

# The Public Development Bank

supporting local investment and export

Investor presentation

January 2024





## Disclaimer

This document does not constitute or form part of any offer or solicitation to purchase or subscribe for securities and should not be considered as a recommendation by SFIL and/or CAFFIL that any recipient of this document should subscribe for or purchase any securities. The distribution of this document may be restricted by law or regulation in certain countries. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions.

This document is not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. This document is not for distribution, directly or indirectly, in or into the United States of America or to any "US Person" as defined in the U.S. Securities Act of 1933, as amended (the "Securities Act").

In addition, this document is being distributed to and is directed only at persons in member states of the European Economic Area ("EEA") who are "qualified investors" within the meaning of article 2(e) of the Prospectus Regulation (regulation 2017/1129/EU), as amended, to the extent implemented in the relevant member state ("Qualified Investors"). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors. SFIL and/or CAFFIL will rely upon the truth and accuracy of the foregoing representations and agreements.

Some information or opinions contained in this document (i) have been compiled or arrived at by SFIL and CAFFIL from sources believed to be reliable, but SFIL and CAFFIL do not make any representation as to their accuracy or completeness and (ii) are given at the date mentioned in the presentation and are subject to change without notice.

This document is not to be relied upon as such or used in substitution for the exercise of any independent judgment and each recipient must make its own investigation as to the opportunity of any investment in SFIL and/or CAFFIL.

## 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 1<sup>st</sup> provider of liquidity for large export contracts
- Credit ratings of Sfil directly aligned with the ratings of the French Republic, with 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.



# Agenda

## 1. Local Government and export financing agency

Public ownership and public policy missions

Strong balance sheet

Strategic development plan 2026

Commitment to sustainability

## 2. Funding strategy

Covered bonds and SSA issuance

ESG issuance program

## 3. Annex

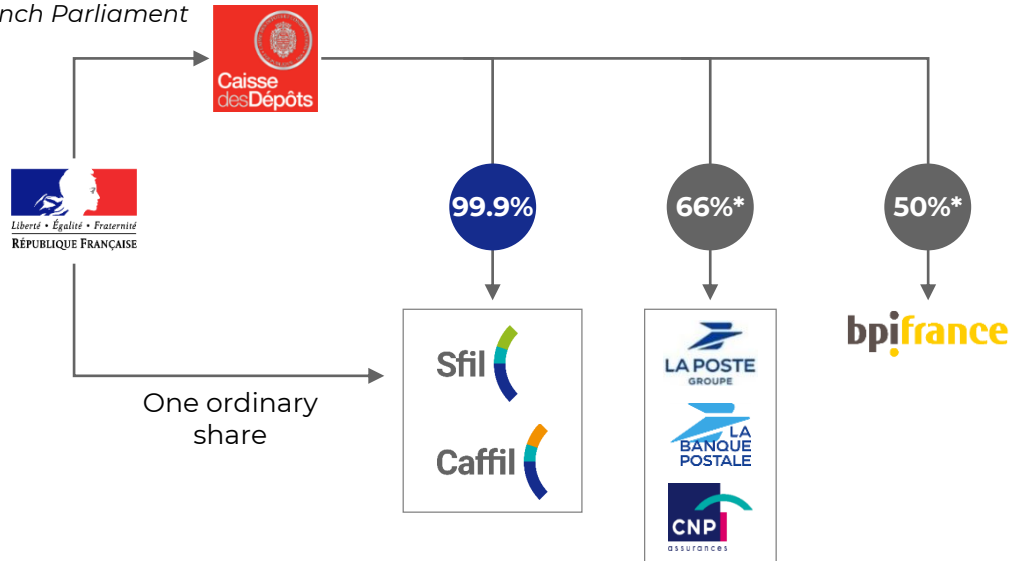




# Public ownership and public policy missions

## Public ownership and development bank status

Under the supervision and  
the guarantee of the  
French Parliament



Sfil has become a member of CDC Group on September 30<sup>th</sup> 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.

Debt issued by Sfil is classified as LCR Level 1 under Article 10.1.(e)(i) LCR delegated act.

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.



## Public ownership and public policy missions

Ratings reflect development bank status

MOODY'S

S&P Global  
Ratings



Caffil	Long term	Aaa	AA+	AAA
	Outlook	n/a	negative	n/a
Sfil	Short term	P-1	A-1+	R-1 (High)
	Long term	Aa2	AA	AA (High)
	Outlook	stable	negative	stable
CDC	Long term	Aa2	AA	-
	Outlook	stable	negative	stable
French Republic	Long term	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.

The ratings of Sfil are 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.

*"Based on our view of Sfil's critical role for and integral link with the French government, we consider that there is an almost certain likelihood that the government would provide timely and sufficient extraordinary support to Sfil in the event of financial distress."*

S&P Rating Report, June 5<sup>th</sup> 2023



*"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."*

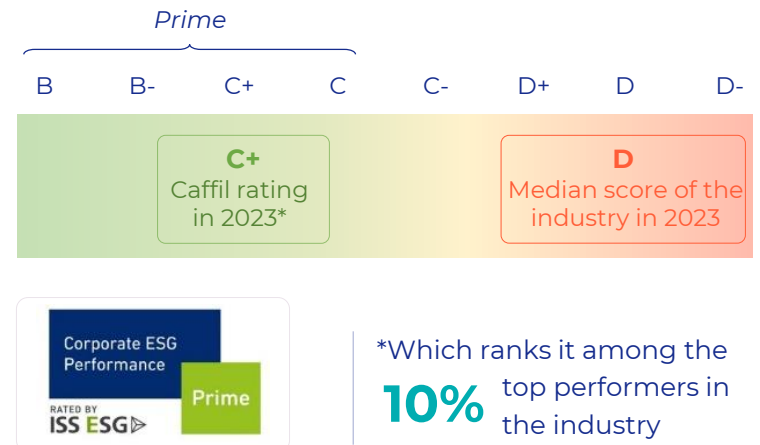
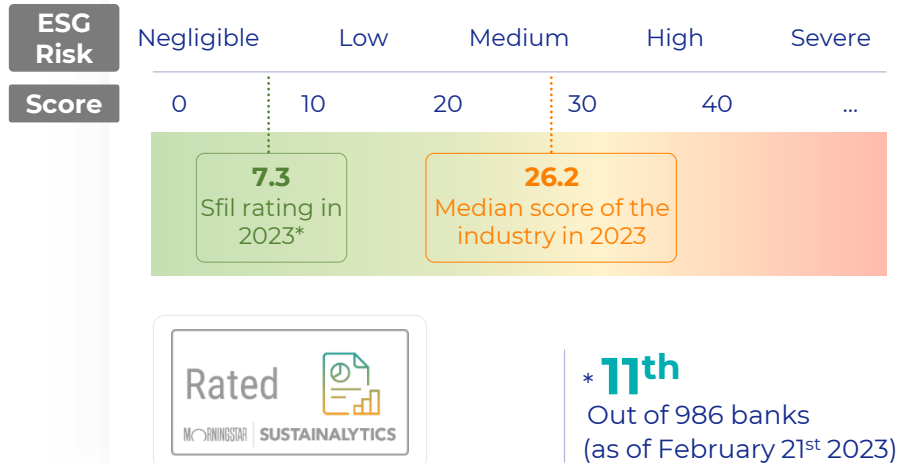
DBRS Press Release, December 1<sup>st</sup> 2022



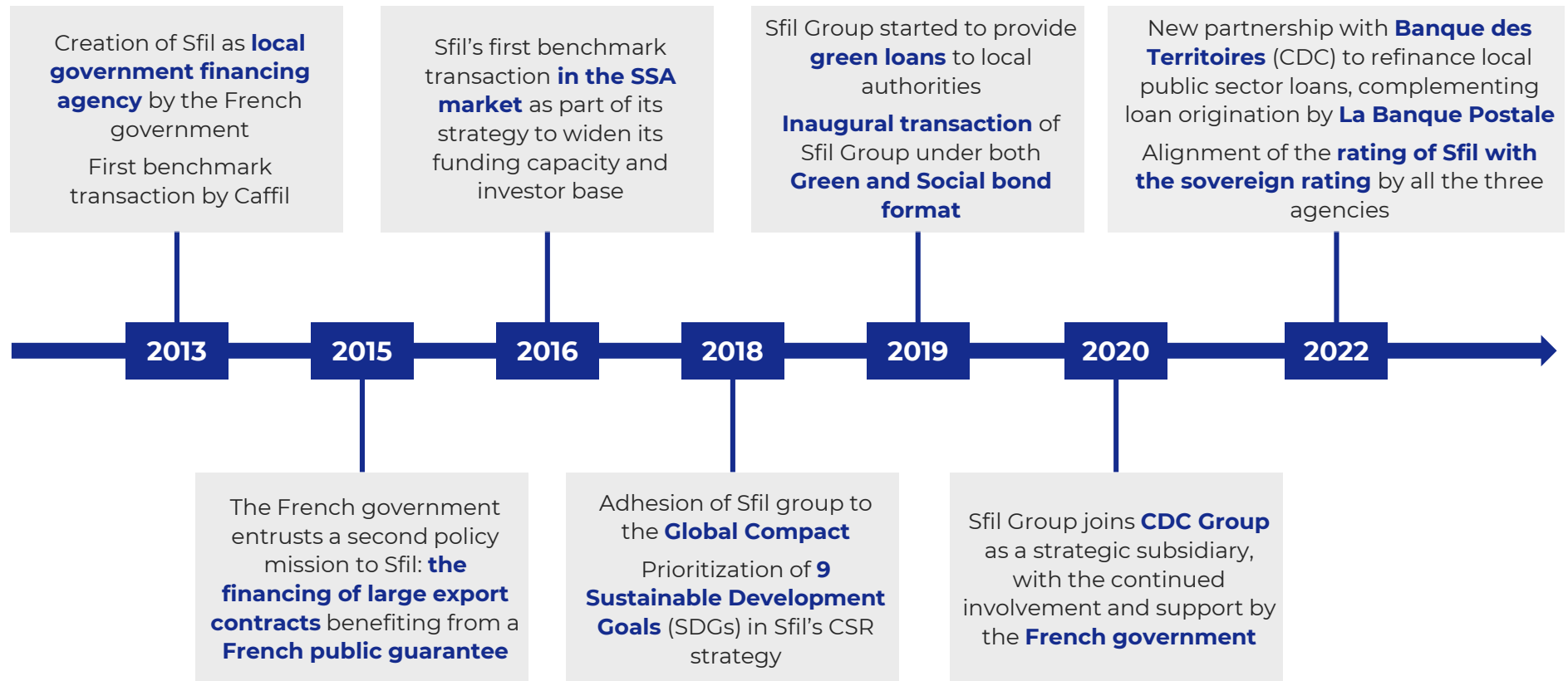


## Public ownership and public policy missions

Strong ESG ratings



## Sfil's evolution over 10 years

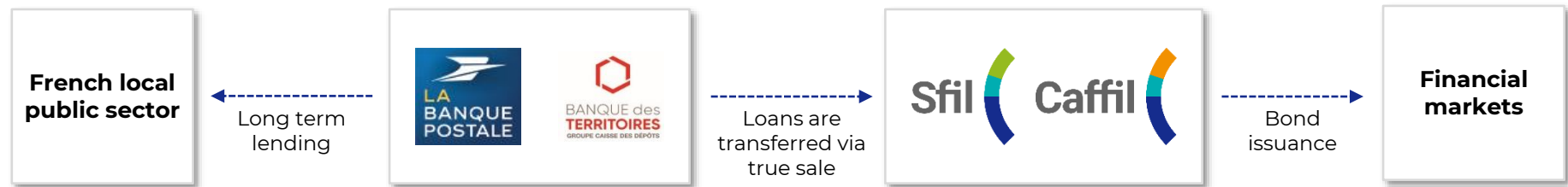






## Public ownership and public policy missions

French local public sector lending in partnership with La Banque Postale



Lending to the local public sector is provided under a strict framework under European Commission supervision and **scope of lending is limited to French local authorities and public hospitals**.

Loans are originated by La Banque Postale and CDC (Banque des Territoires), **transferred via true sale to the balance sheet of Caffil** and refinanced via bond issuance on international capital markets.

Loans are priced at market levels, **without any subsidization and with a separate credit approval process** at the level of Sfil Group.



## Public ownership and public policy missions

Market leader in local public sector lending

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

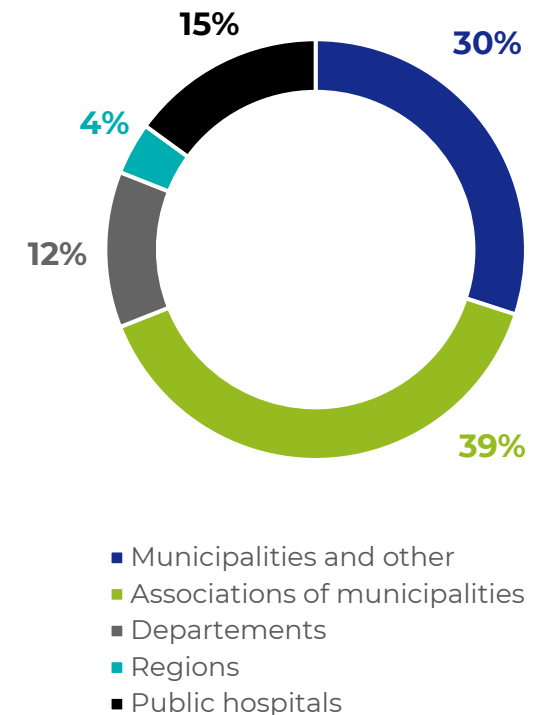
**Loan origination of EUR 1.1 billion** in H1 2023 (-EUR 0.3 billion vs 1H22) with investment decisions being delayed in the current economic environment, **loan acquisition at EUR 2.2 billion** (-EUR 1.1 billion vs 1H22).

New loan origination for the year **2022 totaled EUR 4.1 billion**, with **EUR 4.8 billion of loans transferred** from La Banque Postale to Sfil Group during 2022. In total, over **EUR 45 billion** in loans has been granted to French local authorities and public hospitals since 2013.

Overall, Sfil Group finances **more than 11 500 French local government entities** and **more than 850 hospitals**, and around **90% of municipalities with more than 10 000 inhabitants** have received financing from Sfil.

Looking ahead, **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**



# Public ownership and public policy missions

Local government financing activity : example of projects financed

## Green loan

**120 km of new bicycle lanes**

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**

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**

## Social loan

**Urban renewal in a disadvantaged area**

MONTPELLIER  
MÉDITERRANÉE  
MÉTROPOLE

### A key urban and social transformation issue

The Montpellier Méditerranée Métropole intercommunal structure is investing €97 million over 5 years in the urban renewal of the Mosson neighbourhood (21,817 inhabitants). They will make the area a nicer place to live, restore balance to the city and boost the neighbourhood's appeal.



**EUR 10 m**

**Healthcare framework  
Rennes University  
Hospital**

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**

## Public ownership and public policy missions

Refinancing platform for large French export loans



*Schema post transfer*

Sfil provides a **refinancing platform for loans with a French public export guarantee**, framework agreements are in place with 27 banking partners covering more than 95% of the market.

French export credit guarantees are managed by Bpifrance Assurance Export, guarantees are directly provided by the French Republic.

Sfil's activity is limited to the **refinancing of 100% French government exposures** and to large export contracts above EUR 70 m.

\* A specific guarantee mechanism is in place for the civil aviation industry covering 100% of the contract volume.



## Public ownership and public policy missions

Leadership in financing large French export contracts

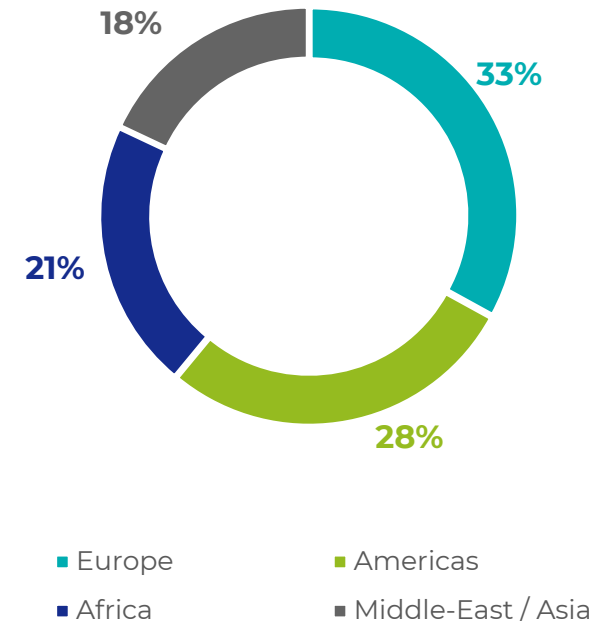
Sfil Group is the **leading liquidity provider for large French export contracts** - as of June 30<sup>th</sup> 2023, with a total refinancing volume of **EUR 13.9 billion** since 2016.

**Record volumes for the export financing activity** in H1 2023 with the conclusion of **4 transactions** for a total amount of **EUR 2.8 billion** involving **9 exporters**, after a relatively modest activity in 2022 (EUR 0.7 billion for the full year and EUR 0.1 billion for H1 2022).

In total, Sfil has supported 16 exporters on **26 transactions** with a total contract volume of **EUR 24.9 billion**, Total outstanding drawn down at June 30, 2023 amount to **EUR 7.1 billion**.

**Very positive business outlook** for the export credit activity with **170 markets currently active** at different stages of negotiations for a total amount of **EUR 63.2 billion** - the **highest** level since Sfil started refinancing export credit operations in 2015. Over the first half of 2023, the number of consultations and files under consideration also set records, with **120 consultations** for indicative bids.

Geographic distribution as of December 31<sup>st</sup> 2022\*



\*all exposures guaranteed by the French Republic



# Public ownership and public policy missions

Export financing activity : example of projects financed

## Offshore wind farm in the North Sea



### 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

## Urban railway transport in Africa



### A key project for Abidjan's sustainable growth

The consortium has signed a commercial contract covering the design, construction, operation and maintenance of the Abidjan metro. A key project for the sustainable development of the Ivorian capital, it was named "Deal of the year Africa" at the TXF Global Export Forum in June 2023.



EUR 630 m

## Electrification project in Sub-Saharan Africa



### 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



### 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



# Public ownership and public policy missions

Focus on 2023 S1 results

## Robust financial performance in an disrupted economic environment

- **Recurring net banking income stable at EUR 99 million** (-EUR 1 million vs 1H22)
- Slight increase in **recurring operating expenses at EUR 63 million** (+EUR 3 million vs 1H22)
- **Cost of risk of +EUR 1 million** (-EUR 6 million vs 1H22)
- **Recurring net income of EUR 27 million** (-EUR 7 million vs 1H22) demonstrating the robustness of the public development bank model
- **Excellent credit quality of asset portfolio** in line with the financial soundness of the local public sector; **non-performing exposures at an all-time low of 0.3% of assets**

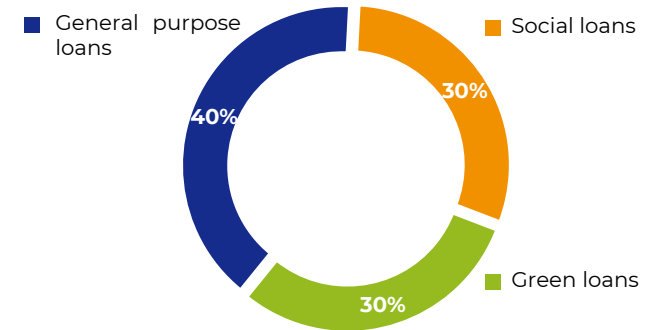
## Significant growth in thematic loans

- **Significant growth in thematic loans to 60% loan origination** (vs **41% in 1H22**), **social loans to local authorities (17%)** launched at the end of 2022
- Launch of the new **partnership with Banque des Territoires** with **EUR 0.13 billion** of new loans granted
- **Loan origination of EUR 1.1 billion** (-EUR 0.3 billion vs 1H22) with investment decisions being delayed by the current economic environment
- **Loan acquisition down to EUR 2.2 billion** (-EUR 1.1 billion vs 1H22)

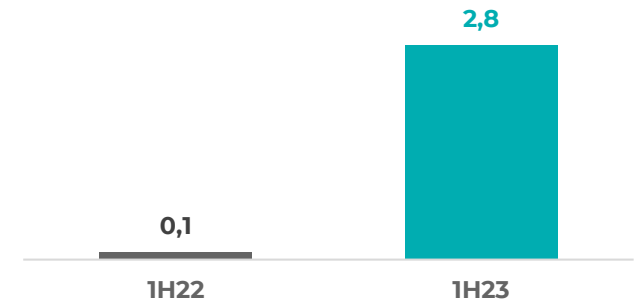
## Historic level of activity for export finance

- **Best interim performance** since the activity started in 2016 with the conclusion of **4 transactions** for a total amount of **EUR 2.8 billion** (1H22 : 0.1 billion) involving **9 exporters**
- **Strong outlook** with **170 markets currently active** at different stages of negotiations for a total amount of **EUR 63.2 billion** - the **highest level** since the start of the activity
- Refinancing of the **project "Abidjan Metro Line 1"**, aiming to develop urban passenger transport in the Ivorian capital, awarded **"Deal of the year Africa" award** at the TFX Global export forum in June 2023

1H23 local public sector lending



Export transactions signed (EUR billion)





## Strong balance sheet

Strong capital and liquidity position

**Consolidated main balance sheet items  
(including CAFFIL) – Total assets of EUR 66.9 billion  
June 30<sup>th</sup> 2023 - (EUR billion, notional amounts)**

<i>Loans and securities</i>	<i>60.3</i>	<i>Covered bonds</i>	<i>51.9</i>
<i>Cash assets</i>	<i>1.3</i>	<i>Sfil bond issuance</i>	<i>9.6</i>
<i>Cash collateral paid</i>	<i>2.6</i>	<i>Commercial paper</i>	<i>0.8</i>
		<i>Cash collateral received</i>	<i>0.2</i>
		<i>Equity</i>	<i>1.7</i>

Strong capital and liquidity position significantly above regulatory requirements :

- CETI ratio: 38.9%
- 11.3% for the Leverage Ratio
- 213% for the LCR Ratio (consolidated)
- 123% for the NSFR Ratio

Lowest SREP requirement amongst 108 financial institutions based on the low risk business model :

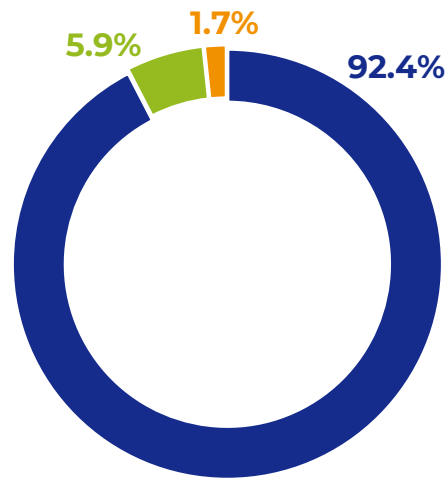
- 7.87% for the CETI ratio
- 11.70% for the total capital ratio

The Single Resolution Board has announced that simplified obligations apply to Sfil with normal insolvency law as preferred resolution strategy.

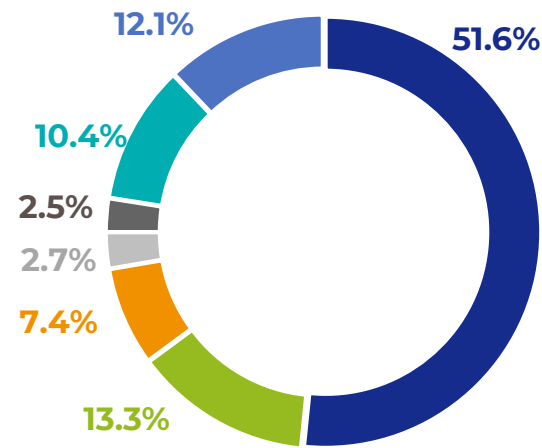
## Public ownership and public policy missions

Overview of the balance sheet composition

CAFFIL public sector portfolio as of June 30<sup>th</sup> 2023  
(excluding cash and replacement assets)



■ France ■ Italy ■ Other



■ Municipalities, associations of municipalities  
■ Départements  
■ Regions  
■ Sovereigns  
■ Other public sector entities  
■ Public Hospitals  
■ French Republic\*

The Origination of **new loans is limited to French assets**: Local government and public hospital loans and export loans benefitting from a French State guarantee.

The International legacy portfolio is managed in runoff, the cover pool is to be entirely composed of French assets in the long run.

The share of exposures linked to the **export activity will increase gradually**.

\* export refinancing benefitting from a 100% guarantee by the French Republic



# Strategic development plan 2026

#Objectif 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 **social loans to local authorities** in partnership with La Banque Postale with a target of **EUR 1 billion social loans p.a.** from 2026 onwards
- **20% increase in lending to public hospitals** by 2024
- Provide fixed rate financing for very long dated **local government loans originated by Banque des Territoires** (CDC)
- Targeted **yearly volume of EUR 500 m** from 2024 onwards
- **Consolidate leadership position** of the **export financing activity**
- Aim to extent the activity to include the financing of **sustainable projects guaranteed by European ECAs or multilateral institutions**, subject to the necessary approvals

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 and of large export contracts





## Commitment to sustainability

Corporate responsibility and contribution to Sustainable Development Goals

Sfil **joined the United Nations Global Compact** in 2018.

Leading lender in the areas of **public education, clean public transport, public healthcare, water management** and **waste recovery** in France.

Sfil supports the local public sector with **a complete range of green and social loans** - these thematic loans represented **more than 50%** of local public sector lending in In H1 2023( vs. **37%** in 2022, **27%** in 2021 and **18%** in 2020).

Looking ahead, the French government aims increase its support to **export projects aligned with the Paris agreement** via the French **public export guarantee mechanism**

In line with the **OECD rules**, export credit transactions refinanced adhere to strict rules on **environmental and social standards**, anti-corruption measures and debt sustainability for borrowers.

For sensitive export projects, a social and environmental **impact analysis is publicly available**, and may lead to **an environmental and/or social impact management plan**.



Supporting public hospitals' investments and contributing to the well-being of our employees



Supporting investment in the education system and promoting training, diversity and equal opportunities



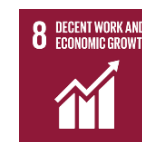
Promoting gender equality at work and gender parity



Supporting investment in public drinking water and sanitation services



Supporting investment in renewable energies and energy efficiency



Supporting industrial employment in France by financing large French export contracts



Developing basic infrastructure and access to essential services



Supporting investment in social and local cohesion, soft mobility and clean transport



Supporting investment in the treatment of household waste and promoting the circular economy



Reducing our carbon footprint (operational and financed emissions)



Leveraging our partnerships to assist our customers to transition towards a sustainable world



## Commitment to sustainability

Committed to ESG issuance and sustainable investment

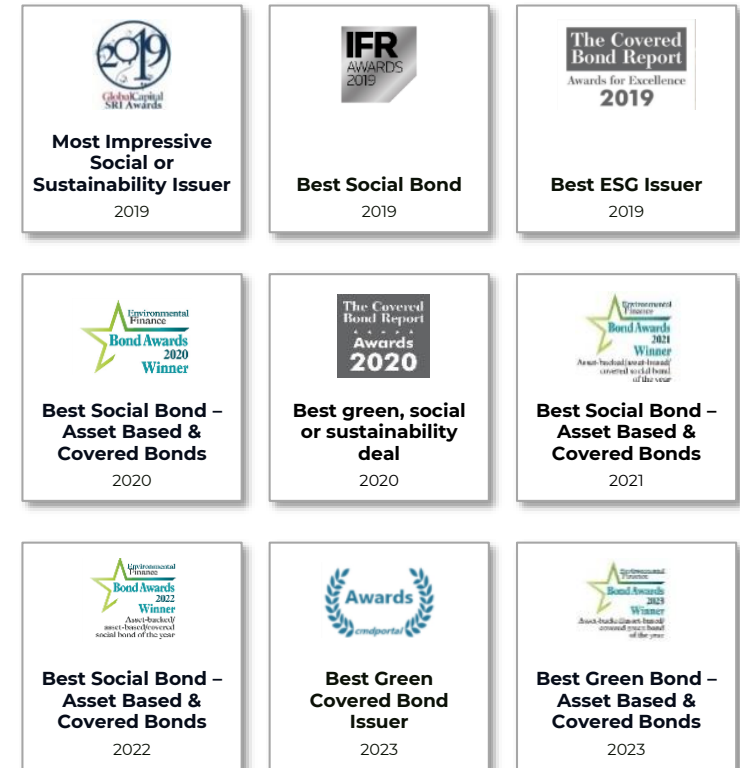
Sfil Group has been **one of the leading French issuers in the Green and Social bond market** since 2019, receiving numerous awards by the financial markets press.

In particular, Sfil has been one of the **pioneers in issuance to finance public healthcare**, and in the market **for Green and Social public sector covered bonds**.

Sfil is committed to the Green and Social Bond markets with a target of **issuing 25% of total financing by 2024 in a green, social and sustainable format**. In 2023, **19% of total financing** was issued under ESG format.

Sfil play an **active role in the development of the market** as member various ICMA Green and Social Bond Principles working groups, and was elected to **ICMA Green and Social Bond Principles Advisory Council** in 2020.

Commitment to **support the market as an investor** in Green, Social and Sustainability bonds, and by applying ESG criteria to all treasury investments.





# Commitment to sustainability

Integration of ESG factors

## EXCLUSION POLICY

In accordance with the guidelines of the French support policy, **Sfil does not finance new fossil fuel projects.**

No financing of **activities of production or trade of any illicit product**, as well as any **illegal activity** with regard to the legislations of France or the destination country.

**Sfil excludes a number of activities** including tobacco, gambling, pornography, non-conventional weapons and pesticides prohibited on French territory.

## TREASURY INVESTMENT POLICY

In addition to applying the exclusion policy, the **treasury investment policy** integrates **ESG criteria** since 2021 :

- **Bank issuers: ESG rating threshold** (Sustainalytics ESG Risk Rating) and the existence of a green, social or sustainability framework;
- Exclusion of high-risk or **prohibited countries** according to Sfil's internal country risk classification;
- **Sovereign issuers** and **public sector entities**: the average of the **World Bank's global governance indicators** and signature of the Paris Climate Agreement.

## CARBON FOOTPRINT

The 2022 operational carbon footprint amounted to **6,460 t CO<sub>2</sub> equivalent** (cf. annex).

The measure of **financed emissions for loans to French public sector and export operations** is currently being finalized in line with best market practice, along with the definition of **decarbonisation pathways** which will to be aligned with **France's Low Carbon Strategy** and the **Paris Agreement**. Publication is planned by the end of 2023.

## PUBLIC SECTOR LENDING POLICY

**Social and environmental factors** are taken into account in the credit approval process, with a greater risk **appetite for green loans and social loans granted to French local authorities and hospitals** with :








- qualitative approval criteria allowing **greater flexibility** in terms of repayment profiles and;
- quantitative criteria allowing **a higher level of exposure** for these loan categories.



## Commitment to sustainability

2022 results and 2023 lending targets

In line with the adoption of the **#Objectif2026 strategic plan**, Sfil has set **ambitious sustainability targets** in relation to its two activities since 2019. These objectives are published annually in the CSR report.

SDG	Key objectives	Indicators (annual flow)	2022 results	2023 targets (prod.)
	Supporting the public hospital sector	Loans to public health institutions	EUR 622 m	<b>EUR 600 m</b>
	Participating in the financing of the educational system	Loans to educational and vocational training institutions	EUR 444 m	<b>EUR 450 m</b>
	Financing investment in public services relating to drinking water and sanitation	Green loans granted for “sustainable management of water and sanitation”	EUR 311 m	<b>EUR 350 m</b>
	Financing investment in renewable forms of energy and energy efficiency	Green loans granted for “renewable energy” and “energy efficiency of buildings and urban development”	EUR 202 m	<b>EUR 220 m</b>
	Developing basic infrastructure and access to essential services in foreign countries	Contribution of export credit contracts to the development of infrastructure providing access to essential services/low-carbon energy	EUR 120 m	<b>EUR 310 m</b>
	Financing soft mobility and clean transport solutions	Green loans granted for soft mobility and clean transport solutions	EUR 149 m	<b>EUR 180 m</b>
	Helping to improve household waste treatment	Green loans granted for waste management and recovery	EUR 113 m	<b>EUR 140 m</b>

# Agenda

## 1. Local Government and export financing agency

Public ownership and public policy missions

Strong balance sheet

Strategic development plan 2026

Commitment to sustainability

## 2. Funding strategy

Covered bonds and SSA issuance

ESG issuance program

## 3. Annex







## Covered bonds and SSA issuance

Sfil Group liquidity scheme

### No retail deposits

As a public development bank, Sfil is not a deposit taking institution, and not exposed to any liquidity risk linked to a withdrawal of deposits

### Diversified access to capital markets funding

Sfil and Caffil access a wide range of different market segments (NEU CP and Bonds ; Agency and Covered Bond), with a very diversified investor base

### Large liquidity reserves

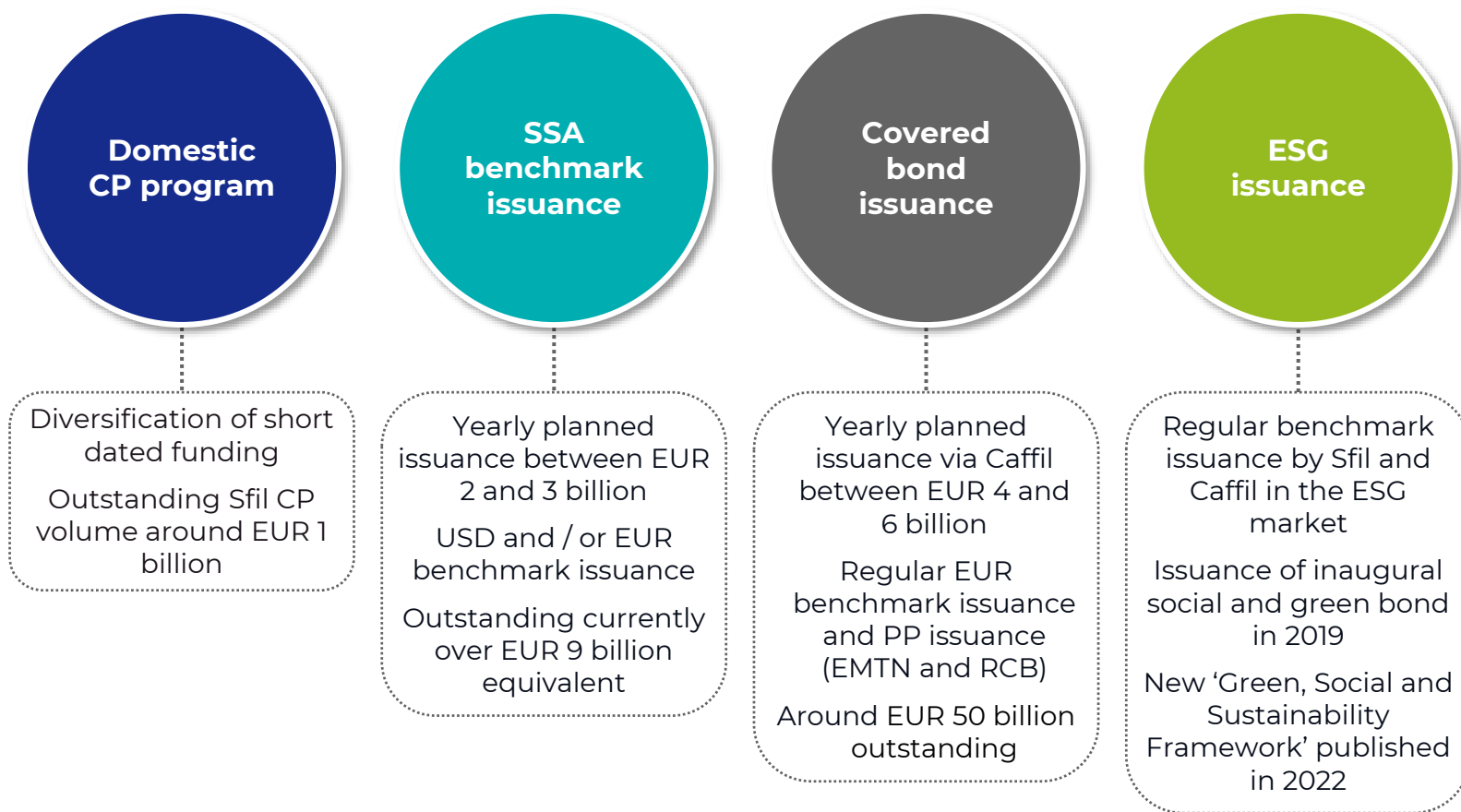
Overall liquidity reserves amount to EUR 40 billion at the end of 2022. Public sector portfolio is directly eligible as ECB collateral. Sfil and Caffil have access to repo transactions with the market.

### Important back up credit facilities

Significant back up credit facilities - in total EUR 5 billion - are provided by CDC and La Banque Postale

## Covered bonds and SSA issuance

Four strategic funding axes





## Covered bonds and SSA issuance

2024 funding perspective

### Sfil

**EUR 3.5 to 4.5 billion**  
planned issuance for 2024

#### Benchmark issuance

- Regular benchmark issuance in the SSA market **in EUR and USD**
- Focus in **3 and 5 year maturity segment** for USD issuance
- EUR benchmark issuance with a focus **on intermediate maturities**

### Caffil

**EUR 4 to 5.5 billion** planned issuance for 2024

#### Benchmark issuance

- **Regular benchmark issuance in EUR** under covered bond format
- Complete reference curve with issuance focus on **medium to long duration**
- Possible taps with a **minimum size of EUR 150 m**
- Maximum outstanding volume per bond of **EUR 2 billion** (taps included)

#### Private placement issuance

- EMTN and RCB format
- Possibility of **lightly structured pay-offs** in EUR including single callable and CMS-linked
- Minimum size: **EUR 10 m**
- Issuance of **Social bond private placements** under plain vanilla format

### ESG issuance

**25% of issuance** planned under ESG format in 2024



## Covered bonds and SSA issuance

Covered bond issuer profile

Issuer	Caffil
Legal Format	Obligations Foncières
Credit Ratings	Aaa/AA+/AAA
ESG Ratings	ISS: Prime C+
Risk weighting	10% (standardized approach)
LCR classification*	Level 1
Maturity structure	Hard bullet only
European Covered Bond Premium Label**	✓ for issuance after July 8 <sup>th</sup> 2022 (including taps of on existing bonds issued before July 8 <sup>th</sup> 2022)
ECBC Covered Bond Label	✓
CBPP3 eligible	✓

\* European Union

\*\* for EMTN and Registered Covered Bond issuance

The Level of **regulatory over-collateralization stood at 113.9%** as of June 30<sup>th</sup> 2023.

The level of overcollateralization is significantly above levels required by rating Agencies:

- Moody's: 105%
- S&P: 107.2%
- DBRS: 105%

Covered Bonds issued before July 8<sup>th</sup> 2022 will continue to benefit from preferential regulatory treatment based on article 129 CRR and article 30 Covered Bond Directive.



## Covered bonds and SSA issuance

Issuer profile in the SSA market

Issuer	Sfil
Credit ratings	Aa2/AA/AA (high)
ESG Rating	Negligible Risk – 7.3 (Sustainalytics)
Format	EMTN
Risk weighting	20% (standardized approach)
Currencies	EUR / USD
Documentation	Reg. S
LCR classification*	Level 1
ECB REPO classification	Haircut category II (IG 8 – Agency – Credit Institution)
PSPP eligible	✓

\* European Union

Focus on **benchmark issuance in EUR and USD** to build a reference curve in both markets.

Focus on **maturities between 3 and 5 years for USD issuance.**

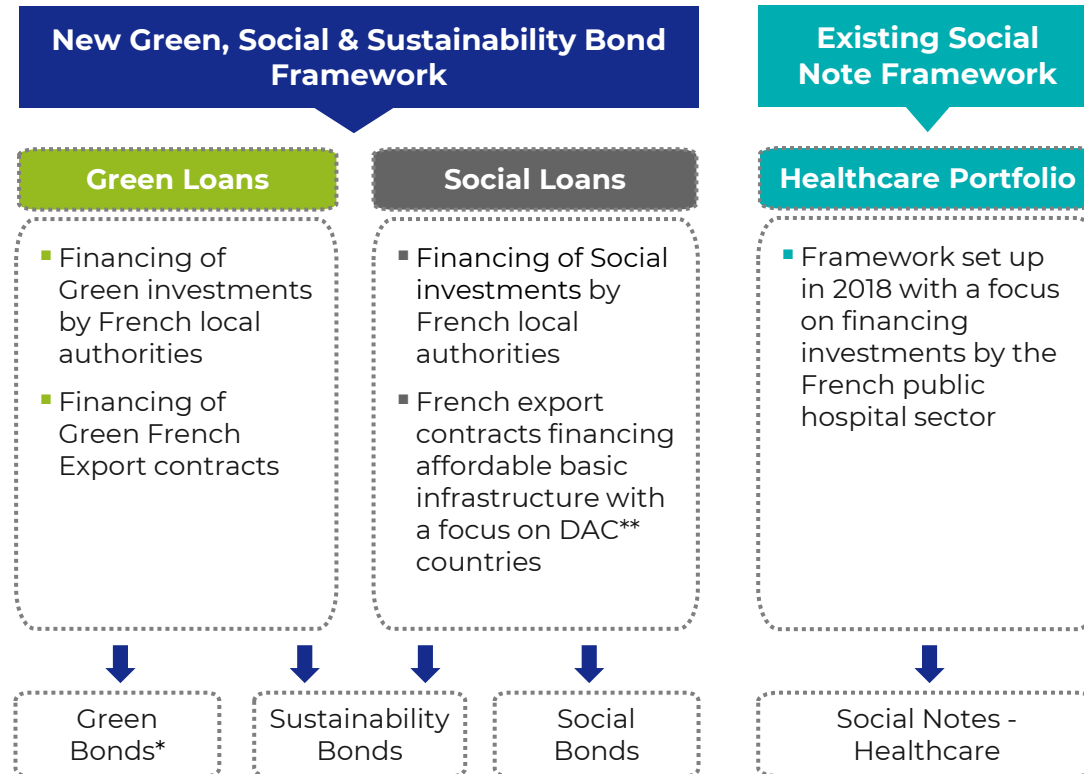
Focus for **EUR issuance on maturities up to 10 years.**





# Sustainable bond issuance programme

Frameworks for green, social and sustainability bond issuance



\* The previous Green Bond framework (10.2019) will continue to apply to existing Green Bonds - issued prior the publication of the new Green, Social & Sustainability Bond Framework (prior to 2022)

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

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

- The 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 will be a regular issuer under the new **Green, Social and Sustainability Bond framework** and will continue financing investments by French public hospitals under the existing **Social Note Framework**.

The previous 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.



# Sustainable bond issuance programme

Eligible green loan categories

## ***Territorial Mobility and Soft Urban Transport***

- Passenger trains and coaches with zero direct CO2 emissions (such as Tramway, Metro, Electric regional Train Network)
- Infrastructure enabling low-carbon road transport and public transport

## ***Renewable Energy***

- Electricity generation from solar energy, wind power, hydropower, ocean energy technologies
- Electricity generation, co-generation of heat/cool and power, and production of heat/cool from geothermal energy, bioenergy

## ***Energy Efficiency of Construction and Urban Development***

- Construction, refurbishment and acquisition of green buildings
- Renovation of existing buildings
- Energy performance improvement measures including renovation of the public lighting system to improve its energy performance

## ***Sustainable Water and Sanitation***

- Projects supporting water quality, efficiency and conservation
- Projects supporting restoration and rehabilitation of ecosystems
- Projects supporting management of aquatic environments and flood prevention

## ***Waste Management & Valuation***

- Waste management activities supporting pollution control and resources efficiency





# Sustainable bond issuance programme

Eligible social loan categories

## ***Renewal and Cohesion of Territories***

- French local authorities subsidies to the social housing sector
- Broadband network and related infrastructure
- Support to public initiatives in favor of social cohesion in territories

## ***Access to Essential Services***

- Infrastructures and equipment dedicated to education, culture and sports
- Free & subsidized healthcare

## ***Affordable Basic Infrastructure***

- Development, provision and access to clean water & sanitation to all populations
- Development, provision and access to electricity to all populations
- All season roads in areas that lack connectivity or access to basic infrastructure





## Sustainable bond issuance programme

ESG issuance in line with ICMA Principles

The commercial teams of La Banque Postale propose **Green or Social Loans** – with a specific loan documentation including a description of the planned green or social project - to finance green and social investments by French local authorities.

The classification as Eligible Green or Social Loan is **verified and validated by Sfil**.

For the export financing activity, all the projects go through an enforced diligence process meant to ensure that **relevant environmental and social (E&S) safeguards are systematically met**. All information relevant for the eligibility under the framework will be collected and analyzed by the Export Credit Department and **reviewed by the 'Green, Social and Sustainability bond committee'**.

Allocations for each transaction are managed under a **transaction by transaction approach**.

**Allocation reporting** will be available within one year from the date issuance and annually thereafter until full allocation.



*“**Sustainalytics** is of the opinion that the Sfil Group Green, Social & Sustainability Bond Framework is credible and impactful and **aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021.**”*



## Social Note Framework

Social issuance in line with ICMA Principles

The Social Note Program financing the **French public hospital sector is managed separately** from the Green, Social and Sustainability Framework.

Social notes will finance and/or refinance the **portfolio of loans to French public hospitals** (new loans and loans originated since 2013).

In addition, the credit decision by Sfil is in part based on an extra-financial analysis of the public hospital to assess the **Healthcare Added Value** ("HAV") of a public hospital.

Internal systems have been set up by Sfil to track the use of proceeds of the Social Notes and monitor the Health Loan Portfolio. Social Notes are managed under a **portfolio approach**, i.e. the total outstanding amount of Social Notes is **always lower than the size of the Health Loan Portfolio**.



















**Allocation reporting** will be available within one year from the date issuance and annually thereafter until full allocation. In addition, Sfil will report on **social impact indicators**.





# ESG bond issuance

Highly regarded issuer

 <p><b>Most Impressive Social or Sustainability Issuer</b></p> <p>SRI Awards</p> <p>2019</p>	 <p><b>Best Covered Bond Issuer</b></p> <p>CMD Portal Awards</p> <p>2019</p>	 <p><b>Best Social Bond</b></p> <p>IFR Awards</p> <p>2019</p>	 <p><b>Best ESG Issuer</b></p> <p>CBR Awards</p> <p>2019</p>	 <p><b>Best Covered Bond Issuer</b></p> <p>CMD Portal Awards</p> <p>2020</p>	 <p><b>Best Social Bond – Asset Based &amp; Covered Bonds</b></p> <p>Environmental Finance</p> <p>2020</p>
 <p><b>Best green, social or sustainability deal</b></p> <p>CBR Awards</p> <p>2020</p>	 <p><b>Best Euro Issuer</b></p> <p>GC Covered Bond Award</p> <p>2020</p>	 <p><b>Most impressive FI Funding Strategy during Covid Pandemic</b></p> <p>Global Capital Awards</p> <p>2020</p>	 <p><b>Best Covered Bond Issuer</b></p> <p>CMD Portal Awards</p> <p>2021</p>	 <p><b>Best Covered Bond</b></p> <p>IFR Awards</p> <p>2021</p>	 <p><b>Best Social Bond – Asset Based &amp; Covered Bonds</b></p> <p>Environmental Finance</p> <p>2021</p>
 <p><b>Best Euro Issuer</b></p> <p>CBR Awards</p> <p>2021</p>	 <p><b>Best Covered Bond Issuer</b></p> <p>CMD Portal Awards</p> <p>2022</p>	 <p><b>Best Social Bond – Asset Based &amp; Covered Bonds</b></p> <p>Environmental Finance</p> <p>2022</p>	 <p><b>Best Green Covered Bond Issuer</b></p> <p>CMD Portal Awards</p> <p>2023</p>	 <p><b>Best Green Bond – Asset Based &amp; Covered Bonds</b></p> <p>Environmental Finance</p> <p>2023</p>	 <p><b>Editor's Award</b></p> <p>CBR Awards</p> <p>2023</p>



## Key take aways

Status as **public development bank** – debt classified as HQLA Level 1 and PSPP eligible - with two public policy missions.

**Leadership position** in both public policy missions :

- First lender to French **local public sector with a market share of around 20% - 30%**
- First re financier of **export loans** guaranteed by the State with a market share **above 40%**

CDC is the **reference shareholder** and provides a letter of support, supplemented **by a letter of support from the French Government**.

Discussions are currently underway **to extent the export financing activity** of Sfil to include the financing of **sustainable projects benefiting from guarantees by European export credit agencies or by multilateral institution**, subject to the necessary approvals.

Sfil commits to conduct its two public policy missions in a responsible manner following a formalized **environmental & social strategy** in line with the **United Nations Sustainable Development Goals (SDGs)**.

Sfil group has been issuing green and social bonds since 2019 to support its clients in their investments related to the ecological transition and social cohesion. Through its **green, social and sustainability bond frameworks**, provides an opportunity for international investors to finance Green and Social investments by French local authorities.

In line with its growing share of ESG issuance, Sfil has set a **target of 25% of issuance under ESG format by 2024**.



# Agenda

## 1. Local Government and export financing agency

Public ownership and public policy missions

Strong balance sheet

Strategic development plan 2026

Commitment to sustainability

## 2. Funding strategy

Covered bonds and SSA issuance

ESG issuance program

## 3. Annex





## Annex – Public ownership and public policy missions

Public development banks stand under LCR Regulation and CRR

### Liquidity Coverage Delegated Act : Article 10 – Level 1 assets (version du 8 juillet 2022)

*'(e.) assets issued by credit institutions which meet at least one of the following two requirements:*

*(i) the issuer is a credit institution incorporated or established by the central government of a Member State or the regional government or local authority in a Member State, the government or local authority **is under the legal obligation to protect the economic basis of the credit institution and maintain its financial viability throughout its life-time** (...)*

### Capital Requirements Regulation (CRR) : Article 429a - Exposures excluded from the total exposure measure

*'2. (...) 'public development credit institution' means a credit institution that meets all the following conditions:*

- (a) it has been established by a Member State's central government, regional government or local authority;*
- (b) its **activity is limited to advancing specified objectives of financial, social or economic public policy** in accordance with the laws and provisions governing that institution, including articles of association, on a non-competitive basis;*
- (c) its **goal is not to maximise profit or market share**;*
- (d) subject to Union State aid rules, the **central government, regional government or local authority has an obligation to protect the credit institution's viability** or directly or indirectly guarantees at least 90 % of the credit institution's own funds requirements, funding requirements or promotional loans granted;*
- (e) it does not take covered deposits as defined in point (5) of Article 2(1) of Directive 2014/49/EU or in national law implementing that Directive that may be classified as fixed term or savings deposits from consumers (...)'*

# Annex

Additional information provided by the rating agencies on covered bond ratings

MOODY'S

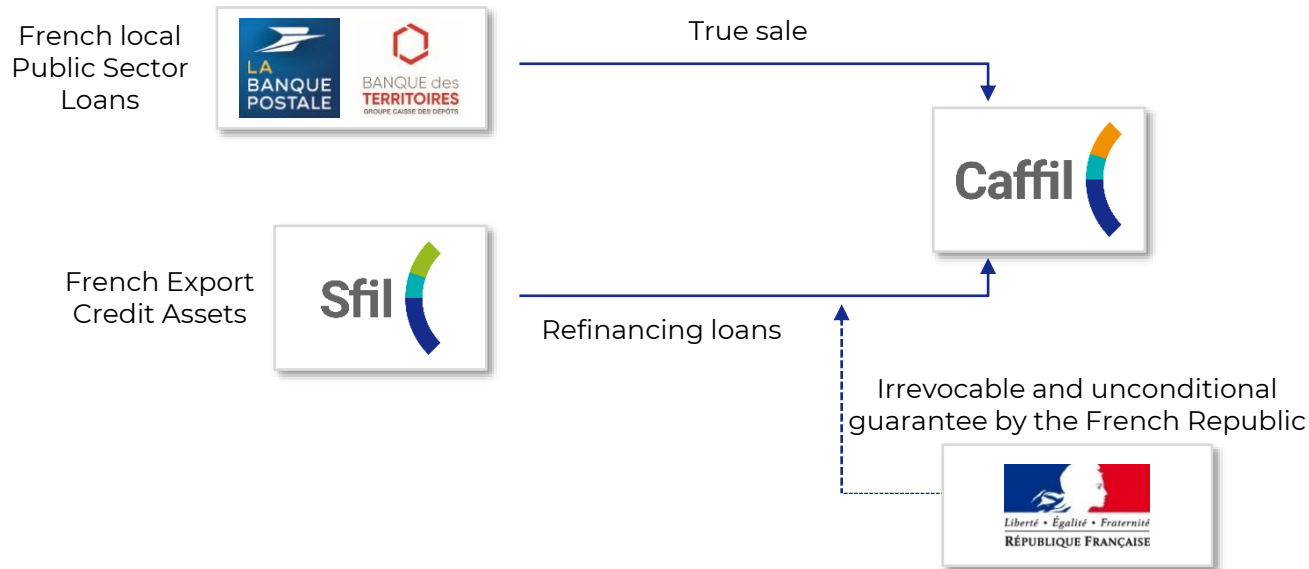
S&P Global  
Ratings

DBRS

Scenarios for a potential Caffil upgrade	Not applicable due to Aaa-rating	<p>'We would raise our ratings on the covered bonds <b>if we raised our long-term rating on SFIL</b> and if the <b>derivatives in the program were compliant with our counterparty criteria</b>, and in both cases if the available credit enhancement led to the number of notches required for the rating uplift'</p> <p>Available credit enhancement is sufficient to support only <b>a one-notch uplift above the long-term ICR on SFIL</b>.</p>	Not applicable due to AAA-rating
Scenarios for a potential Caffil downgrade	<p>'Based on the current TPI ('Timely payment indicator') of Probable-High, the <b>TPI leeway for this programme is four notches</b>.</p> <p>This four-notch leeway implies that we <b>might downgrade the covered bonds' rating because of a TPI cap if we were to lower the CB anchor by more than four notches</b>, all other variables being equal.'</p> <p><b>CB anchor rating:</b> Aa2 (Sfil rating)</p> <p><b>TPI Leeway:</b> 4 notches</p> <p><b>Collateral score :</b> 7.5</p>	<p>'Counterparty risks constrain the covered bond ratings <b>to one notch above the long-term ICR on (...) SFIL</b></p> <p>The negative outlook on our covered bond ratings <b>reflects the negative outlook on (...) SFIL</b> (AA/Negative/A-1+). We would <b>automatically lower our ratings on the covered bonds should we lower our ICR on SFIL</b>, or if the available credit enhancement were to drop below the level that is commensurate with 'AA+' ratings.'</p>	<p>'CB ratings would be downgraded if any of the following occurred:</p> <ol style="list-style-type: none"> <li>(1) the sovereign <b>rating on the Republic of France was downgraded below AA</b>;</li> <li>(2) the relative amortisation profile of the CB and CP moved adversely;</li> <li>(3) volatility in the financial markets caused the currently estimated MVS to increase; or</li> <li>(4) the composition of the CP, the level of OC to which DBRS Morningstar gives credit, interest rate stresses, or foreign currency exposure changed adversely to a degree that a one-notch uplift for good recovery prospects could no longer be granted.'</li> </ol>

## Annex – Public ownership and public policy missions

Cover pool assets



- **One single cover pool** for French local public sector loans and refinancing export loans with French State guarantee
- Transfer of local public sector loans from La Banque Postale and Banque des Territoires **via true sale to Caffil**.
- Refinancing of export loans via a **refinancing loan from Caffil to Sfil** with an irrevocable and unconditional 100% guarantee by the French Republic (enhanced guarantee mechanism law n°2012-1510).
- A specific guarantee mechanism is in place for the **civil aviation industry** – the **‘pure and unconditional guarantee’** provided by the French Republic for the export loan is transferred from Sfil to Caffil for refinancing of civil aviation contracts by Caffil.

## Annex – Public ownership and public policy missions

### Control framework and budget rules

France **local Government** is organized on three levels:

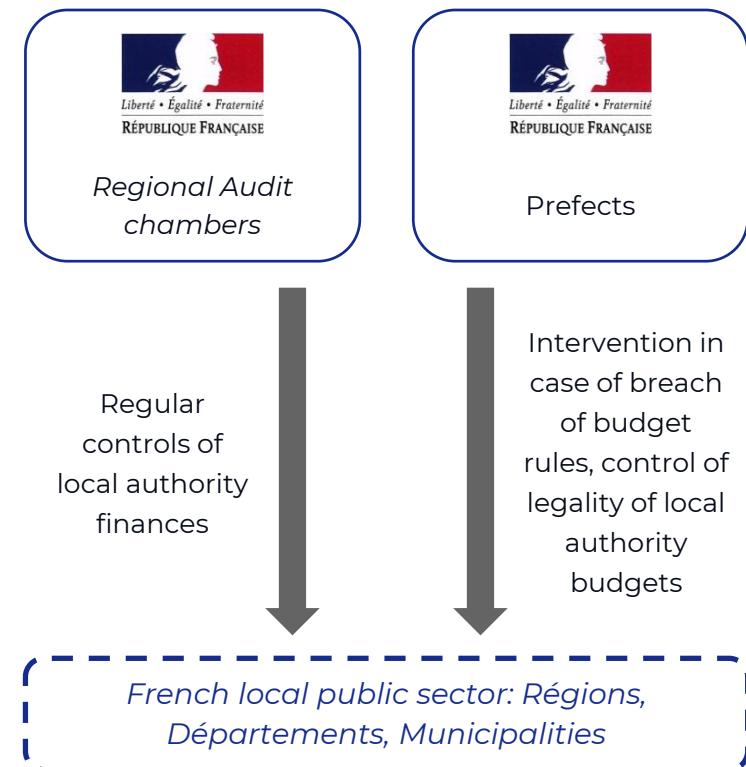
- **13 Regions**, responsibilities include Construction and upkeep of secondary schools (“Lycées”), regional rail infrastructure and economic development
- **101 Départements**, responsibilities include construction and upkeep of secondary schools (“Collèges”), the departmental road network, fire fighting and emergency services
- **Over 35,000 Municipalities** and associations of municipalities, responsibilities include construction and upkeep of nurseries and primary schools, urban public transport and municipal road network, drinking water supply, household waste collection and valuation

French local authorities are only allowed to **raise debt to finance new investments** under the ‘Golden Rule’

The **State exercises strict supervision over all French local authorities:**

- controls of the legality of all decisions taken by the executive, **including the budget**,
- controls by the **Regional Audit Chambers**.

The **Prefect**, as representative of the State, can impose a decrease in **current expenditures** and/or **an increase in discretionary taxes** in the case of financial difficulty or breach of budget rules.

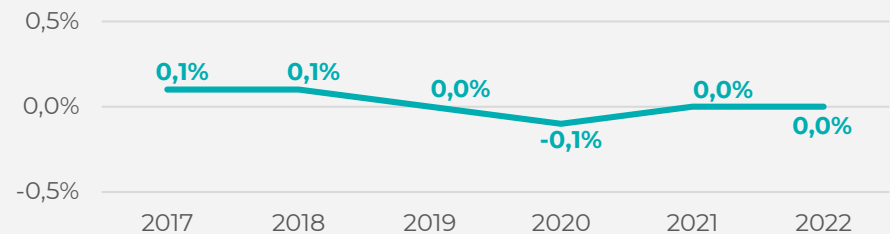


## Annex – Public ownership and public policy missions

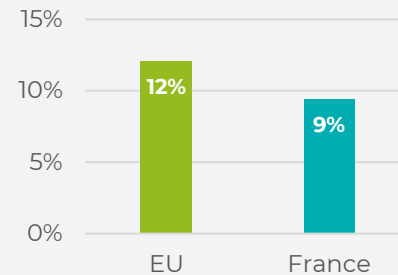
Low levels of debt and a high degree of financial flexibility

- **Stable local government finances** : French local authorities have regularly posted a **budget close to equilibrium** (between +0.1% and -0.1% of GDP) over recent years.
- Very limited impact of the **Covid pandemic on local government finances**: Local government revenues for the year 2021 have been above 2019 levels.
- **Low debt levels** in a European comparison: French local and regional government debt is **significantly below the European Union average**.
- **Investments** represent a **much higher share** of expenditures than in other European countries, creating additional **flexibility** in case expenditures need to be reduced. Overall, investments by French local authorities **represent close to 60%** of total French public investments

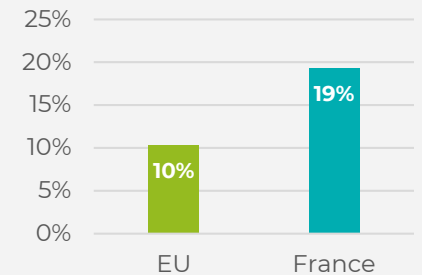
**French local government consolidated surplus / deficit as percentage of GDP**



**Local and regional government debt as percentage of GDP**



**Share of investments of local and regional government budget**



Data source: Eurostat

## Annex – Strong balance sheet

LCR level 1 classification



*‘Par principe, les titres émis par les catégories d’acteurs du secteur financier listées à l’article 7(4) du règlement délégué LCR ne sont pas éligibles en tant qu’actifs liquides, sauf dans les cas suivants : ...*

- *l’établissement de crédit appartient **à l’une des deux catégories de l’article 10.1.e** du Règlement LCR qui vise certains établissements publics et banques de développement. À ce titre, les titres émis par les entités suivantes sont réputés **respecter les dispositions de l’article 10.1.e** du règlement LCR: BPI-France Financement et la **Société de Financement Local (Sfil)**.’*

**ACPR : NOTICE 2022** - Modalités de calcul et de publication des ratios prudentiels dans le cadre de la CRDIV et exigence de MREL (version du 13 juillet 2022)

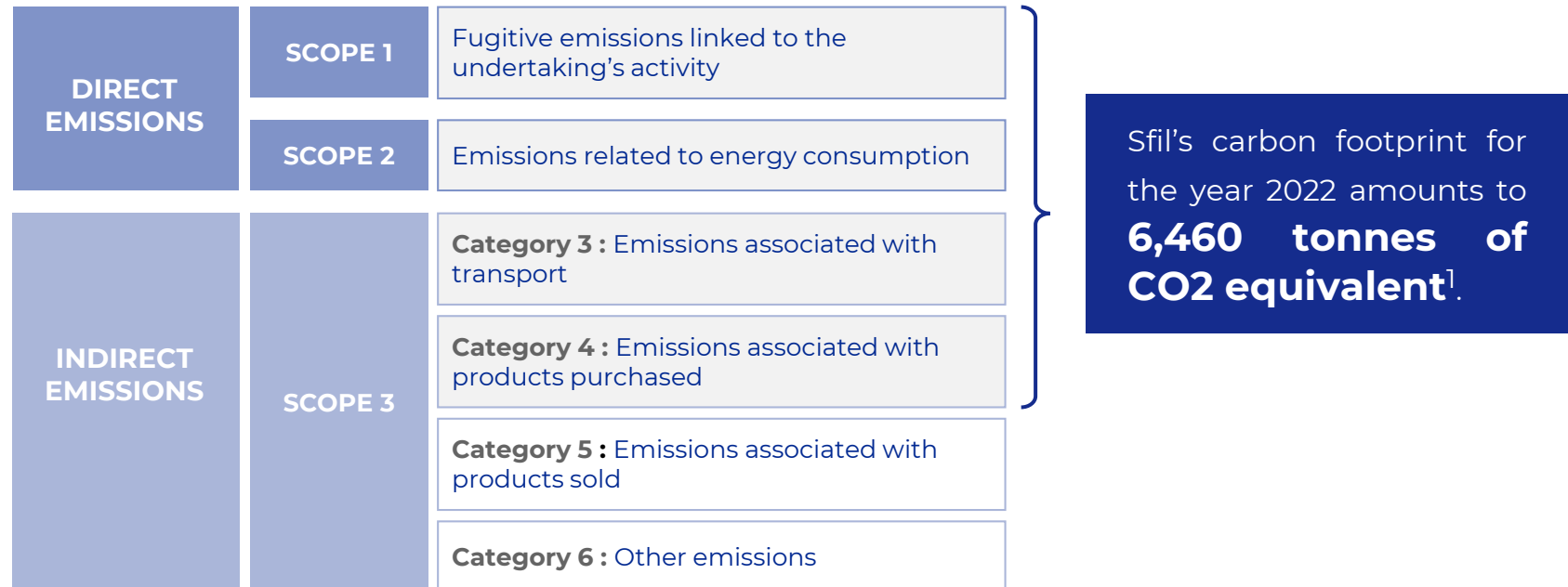




## Annex – Commitment to sustainability

### Sfil's carbon footprint

For the third consecutive year, Sfil has assessed its **carbon footprint** in 2022, which takes into account direct and indirect greenhouse gas (GHG) emissions linked to its operational scope (excluding lending and investments).






<sup>1</sup> A tonne of CO<sub>2</sub> equivalent is a unit of measure introduced by the IPCC in 1990 to be able to add together the emissions of different greenhouse gases in proportion to their contribution to climate change.



## Annex – Covered bond and SSA issuance

Update on ratings and regulatory treatment

	<p><b>Upgrade of Sfil Long Term Debt Rating to Aa2</b></p>	<p>In December 2022, Moody's upgraded the rating of Sfil to Aa2 in line with the French Republic.</p> <p>Sfil is now rated on the same level as France by the three rating agencies (Moody's, S&amp;P Global Ratings, DBRS).</p> <p>See Moody's rating for Sfil :  <a href="https://sfil.fr/en/wp-content/uploads/sites/2/2023/01/Credit-Opinion-SFIL-Update-to-credit-analysis-03Jan2023.pdf">https://sfil.fr/en/wp-content/uploads/sites/2/2023/01/Credit-Opinion-SFIL-Update-to-credit-analysis-03Jan2023.pdf</a></p>
	<p><b>Upgrade of Sfil Issuer Group and Haircut Category for Collateral use of assets issued by Sfil</b></p>	<p>Sfil is now in the Issuer Group IG8 « Agency – credit Institution ».</p> <p>Assets issued by Sfil benefit from the same Haircut Category II as those issued by the leading European Agencies.</p> <p>See the list of recognized agencies on ECB website with Sfil compliant with quantitative criteria :  <a href="https://www.ecb.europa.eu/mopo/assets/standards/marketable/html/index.en.html">https://www.ecb.europa.eu/mopo/assets/standards/marketable/html/index.en.html</a></p>
	<p><b>Taps on Caffil's outstanding bonds benefit from the European Covered Bond Label (Premium)</b></p>	<p>European Covered Bond Label Premium is granted for issuance after July 8<sup>th</sup> 2022, including for taps of outstanding bonds issued before July 8<sup>th</sup> 2022.</p> <p>See the instruction 2022-I-23 of ACPR :  <a href="https://acpr.banque-france.fr/sites/default/files/media/2022/12/22/20221222_301_instruction_2022-i-23.pdf">https://acpr.banque-france.fr/sites/default/files/media/2022/12/22/20221222_301_instruction_2022-i-23.pdf</a></p>



## Annex – Covered bond and SSA issuance

Caffil – 2014 - 2021 Benchmark issuance

Issue date		Transaction	Volume	Spread vs MS	Spread vs OAT	Thematic
September 2021	0.500% CAFFIL 01/10/2046		EUR 500 m	+ 12 bps	- 11 bps	
September 2021	0.010% CAFFIL 01/10/2029		EUR 750 m	- 1 bps	+ 12 bps	
June 2021	0.125% CAFFIL 30/06/2031		EUR 1 bn	+ 4 bps	+ 4 bps	
April 2021	0.100% CAFFIL 27/04/2029		EUR 750 m	- 2 bps	+ 7.1 bps	Social
February 2021	0.125% CAFFIL 15/02/2036		EUR 750 m	+2 bps	+6.3 bps	
January 2021	0.010% CAFFIL 18/03/2031		EUR 1.5 bn	+ 3 bps	+ 10.1 bps	
October 2020	0.010% CAFFIL 19/10/2035		EUR 750 m	+ 7 bps	+ 7 bps	
September 2020	0.010% CAFFIL 22/02/2028		EUR 1.5 bn	+ 4 bps	+ 11 bps	
June 2020	0.010% CAFFIL 24/06/2030		EUR 1 bn	+ 7 bps	+ 2 bps	
April 2020	0.010% CAFFIL 07/05/2025		EUR 1 bn	+ 22 bps	+ 31 bps	Social
February 2020	0.375% CAFFIL 13/02/2040		EUR 750 m	+ 5 bps	+ 5.1 bps	
November 2019	0.100% CAFFIL 13/11/2029		EUR 750 m	+ 2 bps	+ 13.2 bps	Green
February 2019	0.500% CAFFIL 19/02/2027		EUR 1 bn	+ 11 bps	+ 25 bps	Social
January 2019	0.500% CAFFIL 16/01/2034		EUR 500 m	+ 31 bps	+34 bps	
January 2019	0.500% CAFFIL 16/01/2025		EUR 750 m	+ 16 bps	+ 36 bps	
June 2018	1.500% CAFFIL 26/06/2038		EUR 500 m	+14 bps	+26 bps	
April 2018	1.000% CAFFIL 25/04/2028		EUR 1.5 bn	+4 bps	+26.5 bps	
January 2018	1.125% CAFFIL 19/01/2033		500 m	Flat	+10 bps	
January 2018	0.500% CAFFIL 19/01/2026		1 bn	-10 bps	+17 bps	
September 2017	0.750% CAFFIL 27/09/2027		EUR 750 m	-2 bps	+13 bps	
May 2017	1.250% CAFFIL 11/05/2032		EUR 750 m	+20 bps	+14 bps	
May 2017	0.375% CAFFIL 11/05/2024		EUR 1 bn	-5 bps	+15 bps	
January 2017	0.750% CAFFIL 11/01/2027		EUR 1.5 bn	+8 bps	+1.5 bps	
November 2016	1.125% CAFFIL 01/12/2031		EUR 500 m	+17 bps	+1 bps	
June 2016	0.375% CAFFIL 23/06/2025		EUR 1 bn	+4 bps	+14 bps	
April 2016	0.625% CAFFIL 13/04/2026		EUR 1.25 bn	+14 bps	+26 bps	
January 2016	0.500% CAFFIL 13/04/2022		EUR 1 bn	+7 bps	+25 bps	
January 2016	1.500% CAFFIL 13/01/2031		EUR 500 m	+25 bps	+8 bps	
October 2015	0.625% CAFFIL 26/01/2023		EUR 1 bn	+5 bps	+20.5 bps	
September 2015	1.125% CAFFIL 09/09/2025		EUR 1 bn	+3 bps	-5.5 bps	
April 2015	0.200% CAFFIL 27/04/2023		EUR 1 bn	-11 bps	+9 bps	
January 2015	1.250% CAFFIL 22/01/2035		EUR 500 m	+19 bps	+4 bps	
September 2014	0.375% CAFFIL 16/09/2019		EUR 1.25 bn	-1 bp	+21 bps	
April 2014	3.000% CAFFIL 02/10/2028		EUR 1 bn	+37 bps	+2 bps	
January 2014	2.375% CAFFIL 17/01/2024		EUR 1 bn	+36 bps	+6 bps	



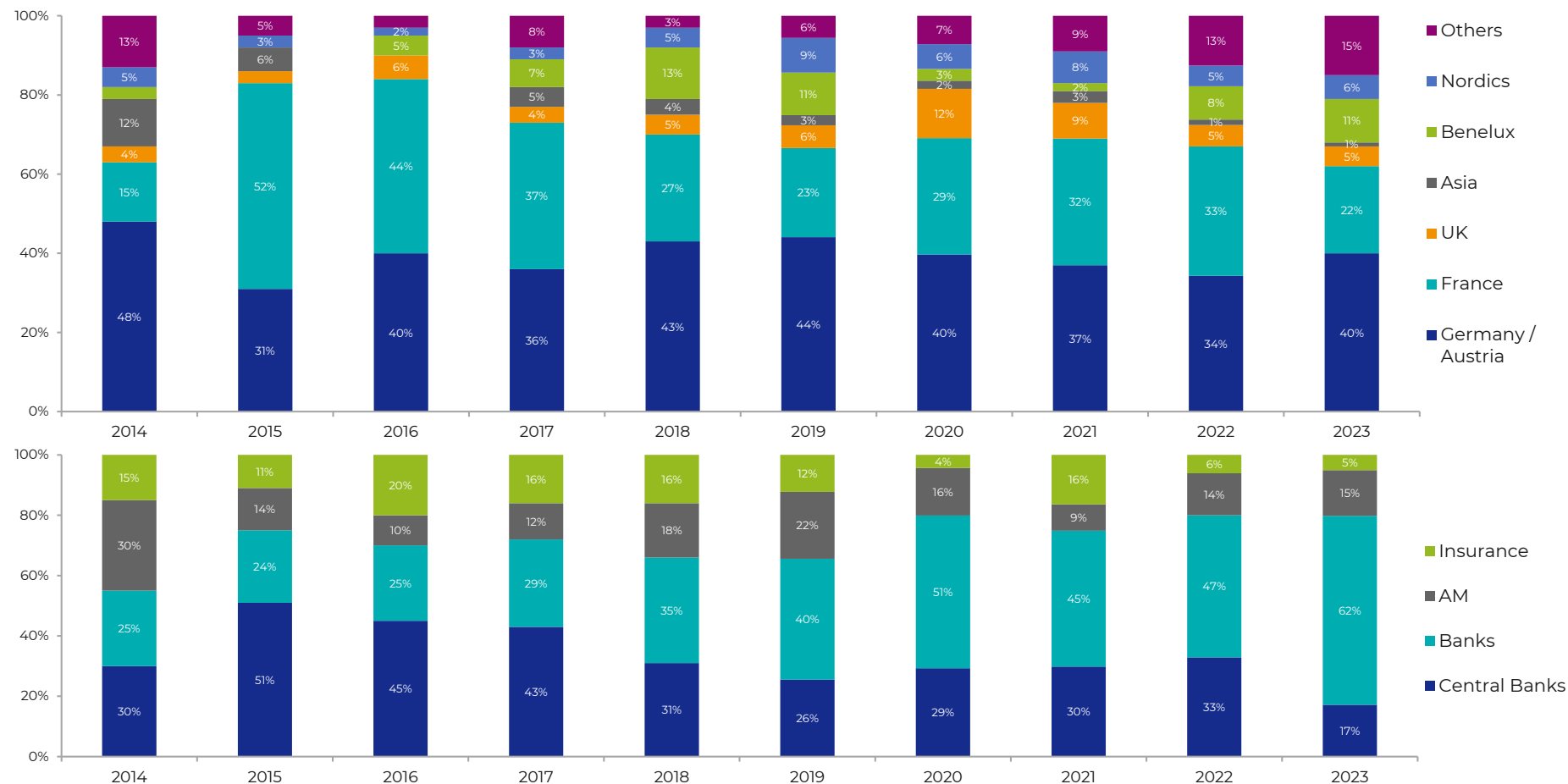
## Annex – Covered bond and SSA issuance

Caffil – 2022 - 2024 Ytd Benchmark issuance

Issue date	Transaction	Volume	Spread vs MS	Spread vs OAT	Thematic
January 2024	3.125% CAFFIL 24/11/2033	EUR 1 bn	+ 47 bps	+ 34 bps	
November 2023	3.5% CAFFIL 20/03/2029	EUR 500 m	+ 34 bps	+ 49 bps	Social
October 2023	3.625% CAFFIL 19/01/2029	EUR 750 m	+ 32 bps	+ 55 bps	Green
March 2023	3.5% CAFFIL 16/03/2032	EUR 750 m	+ 27 bps	+ 37 bps	
January 2023	2.875% CAFFIL 30/01/2030	EUR 1 bn	+ 24 bps	+ 54.5 bps	
November 2022	3.125% CAFFIL 16/11/2027	EUR 750 m	+ 12 bps	+ 62.3 bps	Green
October 2022	3.25% CAFFIL 19/02/2029	EUR 1 bn	+ 11 bps	+ 83 bps	
May 2022	1.875% CAFFIL 25/05/2034	EUR 500 m	+ 12 bps	+ 28 bps	Social
April 2022	1.125% CAFFIL 12/06/2028	EUR 1 bn	+ 5 bps	+ 39 bps	
January 2022	0.625% CAFFIL 20/01/2042	EUR 500 m	+ 6 bps	- 7 bps	
January 2022	0.25% CAFFIL 20/01/2032	EUR 750 m	- 1 bps	+ 9 bps	

## Annex – Covered bond and SSA issuance

Caffil – Breakdown of 2014 – 2023 Benchmark issue





## Annex – Covered bond and SSA issuance

Sfil – 2016 – 2024 Ytd – USD and EUR Benchmark issuance

### EUR benchmark issuance

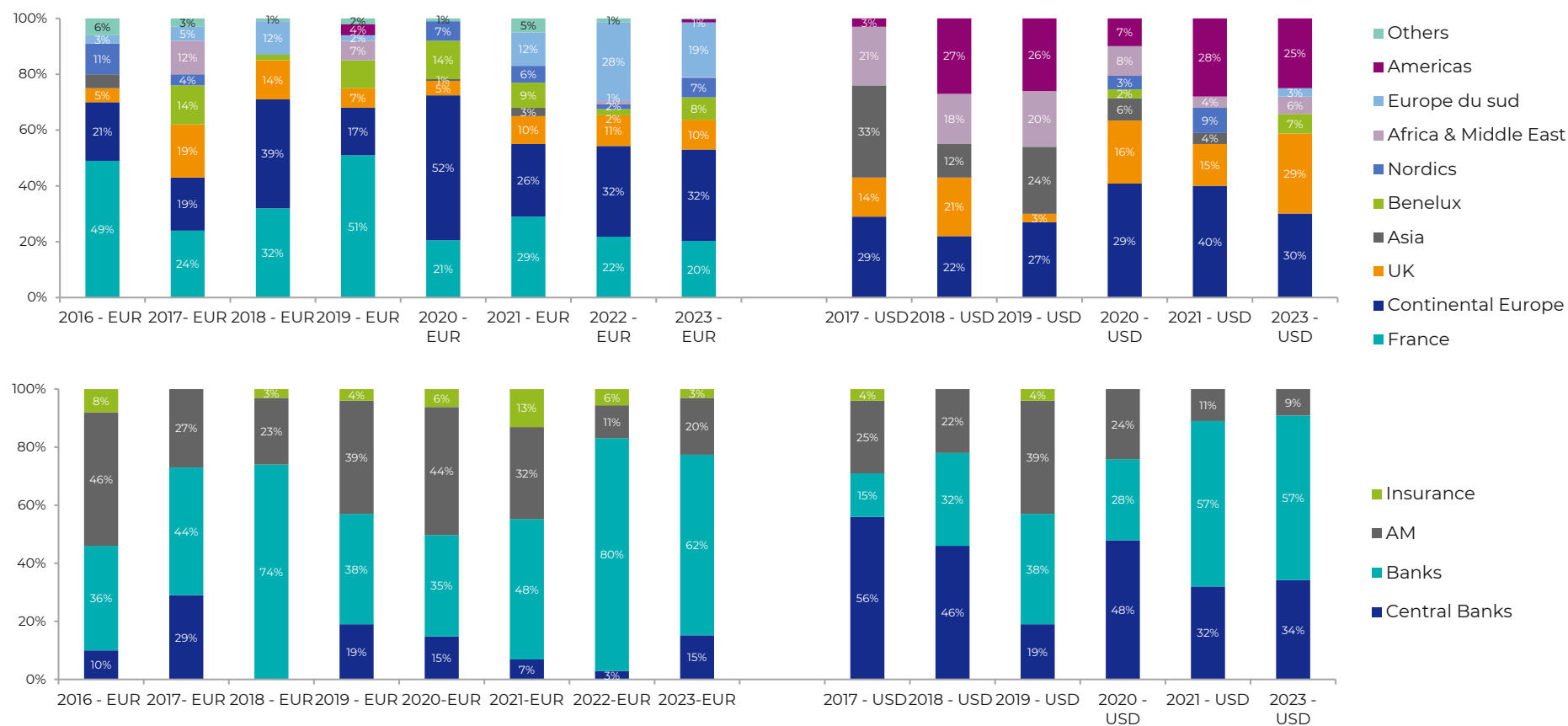
Issue date	Transaction	Volume	Spread vs MS	Spread vs OAT	Thematic
January 2024	2.875% SFIL 22/01/2031	EUR 1.25 bn	+ 35 bps	+ 43 bps	
April 2023	3.25% SFIL 25/10/2030	EUR 750 m	+ 17 bps	+ 42 bps	
January 2023	2.875% SFIL 18/01/2028	EUR 1.5 bn	+ 12.5 bps	+ 45 bps	
September 2022	3.25% SFIL 05/10/2032	EUR 500 m	+ 4 bps	+ 40 bps	
April 2022	1.5% SFIL 05/03/2032	EUR 1 bn	+ 0 bp	+ 26 bps	
November 2021	0.25% SFIL 01/12/2031	EUR 500 m	+ 11 bps	+ 19 bps	Green
May 2021	0.050% SFIL 04/06/2029	EUR 1 bn	+ 12 bps	+ 18 bps	
November 2020	0.000% SFIL 13/11/2028	EUR 500 m	+ 9 bps	+ 23 bps	Green
Mai 2019	0.000% SFIL 24/05/2024	EUR 1 bn	+ 3,8 bps	+ 29 bps	
January 2018	0.750% SFIL 06/02/2026	EUR 1 bn	-5 bps	+20 bps	
November 2017	0.100% SFIL 18/10/2022	EUR 1 bn	-13.4 bps	+21 bps	
November 2016	0.125% SFIL 18/10/2024	EUR 1 bn	Flat	+21 bps	

### USD benchmark issuance

Issue date	Transaction	Volume	Spread vs MS	Spread vs UST
September 2023	4.875% SFIL 03/10/2028	USD 500 m	+54 bps	+32.8 bps
February 2021	0.625% SFIL 09/02/2026	USD 1 bn	+17 bps	+18 bps
May 2020	0.500% SFIL 27/05/2023	USD 1.25 bn	+31 bps	+38 bps
April 2019	2.625% SFIL 25/04/2022	USD 1.25 bn	+18 bps	+24.8 bps
June 2018	3.000% SFIL 21/06/2021	USD 1 bn	+19 bps	+42 bps
June 2017	2.000% SFIL 30/02/2020	USD 1 bn	+33 bps	+49.3 bps

# Annex – Covered bond and SSA issuance

Sfil – Breakdown 2016 – 2023 Benchmark issuance





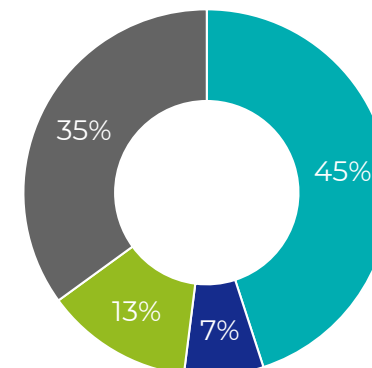
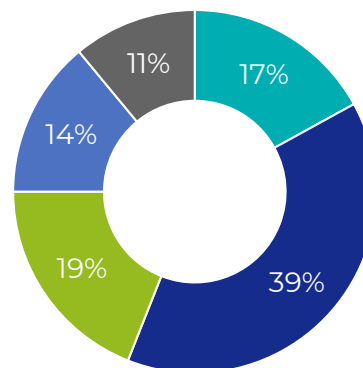
## Annex – Covered bond and SSA issuance

2019 ESG issuance

### EUR 1 billion CAFFIL 2019/2027 – SOCIAL BOND

<b>Coupon</b>	0.500%
<b>Trade date</b>	12/02/2019
<b>Maturity date</b>	19/02/2027
<b>Reoffer Spread</b>	MS +11 BP OAT +25 BP

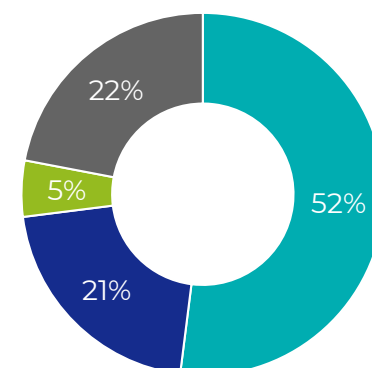
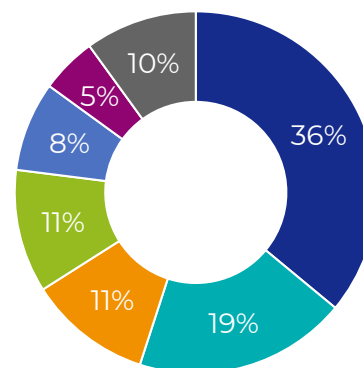
**Orderbook** **EUR 2.6 billion**  
Participation of 100 investors  
(1/3 ESG investors)



### EUR 750 m CAFFIL 2019/2029 – GREEN BOND

<b>Coupon</b>	0.100%
<b>Trade date</b>	05/11/2019
<b>Maturity date</b>	13/11/2029
<b>Reoffer Spread</b>	MS +2 BP OAT +13 BP

**Orderbook** **EUR 2.5 billion**  
Participation of 100 investors  
(80% ESG investors)



■ Germany/Austria  
■ UK/Ireland  
■ Nordics  
■ Others  
■ France  
■ Benelux  
■ Italy

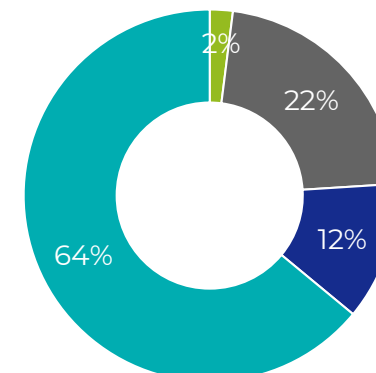
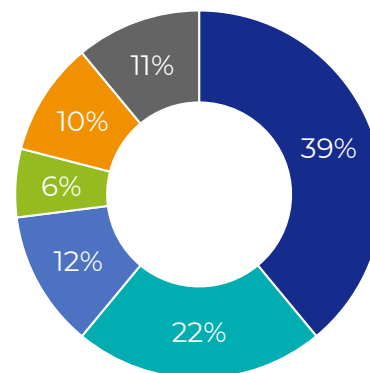
■ Banks ■ CB/OI ■ Insurance ■ AM

## Annex – Covered bond and SSA issuance

### 2020 ESG issuance

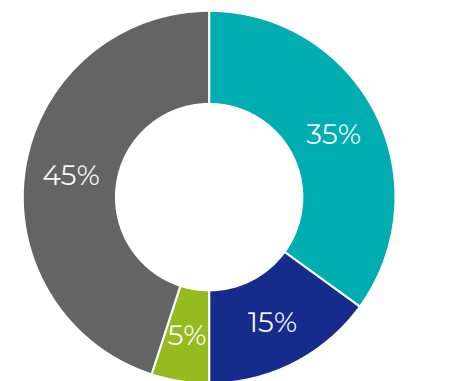
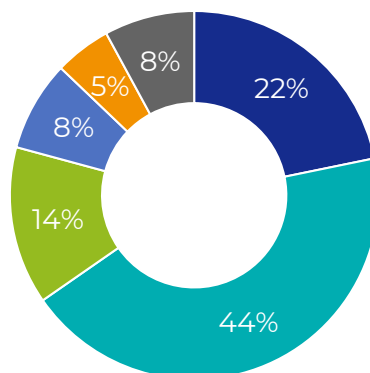
#### EUR 1 billion CAFFIL 2020/2025 – SOCIAL BOND

<b>Coupon</b>	0.01%
<b>Trade date</b>	28/04/2020
<b>Maturity date</b>	07/05/2025
<b>Reoffer Spread</b>	MS +22 BP OAT +31 BP
<b>Orderbook</b>	<b>EUR 4.5 billion</b> participation of 130 investors



#### EUR 500 m SFIL 2020/2028 – GREEN BOND

<b>Coupon</b>	0%
<b>Trade date</b>	13/11/2020
<b>Maturity date</b>	23/11/2028
<b>Reoffer Spread</b>	MS +9 BP OAT +23 BP
<b>Orderbook</b>	<b>EUR 2.5 billion</b> participation of 100 investors (80% ESG investors)



■ Germany/Austria    ■ France  
 ■ Benelux    ■ Nordics  
 ■ UK/Ireland    ■ Others

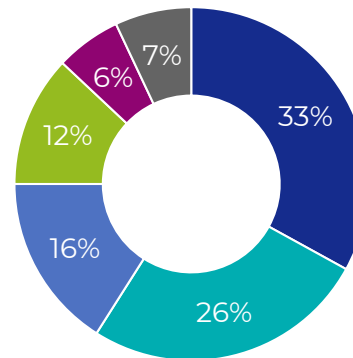
■ Banks    ■ CB/OI    ■ Insurance    ■ AM

## Annex – Covered bond and SSA issuance

### 2021 ESG issuance

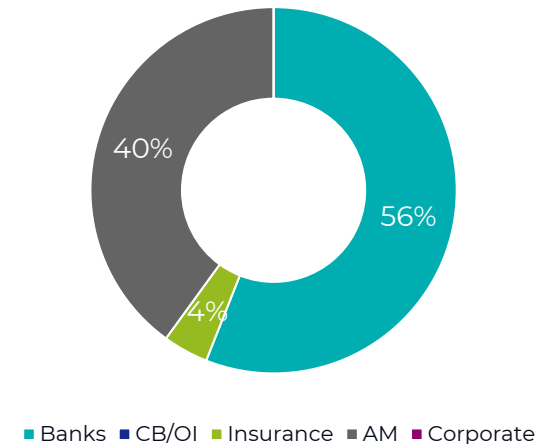
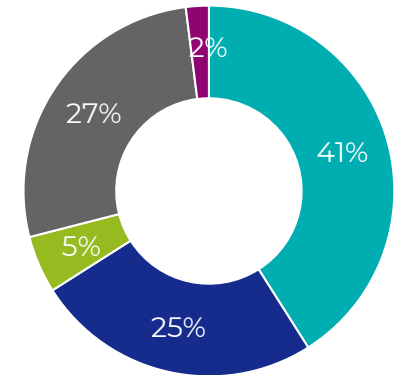
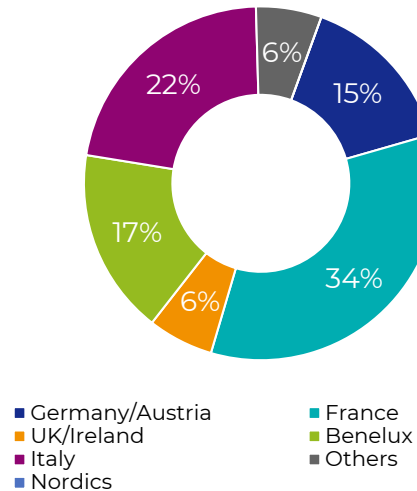
#### EUR 750 m CAFFIL 2021/2029 – SOCIAL BOND

<b>Coupon</b>	0.01%
<b>Trade date</b>	19/04/2021
<b>Maturity date</b>	27/04/2029
<b>Reoffer Spread</b>	MS - 2 BP OAT + 7 BP
<b>Orderbook</b>	<b>EUR 1.5 billion</b> participation of 60 investors (51% ESG investors)



#### EUR 500 m SFIL 2021/2031 – GREEN BOND

<b>Coupon</b>	0.25%
<b>Trade date</b>	23/11/2021
<b>Maturity date</b>	01/12/2031
<b>Reoffer Spread</b>	MS +11 BP OAT +19 BP
<b>Orderbook</b>	<b>EUR 750 m</b> participation of 40 investors (94% ESG investors)



## Annex – Covered bond and SSA issuance

### 2022 ESG issuance

#### EUR 500 m CAFFIL 2022/2034 – SOCIAL BOND

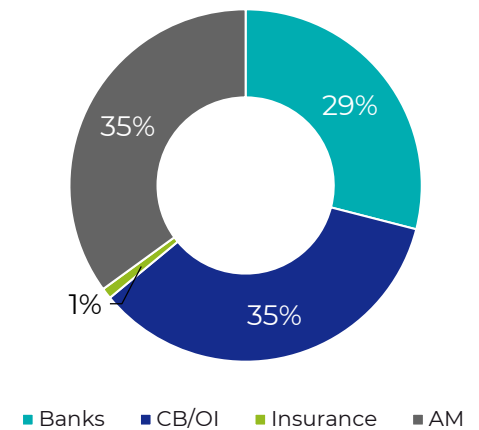
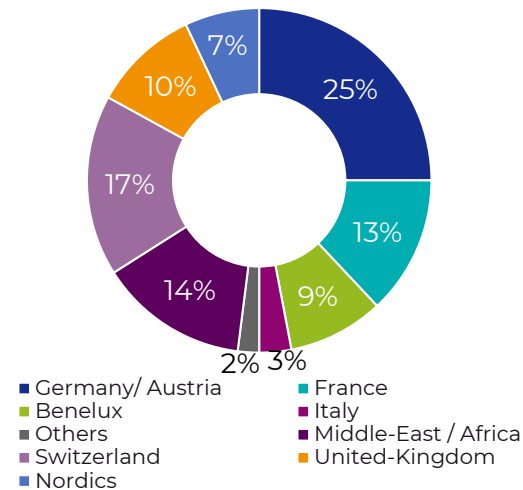
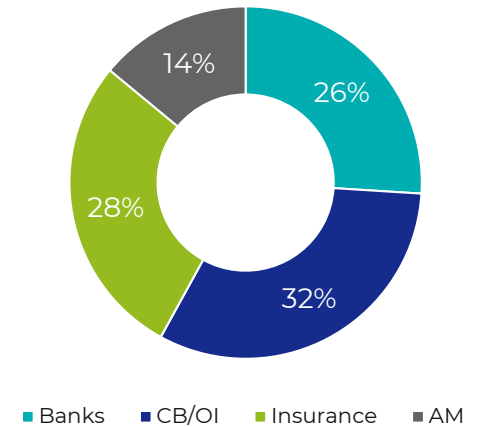
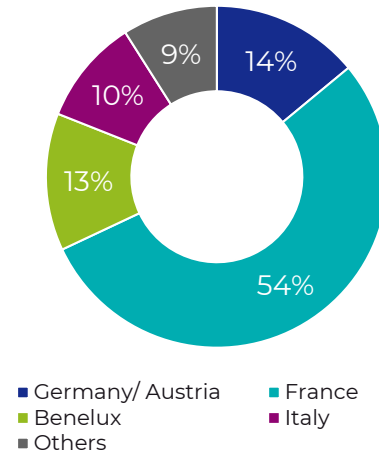
<b>Coupon</b>	1.875%
<b>Trade date</b>	18/05/2022
<b>Maturity date</b>	25/05/2034
<b>Reoffer Spread</b>	MS +12 BP OAT +28 BP

**Orderbook** **Over EUR 700 m**  
Participation of 29 investors  
(46% ESG investors)

#### EUR 750 m CAFFIL 2022/2027 – GREEN BOND

<b>Coupon</b>	3.125%
<b>Trade date</b>	08/11/2022
<b>Maturity date</b>	16/11/2027
<b>Reoffer Spread</b>	MS +11 BP OAT +62.3 BP

**Orderbook** **EUR 1.6 billion**  
Participation of 57 investors  
(78% ESG investors)



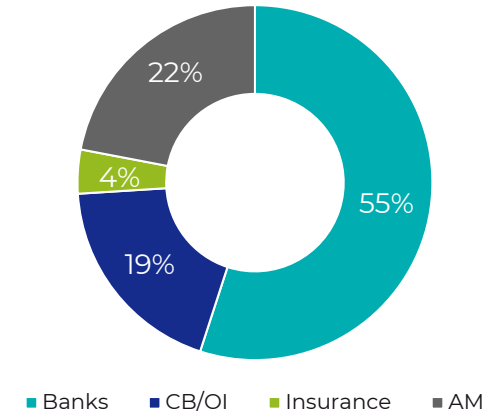
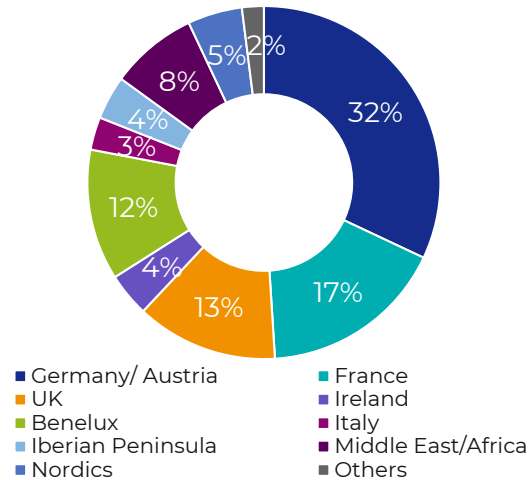
## Annex – Covered bond and SSA issuance

2023 ESG issuance

### EUR 750 m CAFFIL 2023/2029 – GREEN BOND

<b>Coupon</b>	3.625%
<b>Trade date</b>	10/10/2023
<b>Maturity date</b>	19/01/2029
<b>Reoffer Spread</b>	MS +32 BP OAT +55 BP

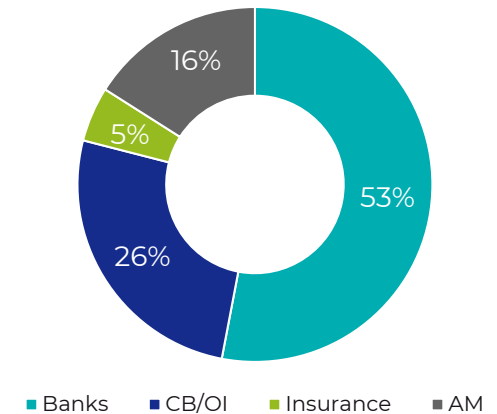
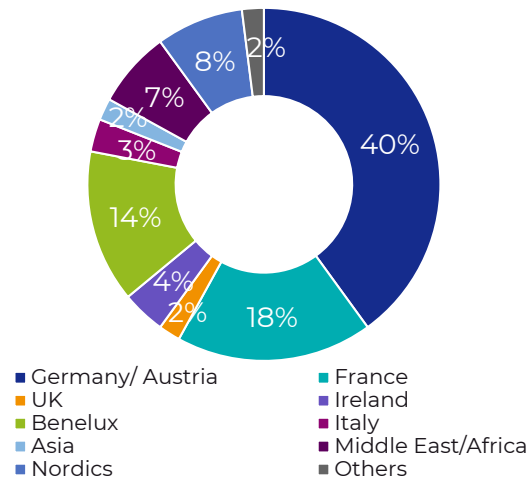
**Orderbook** **EUR 3.5 billion**  
115 orders



### EUR 500 m CAFFIL 2023/2029 – SOCIAL BOND

<b>Coupon</b>	3.5%
<b>Trade date</b>	13/11/2023
<b>Maturity date</b>	20/03/2029
<b>Reoffer Spread</b>	MS +34 BP OAT +49 BP

**Orderbook** **EUR 1.3 billion**  
60 orders



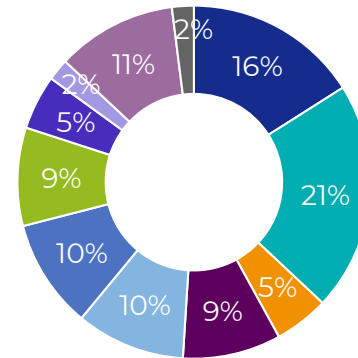
# Annex – Covered bond and SSA issuance

2023 issuance

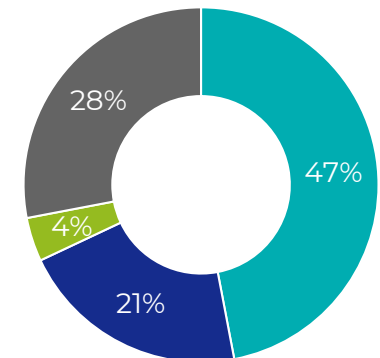
## EUR 1.5 billion SFIL 2023/2028

<b>Coupon</b>	2.875%
<b>Trade date</b>	11/01/2023
<b>Maturity date</b>	18/01/2028
<b>Reoffer Spread</b>	MS +12.5 BP OAT +45 BP

**Orderbook** Reached EUR 5 billion  
115 orders



Germany/ Austria France UK/Ireland  
Italy Iberian Peninsula Nordics  
Benelux Central Europe North America  
Switzerland Others

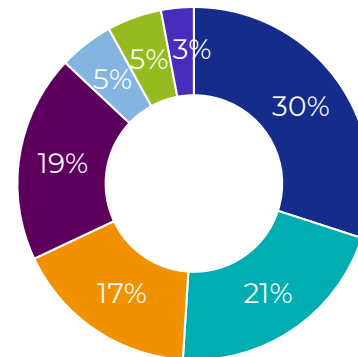


Banks CB/OI Insurance AM

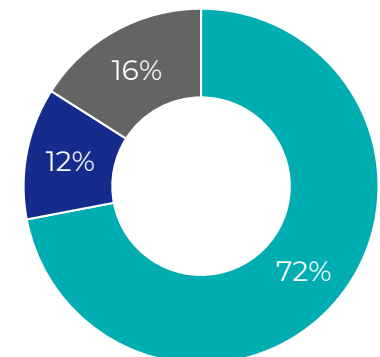
## EUR 750 m SFIL 2023/2030

<b>Coupon</b>	3.25%
<b>Trade date</b>	21/04/2023
<b>Maturity date</b>	25/11/2030
<b>Reoffer Spread</b>	MS +17 BP OAT +42 BP

**Orderbook** Reached EUR 1.1 billion  
40 orders



Germany/ Austria France  
UK/Ireland Italy  
Middle-East / Africa Benelux  
Asia



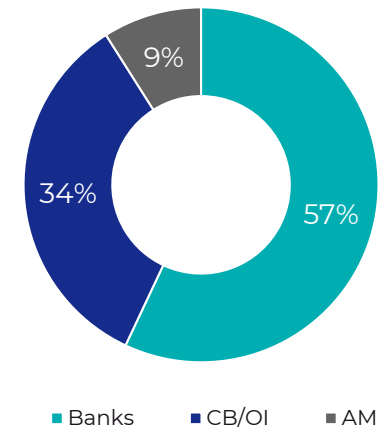
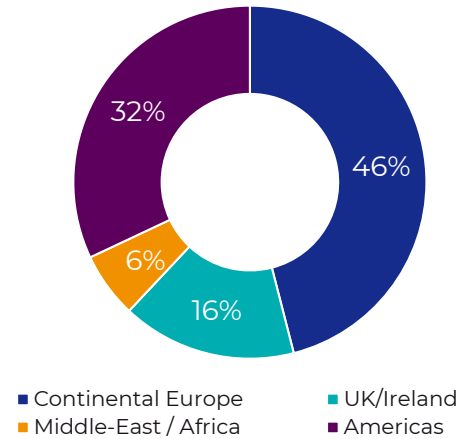
Banks CB/OI AM

## Annex – Covered bond and SSA issuance

2023 issuance

### USD 500 m SFIL 2023/2028

<b>Coupon</b>	4.875%
<b>Trade date</b>	26/09/2023
<b>Maturity date</b>	03/10/2028
<b>Reoffer Spread</b>	SOFR +54 BP UST +32.8 BP





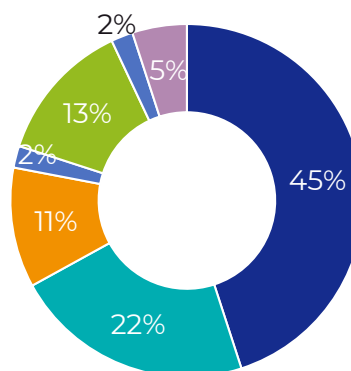
## Annex – Covered bond and SSA issuance

2023 issuance

### EUR 1 billion CAFFIL 2023/2030

<b>Coupon</b>	2.875%
<b>Trade date</b>	20/01/2023
<b>Maturity date</b>	30/01/2030
<b>Reoffer Spread</b>	MS +24 BP OAT +54.5 BP

**Orderbook** **EUR 1.5 billion**  
65 orders

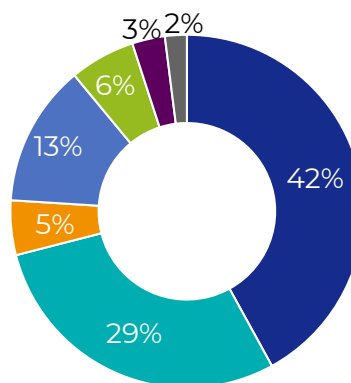


Germany/ Austria  
UK/Ireland  
Benelux  
France  
Nordics  
Italy

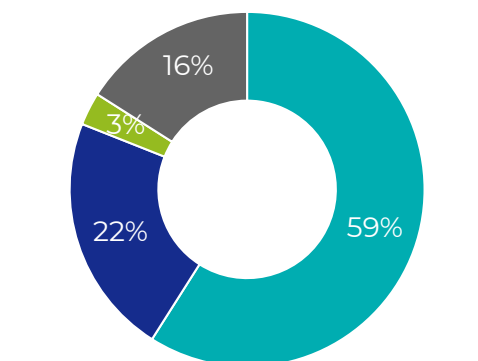
### EUR 750 m CAFFIL 2023/2032

<b>Coupon</b>	3.5%
<b>Trade date</b>	09/03/2023
<b>Maturity date</b>	16/03/2032
<b>Reoffer Spread</b>	MS +27 BP OAT +37 BP

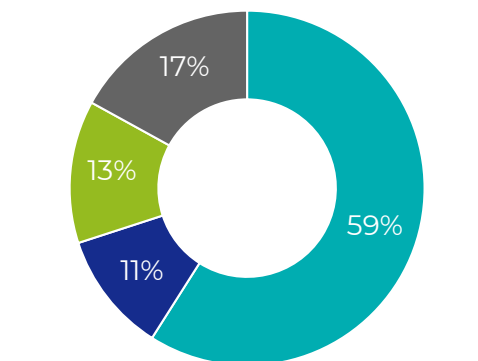
**Orderbook** **EUR 1 billion**  
50 orders



Germany/ Austria  
UK/Ireland  
Benelux  
Autres  
France  
Nordics  
Asie



Banks CB/OI Insurance AM



Banks CB/OI Insurance AM

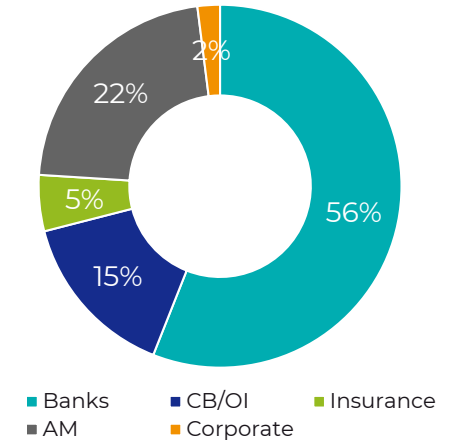
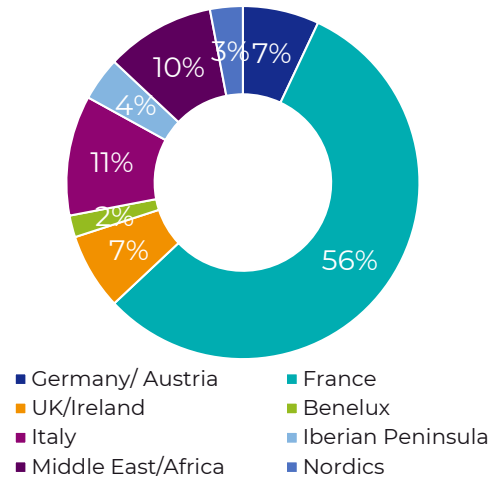
## Annex – Covered bond and SSA issuance

2024 SSA issuance

### EUR 1.25 billion SFIL 2024/2031

<b>Coupon</b>	2.875%
<b>Trade date</b>	11/01/2024
<b>Maturity date</b>	22/01/2031
<b>Reoffer Spread</b>	MS +35 BP OAT +43 BP

**Orderbook** **EUR 2.1 billion**  
50 orders



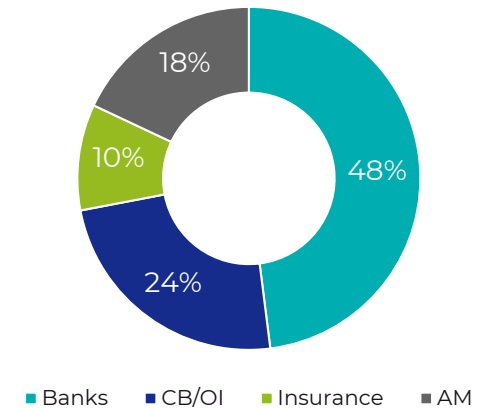
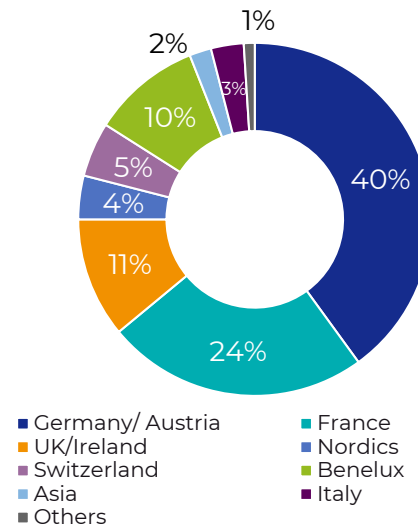
## Annex – Covered bond and SSA issuance

### 2024 Covered bond issuance

#### EUR 1 billion CAFFIL 2024/2033

<b>Coupon</b>	3.125%
<b>Trade date</b>	17/01/2024
<b>Maturity date</b>	24/11/2033
<b>Reoffer Spread</b>	MS +47 BP OAT +34 BP

**Orderbook** **EUR 3.1 billion**  
110 orders

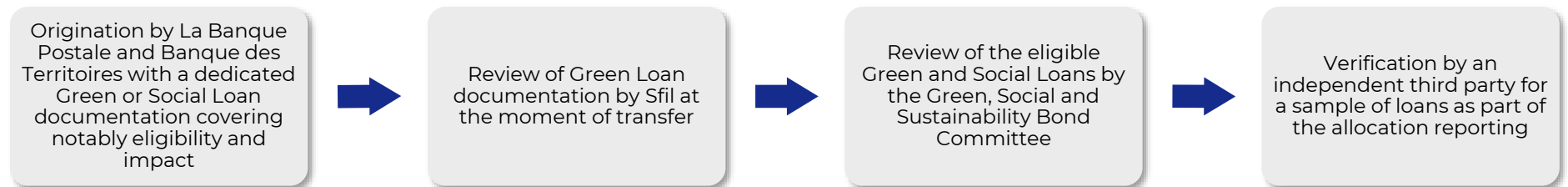




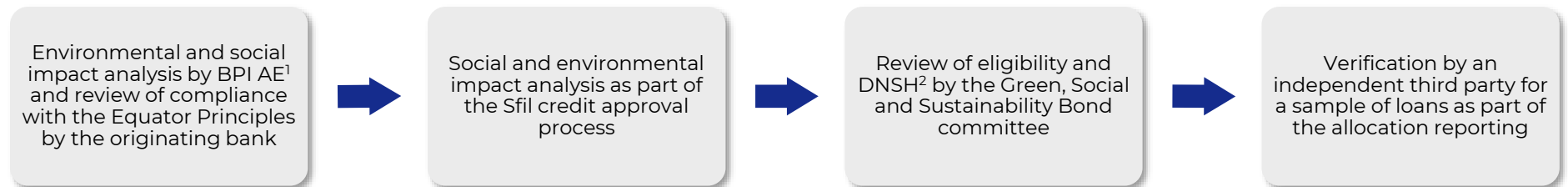
## Annex – ESG issuance program

New Green, Social and Sustainability Bond Framework – Asset selection process

### *Asset selection process for Green and Social Loans to Local Authorities:*



### *Asset selection process for Green and Social Export Loans:*



<sup>1</sup> As part of the public guarantee approval process for sensitive projects

<sup>2</sup> Do No Significant Harm (DNSH)

## Annex – ESG issuance program

New Green, Social and Sustainability Bond Framework – Management of proceeds and reporting

### Management of proceeds

- Sfil Group has set up **internal systems to track the use of proceeds** of its Green, Social and Sustainability Bonds and has established a **register** to monitor eligible Green Loans and eligible Social Loans.
- Sfil Group apply a **transaction by transaction approach**, i.e. ensuring each transaction is allocated to a dedicated set of eligible Green Loans and/or eligible Social Loans.

### Reporting

- An **Allocation and impact reporting** will be made available within one year from the date of each Green, Social and Sustainability Bond issuance and annually thereafter until the net proceeds have been fully allocated.

#### Allocation reporting

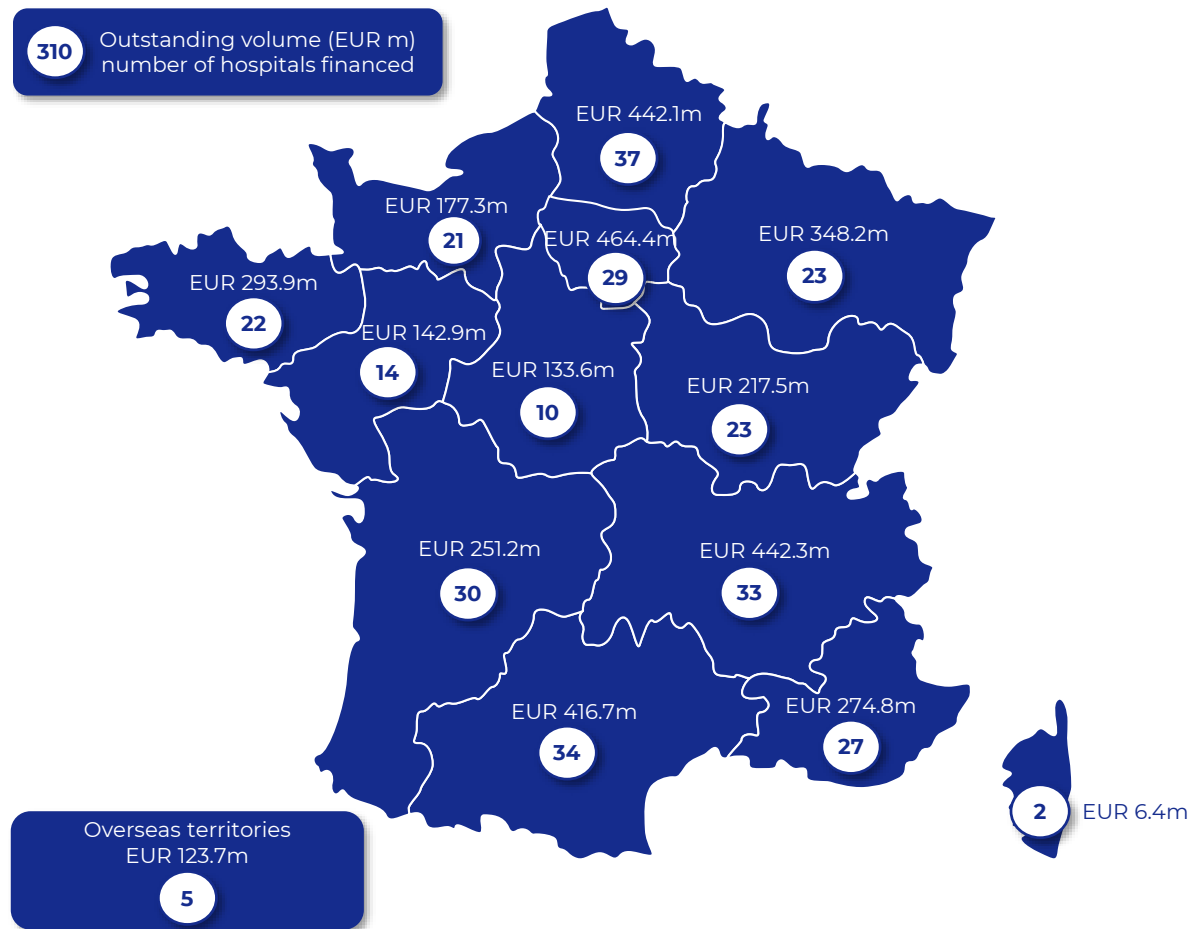
- Total amount of proceeds allocated to Green Bonds by eligible project category
- Number of “Eligible Green Loans” associated with each Green Bond issuance
- Average lifetime of the loans
- Split between financing and refinancing
- Total amount of proceeds pending allocation and type of temporary investments on a best effort basis

#### Impact reporting

- Sfil Group intends to report annually and until full allocation on environmental impact indicators of the “Eligible Green Loans” on a best effort basis;
- Sfil Group will strive to harmonize its reporting information with ICMA's Harmonized Framework for Impact Reporting and the EU Green Bond Standard Reporting Templates.

## Annex – ESG issuance program

### Social Bond Reporting Summary



The total outstanding amount as of December 31<sup>st</sup> 2022 is EUR 3 735 m.

Loans to 310 public hospitals are included in the healthcare portfolio. The number of public hospitals in the healthcare portfolio has increased since the last reporting with 302 included in the healthcare portfolio as of December 31<sup>st</sup> 2021.

Sfil Group public hospitals financing covers the entire French territory, all metropolitan regions are covered.

## Annex – ESG issuance program

Former Green Bond Framework in line with ICMA Principles

<i>Use of proceeds</i>	Green bond proceeds will be used to finance and/or refinance Eligible Green Loans which belong to the following Eligible Green Loan Categories: <b>Territorial mobility and soft urban transport, Sustainable Water and Sanitation and Climate Change Adaptation, Waste Management and Valuation, Energy efficiency of construction and urban development, Renewable Energy.</b>
<i>Process for Project Evaluation and Selection</i>	At operational level, La Banque Postale offers green loans for the financing of eligible projects to French local public authorities. Sfil verifies and validates the classification as eligible green loan, the Green Bond committee monitors the project selection and evaluation process according to the eligibility criteria.
<i>Management of proceeds</i>	internal systems track the use of proceeds of the green bonds and monitor the Eligible Green Loans. Green Bonds are managed under a <b>transaction by transaction approach</b> , ensuring each transaction is allocated to a dedicated set of “Eligible Green Loans”.
<i>Reporting</i>	<b>Allocation reporting</b> will be available within one year from the date issuance and annually thereafter until full allocation. In addition, Sfil will report on <b>environmental impact indicators</b> .

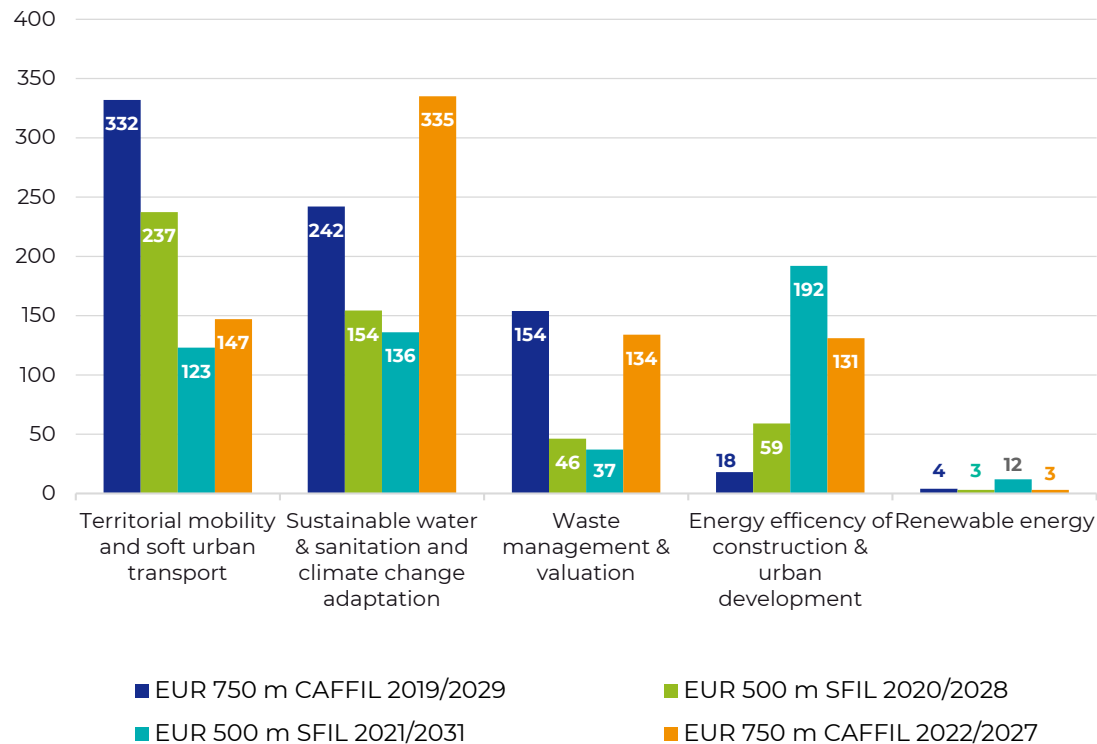




## Annex – ESG issuance program

### Green Bond Reporting Summary

Volume by category (EUR m)



Overall Green Loans with a total volume of EUR 2.5 billion have been allocated to the four Green Bond transactions.

In total, the four Green Bond transactions have contributed to the financing of closed to 700 different green investment projects by French local authorities.

The financing provided by the four Green Bond transactions will lead to estimated annual reductions in CO2 emissions of 76 827 t.

Sfil and La Banque Postale aim to provide smaller local authorities with an access to green financing with a minimum amount for green loans lowered to EUR 300 k.



# Contacts

## Investor Relations & Sustainability



**Ralf Berninger, CFA**

Head of Investor Relations & Sustainability

Tel : + 33 (0)1 7328 8807

[ralf.berninger@sfil.fr](mailto:ralf.berninger@sfil.fr)

[investorrelations@sfil.fr](mailto:investorrelations@sfil.fr)



**Mathilde Sobol**

Investor Relations & Sustainability

Tel : + 33 (0)1 7328 8414

[mathilde.sobol@sfil.fr](mailto:mathilde.sobol@sfil.fr)

[investorrelations@sfil.fr](mailto:investorrelations@sfil.fr)

## ALM and Financial Markets



**Olivier Eudes**

Head of ALM and Financial Markets

Tel : +33 (0)1 3013 3908

[olivier.eudes@sfil.fr](mailto:olivier.eudes@sfil.fr)

## Funding & Treasury



**Gonzague Veillas**

Head of Funding & Treasury

Tel : +33 (0)1 3013 3909

[gonzague.veillas@sfil.fr](mailto:gonzague.veillas@sfil.fr)



**Prisca Sabarros**

Funding & Treasury

Tel : +33 (0)1 73 28 89 19

[prisca.sabarros@sfil.fr](mailto:prisca.sabarros@sfil.fr)



**Jérôme Tardiveau**

Funding & Treasury

Tel : +33 (0)1 73 28 84 33

[jerome.tardiveau@sfil.fr](mailto:jerome.tardiveau@sfil.fr)