

The Public Development Bank

supporting local investment and export

10 years Sfil Investor Lunch Presentation

8th March 2023



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(Sfil at a glance

- Strength of the status as public development bank under European Union regulations.
- Strategic subsidiary of CDC Group, with a letter of support provided by CDC, complemented by a letter of support by the French Republic.
- Two public policy missions: financing of investments by French local authorities and of French export contracts guaranteed by the French Republic.
- Leading lender to local authorities and public hospitals and 1st provider of liquidity for large export contracts
- Credit ratings of Sfil directly aligned with the ratings of the French Republic, with and an additional rating pick-up for covered bonds issued by Caffil.
- An ambitious sustainability strategy confirmed by strong ESG ratings for Sfil and Caffil by Sustainalytics and ISS.
- Strong financial results and low risk portfolio underline the performance of the public development bank business model of Sfil.
- Sfil is a regular issuer in the SSA market and in the covered bond market via Caffil.
- Total yearly issuance between EUR 7 and 9 billion, ESG issuance represents a growing share of issuance, with a target of 25% of issuance under ESG format by 2024.

(Highlights of the last 10 years

Europe's largest issuer of
**covered public sector
bonds**

**EUR 65.5 billion in long-
term financing** raised
since 2013

Leading lender to **local
authorities** and **public
hospitals**

EUR 44 billion in loans
granted since 2013

Nº1 provider of liquidity for
major export contracts

EUR 11.2 billion of
refinancing since 2016

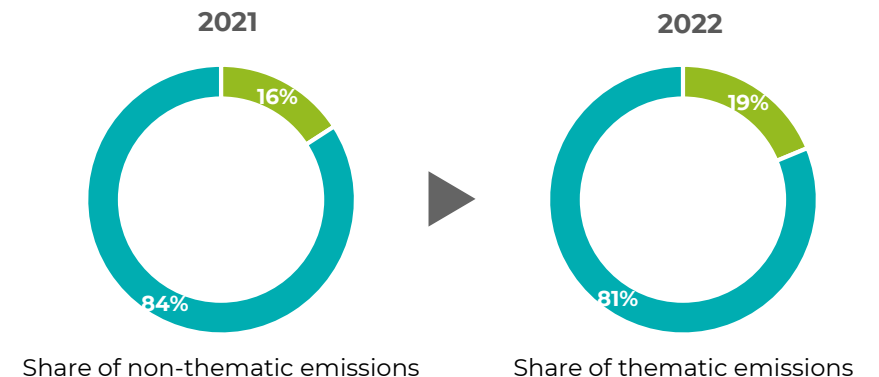
EUR 5.8 billion in green
and social issues since
2019

From **115 investors** in 2013
to **683 investors** in 2022

Long maturities : **1/2 of
the bonds** issued are for
10 years or more

(A powerful refinancing capacity

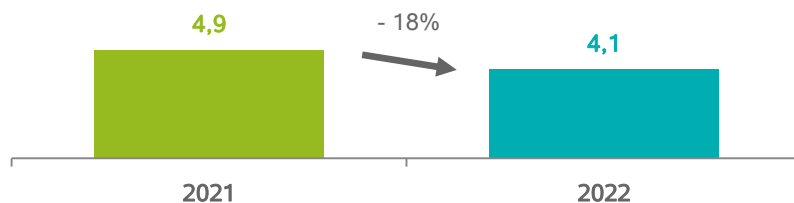
- Against a backdrop of volatility on the interest rate markets, Sfil maintained an **excellent level of performance** for its bond issuance in 2022, **reflecting the quality of its signature**.
- Sfil finalized its new **Green, social and sustainability bond framework** in October 2022 in order to expand its sustainable financing capabilities.
- 2022 resulted in **7 bond issuance** for a total of **EUR 6.4 billion**:
 - **EUR 4.9 billion of covered bonds** issued by Caffil, including **EUR 1.25 billion of sustainable bonds** dedicated respectively to the financing of public hospitals and green investments of the French local public sector
 - **EUR 1.5 billion of bonds** issued by Sfil
 - **32 new investors in 2022**
- **The year 2023 has started in the same way as 2022 with a strong start of the financing programme.** Taking advantage of the good market conditions at the beginning of the year, the group has already issued EUR 2.6 billion in mid-February, i.e. **33% of its 2023 programme**:
 - A **EUR 1.5 billion 5-year** Sfil bond
 - A **EUR 1 billion 7-year** Caffil covered bond
 - **17 new investors**



(Focus on 2022 lending activities

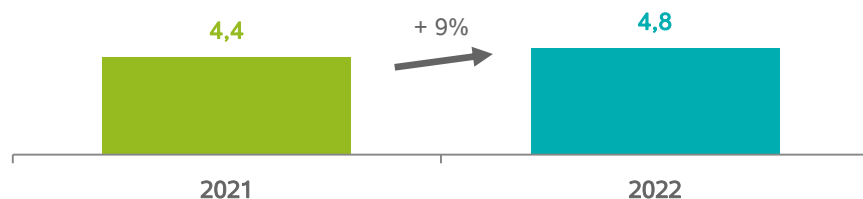
French local government financing

Loans granted to the local public sector (in EUR billion)



Slight decrease in the volume of loans granted to the local public sector.

Acquisition of local public sector loans (in EUR billion)

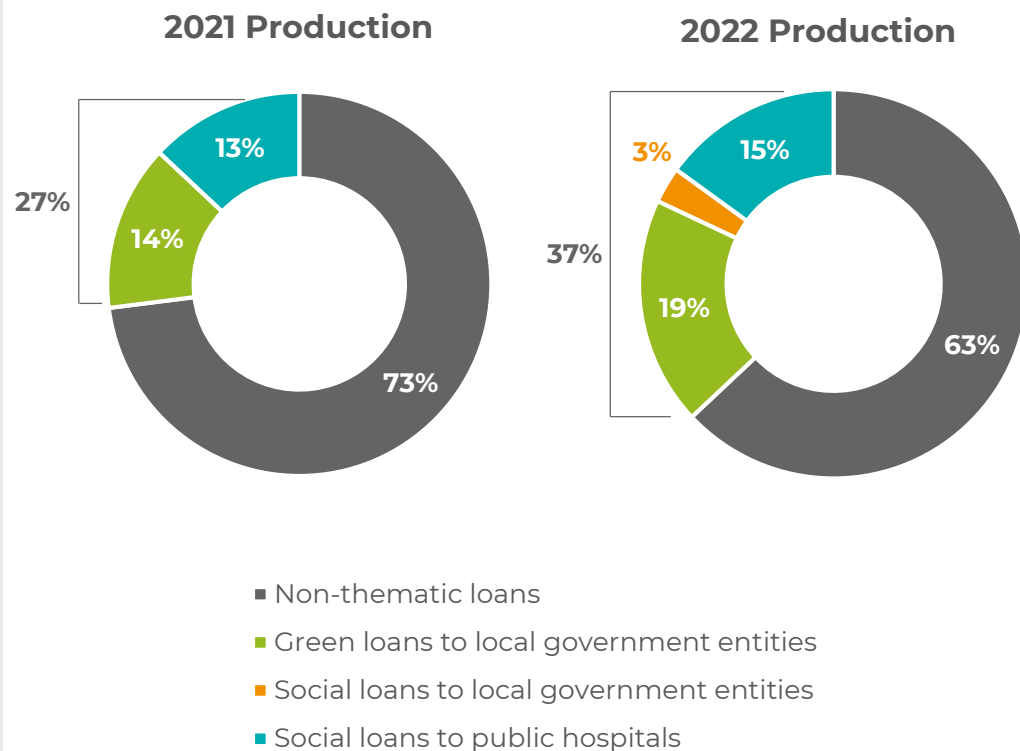


Increase in the volume of loans transferred from La Banque Postale to Sfil Group.

- **Local public sector lending was resilient despite the significant constraints related to the usury rate:** the Sfil/La Banque Postale arrangement **originated loans for a total amount of EUR 4.1 billion** (-16% compared with 2021), and Sfil **acquired EUR 4.8 billion** (+9% compared with 2021) of loans. **Green and social loans rose to 37%** of 2022 production (+10 points compared with 2021).
- In addition, **the new partnership with Banque des Territoires** (another entity of Caisse des Dépôts) has been effective since November 2022, with the first loans being granted before the year-end.

Focus on 2022 lending activities

French local government financing

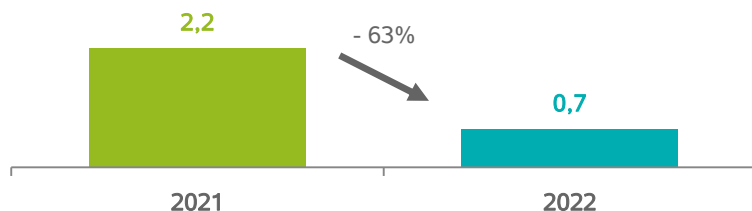


- The share of **green and social loans increased significantly in 2022**.
- Green and social loans represented **37% in 2022** compared to **27% in 2021** across all categories.
- Within its new **Green, Social and Sustainability Bond Framework** published in October 2022, Sfil launched a **new range of social loans** with La Banque Postale in order to **support French local authorities** in financing investments in areas including education, culture, sport, etc.
- Looking ahead, we expect **continued strong demand** from local authorities for loans to finance the Green transition.

Focus on 2022 lending activities

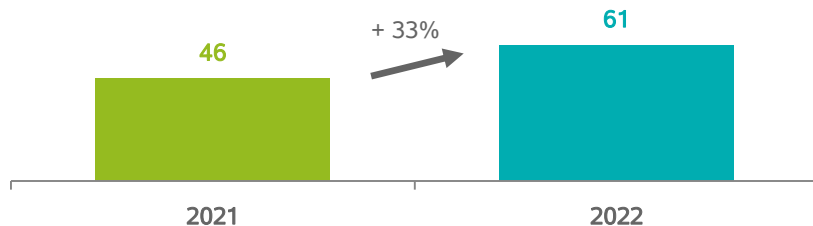
Financing of large French export contracts

Operations signed (in EUR billion)



Decrease in the operations and the volumes of export contracts signed in 2022.

Potential files (in EUR billion)



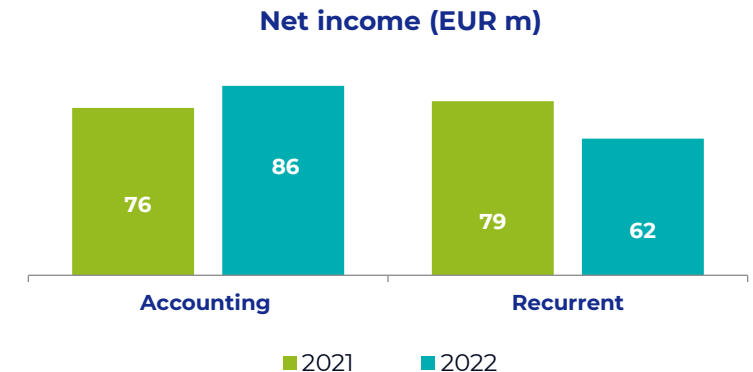
Strong increase in the volume of transactions under review.

- The export credit activity was relatively modest at EUR **0.7 billion**, the conclusion of some major transactions having been delayed until 2023. **However, the business outlook over the next two years is the most positive ever seen by Sfil.**
- Indeed, in the medium and long term, the underlying trends of the export credit activity will be sustained by the level of investments needed for **the environmental and energy transitions**, as well as by security and **national sovereignty issues**, as borrowers will face tighter financing conditions.

(Focus on 2022 results

A historic performance

- Net banking income of **EUR 243 million** (+3.5% / 2021) supported in part by non-recurring items ; Net accounting income of **EUR 86 million** (+12% / 2021) reaching a **historic level**
- **Recurrent result in line with the objectives of the strategic plan #Objectif 2026**

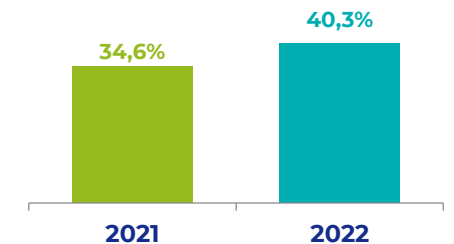


A very high quality assets portfolio

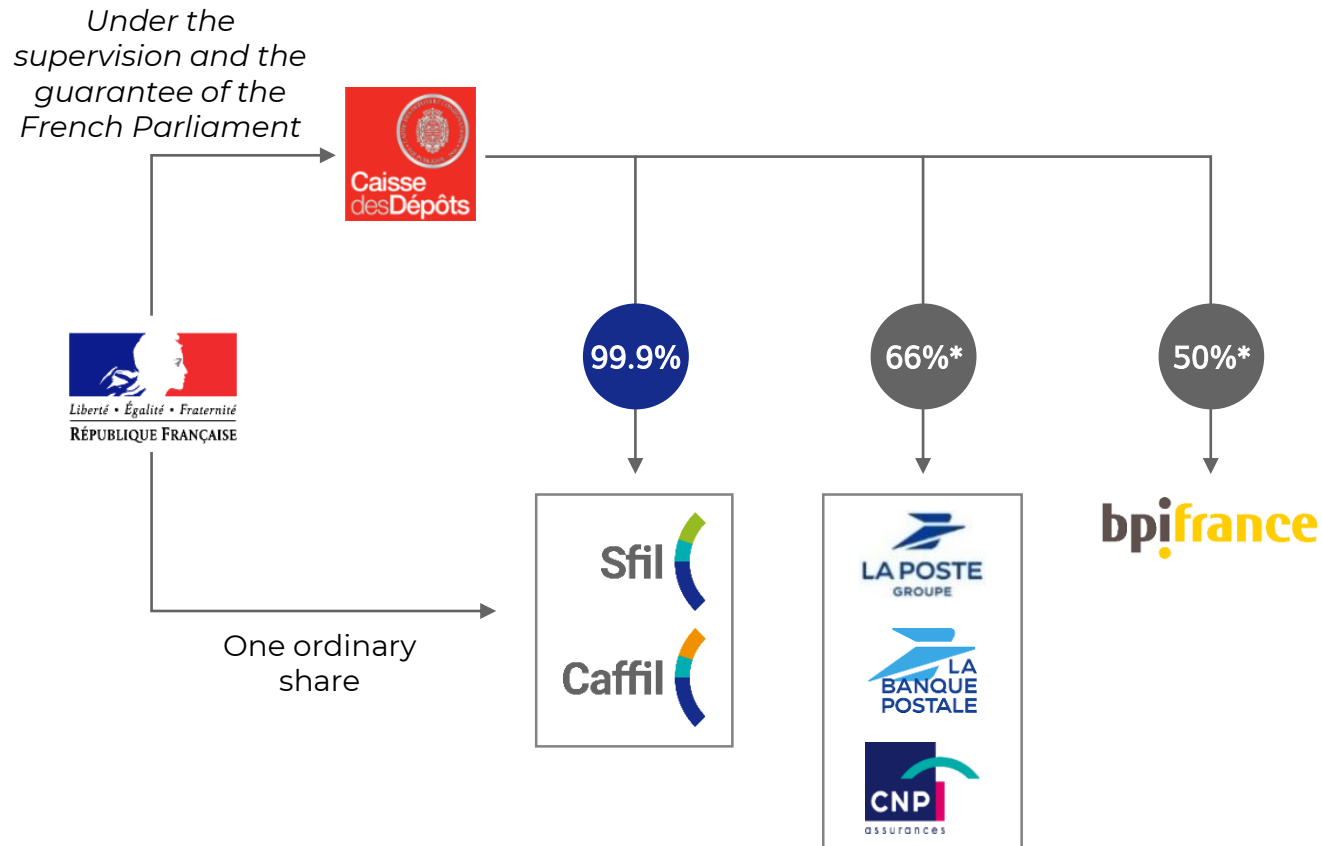
- A **very low cost of risk of EUR 0.3 million** in 2022, reflecting the **excellent financial health** of our clients, particularly **local public sector entities**
- A **very low and decreasing level of non-performing exposures: 0.3%** of total outstandings in 2022 (vs 0.6% in 2021)

A financial structure whose great solidity is recognised

- A **CET 1 ratio 4 times higher than the regulatory requirements**, driven by an increase in equity and a decrease in weighted risks
- The **level of additional capital charge under Pillar II**, established by the supervisor based on the risk profile of the institutions, **remains stable at 0.75%, reflecting the low risk level of Sfil's activities**. Sfil is the **only bank under direct supervision of the ECB** with Pillar II requirement at this level



Public ownership and development bank status



Sfil has become a member of CDC Group on September 30th 2020, with CDC as new reference shareholder and the State retaining one ordinary share.

CDC provides a letter of support to Sfil, complemented by a direct letter of support by the State, maintaining Sfil's public development bank status.

The State is represented on Sfil's board of directors via a censor (non-voting director) ensuring that Sfil's activity is coherent with public policies.

* The State indirectly holds a 50% stake in Bpifrance SA via EPIC Bpifrance and retains a 34% stake in La Poste.

(Ratings reflecting development bank status

MOODY'S

S&P Global
Ratings



Caffil

Long term	Aaa	AA+	AAA
Outlook	n/a	negative	n/a

Sfil

Long term	Aa2	AA	AA (High)
Short term	P-1	A-1+	R-1 (High)
Outlook	stable	negative	stable

CDC

	Aa2	AA	n/a
Outlook	stable	negative	stable

French Republic




	Aa2	AA	AA (High)
Outlook	stable	negative	stable

Strong credit ratings based on 100% public ownership and commitment by CDC and the French Republic to ensure that the economic basis of Sfil is protected and the financial strength preserved.

Following the recent upgrade of SFIL's rating by Moody's, all three credit ratings are directly aligned with the ratings of the French Republic.

There is an additional rating pick-up for covered bonds issued by Caffil based on the over-collateralization and the covered bond legal framework.

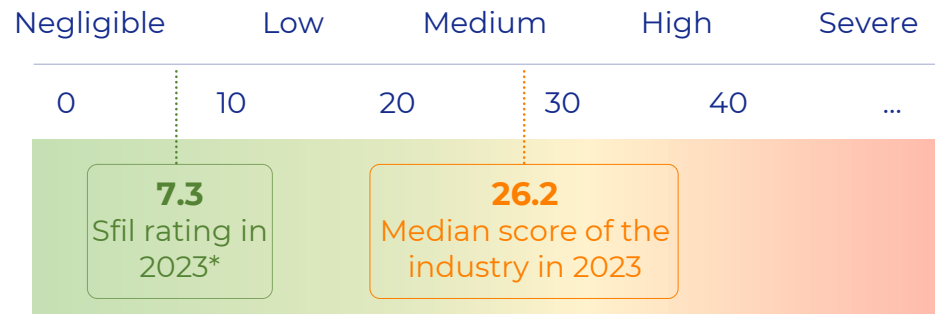
(Ratings and regulatory update

	<p>Upgrade of SFIL Long Term Debt Rating to Aa2</p>	<p>In December 2022, Moody's upgraded the rating of SFIL to Aa2 in line with the French Republic. SFIL is now rated on the same level as France by the three rating agencies (Moody's, S&P Global Ratings, DBRS).</p>
	<p>Upgrade of SFIL Issuer Group and Haircut Category for Collateral use of assets issued by SFIL</p>	<p>SFIL now in the Issuer Group IG8 « Agency – credit Institution ». Assets issued by SFIL benefit from the same Haircut Category II as those issued by the leading European Agencies.</p>
	<p>Taps on CAFFIL's outstanding bonds benefit from the European Covered Bond Label (Premium)</p>	<p>European Covered Bond Label Premium is granted for issuance after July 8th 2022, including for taps of outstanding bonds issued before July 8th 2022.</p>

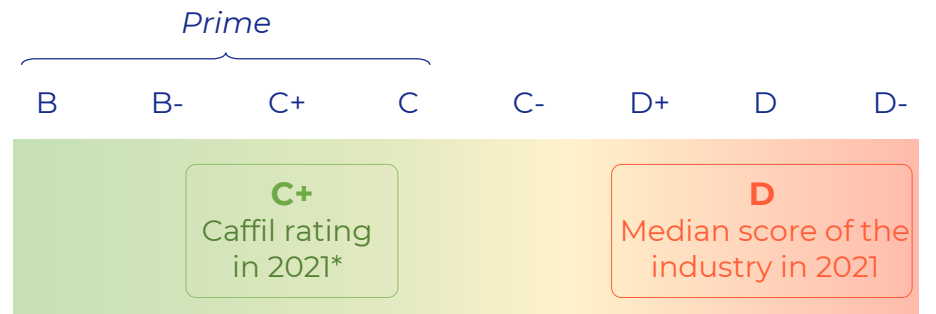
Strong ESG ratings



ESG
Risk
Score



* **11th**
Out of 986 banks



*Which ranks it among the
10% top performers in the industry

(Local government financing activity

Since 2015, Sfil is **the first lender to the French local public sector**

New partnership with **Banque des Territoires** (CDC) to refinance local public sector loans, complementing loan origination by **La Banque Postale**
Launch of a social loan offer for local authorities

2013

Creation of Sfil as **local government financing agency** by the French government
First benchmark transaction by Caffil

2015

Sfil Group started to provide **green loans** to local authorities
Inaugural transaction of Sfil Group under both **Green and Social bond format**

2019

2022

(Leading lender to French local authorities

New lending of EUR 4.1 billion in 2022 originated by the Sfil/La Banque Postale arrangement and **EUR 4.8 billion of loans transferred** from La Banque Postale to Sfil Group.

Leading lender to the French local government sector with more than **20% of outstanding loans provided by Sfil**.

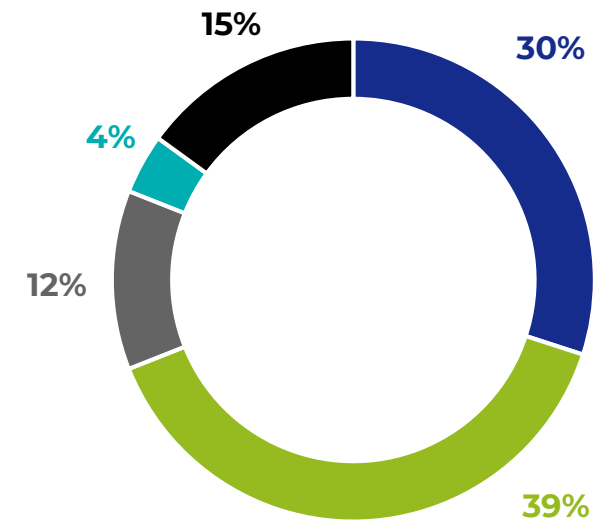
Around **90% of municipalities with more than 10 000 inhabitants** have received financing from Sfil.

Strong outlook for the local government lending activity based on the new **partnership with Banque des Territoires**.

Overall, Sfil finances **more than 11 500 French local government entities** and **more than 850 hospitals**.

French local authorities will play a key role for financing the green transition under the French **EUR 100 billion economic recovery plan**.

LBP and Sfil 2022 Local Public Sector Financing



- Municipalities and other
- Associations of municipalities
- Departements
- Regions
- Public hospitals

(Leading lender to French local authorities

Green loan

120 km of new bicycle lanes

Loan origination year : 2021

HÉRAULT

Developing a network throughout the territory

The Département has launched its 3rd "cycling plan": EUR 60 million committed from 2020 to 2030 to strengthen the territory's network of trails and greenways and reduce existing discontinuities, for purposes of daily mobility, sports practices and tourist travel.



EUR 60 m

Green loan

Construction of a new sewage treatment plant

Loan origination year : 2021

SDEA
ALSACE-MOSELLE

A state-of-the-art plant including a biogas unit

The new sewage treatment plant will cover 11 municipalities with a total of 27,000 inhabitants. It will include a biogas unit, an innovative technical choice, which will generate €500,000 annual revenue thanks to the injection of biogas into the town gas network.



EUR 10 m

16

Social loan

Deployment of a very high-speed broadband

Loan origination year : 2022

SYNDICAT MIXTE
SOMME NUMERIQUE

Achieving territorial development and cohesion

The project aims to ensure 100% high-speed coverage in the Somme Département by 2024. It will thus significantly improve numeric inclusion throughout the territory and most notably in rural areas, with more than 146,000 connections installed.



EUR 8 m

Healthcare framework

Rennes University Hospital

Loan origination year : 2021

RENNES HOSPITAL

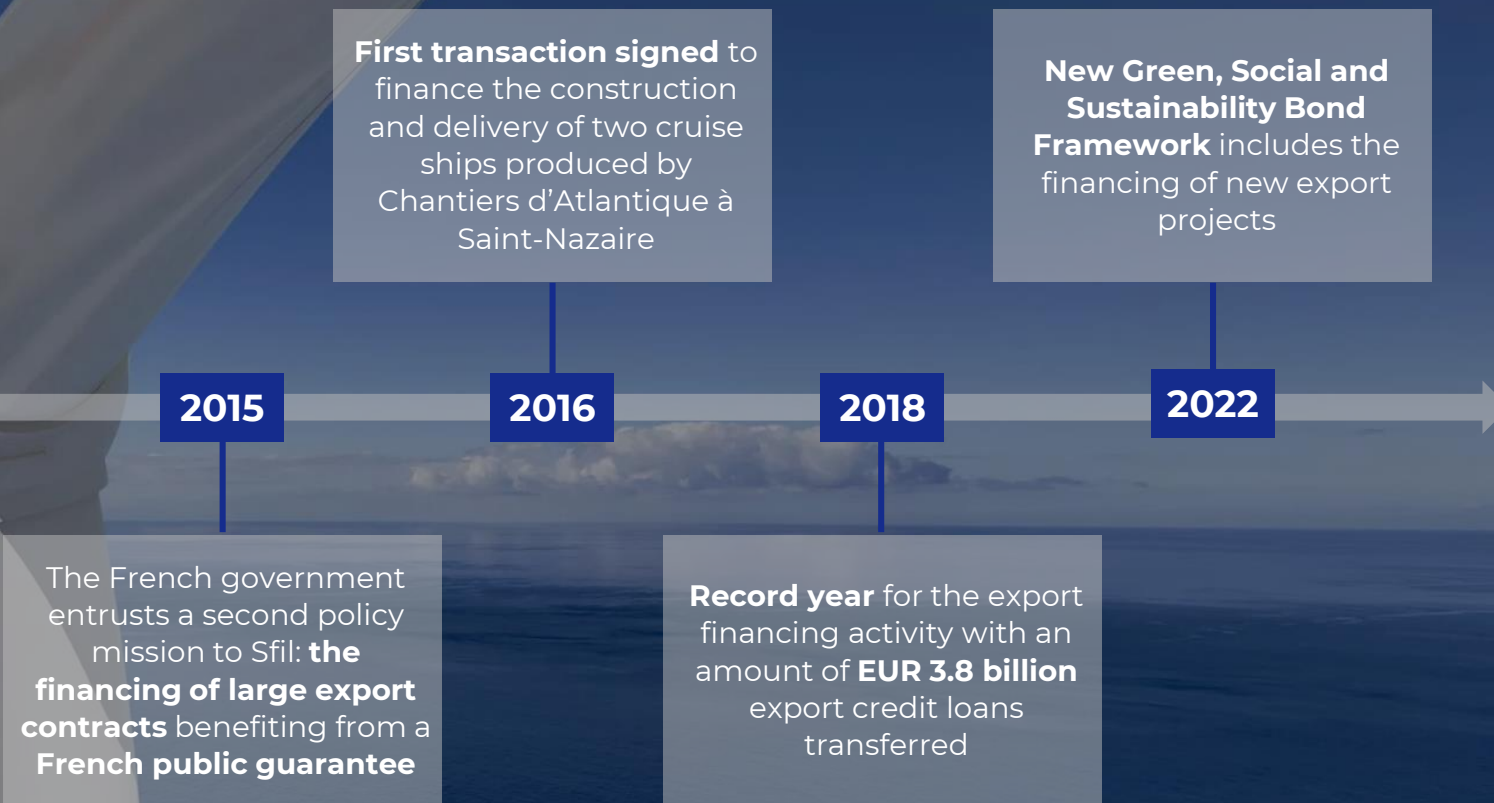
Regrouping all activities on one refurbished site

The hospital's real estate assets are obsolescent, heterogeneous and geographically fragmented. The project aims to bring together all of the Medicine, Surgery and Obstetrics activities, and the associated technical platforms, at the Pontchaillou site.



EUR 110 m

(Export financing activity



Leadership in financing large export contracts

Sfil Group is the **leading liquidity provider for large French export contracts** - as of December 31st 2022, with a total refinancing volume of **EUR 11.2 billion**.

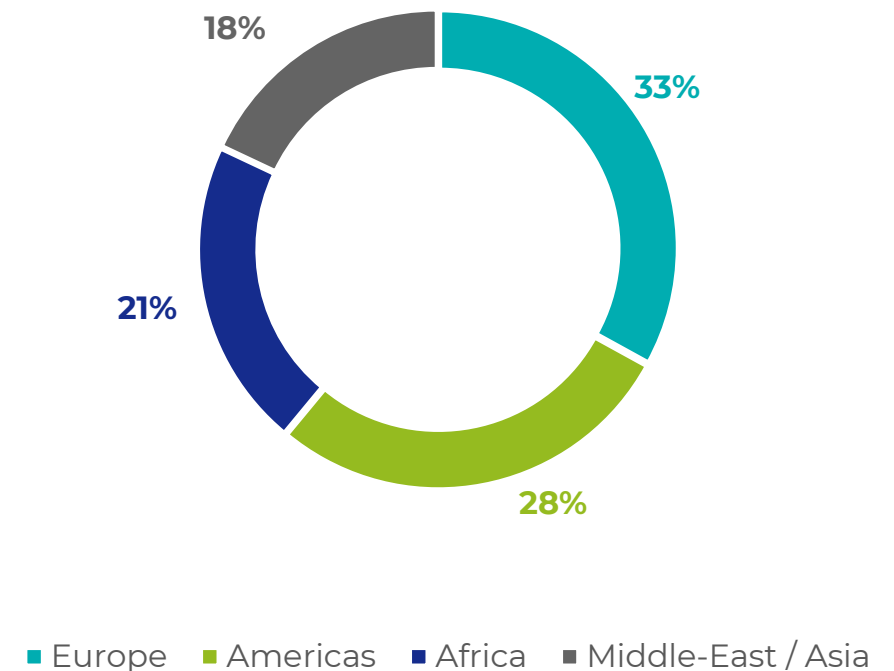
Participation in **22 transactions** with a total contract volume of **EUR 20.8 billion**, **85% of transactions above more than EUR 500 m have been refinanced by Sfil**.

The export credit activity was relatively modest at **EUR 0.7 billion** in 2022, the conclusion of some major transactions having been delayed until 2023.

The **business outlook** over the next two years is **very positive**. The **number of assessed deals** in 2022 increased to around **160**, with a total amount of **EUR 61 billion** – the highest level since Sfil started refinancing export credit operations in 2015.

The strong medium-term outlook for export credit is supported **by investments needed for the climate transition** and related to issues of national security and sovereignty.

Geographic distribution as of December 31st 2022*



*all exposures guaranteed by the French Republic

Leadership in financing large export contracts

Offshore wind farm in the North Sea

Contract signed for two wind farms in 2020 and for one in 2021



The largest wind farm project in the world

Producing clean, low-carbon energy to power more than 6 million British homes per year. This is the first export success for GE's Haliade-X, one of the most powerful turbines on the world market (up to 14 MW).



GBP 287 m

Electrification project in Sub-Saharan Africa

Contract signed in 2021



A key project for the population of Benin

Improving access to power through the development, reinforcement and reliability of the electricity transmission and distribution network. Eventually, the rate of access to electricity will reach 75% (vs. 45% in 2019).



EUR 157 m

Renovation of La Côtère road in Ivory Coast

Contract signed in 2022



Improved security and reduced travel time

La Côtère is a backbone of Ivory Coast's road network, connecting Abidjan to San Pedro. The project consists in the renovation of a 75km portion of the road, with significant positive impact on local populations' welfare and the local economy.



EUR 68 m

Telecom satellite in the Middle East

Contract signed in 2021



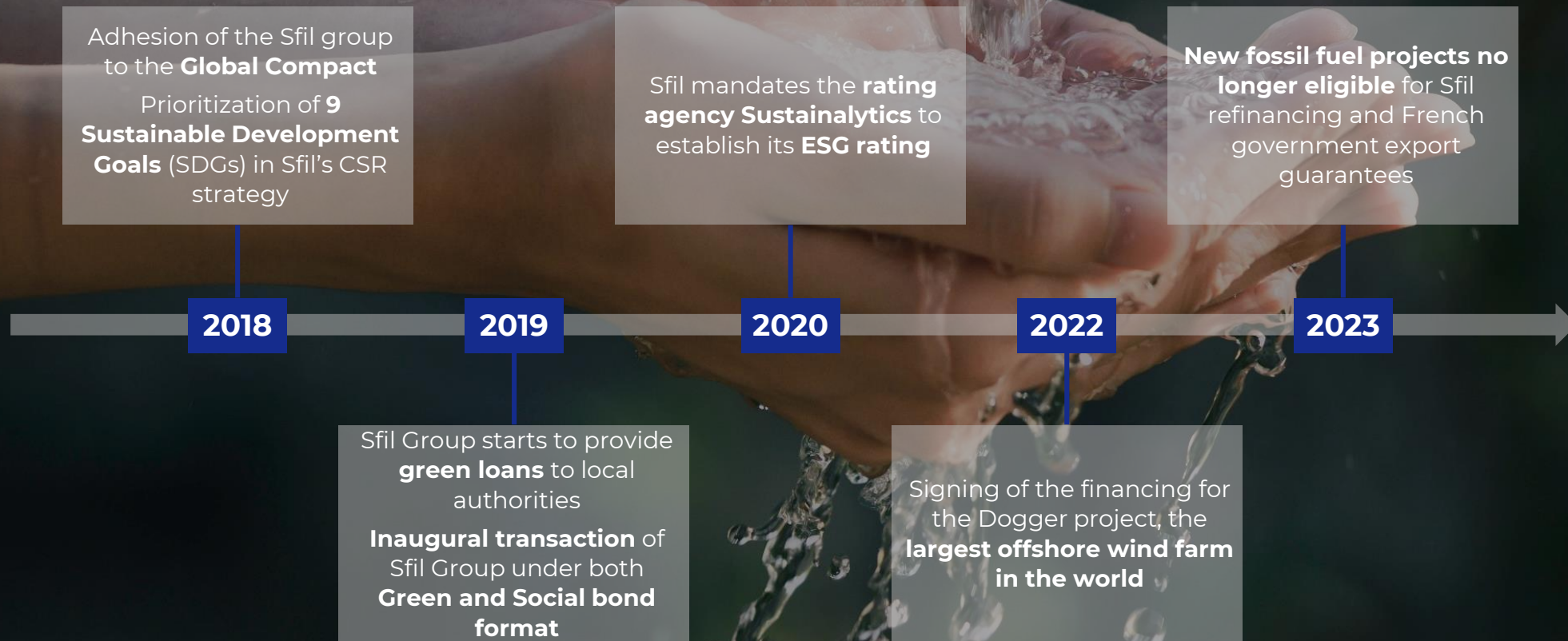
First operation in the space sector

Airbus and Emirati state-owned Yahsat signed a contract in late 2020 for the construction of the Thuraya 4-NGS satellite, a next-generation mobile telecommunications system, to be placed in orbit in 2024.



USD 114 m

(The evolution of Sfil sustainability strategy



(Outlook 2023 ... and beyond

Our objectives for the coming year are in line with the three axes of our strategic development plan #Objectif 2026 :

Exploit

- Maintain excellent financing capacity
- Maintain a low risk profile and excellent ratings
- Maintain leadership in both businesses activities (including through the development of the partnership with Banque des Territoires)



Broaden

- Pursue diversification of the public sector loan portfolio
- Strengthen of climate and sustainable development competencies
- Expansion of the scope of activity currently authorized by the European Commission
- Support the increasing importance of sovereignty, ecological and energy transition issues through the export activities



Engage

- Further strengthen the bank's reputation and attractiveness
- Reinforce the bank's capacity for innovation
- Develop synergies between Sfil and CDC
- Deployment of the Flex Office and relocation of the head office from Issy-les-Moulineaux to Paris XV



Strategic development plan 2026

#OBJECTIF 2026

—— Le plan stratégique ——

- Increase **issuance of social, green and sustainable bonds** as share of total funding
- Objective: **25% of total funding by 2024** under green, social and sustainable format

- Provide support to public hospitals as part of the French healthcare investment plan ('Ségur de la Santé')
- **20% increase in lending to public hospitals** by 2024

- Provide financing for **very long dated** (up to 40 years) **local government loans provided by Banque des Territoires** (CDC)
- Targeted **yearly volume of EUR 500 m** from 2024 onwards

- Provide **social loans to local authorities for projects** in areas including education and culture in partnership with La Banque Postale
- Target of **EUR 1 billion social loans p.a.** from 2026 onwards

Following the success of its first strategic plan, Sfil has announced the launch of its second strategic 5 year plan.

The plan aims to develop the activity of Sfil by capitalizing on a favorable market dynamic and on the strengths solidity of the business model, and of Sfil's financing capacities.

The local public sector will play a key role in the transformation of the French economy via the French economic recovery plan ('Plan France Relance') and the French healthcare investment plan ('Ségur de la Santé').

In this context, Sfil aims to consolidate its position as the leading financier of the French local public sector – with a focus on sustainable development.

Funding strategy



Four strategic funding axes

Domestic CP program

Diversification of short dated funding
Outstanding Sfil CP volume around EUR 1 billion

SSA benchmark issuance

Yearly planned issuance between EUR 2 and 3 billion
USD and / or EUR benchmark issuance
Outstanding currently over EUR 9 billion equivalent

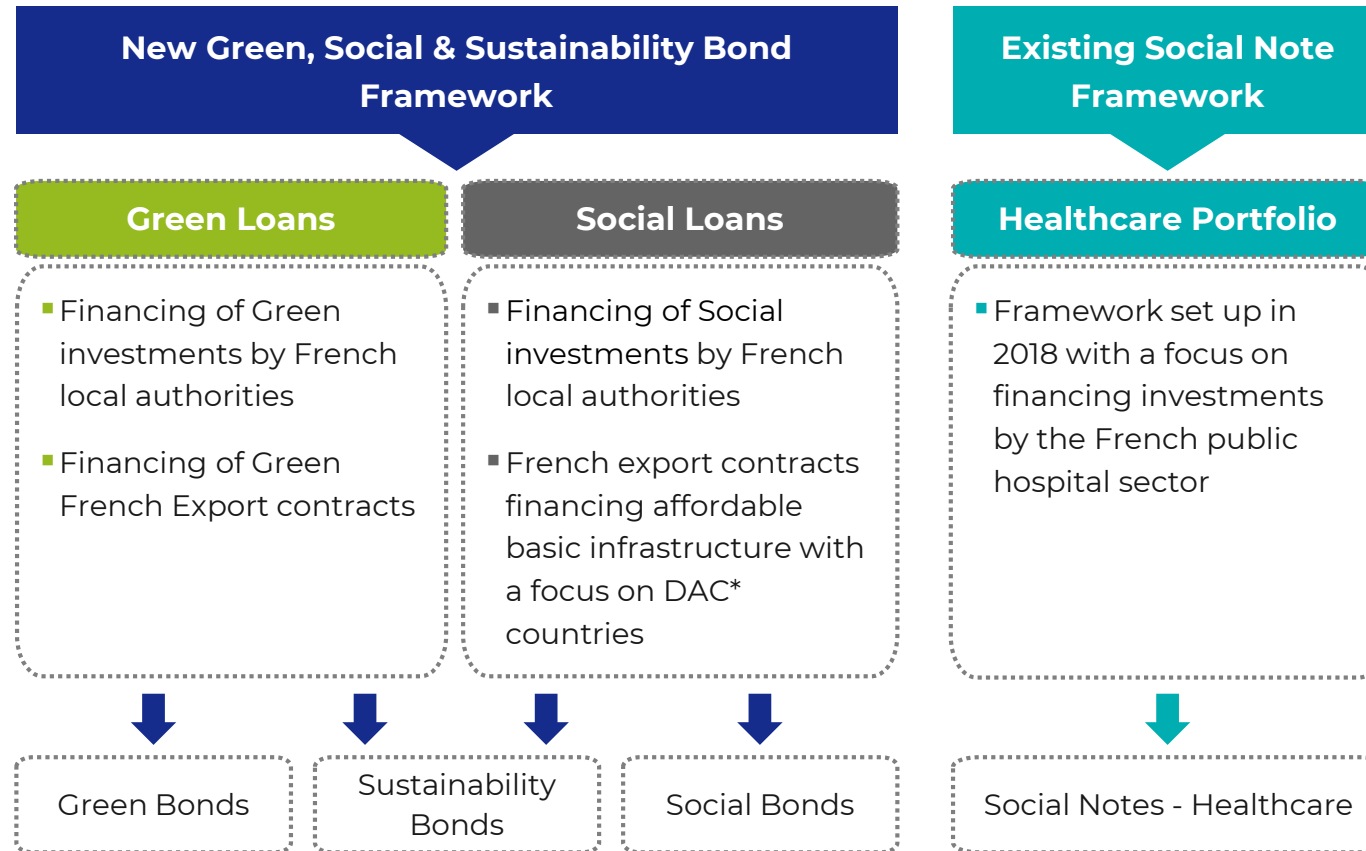
Covered bond issuance

2023 planned issuance via Caffil between EUR 5 and 7 billion
Regular EUR benchmark issuance and PP issuance (EMTN and RCB)
Around EUR 50 billion outstanding

ESG issuance

Regular benchmark issuance by Sfil and Caffil in the ESG market
Issuance of inaugural social and green bond in 2019
New 'Green, Social and Sustainability Framework' published in 2022

Green, social and sustainability bond frameworks



Sfil and Caffil have been issuers of Green and Social Bonds since 2019:

- The existing Social Note Program has been set up to finance investments by public hospitals in France
- Green Bonds issuance has been financing green investments by French local authorities.

Sfil Group will continue financing investments by French public hospitals under the existing Social Note Framework.

The existing Green Bond Framework however will not be used for new issuance.

Sfil Group is committed to the development of the green and social bond market and participates in various ICMA Green and Social Bonds Working Groups.

* Development Assistance Committee – all countries eligible to receive official development assistance (ODA)

(Key take aways

- **Strength of the status** as **public development bank** – debt classified as HQLA Level 1 and PSPP eligible - with **two public policy missions**.
- **Market leader** in both **French local public sector lending** and for the **re-financing of French export loans** guaranteed by the State.
- Ratings by all three agencies **aligned with the ratings of the French Republic**.
- A **very solid financial performance and very low risk portfolio in 2022** that reflects again the strength of Sfil's business model.
- **Strong outlook for the local government lending activity** based on the new partnership with **Banque des Territoires** and important financing need linked to the Green transition.
- **Strong pipeline for the export financing activity** and strong medium term outlook linked to the financing of the energy transition.



**Thank you very much for
your attention.**

(Annex – Focus on 2022 results

<i>In EUR</i>	2021	2022
Consolidated net accounting income	76 million	86 million
Consolidated net recurring income	79 million	62 million
Loans acquired from La Banque Postale and Banque des Territoires	4.4 billion	4.8 billion
Loans originated by La Banque Postale and Banque des Territoires	4.9 billion	4.1 billion
Transferred export credit loans	2.2 billion	0.7 billion
Bond issuance	8.2 billion	6.4 billion
<i>Of which sustainable bonds</i>	<i>1.3 billion</i>	<i>1.3 billion</i>
<i>Of which covered bonds</i>	<i>5.9 billion</i>	<i>4.9 billion</i>
Cost/income ratio	49%	54%
ROE	4.5%	5.0%
CET 1 ratio	34.6%	40.3%

Figures at 31.12.2022