflecting the generally high quality of the portfolio, the non-performing loans (NPL) ratio was 1.13% as reported under IFRS 9. DBRS Morningstar does not expect the export credit agreement refinancing activity to materially impact SFIL’s asset quality given the guarantee provided by BPI France on behalf of the French State. New loans originated for the public sector lending activity pass through an independent and thorough screening process by the originator (LBP) and SFIL, before being taken over by CAFFIL's cover pool.

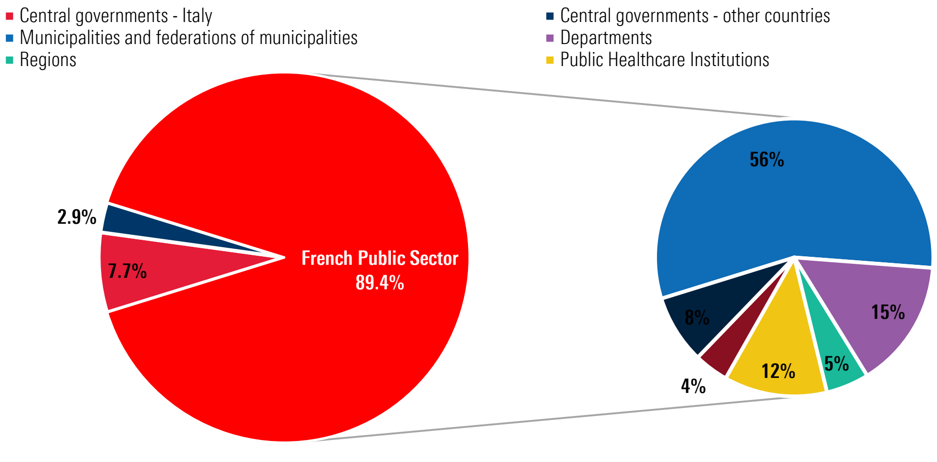
Litigation

SFIL inherited a substantial amount of litigation in relation to borrowers who had received improper treatment of the effective annual interest rate (TEG) in loan documentation. The government addressed this industry-wide issue through a new law, adopted and enforced in July 2014, which significantly reduced the residual legal risks for SFIL. The underlying legal risk has also been reduced as the number of litigation cases has decreased to 10 at end-2020 from 15 at end-2019.

Market and Interest Rate Risk

The Bank manages interest rate and foreign currency risks in accordance with the French legal framework regulating Sociétés de Credit Foncier (SCF). DBRS Morningstar considers that SFIL, through CAFFIL, has adequate policies in place to properly and actively manage its market risk exposure. At end-2020, a change of 100 basis points in interest rates would have had minimal impact on the Bank.

Exhibit 4 Breakdown of loans and securities outstanding at end-2020



Source: DBRS Morningstar, Company Documents.

Funding and Liquidity

SFIL's funding structure is entirely reliant on wholesale funding. The Bank's main funding source consists of covered bonds issued by CAFFIL. SFIL's funding structure combined with its exposure to the French public sector makes the Bank naturally exposed to a downturn in the covered bond market. Nevertheless, DBRS Morningstar notes that SFIL has not experienced any notable difficulties in tapping the markets. In addition, since January 2017, SFIL has been registered as a European agency, which means that its issues can be purchased by the ECB under the public-sector asset purchase programme (PSPP). In addition, SFIL has diversified its funding sources, with an EMTN programme of up to EUR 10 billion. Under the programme, SFIL raised USD 1.25 billion and a EUR 500 million through a Green Bond in 2020, bringing the total EMTN outstandings to EUR 7.8 billion and evidencing the Bank's good access to market funding. Covered bonds should remain the main source of funding.

SFIL also benefit from back up liquidity facilities provided by CDC and LBP (undrawn at the end of 2020).

2020 was marked by the COVID-19 pandemic and the resulting ECB interventions, which benefited the covered bonds asset class notably thanks to the ECB's purchase programme. As such, CAFFIL issued EUR 5.5 billion of covered bonds in 2020 and around EUR 43.5 billion since 2013.

CAFFIL had unencumbered, central bank eligible assets of EUR 2.2 billion at end-2020, which covers more than 180 days of liquidity shortfall as required for SCFs. In addition, SFIL reported a Liquidity Coverage Ratio (LCR) of 193% and CAFFIL reported an LCR of 176% in 2020.

Capitalisation

DBRS Morningstar views SFIL's capitalisation as solid. At end-2020, the Bank reported a CET 1 ratio of 29.4% and Total Capital Ratio of 29.9%, up from 24.4% and 25.2% respectively. This was mostly driven by a decrease in risk-weighted assets (RWAs). The capital buffer is well above the requirements of the European Central Bank's Supervisory Evaluation Process (SREP) for 2020, set at 7.75% for Common Equity Tier 1 (CET1) and 11.25% for the total capital requirement.

RWAs were a relatively low EUR 5.1 billion at end-2020. The Bank's phased-in leverage ratio was well above the 3% minimum requirement, at around 8.8% at end-2020. This incorporates an amendment for public development banks to the existing framework (CRR II/CRD V), which includes the possibility to exclude certain assets from the calculation of the leverage exposure.

In addition, SFIL indicated that it already comfortably complies with the minimum indicative MREL requirements of 1.94% of total liabilities and own funds (TLOF), with around five times that requirement in eligible liabilities.

Exhibit 5 Capital Ratios vs. SREP, end-2020

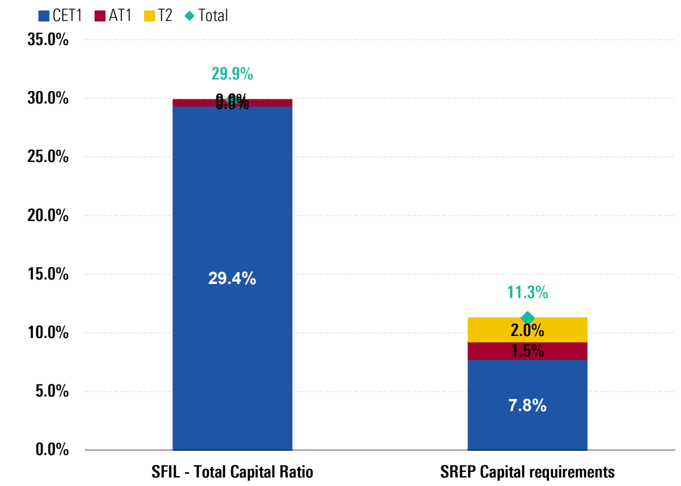
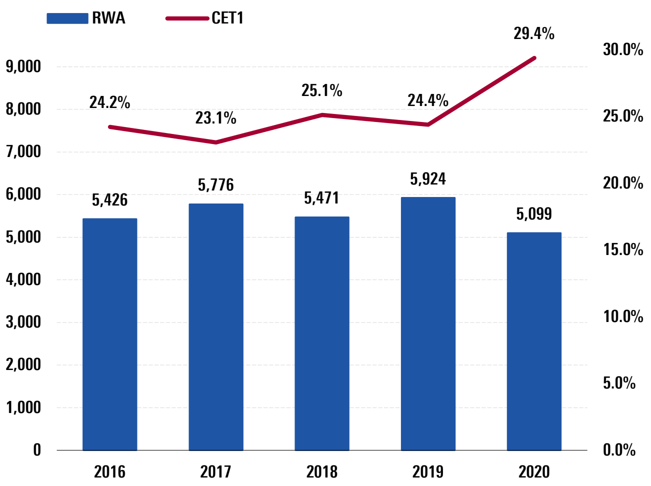


Exhibit 6 Capital ratios, 2016-2020



Source: DBRS Morningstar, Company Documents.

Republic of France
ESG Checklist

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	**N**	**N**
	Emissions, Effluents, and Waste	Do the costs or risks result in changes to a government's financial standing or relationship with other governments, and does this affect the assessment of credit risk?	N	N
	Carbon and GHG Costs	Does a government face coordinated pressure from a higher-tier government or from numerous foreign governments as a result of its GHG emissions policies, and does this affect the assessment of credit risk?	N	N
		Will recent regulatory changes have an impact on economic resilience or public finances?	N	N
		Carbon and GHG Costs:	**N**	**N**
	Resource and Energy Management	Does the scarcity of key resources impose high costs on the public sector or make the private sector less competitive?	N	N
		Is the economy reliant on industries that are vulnerable to import or export price shocks?	N	N
		Resource and Energy Management:	**N**	**N**
	Land Impact and Biodiversity	Is there a risk to a government's economic or tax base for failing to effectively regulate land impact and biodiversity activities?	N	N
	Climate and Weather Risks	Will climate change and adverse weather events potentially destroy a material portion of national wealth, weaken the financial system, or disrupt the economy?	N	N
Social		**Overall:**	**N**	**N**
	Human Capital and Human Rights	Compared with regional or global peers, is the domestic labour force more or less competitive, flexible, and productive?	N	N
		Are labour or social conflicts a key source of economic volatility?	N	N
		Are individual and human rights insufficiently respected or failing to meet the population's expectations?	N	N
		Is the government exposed to heavy, coordinated international pressure as a result of its respect for fundamental human rights?	N	N
		Human Capital and Human Rights:	**N**	**N**
	Access to Basic Services	Does a failure to provide adequate basic services deter investment, migration, and income growth within the economy?	N	N
Governance		**Overall:**	**N**	**N**
	Bribery, Corruption, and Political Risks	Does widespread evidence of official corruption and other weaknesses in the rule of law deter investment and contribute to fiscal or financial challenges?	N	N
	Institutional Strength, Governance, and Transparency	Compared with other governments, do institutional arrangements provide a higher or lesser degree of accountability, transparency, and effectiveness?	N	N
		Are regulatory and oversight bodies insufficiently protected from inappropriate political influence?	N	N
		Are government officials insufficiently exposed to public scrutiny or held to insufficiently high ethical standards of conduct?	N	N
		Institutional Strength, Governance, and Transparency:	**N**	**N**
	Peace and Security	Is the government likely to initiate or respond to hostilities with neighboring governments?	N	N
		Is the government's authority over certain regions contested by domestic or foreign militias?	N	N
		Is the risk of terrorism or violence sufficient to deter investment or to create contingent liabilities for the government?	N	N
		Peace and Security:	**N**	**N**
		Consolidated ESG Criteria Output:	**N**	**N**

* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

This factor does not affect the ratings assigned to France. From a credit perspective, environmental policies are deemed sound, and the fiscal cost of new investments is currently managed appropriately within France's budgetary framework. France seeks to reduce its greenhouse gas (GHG) emissions by 37% by 2030 when compared with 2005 (non-ETS sectors; EU target). According to the EU, additional measures are likely to be needed for France to achieve its 2030 target. France has reinforced its focus on environmental matters in recent years, including through its economic recovery plan set out at the end of 2020 ("France Relance") and more recently in its Climate and Resilience project law currently discussed in Parliament, which should help the country advance its climate goals. Financing of green and energy transition projects is likely to be supported by France's prominent role as a sovereign green bond issuer as well as its use of EU funds to support the green transition in coming years.

Social

This factor does not affect the ratings. France's respect for human rights is high, and access to quality healthcare and other basic services is widespread. France ranks 18h among the 163 countries assessed in the 2020 Social Progress Index. France also ranks seventh out of 141 countries in terms of healthy life expectancy according to the 2019 Global Competitiveness Report from the World Economic Forum. According to the OECD, France is the country member that spends the most on social expenditure. Public social spending represented 31% of France's GDP in 2019. While France may be subject to social protests, largely reflecting social reforms or new policy measures being implemented, these tend to foster citizens' participation in the public debate and have generally had a muted impact on economic growth.

Governance

This factor does not affect the ratings assigned to France. France has independent and transparent institutions, providing a strong environment for investment and limited scope for corruption. As of 2019, France scores very highly in worldwide governance indicators from the World Bank for government effectiveness (89th percentile) and for rule of law (89th percentile).

Financials

	SFIL	SFIL	SFIL	SFIL	SFIL
EUR Millions	2020Y	2019Y	2018Y	2017Y	2016Y
Balance Sheet	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Cash and Deposits with Central Banks	1,932	1,191	1,927	2,560	5,268
Lending to/Deposits with Credit Institutions	328	323	239	295	390
Financial Securities	9,750	10,518	10,947	2,790	2,037
Financial Derivatives Instruments	8,018	7,963	6,980	7,233	9,494
Net Lending to Customers	54,110	52,226	50,279	57,014	59,682
- Gross Lending to Customers	54,144	52,262	50,313	57,067	59,788
- Loan Loss Reserves	34	36	34	53	106
Investment in Associates or Subsidiaries	NA	NA	NA	NA	NA
Total Intangible Assets	26	31	33	29	20
Fixed Assets	13	16	6	6	NA
Insurance Assets	NA	NA	NA	NA	NA
Other Assets (including DTAs)	2,859	2,528	2,311	2,505	2,046
Assets	77,036	74,796	72,722	72,432	78,937
Deposits from Banks	0	379	1,928	4,215	6,720
Deposits from Central Banks	0	0	0	0	NA
Deposits from Credit Institutions	0	379	1,928	4,215	NA
Deposits from Customers	0	0	0	0	0
Issued Debt Securities	64,398	62,466	60,068	56,315	57,681
Issued Subordinated Debt	0	0	0	0	0
Financial Derivatives Instruments	9,371	8,520	7,706	8,950	11,063
Insurance Liabilities	0	0	0	0	NA
Other Liabilities	1,600	1,810	1,457	1,483	2,085
Equity Attributable to Parent	1,667	1,621	1,563	1,469	1,388
Minority Interests	0	0	0	0	0
Liabilities & Equity	77,036	74,796	72,722	72,432	78,937
EUR Millions	2020Y	2019Y	2018Y	2017Y	2016Y
Income Statement	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016
Interest Income	2,472	2,675	2,723	2,657	3,341
Interest Expenses	2,337	2,544	2,594	2,483	3,199
Net Interest Income	135	131	129	174	142
Net Fees and Commissions	17	2	1	3	0
Results from Financial Operations	27	33	55	7	-3
Equity Method Results	0	0	0	0	0
Net Income from Insurance Operations	0	0	0	0	NA
Other Operating Income	1	0	1	0	0
Total Operating Income	180	166	186	184	139
Staff Costs	50	49	48	51	49
Other Operating Costs	44	44	53	56	NA
Depreciation/Amortisation	18	16	10	6	NA
Total Operating Expenses	112	110	111	113	107
Income Before Provisions and Taxes (IBPT)	68	56	75	71	31
Loan Loss Provisions	6	3	0	-22	-18
Securities & Other Financial Assets Impairmen	0	-10	5	0	0
Other Impairments	0	0	0	0	0
Other Non-Operating Income (Net)	0	0	-1	0	0
Income Before Taxes (IBT)	62	63	69	93	49
Tax on Profit	18	14	6	39	31
Discontinued Operations	0	0	0	0	0
Other After-tax Items	0	0	0	0	0
Minority Interest	0	0	0	0	0
Net Attributable Income	44	50	63	54	18

Source: DBRS Morningstar, Copyright © 2021, S&P Global Market Intelligence.

	SFIL	SFIL	SFIL	SFIL	SFIL
	2020Y	2019Y	2018Y	2017Y	2016Y
Earnings Power					
Earnings					
Net Interest Margin (%)	0.18	0.18	0.18	0.23	0.17
Yield on Average Earning Assets (%)	3.38	3.75	3.88	3.50	3.98
Cost of Interest Bearing Liabilities (%)	3.22	3.61	3.73	3.43	4.11
IBPT over Avg Assets (%)	0.09	0.08	0.10	0.09	0.04
IBPT over Avg RWAs (%)	1.23	0.98	1.33	1.27	0.56
Expenses					
Cost / Income ratio (%)	62.22	66.27	59.68	61.41	76.98
Operating Expenses by Employee	284,264	279,898	286,082	279,012	266,169
LLP / IBPT (%)	8.82	5.36	0.00	-30.99	-58.06
Profitability Returns					
Return on Avg Equity (ROAE) (%)	2.68	3.14	4.16	3.78	1.30
Return on Avg Assets (ROAA) (%)	0.06	0.07	0.09	0.07	0.02
Return on Avg RWAs (%)	0.80	0.88	1.12	0.96	0.32
Dividend Payout Ratio (%)	NA	NA	NA	NA	NA
Internal Capital Generation (%)	NA	NA	NA	NA	NA
Risk Profile					
Gross NPLs over Gross Loans (%)	1.04	2.00	2.17	0.98	0.93
Net NPLs over Net Loans (%)	0.98	1.94	2.10	0.89	0.76
NPL Coverage Ratio (%)	6.02	3.44	3.12	9.50	19.03
Net NPLs over IBPT (%)	780.88	1,805.36	1,408.00	711.27	1,454.84
Net NPLs over CET1 (%)	35.45	69.97	76.90	37.91	34.32
Texas Ratio (%)	33.22	63.19	68.25	36.66	37.28
Cost of Risk (%)	0.01	0.01	0.00	-0.04	-0.03
Level 2 Assets/ Total Assets (%)	6.27	6.98	6.08	7.02	NA
Level 3 Assets/ Total Assets (%)	5.96	7.27	9.02	0.77	NA
Funding and Liquidity					
Bank Deposits over Funding (%)	0.00	0.60	3.11	6.96	10.43
- Interbank over Funding (%)	0.00	0.60	3.11	6.96	0.00
- Central Bank over Funding (%)	0.00	0.00	0.00	0.00	NA
Customer Deposits over Funding (%)	0.00	0.00	0.00	0.00	0.00
Wholesale Funding over Funding (%)	100.00	99.40	96.89	93.04	89.57
- Debt Securities over Funding (%)	100.00	99.40	96.89	93.04	89.57
- Subordinated Debt over Funding (%)	0.00	0.00	0.00	0.00	0.00
Liquid Assets over Assets (%)	15.59	16.09	18.03	7.79	9.75
Non-Deposit Funding Ratio (%)	100.00	100.00	100.00	100.00	100.00
Net Loan to Deposit Ratio (%)	NA	NA	NA	NA	NA
LCR (Phased-in) (%)	193.00	NM	422.00	725.00	182.00
NSFR (%)	NA	NA	NA	NA	NA
Capitalisation					
CET1 Ratio (Phased-In) (%)	NA	24.39	25.10	23.06	24.22
CET1 Ratio (Fully-Loaded) (%)	29.38	24.40	24.80	22.61	22.75
Tier 1 Capital Ratio (Phased-In) (%)	29.89	24.83	NA	23.51	24.70
Total Capital Ratio (Phased-In) (%)	29.89	25.15	25.90	23.82	25.01
Tang. Equity / Tang. Assets (%)	2.13	2.13	2.10	1.99	1.73
Leverage Ratio (DBRS) (%)	2.21	2.18	NA	2.10	1.94
Growth					
Net Attributable Income YoY (%)	-12.0	-20.6	16.7	200.0	NA
Net Fees and Commissions YoY (%)	750.0	100.0	-66.7	NA	NA
Total Operating Expenses YoY (%)	1.8	-0.9	-1.8	5.6	-12.3
IBPT YoY (%)	21.4	-25.3	5.6	129.0	NA
Assets YoY (%)	3.0	2.9	0.4	-8.2	-5.7
Gross Lending to Customers YoY (%)	3.6	3.9	-11.8	-4.6	-5.6
Net Lending to Customers YoY (%)	3.6	3.9	-11.8	-4.5	-5.6
Loan Loss Provisions YoY (%)	100.0	NA	NA	NA	NA
Deposits from Customers YoY (%)	NA	NA	NA	NA	NA

Source: DBRS Morningstar, Copyright © 2021, S&P Global Market Intelligence.

Rating Methodology

The applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (19 July 2021) and DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings (3 February 2021), which can be found on our website under Methodologies.

Ratings

Issuer	Obligation	Rating	Rating Action	Trend
SFIL SA	Long-Term Issuer Rating	AA (high)	Confirmed	Stable
SFIL SA	Short-Term Issuer Rating	R-1 (high)	Confirmed	Stable
SFIL SA	Long-Term Senior Debt	AA (high)	Confirmed	Stable
SFIL SA	Short-Term Debt	R-1 (high)	Confirmed	Stable

Ratings History

Issuer	Obligation	Current	2020	2019	2018
SFIL SA	Long-Term Issuer Rating	AA (high)	AA (high)	AA (high)	AA (high)
SFIL SA	Short-Term Issuer Rating	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)
SFIL SA	Long-Term Senior Debt	AA (high)	AA (high)	AA (high)	AA (high)
SFIL SA	Short-Term Debt	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)

Previous Actions

- DBRS Morningstar Confirms SFIL's LT Ratings at AA (high) with a Stable Trend, April 23, 2021.
- DBRS Morningstar Confirms SFIL's LT Ratings at AA (high) with a Stable Trend, Removes Ratings from Under Review with Negative Implications, February 1, 2021.
- DBRS Morningstar Places SFIL's LT Ratings of AA (high) Under Review Negative, October 27, 2020.

Related Research

- French Banks: Further Normalisation of Cost of Risk and Revenue Recovery Drive Q2 2021, August 9, 2021.
- ESG Factors for Financial Institutions, Part One: Environmental Factors, April 27, 2021.

Previous Report

- SFIL SA: Rating Report, September 1, 2020
- SFIL SA: Rating Report, September 2, 2019.
- SFIL SA: Rating Report, September 20, 2018

European Bank Ratios & Definitions

- European Bank Ratios & Definitions, June 11, 2019.

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