Annual financial report 2024

We finance what matters most

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The annual financial report is intended to describe the activity of the Issuer in 2024, in accordance the provisions of article L. 451-1-2 of the French Monetary and Financial Code, and article 222-3 of the General Regulation of the French Financial Markets Authority (Autorité des marchés). It is filed with the AMF in accordance with the terms and conditions provided for the general regulation, and is available on the issuer's website.

The Annual Financial Report is a copy of the official version of the Annual Financial Report which has been prepared in XHTML format and is available on the Issuer's website: www.sfil.fr.

This document is a free translation into English of the annual financial report issued in French and is available on the website of the Issuer.

Interview with Philippe Mills,

Chief Executive Officer of Sfil

"Sfil takes on a new dimension and strengthens its role: financing what matters most"

2024 was an exceptional year for Sfil, with record results. What are the main lessons?

Philippe Mills – In line with 2023, 2024 marked a significant change in our development. With recurring net banking income of EUR 217 million (+9.6% compared to 2023) and recurring net income of EUR 75 million (+15% compared to 2023), we recorded the second best performance in our history. These results reflect our growing business and the strength of our public development bank model.

We have definitively reached a milestone with EUR 9 billion injected into the French economy in 2024 as in 2023, confirming our key role in the financing of the local public sector and export credit. Our long-term debt issuance reached an all-time high of EUR 9 billion, exceeding the previous peak of EUR 8 billion, with more than 330 investors participating. This momentum is based on robust refinancing, enabling us to offer our customers attractive conditions even in a volatile market environment and thus fulfill our mission: to finance the essential.

Finally, the European Commission validated the extension of our mandate, opening up new opportunities. From 2025, we will be able to finance local public entities that are "satellites" of local authorities and intervene in export refinancing operations benefiting from guarantees from other European agencies or multilateral lenders.

"We have definitively reached a milestone with EUR 9 billion injected into the French economy in 2024."

This success is based, above all, on the "all-round" solidity of our public development bank model, along with the commitment of Sfil's employees, whom I warmly thank, and that of our reference shareholder, Caisse des Dépôts, our directors, our partners - La Banque Postale and Banque des Territoires - as well as all the banks that support us on our issues and those with which we collaborate for export credit.

Lending to the local public sector has accelerated sharply. How do you explain this momentum?

P.M. - 2024 was a record year for the financing of local authorities and public hospitals, with EUR 6.3 billion in loans granted, an increase of 46% compared to 2023. This level of activity is unprecedented since Sfil's creation in 2013.

Several factors explain this growth. Firstly, the approach of the end of the municipalities' electoral cycle has encouraged local authorities to accelerate their investments. Next, the relative fall in interest rates has encouraged increased borrowing. Lastly, the need to adapt local infrastructures to climate and social challenges has amplified demand.

We have granted more than EUR 2 billion in green and social loans to local authorities, tangible proof of our resolute commitment to support the regions in their environmental transition and in terms of social cohesion. In addition, our support for public hospitals was strengthened with EUR 518 million in financing, up by 61% compared to 2023.

With the expansion of our scope of activity in 2025, we will further strengthen our impact on the territories.

How do you analyze the trend of the export credit activity?

P.M. - After an exceptional year in 2023, with EUR 5 billion in refinancing, 2024 was at a more normal level, with EUR 2.4 billion for five transactions. However, this amount remains higher than our historical average since the launch of this activity in 2016.

Above all, our outlook is very promising: we have 175 projects under review, representing a potential of EUR 65 billion, and we have never been more solicited by our 30 partner banks with 220 price quotations carried out this year. The European Commission's authorization to expand our scope of intervention in 2025 will open up unprecedented opportunities, particularly in the field of strategic raw materials for the energy transition, such as lithium and rare earths.

In 2024, Sfil has further strengthened its commitment to sustainable finance. What are the main results?

P.M. - The environmental and social transition is at the heart of our strategy. In 2024, we mobilized EUR 1.8 billion for the energy transition and EUR 1.4 billion for social investments.

"The expansion of our scope will further strengthen our impact on the territories."

A third of our financing was raised in the form of green or social bonds, exceeding our initial target of 25%. We also achieved a key milestone with the development of climate and environmental rating tools for our loan portfolios.

In 2025, we will integrate these ratings into our financing granting process, to better support our customers in the low-carbon transition. We will also begin our membership process to the Poseidon Principles, strengthening our commitment to decarbonize the maritime sector.

Our ambition is clear: to mobilize EUR 17.5 billion for the environmental transition and EUR 12 billion for social financing by 2030. And we are well on our way to achieving, or even exceeding, these targets.

What are the challenges and outlook for 2025?

P.M. - 2025 promises to be an intense year, in a still very uncertain environment. We have three priorities.

Firstly, maintaining financing that is attractive to our customers. Our ability to raise EUR 9 billion on the markets in 2024, with favorable terms compared to the OAT, demonstrates investor confidence. We will continue to offer competitive and long-term financing to French local authorities and exporters.

Next, continuing supporting French companies in exporting, to help them conquer new markets, particularly in key sectors such as defense and nuclear. In the local public sector, we also aim to maintain our leadership role. We anticipate sustained demand, particularly for green and social loans, with a ramp-up of projects related to the environmental transition.

Lastly, expanding our scope operationally. The European Commission's authorization opens up considerable prospects, both in the financing of local public entities and for export credit.

With an extremely robust financial structure, we are now in a position to step up our action in 2025 and continue financing what matters most.

Our strengths

Our partners

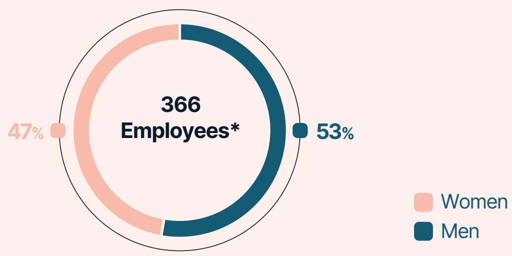
A network of public and private partners

- **Local public sector** La Banque Postale, Banque des Territoires
- **Export credit** bpifrance SERVIR L'AVENIR

  Manager of public export guarantees

  30 EU banks in business relations

Our talented workforce



* *Permanent employees.*

Our financial soundness

A robust financial profile

- Solid financial ratings

Sfil	Moody's	S&P	DBRS
	Aa3	AA-	AA High

- Very high solvency and liquidity ratios

42.2% CET1 ratio

125% NSFR ratio

440% LCR ratio

A very low risk profile

- Cost of risk < 0 bps
- NPE rate 0.26%

Our governance

Liberté • Égalité • Fraternité
RÉPUBLIQUE FRANÇAISE
Caisse des Dépôts GROUPE

- A **fully public shareholding**
- Caisse des Dépôts, a reference shareholder, **committed at the heart of the territories**

Our missions

Serving the public interest

Mobilizing international savings at competitive financing rates via two high-performance issuers

Sfil
SSA Segment

and

Caffil
Covered Bonds Segment

Financing local authorities and public hospitals through medium-long term loans marketed by our two partners

Refinancing large export credit contracts, in order to strengthen the competitiveness of major exporters by relying on the guarantee of the French Republic

Supporting the environmental transition and social cohesion of the territories, through green and social loans backed by thematic bond issues

Our value creation

For our customers

1st
financer of French local public sector

EUR 55 billion
in loans granted since 2013 and over 8,417 local authorities and 364 public hospitals supported

1st
liquidity provider for large export contracts

EUR 18.5 billion
in refinancing granted since 2016, enabling the signature of **EUR 32 billion** in export credits

For our talented workforce

92%
of employees are proud to work at Sfil

12,367
training hours

93/100
for the gender equality index

33%
women on the Executive Committee of Sfil

Inclusion Award
at The Big Green 2024 edition

For our investors and our shareholders

1st
European covered bond issuer for the public sector **ECB "Premium" certified**

EUR 78 billion
raised since 2013

EUR 217 million
in net banking income*

EUR 75 million
in net income*

* Recurrent item

First financer of local public sector in France, with an extended thematic loan offer

Green loans to local authorities

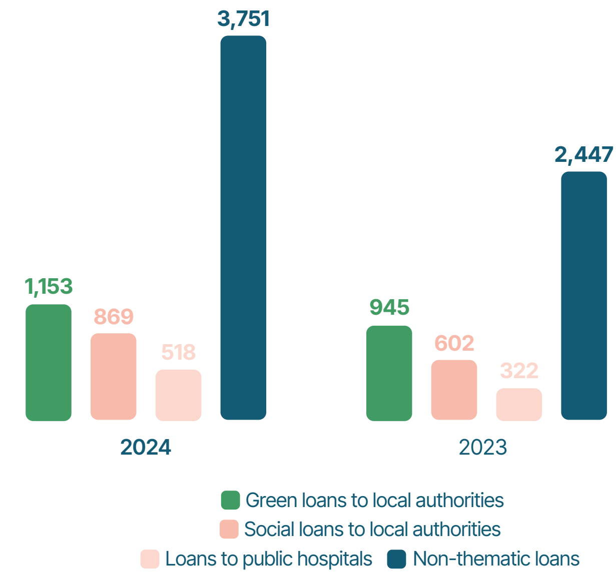
1. Renewable energies
2. Sustainable water and sanitation
3. Waste management and recovery
4. Soft mobility and clean transportation
5. Energy efficiency in construction and urban planning

Social loans to local authorities

1. Fire and Rescue Service
2. Health, social and family action
3. Education and vocational training
4. Sport, culture and community life
5. Territorial development and cohesion

BREAKDOWN OF LOANS TO THE FRENCH LOCAL PUBLIC SECTOR

(EUR millions)



First liquidity provider in the export credit market

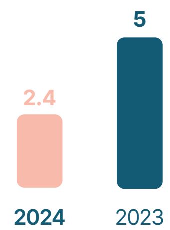
Export credits of a minimum amount of **EUR 70 million**

17 French exporters supported on **4 continents**

40% market share

TRANSACTIONS SIGNED

(EUR billions)

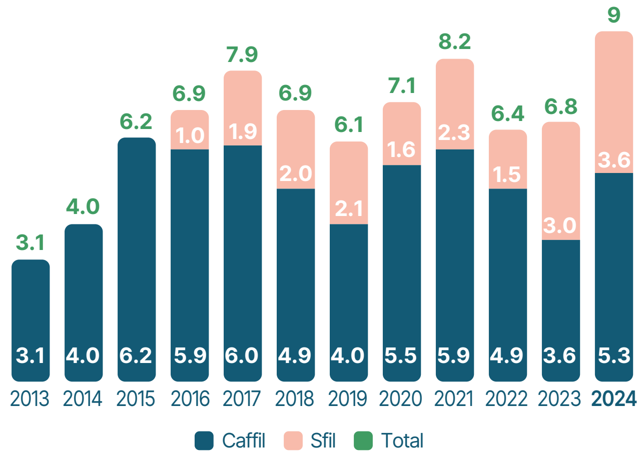


Recurring income up strongly driven by the dynamism of the two business lines and operational efficiency

(EUR millions)	**2024**	2023
Net banking income	**217**	**198**
Gross operating profit	**100**	**80**
Cost/income ratio [(1)]	54%	57%
Cost of risk	1	11
Income before tax	101	91
NET INCOME	**75**	**65**

(1) Excluding contribution to the Single Resolution Fund

A signature well-established in the financial markets



An awarded issuance capacity of long term maturities

May 2024:

- 15 years
- EUR 500 million

1st issue in 2 years on this maturity in the covered bonds market

An objective: to support the environmental transition and the social cohesion of the territories

1 Green issue
for an amount of EUR 1.25 billion

2 Social issues
for a total amount of EUR 1.75 billion

EUR 3 billion
green or social bonds issued in 2024 (**33%** of total volume)

In advance on the 25% target set for 2024

Significant progress in the ESG roadmap

EUR 1.8 billion
in green loans for the environmental and ecological transition

EUR 1.4 billion
in social loans

Development of **climate and environmental rating tools** for the loan portfolios

81%
of the portfolio covered by a measure of financed emissions

71%
of outstandings aligned or covered by a target aligned with the objectives of the Paris Agreement

1. General business environment

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The *Autorité de Contrôle Prudentiel et de Résolution* (ACPR) College, the French administrative authority responsible for the supervision of banking and insurance undertakings, authorized Sfil as a bank on January 16, 2013. Since September 30, 2020, when the French Republic, except for one share, and La Banque Postale sold their stakes to Caisse des Dépôts, the latter has become the reference shareholder of Sfil. The French State continues to be present on the Board of Directors through a non-voting board member, given the public interest missions entrusted to Sfil.

The fully public shareholding structure is one of the characteristics of the public development bank model under which Sfil operates. The objective of public development banks is not to maximize their profit or market share, but to carry out public policy missions entrusted to them by the public authorities (central government, region or local authorities) in order to compensate for identified market failures while ensuring their own viability. Thus, Sfil is one of the key components of the financing scheme dedicated to local authorities and public hospitals set up in early 2013 following the European Commission decision of December 28, 2012. This scheme aims to provide a sustainable response to the scarcity of long-term financing for French local authorities and public hospitals.

From 2015, Sfil was also entrusted with another key mission for refinancing large export credit contracts as part of a public refinancing scheme aimed at strengthening the competitiveness of French companies in the export market. Initially authorized by the European Commission for a period of five years, it was renewed in 2020 for a further seven years.

As a reminder, since January 31, 2013, Sfil has held 100% of the capital of Caisse Française de Financement Local (Caffil), its sole subsidiary, with the status of *société de crédit foncier* governed by articles L.513-2 et seq. of the French Monetary and Financial Code (*Code monétaire et financier*). Sfil is the institution that support the activities of Caffil, as specified by regulations concerning its status of *société de crédit foncier*, in particular in accordance with articles L.513-15 and L.513-2 of the French Monetary and Financial Code. In this context, Sfil is Caffil's servicer, and provides full operational management of its subsidiary within the framework of the management agreement it signed with Caffil.

1.1 French local public sector lending

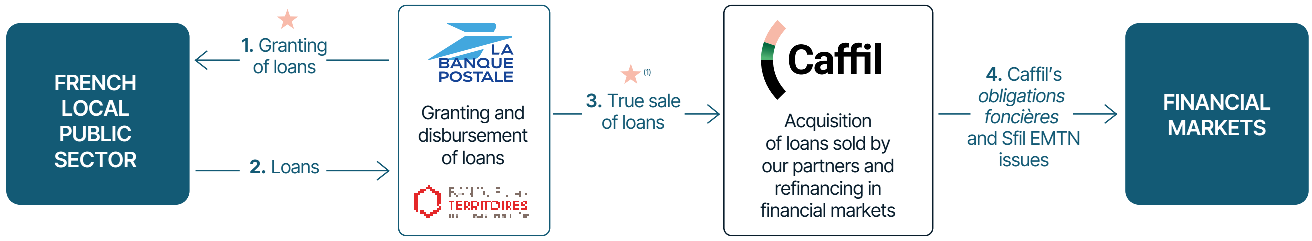
The Sfil Group, fully integrated into the Caisse des Dépôts Group, is at the heart of the system whose objective is to provide French local authorities and public hospitals with sustainable and efficient access to long-term bank financing.

In this context, Sfil finances the investments of French local authorities and public hospitals through two partnerships with La Banque Postale and Banque des Territoires, signed in 2013 and 2022 respectively, and which are subject to assignment agreements. These schemes share the following characteristics:

- the partners originate loans to French local authorities and public hospitals, then sell them to Caffil, the Group's *société de crédit foncier*;
- the loan offer is intended for all types of local authorities throughout France, from the smallest municipalities to the largest inter-municipal, departmental or regional structures;
- deliberately simply designed, these amortizing loans, for a minimum amount of EUR 40,000, are exclusively denominated in euros and bear a fixed interest rate or a single-indexed (Euribor + margin) or double-phased (fixed rate then variable rate) interest rate;
- the Sfil Group finances acquired loans by issuing *obligations foncières* (covered bonds) and EMTNs. When these are use-of-proceeds loans (i.e. green or social loans to local authorities or loans to public hospitals), they are financed by green, social or sustainable bonds (see 1.3 "Financing of Sfil").

These partnerships enable the Group to maintain control of its credit risk:

- before origination, the two entities involved carry out an initial analysis of the counterparty. The loans that do not meet the credit and eligibility criteria set by the Sfil Group cannot be transferred to its balance sheet. Eligibility criteria are strictly governed by internal management policies;
- in the case of the partnership with La Banque Postale, before each acquisition of loans by Caffil, a new analysis of loans is carried out. Any loan that no longer meets the criteria may be temporarily or permanently refused before the transfer.



Caffil's credit decision-making process
(1) Only in the case of the partnership with La Banque Postale

More specifically, loans originated by La Banque Postale:

- have maturities mainly between 10 and 30 years;
- since mid-2019, also consist of green loans whose purpose is to finance investments by local authorities that contribute to the environmental transition and sustainability in the fields of renewable energies, sustainable water management and sanitation, waste management and recovery, soft mobility and clean transport, and energy efficiency in construction and urban planning;
- since the end of 2022, La Banque Postale has offered a range of social loans intended to finance the social investments of local authorities in the fields of health, education, sport, culture, development and regional cohesion.

The range of loans marketed by Banque des Territoires:

- covers long periods of between 25 and 40 years;
- is mainly intended for the financing of investments that contribute to the environmental transition, on green themes identical to those developed with La Banque Postale or the financing of public hospitals. Since June 2024, the offer also covers three social themes (sport, culture and community life; health, social and family action; as well as education and professional training).

1.2 Refinancing of large export credits

The French Republic has entrusted Sfil and its subsidiary Caffil with a second mission: refinancing of large export contracts. Its objective is to improve the competitiveness of financing associated with French exports, according to a public refinancing scheme that also exists in several OECD countries, and this by leveraging on the excellent financing capacities of the Group on the international financial markets.

This refinancing scheme is open to all partner banks of French exporters for their loans insured by Bpifrance Assurance Export in the name and on behalf of the French Republic. In this context, Sfil organizes its relations through bilateral agreements with almost all the banks that are active in the French export credit market. Sfil may acquire a portion of the interest of each of these banks in an export credit (maximum 95% of this interest depending on the size of the transactions and the number of lenders involved in the transaction).

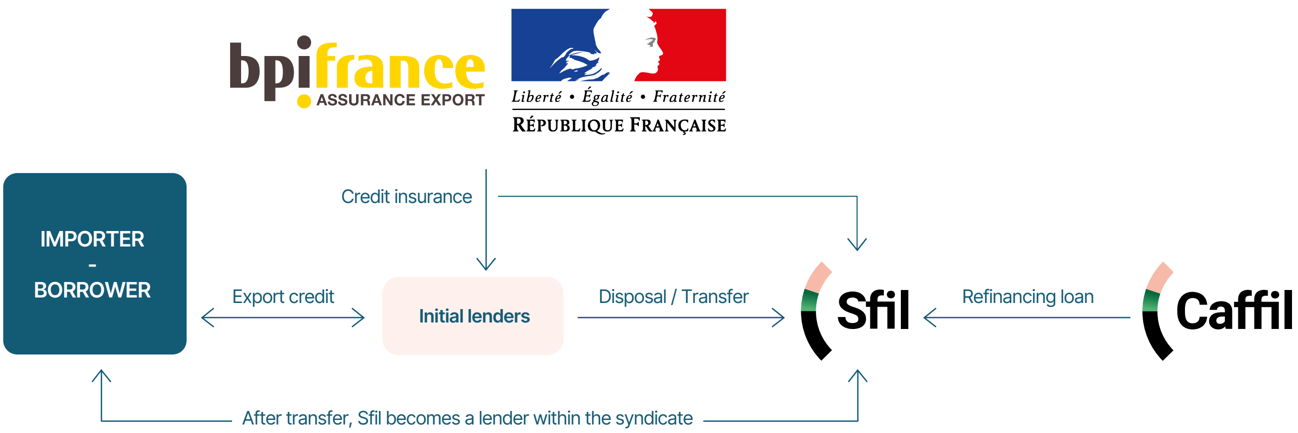
1.2.1 Refinancing scheme

The scheme operates as follows:

- Sfil contributes to the financial proposal prepared by one or more banks of the banking syndicate granting the buyer credit covered by an export credit insurance granted by the French Republic;
- after signing the export credit agreement, the partner banks sell to Sfil a share of the loan, the rights attached to it as well as those attached to the portion of the loan that they retain. They retain the portion of the loan that does not benefit from credit insurance (at least 5%);
- Caffil grants Sfil a refinancing loan which is backed by the acquired export credit. In this context, the portion of the export credit acquired by Sfil is pledged to Caffil. Sfil also delegates to Caffil its rights to compensation under the Bpifrance Assurance Export credit insurance policy.

The refinancing loans benefit from an unconditional guarantee on first demand issued by the State, known as an enhanced guarantee [1]. Caffil no longer uses this mechanism for transactions concluded since September 2024, but still benefits from the export credit insurance issued by Bpifrance Assurance Export. This change reflects a simplification process for the Sfil Group. It does not call into question the principle of direct exposures to public entities or guaranteed by them in line with the regulations applicable to *sociétés de crédit foncier*;

- Caffil finances these loans by issuing covered bonds. When these export credit contracts are eligible, they are refinanced through green, social or sustainable bonds (see 1.3 "Financing of Sfil").



1.2.2 Public export guarantees

Bpifrance Assurance Export manages these guarantees, in the name, on behalf of, and under the control of the French Republic, pursuant to article L.432.2 of the French Insurance Code. They are, therefore, granted directly by the French Republic to encourage, support and secure French exports financed in the medium and long term as well as French investments abroad:

- the Minister of the Economy and Finance takes the decision to grant the guarantee after examination by Bpifrance Assurance Export and the opinion from the Commission for Guarantees and Foreign Trade Credit. Bpifrance Assurance Export manages French Republic guarantees in strict compliance with the international rules of the WTO, the European Union and the OECD;
- Bpifrance Assurance Export issues insurance policies, pure and unconditional guarantees as well as guarantees for strategic projects, in accordance with the decision made. In this context, it is also tasked with collecting insurance and guarantee premiums, risk management, payments, and recoveries on behalf of the French Republic;
- the French Republic bears the risks associated with these guarantees. All financial flows (premiums, payments, repayments) are recorded in separate accounting entries by Bpifrance Assurance Export. Premiums and recoveries are received directly on the account of the French government and payments are made directly from the same account, without passing through the accounts of Bpifrance Assurance Export.

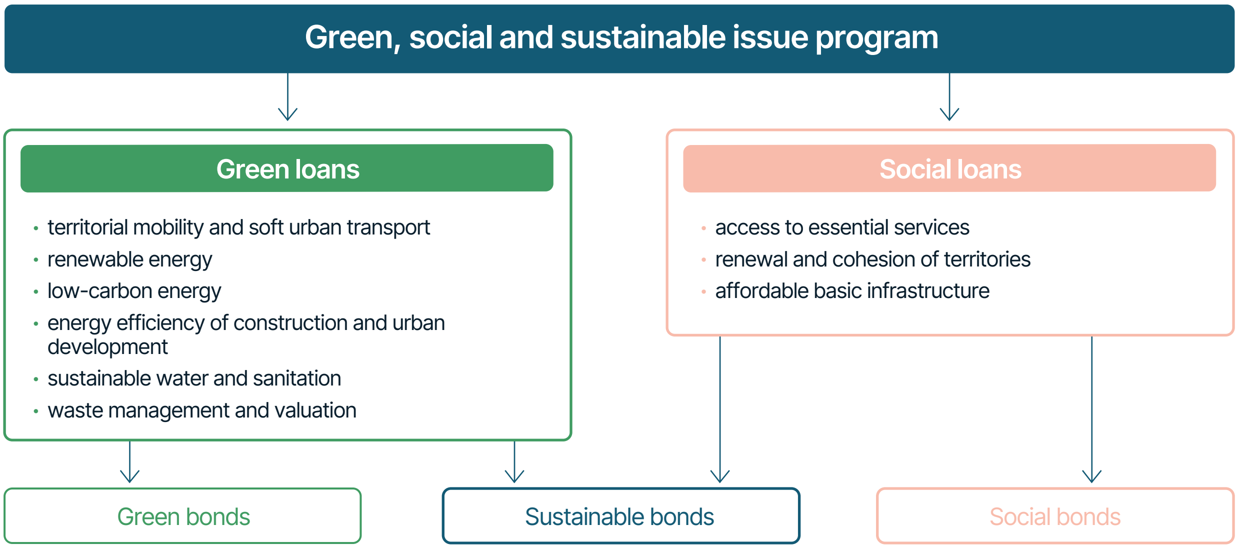
(1) *The enhanced guarantee was introduced by law 2012-1510 of December 29, 2012 and Decree No. 2013-693 of July 30, 2013. It was then amended by Decree No. 2018-1162 of December 17, 2018 relating to the granting of the French State's guarantee for transactions that are likely to contribute to the development of France's foreign trade or are of strategic interest for its overseas economy.*

1.3 Financing of Sfil

In order to refinance its two activities, the Sfil Group, *via* its subsidiary Caffil, issues *obligations foncières* (covered bonds) on financial markets in the form of benchmark public issues but also in the form of private placements, particularly in the registered covered bonds format, adapted to its large investor base. These instruments are characterized by the legal privilege, which, as a priority, allocates the sums from the cover pool of Caffil to pay their interest and reimbursements. They carry the European Covered Bond (Premium) label. This source of financing is the main source of liquidity for the Sfil Group.

In addition to and in order notably to diversify the Group's sources of financing and investor base, Sfil itself regularly issues medium-term debt securities in the form of bonds issues in euros and US dollars and short-term debt securities *via* its specific issuance program for debt securities of less than one year (NeuCP issuance program).

Lastly, in line with its sustainable development policy, in order to support its borrowers in their investments in favor of the environmental transition and social cohesion, the Sfil Group has issued green and social bonds since 2019. These issues are governed by the Green, Social and Sustainability Bond Framework of October 2022. The updated November 2024 version of this program aims to include all key areas of green and social investments of French local authorities and public hospitals. It has also included among its objectives to make a substantial contribution to the financing of French large export contracts that include significant environmental and/or social benefits.



The Sfil Group has already issued social issues to finance the French public hospital sector in a separate program, the Social Note Framework. This remains applicable to all bonds previously issued under this program, and remains publicly available.

2. Management report

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2.1 Highlights

2.1.1 Geopolitical and macroeconomic context

2024 was a year of uncertainty, both from the instability caused by the elections in a number of countries and the economic impact resulting from these new political configurations. The war in Ukraine and the conflict in the Middle East continued marking the geopolitical context and to fuel this global uncertainty.

After a 2023 year characterized by the increase in its deposit rates, the European Central Bank (ECB) reduced its key rates by 100 basis points in 2024. These rate cuts were to be considered in the light of inflation returning to a level close to the ECB's target: the annual rate of inflation thus reached 2.4% at end 2024 in the eurozone, compared to 2.9% at the end of 2023. The US Federal Reserve reduced its main key rate by the same level over the year to land in the 4.25% - 4.5% range. The inflation rate in the United States reached 2.9% for 2024, close to the level of the eurozone.

In this context, the activity of European economies remained slow with 0.8% growth in 2024, while the US economy remained solid, with 2.8% growth. Spain overtook the economic engines of the eurozone, Germany and France. This heterogeneity within the Economic and Monetary Union came notably from the deferred impact of the inflation of energy and raw materials in recent years as well as the arrival of non-European competitors in the historical markets of the eurozone countries.

2.1.2 Business activity

French local public sector lending

In 2024, lending to French local authorities and public hospitals, through the partners La Banque Postale and Banque des Territoires, increased by 46% to EUR 6.3 billion.

2024 was characterized by a strong acceleration in investments by local authorities and their groupings, despite the instability that prevailed after the dissolution of the French National Assembly in June 2024. This acceleration, favored by the relative decrease in interest rates, was correlated with the end of the electoral cycle for the municipalities. Local authorities financed their investments through increased borrowing due to a more restricted available cash flow than in previous years. This tension was particularly observed in departments which faced a further decline in their tax revenues, and especially in real estate transfer fees [*droits de mutation à titre onéreux*].

Driven by these various factors, lending to French local authorities reached a record level since the activity started, with EUR 5.8 billion granted by Sfil and its partners (+45% compared to 2023). Loan origination was strongly driven by large local authorities (+58% compared to 2023), and in particular departments (+100% compared to 2023), groups of municipalities (+51% compared to 2023) and to a lesser extent, regions (+13% compared to 2023).

After the slowdown observed in the implementation of the *Ségur* Plan in 2023, the health sector saw a gradual recovery in investments. The volume of loans granted to public hospitals reached EUR 518 million, compared to EUR 322 million in 2023. The payment of subsidies under the *Ségur* Plan enabled them to initiate, to a certain extent, investment projects that had been previously delayed. However, due to the increase in their costs (inflation, raw materials), some of these projects had to be redirected towards the renovation of buildings rather than construction. In this context, Sfil continued providing financing to public hospitals, based on a long-term assessment of their financial situation and of the positioning of their healthcare offer (healthcare added value).

Accompanying the environmental and energy transition and supporting regional cohesion

As the leading public investors in France, local authorities play a key role in achieving France's carbon neutrality objectives by 2050, formalized in the National low-carbon strategy.

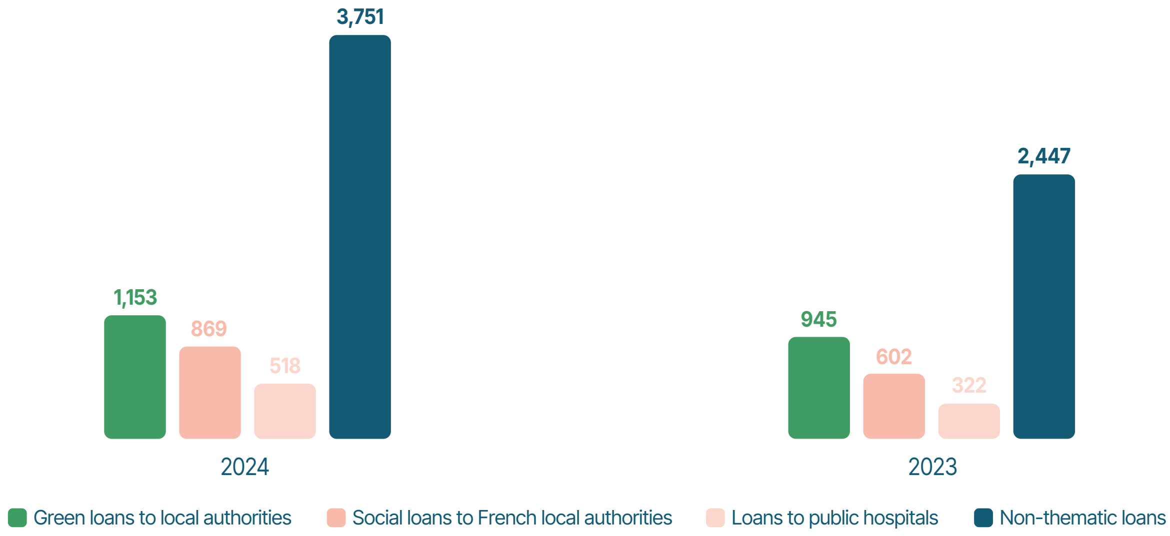
In its latest study [(1)], the Institute for Climate Economics (*I4CE*) highlighted an acceleration of local investments in favor of the climate that it estimated at EUR 8.3 billion invested in 2022 with a forecast at EUR 10 billion for 2023, notably in three key sectors: buildings, transport and energy. However, despite this clear increase in efforts at the local level, local authorities will need to more than double their investments to cross the "climate investment wall". The institute thus assessed this effort on average at nearly an additional EUR 11 billion per year over the period 2024-2030, highlighting the financing issue in a fragile economic context, as well as regional disparities. To address this issue, the study modeled four scenarios in which the use of borrowing is identified as an essential driver.

In this context, Sfil continued supporting French local authorities in investments in favor of the ecological and energy transition. As a result, EUR 1.2 billion in green loans were granted in 2024, up 22% compared to 2023. This acceleration was mainly driven by the increase in financing granted to water and sanitation projects, a theme that accounted for the largest total volume in both amount (EUR 505 million, or 43.7% of green loans) and number of contracts (half of green loans). Supported by municipalities, this capability faces several challenges: offering high-quality water at an affordable price while preserving this resource.

(1) *Study published by I4CE in September 2024: "Overview of local authority climate financing".*

In addition, the range of social loans intended for local authorities also saw very strong growth: EUR 869 million was granted, up by 44%, driven in particular by investments in education, fire and rescue services as well as sports, culture and community life.

These trends reflected the significant weight of thematic loans (green and social loans to local authorities, loans to public hospitals) in the activity. They represented 40% of the production of loans to the local public sector in 2024 (compared to 43% in 2023).



As announced in December 2023 when announcing its 2030 targets to reduce the financed emissions of its portfolios, Sfil supports the efforts of its clients in favor of the energy and environmental transition and social cohesion by an even stronger mobilization of thematic loans over the 2024-2030 period (see 2.6.3 "Environmental information" for more details on the decarbonization of portfolios).

Consolidation of the customer relationship

In 2024, Sfil continued its institutional actions to promote its role in financing the local public sector and its thematic loan offer to its borrowers:

- an information session, co-organized in January 2024 with I4CE and La Banque Postale, for local decision-makers on the challenges of the regionalization of the environmental transition;
- the completion of a new study by I4CE and the research department of La Banque Postale continuing, in line with their last three publications, the discussions on the necessary doubling of the “climate investments” that local authorities will have to make to achieve France's climate objectives (see above). This new publication aims to identify the financing levers to be activated in order to achieve this;

  the participation in several local public sector events: in particular the *Assises de l’Afigese* in September, the Financing of the environmental transition day organized by the ANAP (National Agency for Health and Medico-Social Performance) and the *Convention nationale des intercommunalités* in October and finally, the Mayors and Local Authorities' exhibition in November 2024 during which a conference was organized on the presentation of the new I4CE study mentioned above;
- a second satisfaction survey of local public sector borrowers, which highlighted the strengthening of the relationship with its customers as well as its progress in terms of both reputation and preference compared to its competitors. Potential areas for improvement have also been identified, that Sfil will work on during 2025.
- the continuation of communication and awareness-raising actions for local authorities by sending information letters or dedicated meetings on certain topics such as climate and environmental ratings.

Alongside these actions, Sfil continued rolling out its DIGISfil digital platform and supporting its borrowers in the digitalization of exchanges (nearly 3,200 borrowers covering 75% of outstanding loans compared to 69% in 2023).

Refinancing of large export credits

After a record financial year in 2023, the growth of the global export credit market stalled in 2024, with a decline in terms of both volume and number of transactions (respectively -27% and -14% compared to 2023). However, this correction should be put into perspective: the long-term trend in export credit remained firmly oriented upwards, with 2024 reaching a level well above 2021 or 2022.

As in 2023, the transport sector consolidated its leading position in export credit worldwide in 2024 with 25% of volume and 25% of transactions (compared to 18% and 23% respectively in 2023). In absolute value, the amounts for this sector were almost identical to those for 2023. The renewable energies sector paradoxically decreased by 36% in volume compared to 2023 but at the same time increased by 16% increase in terms of transactions. This sector represented 11% of total export credit transactions in 2024 (compared to 12% in 2023). The infrastructure sector recorded significant growth in both volume (+11% compared to 2023) and the number of transactions (+23% compared to 2023). It represented 11% of total export credit transactions in 2024 (compared to 7% in 2023). Lastly, due to the gradual slowdown in support from export credit agencies, the oil and gas sector declined significantly (-56% in volume and -36% in number of transactions); it represented only 6% of the total (compared to 10% in 2023).

Smaller transactions also illustrated the market correction experienced in 2024: the average transaction amount went from USD 320 million in 2023 to USD 271 million in 2024 while transactions above USD 550 million only represented 64% of the total volume compared to 73% in 2023.

In this context, after a record year in 2023, the refinancing of export credits remained at a high level in 2024 for the Sfil Group: five contracts were signed for EUR 2.4 billion (compared to six contracts for EUR 5.0 billion in 2023). These transactions, one in Africa, one in America, one in Europe and two in Asia, led to the conclusion of EUR 4.1 billion in export contracts involving six different exporters, including one that benefited from the Sfil system for the first time.

Two of the transactions refinanced by Sfil in 2024 related to the infrastructure and transport equipment sector. They thus contributed directly to SDGs no. 7 "Ensure access to affordable, reliable, sustainable and modern energy services for all" and no. 9 "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation". In 2024, the other transactions were carried out in the defense and cruise sectors.

In addition, during the TXF forum in June 2024, Sfil received the Deal of the year Central Asia 2023 award for the financing of locomotives for freight and passenger transport in Kazakhstan. The passenger locomotives financed as part of this transaction emit 89% less gCO_2e per passenger-km compared to cars.

As announced in December 2023 when announcing its 2030 targets to reduce the financed emissions of its portfolios, Sfil supports the efforts of its clients in favor of the energy and environmental transition in the countries of destination by an even stronger mobilization of thematic loans over the 2024-2030 period (see 2.6.3 "Environmental information" for more details on the decarbonization of portfolios).

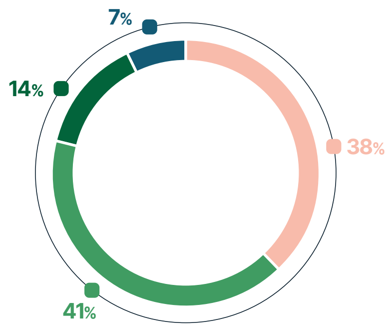
Bond issuance activity

Bond markets were marked in 2024 by the beginning of a cycle of a looser monetary policy of the main central banks (Federal Reserve and ECB), leading each of them to reduce their key rates by 100 basis points cumulatively over the year. This context, buoyant for the bond issuance activity in the sovereign, supranational and agency issuers and covered bond segments, was reflected during the first half-year by strong global demand from investors across a wide range of maturities and a movement in spread performance.

The announcement of early general elections in France in June 2024 resulted in widening the OAT-Bund spread and French credit spreads in general, which continued during the second half of the year. This market environment, the result of the elections in the United States and the degradation in the European geopolitical, economic and financial outlook from November onwards resulted in a slowdown in the bond issuance activity.

In this context, in 2024, the Sfil Group issued a total of EUR 9 billion with average maturity of 7.7 years. It took the form of:

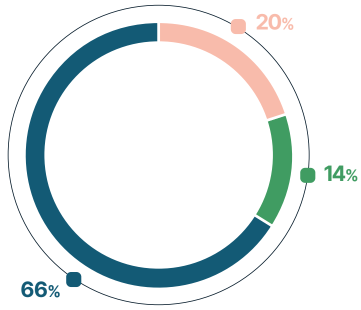
- EUR 8.4 billion on the public primary market, of which EUR 0.7 billion *via* four transactions carried out on existing benchmark issues of Sfil and Caffil;
- EUR 0.57 billion in private placements.



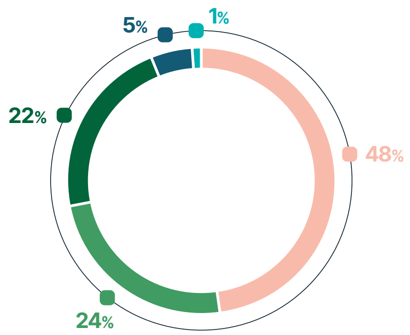
The Sfil Group, *via* its two issuers, Sfil and Caffil, carried out eight public issues:

- a 7-year maturity bond issued by Sfil bond in January 2024 for EUR 1.25 billion;
- a 10-year maturity *obligation foncière* issued by Caffil in January 2024 for EUR 1 billion;
- a 12-year maturity social *obligation* foncière issued by Caffil in March 2024 for EUR 0.5 billion;
- a 3-year maturity bond issued by Sfil in April 2024 for USD 1 billion;
- a 15-year maturity *obligation foncière* issued by Caffil in May 2024 for EUR 0.5 billion;
- a 5-year maturity green bond issued by Sfil in July 2024 for EUR 1.25 billion;
- a 7-year maturity social *obligation foncière* issued by Caffil in September 2024 for EUR 1,25 billion;
- a 5-year maturity *obligation foncière* issued by Caffil in November 2024 for EUR 1 billion.

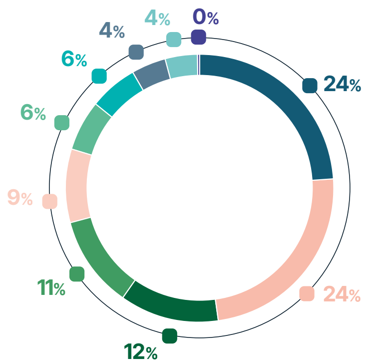
Sustainable bonds thus represented 33% of the financing raised in 2024, exceeding the target of 25% in 2024.



The breakdown of benchmark public issues carried out in 2024 was:



Banks, Central banks and International Organizations, Asset management, Insurance, Others



France, Germany/Austria, Southern Europe, Benelux/Nordics, United Kingdom/Ireland, Switzerland, Asia, Middle East/Africa, Americas, Others

In addition, Sfil continued using its program for issuing debt securities at less than one year (NeuCP issuance program). As of December 31, 2024, outstanding debt securities of less than one year amounted to EUR 0.8 billion.

2.1.3 Financial structure

Sfil has a very robust financial structure.

The Common Equity Tier 1 (CET1) capital ratio was 42.2% at December 31, 2024 from 37.5% at December 31, 2023. The change was mainly due to the decrease in risk-weighted assets. Since the end of September 2024, Sfil has been calculating weighted risks according to the standardized approach. This change resulted from the decision of the Board of the ACPR to treat exposures to most French local authorities as exposures to the French central government.

The leverage ratio [2] reached 9.6% at December 31, 2024 (stable compared to 2023).

The short-term liquidity ratio (LCR) stood at 440% on a consolidated basis as of December 31, 2024. Assets that can be mobilized to meet a liquidity requirement amounted to EUR 44 billion.

The Net Stable Funding Ratio (NSFR), which compares with a one-year horizon, the proportion of available stable funding over required stable funding reached 125% as of December 31, 2024, on a consolidated basis.

Credit ratings were all aligned with the sovereign rating of France.

	Moody's Ratings	Morningstar DBRS	S&P Global Ratings
Long-term rating	Aa3	AA (high)	AA-
Outlook	Stable	Stable	Negative
Short-term rating	P-1	R-1 (high)	A-1+
Date of update	December 17, 2024	January 28, 2025	March 4, 2025

On June 4, 2024, S&P Global Ratings downgraded Sfil from AA (negative outlook) to AA- (stable outlook), similarly to all other French public agencies, following the downgrading of the French sovereign rating which occurred on May 31, 2024. This rating changed from AA (negative outlook) to AA- (stable outlook). The outlook became negative on March 4, 2025 as a result of the change of the same nature on the French sovereign rating on February 28, 2025.

Moody's Ratings downgraded Sfil to Aa3 (stable outlook) following the downgrade of France's sovereign rating on December 13, 2024 after the successful no-confidence vote in the National Assembly that prompted the government to resign at the time. The sovereign rating changed from Aa2 (negative outlook) to Aa3 (stable outlook).

The AA (high) rating by Morningstar DBRS did not change during 2024 and was confirmed in January 2025, with the stable outlook being maintained.

2.1.4 Regulatory developments

The transposition of Basel III into European Union law was finalized with the adoption of the new banking package, consisting of a regulation (CRR3) and a directive (CRD6), which will come into force from January 1, 2025, thus promoting the financial stability and resilience of the European banking system.

In addition, as indicated above, since the end of September 2024, Sfil has been using the standardized approach to calculate weighted risks.

(2) Calculated in accordance with Regulation (EU) 2019/876.

2.2 Net income

2.2.1 Consolidated net income

The consolidated net income, prepared in accordance with IFRS, was EUR +69 million at December 31, 2024, a 22% increase from December 31, 2023 (EUR +56 million). This change was mainly driven by recurring income rather than the change in non-recurring items [(3)], which remained relatively stable. Non-recurring items represented a charge of EUR 9 million in 2023 compared EUR 6 million in 2024, as explained in the table below.

	12/31/2024				12/31/2023				
	Reported income	Restated non-recurring items		Recurring income	Reported income	Restated non-recurring items			Recurring income
		Fair value adjustment of hedging	Fair value adjustment of non-SPPI loans			Fair value adjustment of hedging	Fair value adjustment of non-SPPI loans	Exceptional tax income	
Net banking income	209	5	(13)	217	178	4	(24)	-	198
General operating expenses	(117)	-	-	(117)	(118)	-	-	-	(118)
GROSS OPERATING INCOME	**92**	**5**	**(13)**	**100**	**60**	**4**	**(24)**	**-**	**80**
Cost of risk	1	-	-	1	11	-	-	-	11
PROFIT (LOSS) BEFORE TAX	**93**	**5**	**(13)**	**101**	**70**	**4**	**(24)**	**-**	**91**
Income tax	(24)	(1)	3	(26)	(14)	(1)	6	6	(25)
NET INCOME	**69**	**4**	**(10)**	**75**	**56**	**3**	**(18)**	**6**	**65**

In 2024, non-recurring items were more specifically related to (i) the volatility of the valuation of the derivative portfolio for EUR +5 million, (ii) the impacts of the valuation of non-SPPI loans in application of IFRS 9 for EUR -13 million.

Restated for these non-recurring items, recurring net income as of December 31, 2024 amounted to EUR +75 million, up EUR 10 million compared to December 31, 2023. An item-by-item analysis of this change in recurring net income highlighted that:

- net banking income amounted to EUR 217 million for 2024 compared to EUR 198 million in 2023, an increase of EUR 19 million or nearly +10% driven by high levels of activity in export credit and the local public sector and despite the increase in financing costs from the second half of 2024;
- operating expenses and depreciation amounted to EUR 117 million, stable compared to 2023. The end of the contribution to the Single Resolution Fund (savings of EUR 6.3 million) offset an increase in production taxes and levies (up by EUR 4.5 million). At the same time, operating expenses remained stable (+0.2% between 2023 and 2024), which attests to their good control;
- the cost of risk was a reversal of EUR 1 million at December 31, 2024. Compared to financial assets at amortized cost, it represented a reversal of 0.1 basis points. The cost of risk in 2024 mainly consisted of a reversal of impairments of EUR 14.3 million which reflected the improvement in the financial health of the cruise sector and an allowance of EUR 10.5 million due to the reclassification from Stage 1 to Stage 2 of certain exposures. The low cost of risk reflected the quality of exposures.

This very solid recurring net income was the second-best performance since the creation of Sfil. It is in line with the objectives of the public development bank model of Sfil. The EUR 10 million increase observed also reflected the resilience of Sfil despite a volatile macroeconomic context strongly disrupted by the political context in France in the second half of 2024.

(3) The restated non-recurring items are as follows:
• fair value adjustments concerning hedgings: as a reminder, since 2013 carrying amount adjustments have affected hedging implemented by the Sfil Group to cover its interest rate and foreign exchange risks. These adjustments basically concern accounting for adjustments linked to the application of IFRS 13, which mainly introduced the recognition of valuation adjustments with reference to CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment). These accounting valuation adjustments are recorded in the income statement as net gains or losses on financial instruments at fair value through profit or loss;
• the changes in the valuation of a portfolio of non-SPPI loans (recognized at fair value through profit or loss under IFRS 9 although intended to be retained) due to the change in its credit spread;
• in 2023, the effects of the signing of a memorandum of understanding with Dexia in respect of the sums claimed by the latter following the tax adjustment of the 2012 profits made by the Caffil branch in Dublin, which was closed in 2013.

2.2.2 Return on assets indicators

Article R.511-16-1 of the French Monetary and Financial Code, introduced pursuant to decree 2014-1315 of November 3, 2014, requires credit institutions to publish in their annual report their return on assets, defined as the ratio of net profit to total assets on the balance sheet. For 2024, this ratio was equal to +0.10% for the consolidated financial statements.

2.3 Changes in the main balance sheet items

The assets on the Sfil Group's balance sheet mainly consist of:

- loans and securities;
- cash collateral paid in respect of the derivative portfolio;
- cash assets in the form of cash deposited at the Banque de France.

The liabilities on the Sfil Group's balance sheet mainly consist of:

- bond issues (*obligations foncières* and registered covered bonds issued by Caffil and bonds issued by Sfil under its EMTN program);
- the certificates of deposit issued by Sfil;
- cash collateral received;
- equity and other resources.

The main items on the consolidated balance sheet (management data) [4] as of December 31, 2024, are presented in the table below:

EUR billions, equivalent value after currency swaps

ASSETS	LIABILITIES
71.9	71.9
of which main balance sheet items in notional amount	of which main balance sheet items in notional amount
68.2	**68.2**
Cash assets 2.1	Bond issues 65.4
Securities 7.9	Certificates of deposit 0.8
Loans 56.4	Cash collateral received 0.3
Cash collateral 1.9	Equity 1.6
	Other 0.0

2.3.1 Assets

The net change in the main assets in the 2024 financial year was EUR +1.9 billion.

EUR billions, equivalent value after currency swaps	2024
Beginning of year	**66.3**
Acquisition and disbursement of loans to the local public sector and export credit	7.8
Amortization of loans and securities to the local public sector and export credit	(5.4)
Change in cash collateral	(0.2)
Change in cash investment securities	0.7
Change in cash assets	(0.9)
Other	(0.1)
End of year	**68.2**

In 2024, Sfil acquired EUR 5.5 billion in loans to the French local public sector originated by La Banque Postale and Banque des Territoires. The sharp increase in loans acquired compared to 2023 (EUR 3.4 billion) was notably related to the excellent level of activity at the end of 2023 and throughout 2024. Thematic loans represented 44% of loans acquired, i.e. a volume of EUR 2.4 billion, up 73% compared to 2023 (EUR 1.4 billion) and were composed of :

- EUR 1.2 billion in green loans to local authorities (EUR 0.8 billion in 2023);
- EUR 0.7 billion social loans to local authorities (EUR 0.2 billion in 2023);
- EUR 0.5 billion loans to hospitals (EUR 0.4 billion in 2023).

The export credit activity resulted in EUR 2.3 billion of drawdowns on off-balance sheet financing commitments. This also reflected the very record of activity achieved in 2023.

Sfil paid EUR 1.9 billion in cash collateral at December 31, 2024, a decrease of EUR 0.2 billion compared to the end of 2023.

Cash and cash equivalents constituted by the balance of the Banque de France account as well as the portfolio of securities acquired to invest available cash decreased very slightly by EUR 0.2 billion over the year (EUR -0.9 billion and EUR +0.7 billion respectively). At December 31, 2024, this portfolio, made up of securities from the banking sector (mainly covered bonds) and European public sector securities, represented EUR 4.7 billion in outstanding.

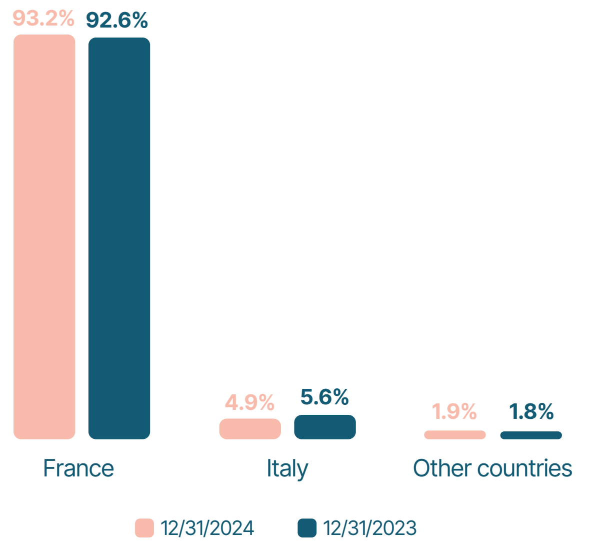
(4) As regards the loans shown in the tables hereinafter, the notional balance sheet item concept which is an alternative performance indicator, corresponds to outstanding principal for euro transactions and, for foreign currency transactions, the euro equivalent value after swap hedging. Notional balance sheet items notably exclude hedging relationships and accrued interest not yet due.

Breakdown of outstanding public sector loans and securities

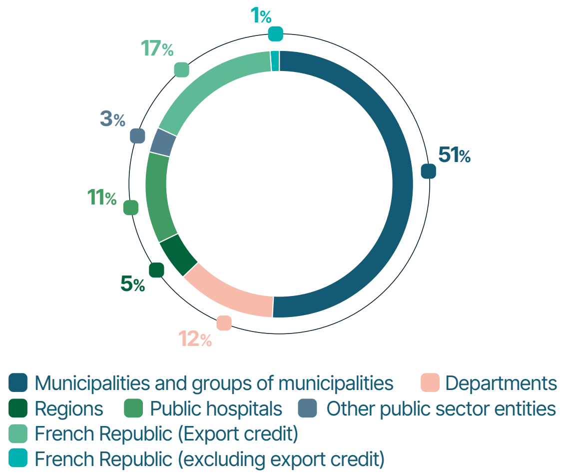
Outstanding loans and securities totaled EUR 64.3 billion, of which EUR 60.7 billion to the public sector. After taking into account the granted guarantees, France was largely predominant with over 93% of total outstanding to the public sector at year-end 2024.

New loans are exclusively originated with the French local public sector or fully guaranteed by the latter. Outstanding loans for the export credit activity amounted to EUR 9.4 billion at the end of 2024 and represented 15% of the outstanding loans and securities on the balance sheet. Other assets with or guaranteed by the local public sector in France represented approximately 73% of the loans and securities of the Sfil Group.

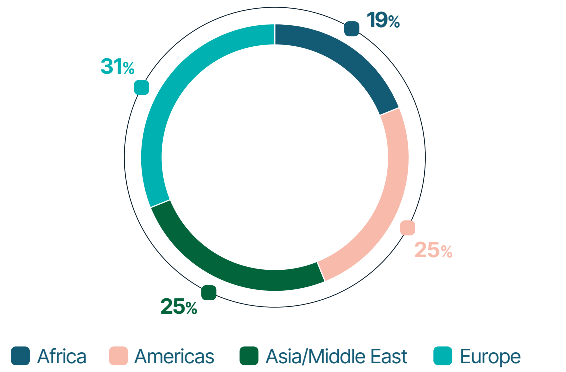
The relative share of France was up compared to 2023. Excluding France, the largest exposure was local authorities in Italy and sovereign exposures in Italy (less than 5%). These loans and securities, now under run-off management, correspond to geographically diversified exposures to public authorities.



The breakdown by type of counterparty of loans and securities granted to the French public sector was as follows:



For the relative share of 17% of export credit activity in 2024, the geographical breakdown of importers beneficiaries of granted loans was as described below.



Exposure to banks

Four types of exposures to banks were recognized on the consolidated balance sheet:

- cash assets deposited with the Banque de France, which totaled EUR 2.0 billion as of December 31, 2024;
- cash invested in bank securities (mainly covered bonds) amounting to EUR 3.6 billion, compared with EUR 3.3 billion as of December 31, 2023;
- collateral payments made in the form of cash, in the total amount of EUR 1.9 billion at December 31, 2024, to banking institutions or clearing houses to hedge the counterparty risk on the derivative portfolio;
- in a much more marginal proportion, deposits in current bank accounts opened with credit institutions.

2.3.2 Liabilities

The net change in the main liabilities in 2024 was EUR +1.9 billion.

EUR billions, equivalent value after currency swaps	**2024**
Beginning of year	**66.3**
Bonds	1.9
of which new issues	*9.0*
of which amortization	*(7.1)*
of which buybacks	-
Change in outstanding certificates of deposit	(0.0)
Change in cash collateral received	0.2
Equity and other items	(0.2)
End of year	**68.2**

The change in outstanding bonds was related to EUR +1.6 billion for Sfil and EUR +0.3 billion for Caffil. More specifically, in 2024, the new issues of Sfil for EUR 3.6 billion offset the amortization of the stock of EUR 2.0 billion. Over the same period, the new issues of covered bonds by Caffil for EUR 5.3 billion also offset the amortization of the stock of EUR 5.1 billion.

The cash collateral paid by derivative counterparties increased very slightly to reach a balance of EUR 0.3 billion at December 31, 2024.

2.4 Post-closing events

No event that had a material impact on the financial position occurred between the closing on December 31, 2024 and the date of the management report.

2.5 Outlook

The outlook for 2025 is set against a still very uncertain geopolitical, economic and financial environment and a French political context marked by latent instability. The Sfil Group will continue implementing its "Objectif 2026" strategic plan, with the following main priorities:

- execute the financing program under the best possible financial conditions in a disrupted context;
- maintain leadership in its two activities, while maintaining a very low risk profile;
- continue supporting its clients in their efforts to promote the transition;
- strengthen its innovation and transformation strategy.

More specifically, the uncertainties of the geopolitical and macroeconomic context may deteriorate funding conditions. The Sfil Group aims to issue between EUR 8 and 10.5 billion on the primary market, of which one third of sustainable issues.

Local public sector financing activity is expected to remain at a high level in 2025 based on:

- the continuation of local investments in the last year preceding the municipal elections with a corresponding increase in financing needs related, in particular, to the challenges of climate change, in support of the implementation of the green fund increased to EUR 1.15 billion and the creation of a regional climate fund endowed with EUR 200 million;
- the increase in green and social loans in connection with investments by local authorities in support of public policies for the ecological transition and social cohesion;
- ongoing financial support for hospitals in making the investments encouraged by Ségur de la Santé.

The local public sector financing activity will also depend on the possible impacts of the measures concerning local authorities adopted as part of the 2025 French Finance Act, in particular, the implementation of the cyclical smoothing of the tax revenues of local authorities amounting to EUR 1 billion, which should affect nearly 2,100 local authorities. Subject to these reservations, the volume of thematic loans, particularly green loans, should continue increasing, encouraged by the adoption in 2025 of the new objectives of the National Low Carbon Strategy 3, the National Climate Change Adaptation Plan (PNACC-3) and the obligation for local authorities with more than 3,500 inhabitants to implement a green budget.

The 2025 outlook for export credit are also very positive. The number of consultations reached an all-time high of 220 consultations for indicative offers during 2024, the previous reference being 195 consultations in 2023. This confirms the appeal of the refinancing scheme that the Sfil Group offers. The stock of active deals under review at the end of 2024 remained stable compared to the previous year with 175 cases for a total amount of EUR 64.8 billion (compared to 176 active cases for an amount of EUR 62.4 billion at the end of 2023), reflecting the good momentum of underlying markets, notably on investments related to sovereignty issues.

In a financial market environment where the French sovereign rating has been downgraded, the ability of the Sfil Group's to intervene is not affected in terms of the volumes of financing that may be made available.

Moreover, on December 18, 2024, the European Commission authorized the extension of the scope of activity of the Sfil Group. This expansion is part of the mandates historically entrusted by the French State. Thus, the Sfil Group should be in a position, by the end of 2025, to expand its scope of activity to export credits benefiting from an insurance by other European export credit agencies or multilateral lenders. The Sfil Group will thus be able to intervene in operations presenting a French interest and benefiting from a guarantee other than that of Bpifrance Assurance Export. In addition, the financing of the local public sector, previously limited to local authorities and French public hospitals, may be extended to other French public entities, namely public institutions and French public entities *sui generis* or exposures guaranteed by them. The first transactions could be finalized during the year.

Finally, Sfil will continue implementing its innovation approach in 2025, in particular with the deployment of an internal generative artificial intelligence tool.

2.6 Social, environmental and societal information

2.6.1 General principles

With the founding principle of serving the public interest, Sfil adopted its corporate purpose statement in 2018: "financing a sustainable future through a long-term and responsible support to regional development and large exporters by mobilizing international capital, with an objective of positive and moderate profitability as part of a controlled risk-taking and a balanced social model". The #Objectif2026 strategic plan is a tangible expression of this purpose, by placing sustainability at the heart of its actions.

Contribution to the Sustainable Development Goals

Sfil is a member of the United Nations Global Compact, a coalition of public and private actors that aims to propose solutions to global challenges, in close connection with the Sustainable Development Agenda and the 17 United Nations SDGs by 2030. In line with its purpose, Sfil has made ten commitments to guide its contribution to the SDGs in a concrete and measurable way.

Ecological transformation

Gradually align financing portfolios with the objectives of the Paris Climate Agreement

Accelerate the ecological and energy transition through our financing activities and the support provided to our clients

Make progress in measuring and taking into account the impact of provided financing on biodiversity

Social and regional cohesion

Support regional development by ensuring stable financing for local authorities

Promote social cohesion through our financing activities and sponsorship activities

Act in favor of health by supporting the investments of public health institutions

Development and economic sovereignty

Contribute to the reindustrialization of the regions, the improvement to France's strategic autonomy and the development of essential infrastructure by supporting major French exporters

Internal exemplarity

Engage in an increased search for extra-financial performance

Be a responsible employer that engages and protects its employees by valuing their diversity

Manage the environmental impact of our internal operations

Exclusion policy

Sfil does not finance the production of or trade in any illegal product, as well as any illegal activity under the laws of France or the country of destination. The following sectors are therefore excluded:

- prostitution;
- activities involving forced labor, child labor or human trafficking;
- illicit activities on human organs, tissues and products or genetic engineering activities prohibited by the national bioethical standards of France, the host country, European or international standards applicable in this area;
- the trade in, production, breeding or keeping of animals, plants or any natural products that do not comply with the provisions of the Convention on International Trade in Endangered Species of Wild Fauna or Flora;
- the production, use or sale of any product as soon as they are prohibited from production or use or subject to progressive prohibition under the regulations of the country of destination or international;
- cross-border trade in waste, except for waste compliant with the Basel Convention and its underlying regulations;
- illicit trade or activities that facilitate the illicit traffic of cultural property;
- projects for which a forced eviction within the meaning of the United Nations took place on the impact site of the proposed project, for which a causal link can be established with the purpose of this project and for which it is physically impossible to provide compensation.

In addition, Sfil excludes the financing of the following activities due to their controversial nature and their negative societal impact:

- any activity related to pornography;
- the tobacco sector (5);
- the gaming business (5);
- non-conventional weapons covered by international treaties ratified by France;
- speculation on agricultural raw materials, which has a direct impact on food prices, as well as the exploitation and trading of raw materials contrary to the national strategy to combat imported deforestation;
- the manufacture, storage and sale of pesticides banned on French territory.

In accordance with the guidelines of the French export support policy in connection to fossil fuels, Sfil does not finance:

- the exploration, production, transportation, storage, refining or distribution of coal or liquid or gaseous hydrocarbons;
- coal-fired power generation.

These exclusions do not apply to operations that will reduce the negative environmental impact of or improve the safety of existing facilities or their impact on health, without increasing their lifetime or production capacity, or for the dismantling or conversion of these facilities.

Cash investments

Cash investments are governed by the following principles :

- an exclusion of countries with a high level of risk or prohibited according to the country risk classification of Sfil;
- the existence of a green, social or sustainable framework and their extra-financial rating for bank issuers
- the average of the global governance indicators (6) of the World Bank for sovereign issuers and public sector entities and their adherence to the Paris Climate Agreement.

2.6.2 Social information

Sfil is a signatory of the United Nations Global Compact and adheres to its ten principles, including those relating to human rights. Sfil implemented a human resources management policy aligned with the principles of the following main international conventions: the Universal Declaration of Human Rights and its supplementary commitments, the fundamental conventions of the International Labor Organization (ILO) and the ten principles of the United Nations Global Compact, including those relating to human rights.

Thus, through its human resources management policy, Sfil ensures in particular:

- respect for freedom of association and the right to collective bargaining;
- the elimination of discrimination in respect of employment and occupation;
- the elimination of forced or compulsory labor;
- the effective abolition of child labor.

(5) Main activity only: this does not include urban development plans, which may subsequently include sales projects.

(6) The World Bank's global governance indicators measure the performance of countries on six dimensions: civic voice and responsibility, political stability and absence of violence, effectiveness of public authorities, quality of regulation, rule of law and fight against corruption.

Employment information

Breakdown of employees by gender, age and geographic area

As of December 31, 2024, Sfil had a total of 412 employees, of which 366 were under permanent contracts. In 2024, Sfil recruited a total of 110 employees, including 49 permanent, 8 fixed-term and 26 on work-study contracts. It also integrated 27 interns on work placement plans.

Number of employees (headcount)	2024	2023
Men	217	210
Women	195	187
TOTAL	**412**	**397**

2024	< 25 years	25 to 29 years	30 to 34 years	35 to 39 years	40 to 44 years	45 to 49 years	50 to 54 years	55 to 59 years	60 years and +	Total
Managers	7	31	37	47	57	63	55	43	21	361
Non-managers	32	8	3	1	2	3		2		51

All employees were located in France: 394 were based at the Paris site and 18 at the Lyon site at the end of 2024.

Staff movements on permanent or fixed-term contracts

	2024	2023
Permanent contracts	39	30
Mobility of permanent contracts to the employment area	4	8
Dismissals/contractual termination of permanent contracts	5	4
Resignation from permanent contract	9	15
Transfer from fixed-term or work-study contracts to permanent contracts	10	7
Hires on fixed-term contracts (including work-study students and interns)	59	48
Dismissals/resignations from fixed-term contracts (including work-study students)	1	3
Retirement	1	3
End of trial period for permanent/fixed-term contracts (including work-study students)	6	1
End of fixed-term contract (including work-study students)	57	38
Transition from work-study contract to fixed-term contract	2	5

Compensation

The compensation policy is applicable to all employees, who are all located in France. It is committed to respecting six key principles. The compensation policy must:

- be in line with market practices;
- be transparent;
- comply with current regulations;
- ensure equal opportunities;
- ensure a balance between fixed and variable compensation that is motivating for employees;
- be in line with the risk appetite of the Sfil Group.

In addition, the compensation policy is in line with its objectives in terms of economic strategy, cost control, risk strategy, including environmental, social and governance criteria. It is consistent with its long-term interests and is designed to avoid conflicts of interest and discourage excessive risk-taking.

The compensation policy is reviewed at least once a year by the Compensation Committee, in particular to take into account changes in French or European legislation on labor, accounting and tax law, as well as governance.

Structuring principles

Consideration of current and future risks in the compensation processes

The compensation policy is consistent with the risk profile as defined in the risk appetite that Sfil set. The structure of employee compensation (fixed and variable) has no impact on the risk appetite.

The implementation of the compensation policy is subject to a central and independent internal assessment once a year by the internal audit division (General Inspection) in order to verify compliance with the application of the current compensation policy and its effects on the risk profile. In addition, the Risks division and the Compliance division assess and analyze the impact of the variable compensation structure on the risk profile in an opinion issued to the Risks and Internal Control Committee.

Employees working in the control functions are remunerated according to the objectives linked to their functions, independently of the performance of the operational divisions that they control.

The annual interview form makes it possible to record "Risk Attitude" objectives allowing managers to assign and assess this type of specific objective for all Sfil employees.

Performance measurement and risk management

The overall variable compensation package is affected by the financial performance of Sfil, in particular its level of capital, and may fluctuate depending on financial results.

The financial indicator used is gross operating profit (loss) excluding non-recurring items. Gross operating profit (loss) excluding non-recurring items is compared to the budget gross operating profit (loss): if the gross operating profit (loss) is lower than the budget amount, General Management reserves the right to limit or even cancel the payment of variable bonuses. This financial indicator may be modified by the Board of Directors on the proposal of the Compensation Committee.

More generally, in the event of a significant financial loss or a severe economic downturn or when the payment of variable compensation could compromise the solidity of capital or liquidity, the Board of Directors may decide not to pay variable compensation for the period in question, in compliance with legal constraints and obligations.

Procedures for taking into account all risks in the variable compensation base

As Sfil does not carry out a corporate and investment banking activity, the level of variable compensation of the "employees concerned" remains limited: the variable compensation of employees is capped at 50% of the annual fixed remuneration following the decision of the Compensation Committee of November 25, 2013. It has no real impact on the bank's liquidity or/and its ability to build up capital.

Sfil does not implement any variable mechanism directly and automatically linking the amount of variable compensation paid to the achievement of quantified targets. Quantitative performance criteria are systematically combined with qualitative and behavioral criteria.

There are no individual or collective compensation scheme within Sfil that directly link individual variable compensation or the determination of the "bonus pool" to the income or results generated in the course of employee activities.

The fixed portion of compensation constitutes the bulk of total compensation for all employees. Variable pay is restricted to a maximum of 50% of base salary and is strictly governed by the annual performance appraisal process. The components of variable compensation, both individual and collective, within Sfil are allocated in the form of cash and do not include any form of capital compensation (stock option plan, free shares, priority dividend shares, etc.).

The total variable compensation allocated to employees of the financial markets' desk (category 4) results from the breakdown (based on the payroll of this department) of the overall budget defined for all employees by the General Management and approved by the Compensation Committee. It is then distributed at the individual level with regard to the individual performance assessment. This assessment is based on the level of achievement of objectives where the qualitative aspect (way of intervening in the markets, compliance with risk management procedures, quality of reporting, communication, etc.) is essential.

The Compensation Committee assesses the mechanisms and systems adopted to ensure that the compensation scheme takes into account all types of risk as well as liquidity and capital levels. In addition, the Committee is responsible for assessing the achievement of performance objectives and the need to apply an ex-post adjustment to risk, including the application of penalties and clawbacks where applicable.

Governance

Role of General Management and the Board of Directors

Each year, General Management determines a variable compensation pool and fixes the individual compensation (fixed and variable) allocated to the members of the Executive Committee. It presents these compensation proposals to the Compensation Committee.

The Board of Directors approves the compensation policy and any changes thereto after review and opinion by the Compensation Committee and the Risks and Internal Control Committee.

Role of the Compensation Committee

The duties of the Compensation Committee are as follows:

- it is responsible for preparing compensation decisions, particularly those that have repercussions on risk and risk management;
- it assists the Board of Directors in the oversight of the compensation policy and assesses the mechanisms adopted to ensure that the compensation scheme takes into account all categories of risk and compliance;
- it gives an opinion on all changes made to the compensation policy;
- it reviews the compensation policy at least once a year.

The Compensation Committee meets at least twice a year and as many times as necessary to ensure adequate oversight of the design and implementation of the compensation scheme. It met twice in 2024.

The compensation policy was reviewed by the Compensation Committee at its meeting of November 20, 2024. The main changes since the last update (November 2021) concerned:

- the transposition of CRD 5 by order No. 2020-1635 of December 21, 2020, which impacts the ceiling for spreading variable compensation;
- taking into account the Guidelines on sound remuneration policies under Directive 2013/36/EU published in July 2021;
- strengthening the concept of equal pay for women and men: "For equal work, equal pay";
- the introduction of the link between the compensation policy and the risk profile (Risk Appetite Framework).

The composition of the Compensation Committee follows the following rules:

- after consulting the Governance, Appointments and CSR Committee on the expertise, skills and independence of the prospective directors, the members are appointed by the Board of Directors for a period equal to their term of office as director. The term of office is renewable;
- it is composed of four members, including a chairperson;
- pursuant to art. 17 of the Afep-MEDEF code and the European Banking Authority guidelines on sound remuneration policies (EBA/GL/2015/22), the Committee is composed mainly of independent directors, including the Chairperson. The director representing employees is not included in the calculation of the percentage of independent directors (article 14-1 of the Afep-MEDEF code);
- at least one of the members of the Compensation Committee is a member of the Risks and Internal Control Committee.

Details of the activities and members of the Compensation Committee are provided in section 3.1.3 "Specialized Committees of the Board of Directors" of the corporate governance report.

Role of human resources control functions

The Human Resources division produces the annual report used to assess the compensation policy by the control functions and presented to the Risks and Internal Control Committee (mentioned above).

The implementation of the compensation policy is subject to a central and independent internal assessment by the internal audit department at least once a year.

The Human Resources division plays a role in oversight, ensuring consistency and verifying the application of laws and regulations at all times during the process. In addition, it develops attractive compensation structures in order to attract and retain staff by ensuring a good match with the risk profile.

Link between compensation levels and actual performance

Individual performance and variable compensation

The link between variable compensation and employee performance is assessed during annual reviews with regard to the achievement of previously set individual objectives.

Managers assess each employee on the basis of their overall performance, a combination of achievements ("business performance") and demonstrated professional behavior. Thus, in addition to business performance measures, the variable component of compensation also takes into account the professional behavioral performance assessed.

This assessment is formalized annually. Decisions in terms of compensation may be communicated to an employee only if a performance appraisal interview has taken place, during which the expectations in terms of business performance, professional behavioral performance and criteria evaluation are explained.

The compensation schemes based on an "all-or-nothing" mechanism, such as a minimum level of loans granted, assets under management or profit to be achieved for the payment of variable compensation are excluded.

Setting of variable compensation

The target variable compensation range can be achieved if all individual and collective objectives are achieved. This variable compensation may be lower than the target or even zero if all or part of the objectives set are not achieved.

The overall variable bonus package previously validated is then rolled out within each Sfil function. In close collaboration with the Human Resources division, each function proposes to allocate all or part of its budget according to the achievement of the individual performance objectives of each employee (objectives set in advance during annual interviews). All of these proposals are approved by General Management.

Terms and conditions for the payment of variable compensation

- **Principle**

The amounts of variable compensation are paid in the first half of N+1, depending on the achievement of individual and collective performance objectives for year N.

In addition, the spreading of variable compensation (as a reminder, paid exclusively in cash) for the "identified" population and all employees is applicable for any variable compensation granted during a year. This deferred portion will be subject notably to the level of performance being maintained.

In accordance with the CRD 5, the spreading rule does not apply, if the following two conditions are met:

- variable compensation granted during a year that does not exceed EUR 50,000; and
- does not represent more than one third of the gross annual compensation (fixed and variable).

This threshold may be reviewed each year on the proposal of the Compensation Committee. Variable compensation means all bonuses calculated on the basis of the achievement of previously defined individual and/or collective objectives received by the employee for the year.

The deferred portion corresponds to 40% of the total amount of variable compensation awarded and is spread equally over a period of four years. For the highest variable compensations (amount greater than EUR 100,000), this percentage is increased to 60%.

- **Terms and conditions for the payment of variable compensation**

The non-deferred portion of the variable compensation will be paid during the first half of year N+1.

The deferred amount of the variable compensation will be paid in years N+2, N+3, N+4 and N+5 and is divided into two equal portions:

- non-indexed portion: 50% of the deferred portion of the variable compensation will be paid in cash during years N+2, N+3, N+4 and N+5, for one quarter each year;
- portion indexed to changes in the Gross Operating Profit (loss) excluding non-recurring items: the allocation of 50% of the deferred portion will be broken down into four tranches of the same nominal amount. Each tranche will be indexed to the change in Gross Operating Profit (loss) and will be paid in years N+2, N+3, N+4 and N+5.

Ex-post adjustment mechanism for variable compensation

- **Penalties**

The unpaid deferred portion of the variable compensation may be reduced to nil if the Gross Operating Profit (loss) proves to be negative, or if the level of capital is insufficient according to the assessment of the Board of Directors.

In addition, any decline in the net income will be reflected in the deferred variable compensation components based on changes in Gross Operating Profit (loss) excluding non-recurring items.

- **Clawback (retroactive reductions in variable compensation)**

The payment of variable compensation is based on the assumption that the beneficiary has, throughout their period of collaboration with Sfil, fully complied with the law and rules laid down by the institution in terms of risk-taking as well as the values of Sfil.

In accordance with article L511-84 of the French Monetary and Financial Code, the total amount of variable compensation may, in whole or in part, be reduced or give rise to a clawback if the person concerned has disregarded the rules laid down by the institution in terms of risk-taking, in particular due to their responsibility for acts that have led to significant losses for the institution or in the event of failure to respect the obligations of good repute and competence.

In the event of fraud observed after the award of variable compensation, failure to comply with the rules laid down by Sfil in terms of risk-taking, in particular due to their responsibility for acts that have led to significant losses for the institution or in the event of a failure to respect the obligations of good repute and of competence as well as in the event that variable compensation has been granted on the basis of intentionally erroneous information, General Management reserves the right not to pay the deferred portions still due and will consider bringing a civil action to recover the portion of the variable compensation for which payment has already been made and/or at least equivalent damages in the event that the Company has suffered significant damage.

Guaranteed variable compensation and departure benefits

Sfil does not grant guaranteed variable compensation to its employees.

With regard to departure benefits, the payment of benefits following the early and disputed termination of an employee's employment contract are governed by the following rule: if an agreement on the granting of departure benefits is concluded with an employee, the total compensation granted will not exceed 18-month average wage.

Under specific circumstances, the Compensation Committee may propose, on the basis of a reasoned opinion, a departure benefit of more than 18 months but not exceeding 24 months of fixed and variable compensation (in the event of departure at the initiative of the employer).

Sfil will ensure that it does not agree to the payment of a departure benefit in an amount greater than the application of laws, regulations and collective agreements or in excess of the departure benefits generally granted by the labor courts.

Subject to the application of legal and regulatory provisions and agreements binding the Company, any departure benefits that may be agreed with a member of the Executive Committee or an employee will be submitted, without exception, to the Compensation Committee for approval.

Employees whose activities have a significant impact on the risk profile

Principles

Sfil defined specific rules that apply to a "target" population, i.e. to the stakeholders who take an active part in the management of the bank as well as to employees whose activity has a significant impact on its risk profile. This "target" population, identified in the compensation policy, breaks down as follows:

- Category 1: the Chief Executive Officer of Sfil;
- Category 2: the Chairman of the Board of Directors and the directors of Sfil and Caffil, excluding members referred to in category 1;
- Category 3: members of the Sfil Executive Committee (including the Deputy Chief Executive Officer) and members of the Caffil Management Board, excluding members referred to in categories 1, 4 and 7;
- Category 4: market professionals whose professional activities have a significant impact on the risk profile of Sfil and/or Caffil, i.e. the Director, Financial Markets, the heads of the financing and treasury and structuring and derivatives teams, and employees working in these two teams;

- Category 5: any employee leading or exercising managerial responsibilities within a major operational unit within the meaning of the delegated regulation;
- Category 6: any employee who receives variable income in excess of EUR 87,500 or who receives fixed and variable income in excess of
EUR 200,000 over the course of a year. These amounts may be reviewed each year on the proposal of the Compensation Committee, excluding the members concerned under categories 1, 3, 4, 5, 7 and 8;
- Category 7: risk professionals and professionals with an activity related to internal control and compliance. The variable compensation of this population is solely linked to the achievement of individual objectives in order to reduce excessive risk-taking, in accordance with article L 511-75 of the French Monetary and Financial Code following order no. 2014-158 of February 20, 2014 - article 3 (Transposition of CRD 4);
- Category 8: members of staff who lead a function in charge of legal affairs, finance, including taxation and budgeting, human resources, compensation policy, information technology or economic analysis excluding members indicated in category 3.

All of these employees receive variable compensation, the target amount of which is determined contractually, and can only be attained if all individual and/or collective objectives (depending on the category of employees) are achieved, defined as follows:

- individual performance in line with individual objectives is assessed during the annual review with regard to previously set objectives and according to the achievement of the financial indicator defined in the compensation policy (gross operating profit (loss) excluding non-recurring items);
- for category 7: based on the achievement of individual objectives assigned and applicable to risk professionals and those exercising an activity related to internal control and compliance.

Compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer is submitted by the Compensation Committee to the Board of Directors for decision. The compensation of the Chief Executive Officer is composed of a fixed compensation and a variable compensation based on the achievement of individual objectives allocated by the Board of Directors.

For 2024, the weighting of objectives incorporating ESG criteria was 30%.

In December 2022, the Board of Directors approved the principle of an indemnity in the event of the dismissal of the Chief Executive Officer's term of office. The amount of this indemnity is calculated with reference to article 26 of the banking agreement on the basis of the compensation received in respect of the office and the length of service. Cumulative clauses based on the two financial years preceding the termination of the term of office condition the payment of this indemnity.

Compensation paid to members of the Executive Committee, the General Auditor and employees whose professional activities have a material incidence on the risk profile

The compensation of members of the Executive Committee (excluding the Chief Executive Officer) and the General Auditor is submitted, on the proposal of the Chief Executive Officer, to the Compensation Committee. In addition, the members of the Executive Committee who do not exercise a control function receive variable compensation based on individual and cross-functional objectives. Cross-functional objectives contribute half of their annual performance and are defined by the Board of Directors. For 2024, the weighting of cross-functional objectives incorporating ESG criteria was 30%.

The amount of gross compensation paid to the entire identified population during 2024 is presented in the table below EU REM1 *Compensation granted for the financial year*: it amounted to EUR 8.9 million for 61 employees concerned (compared to EUR 8.4 million for 58 employees in 2023).

Compensation of employees performing internal control functions

Employees working in the control functions are remunerated according to the objectives linked to their functions, independently of the performance of the operational divisions that they control.

- the performance of the members of the Executive Committee holding control functions and the General Auditor is assessed by their management (General Management). This assessment determines the amount of variable compensation awarded. Their compensation (fixed compensation and variable compensation awarded) is directly supervised by the Compensation Committee, which ensures that the level of compensation is sufficient to ensure the recruitment and retention of employees with the required skills and qualifications and that the compensation does not contain any components inappropriate for these functions. The Compensation Committee issues an opinion on their compensation;
- for members of Sfil staff holding control functions (professionals in the risk function and professionals exercising an activity related to internal control and compliance), considered as having a significant impact on the risk profile of these institutions (category 7 of the identified population): the variable compensation of this population is linked solely to the achievement of individual objectives in order to reduce excessive risk-taking, in accordance with article L 511-75 of the French Monetary and Financial Code following order no. 2014-158 of February 20, 2014 - article 3 (Transposition of CRD 4).

Other information

Gross payroll distributed

In 2024, the annual gross payroll was EUR 34 million (in 2023, this amount was EUR 32.2 million).

The annual fixed compensation of employees with permanent contracts as of December 31, 2024 was EUR 74,886 (compared to EUR 74,433 in 2023).

At the end of 2023, Sfil signed a mandatory annual negotiation agreement for 2024 with its social partners including a general fixed salary increase.

Incentives and profit-sharing

The profit-sharing agreement renewed in May 2023 by Sfil and signed with the social partners has strengthened the weighting of the ESG criteria included in the calculation formula since 2020. They now represent one-third of the calculation formula determining the collective performance. Thus, the achievement of the objectives concerning the reduction of the volume of IT data storage, the level of the professional equality index and the proportion of green and social loans granted to the French local public sector each year are taken into account for the calculation of the collective performance of Sfil determining the profit-sharing budget for the year. In addition, the incentive calculation formula takes into account the attendance rate of employees in risk prevention training.

In accordance with the provisions of article L.225-102 of the French Commercial Code, a special profit-sharing reserve of EUR 135,767 was distributed for the first time in 2024 for the 2023 financial year.

EU REM1 - COMPENSATION GRANTED FOR THE FINANCIAL YEAR

		a	b	c	d
		Management body - Supervisory function	Management body - Management function	Other members of General Management	Other identified employees
	FIXED COMPENSATION				
1	Number of identified employees	10	12	-	39
2	Total fixed compensation *EUR thousands*	1,285	2,295	-	3,704
3	O/w: in cash	1,285	2,295	-	3,704
EU-4a	O/w: shares or equivalent ownership rights	-	-	-	-
5	O/w: equity-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x	O/w: other instruments	-	-	-	-
7	O/w: other forms	-	-	-	-
	VARIABLE COMPENSATION				
9	Number of identified employees	9	12	-	39
10	Total variable compensation	182	458	-	1,023
11	O/w: in cash	182	458	-	811
12	O/w: deferred	14	64	-	-
EU-13 a	O/w: shares or equivalent ownership rights	-	-	-	-
EU-14 a	O/w: deferred	-	-	-	-
EU-13b	O/w: equity-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b	O/w: deferred	-	-	-	-
EU-14x	O/w: other instruments	-	-	-	-
EU-14y	O/w: deferred	-	-	-	-
15	O/w: other forms	-	-	-	-
16	O/w: deferred	-	-	-	-
17	**TOTAL COMPENSATION (2 + 10)**	**1,467**	**2,753**	**-**	**4,726**

EU REM2 - SPECIAL PAYMENTS TO STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A SIGNIFICANT IMPACT ON THE INSTITUTION'S RISK PROFILE (IDENTIFIED EMPLOYEES)

		a	b	c	d
		Management body - Supervisory function	Management body - Management function	Other members of General Management	Other identified employees
GUARANTEED VARIABLE COMPENSATION GRANTED					
1	Guaranteed variable compensation granted - Number of identified employees	-	-	-	-
2	Guaranteed variable compensation granted - Total amount *EUR thousands*	-	-	-	-
3	O/w guaranteed variable compensation paid during the financial year and which is not taken into account in the bonus cap	-	-	-	-
DEPARTURE BENEFITS GRANTED IN PREVIOUS PERIODS THAT WERE PAID DURING THE FINANCIAL YEAR					
4	Departure benefits granted in previous periods that were paid during the financial year - Number of identified employees	1	-	-	-
5	Departure benefits granted in previous periods that were paid during the financial year - Total amount	170	-	-	-
DEPARTURE BENEFITS GRANTED DURING THE FINANCIAL YEAR					
6	Departure benefits granted during the financial year - Number of identified employees	1	-	-	-
7	Departure benefits granted during the financial year - Total amount *EUR thousands*	435	-	-	-
8	O/w paid during the financial year	435	-	-	-
9	O/w deferred	-	-	-	-
10	O/w departure benefits paid during the financial year that are not taken into account in the bonus cap	435	-	-	-
11	O/w the highest payments to a single person	435	-	-	-

EU REM5 - INFORMATION ON THE COMPENSATION OF STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A SIGNIFICANT IMPACT ON THE INSTITUTION'S RISK PROFILE (IDENTIFIED EMPLOYEES)

		a	b	c	d	e	f	g	h	i	j
		Compensation in the management body			Areas of activity						
		Management body - Supervisory function	Management body - Management function	Management body as a whole	Investment banking	Retail banking	Asset management	Transversal functions	Independent internal control functions	All others	Total
1	**Total number of identified employees**										**61**
2	O/w: members of the management body	10	12	22							
3	O/w: other members of General Management				-	-	-	-	-	-	
4	O/w: other identified employees				-	-	-	11	13	15	
5	**Total compensation of identified employees** *EUR thousands*	**1,467**	**2,753**	**4,220**	**-**	**-**	**-**	**1,553**	**1,438**	**1,735**	
6	O/w: variable compensation	182	458	641	-	-	-	300	360	363	
7	O/w: fixed compensation	1,285	2,295	3,579	-	-	-	1,253	1,078	1,372	

Social relations

Organization of social dialog

In 2024, Sfil renegotiated the social dialog agreement that expired on November 22, 2023. This agreement enables:

- the establishment of representative bodies adapted to the needs of the Company;
- a renewal of social dialog by promoting representative offices.

The agreement applicable to 2024 provides that its social and economic committee (SEC) meets at least eight times a year and is consulted annually on the strategy, financial situation and labor relations policy of Sfil. Besides its ordinary meetings, the SEC has four specialized committees which meet at least twice yearly:

- a health, safety and working conditions' committee (C2SCT);
- an employee committee which leads on gender equality, training and disabilities;
- an economic and financial committee;
- a social and cultural activities' committee.

One of the elected SEC members is also designated as the correspondent for combating sexual harassment and sexist behavior.

In 2024, the employee representative bodies were convened according to the statutory, regulatory and contractual provisions in force and as required, including:

- twelve SEC meetings (ten ordinary and two extraordinary);
- four C2SCT meetings;
- two meetings respectively of the Social Committee and of the Economic Committee.

At the end of the information/consultation process, the employee representative bodies had unanimously issued three favorable opinions:

- on strategic orientations;
- on the economic and financial situation;
- on the social policy for the year 2024.

In 2024, Sfil organized the renewal of the elections of employee representatives to the Board of Directors, with a high participation rate of 75.5%. This strong commitment demonstrates the commitment of employees to take part in the strategic decisions of Sfil and strengthen social dialog.

Three employee representatives currently sit on the Board of Directors.

Finally, in 2024, Sfil launched the fifth edition of its social barometer. This initiative, conducted regularly since 2017, aims to characterize employee feelings by questioning them and comparing some of the generic themes with those of a panel of banks. The 2024 results remain at very high standards. The key indicators (satisfaction, pride, recommendation, motivation, loyalty) are improving in absolute terms and compared to the panel. These results demonstrate that employees appreciate the human dimension of Sfil, and are ready to make a commitment to implement the strategy of the Sfil Group.

Collective and company agreements

Sfil falls under the banking sector collective agreement.

Numerous negotiations took place in 2024, resulting in the unanimous signing of the following agreements:

- agreement on social dialog and the establishment of the Social and Economic Committee at Sfil (March 12, 2024);
- agreement on remote working (May 23, 2024);
- pre-electoral memorandum of understanding relating to the elections of employee representatives to the Board of Directors of Sfil (September 9, 2024).

These collective agreements, similarly to those previously signed, cover all employees of the Sfil Group.

Work organization and absenteeism

2024	Number of employees	% of employees
Part-time employees	30	8%
Employees benefiting from the remote working agreement	412	100%
Employees with flat daily rate	354	86%
Employees with hourly rate	58	14%

In 2024, the absenteeism rate (related to illness, work/commuting accidents) was 2.1% compared to 0.9% in 2023.

Health and safety

Review of agreements signed with trade unions or employee representatives on occupational health and safety

In 2024, Sfil reaffirmed its commitment to diversity and inclusion by adopting a policy based on three main areas:

- develop the diversity of life paths (geographical origin, social origin, diversity of places of residence, integration of disabilities, etc.);
- strengthen gender equality;
- raise awareness of gender diversity and sexual orientation.

The inclusion of people with disabilities is an essential part of the diversity and inclusion policy. Based on the agreement on the integration of disabled workers renegotiated in 2023, Sfil continued carrying out numerous actions that demonstrate its commitment to disability (recruitment, collaboration with the adapted and sheltered sector, awareness-raising and training of employees, actions to maintain employment and anticipate situations of professional incapacity).

Sfil won the Inclusion Trophy at the 2024 edition of The Big Green, recognizing its commitment to diversity.

Occupational health and safety conditions

In 2024, Sfil reported four commuting accidents and one workplace accident (no serious accident).

Building on its success in previous years, a new flu vaccination campaign took place for the fifth year at the BIOME site in Paris 15, which saw nearly 70 employees get vaccinated.

Occupational accidents, in particular their frequency and severity, as well as occupational illnesses

2024	Number of employees	Frequency rate	Severity rate
Workplace accident	0	0	0
Commuting accident*	4	6.08	0.04
Occupational illnesses	0		

* *The frequency is the number of accidents for a given group of workers over a set period of time = number of accidents x 1,000,000/number of hours of exposure to risks.*

The severity rate is the number of calendar days of work incapacity for a given group of workers over a set period of time = number of calendar days of work incapacity x 1,000,000/number of hours of exposure to risks.

Training

Skills development at Sfil

Sfil attaches particular importance to developing the skills of its employees and managers. The main themes of the training policy reflect the #Objectif2026 strategic plan and training preferences expressed by employees in various one-to-one or group meetings (notably career reviews, professional interviews, evaluation interviews, social barometer) involving the human resources and operational teams. The members of the Executive Committee are involved in the co-construction of the training policy, in conjunction with the elected representatives of the Works Council. The actions deployed aim to optimize employees employability and promote professional mobility and career development within a managed framework.

In 2024 the focus was on four areas of skills development:

- contributing to the social responsibility of Sfil;
- cooperating and working together in a new phase of its internal transformation;
- contributing to the reputation of Sfil;
- developing business line and regulatory skills;

464 employees were trained in 2024 for a committed amount of EUR 500,000. The 2024 training offer included a wide range of training courses to meet business line and regulatory, office software training needs, etc. and has been able to combine various forms of learning: e-learning, virtual classroom training and face-to-face training.

The training offer is particularly vast and diversified, designed to meet the specific needs of each employee. At the heart of the training policy is the idea that each individual is unique and deserves a tailor-made learning path. Sfil is committed to tailoring programs to the aspirations, skills and career goals of each team member. To do this, Sfil offers a multitude of learning methods to adapt to the different preferences and constraints of employees. Training includes face-to-face sessions, promoting direct interaction and the exchange of ideas, as well as e-learning modules, allowing flexibility. In addition, practical workshops and seminars, which enable the skills acquired to be used in real-life situations, are proposed. Through this varied approach, Sfil promotes the personal and professional development of its employees, enabling them to acquire the knowledge and skills necessary to excel in their role and grow within the organization.

Number of training days

In 2024, 12,367 training hours were provided by Sfil, i.e. 1,767 days of training (on a basis of seven hours per day), which represented an average of 3.6 days of training per employee over the 2024 financial year.

These elements demonstrate a significant increase in training activity compared to 2023, when 9,216 training hours were provided. This increase is due to several key factors: the regularity of training sessions, the close monitoring of employee needs, the commitment of teams to promote professional development and maximum respect for the wishes expressed by employees.

Equal treatment

Policy against harassment, discrimination and sexist behavior

The mechanism set against harassment, discrimination and sexist behavior is based on several pillars:

- the application of a specific procedure which involves, depending on the situation, the Employer and SEC contacts "responsible for combating harassment and sexist behavior" as well as one of the three human risk contacts or the internal mediator. Internal investigations may be conducted;
- the continuation of the training of its network of Sfil carers (i.e. certifying training on "primary mental health care") made up of employees whose role is to detect employees who are experiencing difficulties, welcome them, listen to them and direct them towards the system best suited to their situation;
- the long-term partnership with Allodiscrim/Allosexism, an external structure made up of lawyers who offers listening (free of charge, entirely anonymous and confidential to the employer) and advice to employees, regardless of their legal status who experience a situation perceived as "discriminatory";
- the existence of a whistleblowing platform (managed externally by signalement.net) which allows any employee who considers themselves a victim, or who witnesses an inappropriate act or situation, to report it;
- a 24-hour counseling and support line run by external psychologists.

The objective of these systems is to prevent and resolve situations at work inducing a risk of non-compliance with the principles of equal treatment, non-discrimination and non-sexual or psychological harassment, cases of racist or discriminatory abuse and sexist behavior.

In 2024, Sfil adopted its new diversity and inclusion policy applicable to all employees. This is based on three priority areas: the development of the diversity of life paths (geographical origin, social origin, diversity of places of residence, integration of the disability), the strengthening of gender equality and the awareness of gender diversity and sexual orientation. This policy was accompanied by the publication of a best practices guide given to all supervisors as well as to all new employees.

In 2024, all Sfil managers attended awareness-raising workshops on the fight against harassment, discrimination and sexist behavior, with the aim of encouraging people to speak out.

Sfil continued developing the actions stemming from its partnerships with the French Association of Diversity Managers (AFMD) and L'Autre Cercle as part of its LGBT+ inclusion policy, with Sfil employees having direct access *via* the intranet to the SOS Homophobia crisis line. In 2024, Sfil organized two awareness-raising events at its premises. In June, a conference on the inclusion of LGBT+ people at work was co-hosted with the association L'Autre Cercle and made it possible to raise employee awareness of the reality of the world of work for LGBT+ people. In September 2024, Sfil also hosted "Working Out", the first mentoring program in France for young LGBTQ+ graduates, for a round table discussion on LGBTQ+ inclusion in the finance sector.

Measures taken to promote gender equality

In 2024 as in 2023, Sfil continued applying its professional equality agreement and meet its commitments with regard to monitoring the following indicators:

- number of beneficiaries of individual pay increases;
- average amount of individual pay increases;
- average rate of award of variable compensation.

In accordance with the *Avenir* law of September 5, 2018 which seeks to eliminate the gender pay gap, at the beginning of 2025, Sfil published the level of its Gender Equality Index for 2024, which reached 93 points out of a maximum of 100 points. In accordance with its commitments made in the professional equality agreement, Sfil monitors that professional equality allows women and men to receive equal treatment in terms of access to employment, access to vocational training, qualification, classification, promotion, pay and working conditions. The ratio of fixed and variable pay of employees by classification and gender at the end of 2024 is detailed below:

Manager category*	Gender pay gap**
Higher categories	99%
Manager K	98%
Manager J	100%
Manager I	101%
Manager H	100%

* *According to the classification of the banking sector collective bargaining agreement.*
** *Ratio between the average pay of women and the average pay of men.*

In 2024, Sfil materialized its commitments on professional equality by becoming a signatory of the 50+ charter, the first inter-company commitment act mobilizing signatories on 10 key commitments around the employability of "seniors"; as well as by joining the Parenthood Charter of the Quality of Life at Work Observatory.

Measures taken to promote the employment and integration of people with disabilities

Since its creation, there has been a disability officer at Sfil, as now provided for by the Pénicaud law. In 2023, Sfil signed a fourth three-year company agreement which was approved by the French State. At the end of 2024, the employment rate of people with disabilities at Sfil was 5.2%.

The three previous agreements and the current agreement enabled Sfil to:

- increase the employment rate from 1.2% in 2013 to 2% in 2019 and then to 3.4% in 2023;
- recruit 15 people with disabilities;
- facilitate the disability declaration of five Sfil employees in 2024 and two employees in 2023 and support employees with disabilities in their professional mobility;
- outsource contracts to various accessible companies for workers with disabilities to do digitalization work in the Company or provide awareness-raising and training actions.

2

2.6.3 Environmental information

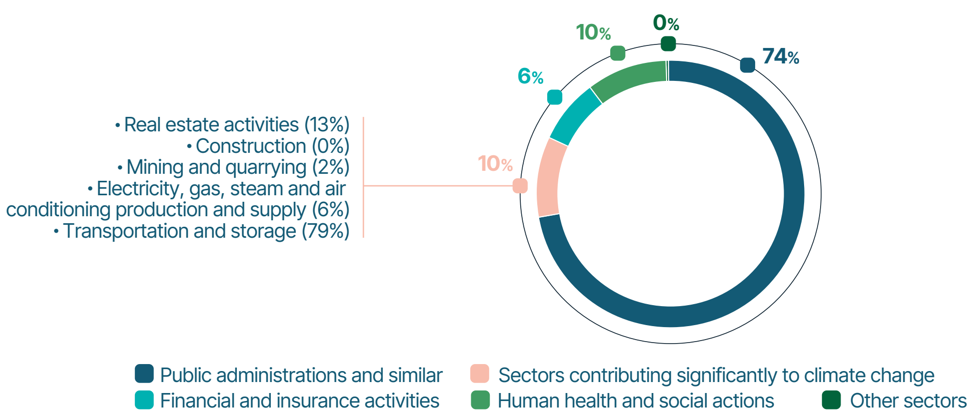
Climate and environmental risks

Sfil, as a financial institution, is exposed to climate and environmental risks. Taking them into account is key issue for financing activities, in particular to support the borrowers concerned in the expected investments for their ecological and environmental transition.

The measures implemented to manage climate and environmental risks are described in more detail in section 4.4 "Main risks of the Sfil Group".

- **Exposure to transition risk**

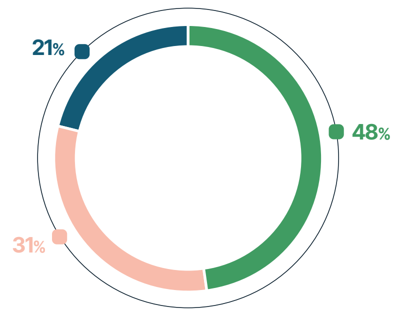
Direct exposures to the most emissive economic sectors amounted to EUR 6.3 billion at December 31, 2024 (i.e. 10% of outstanding). Sfil had no exposure to the mineral ore extraction, cement, or steel sectors. Exposures to public administrations and similar (74% of outstanding at December 31, 2024) included investments by local authorities in construction, transport, water management and sanitation.



In accordance with its exclusion policy, exposures to the fossil fuel sector are expected to be extinguished by 2034.

- **Physical risk of French local authorities**

The portfolio mainly consists of exposures to French local authorities. They represented EUR 39.6 billion at December 31, 2024 out of a total outstanding of EUR 65.3 billion. Rating work carried out on physical risk (see section 4.4.10 "ESG risks" for more details) made it possible to quantify this exposure of the portfolio to physical risk.



Financed emissions

The methodology is based on the international standards developed by the Greenhouse Gas (GHG) Protocol and the Science Based Targets (SBTi) initiative. Within the GHG Protocol, the PCAF (Partnership for Carbon Accounting Financials) framework specifies the principles applicable by financial players for the calculation of indirect Scope 3 emissions generated by their financing and investments (category 15). Emissions can be communicated in absolute emissions or intensity, depending on the relevance of the approach for each scope.

The indicators presented were based on the best information available at the measurement date. The measure of financed emissions relied on multiple data sources, and in particular public information that is extrapolated in order to be applied to a part of the portfolio (on different customer types and levels). The lack of available data and their timeliness can have a very significant impact on the reference indicator. Based on these findings, Sfil will update its methodology when the underlying data and methodologies specific to each scope are improved.

The valuation covered 81% of exposures [7] in the portfolio at December 31, 2024:

Activity	Emissions financed in $ktCO_2e$	Share of the portfolio
French local public sector	5,658	72%
Export credit	1,489	9%
TOTAL	**7,147**	**81%**

French local public sector

Methodology

Most loans to the local public sector are general purpose loans that finance investment budgets, unlike green or social loans for which the use of proceeds is known as soon as they are granted. This results in a lack of physical data on the investments financed, especially as the local public sector is not subject to a non-financial information disclosure requirement.

Thus, the footprint of this portfolio was calculated from a large benchmark of annualized emission factors based on data from the ADEME or the GHG Protocol. The following methodologies were applied for each portfolio segment:

- calculation of aggregated monetary emission factors specific to municipalities, departments, regions and tax groups (communities of municipalities, agglomerations, urban communities and major cities);
- allocation of monetary emission factors specific to the activity for each of the syndicates, various public institutions (including fire and rescue services and municipal or inter-municipal social action centers), and other portfolio players in run-off management (public or private housing players and associations);
- calculation of an average emission factor of the health portfolio (consisting in particular of hospitals, health cooperation groups and associations or public retirement homes, etc.) on the basis of a representative sample;
- allocation of specific monetary emission factors to projects financed by social loans and for part of the green loans from the "sustainable management of water and sanitation" and "waste management and recovery" themes for which the modeling of the project footprint is not calculated;
- modeling of the footprints of projects financed for the other categories of green loans based on physical data.

(7) Expressed according to the gross carrying amount of loans and securities in the balance sheet.

All scopes (1, 2 and 3 downstream) are included in the measurement of the footprint of loans to the French local public sector.

In 2024, Sfil carried out work to improve the calculation of downstream Scope 3 for the financing of road infrastructure. All calculation parameters (cost per kilometer and traffic by type of road) have been reviewed and made more robust by the use of the public government SDES [8] database and data established by experts. This methodological adjustment was applied retrospectively to financed emissions calculated for 2021; financed emissions on the loan portfolio to the French local public sector amounted to 5,726 ktCO_2e for this year (compared to a previous valuation of 6,327 ktCO_2e). Moreover, starting with the measurement 2022, a distinction was made between previously acquired loans (the stock) and loans acquired during the year (the flow) to which differentiated average intensities are applied. Thus, any updates to emission factors are applicable only to the flow portion, the stock being fixed year after year.

Results

In 2024, loans to the local public sector generated 5,658 ktCO_2e of GHG emissions with a monetary intensity of 122 gCO_2e per euro loaned.

	2021	2022	2023	**2024**
Emissions in absolute value *(ktCO_2e)*	5,726	5,782	5,594	5,658

Expressed in absolute terms and as an average over the period, 88% of financed emissions in the portfolio of general purpose loans were based on the departments and the municipal block (municipalities and groupings), which represented 72% of exposures. Expressed in intensity, 79% of emissions were related to downstream Scope 3 (i.e. use of infrastructure/equipment).

These two measures are correlated with the breakdown by budget function, reflecting an over-representation of emissions related to road transport. Thus, 72% of emissions were allocated to the "road transport and infrastructure" function. Consequently, departments and municipalities stood out with particularly high emissions compared to the weight of their investments in this area, in line with their mandates (20% on average from 2020 to 2024).

The rest of financed emissions mainly included the "building" functions (education, culture and sport in particular) where the construction/renovation of buildings was predominant and thus accounted for 23%.

Over the period, the portfolio intensity gradually decreased due to an increased proportion of green loans and social loans (x 3.9 over the period) in the portfolio, which are less intensive. However, the work carried out revealed an overall stability of the source emission factors (inertia of ADEME/CEDA data) with trends that can go up or down.

Export credit

Methodology

The portfolio of export credits is characterized by the diversity of projects financed in the shipping, aeronautics/space, energy production, oil and gas, infrastructure and defense sectors. Infrastructure includes electrical networks and transport infrastructure (e.g. road, rail and rolling stock). In the long term, this category will also include water networks. Exposures to the defense sector are excluded from the measurement of financed emissions.

In accordance with the PCAF methodology, the measurement consists of assessing, for each project, the GHG emissions that will be generated over the entire life cycle of the financed project: upstream Scope 3 corresponds to emissions generated by the construction of the project, Scopes 1 and 2 to emissions generated directly during the project's operation phase, and finally, when they are significant, downstream Scope 3 emissions are also considered (category 3-11: use of products sold). The sum of generated GHG emissions is then annualized over the life of the project and allocated to Sfil in proportion to its outstanding in relation to the total cost of the project.

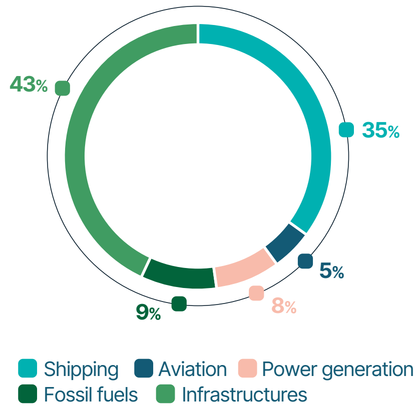
(8) Data and Statistical Studies Department of the ministries responsible for the environment, energy, construction, housing and transport

Results

Greenhouse gas emissions in the export credit portfolio amounted to 1,489 $ktCO_2e$ at the end of 2024. The increase observed since the first measurement in 2021 was related to the growth of this activity.

	2021	2022	2023	2024
Emissions in absolute value *($ktCO_2e$)*	1,015	1,146	1,307	1,489

In absolute terms, infrastructure was the main contributor to the financed emissions in 2024: this sector represented 43% of financed emissions (compared to 13% in the first measurement in 2021). This change was correlated with the increase in refinancing granted in this sector (nine transactions representing more than EUR 2 billion in financing granted between 2021 and 2024) and the update of the associated emission factors. Maritime transport was the second-largest contributor, in line with the significant share of this sector in the portfolio.



Decarbonization of portfolios

In 2023, Sfil set targets by 2030. The Group chose priority sectors by considering factors such as its exposure, their contribution to GHG emissions or the existence of recognized trajectories: lending to the local public sector and transactions related to fossil fuels, shipping and power generation for export-credit refinancing.

Sector	Metric	Baseline scenario	Reference point (2021)	2022	2023	2024	Objective (2030)
French local public sector	$gCO_2\,e/€$	SNBC*	129	128	127	125	76 (2030)
Fossil fuel	$ktCO_2e$	Phasing-out of the outstanding	145	157	144	136	0 (2034)

* *France's National Low Carbon Strategy (revised version of 2018-2019).*

At December 31, 2024, 71% of the exposures in the portfolio were aligned or covered by a target aligned with the objectives of the Paris Agreement.

Local public sector

The benchmark of the decarbonization trajectory was reassessed at 129 $gCO_2e/€$ (compared to 153 $gCO_2e/€$ previously assessed) following the work undertaken in 2024 to improve the measurement of financed emissions resulting from loans to the local public sector. The objective of reducing the monetary intensity of this portfolio was adjusted to 42% (compared to 40% announced at the end of 2023). The effects on the speed of decarbonization of the portfolio were minor.

The portfolio decarbonization target is based on the SNBC, which is France's action plan to reduce its greenhouse gas emissions by 2050, in line with the Paris Agreement. Public decision-makers, at both the national and regional levels, shall consider it when designing action plans that involve investment efforts in key sectors such as public building management, transport, waste and energy. Consequently, the decarbonization trajectory of the local authorities and public hospitals portfolio is based on two dynamics:

- a controllable component (53% of the effort to be achieved) based on changes in the structure of the loan portfolio to French local authorities and public hospitals, with a larger share of known-use-of-proceeds loans by 2030 and which are four times less emissive;
- a non-controllable component (47% of the effort to be achieved) linked to the pace of decarbonization of the French economy and changes in the source emission factors used to calculate the footprint.

The new version of SNBC is expected in 2025. Sfil will integrate the changes made in the update of its targets for its portfolio of loans to the French local public sector.

In addition, the portfolio's decarbonization trajectory excludes the run-off portfolio (notably including social housing organizations and associations) which are automatically run-off and represented less than 2% of outstanding loans to the French local public sector.

Export credit

Fossil fuel

Sfil already excludes any financing of coal-related projects (exploration, production, transport, storage, refining or distribution of coal or energy production from coal).

In addition, in accordance with the French export support policy that came into force in 2023, Sfil does not finance any new project oil-and-gas related projects (exploration, production, transport, storage, refining or distribution). Exposures to these sectors will expire by 2034.

Emissions related to this sector decreased from 145 ktCO_2e in 2021 to 136 ktCO_2e in 2024, after a peak of 157 ktCO_2e in 2022 corresponding to a peak in outstanding on this portfolio after all financing commitments granted to borrowers concerned had been drawn down. As a result, the outstanding decreased from EUR 275 [(9)] million to EUR 256 million [(10)] over the same period.

Shipping

Sfil aims to support the transition efforts of the shipping sector and in particular the cruise sub-sector, by financing the construction of less polluting and more low-carbon vessels.

The Poseidon Principles provide a common framework for assessing and disclosing the climate alignment of shipping finance portfolios. In addition, the Poseidon Principles are in line with the policies and ambition of the International Maritime Organization (IMO), i.e. net zero by 2050 with intermediate objectives in 2030 and in 2040. While it was initially planned for 2024, the process of adhering to the Poseidon Principles will begin during the first half of 2025.

Power generation

According to International Energy Agency projections [(11)], in order to enable the energy transition, worldwide natural-gas-related capacity need to increase from 1,829 GW in 2020 to 1,950 GW in 2030, particularly in developing economies, in which Sfil is liable to refinance export credits given its status as a public development bank.

Under these conditions, in the power sector, Sfil undertakes only to refinance transactions involving low-carbon energy projects (renewable or nuclear), and more selectively gas-fired power plants if they contribute to improving the carbon intensity of the energy mix in destination countries.

Electricity production	2021	2022	2023	2024
Outstanding* *EUR millions*	130	187	273	322
Intensity *(in CO_2e/ kWh)*	320	260	207	163

* *Expressed in gross carrying amount*

Decarbonization levers

The growth in known-use-of-proceeds loans, which are less carbon intensive, is an essential lever for achieving the decarbonization objectives that Sfil has set and for limiting the social-related impacts to the ecological transition through social investments.

In order to support its clients, and after having already financed nearly EUR 3 billion in green loans since their launch in June 2019, Sfil plans to mobilize an additional EUR 17.5 billion for the environmental transition over the 2024-2030 period. This commitment is fully aligned with the conduct of public policy missions, and in particular supporting the ecological and energy transition of French territories and of destination countries through the export financing of sustainable and resilient infrastructures.

In addition, Sfil also plans to mobilize nearly EUR 12 billion in social loans over this period to support French public hospitals and local authorities. These may have a social dimension (public safety and health, education and training, culture and sport, health and social action, etc.).

Objective 2030	Activity	2022-2023	2024
EUR 17.5 billion in favor of the environmental transition	French local public sector Export credit	EUR 2.7 billion	EUR 1.8 billion
EUR 12 billion for health and social projects of local authorities	French local public sector	EUR 1.7 billion	EUR 1.4 billion

(9) Expressed in gross carrying amount.

(10) Expressed in gross carrying amount.

(11) Net Zero by 2050 - A Roadmap for the Global Energy Sector.

The expected increase in green and social loans will be supported by the issuance of sustainable bonds. As such, Sfil aims to increase to 33% the proportion of green, social and sustainable bonds.

Impacts of the operating scope

In line with the consideration of sustainability in its strategy, Sfil strives to reduce the environmental impacts generated by its internal operations. This commitment is based on the following themes; the promotion of energy efficiency, the preservation of resources and the reduction of waste and finally control of the operational footprint.

Energy sobriety plan

The headquarters a benchmark in terms of environmental performance, thus limiting the direct environmental impact, in line with its #Objectif2026 strategic plan, in line with its purpose and its environmental commitments: limitation of the carbon impact in the choice of materials, sobriety in the design, reuse of original elements and protection of biodiversity through the integration of 3,000 m^2 of green spaces. In addition to obtaining HQE (High Environmental Quality), BREEAM (Building Research Establishment Environmental Assessment Method) and BiodiverCity labels, this was one of the first projects in Paris to be recognized by the demanding BBCA (Low-Carbon Building) Renovation label.

Sfil carries out actions aimed at mitigating the impact of its activities on the environment and at being exemplary in the operation of its buildings, in line with the Ecowatt approach. For this, Sfil has implemented concrete measures to reduce its electricity consumption by 15% to 20%:

- cap on indoor temperatures at 19 °C, in accordance with ADEME recommendations;
- switching off the lighting of the exterior illuminated sign;
- switching off certain lighting in non-essential common areas of the building.

Resource conservation and waste reduction

On a daily basis, Sfil is attentive to limiting the environmental impacts of its operations and has implemented measures to preserve resources.

Within its headquarters, Sfil uses an environmentally-friendly service provider for the inter-company restaurant. Committed to a virtuous approach throughout its value chain, it sources in a controlled manner in short circuits, seasonal products from responsible agriculture, from local producers.

With regard to waste, Sfil has set up selective sorting bins for glass as well as cigarette butts recycling containers at the entrance to its head office in order to improve its selective sorting practices and raise awareness among its employees. In addition, waste is limited by the provision of water coolers and coffee bean machines in tearooms made available to employees.

Operational carbon footprint

The carbon footprint of the operational scope was measured at the two sites in Paris and Lyon. It was carried out using the location-based approach in the GHG Protocol methodology. The total direct and indirect emissions generated in the operational scope for the year 2024 was 5,233 tCO_2e, down by 3.5% compared to 2023.

Category	2024	2023
Gross Scope 1 emissions *(tCO_2e)*	**20**	**34**
Gross Scope 2 emissions *(tCO_2e)*	**47**	**33**
Gross Scope 3 emissions *(tCO_2e)*	**5,166**	**5,355**
Purchased goods and services	4,997	5,201
Capital goods	-	-
Fuel and energy-related activities	25	24
Upstream transportation and distribution	-	-
Waste generated in operations	15	12
Business traveling	58	43
Employee commuting	72	75
Upstream leased assets	-	-
Downstream transportation	-	-
Processing of sold products	-	-
Use of products sold	-	-
End-of-life treatment of products sold	-	-
Downstream leased assets	-	-
Franchises	-	-
Total emissions *(tCO_2e)*	**5,233**	**5,422**

Aware of the need to be part of a trajectory of controlling the carbon footprint of its operations in line with the National Low Carbon Strategy, Sfil will continue its efforts to maintain it at a comparable level.

Amount of provisions and guarantees for environmental risks

The financial statements as of December 31, 2024, did not include any provision or guarantee regarding environmental risks.

2.6.4 Societal information

Employee awareness and initiatives

The commitment of Sfil and its employees to societal and environmental issues is a structuring element of its DNA. Sfil also regularly implements awareness-raising actions and encourages initiatives proposed by its employees.

Protection of biodiversity

During 2024, Sfil continued its actions to raise awareness among its employees about the challenges of protecting biodiversity through the organization of several events, in particular:

- during the annual Sfil'Anthropie corporate volunteering day, two actions focused on the environment and biodiversity (see below);
- since its installation on the roof of the headquarters, the vegetable garden has been a resounding success with an active community of around a hundred Sfil and La Banque Postale employees. Its purpose is to create a space focused on living things and allow employees to reconnect with nature by offering them gardening workshops, activities and sharing the harvests. This vegetable garden, with a surface area of 440 m², produces up to 4 tons of fruit and vegetables per year;
- Sfil continued sponsoring three mobile beehives with an independent beekeeper located in the Cher department, whose production is certified organic (Ecocert© certification). This sponsorship contributes to the protection of pollinating insects, to which employees were made aware during an educational workshop and through information bulletins throughout the year.

Raising awareness

Sfil continued rolling out its e-learning module dedicated to the ecological transition and CSR. This training is part of the mandatory training for all new employees.

Sfil employees are regularly made aware of a range of sustainability-related topics, *via* intranet communications and publications, in particular:

- responsible digital technology with awareness-raising on the cleaning of digital data during the Digital Cleanup Day: the volume of data stored in the related office spaces was reduced by 19%;
- responsible consumption: awareness of the impact of food and the fight against food waste at the inter-company restaurant on International Earth Day on April 22;
- soft mobility: during the Mobility Week in September, Sfil partnered with La Banque Postale to launch a series of awareness-raising workshops (cyclist safety and then monthly self-repair workshops) on soft mobility, intended to promote the use of bicycles when commuting.

Sfil’Anthropie: the annual day of corporate volunteering

For the fourth consecutive year, Sfil organized the Sfil'Anthropie Day in June 2024. Proposed to enable employees to engage in a solidarity and useful action during a working day, it brought together more than 50 employees, with four actions proposed, on the themes of integration, youth and the environment.

The day was organized with Unis-Cité Solidarité Entreprises, an organization specializing in the solidarity mobilization of employees on a large scale and donating all of its income to its associative Unis-Cité entity, a pioneering non-profit organization in civic service for young people.

Regional employment and development

Sfil has provided:

- financing for the training of 37 work-study employees with 27 higher education institutions;
- financing *via* the 2024 “learning tax”:
  - higher education institutions such as the Université Catholique de Lille;
  - three organizations or associations promoting diversity: the student federation for study and employment momentum with a disability (FEDEEH), the Institut Télémaque and the École de la deuxième chance;
  - an institution located in a “priority education network” area, the Collège Pierre Mendès-France;
  - a university hospital center: the CHU de Saint-Étienne (new in 2024).

Partnership or sponsorship activities

Sfil continued its commitments through various donations and sponsorship actions. Thus, in December 2024, Sfil responded to the call for national solidarity launched by the Fondation de France for the benefit of victims of Cyclone Chido which hit Mayotte. The bank made a donation of EUR 50,000 and relayed the appeal of the Fondation de France on its social networks.

Sfil also undertook philanthropic actions in terms of diversity and equal opportunities, including the continuation of the partnership with the Collège de France (“Campus de l’innovation pour les lycées” program) and its commitment with the Institut Télémaque (mentoring of young people enrolled in secondary schools located in areas known as “priority education networks” by Sfil employees and hosting of some of these interns during the “discovery of the company week” to make them discover the banking business).

Likewise, Sfil is committed to the French Army Wounded Assistance Unit (CABAT) as well as to Défense Mobilité, a department of the French Ministry of the Armed Forces that supports nearly 19,000 military personnel in their civil retraining. Sfil has set up a new partnership with the DGGN (Directorate General of the National Gendarmerie) and since the summer of 2024 has proposed job offers to gendarmerie officers undergoing career changes, partners of gendarmerie officers when they follow their spouses as well as internships or work-study programs for police wards. In addition, since 2023, Sfil has been a signatory of the agreement to support operational reserve policies with the French Ministry of the Armed Forces, which facilitates the exercise of Sfil reservist employees.

Sfil also supported I4CE, a non-profit research institute contributing through its analyses to the debate on public policies for climate change mitigation and adaptation.

2024 marked the ongoing development of the partnership with the Hop We Care association in the form of financial support. This association works for a better life in the hospital through art, well-being and culture, music in particular.

The partnership with microDON was sustained and employees were able to maintain their commitment *via* "wage rounding" with two partner associations: "*Planète Urgence*" (concrete ecosystem rehabilitation and reforestation missions) and the "E2C France" network (the Second Chance School - *École de la deuxième chance*). E2C's training is based on a triptych combining the development of learning, experience in a company and support for inclusion.

Convinced that access to culture is essential, Sfil continued its partnership with Paris Musées for the third consecutive year by supporting the Rodin Bourdelle exhibition.

Subcontractors and suppliers

Sfil chooses its suppliers and subcontractors very carefully. Relations with subcontractors and suppliers comply with the principles set out in the code of professional conduct and ethics, i.e. maintaining relationships based on mutual loyalty by promoting ethical behavior throughout the relationship. As such, Sfil is a signatory of the Responsible Supplier Relations Charter of the National Purchasing Council and the Business Mediator, by which it confirms its commitment to a balanced and sustainable relationship with its suppliers. In addition, Sfil has adopted a Responsible Purchasing charter which invites suppliers to commit to an approach that respects the following three main principles:

- promote, respect and fight for the respect of human rights in the working environment;
- protect and respect the environment; and
- fight against corruption.

At the end of 2024, nearly one third of suppliers had signed this charter. The roll-out will continue as contracts are renewed.

The purchases policy stipulates that the Company promotes sustainable and socially responsible purchases whenever its various constraints allow. In the context of calls for tender, the final decision is based in particular on the service provider's compliance with ethical and socially responsible values. Moreover, with regard to suppliers of intellectual services, which represent nearly one-third of total purchases, internal supplier evaluation campaigns systematically take into account social ethics practices perceived through the services provided.

Annual questionnaires are sent to the main suppliers on their social and environmental responsibility. The information collected helps to inform decision-making regarding the continuation of the business relationship.

Framework agreements that Sfil has adopted remind suppliers of the tax and social legislation and statutory labor provisions in force as regards the performance of services. Sfil regularly carries out the necessary controls in this area, with the help of the Provigis platform. Subcontracting clauses also enable these requirements to be extended to subcontractors.

Moreover, Sfil has a tool that automates the continuous monitoring of all its suppliers in terms of corruption, by reconciliation with the lists of international sanctions, negative information or politically-exposed persons.

In this respect, Sfil regularly calls on companies in the adapted sector.

2.6.5 ESG ratings

In 2024, the Sfil Group maintained an excellent level of extra-financial ratings, with scores among the highest in the respective reference categories for each of the agencies below.

Rating agency	Note	Date of last rating
Sustainalytics (ESG Risk Rating)	8.3* *Negligible Risk*	November 2024
MSCI (ESG Rating)	AA	February 2025
ISS (ESG Corporate Rating)	C+ *Prime*	March 2023

* *O is the best possible rating.*

2.7 Additional information

2.7.1 Alternative performance indicators

Sfil used notional consolidated statement of financial position items, which reflect the specific nature of its activities through outstanding local public sector loans and export credits on the one hand, and bond issues on the other, and net recurring income. These were prepared on the basis of accounting data. The year-to-year comparison is evidenced by the change in results (see 2.2 "2024 Net income") and assets and liabilities (see 2.3 "Changes in the main balance sheet items")

2.7.2 Payment terms

Pursuant to articles L.441-14 and D.441-6 of the French Commercial Code, Sfil is required to publish the breakdown of the balance of its trade payables by due dates on a yearly basis. Banking and related operations are not included in the information on payment terms.

Trade payables represent a non-material amount on the total balance sheet. The adopted practice is to always settle its invoices within 45 days unless a contractual agreement signed with the supplier provides for a 30 or 60-day payment period. The breakdown of unpaid trade payables received due as of December 31, 2024 is as follows:

	Invoices received and not paid at the reporting date for the financial year whose term has expired					
	0 days (Indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total
(A) Classes of late payment						
Number of invoices concerned	24	1	6	-	2	33
Total amount of invoices concerned excluding VAT *EUR thousands*	186	2	0	-	(26)	162
% of total purchases in the financial year excluding VAT	1%	0%	0%	-	0%	0%
(B) Invoices excluded from (A) relating to litigious debt or debt not yet posted						
Number of invoices excluded	-					
Amount of invoices excluded	-					
Reference payment period	contractual period – generally 45 days					

2.7.3 Research and development

As the Company does not conduct neither research nor development activities, no related data was mentioned in the financial statements.

2.7.4 Non-tax deductible charges and expenses

Pursuant to the provisions of article 223 quater of the French General Tax Code (Code général des impôts), it is specified that in the past financial year, non-tax-deductible charges and expenses covered by article 39-4 of the French General Tax Code totaled EUR 85,912, i.e. a related tax of EUR 21,478.

The amount of operating expenses added back following a definitive tax adjustment (articles 223 *quinquies*, 39-5 and 54 *quater* of the French General Tax Code) was nil given the absence of any adjustment.

2.7.5 Table of results during the last five financial years

	2024	2023	2022	2021	2020
FINANCIAL POSITION AT THE END OF THE YEAR					
Share capital *EUR thousands*	130,000	130,000	130,000	130,000	130,000
Number of shares issued	9,285,725	9,285,725	9,285,725	9,285,725	9,285,725
Number of bonds convertible into shares	-	-	-	-	-
OPERATING INCOME *EUR millions*					
Revenue excluding taxes(1)	1,216	1,281	272	150	159
Income before income tax expense, amortization, depreciation and contingencies net of reversals	86	105	105	70	56
Income tax	(3)	(4)	(3)	(3)	(5)
Income after income tax expense, amortization, depreciation and provisions	73	97	81	52	37
Profit distributed as a dividend(2)	136	42	-	-	23
Exceptional distribution of reserves(3)	-	31	64	57	10
OPERATING INCOME PER SHARE *EUR*					
Revenue excluding taxes(1)	130.90	137.92	29.31	16.19	17.08
Income before income tax expense, amortization, depreciation and contingencies net of reversals	9.21	11.35	10.99	7.19	5.50
Income tax	(0.35)	(0.46)	(0.31)	(0.37)	(0.57)
Income after income tax expense, amortization, depreciation and provisions	7.84	10.46	8.68	5.57	3.99
Dividend per share(2)	14.66	4.56	-	-	2.48
Exceptional distribution of reserves(3)	-	3.30	6.92	6.18	1.08
PERSONNEL					
Number of employees	412	397	391	394	394
Total payroll *EUR millions*	34.0	32.2	30.9	29.1	28.4
Amount paid in respect of social benefits (social security, charities, etc.) *EUR millions*	20.1	19.9	18.9	17.9	18.7

(1) Revenue comprises the following items:
- other operating income;
- interest and similar income, net of macro-hedging expenses;
- commissions received;
- net income from foreign exchange transactions.

(2) For 2024, proposed dividend distribution in 2025 in respect of the 2024 financial year, including the interim dividend paid in 2024 and decided during the meeting of the Board of Directors of October 11, 2024. For other years, dividends are paid out in respect of the financial year in question.

(3) Exceptional distribution of general reserves decided at the Shareholders' Meeting during the financial year in question.

2.7.6 Proposed allocation of 2024 net income

The Shareholders' Meeting of May 30, 2024 decided to distribute as a dividend a portion of the profit for the 2023 financial year of EUR 97 million corresponding to 75% of IFRS consolidated net income, i.e. EUR 42 million or EUR 4.56 per share. The balance of EUR 55 million was allocated to retained earnings.

In addition, the Ordinary Shareholders' Meeting of November 13, 2024 decided to carry out an exceptional distribution of reserves for a total amount of EUR 31 million, or EUR 3.30 per share, taken from the General reserves account. Following these distributions, the amount of the General reserves account was reduced to EUR 69 million.

Furthermore, the Board of Directors of October 11, 2024 decided to make an exceptional dividend distribution in the amount of EUR 85 million, i.e. EUR 9.10 per share, in the form of an interim dividend with respect to the 2024 financial year, deducted from the retained earnings account in the amount of EUR 55 million and from the 2024 net income in the amount of EUR 30 million.

The Shareholders' Meeting of May 28, 2025 will be asked to supplement the interim dividend paid in 2024 up to 75% of the IFRS 2024 consolidated net income, i.e. EUR 52 million or EUR 5.56 per share. This amount will be deducted from the available profit for the financial year, in the amount of EUR 43 million, as well as from the general reserves account, in the amount of EUR 9 million.

As a result, the proposed appropriation of income for the financial year ended on December 31, 2024 would be as follows:

EUR	
Available retained earnings	69,327,272.36
Retained earnings before payment of the interim dividend deducted from this item in 2024	54,809,593.99
Net income for the financial year	72,846,425.49
Legal reserve (5%)[(1)]	-
Income available for distribution	**196,983,291.84**
EXCEPTIONAL DISTRIBUTION OF AN INTERIM DIVIDEND (EUR 9.10 PER SHARE)	**84,500,097.50**
DISTRIBUTION OF DIVIDENDS (EUR 5.56 PER SHARE)	**51,628,631.00**
Balance allocated to the general reserves account	60,854,563.34

(1) The balance allocated to the legal reserve is EUR 13,403,702.36 at December 31, 2024 and represents an amount greater than 10% of the share capital (EUR 130,000,150.00). It is therefore proposed not to allocate part of the profit for the 2024 financial year to the legal reserve.

In accordance with article 243 bis of the French General Tax Code, it should be noted that during the three previous financial years, Sfil distributed the following dividends:

Financial year of distribution	On the net income of the financial year	Amount distributed *EUR*	Amount per share *EUR*	Number of shares
2024[(1)]	2024	84,500,097.50	9.10	9,285,725
2024	2023	72,985,798.50	7.86	9,285,725
2023	2022	64,257,217.00	6.92	9,285,725
2022	2021	57,385,780.50	6.18	9,285,725

(1) Interim dividend for 2024 paid during the 2024 financial year following the decision of the Board of Directors of October 11, 2024.

2.7.7 Shareholders’ Meeting of May 28, 2025

Regulated agreements

In accordance with the provisions of article L.225-40 of the French Commercial Code, the Ordinary Shareholders’ Meeting is required to note the absence of regulated agreements for the financial year ended December 31, 2024.

Compensation of directors

It is proposed to the Ordinary Shareholders’ Meeting to increase the total amount of compensation allocated annually to the Board of Directors from EUR 270,000 to EUR 300,000, for the current financial year and for each of the following financial years.

Composition of the Board of Directors - Renewal of terms of office

As the terms of office as members of the Board of Directors of Mr Serge BAYARD and Mr Christophe LAURENT expire at the end of the Shareholders' Meeting of May 28, 2025, it is proposed to renew the terms of office for a period of four years, which will expire at the end of the Ordinary Shareholders’ Meeting to be held in 2029 to approve the financial statements for the year ending December 31, 2028.

Reappointment of a Statutory Auditor

As the term of office of PricewaterhouseCoopers Audit as Principal Statutory Auditor expires at the Shareholders’ Meeting of May 28, 2025, it is proposed to the said Shareholders' Meeting to reappoint PricewaterhouseCoopers Audit as Principal Statutory Auditor for a period of six financial years, i.e. until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2030.

Appointment of Statutory Auditors for the certification of sustainability information

It is proposed to the Ordinary Shareholders’ Meeting to appoint KPMG SA and PricewaterhouseCoopers Audit (Statutory Auditors in charge of the certification of the financial statements) as Statutory Auditors for the certification of sustainability information, for the remaining term of the mission of audit of the financial statements, i.e. for KPMG SA, until the Ordinary Shareholders’ Meeting called to approve the financial statements for the financial year ending on December 31, 2028 and for PricewaterhouseCoopers Audit, until the Ordinary Shareholders’ Meeting called to approve the financial statements for the financial year ending on December 31, 2030.

Amendments to the by-laws

The Extraordinary Shareholders’ Meeting of May 28, 2025 will be asked to amend the by-laws (articles 15, 16, 17, 24, 27, 29 and 30) relating to meetings of the Boards of Directors and Shareholders' Meetings in order notably to bring them into compliance with the new provisions resulting from the Attractiveness law no. 2024-537 of June 13, 2024.

3. Corporate governance

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This Board of Directors' report on corporate governance presented pursuant to articles L.225-37, L.225-37-4, L.22-10-10 and L.22-10-11 of the French Commercial Code aims to report to shareholders on the Board's activities in 2024, its composition, and the conditions for preparing and organizing the Board's work. It also includes the list of all terms of office and functions exercised in any company by each corporate officer during the financial year, information on the compensation of members of supervisory and management bodies, the diversity policy applied to the members of the Board of Directors and information on the elements likely to have an impact in the event of a takeover bid or public offer.

It was drawn up by the Board of Directors in accordance with the last paragraph of article L.225-37 of the French Commercial Code.

Caisse des Dépôts is the reference shareholder of Sfil. The French State continues to be present on the Board of Directors through a non-voting board member, given the public interest missions entrusted to Sfil.

Sfil, which is licensed as a bank, is subject to the French Commercial Code, as a commercial company, and to the national and European laws applicable to it as a credit institution. In addition, Sfil has structured its governance rules with reference to the Afep-MEDEF Code (see the conditions for its application below) and by relying on the provisions or guidance of the European Central Bank and European Banking Authority.

All items presented are as of December 31, 2024, unless indicated otherwise.

3.1 Governance information

3.1.1 Overview of governance structure and bodies

Composition of the Board of Directors at December 31, 2024

KEY FIGURES

Independence*	Women*	Attendance rate	Average age	Average length of service on the Board of Directors
33.3%	**41.7%**	**95.6%**	**53 years**	**3.2 years**

* *Excluding Directors representing employees.*

15 DIRECTORS

	Financial Statements Committee ■	Risks and Internal Control Committee ▲	Governance, Appointments and CSR Committee ★	Compensation Committee ●
CHAIRWOMAN				
Virginie CHAPRON-DU JEU				
CHIEF EXECUTIVE OFFICER				
Philippe MILLS				
Caisse des Dépôts (represented by Alexandre THOREL)	✓	✓	✓	✓
Serge BAYARD				
Othmane DRHIMEUR	✓	✓		
Perrine KALTWASSER				
Christophe LAURENT	✓			
Pierre LAURENT		✓		
INDEPENDENT DIRECTORS				
Dominique AUBERNON	✓		✓	
Frédéric COUTANT		✓		✓
Brigitte DAURELLE	✓	✓	✓	✓
Véronique ORMEZZANO	✓	✓		
DIRECTORS REPRESENTING THE EMPLOYEES				
Édouard GRIMBERT		✓		
Cécile LATIL-BOUCULAT	✓		✓	
Prisca SABARROS				✓

NON-VOTING DIRECTOR

Pierre DARBRE (until March 1, 2024)

Armel CASTETS (since March 22, 2024)

REPRESENTATIVE OF THE SOCIAL AND ECONOMIC COMMITTEE

Thomas PERDRIAU

Board of Directors' Committees

4 committees

	Financial Statements Committee ■	Risks and Internal Control Committee ▲	Governance, Appointments and CSR Committee ★	Compensation Committee ●
Members	**7**	**7**	**4**	**4**
Meetings	**6**	**7**	**5**	**2**
Independence	**50.0% ***	**50.0% ***	**66.7% ***	**66.7% ***
Attendance rate	**89.7%**	**95.7%**	**100.0%**	**100%**

* *Excluding Directors representing employees.*

MANAGEMENT BODY AT DECEMBER 31, 2024

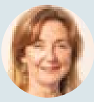
General Management


Philippe MILLS
Chief Executive Officer


François LAUGIER
Deputy Chief Executive Officer

Executive committee

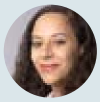
9 members + 1 permanent guest


Anne CRÉPIN
Export credit division


Florent LECINQ
Finance and Financial Markets division


Emmanuel DUPUY
Risks division

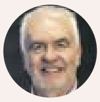

Stéphane COSTA DE BEAUREGARD
Local Public Sector, Operations and CSR division


Donia MANSOURI
Transformation Department


Frédéric MEYER
Communication and Human Resources


Cécile DEGOVE
General Secretariat
• Legal
• Compliance
• Permanent control

33.3% women


Gilles GALLERNE
General Auditor (permanent guest)

3.1.2 Board of Directors

Overview of the Board of Directors

Situation as of December 31, 2024

	Personal Information				Experience		Position on the Board			
	Age	Gender	Nationality	Number of shares	Number of directorships in listed companies	Indepen-dence	Initial date of appointment	Expiry of mandate	Seniority on the Board	Participation in Board Comm.
Virginie CHAPRON-DU JEU Chairwoman	63	♀	🇫🇷	None	None		2/16/2024	2028	4 years	
Philippe MILLS Chief Executive Officer	59	♂	🇫🇷	None	None		1/31/2013	2028	12 years	
Caisse des Dépôts represented by Alexandre Thorel	36	♂	🇫🇷	9,285,724	1		9/30/2020	2028	4 years	■▲★●
Dominique AUBERNON Independent Director	68	♀	🇫🇷	None	1	✓	5/30/2024	2028	7 months	■★
Frédéric COUTANT Independent Director	58	♂	🇫🇷	None	None	✓	5/30/2024	2028	7 months	▲●
Serge BAYARD	61	♂	🇫🇷	None	None		3/24/2016	2025	9 years	
Brigitte DAURELLE Independent Director	56	♀	🇫🇷	None	None	✓	5/28/2020	2028	4.5 years	■▲★●
Othmane DRHIMEUR	36	♂	🇲🇦 🇫🇷	None	None		12/8/2023	2028	1 year	■▲
Édouard GRIMBERT Director representing the employees	57	♂	🇫🇷	None	None		10/18/2024	2028	2.5 months	▲
Perrine KALTWASSER	44	♀	🇫🇷	None	None		2/17/2023	2028	2 years	
Cécile LATIL-BOUCULAT Director representing the employees	52	♀	🇫🇷	None	None		11/13/2020	2028	4 years	■★
Christophe LAURENT	54	♂	🇫🇷	None	None		3/22/2024	2025	9 months	■
Pierre LAURENT	58	♂	🇫🇷	None	None		9/30/2020	2028	4 years	▲
Véronique ORMEZZANO Independent Director	63	♀	🇫🇷	None	None	✓	5/30/2024	2028	7 months	■▲
Prisca SABARROS Director representing the employees	36	♀	🇫🇷	None	None		10/18/2024	2028	2.5 months	●

Financial Statements Committee: ■
Risks and Internal Control Committee: ▲
Governance, Appointments and CSR Committee: ★
Compensation Committee: ●

Members having left the Board of Directors between January 1 and December 31, 2024

	Personal Information				Experience		Position on the Board			
	Age	Gender	Nationality	Number of shares	Number of directorships in listed companies	Independence	Initial date of appointment	End of mandate	Seniority on the Board	Participation in Board Comm.
Sandrine BARBOSA Director representing the employees	55	♀		None	None		11/13/2020	10/18/2024	3 years and 11 months	●
Cécile DEGOVE	48	♀		None	None		3/24/2023	1/22/2024	10 months	■
Laetitia DORDAIN	56	♀		None	None		9/30/2020	5/30/2024	3 years and 8 months	
Eckhard FORST Independent Director	65	♂		None	None	✓	5/28/2020	5/30/2024	4 years	■▲
Jean-Baptiste HÉRICHER Director representing the employees	58	♂		None	None		11/10/2023	10/18/2024	11 months	■★
Cathy KOPP Independent Director	75	♀		None	None	✓	1/31/2013	5/30/2024	11 years and 4 months	★●
Pierre SORBETS Chairman	74	♂		None	None	✓	5/26/2016	3/22/2024	7 years and 10 months	■▲

Financial Statements Committee: ■
Risks and Internal Control Committee: ▲
Governance, Appointments and CSR Committee: ★
Compensation Committee: ●

Changes in the composition of the Board of Directors and the Committees in 2024

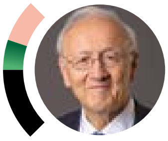
	Exit	Appointment	Reappointment
Board of Directors	**Cécile DEGOVE** as director 1/22/2024 **Pierre SORBETS** as director and Chairman 3/22/2024 **Laetitia DORDAIN** as director 5/30/2024 **Eckhard FORST** as a director 5/30/2024 **Cathy KOPP** as director 5/30/2024 **Sandrine BARBOSA** as director representing employees 10/18/2024 **Jean-Baptiste HÉRICHER** as director representing employees 10/18/2024	**Virginie CHAPRON-DU JEU** as director 2/16/2024 as Chairwoman 3/22/2024 **Christophe LAURENT** as a director 3/22/2024 **Dominique AUBERNON** as director 5/30/2024 **Frédéric COUTANT** as a director 5/30/2024 **Véronique ORMEZZANO** as director 5/30/2024 **Édouard GRIMBERT** as director representing employees 10/18/2024 **Prisca SABARROS** as director representing employees 10/18/2024	**Virginie CHAPRON-DU JEU** as director and Chairwoman 5/30/2024 **Brigitte DAURELLE** as director 5/30/2024 **Othmane DRHIMEUR** as a director 5/30/2024 **Perrine KALTWASSER** as director 5/30/2024 **Pierre LAURENT** as a director 5/30/2024 **Philippe MILLS** as a director 5/30/2024 **Caisse des Dépôts** as director 5/30/2024 **Cécile LATIL-BOUCULAT** as director representing employees 10/18/2024
Financial Statements Committee	**Cécile DEGOVE** 1/22/2024 **Pierre SORBETS** 3/22/2024 **Eckhard FORST** 5/30/2024 **Jean-Baptiste HÉRICHER** 10/18/2024	**Christophe LAURENT** 3/22/2024 **Dominique AUBERNON** 5/30/2024 **Véronique ORMEZZANO** 5/30/2024 **Cécile LATIL-BOUCULAT** 12/6/2024	**Brigitte DAURELLE** 5/30/2024 **Othmane DRHIMEUR** 5/30/2024 **Alexandre THOREL** 5/30/2024
Risks and Internal Control Committee	**Pierre SORBETS** 3/22/2024 **Eckhard FORST** 5/30/2024 **Cécile LATIL-BOUCULAT** 10/18/2024	**Frédéric COUTANT** 5/30/2024 **Véronique ORMEZZANO** 5/30/2024 **Édouard GRIMBERT** 12/6/2024	**Brigitte DAURELLE** 5/30/2024 **Othmane DRHIMEUR** 5/30/2024 **Pierre LAURENT** 5/30/2024 **Alexandre THOREL** 5/30/2024
Governance, Appointments and CSR Committee	**Cathy KOPP** 5/30/2024 **Jean-Baptiste HÉRICHER** 10/18/2024	**Dominique AUBERNON** 5/30/2024 **Cécile LATIL-BOUCULAT** 12/6/2024	**Brigitte DAURELLE** 5/30/2024 **Alexandre THOREL** 5/30/2024
Compensation Committee	**Cathy KOPP** 5/30/2024 **Sandrine BARBOSA** 10/18/2024	**Frédéric COUTANT** 5/30/2024 **Prisca SABARROS** 12/6/2024	**Brigitte DAURELLE** 5/30/2024 **Alexandre THOREL** 5/30/2024

Information on the Members of the Board of Directors

The following section contains the information on the terms of office (mandates) and functions of the Members of the Board of Directors required pursuant to article L.225-37-4-1 of the French Commercial Code.

Note: the business address is only listed for persons still active. For others, all mail can be sent to the registered office of Sfil (112-114, avenue Émile Zola - 75015 Paris - France).

Chairman of the Board of Directors



Mr. Pierre SORBETS

Chairman of the Board of Directors (until March 22, 2024), independent director (until March 22,2024)

Born on August 30, 1950 – French

Dates term of office begins and ends: May 28, 2021 - March 22, 2024

Date of initial mandate: May 26, 2016

BIOGRAPHICAL DATA

- Graduate of HEC Paris (Hautes études commerciales)
- Graduate of Institut d'Études Politiques de Paris
- Bachelor's degree in Economics (Université Paris X)
- Alumnus of École nationale d'administration
- 1977-1990: Ministry of the Economy and Finance
  - Export Promotion Office (1977-1979)
  - Agent responsible for Brazil and Mexico (export finance structuring and monitoring of bilateral economic relations) (1979-1980)
  - Economic and Trade Adviser at the French Consulate General in Rio de Janeiro (1980-1983)
  - Bureau Chief for Eastern countries (1983-1984)
  - Bureau Chief for agricultural products (1985-1986)
  - Economic and trade advisor at the French embassy in Brasilia, head of the Economic Development department in Brazil (1986-1988)
  - Head of Medium-Term at Coface (1988-1990)
- 1991-2000: CCF (Crédit Commercial de France)
  - Head of the Foreign Trade division (export credits) (1991-1994)
  - Director of the International Financing division (1994-2000)
- 2000-2017: HSBC France (acquisition of CCF by HSBC)
  - Manager responsible for financial institutions (2001-2002)
  - *Managing Director* then *Vice-Chairman*, responsible for the French and Belgian public sectors and European institutions (2002-2017)

MANDATES AND FUNCTIONS

- Sfil, Director, Chairman of the Board of Directors, member of the Financial Statements Committee and member of the Risks and Internal Control Committee (until March 22, 2024)
- Les Sorbets du Clos Marie, Manager
- Magnard Finance Conseil, Chairman
- Société du Grand Paris, Chairman of the Financing Committee
- Institut de la Gestion Déléguée, advisor to the Chairman (on behalf of Magnard Finance Conseil)

Ms. Virginie CHAPRON-DU JEU
Chairwoman of the Board of Directors (since March 22,2024)
Group Chief Risk Officer, member of the Caisse des Dépôts Group Executive Committee and Management Committee
Born on October 13, 1961 – French

Date term of office begins and ends: May 30, 2024 - 2028
Date of first term of office: September 30, 2020

Business address:
Caisse des Dépôts
56, rue de Lille
75007 Paris

BIOGRAPHICAL DATA

- Graduate of Institut d'Études Politiques de Paris
- DESS International Affairs
- Master's degree in financial management and management control
- From 1986 to 1989: CEPME (since integrated into Bpifrance SA) – Finance division, Head of International Debt Management
- 1989 to 1995: Caisse des Dépôts – DABF (department of banking and financial activities) – Interest Rate Markets department, origination, structuring and financial engineering division
- 1995-1998; Caisse des Dépôts – DABF – Interest Rate Markets department, Deputy Head of Credit Risk
- 1998-2001: Caisse des Dépôts – DABF – Head of Risk Management and Control department
- 2001-2004: CDC IXIS – Finance division, head of the financing and financial communication department
- 2004-2007: IXIS CIB (Natixis Group – CEP) – Finance division, Head of Strategy – Financing – General Affairs division
- 2007-2011: Caisse des Dépôts – Savings funds division – Financial division, head of the financial balances department (ALM, financial steering, accounting and regulatory management), deposits and complex financing
- 2011-2013: Caisse des Dépôts – Finance, Strategy, Subsidiaries and International Division, project manager to the Deputy Chief Executive Officer of Caisse des Dépôts
- 2013-2016: Caisse des Dépôts – department of pensions and solidarity, Director of Investments and Accounting, member of the Management Committee DRS
- 2016-2023: Caisse des Dépôts - Group Chief Financial Officer Caisse des Dépôts Group, member of the Caisse des Dépôts Group Executive Committee and Management Committee
- Since 2023: Caisse des Dépôts - Group Chief Risk Officer, member of the Group Executive Committee and Management Committee

MANDATES AND FUNCTIONS

- Caisse des Dépôts - Group Chief Risk Officer, member of the Group Executive Committee and Management Committee
- Sfil, Director (since February 16, 2024), Chairwoman (since March 22, 2024)
- RTE (Réseau de Transport d'Électricité), member of the Supervisory Board and member of the Economic Oversight and Audit Committee
- Alter Égales, Chairwoman

Chief Executive Officer

Mr. Philippe MILLS

Chief Executive Officer of Sfil, Director

Born on November 4, 1965 – French

Date term of office begins and ends: May 30, 2024 - 2028

Date of the first mandate: January 31, 2013

Business address:

Sfil
112-114, avenue Émile Zola
75015 Paris

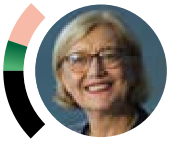
BIOGRAPHICAL DATA

- Graduate of Institut d'Études Politiques de Paris
- Alumnus of École nationale d'administration
- 1990-1994: Assigned to the Ministry of the Economy as deputy to the head of the public administrations' bureau, then of general macro-economic forecasts, Forecasts division
- 1994-1996: European Bank for Reconstruction and Development
- 1996-1997: Bureau Chief, Economic Environment, Forecasts division, Ministry of the Economy
- 1997-2000: Bureau Chief, General Economic Forecasts, Forecasts division, Ministry of the Economy
- 2000-2003: Economic Adviser to the Director General of the Economic and Financial Affairs Directorate General, European Commission
- 2003: General Secretary, Forecasts division, Ministry of the Economy
- 2004-2006: Deputy Director, Public Finances, Forecasts division and then Treasury and Economic Policy directorate general
- 2006-2008: Deputy Commissary for Planning, then Deputy Chief Executive Officer, Strategic Analysis Center in charge of economic, financial and European issues
- 2008-2013: Chief Executive Officer, Agence France Trésor
- 2013-2017: Chairman of the Board of Directors and Chief Executive Officer of Sfil
- Since 2016: Chairman (until June 2022) and Director of the EAPB
- Since 2017: Chief Executive Officer of Sfil

MANDATES AND FUNCTIONS

- Sfil, Director, Chief Executive Officer and Chairman of the Executive Committee
- Caisse Française de Financement Local, Chairman of the Supervisory Board
- European Association of Public Banks - EAPB, director (until May 2024)
- Fondation du Collège de France, permanent representative of Sfil, member of the Board of Directors

Members of the Board of Directors



Ms. Dominique AUBERNON
Independent Director (since May 30, 2024)
Born July 26, 1956 – French

Date term of office begins and ends: May 30, 2024 - 2028
Date of the first mandate: May 30, 2024

BIOGRAPHICAL DATA

- Degree in Commercial Strategies of Businesses (Paris IX - Dauphine)
- Degree in Financial Management (Paris VI - Pierre et Marie Curie)
- Master's degree in Statistics (Paris VI - Pierre and Marie Curie)
- Master's degree in Mathematics (Paris VI - Pierre and Marie Curie)
- 1980-1988: BNP Paribas
  - Asset manager (1980-1984)
  - Responsible for the origination and syndication of French issuers within Fixed Income (1984-1988)
- 1988-2006: various positions of responsibility, notably in structured capital markets and structured lending activities, including Head of Asset Management (BNP and BNP Paribas Structured Finance)
- 2006-2008: Chief Financial Officer (BNP Paribas International Retail Services)
- 2008-2020: BNP Paribas:
  - Head of Strategic Consulting (2008-2016)
  - Global Head of ALM Treasury (2017-2020)
- 2021 - 2023: Chief Executive Officer (Exane)

MANDATES AND FUNCTIONS

- Sfil, Director, Chairwoman of the Governance, Appointments and CSR Committee and member of the Financial Statements Committee (since May 30, 2024)
- BGL BNP Paris, member of the Board of Directors (since April 2021) and Chairwoman of the Audit Committee (since May 2024)
- BNP Paribas USA Holding, Director and member of the Audit Committee
- Exane Asset Management, Director and member of the Compensation Committee
- Espérances Banlieues, Director
- MASC, Manager

3

Mr. Serge BAYARD
Chief Executive Officer of Banque des Entreprises et du Développement Local
Born on October 24, 1963 – French

Dates term of office begins and ends: May 28, 2021-2025
Date of the first mandate: March 24, 2016

Business address:
La Banque Postale
112-114, avenue Émile Zola
75015 Paris

BIOGRAPHICAL DATA

- École Nationale du Trésor
- 1984-1999: Public Accounting department
  - In charge of the economic mission of the redevelopment center of Creusot/Montceau-les-Mines (1989-1994)
  - Departmental Director of the Treasury in charge of audit and control for the Rhône-Alpes region (1994-1999)
- 1999-2002: General Inspection of Finances, Inspector General of finance
- 2002-2004: Caisse des Dépôts, Director of Finances and C3D Strategy (Caisse des Dépôts Développement)
- 2004-2008: Caisse d'Épargne Group
  - Director of public-private partnerships (2004-2007)
  - Director of real estate markets (2007-2008)
- Since 2008: La Banque Postale
  - Director of Strategy (2008-2011)
  - Director of Companies and Regional Development (2011-April 2021)
  - Chief Executive Officer Banque des Entreprises et du Développement Local

MANDATES AND FUNCTIONS

- La Banque Postale, Chief Executive Officer of Banque des Entreprises et du Développement Local
- Sfil, Director
- La Banque Postale Leasing and Factoring, Vice-Chairman of the Board of Directors, member of the Appointments Committee, member of the Compensation Committee and Chairman of the Strategy Committee
- eZyness, Chairman of the Board of Directors

Mr. Frédéric COUTANT
Independent Director (since May 30, 2024)
Born on April 18, 1966 – French

Date term of office begins and ends: May 30, 2024 - 2028
Date of the first mandate: May 30, 2024

BIOGRAPHICAL DATA

- Graduate of the Institut Supérieur de Gestion (ISG Paris)
- Institut des Techniques de Marché (AFB)
- Degree in Accouting and Finance (DESCF)
- Degree in Corporate Finance (CNAM)
- Company director certificate (Institut Français des Administrateurs-Sciences Po)
- 1987-1993: Finance Department at Aérospatiale-Airbus
- 1993-1995: Deputy Head of the Trading Floor Department at Alcatel Alsthom Electrobanque
- 1995-2003: Alcatel Lucent:
  - Member of the Centralization Task Force reporting to the CFO (1995-1996)
  - Deputy Head of the trading room at Alcatel Central Treasury (1996-1998)
  - Head of the trading room at Alcatel Central Treasury (1999-2000)
  - Head of Treasury at the Alcatel Group (2000-2003)
- 2003-2008: Group Treasurer and Deputy Chief Financial Officer of Publicis
- 2008-2021: HSBC:
  - Head of Strategic Financing Advisory (2008-2012)
  - Head of Global Banking Coverage France (2012-2013)
  - Co-Head of Global Banking France (2013-2018)
  - Co-Head of Global Banking France, Head of Corporates Financials Multis Banking, Continental Europe (2018-2020)
  - Co-Head of Global Banking Continental Europe (2020-2021)
- Since 2022: Director of Skyros Consult

MANDATES AND FUNCTIONS

- Sfil, Director, member of the Risks and Internal Control Committee and Chairman of the Compensation Committee (since May 30, 2024)
- Skyros consult, Chairman
- Leemax, senior advisor
- Financière de Courcelles, senior advisor

3

Ms. Brigitte DAURELLE

Independent Director

Born on April 1, 1969 – French

Date term of office begins and ends: May 30, 2024 - 2028

Date of initial mandate: May 28, 2020

BIOGRAPHICAL DATA

- Master in Management Sciences – Paris Dauphine
- Degree in Management - Paris Dauphine
- Accelerated development program for Executives (London Business School)
- 1996-1999: Director of Commercial Development of the Trésor Public network at CNP Assurances
- 2000-2006: Head of Strategy and Products at Euroclear France
- 2006-2014: Chief Business Development Officer – Member of the Management Committee of Euroclear France
- 2014-2021: Vice-Chairwoman of the ECSDA Association of European Central Depositories
- 2015-2021: member and Chairwoman of the Management Committee and Chief Executive Officer of Euroclear France, Euroclear Belgium and Euroclear Nederland
- 2021-2023: Chief Executive Officer of MFEX Holding AB and MFEX Mutual Exchange

MANDATES AND FUNCTIONS

- Sfil, Director, Chairwoman of the Financial Statements Committee, Member of the Risks and Internal Control Committee, Member of the Compensation Committee and Member of the Governance, Appointments and CSR Committee

Ms. Cécile DEGOVE

General Secretary - Head of Legal and Compliance at Sfil

Born on April 30, 1976 – French

Date term of office begins and ends: March 24, 2023 - January 22, 2024

Date of the first mandate: March 24, 2023

Business address:

Sfil

112-114, avenue Émile Zola

75015 Paris

BIOGRAPHICAL DATA

- London School of Economics (LLM)
- Certificate of Aptitude for the Legal Profession
- Magistère DJCE
- Asset and liability management certificate (ENSAE)
- 2000-2005: Lawyer at Landwell & Associés - PwC
- 2005-2008: Head of the Financial Services & Regulatory Affairs Department in the Legal Department of Natixis
- From 2008 to February 2024: Caisse des Dépôts
  - Banking and financing lawyer (2008-2011)
  - Head of Legal Banking and Financing (2011-2013)
  - Legal Manager of the Banking, Finance, Regulation and Capital Markets Department (2013-2017)
  - Head of Group Financial Planning and Special Operations Loans (2017-2019)
  - Since 2019: Group Head of Strategic, Financial and Extra-Financial Planning
- Since February 2024: General Secretary, Head of Legal and Compliance of Sfil

MANDATES AND FUNCTIONS

- Caisse des Dépôts, Head of Group Strategic, Financial and Extra-Financial Planning (until January 2024)
- Sfil, General Secretary, Head of Legal and Compliance (since February 2024)
- Sfil, Director and member of the Financial Statements Committee (from March 2023 to January 2024)
- Logivolt Territoires, member of the Strategic Committee

Ms. Laetitia DORDAIN
Head of Digital Services and member of the Executive Committee - Banque des Territoires (Caisse des Dépôts)
Born on May 13, 1968 – French

Dates term of office begins and ends:
September 30, 2020 - May 30, 2024
Date of first term of office: September 30, 2020

Business address:
Caisse des Dépôts
56, rue de Lille
75007 Paris

BIOGRAPHICAL DATA

- Degree in Economic Development
- Master in Management Sciences – Paris Dauphine
- 1993-1996: Researcher for the Massif Central Planning Company SOMIVAL
- 1996-2001: Director of studies and projects at Prospective & Patrimoine
- 2001-2006: Head of Marketing and Quality, Director of Marketing and Communications then Director of Product Clients and member of the Executive Committee of Foncière Logement Icade
- 2006-2010: Chief Financial Officer and member of the Management Committee of Foncière Logement Icade
- Since 2010: Caisse des Dépôts
  - Assistant to the General Secretary and Head of the Communication department of the Banking Customer department (2010-2016)
  - Deputy Head of the Branches and Networks department of the Banking Customer department (2016-2017)
  - Deputy Head of the Consignments and Specialized Deposits department of the Banking Customer department – Banque des Territoires (2017-2019)
  - Head of the Consignments and Specialized Deposits department and member of the Management Committee of the Banking Customers department – Banque des Territoires (from July 2019 to November 2024)
  - Head of Digital Services and member of the Executive Committee - Banque des Territoires (since November 2024)

MANDATES AND FUNCTIONS

- Caisse des Dépôts - Banque des Territoires, Head of the Consignments and Specialized Deposits department (until November 2024), Head of Digital Services and member of the Executive Committee (since November 2024)
- Sfil, Director (until May 30, 2024)
- Manufacture, Director (since December 2024)

Mr. Othmane DRHIMEUR
Head of Banking Insurance investments within the Caisse des Dépôts Group's Strategic Investments Management department
Born on October 11, 1988 – French/Moroccan

Date term of office begins and ends:
May 30, 2024 - 2028
Date of the first mandate: December 8, 2023

Business address:
Caisse des Dépôts
56, rue de Lille
75007 Paris

BIOGRAPHICAL DATA

- Preparatory classes for the Grandes Écoles de Commerce
- Graduate School of International Studies & Graduate School of Public Administration, Seoul National University
- ESSEC Business School
- 2014-2020: Manager in the Financial Services division of EY - Transaction Advisory Services
- 2021-2023: Deputy Director in the team in charge of financial institutions at Lazard
- Since 2023: Head of Banking Insurance investments within the Caisse des Dépôts Group's Strategic Investments Management department

MANDATES AND FUNCTIONS

- Caisse des Dépôts, Head of Banking Insurance investments within the Group's Strategic Investments Management department
- Sfil, Director, member of the Financial Statements Committee and member of the Risks and Internal Control Committee

3

Mr. Eckhard FORST
Chairman of the Executive Board of NRW.Bank (Germany)
Born on November 21, 1959 – German

Dates term of office begins and ends: May 28, 2020 - May 30, 2024
Date of initial mandate: May 28, 2020

Business address:
NRW.Bank
Kavalleriestraße 22
40213 Düsseldorf - Germany

BIOGRAPHICAL DATA

- Banking diploma (Deutsche Bank AG)
- First & second state law exam (University of Bonn and University of Lausanne)
- 1990-1999: various functions within Deutsche Bank AG
- 2000-2003: Managing Director of Deutsche Bank AG in Paris (Head of Corporate and Investment Banking)
- 2001-2003: Chief Executive Officer of Banque Worms (then part of the Deutsche Bank Group)
- 2003-2006: Managing Director of Deutsche Bank AG in Bielefeld (Head of Corporate and Investment Banking)
- 2007-2016: Member of the Management Committee of Norddeutsche Landesbank Girozentrale (NORD/LB)
- Since November 2016: Chairman of the Executive Board of NRW.Bank

MANDATES AND FUNCTIONS

- NRW.Bank, Chairman of the Executive Board
- Sfil, Director, Chairman of the Risks and Internal Control Committee and member of the Financial Statements Committee (until May 30, 2024)
- HSBC Trinkaus & Burkhardt AG, Member of the Advisory Board
- Portigon AG, Chairman of the Supervisory Board
- VÖB (Bundesverband Öffentlicher Banken Deutschlands e.V.), Chairman
- Honorary Consul of France in Münster

Ms. Perrine KALTWASSER
Chief Risk Officer, Compliance Officer and General Secretary of the Financial Conglomerate and member of the Executive Board of La Banque Postale
Born on August 22, 1980 – French

Date term of office begins and ends: May 30, 2024 - 2028
Date of the first mandate: February 17, 2023

Business address:
La Banque Postale
115, rue de Sèvres
75006 Paris

BIOGRAPHICAL DATA

- Graduate of École Polytechnique
- Graduate of ENSAE
- Actuary
- 2005-2009: insurance auditor-supervisor at the *Autorité de contrôle des assurances et des mutuelles* (ACAM - French Insurance and Mutual Supervisory Authority)
- 2009-2011: member of the Solvency II team and project manager for the fifth Solvency II impact study at the European Insurance and Occupational Pensions Authority (EIOPA)
- 2011-2014: Head of department in the supervision of mutual institutions and investment firms division of the *Autorité de contrôle prudentiel et de résolution* (ACPR)
- 2014-2018: Head of Division in the general management of the Micro-Prudential Supervision of the European Central Bank (ECB)
- Since 2018: La Banque Postale
  - Head of Capital and Conglomerate Management (2018-2020)
  - Group Chief Risk Officer and member of the Executive Committee (2020-2021)
  - Deputy Director in charge of risks, compliance, general secretariat and supervision of the conglomerate, member of the Executive Committee
  - Since 2023: Chief Risk Officer, Compliance and General Secretary of the Financial Conglomerate, member of the Executive Board

MANDATES AND FUNCTIONS

- La Banque Postale, Chief Risk, Compliance and General Secretary of the Financial Conglomerate and member of the Executive Board
- Sfil, Director
- CNP Assurances, representative of La Banque Postale, director and member of the Audit and Risk Committee (since April 2023), member of the CSR Committee (since February 2024)
- CNP Assurances Holding, representative of La Banque Postale, Director and member of the Audit and Risk Committee (since April 2023), member of the CSR Committee (since February 2024)
- Poste Immo, Director

Ms. Cathy KOPP
Independent Director (until May 30, 2024)
Born on April 13, 1949 – French

Dates term of office begins and ends: May 28, 2020 - May 30, 2024
Date of the first mandate: January 31, 2013

BIOGRAPHICAL DATA

- After studying mathematics, joined IBM France in 1973
- In 1992, Head of Human Resources at IBM France, then in 1996 appointed Vice-Chair, Human Resources, Storage Systems division of IBM Corp
- In 2000, appointed Chairwoman and Chief Executive Officer of IBM France
- In 2002, joined Accor Group as Managing Director of Group Human Resources, member of the Executive Committee, functions held until 2010
- Chairwoman of the labor commission on service professions at Medef from 2003 to 2009; Lead negotiator for the industry-wide negotiations on diversity at MEDEF in 2006, and on labor market modernization in 2007
- Member of the first HALDE college

MANDATES AND FUNCTIONS

- Sfil, Director, Chairwoman of the Governance, Appointments and CSR Committee and Chairwoman of the Compensation Committee (until May 30, 2024)

Mr. Christophe LAURENT

Deputy Chief Finance and Sustainable Development Policy Officer of the Caisse des Dépôts Group

Born on April 20, 1970 – French

Dates term of office begins and ends: March 22, 2024 - 2025

Date of the first mandate: March 22, 2024

Business address:
Caisse des Dépôts
56, rue de Lille
75007 Paris

BIOGRAPHICAL DATA

- Certificate in Strategy (Institut des Hautes Études de Défense Nationale - IHEDN)
- Master in Finance (Institut Supérieur du Commerce de Paris)
- 1994-1998: Treasurer at Carpilig Groupe Lourmel
- 1998-2006: Head of the investment department at Société Centrale Immobilière de la Caisse des Dépôts (SCIC)
- 2006-2008: Head of Treasury and Financing at Icade
- Since 2008: Caisse des Dépôts:
  - Head of the Real Estate and Tourism division (2008-2010)
  - Regional Director Limousin (2011-2012)
  - Regional Director Poitou-Charentes (2013-2014)
  - Director of Real Estate and Work Environment (2015-2018)
  - Director of Investor Portfolio Management and Commitments at Banque des Territoires (2019)
  - Regional Director Antilles-Guyane at Banque des Territoires (2019-2024)
  - Deputy Chief Finance and Sustainable Development Policy Officer of the Caisse des Dépôts Group (since March 2024)

MANDATES AND FUNCTIONS

- Caisse des Dépôts, Regional Director for the Antilles-Guyane of Banque des Territoires (until February 2024), Group Deputy Chief Finance and Sustainable Development Policy Officer (since March 22, 2024)
- Sfil, Director and member of the Financial Statements Committee (since March 22, 2024)
- CDC Placement, Director (since April 2024)
- SCI Antillopoles, partner representing the shareholder Caisse des Dépôts (until February 2024)
- Société Commerciale de Saint Martin (SEMSAMAR), Director and member of the Audit Committee (until February 2024)
- Société Immobilière de la Martinique (SIMAR), Director and member of the Audit Committee (until February 2024)
- Société Immobilière de Guadeloupe (SIG), Director and member of the Audit Committee (until February 2024)
- Société Immobilière de Kourou (SIMKO), Director and member of the Audit Committee (until February 2024)
- Société Immobilière de la Guyane (SIGUY), Director and member of the Audit Committee (until February 2024)

Mr. Pierre LAURENT

Chief Investments Officer at Banque des Territoires (Caisse des Dépôts)

Born on January 19, 1966 – French

Date term of office begins and ends: May 30, 2024 - 2028

Date of first term of office: September 30, 2020

Business address:

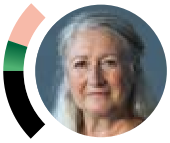
Banque des Territoires
72, avenue Pierre Mendès-France
75914 Paris Cedex 13

BIOGRAPHICAL DATA

- Master in Economics and International Finance
- Doctorate in Economics
- 1997-1998: interest rate economist at CDC Marchés, economic and financial studies department
- 1999-2003: economist at IXIS (currently Natixis) in the economic and financial studies department, in charge of monitoring emerging financial markets
- 2004-2010: savings funds loan department for Caisse des Dépôts:
  - Asset-Liability Manager (2004-2008)
  - Head of Sustainable Infrastructure Financing (2008-2010)
- Since 2010: Banques des Territoires (Caisse des Dépôts):
  - Director of the Development Department (2010-2024)
  - Chief Investments Officer (since September 2024)

MANDATES AND FUNCTIONS

- Caisse des Dépôts, Head of the Development Department at Banque des Territoires (until September 2024), Chief Investments Officer at Banque des Territoires (since September 2024)
- Sfil, Director, member of the Risks and Internal Control Committee
- Les COOP'HLM Financement (SFHC), director (until September 2024)
- SCI La Serre de la Treille, Manager



Ms. Véronique ORMEZZANO
Independent Director (since May 30, 2024)
Born on June 11, 1961 – French

Date term of office begins and ends: May 30, 2024 - 2028
Date of the first mandate: May 30, 2024

BIOGRAPHICAL DATA

- Graduate of HEC Paris(Hautes Études Commerciales)
- Company director certificate (Institut Français des Administrateurs-Sciences Po)
- 1986-1994: senior manager at Andersen Consulting
- 1994-2009: BNP Paribas:
  - Head of the RAROC project and loan portfolio management (1994-1998)
  - Portfolio manager Economic Capital and Credit (1994-2005)
  - Director of Investor Relations and Financial Information (2006-2009)
- 2009-2015: Head of Official Institutions Coverage team of BNP Paribas CIB
- 2015-2022: Head of Prudential Affairs at BNP Paribas
- 2018-2024: member of the EBA Banking Stakeholder Group
- Since 2022: Chairwoman of VYGE Consulting, expert in financial regulation, sustainable finance and communication

MANDATES AND FUNCTIONS

- Sfil, Director, Chairwoman of the Risks and Internal Control Committee (since May 30, 2024)
- VYGE Consulting, Chairwoman
- EBA Banking Stakeholder Group, member (until May 2024)
- Business@OECD (BIAC), Vice-Chairwoman of the Finance Committee (since February 2024)

3

Mr. Alexandre THOREL

Investment director within the Caisse des Dépôts Group's strategic investments management department

Born on August 30, 1988 – French

Date term of office begins and ends: May 30, 2024 - 2028

Date of initial mandate: September 9, 2022

Business address:
Caisse des Dépôts
56, rue de Lille
75007 Paris

BIOGRAPHICAL DATA

- HEC Paris (Hautes Etudes Commerciales)
- Institut d'Études Politiques of Paris
- Degree in fundamental and experimental science
- 2010-2015: BNP Paribas CIB, analyst
- 2015-2016: Goldman Sachs, associate
- 2016-2019: Icamap Advisory, investment director, associate
- Since 2019: manager, then Investment director within the Strategic Investments Management department of the Caisse des Dépôts Group, in charge of shareholder management of La Poste (including La Banque Postale and CNP Assurances), Icade, Euronext and Sfil

MANDATES AND FUNCTIONS

- Caisse des Dépôts, Investment director in the Strategic Investments Management department
- Sfil, representative of the Caisse des Dépôts, Director, member of the Financial Statements Committee, member of the Risks and Internal Control Committee, member of the Governance, Appointments and CSR Committee and member of the Compensation Committee
- Icade, representative of Caisse des Dépôts, member of the Strategy and Investment Committee
- HEC Paris, corporate finance teacher (since January 2024)

Members of the Board of Directors representing employees

Ms. Sandrine BARBOSA
Sfil, DATA Architect in the Technology and Organization division
Born December 19, 1969 – French

Date term of office begins and ends:
November 13, 2020 - October 18, 2024

Date of the first mandate: November 13, 2020

Business address:
Sfil
112-114, avenue Émile Zola
75015 Paris

BIOGRAPHICAL DATA

- Baccalaureate
- Accounting training
- Legal training
- 1988-1995: Institut Supérieur de Gestion – Management of teachers and timetables
- 1995-2000: Dexia Crédit Local – Financial Controller
- 2000-2013: Dexia Crédit Local
  - Accounting controller Back-office markets
  - Administrative Manager of the Works Council (2010-2013)
- Since 2013: Sfil
  - Secretary of the Works Council
  - DATA Architect in the Technology and Organization division (since 2019)

MANDATES AND FUNCTIONS

- Sfil, DATA Architect in the Technology and Organization division
- Sfil, Director, member of the Compensation Committee (until October 18, 2024)

Mr. Édouard GRIMBERT
HR and Talent Development Manager at Sfil
Born on December 29, 1967 – French

Date term of office begins and ends: October 18, 2024 - 2028
Date of the first mandate: October 18, 2024

Business address:
Sfil
112-114, avenue Émile Zola
75015 Paris

BIOGRAPHICAL DATA

- Law degree (Paris-Assas)
- Institut d'Études Politiques de Paris ("public service" section)
- Master's degree in political science (Paris-Assas)
- Coaching certification (Institut Pluridis)
- Mediation certification (CMIE / Sest Prevat)
- 1991: Prefecture of Meurthe et Moselle - Chargé de mission in the Prefect's Office
- 1992: Council of State - Chargé de mission to the General Secretary
- 1993-1996 : Société Générale
  - Inspector (1993-1994)
  - Public sector procurement manager (1995-1996)
- 1997-2000: Crédit Local de France:
  - Director of "Rhône et Ain" (1997-1999)
  - Head of French public sector bond origination (1999-2000)
- 2000-2001: Merrill Lynch International (London) - Head of Public Sector France - Vice-Chairman
- 2001-2012: DEXIA Group:
  - Head of Key Accounts Dexia CLF Banque (2001-2003)
  - Head of Central and Eastern Europe Dexia Public Finance International (2003-2004)
  - Public sector originator - Director (2004-2007)
  - Project manager for the Head of Fixed Income (2007-2009)
  - Organization and Resources Director - Internal Coach (2009-2012)
- Since 2013: Sfil:
  - Disability advisor (2013-2022)
  - Psychosocial risks referent - internal mediator (since 2013)
  - Manager of the "skills development" project (2016-2018)
  - Since 2018: HR and Talent Development Manager

MANDATES AND FUNCTIONS

- Sfil, HR and Talent Development Manager
- Sfil, Director (since October 18, 2024), member of the Risks and Internal Control Committee (since December 6, 2024)
- National Association of Mediators, director
- STG Interactive, director
- Alter Égales, member and ambassador

Mr. Jean-Baptiste HÉRICHER

Head of Financial Engineering in the Local Public Sector and Operations division of Sfil

Born on December 3, 1966 – French

Date term of office begins and ends: November 10, 2023 - October 18, 2024

Date of the first mandate: November 10, 2023

Business address:
Sfil
112-114, avenue Émile Zola
75015 Paris

BIOGRAPHICAL DATA

- Degree in Accounting and Finance
- Master's degree in Management Control and Audit
- 1993-1997: Customer Accounts Manager in the banking production division of Crédit Local de France
- 1997-2023: Dexia Crédit Local
  - Head of Financial and Banking Operations (1997-2001)
  - Middle office manager (2001-2004)
  - Manager responsible for financial operations (2004-2013)
- Since 2013: Sfil
  - Head of Financial Operations (2013-2018)
  - Financial Engineering Business Manager (since 2018)

MANDATES AND FUNCTIONS

- Sfil, Head of Financial Engineering in the Local Public Sector and Operations division
- Sfil, Director, member of the Financial Statements Committee and member of the Governance, Appointments and CSR Committee (until October 18, 2024)

Ms. Cécile LATIL-BOUCULAT

Transformation and Innovation Director & Chief Data Officer in the Technology and Organization division of Sfil

Born March 7, 1972 – French

Date term of office begins and ends: October 18, 2024 - 2028

Date of the first mandate: November 13, 2020

Business address:
Sfil
112-114, avenue Émile Zola
75015 Paris

BIOGRAPHICAL DATA

- Master's degree in Market Finance and Banking Management (Paris VI - Sorbonne)
- Master's degree in economics, finance option
- Erasmus degree finance option (Queens University of Belfast)
- 1995-1996 CNCA: Broker assistant on futures and options
- 1998-2004: CGI – consultant in Capital Markets
- 2005-2015: Dexia Crédit Local
  - IT Project Manager & Markets (2005-2010)
  - Head of the "BSM Projects & Market Risk" department, then Deputy Head of DSI Markets (2010-2015)
- Since 2015: Sfil
  - Director of FMR Solutions and Valuation (2015-2018)
  - Director of Transformation and Innovation and Chief Data Officer (since 2018)

MANDATES AND FUNCTIONS

- Sfil, Transformation and Innovation Director & Chief Data Officer in the Technology and Organization division
- Sfil, Director, member of the Risks and Internal Control Committee (until October 18, 2024), member of the Financial Statements Committee and member of the Governance, Appointments and CSR committee (since December 6, 2024)
- IncluSfil, member of the bureau of the Sfil inclusion network

Ms. Prisca SABARROS
Financing and treasury operator of Sfil
Born on April 15, 1988 – French

Date term of office begins and ends: October 18, 2024 - 2028
Date of the first mandate: October 18, 2024

Business address:
Sfil
112-114, avenue Émile Zola
75015 Paris

BIOGRAPHICAL DATA

- Degree in Management (Paris Dauphine)
- Master's degree in Investment Banking and Markets (master 268) (Paris Dauphine)
- 2010-2011: Natixis - sales assistant -fixed incomes (internship)
- 2010-2011: HSBC: assistant trader - fixed incomes (internship)
- 2011-2012: Natixis - Equity portfolio strategist
- Since 2013: Sfil
  - Financial engineering manager (2013-2015)
  - Financing and treasury operator (since 2015)

MANDATES AND FUNCTIONS

- Sfil, financing and treasury operator within the ALM and Financial Markets division
- Sfil, Director (since October 18, 2024), member of the Compensation Committee (since December 6, 2024)

Non-voting Director

Mr. Pierre DARBRE
Director of Risk, Internal Control and Compliance at Memo Bank
Born on February 14, 1986 – French

Dates term of office begins and ends: December 8, 2023 - March 1, 2024
Date of the first mandate: December 8, 2023

Business address:
121, avenue des Champs-Élysées
75008 Paris

BIOGRAPHICAL DATA

- Preparatory classes for the Grandes Écoles
- École Polytechnique, Master's degree in Quantitative Economics and Finance at HEC Paris (Hautes Etudes Commerciales)
- ENSAE - Actuarial
- Law degree
- 2010-2013: Statutory Auditor at the Autorité de contrôle prudentiel et de résolution (ACPR)
- 2013-2015: seconded national expert (Insurance and Pensions Unit, DG Financial Services) to the European Commission
- 2015-2018: Financial Services Advisor (permanent representation of France) to the European Union
- 2018-2024: Treasury Department general directorate
  - 2018-2021: Head of the Banking Affairs Office
  - 2021-2023: Head of the export credits and international guarantees office
  - 2023-March 2024: Interim Deputy Director in charge of international business financing and foreign trade support
- Since March 2024: Head of Risk, Internal Control and Compliance at Memo Bank

MANDATES AND FUNCTIONS

- Treasury Department general directorate, Interim Deputy Director in charge of international business financing and foreign trade support (until March 2024)
- Memo Bank, Head of Risk, Internal Control and Compliance (since March 2024)
- Sfil, non-voting board member (until March 1, 2024)
- Dexia, Director (from January 2024 to March 2024)

Mr. Armel CASTETS
Deputy Director in charge of international business financing and foreign trade support at the French Treasury Department
Born on May 23, 1986 – French

Date term of office begins and ends: May 30, 2024 - 2028
Date of the first mandate: March 22, 2024

Business address:
Direction Générale du Trésor
139, rue de Bercy
75572 Paris Cedex 12

BIOGRAPHICAL DATA

- Alumnus of École Nationale d'Administration
- Institut d'Études Politiques of Grenoble
- 2012-2016: Treasury Department general directorate
  - 2012-2014: Deputy Office Manager - International Financial System
  - 2014: Deputy Office Manager - Sub-Saharan Africa Office, Franc Zone and AFD
  - 2014-2016: Deputy Office Manager - Banking Affairs
- 2016-2017: Advisor to the Director for France at the IMF and the World Bank
- 2017-2019: Alternate Director for France at the IMF
- 2019-2021: Senior Operations Manager at the Regional Integration Department, Africa Vice-Presidency at the World Bank
- Since 2022: Treasury Department general directorate
  - 2022-2023: Head of the Savings and Financial Markets Office
  - 2023-2024: Interim Deputy Director of Corporate Finance and Financial Markets
  - Since March 2024: Deputy Director in charge of international corporate finance and foreign trade support

MANDATES AND FUNCTIONS

- Treasury Department general directorate, Interim Deputy Director of Corporate Finance and Financial Markets (until February 2024), Deputy Director in charge of International Corporate Finance and Foreign Trade Support (since March 2024)
- Sfil, non-voting board member (since March 22, 2024)
- Bpifrance, French State representative on the Board of Directors (until December 2024)
- Institute for the Financing of Cinema and Cultural Industries (IFCIC), representative of the French State on the Board of Directors (until March 2024)
- Naval Group, non-voting board member (since September 2024)

Representative of the Social and Economic Committee: Mr. Thomas PERDRIAU

Attendance of members of the Board of Directors

	Attendance at Board Meetings	Attendance rate at Financial Statements Committee meetings	Attendance rate at Risks and Internal Control Committee meetings	Attendance rate at Governance, Appointments and CSR Committee meetings	Attendance rate at Compensation Committee meeting
Pierre Sorbets* **Chairman of the Board**	100%	100%	100%	n/a	n/a
Virginie Chapron-du Jeu** **Chairwoman of the Board of Directors**	100%	n/a	n/a	n/a	n/a
Philippe Mills **Chief Executive Officer**	100%	n/a	n/a	n/a	n/a
Caisse des Dépôts(1)	83.3%	66.7%	71.4%	100%	100%
Dominique Aubernon**	100%	100%	n/a	100%	n/a
Sandrine Barbosa*	100%	n/a	n/a	n/a	100%
Serge Bayard	83.3%	n/a	n/a	n/a	n/a
Frédéric Coutant**	100%	n/a	100%	n/a	100%
Brigitte Daurelle	100%	100%	100%	100%	100%
Cécile Degove*	n/a	n/a	n/a	n/a	n/a
Laetitia Dordain*	100%	n/a	n/a	n/a	n/a
Othmane Drhimeur	100%	100%	100%	n/a	n/a
Eckhard Forst*	100%	100%	100%	n/a	n/a
Édouard Grimbert**	100%	n/a	n/a	n/a	n/a
Jean-Baptiste Héricher*	100%	100%	n/a	100%	n/a
Perrine Kaltwasser	83.3%	n/a	n/a	n/a	n/a
Cathy Kopp*	100%	n/a	n/a	100%	100%
Cécile Latil-Bouculat	100%	n/a	100%	n/a	n/a
Christophe Laurent**	75%	50%	n/a	n/a	n/a
Pierre Laurent	100%	n/a	100%	n/a	n/a
Véronique Ormezzano**	100%	100%	100%	n/a	n/a
Prisca Sabarros**	100%	n/a	n/a	n/a	n/a

(1) represented by Alexandre Thorel.
** Member who left the Board of Directors in 2024.*
*** Member who joined the Board of Directors in 2024.*

Its role, organization and work

The Board of Directors determines the business strategy and ensures its proper implementation. Subject to the powers expressly conferred to Shareholders' Meetings and within the limits of the Company's corporate purpose, it addresses any matter affecting the Company's operations and decides on issues relating to its affairs through its resolutions.

Several changes took place during the first half of 2024 within governance bodies, including its Board of Directors. Thus, as of March 22, 2024, Ms. Virginie Chapron-du Jeu replaced Mr. Pierre Sorbets as Chairperson of the Board. The Chairwoman of the Board of Directors organizes and directs the work of the Board, ensures the proper functioning of the Company's governance bodies and participates in the Company's relations with control and supervisory authorities. Mr. Philippe MILLS holds the position of Chief Executive Officer. The Chief Executive Officer has the broadest authority to act in the name of the Company in all circumstances. He exercises these powers within the limits of the Company's corporate purpose and subject to the powers expressly conferred by law and the Company's by-laws to Shareholders' Meetings and to the Board of Directors.

Internal rules define the operation of the Company's Board of Directors (its principal missions are included in the following table). More specifically, the aim of these rules is to present the manner in which the Board of Directors can best fulfill its role as guardian of the common interests of all the Company's stakeholders, including in particular its shareholders, employees and partners. It reiterates the rights and duties of the members of the Board of Directors. It includes provisions relating to the management of potential conflicts of interest.

The Board of Directors meets at least once each quarter. In 2024, the Board of Directors met six times. The average attendance rate of members was 95.6%, stable compared to the previous year. One of the meetings was preceded by an executive session without the presence of General Management.

The Chairwoman of the Board of Directors provides Board members with all information, particularly of a strategic nature, that they may need to perform their duties properly.

Prior to the meeting, the directors receive an agenda as well as a file containing the notes or documents relating to the agenda from a digital platform.

During Board Meetings, General Management presents the activity and accounts of the previous period (or the financial position if there is no accounts closure), the change in risks and an update of the main projects under way within the Company or important issues it may face. During 2024, as nearly half of the Board members changed, the Board of Directors reviewed its governance by being attentive to the skills of the new directors proposed or elected. With regard to the activities of the Sfil Group, a systematic update was made on the macroeconomic situation and its impacts on Sfil, whether on its financing activities of the local public sector, which were particularly dynamic in 2024, the refinancing of export credit and access to the market for its issues. The Board was informed of the progress of the file concerning the expansion of Sfil's activities presented to the European Commission. The Board focused on changes in risks in various areas, including those relating to the climate and the information system (cyber risk). It approved the update of the consolidated risk mapping. From an organizational standpoint, it focused on the progress of the work and projects of the transformation department with, for example, the areas of development related to artificial intelligence (theme also developed during the mid-year seminar). It further carried out an in-depth analysis of the internal control systems in order to best meet the regulatory requirements and expectations of supervisors. It was consulted, notably *via* its Governance, Appointments and CSR Committee, on the appointment of new members of the Executive Committee in charge of these functions. Lastly, among the regulatory changes, the one relating to the reduction in the weighting of local authorities enabled Sfil to pay an exceptional contribution to its parent company.

The Board regularly reviews all the work of the specialized committees, including those relating to internal audit, compliance and permanent control.

Its principal work for the year 2024 is shown in the following table:

Principal missions of the Board of Directors	Specific work carried out by the Board of Directors in 2024 (non-exhaustive list)
Strategy:	
• determine the guidelines for operations; • ensure long-term value creation by the corporation in consideration of the social and environmental stakes of its operations; • deliberate on the major strategic, economic, financial, and technological guidelines for operations; • response to the Works Council's opinion on strategic orientations.	• analysis of impacts, monitoring of management and risks in the context of changes in the economic context; • quarterly review of the Sfil Group's operations, including bond issuance strategy of Sfil and its subsidiary Caffil; • strategy review of the local public sector; • strategy review of the export credit market; • updating of the sustainable development policy; • approval of the 2023 sustainable development report; • updating of the calculation of the carbon footprint of portfolios and decarbonization trajectories; • review of the progress made on the implementation of the CSRD; • presentation of the contribution to the Caisse des Dépôts Group's medium-term strategic plan (MTSP); • response to the Works Council's opinion on strategic orientations; • distribution of an interim dividend.

Principal missions of the Board of Directors	Specific work carried out by the Board of Directors in 2024 (non-exhaustive list)
Governance – internal control and accounts:	
• propose the appointment/renewal of corporate officers; • ensure the individual and collective skills of members of governance bodies; • establish a succession plan to prepare and organize changes to the corporate officers; • ensure that effective policies to prevent and manage conflicts of interest exist; • approve the management report and prepare the governance report; • conduct a review of budgets and accounts, and the approval of these latter, ensuring their fair presentation; • ensure that the obligations incumbent on it in matters of internal control are met and, at least twice a year, conduct a review of operations and of internal control results; • authorize agreements between the Company and any member of the Board of Directors or shareholder.	• Fit & Proper analysis by the Governance, Appointments and CSR Committee and by the Board of Directors during the change in the chairmanship of the Board, replacements of Board members, elections of employee representatives on the Board of Directors; • approved the procedures for organizing the election of employee representatives to the Board of Directors; • update to the internal rules of the Risks and Internal Control Committee and the Financial Statements Committee; • assessment of the functioning of the Board of Directors and its specialized committees; • reassessment of the collective skills of the Board of Directors; • reassessment of the independence of Directors; • monitoring of the training plan for corporate officers; • approval of the management report and preparation of the report on corporate governance; • budget review, reporting of the annual financial statements, and review of interim statements of accounts; • approval of the 2023 Annual Financial Report and approval of the 2024 first-half financial report • review of the half-year reports on the internal audit and compliance, and monitoring of audit and compliance control plans; • review of the annual report on Sfil-Caffil internal control • followed-up inspections by supervisors and the responses to their recommendations; • approval of the AML-FT internal control report
Risk management	
• define risk appetite; • approve the overall risk limits set and reviewed at least once a year by the effective managers; • examine the Company's opportunities and risks especially in the financial, legal, social and environmental sectors (including climate risk) and the measures taken as a result; • regularly examine the Company's policies; • ensure that compliance policies are in place.	• validation of the update to the risk appetite; • approval of the consolidated risk mapping; • approval of the mapping of non-compliance risks; • approval of the 2024 compliance control plan; • approval of ICAAP and ILAAP reports; • approval of the outsourcing policy; • update of the internal audit charter; • approval of the permanent control charter; • approval of the AML-FT policy; • approval of the risk governance policy • approval of the internal control policy; • update of the market abuse procedure; • approval of the Sfil Group's new product approval policy; • update of the procedure to guarantee the independence of the Statutory Auditors; • approval of the change in the risk weighting of the French local public sector; • approval of changes to the organization of internal control; • review of the operation of permanent control (RACI and comitology); • review of the Pillar 3 report and approval of the risk profile; • review of quarterly reports on risk monitoring; • review of the compliance activity report; • review of the Data Protection Officer's report.

Principal missions of the Board of Directors	Specific work carried out by the Board of Directors in 2024 (non-exhaustive list)
Compensation	
• determine the distribution of the compensation package for directors set by the Shareholders' Meeting; • adopt and regularly review the general principles of the compensation policy and control its implementation.	• update on the compensation of the Chief Executive Officer; • update on the compensation of the Chairman of the Board of Directors; • update of the compensation policy; • review of the audit report on the compensation policy; • review of the weighting of the Chief Executive Officer's variable portion of compensation; • update on the compensation of the members of the Executive Committee and the General Auditor; • review of salary measures; • review of the gender equality index.

Furthermore, the Board convened an Ordinary and Extraordinary Shareholders' Meeting which took place on May 30, 2024. On an ordinary basis, its purpose was to approve the annual and consolidated financial statements, the allocation of income, the approval of related-party agreements, the ratification of the co-option of directors, the recognition of the expiry of the term of office of three directors, the renewal of the term of office of seven directors and the appointment of three new directors and the opinion on the overall compensation package for 2023. On an extraordinary basis, its purpose was to amend Article 35 of the by-laws relating to the loss of half of the share capital.

An Ordinary Shareholders' Meeting held extraordinarily was also convened at the end of 2024 by the Board of Directors for an exceptional distribution of reserves.

Conditions for appointing directors, assessment of the skills and qualifications of independent members

The Board of Directors strives to maintain a balanced composition both in terms of the representation of women and men and the diversity of skills and experience of its members.

The Governance, Appointments and CSR Committee performs an analysis for each appointment based on an analysis grid that lists the different assessment criteria including the main areas of expertise sought by the Board for its candidates. This is an individual analysis while taking into account the collective skills within the Board. New appointments are approved by the European supervisor on the basis of a "fit and proper" analysis.

In 2024, seven members of the Board of Directors were replaced, including three independent members, two directors appointed on the proposal of the main shareholder who resigned due to their change of functions within the Group and two directors representing employees following the elections organized in the last quarter of 2024. During the replacements, an analysis as described above was carried out. It concluded on the collective suitability of the Board, as it considers that it combines the skills necessary for the performance of its role and its missions. The composition of the Board's specialized committees has been modified as a result of the changes made at the level of the Board of Directors.

With regard to training, a multi-year training plan has been implemented. The training provided in 2024 focused on governance, taking into account in particular the renewal of the Board of Directors, anti-corruption, the interpretation of financial information, the regulatory framework and export credit. The new members also benefited from the organization of meetings with the members of the Executive Committee and even operational managers in order to better understand the bank's activities. All directors have documentation available on the platform reserved for them.

In accordance with the Afep-MEDEF Code, the Board of Directors, acting on the report of the Governance, Appointments and CSR Committee, reviewed the situation of each of its members with respect to the Code criteria. It confirmed the independence of four members of the Board, Ms. Dominique Aubernon, Ms. Brigitte Daurelle, Ms. Véronique Ormezzano as well as Mr. Frédéric Coutant, i.e. one-third of independent members, excluding the directors representing employees from the calculation.

Criteria	Virginie CHAPRON-DU JEU	Philippe MILLS	Dominique AUBERNON	Serge BAYARD	Frédéric COUTANT	Brigitte DAURELLE	Othmane DRHIMEUR	Perrine KALTWASSER	Christophe LAURENT	Pierre LAURENT	Véronique ORMEZZANO	Caisse des Dépôts represented by Alexandre THOREL
Criterion 1: Corporate officer for the previous five years	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 2: Cross-directorships	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 3: Meaningful business relationships	x	x	✓	✓	✓	✓	x	x	x	x	✓	x
Criterion 4: Family tie	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 5: Statutory Auditor	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 6: Term of office longer than 12 years	✓	x	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Criterion 7: Status of non-executive corporate officer	✓	N/ A	N/ A	N/ A	N/ A	N/ A	N/ A	N/ A	N/ A	N/ A	N/ A	N/ A
Criterion 8: Major shareholder status	x	✓	✓	x	✓	✓	x	x	x	x	✓	x

✓ for independence criterion met according to Afep-MEDEF Code criteria.
x for independence criterion not met according to Afep-MEDEF Code criteria.

Assessment of the Board

In 2024, the Board of Directors assessed its operation and that of its specialized committees based on the recommendations made following the mission carried out in 2023 by an external firm whose findings on governance had been very positive.

The actions planned as a result of this mission were largely implemented (priority given to physical meetings, executive session of the Board of Directors, review of the compensation of directors, meetings between the Chairwoman and the Committee Chairpersons, etc.).

Among the new actions suggested are the importance of foresight in the context of the expected expansion of activities, the interest of the annual strategic seminar being once again underlined, the follow-up of trends in sustainability and the developments related to artificial intelligence.

The overall effective functioning of the Board was confirmed.

3.1.3 Specialized committees of the Board of Directors

The Board of Directors may decide to create committees made up of its members tasked with assisting the Board, for which it determines the composition, powers, and compensation, if any, of the members who carry out their activities under its responsibility and report on their work. The Chairman of each committee is appointed by the Board of Directors.

The members are from the Board of Directors, but do not have a position within the Company's management. Members are chosen on the basis of their expertise (finance, banking, human resources management, etc.) and the contribution they may make to the work of the relevant committee. Their Chairmanship is entrusted to an independent Director, who has proven competency in the areas under review by the committees. Eleven members of the Board of Directors are therefore members of the specialized committees.

The Financial Statements Committee

Number of members	Members	Proportion of independent members*	Number of meetings	Attendance rate
7	Dominique AUBERNON **Brigitte DAURELLE** Othmane DRHIMEUR Cécile LATIL-BOUCULAT Christophe LAURENT Véronique ORMEZZANO Alexandre THOREL	**50%**	**6**	**89.7%**

***Name** of the Committee Chair.*

* *Excluding Directors representing employees.*

In 2024, the Financial Statements Committee met six times, including a joint meeting with the Governance, Appointments and CSR Committee. Before their approval by the Board of Directors, it examined the financial statements of Sfil and Caffil as of December 31, 2023, the annual 2023 financial report, the financial statements of Sfil and Caffil at June 30, 2024 as well as the related Statutory Auditors' reports. The Committee also reviewed the quarterly accounting position of Sfil and Caffil as of March 31, 2024, and September 30, 2024. The Committee also decided on Sfil's contribution to the Caisse des Dépôts Group's Medium-Term Strategic Plan, on the Sfil Group's 2025-2029 budget projections and in particular on the 2025 budget, on the proposed payment of an interim dividend and the proposed exceptional distribution of reserves to Caisse des Dépôts. It took note of Statutory Auditors' audit approach for 2024 and examined the conditions of their independence and their services rendered other than the Statutory Audits. It also decided on the authorization and delegation for bond issues.

The Risks and Internal Control Committee

Number of members	Members	Proportion of independent members*	Number of meetings	Attendance rate
7	Frédéric COUTANT Brigitte DAURELLE Othmane DRHIMEUR Édouard GRIMBERT Pierre LAURENT **Véronique ORMEZZANO** Alexandre THOREL	**50%**	**7**	**95.7%**

***Name** of the Committee Chair.*

* *Excluding Directors representing employees.*

In 2024, the Risks and Internal Control Committee met seven times. The first meeting of 2024 was specifically devoted to the review of the systems of the permanent and periodic control functions of Sfil and Caffil, in particular: operational and non-compliance risk mapping, remediation plan, permanent control plans including compliance, the results of the Statutory Auditors' review on the internal control system. The participants of this first Committee's meeting included only Committee members, the Statutory Auditors and the heads of internal control at Sfil (the Risks Officer, the Compliance Officer and the General Auditor). The other meetings of 2024, with the participation of General management and the operational functions concerned by the subjects presented, mainly consisted in examining the quarterly reports on risk monitoring, the results of permanent control plans, including compliance, the monitoring of the recommendations issued by the ECB, the results of periodic controls and follow-up of the recommendations issued as part of these periodic controls, the Pillar 3 report, the ICAAP and ILAAP reports, the consolidated risk mapping and the non-compliance risk mapping of Sfil and Caffil. The following were also presented for review: the activity reports of the compliance function, the activity reports of the permanent control function, the activity report of internal audit, the report of the data protection officer, the report on internal models, the update of the functions considered as risk-takers and the reports on internal control, including one dedicated to the fight against money laundering and the financing of terrorism. The Committee also decided on the organization of internal control, the removal of the use of the enhanced guarantee, the treatment using the standard model of the local public sector, the compliance with DORA and the updating of charters, policies and procedures. Finally, the last committee of the year focused specifically on the risk appetite.

The Governance, Appointments and CSR Committee

Number of members	Members	Proportion of independent members*	Number of meetings	Attendance rate
4	**Dominique AUBERNON** Brigitte DAURELLE Cécile LATIL-BOUCULAT Alexandre THOREL	**66.7%**	**4**	**100%**

Name *of the Committee Chair.*

* *Excluding Directors representing employees.*

In 2024, the Governance, Appointments and CSR Committee met four times.

The Committee thus analyzed the applications for the replacement of seven directors and the non-voting board member. It issued an opinion on the appointment of the Chairman of the Board of Directors and on the renewal of the term of office of the Chief Executive Officer. It also proposed appointments to the Board's specialized committees. The Committee reassessed the independence of the directors. It analyzed the functioning of the Board of Directors and its specialized committees and shared its opinion and observations with the Board of Directors.

The Committee also reviewed the candidates for the appointments and renewals within Caffil's Executive Board.

It focused on the application of the gender diversity policy for management bodies.

It was consulted on changes to the by-laws and internal regulations of Sfil's governance bodies.

It reviewed the training plan for corporate officers.

Lastly, the Committee reviewed the draft report on corporate governance and examined the sustainable development policy and report for 2023.

Compensation Committee

Number of members	Members	Proportion of independent members*	Number of meetings	Attendance rate
4	**Frédéric COUTANT** Brigitte DAURELLE Prisca SABARROS Alexandre THOREL	**66.7%**	**2**	**100%**

Name *of the Committee Chair.*

* *Excluding Directors representing employees.*

In 2024, the Compensation Committee met twice. The meetings were notably devoted to the review of the compensation of Sfil's Chief Executive Officer and members of the Executive Committee. In addition, the Committee issued a favorable opinion on the payment in April 2024 of the 2023 variable compensation package proposed by General Management. Moreover, the Committee reviewed the results of the equal opportunity policy and the results of the gender equality index for 2023 (93/100 points). The Committee validated the 2024 objectives of the Chief Executive Officer and the cross-functional objectives of the members of the Executive Committee, in particular the inclusion of sustainable development targets; all of these objectives serve as indicators for determining the variable compensation of General Management and members of the Executive Committee who do not hold control functions.

3.1.4 Application of the Governance Code

With respect to governance, the Company refers to the Afep-MEDEF Code [(1)], whose recommendations it applies with a few exceptions. These exceptions pertain to its shareholding structure, and more particularly the fact that Caisse des Dépôts is its majority shareholder. The main discrepancies between the Company's governance and the provisions of the Code are as follows:

(1) Document available on the website www.afep.com.

Recommendations of the Code	Comments
Recommendation 6 – Participation by directors at Shareholders' Meetings	Since both shareholders are represented on the Board of Directors and all of the agenda items have already been presented at Board Meetings, the participation of directors in Shareholders' Meetings in addition to the representatives of the two shareholders, the Chairman and the Chief Executive Officer does not have the same importance as for a company with a diverse group of shareholders.
Recommendation 17.1 – Number of independent members of the Risks and Internal Control Committee and of the Financial Statements Committee	The representation of independent members was 50% (not including directors representing employees), but not two-thirds as recommended, notably due to the composition of the Board of Directors and the number of Independent Directors who can be members of specialized committees. It should be noted that the Board includes several members appointed on the proposal of the shareholder holding almost all the shares, as well as three directors representing employees.
Recommendation 24 - Number of shares held by members of the Board of Directors	This provision is not applied by Sfil, whose shareholding is described above and whose shares are not listed.

3.2 Compensation information

This part of the report presents the compensation allocated to the corporate officers and gives details of the principles and criteria for determining, allocating and granting the fixed, variable and exceptional components of total compensation and benefits of any kind attributable to the Chairman of the Board of Directors and Chief Executive Officer in connection with their mandates for 2024 and constituting the compensation policy applicable to them.

It is notably drawn up on the basis of the recommendations of the Afep-MEDEF Code, Sfil having made this choice whereas these recommendations specifically target companies whose shares are listed.

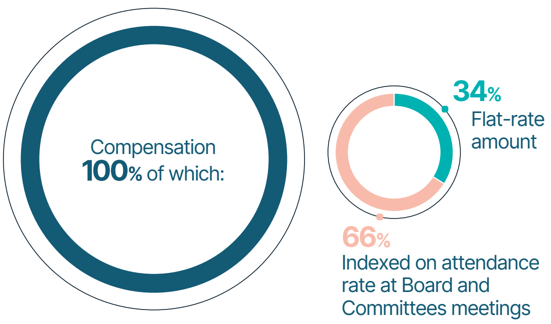
3.2.1 Principles and rules for determining compensation for the Chairman of the Board of Directors and the Chief Executive Officer

Compensation of the Chairman of the Board of Directors

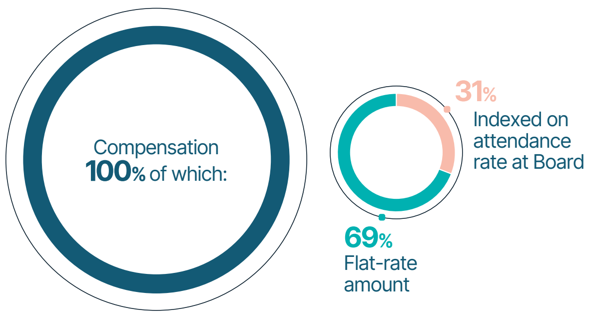
The Chairman of the Board of Directors receives compensation consisting of a standard amount to which are added compensation in the form of attendance fees for attendance at Board Meetings and, where applicable, specialized committee meetings, subject to a cap proposed by the Compensation Committee and approved by the Board of Directors.

COMPENSATION STRUCTURE OF THE CHAIRMAN

From January 1, 2024 to March 22, 2024, the compensation structure of Mr. Pierre SORBETS is as follows:



From March 22, 2024 to December 31, 2024, the compensation structure of Ms. Virginie CHAPRON-DU JEU is as follows:



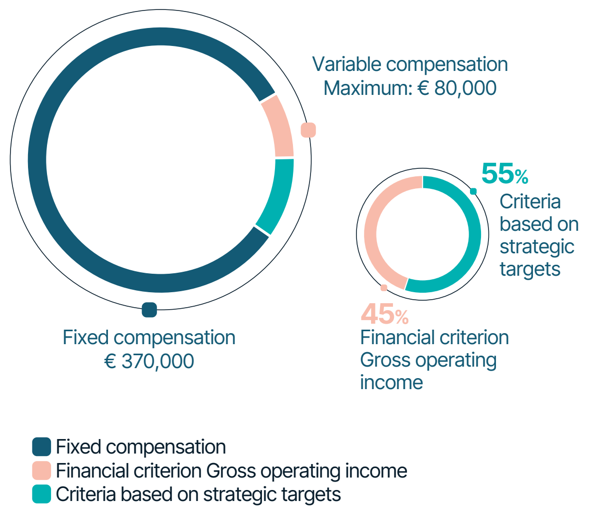
Compensation of the Chief Executive Officer

The compensation of the Chief Executive Officer includes a fixed portion and a variable portion. The whole package is proposed to the Board of Directors for decision. In 2024, it decided to revalue the compensation of the Chief Executive Officer with effect from May 30, 2024. For 2024, payment of the variable portion is appraised by the Compensation Committee on the basis of criteria that take into account a financial indicator (gross operating income - GOI) and annual strategic objectives, of which 30% of the total weighting is linked to achievement of ESG objectives or the diffusion of the risk culture. This amount is then proposed by the Compensation Committee to the Board of Directors for decision.

COMPENSATION STRUCTURE OF THE CHIEF EXECUTIVE OFFICER

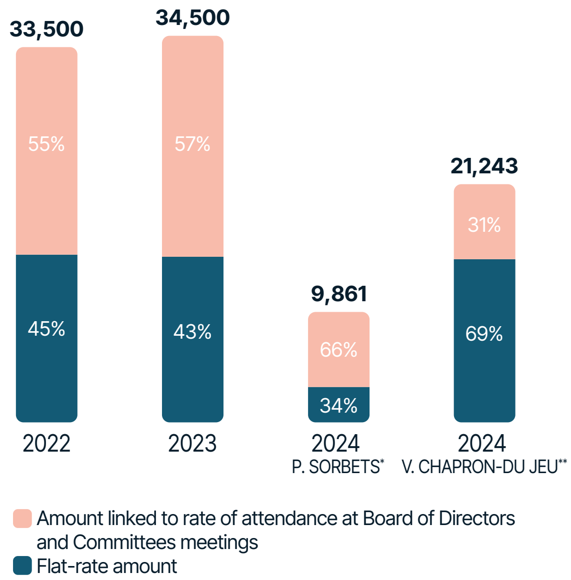
From May 30, 2024, the compensation of the Chief Executive Officer was set as follows:

- fixed compensation: EUR 370,000;
- maximum variable compensation: EUR 80,000.



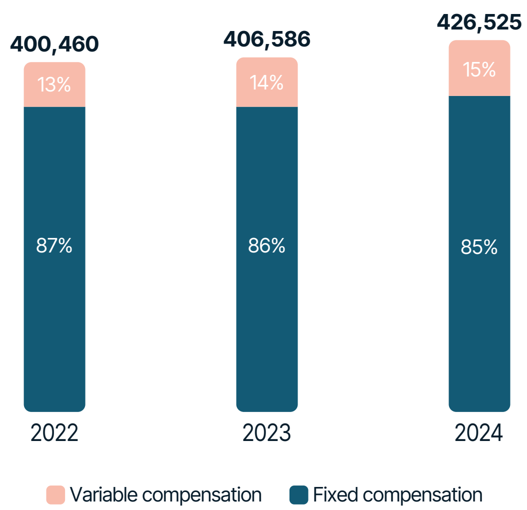
Change in compensation over the past three financial years

CHAIRMAN OF THE BOARD OF DIRECTORS



(*) Until March 22, 2024 (**) Since March 22, 2024

CHIEF EXECUTIVE OFFICER



LEVEL OF ACHIEVEMENT BY OBJECTIVE

		2024	2023	2022
Financial criterion (GOI and operating ratio)	Weight	45.0%	45.0%	50.0%
	Level of achievement	39.8%	45.0%	42.5%
Criteria for strategic objectives	Weight	55.0%	55.0%	50.0%
	Level of achievement	50.7%	49.3%	41.6%
Of which criteria on CSR objectives	Weight	30%	30.0%	15.0%
	Level of achievement	29.0%	28.9%	15.0%
OVERALL LEVEL OF	**WEIGHT**	**100.0%**	**100.0%**	**100.0%**
ACHIEVEMENT OF OBJECTIVES	**LEVEL OF ACHIEVEMENT**	**90.5%**	**94.3%**	**84.1%**

3.2.2 Compensation and benefits for the Chairman of the Board of Directors and the Chief Executive Officer

Table 1 - Summary table of compensation, options, and shares for each executive corporate officer

N/A.

Table 2 - Summary compensation table for each executive corporate officer

EUR

	2024		2023	
Pierre SORBETS - Chairman of the Board of Directors	**Amounts allocated for the year**	**Amounts paid during the year**	Amounts allocated for the year	Amounts paid during the year
Gross fixed compensation	-	-	-	-
Gross variable compensation	-	-	-	-
Exceptional gross compensation	-	-	-	-
Compensation for the office of director and Chairman of the Board of Directors	9,861	34,500	34,500	33,500
Benefits in-kind				
TOTAL	**9,861**	**34,500**	**34,500**	**33,500**

	2024		2023	
Virginie CHAPRON-DU JEU - Chairwoman of the Board of Directors	**Amounts allocated for the year**	**Amounts paid during the year**	Amounts allocated for the year	Amounts paid during the year
Gross fixed compensation	-	-	-	-
Gross variable compensation	-	-	-	-
Exceptional gross compensation	-	-	-	-
Compensation for the office of director and Chairman of the Board of Directors*	21,243	-	-	-
Benefits in-kind		-	-	-
TOTAL	**21,243**	**-**	**-**	**-**

* Compensation paid to the Caisse des Dépôts

	2024		2023	
Philippe MILLS - Chief Executive Officer	**Amounts allocated for the year**	**Amounts paid during the year**	Amounts allocated for the year	Amounts paid during the year
Gross fixed compensation	361,667 ***	361,667 ***	350,000	350,000
Gross variable compensation	64,858 *	45,734 **	56,586 *	35,660 **
Exceptional gross compensation				
Compensation allocated for term of office as Director				
Benefits in-kind				
TOTAL	**426,525**	**407,401**	**406,586**	**385,660**

* *Variable compensation awarded during the financial year, which is paid at 60% in N+1 and spread at 40% over the subsequent four years.*
** *Variable compensation received over the year, consisting of the payment of 60% of the N-1 variable compensation and a spread over previous years, if applicable.*
*** *Fixed compensation of the Chief Executive Officer increased from Eur 350,000 to Eur 370,000 on June 1, 2024.*

Table 4 - Share subscription or purchase options allocated during the financial year to each executive corporate officer by the issuer and by any company in the Group

N/A.

Table 5 - Share subscription or purchase options exercised during the financial year by each executive corporate officer

N/A.

Table 6 - Performance shares allocated during the financial year to each executive corporate officer by the issuer and by any company in the Group

N/A.

Table 7 - Performance shares that became available during the financial year for each executive corporate officer

N/A.

Table 8 - History of share subscription or purchase of options

N/A.

Table 9 - History of performance shares allocated

N/A.

Table 10 - Summary table of the multi-year variable compensation of each executive corporate officer

N/A.

Table 11 - Contractual situation of executive corporate officers

	Employment contract		Supplementary pension plan		Payments or benefits due or potentially due as a result of the cessation or change in positions		Payment related to a non-compete clause	
Executive corporate officer	Yes	No	Yes	No	Yes	No	Yes	No
Pierre SORBETS Chairman of the Board of Directors		✓		✓		✓		✓
Virginie CHAPRON-DU JEU Chairwoman of the Board of Directors		✓		✓		✓		✓
Philippe MILLS Chief Executive Officer		✓		✓		✓ *		✓

* *In December 2022 (applicable from 2023), the Board of Directors approved the principle of compensation in the event of the dismissal of the Chief Executive Officer's term of office.*

3.2.3 Compensation paid by Sfil to non-executive Directors (Table 3)

Until May 29, 2024, the rules for distributing compensation set by the Board of Directors, within the budget set by the Shareholders' Meeting, were as follows:

- EUR 7,500 per year and per director participating in all Board Meetings. This amount is pro-rated according to the ratio of the number of Board Meetings attended divided by the total number of meetings;
- an additional EUR 15,000 per financial year for the Chair of the Board of Directors;
- an additional EUR 2,000 per financial year for the Chairmanship of each specialized committee;
- EUR 1,000 per attendance at each specialized committee, provided that the overall compensation package allocated by the Shareholders' Meeting is not exceeded, after payment of the amounts referred to above.

Since May 30, 2024, the rules for distributing compensation set by the Board of Directors, within the budget set by the Shareholders' Meeting, are as follows:

- EUR 10,000 per year and per director participating in all Board Meetings. This amount is pro-rated according to the ratio of the number of Board Meetings attended divided by the total number of meetings;
- an additional EUR 20,000 per financial year for the Chairmanship of the Board of Directors;
- an additional EUR 2,500 per financial year for the Chairmanship of each specialized committee;
- EUR 1,250 per attendance at each specialized committee, provided that the overall compensation package allocated by the Shareholders' Meeting is not exceeded, after payment of the amounts referred to above.

Non-executive corporate officers excluding managers	2024 Gross amount paid in respect of of the year	2023 Gross amount paid in respect of of the year
Carole ABBEY * **	N/A	7,214.29[1]
Dominique AUBERNON ****	14,375.00[2]	N/A
Sandrine BARBOSA***	/ [3]	/ [3]
Serge BAYARD	7,500.00[4]	7,500.00[4]
Caisse des Dépôts	24,500.00[5]	31,500.00[5]
Frédéric COUTANT ****	15,625.00[6]	N/A
Virginie CHAPRON-DU JEU * ****	2,500.00[7]	0
Brigitte DAURELLE	33,208.33[8]	33,500.00[8]
Cécile DEGOVE ** ***	/	9,357.14[9]
Laetitia DORDAIN ***	2,500.00[4]	6,428.57[4]
Othmane DRHIMEUR **	24,416.67[1]	1,071.43[1]
Eckhard FORST ***	7,333.33[10]	19,500.00[10]
Édouard GRIMBERT ****	/ [3]	N/A
Frédéric GUILLEMIN *	N/A	/ [3]
Jean-Baptiste HÉRICHER ** ***	/ [3]	/ [3]
Perrine KALTWASSER **	7,916.67[4]	6,428.57[4]
Cathy KOPP ***	8,166.67[11]	23,428.57[11]
Cécile LATIL-BOUCULAT	/ [3]	/ [3]
Christophe LAURENT ****	7,500.00[12]	N/A
Pierre LAURENT	17,416.67[13]	12,500.00[13]
Fabienne MOREAU *	N/A	2,071.43[9]
Quentin DE NANTES *	N/A	6,142.86[1]
Véronique ORMEZZANO ****	19,375.00[10]	N/A
Prisca SABARROS ****	/ [3]	N/A
Pierre SORBETS ***	[14]	[14]
TOTAL	**192,333.34**	**166,642.86**

* Member who left the Board of Directors in 2023.
** Member who joined the Board of Directors in 2023.
*** Member who left the Board of Directors in 2024.
**** Member who joined the Board of Directors in 2024.

(1) Including the amount paid for participation in the Financial Statements Committee and the Risks and Internal Control Committee. Compensation paid to Caisse des Dépôts.
(2) Including the amount paid for participation in the Financial Statements Committee and the Governance, Appointments and CSR Committee.
(3) The members of the Board of Directors representing the employees do not receive any compensation for their office on the Board of Directors.
(4) Compensation paid to Caisse des Dépôts.
(5) Including the amount paid for participation in the Financial Statements Committee, the Risks and Internal Control Committee, the Governance, Appointments and CSR Committee and the Compensation Committee.
(6) Including the amount paid for participation in the Risks and Internal Control Committee and the Compensation Committee.
(7) For the compensation paid as Chairwoman of the Board of Directors, see point 3.2.2 "Compensation and benefits of executive corporate officers - Table 2". Compensation paid to Caisse des Dépôts.
(8) Including the amount paid for participation in the Financial Statements Committee, the Risks and Internal Control Committee, the Governance, Appointments and CSR Committee and the Compensation Committee.
(9) Including the amount paid for participation in the Financial Statements Committee. Compensation paid to Caisse des Dépôts.
(10) Including the amount paid for participation in the Financial Statements Committee and the Risks and Internal Control Committee.
(11) Including the amount paid for participation in the Governance, Appointments and CSR Committee and the Compensation Committee.
(12) Including the amount paid for participation in the Financial Statements Committee. Compensation paid to Caisse des Dépôts.
(13) Including the amount paid for participation in the Risks and Internal Control Committee. Compensation paid to Caisse des Dépôts.
(14) See section 3.2.2 "Compensation and benefits of executive corporate officers - Table 2".

3.3 Information on elements likely to have an impact in the event of a public takeover bid or public offer

Given that Sfil's stock is not listed and that the securities issued by the Company do not provide access to its share capital, and given the composition of the share capital itself, it is not necessary to provide specific information regarding a takeover bid or public exchange offer as stipulated by article L.22-10-11 of the French Commercial Code.

Information about the capital and shares

Amount of the capital, number and nature of the shares

The share capital of Sfil amounts to EUR 130,000,150 and is divided into 9,285,725 shares, each with a voting right and not subject to any pledge. There are no other securities giving access to the capital of Sfil.

Breakdown of capital

The share capital of Sfil is held by Caisse des Dépôts with the exception of one share held by the French State (*via* the Agence des Participations de l'État).

Information on voting rights

The voting rights attached to the shares are proportional to the percentage of capital the shares represent, according to the provisions of article 28 of the by-laws. Each share conveys one voting right.

Voting shall be realized by show of hands, by roll call, or by secret ballot, according to the decision of the Board of the meeting or the shareholders. Shareholders may also vote by mail.

3.4 Additional information

3.4.1 Information concerning transactions by managers on the Company's shares and those of its subsidiary Caffil

No transaction was brought to the attention of Sfil pursuant to the provisions of article 223-26 of the AMF General Regulations.

3.4.2 Agreements covered by article L.225-37-4-2° of the French Commercial Code

No convention subject to article L.225-37-4-2° of the French Commercial Code requires mention.

3.4.3 Statutory Auditors

Sfil's Statutory Auditors are:

PricewaterhouseCoopers Audit

63, rue de Villiers - 92200 Neuilly-sur-Seine (France)

Company represented by Ridha BEN CHAMEK, partner

Appointed at the Ordinary and Extraordinary Shareholders' Meeting of September 30, 2020, to replace Deloitte & Associés, for the remainder of the current mandate, i.e. until the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2024.

KPMG SA

Eqho Tower – 2, avenue Gambetta - 92066 Paris-La Défense Cedex (France)

Company represented by Jean-François DANDÉ, partner

Appointed by the Ordinary and Extraordinary Shareholders' Meeting of May 24, 2023 for six financial years, i.e. up to the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the financial year ending December 31, 2028.

In accordance with the option allowed by article L.823-1 of the French Commercial Code, an alternate Statutory Auditor was not appointed.

4. Risks and capital adequacy

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4.5 Cross-reference table of Pillar 3 requirements **194**

Pillar 3, in the terminology of the Basel Committee, deals with market discipline. It complements Pillar 1 (minimum capital requirements) and Pillar 2 (prudential supervision process) with data that supplement financial communication.

Chapter 4 “Risks and capital adequacy” presents the information relating to the risks of the Sfil Group in order to satisfy:

- the requirements of Part 8 of EU Regulation no. 2019/876 of May 20, 2019 on prudential requirements (1) applicable to credit institutions and investment firms and more specifically to the information to be published. This regulation is applied in various technical standards published by the European Commission and the European Banking Authority (EBA) aimed at improving the comparability of information published by institutions. The format and references of the Pillar 3 tables are in line with the entry into force on June 28, 2021 of EU Implementing Regulation no. 2021/637;
- the requirements of accounting standards relating to the nature and extent of risks. Certain disclosures required by IFRS 7 and IAS 1 are included in this section and covered by the Statutory Auditors’ opinion on the consolidated financial statements. This information is identified by the mention “[Audited]” and should be read as an integral part of the notes to the consolidated financial statements;
- the requirements of transparency and publication of prudential information on the management of ESG risks, and more specifically the physical and transition risks related to climate change, pursuant to article 449 bis of EU Regulation no. 2019/876 (CRR 2) and in accordance with the content provided for by the EBA in the technical implementation standard (ITS) adopted on November 30, 2022.

The Basel 3 agreements, as approved in November 2010, are translated into European law by Directive no. 2013/36/EU (CRD 4) and EU Regulation no. 575/2013 of June 26, 2013 (CRR) supplemented in June 2019 by Directive (EU) no. 2019/878 (CRD 5) and Regulation (EU) no. 2019/876 (CRR 2).

The transposition into European law of the finalization of Basel 3 was initiated by the European Commission with the publication on October 27, 2021 of the draft CRR 3 and CRD 6 amendments which relate, in particular, to a review of the credit risk framework, credit valuation adjustment risk and operational risk. The new inter-institutional agreement on the banking package (CRR 3/CRD 6) was published in the Official Journal of the European Union on June 19, 2024 and is due to enter into force on January 1, 2025.

The Board of Directors examines chapter 4 “Risks and capital adequacy” and verifies that the controls have been carried out and that the regulatory requirements in terms of disclosure are complied with, including the provisions of article 432 of the EU Regulation No. 2019/876 (CRR 2) on non-material, sensitive and confidential information.

Certification

We, the undersigned, Ms. Virginie CHAPRON-DU JEU and Mr. Philippe MILLS, hereby certify the adequacy of the institution’s risk management systems, including liquidity, and ensure that the risk management systems, including liquidity, put in place since the creation of Sfil in February 2013 are appropriate in view of the institution's profile and strategy.

Paris, March 20, 2025.

(1) The information required under article 450 concerning the Sfil Group’s compensation policy is available in section 2.6.2 "Social information" of the management report.

4.1 Annual summary of risks

4.1.1 Key figures

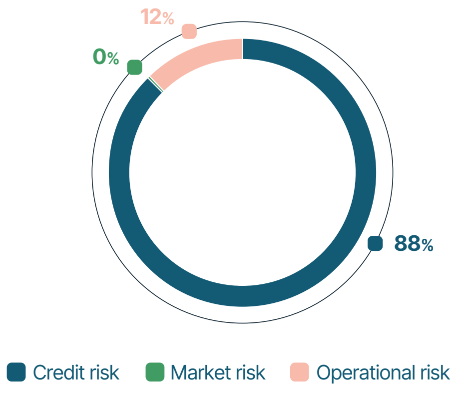
EU KM1 - KEY METRICS

		a	b	c	d	e
EUR millions		12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
	AVAILABLE OWN FUNDS *(amounts)*					
1	Common Equity Tier 1 (CET1) capital	1,431	1,454	1,540	1,517	1,522
2	Tier 1 capital	1,431	1,454	1,540	1,517	1,522
3	Total capital	1,431	1,454	1,541	1,518	1,524
	RISK-WEIGHTED EXPOSURE AMOUNTS					
4	Total risk exposure amount	3,392	3,436	4,126	4,157	4,064
	CAPITAL RATIOS *(as a percentage of the risk-weighted exposure amount)*					
5	Common Equity Tier 1 ratio	42.18%	42.33%	37.32%	36.48%	37.46%
6	Tier 1 ratio	42.18%	42.33%	37.32%	36.48%	37.46%
7	Total capital ratio	42.18%	42.33%	37.34%	36.50%	37.49%
	ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OTHER THAN THE RISK OF EXCESSIVE LEVERAGE *(as a percentage of risk-weighted exposure amount)*					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage	1.00%	1.00%	1.00%	1.00%	0.75%
EU 7b	of which: to be made up of CET1 capital *(percentage points)*	0.56%	0.56%	0.56%	0.56%	0.42%
EU 7c	of which: to be made up of Tier 1 capital *(percentage points)*	0.75%	0.75%	0.75%	0.75%	0.56%
EU 7d	Total SREP own funds requirements	9.00%	9.00%	9.00%	9.00%	8.75%
	COMBINED BUFFER AND OVERALL CAPITAL REQUIREMENT *(as a percentage of risk-weighted exposure amount)*					
8	Capital conservation buffer	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State	-	-	-	-	-
9	Institution specific countercyclical capital buffer	0.91%	1.01%	0.90%	0.89%	0.50%
EU 9a	Systemic risk buffer	-	-	-	-	-
10	Global Systemically Important Institution buffer	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement	3.41%	3.51%	3.40%	3.39%	3.00%
EU 11a	Overall capital requirements	12.41%	12.51%	12.40%	12.39%	11.75%
12	CET1 available after meeting the total SREP own funds requirements	33.18%	33.33%	28.34%	27.50%	28.74%
	LEVERAGE RATIO					
13	Total exposure measure	14,889	14,538	15,583	16,210	15,504
14	Leverage ratio	9.61%	10.00%	9.88%	9.36%	9.82%

		a	b	c	d	e
EUR millions		12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2023
	ADDITIONAL OWN FUNDS REQUIREMENTS TO ADDRESS RISKS OF EXCESSIVE LEVERAGE *(as a percentage of the total exposure measure)*					
EU 14a	Additional own funds requirements to address the risk of excessive leverage	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital *(percentage points)*	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements	3.00%	3.00%	3.00%	3.00%	3.00%
	LEVERAGE RATIO BUFFER AND OVERALL LEVERAGE RATIO REQUIREMENT *(as a percentage of the total exposure measure)*					
EU 14d	Leverage ratio buffer requirement *(%)*	-	-	-	-	-
EU 14e	Overall leverage ratio requirement *(%)*	3.00%	3.00%	3.00%	3.00%	3.00%
	LIQUIDITY COVERAGE RATIO					
15	Total high-quality liquid assets (HQLA) *(weighted average value)*	3,970	3,808	3,262	2,626	2,360
EU 16a	Cash outflows *(total weighted value)*	1,292	1,307	1,184	1,053	1,124
EU 16b	Cash inflows *(total weighted value)*	653	646	592	675	636
16	Total net cash outflows *(adjusted value)*	691	711	652	476	570
17	Liquidity coverage ratio	987.52%	890.43%	840.59%	810.99%	673.24%
	NET STABLE FUNDING RATIO					
18	Total available stable funding	61,597	60,117	59,041	59,332	58,015
19	Total required stable funding	49,273	48,200	47,835	48,234	47,467
20	NSFR Ratio	125.01%	124.73%	123.43%	123.01%	122.22%

4.1.2 Risk profile

Risk-weighted assets decreased at the end of 2024 (EUR 3.4 billion compared to EUR 4.1 billion at the end of 2023). Since the end of September 2024, the calculation of weighted risks has been based on the standardized approach. This change follows the decision of the Autorité de contrôle prudentiel et de résolution (ACPR) to treat exposures to most French local authorities as exposures to the French central government. The risk-weighted exposures mainly arise from credit risk



Solvency	Description and materiality
Credit and counterparty	• **Loans granted by the Sfil Group that constitute exposures solely to the public sector.** An extremely low historical default rate on loans to the French local public sector; loans refinancing export credits covered at 100% by the French Republic (*via* Bpifrance Assurance Export), in respect of both political and commercial risk; • Cash invested in low-risk fixed-income assets; counterparty risk relating to the portfolio of derivatives limited given the quality of the counterparties and the use of netting.
Market	• **No trading portfolio and therefore no market risks** in the regulatory sense thanks to the Sfil Group's nature as a public development bank.
Climate and environmental risks	• **Relatively limited direct exposure to the economic sectors that emit the most** greenhouse gases (public borrowers and, for export loans, exclusion of sectors exposed to fossil fuels) • Exposure to physical risk reflects that of the French territory.
Operational and non-compliance	• Granular mapping and monitoring with a **very low number of incidents of limited materiality.**

CET1 ratio	Total capital ratio	Leverage ratio
42.2%	**42.2%**	**9.6%**
(*versus* a regulatory requirement of 8.56%)	(*versus* a regulatory requirement of 12.50%)	(*versus* a regulatory requirement of 3%)

Balance sheet risk	Description and materiality
Rate	• **Systematic hedging** of the fixed-rate balance sheet items *via* a natural matching of assets and liabilities or the implementation of interest rate derivatives.
Foreign exchange	• **Foreign currency outstandings systematically hedged** from entry on the balance sheet to maturity.
Liquidity	• **Financing mainly raised on long maturities** (nearly 10 years on average); • Rigorous management of the illiquidity risk exposure using **internal and regulatory stress scenarios;** • Commercial pricing policy consisting in **passing on all financing costs in the loans granted.**

LCR Ratio	NSFR Ratio
440%	**125%**
(*versus* a regulatory requirement of 100%)	(*versus* a regulatory requirement of 100%)

In line with the risk appetite defined by the shareholders and approved by its Board of Directors, the risk profile is low as indicated in the above analysis.

A summary of the impacts of the geopolitical and macroeconomic context on the Sfil Group is presented in section 2.1.1.

4.2 Risk management system

4.2.1 Risk management organization and governance

Sfil Group has set up a comprehensive risk management system:

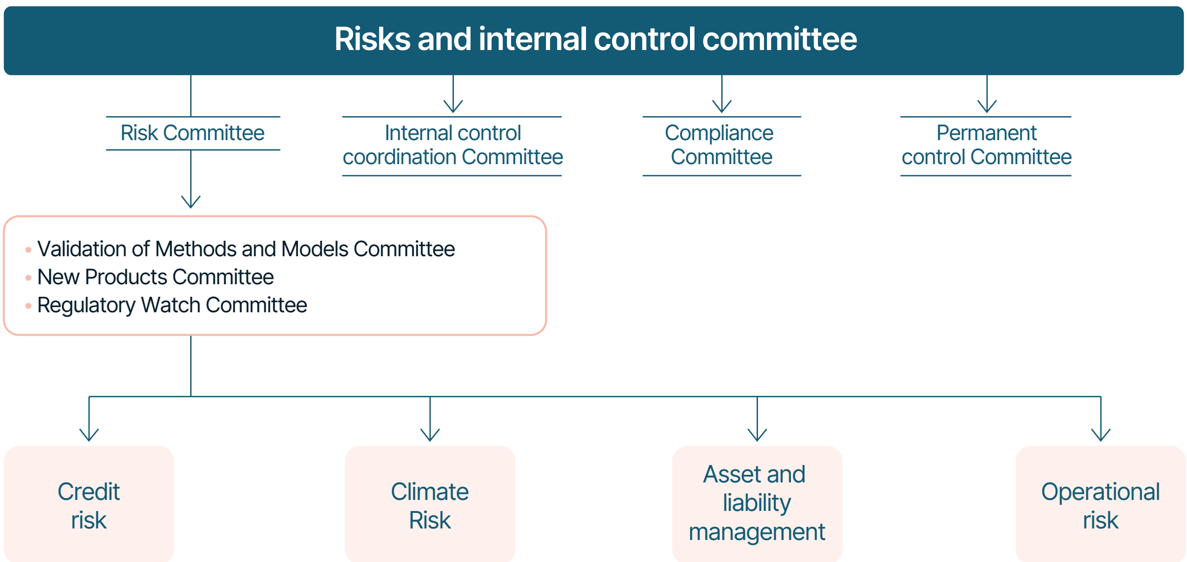
- to identify, monitor, manage and measure risks using specific methodologies;
- to decide on limits to be implemented;
- to decide on delegations to assign to the front office teams;
- to decide on the amount of the provisions that are required;
- to inform the relevant committees about changes in these risks and proactively alerting them in the event a limit or alert threshold is potentially exceeded.

The governance of Sfil Group is detailed in Chapter 3 "Report on corporate governance".

The Risks division, which manages risks on behalf of the entire Sfil Group, is supported by cross-functional committees:

- Risks Committee: chaired by the Deputy Chief Executive Officer, it defines the risk profile of the Sfil Group, validates the risk management systems and ensures their compliance;
- Internal Control Coordination Committee: chaired by the Chief Executive Officer, its purpose is to contribute to the consistency and operational efficiency of the internal control system within Sfil;
- Methods and Models Validation Committee: chaired by the Chief Risk Officer, it is the decision-maker for all methodological changes to models, for the validation of back-test and stress-test exercises, as well as their respective implementation;
- New Products Committee: chaired by the Chief Risk Officer, it is responsible for examining any new product or management process or any transformation of a pre-existing product or process (insofar as it substantially changes the risk profile or internal processes).
- Regulatory Watch Committee: chaired by the Chief Risk Officer, it is responsible for identifying regulatory texts in the areas falling within the remit of the Risks division and the Finance and Financial Markets division likely to affect the Sfil Group, and, where applicable, to mobilize expert employees for an in-depth analysis.

Specialized committees exist for credit, climate, balance sheet and market risks, and operational risks. They are detailed in the dedicated sections.



Risk assessment methods and main reporting

Sfil produces quarterly the regulatory reports common to banks in the European Union member states.

The Chief Risk Officer also presents the "quarterly risk review" to the Risks and Internal Control Committee. This presents a summary of the main risks of the Sfil Group and their evolution during the past quarter as well as the regulatory changes during the quarter.

Details on risk assessment methods are provided in the sections detailing the various risks.

Risk culture

The risk culture encompasses both internal procedures and risk sensitivity, risk-taking and risk management behaviors and attitudes.

Sfil has a system that includes:

- the dissemination of the risk culture within each division, *via* i) a network of internal control officers whose role is to ensure the link between the operational division and the control functions and ii) an Internal Control Coordination Committee which meets regularly and is responsible for defining the risk culture policy;
- the formalization of "risk culture" objectives i) at the individual level *via* the setting of at least one individual "risk culture" objective for all employees and ii) at the collective level *via* the profit-sharing agreement;
- training programs and regular "risk attitude" awareness sessions for all employees.

The governance bodies contribute to the risk culture by communicating the values and fundamental expectations in terms of risk management with regard to the interests of Sfil. They also strive to implement a risk culture encouraging an open risk communication environment, enabling employees to raise awareness of any situation likely to have significant repercussions on risk management.

4.2.2 Risk appetite

The risk appetite corresponds to the level of risk that Sfil is prepared to take, given the expectations of stakeholders (shareholders, regulators, rating agencies, customers, etc.), in order to be able to achieve its strategic objectives. This is a global level, accepted by the shareholders. The risk appetite is validated by the Board of Directors. It is then applied in all risk management processes.

The risk appetite is formalized as follows:

- qualitative, through a set of principles and policies applicable to the different types of risks;
- quantitative, through a risk management system based on limits and alert thresholds.

The principles underlying the risk appetite are as follows:

- **Principle 1**

  The risk appetite is defined on the basis of the strategic and budgetary objectives of the Sfil Group.

- **Principle 2**

  The risk appetite is low. It therefore excludes:

  - market positions;
  - foreign exchange risks not hedged on the balance sheet (except for a marginal risk on US dollar and pound sterling export credits);
  - and credit risks on:
    - corporate, except for a very limited amount and duration in the context of cash investments;
    - international trade finance;
    - real estate financing;
    - the financing of projects or the financing of assets other than those fully guaranteed by the French State.

- **Principle 3**

  The risk appetite system is evidenced by a set of policies and limits on indicators applicable to the various types of risks. In particular, monitoring indicators must be systematically defined for risks assessed as major or critical.

- **Principle 4**

  The quantitative risk appetite indicators are subject to two management thresholds. These two thresholds correspond to:

  - a vigilance threshold in relation to the risk appetite;
  - a limit on the risk appetite.

  In the event of an overrun, a reporting process is defined. It includes the following steps:

  - the operational division in charge of monitoring the indicator informs the Chief Risk Officer and the defined Executive Committee contact(s). If the "RAF limit" risk appetite alert threshold is crossed, General Management is immediately informed of the overrun. It may also decide to inform the members of the Risks and Internal Control Committee, the Board of Directors and the Supervisory Board of the overrun;
  - the Executive Committee contact systematically asks the operational division and/or the specialists concerned to carry out an analysis of the causes. It may also, if it deems it necessary and if possible, ask the operational division concerned to propose action plans;
  - the Executive Committee contact implements the process of classifying the information as insider information, where applicable;
  - the analysis of the overrun and/or any action plan are communicated to General Management within 10 days if the Early Warning RAF is exceeded and within 5 days (or D+2 in a liquidity crisis situation) if the RAF limit is crossed. The General Management may decide to inform the members of the Board of Directors and the Risks and Internal Control Committee of the overrun (if this has not been done previously), the analysis of the overrun and any action plan without waiting for the next Risks and Internal Control Committee meeting;
  - General Management can validate the proposed plan and decide whether to implement it. If no action plan has been deemed necessary by the Executive Committee contact concerned, General Management may nevertheless request that a plan be proposed to it;

- General Management classifies the information as insider information and decides whether or not to postpone the publication of the information. The decision is brought to the attention of the General Secretary, Chief Compliance Officer, for the opening of a section of the insider list;
- during the subsequent Risks and Internal Control Committee meetings (and unless the General Management has decided to do so previously), the members of the Board of Directors and the Risks and Internal Control Committee are informed of the level of indicators and the analysis of overruns;
- in addition, in accordance with the Caisse des Dépôts group risk management charter, the Risks division of the group is informed in the event of overruns, even if this does not necessarily lead to the group's risk appetite framework being exceeded. The summary of the situation as well as the actions decided upon are sent for information to the Group's Risks division by the Chief Risk Officer, who reiterates the necessary confidentiality of the information thus transmitted.
- **Principle 5**

  The risk appetite framework is updated annually and adjusted according to changes in the risk profile as well as its strategic and budgetary objectives. The annual frequency is a minimum: the system is updated if this is made necessary by the emergence of a new major risk or a marked change in the regulatory framework.

4.2.3 Stress tests system

The stress tests system assesses the behavior of a portfolio or an activity in a context of deteriorated activity. This is a forward-looking assessment intended to assess the degree of vulnerability of the targeted portfolios to a crisis situation.

Stress tests make it possible to verify the capital and liquidity adequacy in relation to the risks incurred. As such, they are a preferred measure of the resilience of the Group, its activities and its portfolios, used in the process of developing its risk appetite. They are also an essential element of the capital adequacy assessment and risk management systems put in place by the Basel II and III agreements and their transpositions into European and national regulations.

Regulatory stress tests

Stress tests	Objectives	Scenarios & methodologies
EBA stress tests	Assessing Sfil's resilience in a degraded environment and comparing it with peers	• 2 scenarios (central and adverse): assumptions on changes in macroeconomic indicators provided by the ECB • Severe but plausible level of stress • Methodologies defined by the EBA • Projections carried out by Sfil
"Fit-for-55" climate stress tests	Assessing the resilience of the financial sector to the target of reducing greenhouse gases (GHG) by 55% by 2030 (compared to 1990)	• 3 scenarios (1 baseline and 2 adverse) representing possible trajectories • Collection of detailed data for submission to the ECB (exposures, emissions, credit & market risk parameters, etc.) • Impact projections were carried out by the ECB
Cyber stress tests	Assessing Sfil's resilience to the materialization of cyber risk	• 1 scenario defined by the ECB • Collection of detailed information on internal procedures and risk management by the bank

Internal stress tests

Stress tests	Objectives	Scenario
ILAAP	Checking the adequacy of liquidity to address the risks incurred	• 3 scenarios (short-term, long-term, combined) • Severe but plausible level of stress • Impact calculation methodologies defined by Sfil • Projections carried out by Sfil
ICAAP	Checking the adequacy of capital to address the risks incurred	• 3 scenarios (central, degraded and adverse): assumptions for changes in macroeconomic indicators developed internally • Severe but plausible level of stress • Impact calculation methodologies defined by Sfil • Projections carried out by Sfil
Reverse stress test (provided with ICAAP)	Identifying the stress assumptions leading to the crossing of the solvency risk appetite threshold	• 1 scenario • Cumulative macroeconomic and idiosyncratic stress assumptions • Extreme level of stress • Impact calculation methodology defined by Sfil • Projections carried out by Sfil
Preventive Recovery Plan	Verifying the bank's ability to restore its financial position after a significant deterioration	• 3 scenarios (systemic, idiosyncratic, combined) for which characteristics are imposed • Extreme level of stress • Impact calculation methodologies defined by Sfil

4.2.4 Internal control

Sfil is one of the banks that has been under the direct supervision of the European Central Bank (ECB) since November 2014 within the Single Supervisory Mechanism (SSM).

Caffil has delegated its internal control functions to Sfil which is its designated managing financial institution, under a management agreement. Consequently, internal control at Sfil, as described below, also fulfills the regulatory obligations of Caffil in this regard.

Fundamental principles

The internal control system was set up by the Sfil Group in accordance with the principles set out in the amended *Arrêté* of November 3, 2014, which relate to:

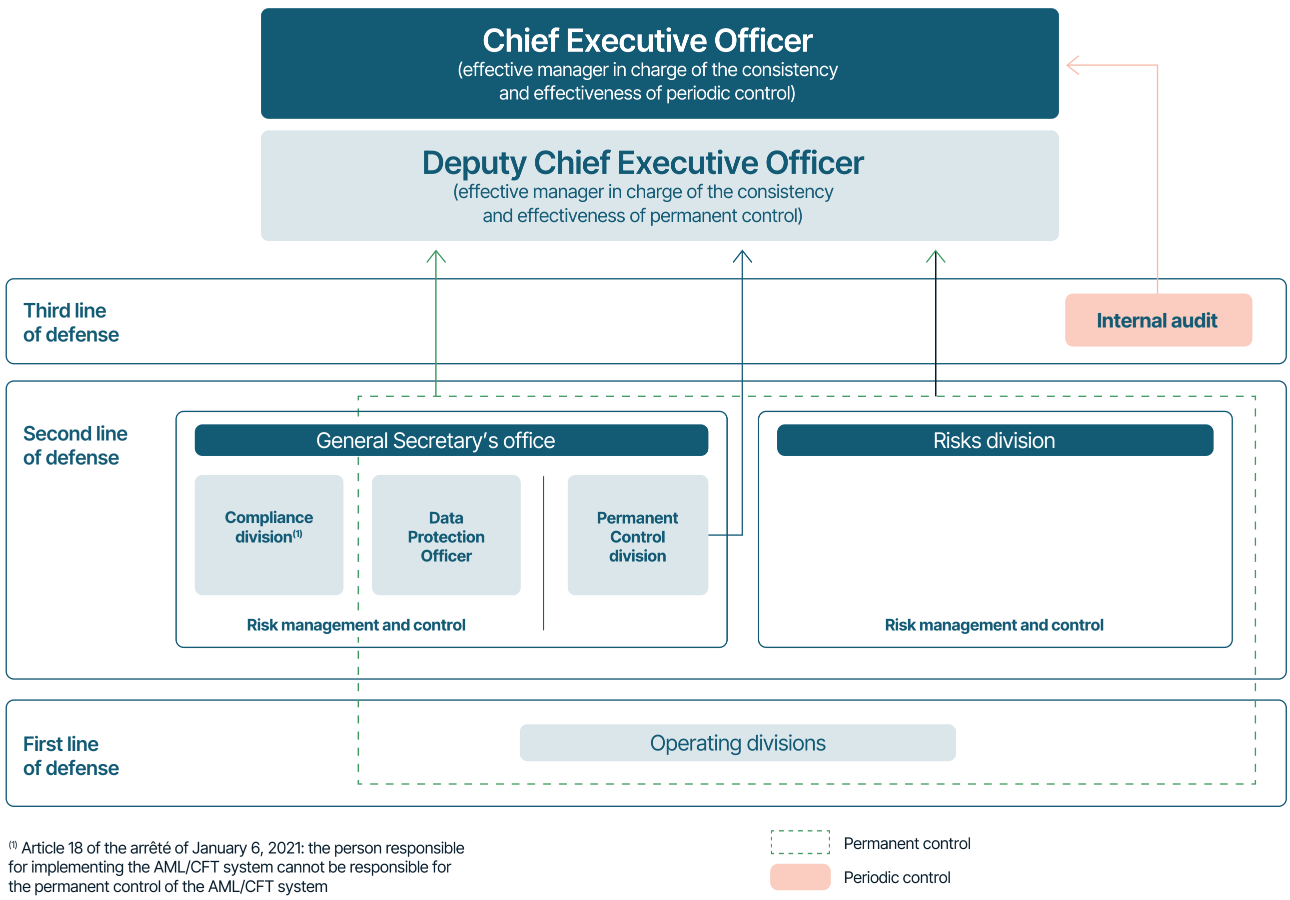
- the systems to control transactions and internal procedures;
- accounting organization and data processing;
- risk measurement systems and their results;
- risk monitoring and control systems;
- the verification of compliance;
- the internal control documentation and information system.

The internal control system ensures a reasonable overall control of risks. More specifically, it aims to:

- ensure a consistent approach to risks coordinated by the various internal control functions;
- verify the effectiveness of the risk control system to ensure that risks are in line with the risk appetite that its governance bodies have defined;
- ensure compliance with legal and regulatory provisions and internal policies;
- monitor the operational security of Sfil Group processes to ensure that the transactions are conducted properly;
- verify the reliability and relevance of the accounting and financial information produced.

General architecture

In accordance with the amended *Arrêté* of November 3, 2014, the general architecture of the internal control system is based on three lines of defense, under the ultimate responsibility of the General Management and the supervision of the Board of Directors of Sfil:



[1] Article 18 of the arrêté of January 6, 2021: the person responsible for implementing the AML/CFT system cannot be responsible for the permanent control of the AML/CFT system

The permanent control is provided by the first two levels of defense which allow the internal control procedures to be implemented without interruption. The periodic control, which provides the third line of defense, is a verification and assessment function of the first two lines of defense that intervenes according to its own multiannual audit cycle. The second and third lines of defense exercise independent control and do not participate in any operational activities.

These three functions report directly to General Management. Pursuant to the *Arrêté* of February 25, 2021 amending the *Arrêté* of November 3, 2014, the Deputy Chief Executive Officer of Sfil was appointed effective manager responsible for the consistency and effectiveness of permanent control (first and second lines of defense). The Chief Executive Officer was appointed as the effective manager responsible for the consistency and effectiveness of periodic control (third line of defense).

These functions also report on the performance of their duties to the Risks and Internal Control Committee, a specialized committee of the Board of Directors. At their request, they can be heard by this committee and by the Board. They also have the right of initiative and may directly contact the Board of Directors or Risks and Internal Control Committee if they consider that an event that could have a significant impact must be submitted to it.

Own workers in the second and third line of defense	12/31/2024
Compliance	10
Permanent control	4
Risks	88
Periodic control	8
TOTAL	**110**

The players in the second and third levels of control meet as needed in the Internal Control Coordination Committee, which coordinates the internal control system.

Supervisory body and effective managers

Board of Directors

The internal control system is placed under the supervision of the Board of Directors. The latter directly exercises key responsibilities in terms of internal control:

- firstly, it ensures that an adequate and effective framework exists with a clear organizational structure and independent and effective risk management, compliance and audit functions;
- on the proposal of the effective managers, it determines the strategy and guidelines of the internal control activity and oversees their implementation;
- it reviews the activity and results of internal control at least twice a year;
- it regularly examines, assesses and controls the effectiveness of the governance system, in particular the clear definition of the responsibilities and internal control, including the procedures for declaring risks, and takes the appropriate measures to remedy any shortcomings that it observes;
- it validates the Risk Appetite Statement, approves and regularly reviews the strategies and policies governing the taking, management, monitoring and control of risks and approves their overall limits.

The heads of the control functions provide the Board of Directors and the effective managers with a reasoned opinion on the level of control of the proven or potential risks, in particular with regard to the defined Risk Appetite Statement. They propose any improvement action they deem necessary.

The heads of Internal Audit, the Risks division and the General Secretary may be heard by the Board of Directors or one of its specialized committees, possibly without the presence of the effective managers.

Risks and Internal Control Committee

To fulfill its responsibilities, the Board of Directors relies on the Risks and Internal Control Committee, from which it emanates and which is responsible for:

- advising the Board of Directors on risk appetite, management and monitoring of all types of risks in order to ensure their alignment with the bank's strategy and objectives;
- conducting a regular review of the strategies, policies, procedures, systems, tools and limits used to detect, measure, manage and monitor risks as well as the underlying assumptions. It communicates its findings to the Board of Directors;
- examining different scenarios, including stress scenarios, to assess how the bank's risk profile would react to external and internal events;
- assessing the effectiveness of internal control, in particular the consistency of the systems for measuring, monitoring and controlling risks, particularly with regard to the Risk Appetite Statement approved by the Board of Directors and proposing, as necessary, additional actions in this respect;
- carrying out the monitoring of permanent control of Sfil, compliance and periodic control system; to this end, it analyzes the reports on internal control and the measurement and monitoring of risks, the activity reports of the Internal Audit division, and any significant correspondence with supervisors and reports thereon to the Board of Directors;

- giving an opinion on the compensation policy and practices, in particular if they are compatible with the situation of Sfil with regard to the risks to which it is exposed.

The reports of the internal control functions are presented and discussed within the Risks and Internal Control Committee.

Effective managers

The effective managers, namely the Chief Executive Officer and Deputy Chief Executive Officer, are responsible for the overall internal control system. As such and without prejudice to the prerogatives of the Board of Directors, they:

- determine the essential policies and procedures governing this system;
- directly supervise the functions exercising independent control and provide them with the means enabling them to carry out their responsibilities effectively;
- set risk-taking policies, validate the most important decisions in this area and, if necessary, make the final decisions as part of the reporting process;
- periodically assess and monitor the effectiveness of internal control policies, systems and procedures and take appropriate measures to remedy any shortcomings;
- receive reports on internal control;
- report to the Board of Directors or its relevant committee on the operation of this system.

Permanent control

Fundamental principles

In line with the fundamental principles of internal control described above, permanent control is defined as all the processes and resources implemented on an ongoing basis to obtain reasonable assurance that the following objectives have been achieved:

- compliance of the transactions carried out with the instructions and guidelines of the Chief Executive Officer, with the legislative and regulatory provisions covering banking and financial regulations, as well as with the rules of law and internal procedures;
- adequate control of the risks incurred;
- reliability and integrity of financial and management information [2];
- protection of the Sfil Group's reputation, ethical professional behavior, prevention of conflicts of interest;
- fight against money laundering, corruption and the financing of terrorism and compliance with financial sanctions and embargoes;
- protection of the interests of investors and clients as well as the integrity of the markets;
- protection of personal data.

Permanent control is based on the body of standards and procedures governing all activities and processes, and is an element of the overall system for managing risks. It contributes to the reliability of existing processes and to the security of all activities.

The permanent control system covers all the activities of the departments of Sfil, its subsidiary Caffil, including the essential activities outsourced to a service provider. The system covers all financial (credit, market & ALM) and non-financial (strategic and business, operational, non-compliance, ESG) risks generated by these activities.

Permanent control is thus based on a control plan whose objective is to ensure reasonable coverage of the risks listed in the consolidated mapping of the Sfil Group and covering the various divisions, activities and processes. Other sources are taken into account to develop the control plan: new activities or products, incidents, regulatory changes, audit and regulator recommendations and feedback from permanent control campaigns. The permanent control plan is formally reviewed annually after the consolidated risk mapping is updated.

Risks may not be covered by permanent control by their nature. They are clearly identified and are nevertheless accompanied by other mitigating factors within the risk management system.

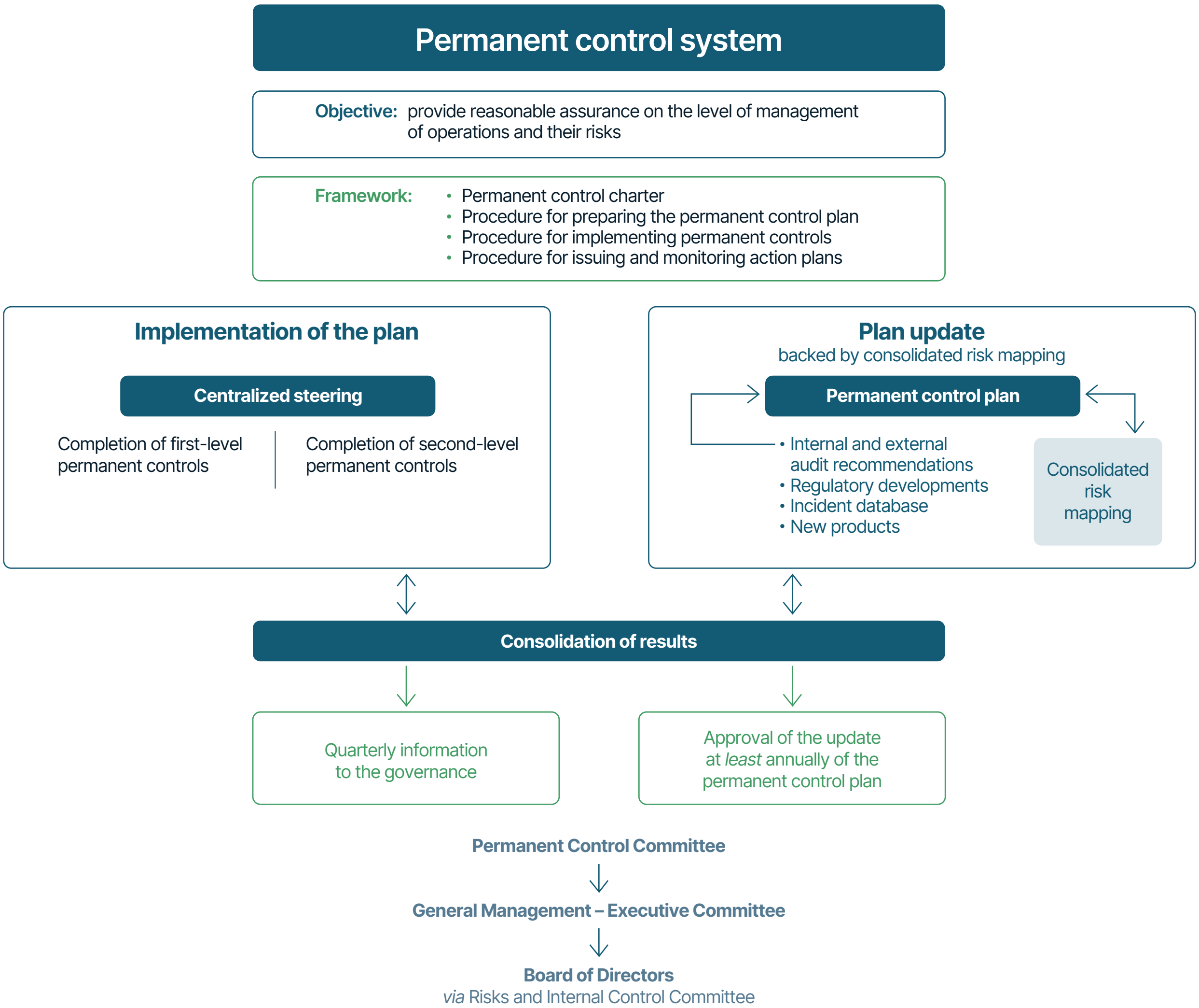
The permanent control system is adapted to the nature and scope of its activities and the risks arising from them, according to the principle of a risk-based approach. In particular, the frequency of the controls included in the control plan is proportionate to the level of risks of the activities examined and to the risk tolerance.

Organization and governance

The permanent control charter, made available to all Sfil employees, defines the permanent control system and activities by specifying:

- the regulatory context and scope of application;
- the fundamental principles of permanent control;
- the principles governing the organization of permanent control;
- the main permanent control tools.

(2) See below Internal control procedures for accounting and financial information



The permanent control system is based both on the so-called first-level controls carried out by the first line of defense and on the work of employees dedicated solely to control functions (second line of defense).

First line of defense

The first line of defense is provided within the operational divisions by employees, internal control officers and line managers. They are responsible for:

- analyzing the risks of each transaction they handle according to their respective field of activity;
- defining and describing, in the operational procedures, the first-level controls relating to these transactions;
- implementing them, verifying that these controls are effectively adapted to these risks and adapting them if necessary.

The internal control system is the responsibility of each employee, whatever their hierarchical level and their responsibilities.

To this end, these employees, internal control officers and managers, rely on a set of policies, limits and indicators with a clear separation between the launch of operations and their validation, control or settlement. These policies, limits and indicators are defined by several internal committees composed of employees from the operational, support and control functions and chaired by a member of the Executive Committee. These elements are included in the Risk Appetite Statement approved by the Board of Directors.

Employees are required to report to a higher level as soon as possible:

- any information necessary for the correct analysis of a situation likely to affect the risks or the reputation of Sfil with which they would be confronted;
- any issue that they cannot resolve on their own in the performance of their duties;
- any situation that they deem to be abnormal.

In addition, employees have the right to whistleblowing, provided for by the Sfil code of conduct, allowing them to make an alert within a framework placed under the responsibility of the Compliance division, providing a guarantee of enhanced confidentiality and protection against possible retaliation.

In addition, internal control objectives are taken into account in human resources management, particularly as part of the annual assessment process and the definition of training.

Second line of defense

The second line of defense aims to verify that the risks have been identified and managed by the first line of defense according to the rules and procedures provided. It also ensures the proper functioning and effectiveness of the first-level permanent control.

The three integrated functions, independent of the operational divisions, which exercise second-level control are:

- the Risks division, in charge of the organization and deployment of the overall risk management system, excluding non-compliance risks, to which the Sfil Group is exposed, and more specifically in terms of credit risk, interest rate risk, liquidity risk, market risk, foreign exchange risk, operational risk and climate and environmental risks; the Chief Risk Officer develops the risk management framework, taking into account the risk appetite defined by the Board of Directors, and implements it by measuring and monitoring risks. The Chief Risk Officer is a member of the Executive Committee;
- the compliance division, in charge of setting up and managing non-compliance risk management systems (see below in section 4.4.8 "Non-compliance risk"), which arise from non-compliance with provisions specific to banking and financial activities. The Compliance division, under the aegis of the General Secretary and the Chief Compliance Officer, steers the management of these risks, notably by using their mapping. In support of the latter, non-compliance risk monitoring indicators are defined in conjunction with the Risks division as part of the risk appetite. Once a year, the mapping of non-compliance risks is reviewed for updating.
- the permanent control division, in charge of managing and coordinating Sfil Group's overall first- and second-level permanent control system and ensuring the consistency and effectiveness of the permanent control plan (see "Organization and governance above"). The Director of Permanent Control is responsible for the second-level control system. He contributes to risk management. In his capacity as head of the compliance verification function, he has direct access to the Deputy Chief Executive Officer with a whistleblowing right.

The Permanent Control and Compliance divisions report directly to the General Secretary, a member of the Executive Committee.

To carry out their duties, the permanent control division and the Risks division have full access to the business, risk and compliance tools necessary for the implementation of controls in complete independence as well as to any useful information from the operational departments.

Permanent controls	Risks mapping
Second-level permanent controls are defined using a **risk-based approach**, based on their mappings. The frequency and depth of these controls are adjusted to the criticality of the risks and their volume. They focus on: • **execution controls:** recurring controls to verify that the first-level controls constituting the risk management system (DMR) are in place, relevant, carried out in accordance with standards and procedures and effective; • **assessment controls:** specific controls that supplement the first-level controls, carried out on the basis of criteria and sampling specific to second-level controls (defined on the basis of internal policies and procedures or regulatory texts).	Sfil monitors and manages its risks notably by means of **risks mappings** prepared by the Risks division and the Compliance division, in conjunction with the business lines, which make it possible to: • **identify significant risks and associated risk management systems (DMR)** intended to reduce their probability of occurrence and/or potential impact; • **take into account the incidents identified**, in order to develop and update the first- and second-level control plans; • **update the list of feared events** based on the results of the execution of these plans, the operational risk management system and the action plans. The risk mappings are updated *at least* annually. The assessment of the risk management system for year N takes into account the incidents reported for year N, as well as the results of controls carried out for year N.

The results of the second-level permanent controls, including potential malfunctions identified are shared with the relevant business line divisions for correction. If necessary, action plans may be implemented following the analysis of the cause of the malfunction to prevent it from recurring. These actions may lead to changes in the processes and procedures controlled or the redefinition of the first- and second-level permanent controls, in collaboration with the divisions concerned, in order to improve their effectiveness.

Risks division

The permanent control system is based on the risk management system put in place by the Risks division to identify the main operational and non-compliance risks and to guide the controls in order to assess their degree of control, as part of a risk-based approach.

The risk management system developed and implemented by the Risks division complements the permanent control system described above.

Where appropriate, the Risks division supports the Permanent Control division through its experts (credit, market, internal models, information systems security) in the implementation of the unified permanent control plan.

Permanent Control division

The second-level permanent control function is under the responsibility of a single, new division within the General Secretary's office. Its main objectives are to:

- ensure compliance with the reference body of documents, including the Permanent Control Charter;
- assess the permanent control system (financial and non-financial risks);
- support the operational departments and the Risks division in defining and reviewing permanent controls;
- consolidate the control plan while reporting the consolidated control results to the governance bodies and monitor the action plans.

Compliance division

The General Secretary, who is also the Chief Compliance and Ethics Officer, is responsible for the compliance verification function in accordance with Article 28 of the *Arrêté*. The Compliance division assists the General Secretary by defining the non-compliance risk management framework. As a second line of defense, this framework guarantees reasonable assurance of non-compliance risk control. The Compliance division steers the management of non-compliance risks by relying, among other things, on the non-compliance risk mapping that it carries out (*see table above*). Lastly, permanent compliance control is based on the annual control plan (see "Fundamental Principles" above), updated taking into account the assessment of non-compliance risks.

To perform its duties, the Compliance division also relies on internal systems that enable the detection and reporting of reports, breaches, violations or malfunctions, *via*:

- a network of correspondents within the operating divisions;
- a professional or ethical whistleblowing procedure.

2024 permanent control activities

Missions	2024 Results
Preparation of the permanent control plan	• 263 permanent controls in the 2025 permanent control plan, including 122 second-level permanent controls; • Approval by the Board of Directors in December 2024 of the backing of the control plan with the consolidated risk mapping.
Roll-out of the permanent control plan	• 99% completion rate of the 2024 permanent control plan; • Average compliance rate of 96% of permanent controls assessed in 2024.

Periodic control

Organization and governance

The periodic control function, which is the third line of defense is performed by the Internal Audit division. The scope of intervention of this division extends to all activities carried out, operational processes and systems, without reservation or exception, including essential outsourced activities and techniques to fight against fraud.

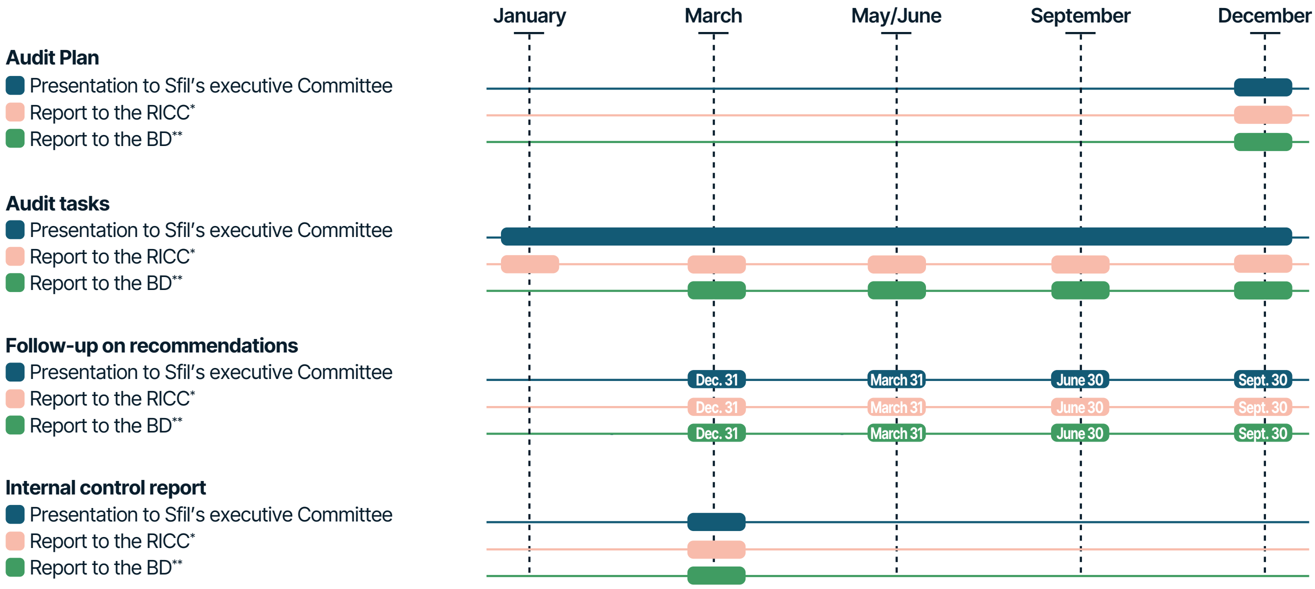
In addition to the direct reporting of the General Auditor to the Chief Executive Officer, independence and efficiency of the Internal Audit division is assured by:

- the absence of involvement in the operational management of activities;
- unconditional and immediate access to all information, documents, premises, systems or persons its activities require;
- the resources supplied by the General Management to carry out these missions;
- the respect of the principles of integrity, objectivity, confidentiality and competence (in particular through a permanent training plan on audit techniques and regulatory developments for all the employees of the division).

These principles are reflected in the internal audit charter and the inspection charter, approved by the Risks and Internal Control Committee of Sfil, and distributed to all Sfil employees to remind them of the rights and duties of the auditors and the auditees.

The General Auditor supervises all the division's audit activities and reports. He is assisted in his assignments by his deputy, who is also in charge of the audit team and supervises the performance of the audits carried out. Furthermore, every auditor is responsible for a specific field, *via* the participation on some of the governance committees as an observer, risk monitoring and the following up of recommendations for implementation by operating divisions.

The supervision of the periodic control by the Board of Directors and Risks and Internal Control Committee is based on a system of structured and recurrent reporting of all the Internal Audit division's activities. The effective managers, and in particular the Chief Executive Officer, designated as responsible for the consistency and effectiveness of periodic control, are informed on a regular basis and as the results of the division's activities progress through the reports prepared for the Executive Committee.



(*) Risks and Internal Control Committee
(**) Board of Directors

2024 business activity

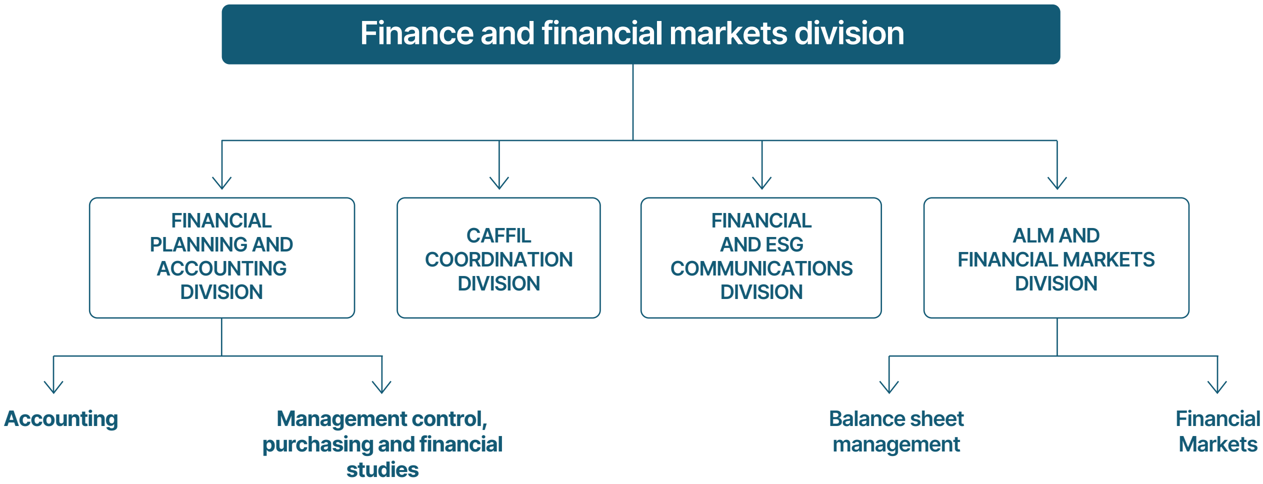
The division's activities are described in an internal audit manual that is based on the reference framework of the professional internal audit practices of the IFACI (3) and are mapped in a dedicated process.

Missions	2024 Achievements
Preparation and roll-out of the multi-year audit plan	• Preparation of the 2025 audit plan and approval in December 2024 by the governance bodies of the Sfil Group, after favorable opinion from the Risks and Internal Control Committee. This plan provides for the performance of 12 audits; • 12 missions carried out as at the end of January 2025 as part of the 2024 audit plan, i.e. a completion rate of 92%; • Missions carried out in 2024 relating in particular to: ◦ key operational processes (cash management and investment, market refinancing, payment continuity); ◦ support processes (business continuity management, data quality management); ◦ the monitoring of risks including foreign exchange risk, liquidity risk, climate and environmental risk management, risks related to internal models, information system security and the audit of essential outsourced services.
Preparation and roll-out of the inspection plan	• Definition of the 2025 inspection plan during Q4 2024 providing for the completion of an inspection control; • Completion of an audit under the 2024 plan.
Follow-up on recommendations	For all the recommendations made following missions by the Internal Audit and Inspection division or the supervisory authorities; • regular monitoring carried out during the year 2024; • production of quarterly statements highlighting the main risk points remaining to be covered, including those subject to temporary acceptance of the risk because their initial maturity date was more than six months past due, and those closed during the period review.

(3) Institut Français de l'Audit et du Contrôle Interne (IFACI).

Procedures for controlling accounting and financial publications

The Finance and Financial Markets division is responsible for the Group's financial strategy, in conjunction with other Sfil departments where applicable. It also determines the methods applicable in the Group with regard to accounting and financial information.



Financial Statements

The main aim of financial statements by the Accounting function is to give a true and fair view of its assets, financial position and results. The *Arrêté* of November 3, 2014 highlights in its accounting chapter that the organization adopted should guarantee the existence of procedures called "audit track". They make it possible to establish a link between accounting data and the original supporting document, and vice versa.

All these items should make it possible to reconstitute, justify and explain any and all financial items produced for accounting or regulatory purposes. It is this principle that underpins the organization of the accounting function.

Mission and organization of the Accounting division

The Accounting division reports to the Financial Planning and Accounting division. It interacts with numerous divisions within Sfil, providing it with a cross-sectional overview of the Group's business activities.

The Accounting division revolves around four teams:

- the business line accounting team, which provides first-level control over transactions related to clients and market instruments;
- the overheads and payroll accounting team, which is responsible for paying supplier invoices. This team also provides first-level control over the accounting processing associated with supplier invoices and the payroll process;
- the statutory accounting and regulatory declarations team, which provides second-level control over the activities carried out by the two previous teams. This team also prepares the consolidated and separate financial statements of the two Group entities. It also prepares the financial statements for publication for Sfil and Caffil. Lastly, this team performs tax and regulatory declarations;
- the standards and studies team, which is responsible for managing the accounting basis and monitoring accounting and prudential standards. It also validates the implementation of accounting procedures for activities and specifically reviews new, complex or unusual transactions.

The Accounting division is tasked with analyzing and verifying accounting data. It relies, in particular, on a process of reconciling this data in a contradictory approach with the other Sfil teams, notably the management control, in particular as regards to product control and balance sheet and off-balance sheet amounts of the entities managed. This approach is also applied to the accounting data which are reconciled with the data used to calculate the prudential indicators and reporting by the Risks division.

To carry out its mission, the Accounting division participates in the main committees that may affect its activity and has access to a very wide range of information. It participates actively in managing the technical development of IT systems, and relies on a cross-divisional team within the Technology and Organization division to improve, secure and ensure the sustainability of its IT system.

This organization makes it possible to ensure continuous improvement in terms of process quality and efficiency and reliability of financial information.

Preparation of the separate and consolidated financial statements

The accounting information system, which is used to prepare the separate financial statements, is to a large degree automatically fed by upstream systems that manage transactions with clients and market counterparties, as well as operating expenses. When a transaction is entered in one of the systems, one or more accounting entries are directly generated through automated accounting plans. These automatic functions may be supplemented by manual entries for certain specific transactions. The accounting system is able to manage double accounting according to French standards and IFRS as adopted by the European Union. The synthesis of this data is thus obtained automatically using parameterized publication tools.

The internal control system in the operating divisions guarantees the completeness and accuracy of accounting entries. When certain operations cannot be completely incorporated into the management tools available, the controls implemented within the accounting teams aim to translate the specific effects related to these specific transactions and correct their translation if required.

A first level of control is conducted by accounting teams that are specialized by products, in particular by analyzing accounting/management data reconciliation, bank reconciliation and technical suspense accounts. These teams also reconcile the accounting data from net banking income with management data produced by separate teams. This cross-referencing is done *at least* once a quarter and consistency from one period to the next is verified using analytical controls. The main changes must be explained. Moreover, these teams prepare a synthetic memorandum on the work done, which points out areas that need attention and improvement for the processes to be used in future financial statements. Lastly, management control performs consistency checks on net banking income and may, if necessary, conduct more in-depth analyzes in the event of significant discrepancies.

To monitor the application of its second-level control plan, the Accounting division has a monitoring tool at its disposal with which it can verify the execution of key controls. The validation of key controls is carried out by the line manager of the staff who carried out the control. This information and any comments made on discrepancies are subject to review by the Deputy Head of the Accounting division and the Head of Financial Planning and Accounting with the main heads of accounting teams.

The summary reports are carried out *via* an automated process based on settings administered by the standards and studies team. Consolidation transactions are included in a set of developments planned within the accounting information system. Notes to the separate financial statements and regulatory declarations are produced based on accounting data that may be enhanced by management information. Qualitative analyzes are then carried out through a cross-review of the summary data within the Finance and Financial Markets division. Cross-referenced controls are also conducted between the financial statements and the notes to the financial statements.

Financial statements reporting process

The financial statements are prepared by divisions, in particular the Finance and Financial Markets division, the Risks division and the General Secretary. The annual financial statements under IFRS are published in ESEF format in accordance with the regulations in force.

The financial statements are subject to particular scrutiny during the preparatory phase and in their final form by the Head of the Financial Planning and Accounting division then by the Chief Financial Officer. These statements are presented to the Financial Statements Committee. The annual financial statements are approved by the Board of Directors. The principal issues in the period's management report are also examined on this occasion. These annual and interim financial statements are subject to an audit and a limited review by the Statutory Auditors.

Financial information

The Financial and ESG Communications division ensures the consistency of financial information across different documents. It is responsible for the information published through the press releases and presentations of results and the annual and interim financial reports made available to the public on the Group's website. They are also filed with the French Financial Markets Authority (AMF - Autorité des Marchés Financiers). In this context, the Financial Communication division, under the responsibility of General Management and the Director of Finance and Financial Markets, prepares the presentation of the results and the financial structure of the Sfil Group, making it possible to base the opinion of third parties on its performance, financial strength and outlook.

Role of the Statutory Auditors

The statutory audit is carried out by a panel of two Statutory Auditors, who are common with Caffil.

They are consulted throughout the process of preparation of the financial statements in order to ensure efficiency and transparency.

Their duties involve analyzing the accounting procedures and evaluating the current internal control systems to determine their audit scope, having established the main areas of risk. They may make recommendations to the management on internal control procedures and systems that could improve the quality or security of financial and accounting information produced.

They also are provided with the documents that enable them to carry out their due diligence. These include, in particular, the Internal Audit division's mission reports and the accounting treatment or closing summary notes prepared by the Accounting division.

Their work also includes a review of all the agreements that are regulated. They provide a full and complete account of their work in a specific report at the end of their statutory assignment.

They employ due diligence to obtain reasonable assurance that the financial statements are free from any material misstatement.

Management reporting

The financial statements that Sfil provides to its shareholder and the public are supplemented by management reports. This management information includes items relating to the acquisition of loans originated by the two partners or the refinancing of large export credits. This management information is mainly prepared by the Accounting and Financial Planning division on the basis of management data reconciled with the accounts. The outlook and risk assessments included in the financial reports are prepared by the operating divisions or the Risks division. Their accuracy is therefore guaranteed by the internal control system of the divisions concerned. The Statutory Auditors also verify the consistency of this information during their review or audit of the management report and the section on the risks and capital adequacy of the interim and annual financial reports.

4.3 Capital management and capital adequacy

4.3.1 Scope of application of the prudential scope

There is no difference between the prudential scope of consolidation and the accounting consolidation scope, and the accounting standards applied are identical.

EU LI1 - DIFFERENCES BETWEEN THE ACCOUNTING SCOPE AND THE SCOPE OF PRUDENTIAL CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES

		a	b	c	d	e	f	g
				Carrying values of items				
	EUR millions	Carrying values as reported in the published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deductions from own funds
	BREAKDOWN BY ASSET CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS							
1	Central banks	-	-	-	-	-	-	-
2	Financial assets at fair value through profit or loss	-	-	-	-	-	-	-
3	Hedging derivatives	-	-	-	-	-	-	-
4	Financial assets at fair value through equity	-	-	-	-	-	-	-
5	Loans and advances to banks at amortized cost	-	-	-	-	-	-	-
6	Loans and advances to customers at amortized cost	0	0	0	-	-	-	-
7	Bonds at amortized cost	0	0	0	-	-	-	-
8	Fair value revaluation of portfolio hedge	-	-	-	-	-	-	-
9	Current tax assets	-	-	-	-	-	-	-
10	Deferred tax assets	-	-	-	-	-	-	-
11	Tangible assets	-	-	-	-	-	-	-
12	Intangible assets	-	-	-	-	-	-	-
13	Accruals and other assets	-	-	-	-	-	-	-
14	**TOTAL ASSETS**	**0**	**0**	**0**	**-**	**-**	**-**	**-**

		a	b	c	d	e	f	g
				Carrying values of items				
EUR millions		Carrying values as reported in the published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the securitization framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deductions from own funds
	BREAKDOWN BY LIABILITY CLASSES ACCORDING TO THE BALANCE SHEET IN THE PUBLISHED FINANCIAL STATEMENTS							
1	Central banks	-	-	-	-	-	-	-
2	Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-
3	Hedging derivatives	-	-	-	-	-	-	-
4	Due to banks at amortized cost	-	-	-	-	-	-	-
5	Customer borrowings and deposits at amortized cost	-	-	-	-	-	-	-
6	Debt securities at amortized cost	0	0	-	-	-	-	0
7	Fair value revaluation of portfolio hedge	-	-	-	-	-	-	-
8	Current tax liabilities	-	-	-	-	-	-	-
9	Deferred tax liabilities	-	-	-	-	-	-	-
10	Accruals and other liabilities	-	-	-	-	-	-	-
11	Provisions	-	-	-	-	-	-	-
12	Subordinated debt	-	-	-	-	-	-	-
13	**TOTAL LIABILITIES**	**0**	**0**	**-**	**-**	**-**	**-**	**0**

4

EU LI2 - MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

The differences between the regulatory exposure amounts and the carrying amounts of the financial statements are not significant, they represent less than 0.03% of the total outstanding.

		a	b	c	d	e
			Items subject to			
EUR millions		Total	Credit risk framework	Securitization framework	Counterparty credit risk framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**0**	**0**	**-**	**-**	**-**
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	**0**	**-**	**-**	**-**	**-**
3	**Total net amount under the scope of prudential consolidation**	**-**	**0**	**-**	**(0)**	**-**
4	**Off-balance sheet amounts**	**(0)**	**0**	**-**	**-**	
5	*Differences in valuations*	-	-	-	-	
6	*Differences due to different netting rules, other than those already included in row 2*	-	-	-	-	
7	*Differences due to consideration of provisions*	-	-	-	-	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	-	-	-	-	
9	*Differences due to credit conversion factors*	-	-	-	-	
10	*Differences due to securitization with risk transfer*	-	-	-	-	
11	*Other differences*	-	-	-	(0)	
12	**Exposure amounts considered for regulatory purposes**	**-**	**0**	**-**	**-**	**-**

EU LI3 - OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY)

a	b	c	d	e	f	g	h
		Method of prudential consolidation					
Name of the entity	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
Caisse Française de Financement Local	Full consolidation	X					Credit institution
Sfil (head office)	Full consolidation	X					Credit institution

4.3.2 Capital requirements and risk-weighted assets

SREP

Under the Single Supervisory Mechanism, Sfil is subject to the direct supervision of the ECB. The results of the SREP (Supervisory Review and Evaluation Process) are notified annually by the ECB to the General management to define capital requirements.

As of December 31, 2024, the Total Capital requirement was 12.50%, of which:

- 8.00% for Pillar 1 Total Capital, the level applicable to all entities;
- 1.00% in respect of the Pillar 2 requirement, of which 0.56% in Common Equity Tier 1 (CET1) capital and 0.75% in Tier 1 capital;
- 2.50% for the capital conservation buffer, the level applicable to all entities;
- 1.00% in respect of the counter-cyclical buffer on relevant exposures.

In addition, as of December 31, 2024, the CET1 Capital requirement was 8.56% and the T1 capital requirement was 10.25%.

The CET1 ratio reached 42.2% at December 31, 2024 (compared to 37.5% at December 31, 2023). It is, therefore, significantly higher than the minimum requirement of 8.56% set by the European supervisor as part of the supervisory review and evaluation process (SREP). The increase in the ratio is mainly due to the decrease in risk-weighted assets. Since the end of September 2024, the calculation of weighted risks has been based on the standardized approach. This change follows the decision of the ACPR Board to treat exposures to most French local authorities as exposures to the French central government.

Sfil and its subsidiary Caffil benefit from an exemption from the application of capital requirements on an individual basis, as provided for in article 7 of the CRR.

Countercyclical buffer

EU CCYB1 - GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL BUFFER

		a	b	c	d	e
		General credit exposures		Relevant credit exposures - market risk		
EUR millions		Exposure value under the standardized approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for standardized approach	Value of trading book exposures for internal models	Securitization exposures - Exposure value for non-trading book
010	**BREAKDOWN BY COUNTRY:**					
	France	1,372	-	-	-	-
	Canada	555	-	-	-	-
	Sweden	271	-	-	-	-
	Norway	238	-	-	-	-
	Finland	209	-	-	-	-
	Netherlands	127	-	-	-	-
	Denmark	98	-	-	-	-
	Germany	94	-	-	-	-
	Ireland	61	-	-	-	-
	Spain	45	-	-	-	-
	Belgium	27	-	-	-	-
	New Caledonia	4	-	-	-	-
	Other	28	-	-	-	-
020	**TOTAL**	**3,128**	**-**	**-**	**-**	**-**

f	g	h	i	j	k	l	m
	Own funds requirements						
Total exposure value	Relevant credit risk exposures - credit risk	Relevant credit exposures - market risk	Relevant credit exposures - securitization positions in the non-trading book	Total	Risk-weighted exposure amounts	Own funds requirement weights *(%)*	Countercyclical buffer rate *(%)*
1,372	42	-	-	42	524	59.09%	1.00%
555	9	-	-	9	111	12.52%	0.00.00%
271	3	-	-	3	36	4.09%	2.00%
238	2	-	-	2	24	2.69%	2.50%
209	2	-	-	2	21	2.35%	0.00.00%
127	2	-	-	2	21	2.32%	2.00%
98	2	-	-	2	20	2.22%	2.50%
94	1	-	-	1	19	2.11%	0.75%
61	2	-	-	2	30	3.42%	1.50%
45	4	-	-	4	45	5.02%	0.00.00%
27	-	-	-	-	3	0.31%	1.00%
4	-	-	-	-	6	0.65%	0.00.00%
28	2	-	-	2	28	3.21%	0.00.00%
3,128	**71**	**-**	**-**	**71**	**886**	**100.00%**	

EU CCYB2 - AMOUNT OF INSTITUTION-SPECIFIC COUNTER-CYCLICAL CAPITAL BUFFER

EUR millions		a
1	**TOTAL RISK EXPOSURE AMOUNT**	**3,392**
2	Institution-specific counter-cyclical capital buffer rate	0.91%
3	Institution-specific counter-cyclical capital buffer requirement	31

Composition of capital

EU CC1 - COMPOSITION OF REGULATORY OWN FUNDS

EUR millions		(a) Amounts	(b) Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1): instruments and reserves			
1	Capital instruments and related share premium accounts	1,445	a
	of which: Instrument type 1	1,445	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained earnings	101	b
3	Accumulated other comprehensive income (and other reserves)	17	c + d
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) of the CRR and the related share premium accounts subject to phase-out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits, net of any foreseeable charge or dividend	-	
6	**COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS**	**1,563**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(2)	
8	Intangible assets (net of related tax liabilities) (negative amount)	(19)	f
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(74)	g
11	Fair value reserves related to gains and losses on cash flow hedges of financial instruments that are not valued at fair value	(0)	e
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitized assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in the institution's credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross-holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
EU-20a	Exposure amount of the following items which qualify for a risk weighting of 1,250%, where the institution opts for the deduction	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitization positions (negative amount)	-	
EU-20d	of which: unsettled trading positions (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	

		(a)	(b)
EUR millions		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
22	Amount exceeding the 17.65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities in which it has a significant investment	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items, except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(37)	
28	**TOTAL REGULATORY ADJUSTMENTS TO COMMON EQUITY TIER 1 (CET1)**	**(132)**	
29	**COMMON EQUITY TIER 1 (CET1) CAPITAL**	**1,431**	
Additional Tier 1 capital (AT1): instruments		**-**	
30	Capital instruments and related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in article 484 (4) of the CRR and related share premium accounts subject to phase-out from AT1	-	
EU-33a	Amount of qualifying items referred to in article 494a (1) of the CRR subject to phase-out from AT1	-	
EU-33b	Amount of qualifying items referred to in article 494b (1) of the CRR subject to phase-out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase-out		
36	**ADDITIONAL TIER 1 (AT1) CAPITAL BEFORE REGULATORY ADJUSTMENTS**	**-**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross-holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities in which the institution has a significant investment (net of eligible short positions) (negative amount)	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**TOTAL REGULATORY ADJUSTMENTS TO ADDITIONAL TIER 1 (AT1) CAPITAL**	**-**	
44	**ADDITIONAL TIER 1 (AT1) CAPITAL**	**-**	
45	**TIER 1 CAPITAL (T1 = CET1 + AT1)**	**1,431**	

EUR millions		(a) Amounts	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: instruments			
46	Capital instruments and related share premium accounts	-	
47	Amount of qualifying items referred to in article 484 (5) of the CRR and the related share premium accounts subject to phase-out from T2 as described in article 486 (4) of the CRR	-	
EU-47a	Amount of qualifying items referred to in article 494a (2) of the CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in article 494b (2) of the CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase-out	-	
50	Credit risk adjustments	-	
51	**TIER 2 (T2) CAPITAL BEFORE REGULATORY ADJUSTMENTS**	**-**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to artificially inflate the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities in which the institution does not have a significant investment (amount above 10% threshold, net of eligible short positions) (negative amount)	-	
55	Direct, indirect and synthetic holdings by the institution of T2 instruments and subordinated loans of financial sector entities in which the institution has a significant investment (net of eligible short positions) (negative amount)	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**TOTAL REGULATORY ADJUSTMENTS TO TIER 2 (T2) CAPITAL**	**-**	
58	**TIER 2 (T2) CAPITAL**	**-**	
59	**TOTAL CAPITAL (TC = T1 + T2)**	**1,431**	
60	**TOTAL RISK EXPOSURE AMOUNT**	**3,392**	
Capital ratios and requirements, including buffers			
61	Common Equity Tier 1 (CET1) capital	42.18%	
62	Tier 1 capital	42.18%	
63	Total capital	42.18%	
64	Institution CET1 overall capital requirements	8.47%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: counter-cyclical capital buffer requirement	0.91%	
67	of which: systemic risk buffer requirement	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.56%	
68	**COMMON EQUITY TIER 1 CAPITAL (AS A PERCENTAGE OF THE RISK EXPOSURE AMOUNT) AVAILABLE AFTER MEETING THE MINIMUM CAPITAL REQUIREMENTS**	**33.18%**	

		(a)	(b)
EUR millions		Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities in which the institution does not have a significant investment (amount below 10% threshold, net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities in which the institution has a significant investment (amount below 17.65% threshold, net of eligible short positions)	-	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liabilities when the conditions in article 38 (3) of the CRR are met)		
Applicable caps on the inclusion of provisions in Tier 2 capital		-	
76	Credit risk adjustments included in T2 in respect of exposures subject to the standardized approach (prior to the application of the cap)	36	
77	Cap on inclusion of credit risk adjustments in T2 under the standardized approach	-	
78	Credit risk adjustments included in T2 for exposures subject to the internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under the internal ratings-based approach		
Capital instruments subject to phase-out (only applicable between January 1, 2014 and January 1, 2022)		-	
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemption and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemption and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after repayments and maturities)	-	

4

EU CC2 - RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

		a	c
		Balance sheet as in published financial statements	Reference
EUR millions		As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	Central banks	2,016	
2	Financial assets at fair value through profit or loss	1,690	
3	Hedging derivatives	2,142	
4	Financial assets at fair value through equity	-	
5	Loans and advances to banks at amortized cost	56	
6	Loans and advances to customers at amortized cost	55,007	
7	Bonds at amortized cost	8,514	
8	Fair value revaluation of portfolio hedge	380	
9	Current tax assets	1	
10	Deferred tax assets	74	g
11	Tangible assets	28	
12	Intangible assets	19	f
13	Accruals and other assets	1,940	
14	**TOTAL ASSETS**	**71,869**	
Liabilities - Breakdown by asset classes according to the balance sheet in the published financial statements			
1	**Central banks**	**-**	
2	Financial liabilities at fair value through profit or loss	335	
3	Hedging derivatives	3,886	
5	Due to banks at amortized cost	-	
6	Customer borrowings and deposits at amortized cost	-	
7	Debt securities at amortized cost	65,640	
8	Fair value revaluation of portfolio hedge	39	
9	Current tax liabilities	1	
10	Deferred tax liabilities	-	
11	Accruals and other liabilities	349	
12	Provisions	15	
13	Subordinated debt	-	
14	**TOTAL LIABILITIES**	**70,266**	
Shareholders' Equity *(in EUR millions)*			
1	Capital	1,445	a
2	Reserves and retained earnings	155	
3	of which retained earnings	101	b
4	of which other reserves	83	c
5	of which interim dividend on the profit for the 2024 financial year	(30)	
6	Net result through equity	(67)	d
7	of which unrealized or deferred gains and losses of cash flow hedges derivatives	-	e
8	Net income	69	
9	**TOTAL SHAREHOLDERS' EQUITY**	**1,602**	

EU CCA: MAIN FEATURES OF REGULATORY OWN FUNDS INSTRUMENTS AND ELIGIBLE LIABILITIES INSTRUMENTS

		a	a
		Instruments intended to meet own funds requirements and eligible liability requirements[1]	
1	Issuer	Sfil SA	Caisse Française de Financement Local
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement).	Not applicable	Not applicable
2a	Public or private placement	Private	Private
3	Governing law(s) of the instrument	French	French
3a	Contractual recognition of write down and conversion powers of resolution authorities	No	No
REGULATORY TREATMENT			
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
5	Post-transitional CRR rules	Common Equity Tier 1 capital	Common Equity Tier 1 capital
6	Eligible at solo/(sub-) consolidated/solo and (sub-)consolidated level	Consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary share	Ordinary share
8	Amount recognized in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	130	1,315
9	Nominal amount of instrument	130	1,350
EU-9a	Issue price	Not applicable	Not applicable
EU-9b	Redemption price	Not applicable	Not applicable
10	Accounting classification	Total equity	Total equity
11	Original date of issuance	Not applicable	Not applicable
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	No
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable
COUPONS/DIVIDENDS			
17	Fixed or floating dividend/coupon	Not applicable	Not applicable
18	Coupon rate and any related index	Not applicable	Not applicable
19	Existence of a dividend stopper	Not applicable	Not applicable
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretion	Full discretion
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretion	Full discretion
21	Existence of step up or other incentive to redeem	No	No
22	Cumulative or non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	No	No
24	If convertible, conversion trigger(s)	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28	If convertible, instrument type convertible into	Not applicable	Not applicable
29	If convertible, issuer of instrument it converts into	Not applicable	Not applicable

		a	a
		Instruments intended to meet own funds requirements and eligible liability requirements(1)	
30	Write-down features	No	No
31	If write-down, write-down trigger(s)	Not applicable	Not applicable
32	If write-down, full or partial	Not applicable	Not applicable
33	If write-down, permanent or temporary	Not applicable	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable
34a	Type of subordination (only for eligible liabilities)	Not applicable	Not applicable
EU-34b	Ranking of the instrument in normal insolvency proceedings	1	1
35	Ranking of the instrument in liquidation (specify instrument type immediately senior to instrument)	AT1	AT1
36	Non-compliant transitioned features	No	No
37	If yes, specify non-compliant features	Not applicable	Not applicable
37a	Link to the full term and conditions of the instrument (signposting)	Not applicable	Not applicable

(a) "Not applicable" is indicated when this is not applicable.

EU PV1 - VALUE ADJUSTMENTS FOR PRUDENT VALUATION PURPOSES (PVA)

EUR millions		a	b	c	d	e
		Risk category				
Category level AVA		Equity	Interest rates	Foreign exchange	Credit	Commodities
1	Market price uncertainty	-	-	-	-	-
3	Close-out cost	-	-	-	-	-
4	Concentrated positions	-	-	-	-	-
5	Early termination	-	-	-	-	-
6	Model risk	-	-	-	-	-
7	Operational risk	-	-	-	-	-
10	Future administrative costs	-	-	-	-	-
12	**TOTAL ADDITIONAL VALUATION ADJUSTMENTS (AVA)**					

EU e1	EU e2	f	g	h
Category level AVA - Valuation uncertainty			Total category level post-diversification	
Unearned credit spreads AVA	Investment and funding costs AVA	AVA category level post-diversification	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
		2	**-**	**-**

Risk-weighted assets

EU OV1 - OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS

		Total risk exposure amount (TREA)		Total own funds requirements
		a	b	c
EUR millions		12/31/2024	09/30/2024	2/31/2024
1	**CREDIT RISK (EXCLUDING CCR)**	**2,860**	**2,894**	**229**
2	Of which standardized approach	2,860	2,894	229
3	Of which foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	-	-	-
5	Of which advanced IRB (A-IRB) approach	-	-	-
6	**COUNTERPARTY CREDIT RISK - CCR**	**139**	**132**	**11**
7	Of which standardized approach	60	61	5
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	79	71	6
9	Of which other CCR	-	-	-
15	**SETTLEMENT RISK**	**-**	**-**	**-**
16	**SECURITIZATION EXPOSURES IN THE NON-TRADING BOOK (AFTER THE CAP)**	**-**	**-**	**-**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1,250%/deduction	-	-	-
20	**POSITION, FOREIGN EXCHANGE AND COMMODITIES RISKS (MARKET RISK)**	**-**	**-**	**-**
21	Of which standardized approach	-	-	-
22	Of which internal models approach	-	-	-
EU 22A	**LARGE EXPOSURES**	**-**	**-**	**-**
23	**OPERATIONAL RISK**	**394**	**410**	**31**
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardized approach	394	410	31
EU 23c	Of which advanced measurement approach	-	-	-
24	**AMOUNTS BELOW THE THRESHOLDS FOR DEDUCTION (SUBJECT TO 250% RISK WEIGHT)**	**-**	**-**	**-**
29	**TOTAL**	**3,392**	**3,436**	**271**

Leverage ratio

Procedures used to manage the risk of excessive leverage

Changes in the leverage ratio are regularly monitored as part of the Risk Appetite Statement and Preventive Recovery Plan indicators monitoring table. This monitoring table is presented to the Risks Committee and the Risks and Internal Control Committee on a quarterly basis. These committees would take all necessary measures in the event of a negative change in this ratio.

Given the exclusion of development loans and the export credit activity from the total exposure measure, the leverage ratio is not expected to deteriorate significantly, except in the event of major difficulty in terms of equity. In the stressed scenarios of the ICAAP and the Preventive Recovery Plan, the ratio remains above 3%.

In the extremely unlikely event that the leverage ratio falls below 3%, Sfil may consider selling assets (except in the event of the impact of losses on equity) or carrying out a recapitalization operation.

Change in the leverage ratio

At December 31, 2024, the leverage ratio stood at 9.6%, stable compared to the level of 9.7% at the end of 2023.

EU LR1 - LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

		a
EUR millions		Applicable amount
1	Total assets as per published financial statements	71,869
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with article 429a (1) (i) of the CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	(618)
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	7,644
11	(Adjustment for prudent valuation adjustments and general provisions which have reduced Tier 1 capital)	(6)
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with article 429a (1) (c) of the CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with article 429a (1) (j) of the CRR)	-
12	Other adjustments	(64,000)
13	**TOTAL EXPOSURE MEASURE**	**14,889**

EU LR2 - LRCOM: LEVERAGE RATIO - COMMON DISCLOSURE

		Exposures to the leverage ratio under CRR	
		a	b
EUR millions		12/31/2024	09/30/2024
ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES AND SFTS)			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	69,713	68,618
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(1,762)	(1,839)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(119)	(107)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**67,832**	**66,672**
DERIVATIVE EXPOSURES			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	957	870
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardized approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	581	554
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardized approach	-	-
EU-9b	Exposure determined under original exposure method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardized approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	**1,538**	**1,424**
SECURITIES FINANCING TRANSACTION (SFT) EXPOSURES			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with articles 429e (5) and 222 of the CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	**-**	**-**

		Exposures to the leverage ratio under CRR	
		a	b
EUR millions		12/31/2024	09/30/2024
OTHER OFF-BALANCE SHEET EXPOSURES			
19	Off-balance sheet exposures at gross notional amount	7,644	6,803
20	(Adjustments for conversion to credit equivalent amounts)	-	-
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	(6)	(7)
22	**Off-balance sheet exposures**	**7,638**	**6,797**
EXCLUDED EXPOSURES			
EU-22a	(Exposures excluded from the total exposure measure in accordance with article 429a (1) (c) of the CRR)	-	-
EU-22b	(Exposures exempted in accordance with article 429a (1) (j) of the CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	(45,521)	(45,106)
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(16,599)	(15,248)
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with article 429a (1) (o) of the CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with article 429a (1) (p) of the CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	**(Total exempted exposures)**	**(62,119)**	**(60,354)**
CAPITAL AND TOTAL EXPOSURE MEASURE			
y	Tier 1 capital	1,431	1,454
24	**Total exposure measure**	**14,889**	**14,538**
LEVERAGE RATIO			
	Leverage ratio	9.61%	10.00%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans)	2.37%	2.44%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	9.61%	10.00%
26	Regulatory minimum leverage ratio requirement	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage	-	-
EU-26b	of which: to be made up of CET1 capital	-	-
27	Leverage ratio buffer requirement	-	-
EU-27a	Overall leverage ratio requirement	3.00%	3.00%
CHOICE ON TRANSITIONAL ARRANGEMENTS AND RELEVANT EXPOSURES			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased-in	Fully phased-in

		Exposures to the leverage ratio under CRR	
		a	b
EUR millions		12/31/2024	09/30/2024
DISCLOSURE OF MEAN VALUES			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	14,889	14,538
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	14,889	14,538
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.61%	10.00%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	9.61%	10.00%

EU LR3 - LRSPL: SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)

EUR millions		a
CRR LEVERAGE RATIO EXPOSURES		
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	13,345
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	13,345
EU-4	Covered bonds	2,242
EU-5	Exposures treated as sovereigns	4,927
EU-6	Exposures to regional governments, multilateral development banks, international organizations and public sector entities not treated as sovereigns	3,531
EU-7	Institutions	988
EU-8	Exposures secured by mortgages on immovable property	-
EU-9	Retail exposures	-
EU-10	Corporates	1,066
EU-11	Exposures in default	98
EU-12	Other exposures (e.g. equity, securitizations, and other non-credit obligation assets)	492

MREL

As Ordinary Insolvency Processing has been chosen as the preferential resolution strategy, Sfil is not required to comply with an MREL requirement, following the adoption of EU directive 2024/1174 (“Daisy Chains”).

4.4 Main risks of the Sfil Group

4.4.1 Credit risk

Credit risk is the risk incurred in the event of default by a counterparty or counterparties considered to be the same group of clients.

Counterparty risk related to market transactions is discussed in the section Counterparty risk.

Organization and governance

The Credit Risk division is tasked with the following missions within the scope of its function to monitor credit risks:

- in line with the risk appetite of Sfil Group, definition of the credit risk policies and directives, the various concentration limits and the delegations to be granted;
- management of the process of granting loans (new commitments and restructurings) through credit analysis and giving ratings;
- monitoring of existing portfolios by carrying out annual reviews, annual re-rating of portfolios, identification of assets whose risk has deteriorated (watchlist, defaulting or non-performing exposures, contract in forbearance), estimation of provisions to be implemented, proactive monitoring of limits and the performance of stress tests;
- development of expert models and contribution to the development of quantitative models.

The governance of credit risk management is based on the following specialized committees:

- Credit Committee: each week, it approves new commitments and reorganizations of loans not delegated to the first and second lines of defense. It monitors concentration limits (see below) and validates exceedances of limits beyond certain predefined thresholds. Each file presented to the Credit Committee contains an independent analysis carried out by the Risks division;
- Watchlist Committee: it is in charge of monitoring assets for which the risk has deteriorated;
- Defaults, non-performing exposures and forbearance Committee: it validates each quarter the qualifications of borrowers in arrears and thus decides to add or withdraw borrowers from default. Each quarter, it also validates the list of counterparties whose exposures are non-performing, as well as the list of counterparties in financial difficulty for which concessions have been granted;
- Provisions Committee: every quarter, it determines the amount of expected credit losses and determines the cost of risk;
- Ratings Committee: it ensures that the Internal rating systems and processes are correctly and appropriately applied. This committee is organized and managed by the Director of the Credit Validation and Quality Control team, who reports directly to the Chief Risk Officer in order to guarantee the independence of the control process.

Monitoring system

Credit granting policy

With regard to the granting of financing to the French local public sector, the analysis focuses on three types of grant criteria:

- qualitative criteria, such as minimum rating criteria, watchlist, arrears, etc.
- financial criteria (financial ratios)
- exposure criteria, which determine a theoretical level of exposure adapted to the borrower's risk profile, size and repayment capacity.

With regard to the refinancing of export credits, commitment decisions are made by the Credit Committee.

Concentration limits [Audited]

In order to control the Sfil Group's overall credit risk profile and limit risk concentrations, concentration limits have been defined by group of related customers, by type of counterparty, by internal rating level and by region as well as sectoral or geographical limits on export credit. Limits by rating apply to both credit ratings and ratings reflecting exposure to climate risks. Limits on bank counterparties are defined both at the level of the Sfil Group and at the level of Sfil or Caffil considered individually. These limits are monitored proactively by the Risks division, and may be adjusted (or even frozen) at any time according to the evolution of the associated risks.

It should be noted that the local public sector is not very sensitive to changes in the economic environment.

Exposure to credit risks, includes:

- for assets other than derivatives: the amount shown on the balance sheet;
- for derivatives: the standardized approach to measure the credit risk of a counterparty (SA-CCR methodology) was applied, in accordance with the recommendations of the Basel Committee;
- for off-balance sheet commitments: the undrawn amount of financing commitments, which is shown in the notes to the financial statements.

Exposure to credit risk is broken down by geographic region and by counterparty and instrument category, taking into account the guarantees received. This means that when the credit risk is guaranteed by a third party whose weighted risk (within the meaning of Basel regulations) is less than that of the direct borrower, the exposure is included in the guarantor's region and business sector.

Breakdown of exposure to credit risks (4)

Analysis of exposure by geographic region *EUR millions*	12/31/2024	12/31/2023
France	69,476	66,553
Germany	336	189
Belgium	128	32
Italy	3,474	3,773
Spain	464	471
Other European Union countries	1,091	831
Switzerland	511	518
Norway	238	169
United Kingdom	24	15
United States and Canada	854	854
Japan	30	30
TOTAL EXPOSURE	**76,626**	**73,434**

Analysis of exposure by category of counterparty *EUR millions*	12/31/2024	12/31/2023
Sovereigns	21,964	20,389
Local public sector	50,741	49,651
Other assets guaranteed by public sector entities	137	151
Financial institutions	3,727	3,185
Other exposures	56	59
TOTAL EXPOSURE	**76,626**	**73,434**

Analysis of exposure by category of instrument *EUR millions*	12/31/2024	12/31/2023
Central banks	2,016	2,980
Loans and advances at fair value through profit of loss	1,674	2,229
Hedging derivatives	1,278	1,345
Bonds at fair value through equity	-	80
Loans to banks at amortized cost	47	29
Loans to customers at amortized cost	55,442	52,073
Bonds at amortized cost	8,532	8,007
Accruals and other assets	77	100
Financing commitments	7,559	6,590
TOTAL EXPOSURE	**76,626**	**73,434**

(4) The metric used is exposure at default.

Internal ratings

Credit risk measurements are mainly based on approved internal rating systems. The internal rating corresponds to an assessment of the counterparty's risk of default, expressed on an internal rating scale, and is a key element in the credit granting process. Counterparty ratings are reviewed at least once a year.

Accounting measurement of risk and link with prudential definitions

Pursuant to IFRS accounting standards, and more specifically to IFRS 9, all financial assets recognized at amortized cost and at fair value through equity income, as well as financing commitments, are provisioned for expected credit loss. They are classified in three Stages:

- Stage 1: performing assets with no significant credit risk deterioration since initial recognition;
- Stage 2: performing assets with significant credit risk deterioration since initial recognition;
- Stage 3: credit-impaired assets.

Outstandings classified in Stage 3, qualified as impaired, mainly correspond to customers meeting at least one of the following three criteria:

- arrears of more than 90 consecutive days, these assets being classified as past-due assets; arrears taken into account are principal, commissions (including guarantee commission and financial commissions) and simple interest. The counterparty may or may not be in default within the meaning of the CRR;
- financial position presenting characteristics such that, even in the absence of an unpaid outstanding, it is possible to conclude that there is a proven risk of non-payment of all or part of the debt (unlikely to pay);
- formerly in a situation of actual default with arrears of more than 90 days settled. These outstandings are kept in default/Stage 3 for a minimum period of one year, known as the "probation period".

Thus, the definition of default (Stage 3) under IFRS accounting standards covers a larger perimeter than the notion of doubtful and litigious loans under French GAAP and is very close to the regulatory definition of non-performing exposures. In addition to Stage 3 assets, the latter includes non-performing assets recognized at fair value through profit or loss (i.e. non-performing assets that do not meet the Solely Payment of Principal and Interest - SPPI criteria under IFRS 9).

Impairment is recorded on all financial assets and financing commitments recognized at amortized cost for expected credit losses, including Stages 1 and 2 outstanding. The related impairment is based on forward-looking scenarios (defined by probability of occurrence), and takes into account expected losses over the next 12 months (Stage 1) or the asset's life (Stages 2 and 3).

The following table presents the performing and non-performing exposures (in the prudential sense) broken down by accounting stage with the associated accounting provisions:

EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

		a	b	c	d	e	f
		Gross carrying amount / Nominal amount					
		Performing exposures			Non-performing exposures		
EUR millions			Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3
005	Cash balances at central banks and other demand deposits	2,058	2,058	-	-	-	-
010	Loans and advances	56,544	51,847	3,032	194	-	177
020	Central banks	-	-	-	-	-	-
030	General governments	50,054	45,689	2,877	190	-	173
040	Credit institutions	14	14	-	-	-	-
050	Other financial corporations	-	-	-	-	-	-
060	Non financial institutions	6,476	6,144	154	3	-	3
070	Of which SMEs	-	-	-	-	-	-
080	Households	-	-	-	-	-	-
090	Debt securities	8,522	8,007	515	2	-	2
100	Central banks	-	-	-	-	-	-
110	General governments	4,901	4,386	515	2	-	2
120	Credit institutions	3,621	3,621	-	-	-	-
130	Other financial corporations	-	-	-	-	-	-
140	Non-financial institutions	-	-	-	-	-	-
150	Off-balance sheet exposures	7,550	6,867	683	-	-	-
160	Central banks	-	-	-	-	-	-
170	General governments	3,754	3,071	683	-	-	-
180	Credit institutions	4	4	-	-	-	-
190	Other financial corporations	-	-	-	-	-	-
200	Non-financial institutions	3,791	3,791	-	-	-	-
210	Households	-	-	-	-	-	-
220	**TOTAL**	**74,674**	**68,779**	**4,230**	**196**	**-**	**179**

g	h	i	j	k	l	m	n	o
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-offs	On performing exposures	On non-performing exposures
	Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3			
-	-	-	-	-	-	-	-	-
(28)	(5)	(23)	(11)	-	(6)	-	10,737	46
-	-	-	-	-	-	-	-	-
(26)	(3)	(23)	(11)	-	(6)	-	4,384	42
(0)	(0)	-	-	-	-	-	14	-
-	-	-	-	-	-	-	-	-
(3)	(2)	(1)	(0)	-	(0)	-	6,339	3
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
(10)	(7)	(4)	(0)	-	(0)	-	-	-
-	-	-	-	-	-	-	-	-
(10)	(6)	(4)	(0)	-	(0)	-	-	-
(1)	(1)	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6	1	5	-	-	-		7,520	-
-	-	-	-	-	-		-	-
5	-	5	-	-	-		3,728	-
-	-	-	-	-	-		-	-
-	-	-	-	-	-		-	-
1	1	-	-	-	-		3,791	-
-	-	-	-	-	-		-	-
(44)	**(12)**	**(32)**	**(11)**	**-**	**(6)**	**-**	**18,257**	**46**

4

The breakdown of exposures to non-financial corporations by industry and by quality, and the related accounting impairments, is detailed below:

EU CQ5: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

		a	b	c	d	e	f
		Gross carrying amount					
			Of which non-performing				
EUR millions				Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	Agriculture, forestry and fishing	-	-	-	-	-	-
020	Mining and quarrying	115	-	-	115	(0)	-
030	Manufacturing	-	-	-	-	-	-
040	Electricity, gas, steam and air conditioning supply	393	-	-	393	(1)	-
050	Water supply	-	-	-	-	-	-
060	Construction	34	3	3	18	(0)	-
070	Wholesale and retail trade	-	-	-	-	-	-
080	Transport and storage	4,980	-	-	4,980	(2)	-
090	Accommodation and food service activities	-	-	-	-	-	-
100	Information and communication	87	-	-	87	(0)	-
110	Financial and insurance activities	19	-	-	19	(0)	-
120	Real estate activities	800	-	-	639	(0)	-
130	Professional, scientific and technical activities	-	-	-	-	-	-
140	Administrative and support service activities	44	-	-	44	(0)	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	-	-	-	-	-	-
170	Human health and social action	6	-	-	6	(0)	-
180	Arts, entertainment and recreation	-	-	-	-	-	-
190	Other services	-	-	-	-	-	-
200	**TOTAL**	**6,479**	**3**	**3**	**6,301**	**(3)**	**-**

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Prudential risk measurement - Calculation of own funds requirement, stress tests

Non-performing and overdue exposures in the prudential meaning

The definition of prudential default and its differences with the default within the meaning of IFRS 9 is described above ("Accounting measure of risk - IFRS 9 impairment").

Overdue exposures that are not in Stage 3 are those with arrears of more than 90 days solely for late payment interest and penalties. They are few in number and amount. The following table presents a breakdown of performing and non-performing exposures by number of days past due:

EU CQ3: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

		a	b	c
		Gross carrying amount / nominal amount		
		Performing exposures		
EUR millions		Total	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days
005	Cash balances at central banks and other demand deposits	2,058	2,058	-
010	Loans and advances	56,544	56,544	-
020	Central banks	-	-	-
030	General governments	50,054	50,054	-
040	Credit institutions	14	14	-
050	Other financial corporations	-	-	-
060	Non-financial institutions	6,476	6,476	-
070	Of which SMEs	-	-	-
080	Households	-	-	-
090	Debt securities	8,522	8,522	-
100	Central banks	-	-	-
110	General governments	4,901	4,901	-
120	Credit institutions	3,621	3,621	-
130	Other financial corporations	-	-	-
140	Non-financial institutions	-	-	-
150	Off-balance sheet exposures	7,550		
160	Central banks	-		
170	General governments	3,754		
180	Credit institutions	4		
190	Other financial corporations	-		
200	Non-financial institutions	3,791		
210	Households	-		
220	**TOTAL**	**74,674**	**67,124**	**-**

d	e	f	g	h	i	j	k	l
Gross carrying amount / Nominal amount								
Non-performing exposures								
Total	Unlikely to pay that are not past due or past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
-	-	-	-	-	-	-	-	-
194	186	-	4	0	0	4	-	192
-	-	-	-	-	-	-	-	-
190	182	-	4	0	0	4	-	188
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3	3	-	-	-	-	-	-	3
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2	2	-	-	-	-	-	-	2
-	-	-	-	-	-	-	-	-
2	2	-	-	-	-	-	-	2
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-								-
-								-
-								-
-								-
-								-
-								-
-								-
196	**188**	**-**	**4**	**-**	**-**	**4**	**-**	**194**

4

EU CQ4: QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

		a	b	c	d	e	f	g
		Gross carrying amount / nominal amount						
			Of which non-performing					
EUR millions				Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010	**On balance sheet exposures**	**65,262**	**196**	**194**	**63,580**	**(44)**		**(5)**
020	AE	202	-	-	202	(0)		-
030	AR	67	-	-	67	(0)		-
040	AT	129	-	-	129	(0)		-
050	AU	-	-	-	-	-		-
060	BE	126	-	-	126	(0)		-
070	BJ	160	-	-	160	(0)		-
080	CA	666	-	-	666	(0)		-
090	CH	651	-	-	651	(0)		-
100	CI	413	-	-	413	(0)		-
110	DE	321	-	-	321	(0)		-
120	DK	98	-	-	98	(0)		-
130	EG	934	-	-	934	(8)		-
140	ES	462	-	-	462	(0)		-
150	FI	283	-	-	283	(0)		-
160	FR	49,030	159	157	47,352	(23)		(5)
170	GB	294	-	-	294	(0)		-
180	ID	1,285	-	-	1,285	(0)		-
190	IE	61	-	-	61	(0)		-
200	IT	3,475	-	-	3,475	(9)		-
210	JP	30	-	-	30	(0)		-
220	KY	558	-	-	558	(0)		-
230	KZ	225	-	-	225	(0)		-
240	LU	-	-	-	-	-		-
250	MT	361	-	-	361	(1)		-
260	NC	9	4	4	9	(0)		-
270	NL	153	-	-	153	(0)		-
280	NO	237	-	-	237	(0)		-
290	PA	1,403	-	-	1,403	(0)		-
300	PF	53	-	-	53	(0)		-
310	PT	3	-	-	0	(0)		-
320	QA	669	-	-	669	(0)		-
330	SE	342	-	-	342	(0)		-
340	SN	14	-	-	14	(0)		-
350	TN	28	-	-	28	(0)		-
360	UA	33	33	33	33	(0)		-
370	US	2,470	-	-	2,470	(0)		-
380	UZ	14	-	-	14	(0)		-
390	**Off-balance sheet exposures**	**7,550**	**-**	**-**	**-**	**-**	**6**	

		a	b	c	d	e	f	g
		Gross carrying amount / nominal amount						
			Of which non-performing					
EUR millions				Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
400	AE	72	-	-	-	-	-	
410	BJ	332	-	-	-	-	-	
420	CI	4	-	-	-	-	-	
430	EG	683	-	-	-	-	5	
440	FR	1,081	-	-	-	-	-	
450	GB	53	-	-	-	-	-	
460	ID	2,644	-	-	-	-	-	
470	KY	1,802	-	-	-	-	-	
480	KZ	642	-	-	-	-	-	
490	MT	94	-	-	-	-	-	
500	SN	143	-	-	-	-	-	
510	**TOTAL**	**72,812**	**196**	**194**	**63,580**	**(44)**	**6**	**(5)**

Restructured or renegotiated exposures (forborne)

The Sfil Group's "Default" policy provides that the concession granted to a debtor in financial difficulty ("Forbearance") may in certain situations be a case of Unlikeliness To Pay.

Forborne exposures are classified as non-performing and in default (Unlikeliness To Pay) when:

- the exposure is classified as non-performing, even before the restructuring;
- the restructuring payment schedule was not met (non-compliance with payment deadlines, change in the schedule);
- some of their contractual conditions delay the regular payment of maturities on the exposure to such an extent that it is impossible to determine the classification, for example when deferrals of more than one year are granted for the repayment of the principal;
- non-performing exposures with a similar risk profile are written off;
- the viability of the restructuring has not been demonstrated;
- the restructuring results in a net present value loss of more than 1%;
- in the event of a relapse of a forborne exposure (the exposure is subject to additional renegotiation measures or the exposure is more than 30 days past due).

The following table presents a breakdown of performing and non-performing renegotiated exposures according to their accounting quality as well as (i) impairments and (ii) the amount of associated collateral.

EU CQ1: CREDIT QUALITY OF FORBORNE EXPOSURES

		a	b	c	d	e	f	g	h
		Gross carrying amount / nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
EUR millions		Performing forborne	Total	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Total	of which: collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	137	104	104	98	(0)	(3)	63	35
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	109	104	104	98	(0)	(3)	36	35
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial institutions*	28	-	-	-	(0)	-	27	-
070	*Households*	-	-	-	-	-	-	-	-
080	Debt securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**TOTAL**	**137**	**104**	**104**	**98**	**(0)**	**(3)**	**63**	**35**

Standardized approach

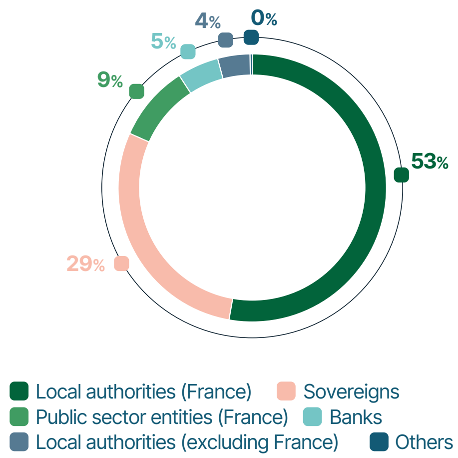
The calculation of the own funds requirement for credit risk is now based on the standardized approach for the entire portfolio. This approach is essentially based on fixed weighting rates, which for certain categories of counterparties may depend on the external valuation provided by external assessment bodies.

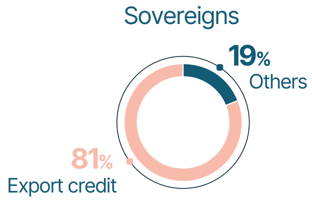
In this case, Sfil uses the external ratings provided by Moody's and Fitch, external credit assessment organizations (ECAIs). The following rules are applied:

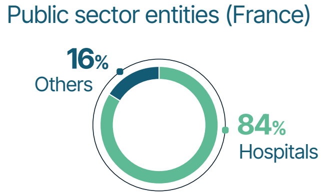
- if two external assessments are available, the poorer of the two is retained;
- if no assessment is available, the default assessment provided for by the standardized approach applies (100% or 150% depending on the counterparty category).

The association between the external rating performed by each designated ECAI and the risk weightings corresponds to the standard association published by the EBA and the other supervisory authorities.

Credit risk exposures amounted to EUR 76.6 billion at December 31, 2024 and break down by borrower category as follows:







The quality of the Sfil Group's asset portfolio is illustrated by the risk weighting assigned to its assets for the calculation of the solvency ratio. The amount of risk-weighted exposures (RWA) stands at EUR 2.9 billion for credit risk.

EVALUATION OF ASSET QUALITY [AUDITED]

This table presents a breakdown of credit risk exposures by risk weight, as used for the calculation of own funds requirements for credit risk. This analysis confirms the excellent quality of the portfolio assets. More than 84% of the portfolio has a weighting of 0% and more than 98% of the portfolio has a weighting that is less than or equal to 20%.

EUR millions	0%	] 0% - 20%]	More than 20%	**Total**
Central banks	2,016	-	-	2,016
Financial assets at fair value through profit or loss	1,444	184	47	1,674
Hedging derivatives	1,144	23	110	1,278
Loans and advances to banks at amortized cost	5	9	33	47
Loans and advances to customers at amortized cost	49,459	5,653	331	55,442
Bonds at amortized cost	2,818	5,123	591	8,532
Accruals and other assets	19	1	58	77
Financing commitments	7,556	3	-	7,559
TOTAL EXPOSURE	**64,461**	**10,995**	**1,169**	**76,626**
SHARE OF TOTAL EXPOSURE	**84.13%**	**14.35%**	**1.53%**	**100.00%**

EU CR5 - STANDARDIZED APPROACH

		Risk weight						
		0%	2%	4%	10%	20%	35%	50%
	Exposure classes *EUR millions*	a	b	c	d	e	f	g
1	Central governments or central banks	20,820	-	-	-	-	-	-
2	Regional governments or local authorities	35,909	-	-	-	6,904	-	-
3	Public sector entities	6,588	-	-	-	1,077	-	3
4	Multilateral development banks	-	-	-	-	-	-	-
5	International organizations	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	372	-	486
7	Corporates	-	-	-	-	20	-	-
8	Retail exposures	-	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	1,640	602	-	-
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	356	-	92
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-
15	Equity exposures	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-	-
17	**TOTAL**	**63,317**	**-**	**-**	**1,640**	**9,331**	**-**	**581**

Risk weight									
70%	75%	100%	150%	250%	370%	1,250%	Other	Total	Of which unrated
h	i	j	k	l	m	n	o	p	q
-	-	-	-	-	-	-	-	20,820	-
-	-	58	-	-	-	-	-	42,872	-
-	-	-	-	-	-	-	-	7,668	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	858	-
-	-	194	-	-	-	-	-	214	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	124	-	-	-	-	124	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	2,242	-
-	-	45	-	-	-	-	-	492	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	56	-	-	-	-	-	56	-
-	**-**	**353**	**124**	**-**	**-**	**-**	**-**	**75,346**	**-**

4

EU CR4 - STANDARDIZED APPROACH - CREDIT RISK EXPOSURE AND CRM EFFECTS

		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWA and RWA density	
		On balance sheet exposures	Off-balance sheet exposures	On balance sheet exposures	Off-balance sheet exposures	RWA	RWA density *(%)*
	Exposure classes *EUR millions*	a	b	c	d	e	f
1	Central governments or central banks	7,366	3,694	13,389	7,431	-	-
2	Regional governments or local authorities	41,856	13	42,859	13	1,439	3.36%
3	Public sector entities	8,030	111	7,557	111	217	2.83%
4	Multilateral development banks	-	-	-	-	-	-
5	International organizations	-	-	-	-	-	-
6	Institutions	858	-	858	-	318	36.99%
7	Corporates	6,724	3,737	214	-	198	92.63%
8	Retail customers	-	-	-	-	-	-
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-
10	Exposures in default	166	-	124	-	186	149.98%
11	Exposures associated with particularly high risk	-	-	-	-	-	-
12	Covered bonds	2,242	-	2,242	-	284	12.68%
13	Institutions and corporates with a short-term credit assessment	492	-	492	-	161	32.83%
14	Collective investment undertakings	-	-	-	-	-	-
15	Equity	-	-	-	-	-	-
16	Other items	56	-	56	-	56	100.00%
17	**TOTAL**	**67,791**	**7,555**	**67,791**	**7,555**	**2,860**	**3.80%**

Credit risk mitigation (CRM) techniques

The main providers of personal collateral (guarantees) are sovereigns or local authorities. Sovereign guarantees almost all relate to export credit exposures, which amounted to EUR 17.7 billion at December 31, 2024.

In addition, with regard to risk reporting, the use of credit risk mitigation techniques is based on the principle of substituting the guarantor's risk parameters for those of the initial debtor.

Thus, if the weighting of the guarantor is more favorable than that of the original exposure, the guarantor's weighting is used in the amount of the exposure concerned.

The following table provides an overview of the use of CRM techniques:

EU CR3 - CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CRM TECHNIQUES

			Secured carrying amount			
		Unsecured carrying amount		Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
EUR millions		a	b	c	d	e
1	Loans and advances	47,973	10,783	-	10,783	-
2	Debt securities	8,514	-	-	-	
3	**TOTAL**	**56,487**	**10,783**	**-**	**10,783**	**-**
4	Of which non-performing exposures	139	46	-	46	-
EU-5	Of which defaulted	137	46			

Debt collection monitoring

The middle-office division, the risks division, the management control division and the legal division meet twice a quarter in order to **(i)** analyze the stock of unpaid debts, **(ii)** discuss the cases individually and **(iii)** decide on the actions to be taken (in particular, the guarantee call, the automatic proxy or the decision to initiate legal proceedings). Minutes of these meetings are presented to the Credit Committee.

Other information

EU CR1-A: MATURITY OF EXPOSURES

		a	b	c	d	e	f
		Net exposure value *(in EUR millions)*					
		On demand	≤ 1 year	> 1 year ≤ 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	5	367	4,706	51,620	-	56,698
2	Debt securities	-	998	3,164	4,352	-	8,514
3	**TOTAL**	**5**	**1,365**	**7,869**	**55,973**	**-**	**65,212**

4.4.2 Counterparty risk

Counterparty risk is the credit risk associated with market transactions. It may be exacerbated by the risk of individual, geographic or sectoral concentration.

Organization and governance

A review of flows relating to the cleared derivatives activity (Initial Margin and Variation Margin) is presented weekly to the Financial Markets Committee.

The ALM team of the Finance and Financial Markets division has the Initial Margin limit validated annually by the Asset and Liability Management Committee.

The Market Risk and ALM division:

- checks the valuations and overall exposure of Sfil to the offset counterparties on a daily basis and estimates the Variation Margin calls on a daily basis;
- reviews the portfolio and the evolution of Initial Margin consumption on a monthly basis.

The Credit Risk division presents counterparty credit limit reviews to the Credit Committee, as well as a quarterly report on credit risk monitoring for market activities.

Monitoring system

EU CCR1 - ANALYSIS OF CCR EXPOSURE BY APPROACH

		a	b	c	d	e	f	g	h
EUR millions		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha factor used for calculating regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	Risk-weighted exposure amount (RWEA)
EU-1	EU - original exposure method (for derivatives)	-	-		1.40	-	-	-	-
EU-2	EU - simplified SA-CCR (for derivatives)	-	-		1.40	-	-	-	-
1	SA-CCR (for derivatives)	686	229		1.40	1,950	1,280	1,278	60
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	Of which securities financing transactions netting sets			-		-	-	-	-
2b	Of which derivative and long settlement transactions netting sets			-		-	-	-	-
2c	Of which from contractual cross-product netting sets			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**TOTAL**					**1,950**	**1,280**	**1,278**	**60**

EU CCR3 - STANDARDIZED APPROACH - CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS

		Risk weight				
		a	b	c	d	e
	Exposure classes *EUR millions*	0%	2%	4%	10%	20%
1	Central governments or central banks	1,144	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-
3	Public sector entities	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-
5	International organizations	-	-	-	-	-
6	Institutions	-	1	-	-	23
7	Corporates	-	-	-	-	-
8	Retail customers	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	0
10	Other items	-	-	-	-	-
11	**TOTAL EXPOSURE VALUE**	**1,144**	**1**	**-**	**-**	**23**

Risk weight						
f	g	h	i	j	k	l
50%	70%	75%	100%	150%	Other	**Total exposure value**
-	-	-	-	-	-	1,144
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
110	-	-	-	-	-	134
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1	-	-	-	-	-	1
-	-	-	-	-	-	-
111	**-**	**-**	**-**	**-**	**-**	**1,279**

Credit limits for counterparty credit exposures

The credit profile of counterparties is regularly reviewed.

Credit limits on bank counterparties are defined at the level of the Sfil Group and broken down into sub-limits by type of product (derivatives, deposits, repurchase agreements, cash investments, assets under run-off management), possibly by maturity segment, as well as at the level of Sfil and Caffil.

The overall credit limits for each banking group and the sub-limits for derivative transactions are determined according to the internal rating derived from internal models.

Policies related to guarantees and other credit risk mitigation measures

In addition to traditional financial collateral (debt securities, cash on deposit, etc.), financial guarantees include netting and collateral exchange agreements for derivative transactions carried out by the Sfil Group. The exposure in the event of default of derivatives is calculated using the SA-CCR method (Standardized Approach for Counterparty Credit Risk) and thus takes into account all the netting positions of the same framework agreement.

EU CCR5 - COMPOSITION OF COLLATERAL FOR CCR EXPOSURES

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	Collateral type *EUR millions*	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash - domestic currency	-	293	-	423	-	-	-	-
2	Cash - other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**TOTAL**	**-**	**293**	**-**	**423**	**-**	**-**	**-**	**-**

Concentration risk management

Derivatives framework agreements with netting and collateral exchange agreements are carried out with diversified banking counterparties and for which concentration risk is controlled by individual concentration limits by banking group and by country. All export credit transactions benefit from the guarantee of the French State, through credit insurance and financial guarantees issued by Bpifrance Assurance Export.

Offsetting policy

The Sfil Group uses derivatives to hedge its balance sheet for interest rates, bases and foreign exchange rates. These derivatives can be exchanged for:

- Variation Margin, in order to offset the daily change in the market value of the swap portfolio entered into with each counterparty
- Initial Margin, equivalent to a guarantee deposit to cover the risk of market loss between the date of default of a counterparty and the date of liquidation of its position

As a *société de crédit foncier*, Caffil is exempt from mandatory clearing. The swaps settled by this entity are therefore considered as non-cleared derivatives and benefit from the same legal privilege as *obligations foncières*. In this respect, Caffil:

- receives the Variation Margin on these swaps, but does not pay any (so-called one-way contracts);
- does not pay any Initial Margin to its counterparties and does not require receiving any in return.

With regard to the derivatives settled by Sfil, two scenarios arise:

- for the cleared swaps (mainly vanilla swaps), since November 2016, Sfil has paid the Initial Margin and the Variation Margin in the form of cash to its clearing house.
- for non-cleared swaps, Sfil has exchanged Initial Margins with its counterparties in the form of securities since September 2021.

A possible downgrade of Sfil to non-investment grade, which is considered very unlikely, could nevertheless result in the termination of contracts with certain counterparties.

In accordance with the risk policy relating to framework agreements, the conclusion of derivative transactions is governed by collateralization agreements and annexes (FBF framework agreement and Guarantee Annex - ARG, or International Swaps and Derivatives Association agreement) - ISDA and Credit Support Annex - CSA). Each counterparty covered by a framework agreement must be approved by the Credit Committee, which also sets the amount of the credit limits against which derivative transactions will be charged.

EU CCR8 - EXPOSURES TO CLEARING HOUSES WITH CENTRAL COUNTERPARTIES

		a	b
EUR millions		Exposure value	Risk-weighted exposure amount (RWEA)
1	**Exposures to qualifying central counterparties (total)**		**0**
2	Exposures for trades at qualifying CCPs (excluding initial margin and default fund contributions); of which	1	0
3	**i)** OTC derivatives	1	0
4	**ii)** Exchange-traded derivatives	-	-
5	**iii)** Securities financing transactions	-	-
6	**iv)** Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-qualifying central counterparties (total)**		**-**
12	Exposures for trades at non-qualifying CCPs (excluding initial margin and default fund contributions); of which	-	-
13	i) OTC derivatives	-	-
14	ii) Exchange-traded derivatives	-	-
15	iii) Securities financing transactions	-	-
16	iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Credit Valuation Adjustment and Debit Valuation Adjustment

Sfil has a methodology for calculating Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA) in accordance with the requirements of IFRS 13. The CVA is an adjustment made to the valuation of OTC derivatives to reflect the impact of the counterparty's credit risk while the DVA is an adjustment made to the valuation of OTC derivatives to reflect the counterparty's net exposure to the credit risk of group entities.

These two value adjustments are calculated each quarter individually for each of the group's entities and at the consolidated level based on the risk data of each counterparty:

- for the CVA measurement: Expected Positive Exposure (EPE), credit spreads, mainly composed of market spreads;
- for the DVA measurement: ENE (Expected Negative Exposure), credit spreads, mainly consisting of market spreads.

EU CCR2 - TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK

		a	b
EUR millions		Exposure value	Risk-weighted exposure amount (RWEA)
1	Total transactions subject to the advanced method	-	-
2	**i)** VaR component (including the 3× multiplier)	-	-
3	**ii)** stressed VaR component (including the 3× multiplier)	-	-
4	Transactions subject to the standardized method	134	79
EU-4	Transactions subject to the alternative approach (based on the original exposure method)	-	-
5	**TOTAL TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK**	**134**	**79**

4.4.3 Liquidity risk

Liquidity risk is defined as the risk of not being able to meet its commitments or not to be able to unwind or offset a position, within a given time and at a reasonable cost, due to unfavorable market conditions or idiosyncratic factors.

At the level of the Sfil Group, liquidity risk breaks down as follows:

- Refinancing risk of not being able to honor its financial commitments in all circumstances;
- Regulatory risk, of not complying with the limits associated with regulatory liquidity ratios;
- Spread risk, of realizing a loss generated by an unfavorable change in its financing costs.

Organization and governance

A system for monitoring indicators and limits associated with liquidity risk is defined annually by the Market and ALM Risk division, which aims to manage liquidity risk under its various types.

Liquidity risk is managed by the ALM team of the Finance and Financial Markets division. As such, ALM produces monitoring indicators, carries out first-level controls and proposes management measures to comply with the limits.

This management is controlled by the Market and ALM Risk division through the implementation of second-level controls on the most significant indicators and the verification of compliance with the associated limits.

This activity is structured around two committees:

- the Asset & Liability Management Committee, which decides on the strategy and monitors its proper implementation through the review of management indicators;
- the "Liquidity ALM" committee prepares information for the ALM Committee and are responsible for implementing its decisions.

Monitoring system

Liquidity risk management strategies and processes

In the absence of a liquidity pool at the Caisse des Dépôts group level, the Sfil Group is fully responsible for managing its liquidity and refinancing its commercial activity.

The Sfil Group's liquidity management is carried out at the consolidated level, but taking into account the management constraints and regulatory framework of each of the Sfil Group's entities.

Liquidity risk management is based on the following processes:

Definition of a long-term financing plan

The financing plan must enable:

- the financing of liquidity requirements on balance sheet run-offs increased by the assumptions of commercial activity in the coming years;
- compliance with regulatory and management indicators;
- taking into account the absorption capacity of the market.

This financing plan should only provide for limited recourse to central bank financing. The implementation of this financing plan is accompanied by a requirement to diversify sources of financing with, in addition to issuance programs - secured at Caffil and unsecured at Sfil - regular issues in USD, Environmental, Social, Governance (ESG) labeled and, in the short term, in the Negotiable European Commercial Paper (NeuCP) format.

Monitoring of the implementation of the financing plan

The implementation of this financing plan is monitored each month by the Asset-Liability Management Committee through the long-term liquidity gap. Depending on the changes observed (discrepancies between production assumptions and actual volumes, market closures, etc.), readjustments are proposed by the ALM division for validation by the Asset and Liability Management Committee. The short-term liquidity gap allows it to monitor more precisely the liquidity position over the coming months and to make any adjustments to ensure compliance with regulatory and management limits.

Financing plan *EUR billions*	2024 budget	12/31/2024	2025 Budget
TOTAL	**[8 - 11]**	**9.1**	**[8.5 - 11.5]**
Caffil - Covered bonds	[4 - 5.5]	4.7	[5.5 - 6.5]
Sfil - Euro Medium Term Note	[3.5 - 4.5]	3.6	[2.5 - 4]
Sfil - NeuCP	[0.5 - 1]	0.8	[0.5 - 1]

Liquidity risk projections

In order to ensure a sufficient level of resilience for the Group, short- and long-term dynamic liquidity projections are supplemented by stressed projections including the end of market financing. These stress tests must make it possible to verify that, even in the event of a prolonged market closure, the Group is able to cover its liquidity needs by first mobilizing available cash, then by requesting secured financing from the ECB or the market and, in extreme situations, by drawing on credit lines with Caisse des Dépôts and La Banque Postale. The survival horizon is set at one year. In December 2024, the amount of reserves amounted to EUR 44 billion.

Mobilizable assets as of December 31, 2024

EUR millions	
Deposits in central bank	2,017
High Quality Liquid Assets (HQLA) – exposures to credit institutions	2,277
High Quality Liquid Assets (HQLA) – excluding exposures to credit institutions	2,834
Other eligible available securities in central bank	1,141
Eligible private loans in central bank	35,868
TOTAL LIQUIDITY RESERVES	**44,136**

Liquidity indicators

The liquidity risk monitoring system has undergone structural adjustments that were approved by the Risks and Internal Control Committee in December 2024 for application from the fourth quarter of 2024. The main indicators are presented below.

Refinancing risk

The refinancing risk is monitored through the dynamic one-year financing requirement indicator (financing requirement needed to refinance static liquidity requirements plus commercial production assumptions over the next twelve months).

Regulatory risk

Regulatory risk is governed by the following limits:

Ratio	Base	Regulatory limit	Ratio at 12/31/2024
Liquidity Coverage Ratio (LCR)	Consolidated	100%	440%
	Individual	100%	infinite ratio
Net Stable Funding Ratio (NSFR)	Consolidated	100%	125%
	Individual	100%	114%

Spread risk

The spread risk is monitored through two indicators, aimed at measuring and managing the Group's total exposure (i.e. until balance sheet run-off) and medium-term exposure (five years), over a realistic management horizon:

- Total exposure to spread risk is monitored through the portion of non-term-financed assets, calculated as the ratio between the liquidity gap surface (excluding excess liquidity) until maturity and that of the total gap of assets on the balance sheet. This measurement makes it possible to assess the spread risk both according to the size of the refinanced balance sheet and its maturity profile.
- Medium-term exposure to spread risk is monitored using the five-year average of the static gap. This indicator gives an idea of the maximum amount of the financing requirement over the next five years and the amount of loss in the event of an increase in the Group's refinancing cost, through sensitivity to spread risk.

In addition, the rating of Sfil and Caffil is monitored in terms of risk appetite given its impact on the liquidity of securities on the secondary market and the subscription rate of new issues; and ultimately its impact on an increase in the Group's refinancing spread, reducing its profitability in the event of a rating downgrade.

Details on regulatory ratios (LCR and NSFR)

EU LIQ1 - QUANTITATIVE INFORMATION ON THE LIQUIDITY COVERAGE RATIO (LCR)

Scope of consolidation: on a consolidated basis		a	b	c	d	e	f	g	h
EUR millions		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on 12/31/2023	12/31/2024	9/30/2024	6/30/2024	3/31/2024	12/31/2024	9/30/2024	6/30/2024	3/31/2024
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH QUALITY LIQUID ASSETS (HQLA)									
1	Total High Quality Liquid Assets (HQLA)					3,970	3,808	3,262	2,626
CASH OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3	Stable deposits	-	-	-	-	-	-	-	-
4	Less stable deposits	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	438	403	259	277	438	403	259	277
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-	-	-	-	-
7	Non-operational deposits (all counterparties)	-	-	-	-	-	-	-	-
8	Unsecured debt	438	403	259	277	438	403	259	277
9	Secured wholesale funding					-	-	-	-
10	Additional requirements	1,096	1,169	1,169	968	842	891	912	711
11	Outflows related to derivative exposures and other collateral requirements	349	392	431	452	349	392	431	452
12	Outflows related to loss of funding on debt products	464	468	453	230	464	468	453	230
13	Credit and liquidity facilities	282	309	285	286	28	31	28	29
14	Other contractual funding obligations	17	18	18	71	12	13	13	66
15	Other contingent funding obligations	-	-	-	-	-	-	-	-
16	Total cash outflows					1,292	1,307	1,184	1,053

Scope of consolidation: on a consolidated basis		a	b	c	d	e	f	g	h
EUR millions				Total unweighted value (average)				Total weighted value (average)	
CASH INFLOWS									
17	Secured lending transactions (e.g. reverse repurchase agreements)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	583	571	564	553	364	353	346	336
19	Other cash inflows	289	294	246	339	289	294	246	339
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialized credit institution)					-	-	-	-
20	Total cash inflows	872	865	810	892	653	646	592	675
EU-20a	Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b	Cash inflows subject to 90% cap	-	-	-	-	-	-	-	-
EU-20c	Cash inflows subject to 75% cap	872	865	810	892	653	646	592	675
TOTAL ADJUSTED VALUE									
EU-21	Liquidity buffer					3,970	3,808	3,262	2,626
22	**TOTAL NET CASH OUTFLOWS**					**691**	**711**	**652**	**476**
23	Liquidity coverage ratio					987.52%	890.43%	840.59%	810.99%

Changes in the LCR are closely linked to the maturity of Sfil and Caffil's long-term financing within 30 days of the reference date. Outside the maturity periods of long-term issues, the LCR is high because disbursements are low and largely covered by the liquidity reserve.

The consolidated LCR at the end of December 2024 was 440%, and therefore remains well above the regulatory requirement, for each observation period.

EU LIQ2: NET STABLE FUNDING RATIO

		a	b	c	d	e
		Unweighted value by residual maturity				
currency amount		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
AVAILABLE STABLE FUNDING ITEMS						
1	**Capital items and instruments**	**1,431**	**-**	**-**	**-**	**1,431**
2	Equity	1,431	-	-	-	1,431
3	Other capital instruments		-	-	-	-
4	**Retail deposits**		**-**	**-**	**-**	**-**
5	Stable deposits		-	-	-	-
6	Less stable deposits		-	-	-	-
7	**Wholesale funding:**		**4,615**	**2,056**	**59,008**	**60,036**
8	Operational deposits		-	-	-	-
9	Other wholesale funding		4,615	2,056	59,008	60,036
10	**Interdependent liabilities**		**-**	**-**	**-**	**-**
11	**Other liabilities:**	**542**	**-**	**-**	**130**	**130**
12	NSFR derivative liabilities	542				
13	All other liabilities and capital instruments not included in the above categories.		-	-	130	130
14	**Total available stable funding**					**61,597**
REQUIRED STABLE FUNDING ITEMS						
15	**Total High Quality Liquid Assets (HQLA)**		**-**	**-**	**-**	**378**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		**-**	**-**	**51,030**	**43,376**
16	**Deposits held at other financial institutions for operational purposes**		**-**	**-**	**-**	**-**
17	**Performing loans and securities:**		**3,057**	**2,712**	**2,595**	**4,636**
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut.		-	-	-	-
19	Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions		-	-	47	47
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,636	2,306	2,469	4,109
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		2,618	2,281	2,302	3,946
22	Performing residential mortgages, of which:		-	-	-	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		-	-	-	-
24	Other loans and securities that are not in default and do not qualify as high quality liquid assets, including exchange-traded equities and trade finance on-balance sheet products		420	406	1,616	1,786

		a	b	c	d	e
		Unweighted value by residual maturity				
currency amount		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
25	**Interdependent assets**		-	-	-	-
26	**Other assets:**		**4,955**	**6**	**349**	**506**
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	50	43
29	NSFR derivative assets		-			-
30	NSFR derivative liabilities before deduction of variation margin posted		0	-	-	-
31	All other assets not included in the above categories		2,028	6	299	317
32	**Off-balance sheet items**		-	-	**7,536**	**377**
33	**Total required stable funding**					**49,273**
34	**NET STABLE FUNDING RATIO**					**125.01%**

Stress tests

Sfil has developed a stress test system that helps identify, measure and manage liquidity risk. This system is based on hypothetical scenarios and an assessment of their impact on Sfil's activities. It is part of the Internal Liquidity Assessment Process (ILAAP) and is consistent with other risk measurement processes, in particular the Internal Capital Adequacy Process (ICAAP) and the Preventive Recovery Plan (PPR), in order to ensure the overall consistency of stress factors and their breakdown with regard to the different types of risks.

The main stress factors take into account, among other things, a prolonged closure of the interbank market and the covered bonds market. Assumptions include climate stress in accordance with regulatory instructions.

Encumbered assets

In the case of the Sfil Group, the amount of encumbered assets corresponds to:

- the amount of assets necessary to ensure the overcollateralization of Caffil, the Group's main entity, i.e. 105% of the debts benefiting from the privilege, as required by the regulations governing the activity of sociétés de crédit foncier;
- the amount of assets pledged as collateral for derivative exposures.

The liabilities at the origin of the expenses on the assets are:

- on the one hand, the liabilities of Caffil, which benefit from the privilege defined in article L.513-11 of the French Monetary and Financial Code;
- on the other hand, amounts due for forward financial instruments used to cover the Sfil Group's balance sheet.

EU AE1 - ENCUMBERED AND UNENCUMBERED ASSETS

Encumbered assets include loans and receivables due from customers, securities and other assets required to comply with regulatory overcollateralization, as well as assets given as collateral for derivative exposures.

Deferred unencumbered debt securities include securities held in excess of regulatory overcollateralization requirements for EUR 6.4 billion in carrying amount: EUR 6.0 billion are Level 1 or 2A liquid assets such as defined in articles 10 and 11 of EU Delegated Regulation 2015/61 on the liquidity coverage requirement for credit institutions.

Other unencumbered assets carried forward correspond for EUR 2.3 billion to the cash held by Sfil and Caffil in their respective accounts with the Banque de France and available at any time.

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			Of which notionally eligible EHQLA and HQLA		Of which notionally eligible EHQLA and HQLA		Of which EHQLA and HQLA		Of which EHQLA and HQLA
EUR millions		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	**60,917**	**50**			**10,157**	**8,485**		
030	Equity instruments	-	-	-	-	-	-	-	-
040	Debt securities	2,131	50	2,000	51	6,442	5,978	5,587	5,123
050	Of which: covered bonds	-	-	-	-	2,200	2,200	2,214	2,214
060	Of which: securitizations	-	-	-	-	-	-	-	-
070	Of which: issued by general governments	1,217	50	1,086	51	3,704	3,700	2,836	2,833
080	Of which: issued by financial corporations	914	-	915	-	2,738	2,278	2,752	2,290
090	Of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120	Other assets	58,787	-			3,716	2,507		

EU AE2 - COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED

				Unencumbered	
		Fair value of encumbered collateral received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
			Of which notionally eligible EHQLA and HQLA		Of which EHQLA and HQLA
EUR millions		010	030	040	060
130	**Collateral received by the disclosing institution**	-	-	-	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	-	-
170	Of which: covered bonds	-	-	-	-
180	Of which: securitizations	-	-	-	-
190	Of which: issued by general governments	-	-	-	-
200	Of which: issued by financial corporations	-	-	-	-
210	Of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitizations**	-	-	-	-
241	**Own covered bonds and securitizations issued and not yet pledged**			-	-
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**61,137**	**50**	-	-

EU AE3 - SOURCES OF ASSET ENCUMBRANCE

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued, other than covered bonds and securitizations, encumbered
EUR millions		010	030
010	**Carrying amount of selected financial liabilities**	**56,559**	**60,909**

Breakdown according to the residual term to the repayment date [Audited]

Assets

EUR millions	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	Total broken down
	12/31/2024							
Central banks	2,016	-	-	-	-	-	-	2,016
Financial assets at fair value through profit or loss	24	22	68	114	627	832	6	1,692
Hedging derivatives	1	7	236	-	-	-	-	245
Financial assets at fair value through equity	-	-	-	-	-	-	-	-
Loans and advances to banks at amortized cost	42	0	5	5	5	-	-	57
Loans and advances to customers at amortized cost	636	698	1,928	2,789	18,621	31,215	31	55,919
Bonds at amortized cost	158	128	451	490	3,448	3,396	(0)	8,071
Fair value revaluation of portfolio hedge	-	-	-	-	-	-	-	-
Tangible assets	-	-	-	-	-	-	28	28
Intangible assets	-	-	-	-	-	-	19	19
Tax assets	-	-	-	-	-	-	74	74
Accruals and other assets	-	-	-	-	-	-	1,940	1,940
TOTAL	**2,877**	**855**	**2,687**	**3,399**	**22,701**	**35,444**	**2,100**	**70,062**

EUR millions	Total broken down	Fair value adjustment	Total
	12/31/2024		
Central banks	2,016	-	2,016
Financial assets at fair value through profit or loss	1,692	(2)	1,690
Hedging derivatives	245	1,898	2,142
Financial assets at fair value through equity	-	-	-
Loans and advances to banks at amortized cost	57	(0)	56
Loans and advances to customers at amortized cost	55,919	(912)	55,007
Bonds at amortized cost	8,071	443	8,514
Fair value revaluation of portfolio hedge	-	380	380
Tangible assets	28	-	28
Intangible assets	19	-	19
Tax assets	74	-	74
Accruals and other assets	1,940	-	1,940
TOTAL	**70,062**	**1,806**	**71,869**

Liabilities, excluding own funds

EUR millions	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	Total broken down
	12/31/2024							
Central banks	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	0	0	13	-	-	-	-	13
Hedging derivatives	6	1	389	-	-	-	-	395
Due to banks at amortized cost	-	-	-	-	-	-	-	-
Customer borrowings and deposits at amortized cost	-	-	-	-	-	-	-	-
Debt securities at amortized cost	1,073	648	3,100	1,848	29,461	30,855	-	66,984
Fair value revaluation of portfolio hedge	-	-	-	-	-	-	-	-
Tax liabilities	-	-	-	-	-	-	1	1
Accruals and other liabilities	-	-	-	-	-	-	349	349
Provisions	-	-	-	-	-	-	15	15
Subordinated debt	-	-	-	-	-	-	-	-
TOTAL	**1,078**	**649**	**3,502**	**1,848**	**29,461**	**30,855**	**366**	**67,758**

EUR millions	Total broken down	Fair value adjustment	Total
	12/31/2024		
Central banks	-	-	-
Financial liabilities at fair value through profit or loss	13	322	335
Hedging derivatives	395	3,492	3,886
Due to banks at amortized cost	-	-	-
Customer borrowings and deposits at amortized cost	-	-	-
Debt securities at amortized cost	66,984	(1,344)	65,640
Fair value revaluation of portfolio hedge	-	39	39
Tax liabilities	1	-	1
Accruals and other liabilities	349	-	349
Provisions	15	-	15
Subordinated debt	-	-	-
TOTAL	**67,758**	**2,509**	**70,266**

Net liquidity gap [Audited]

This table presents the balance sheet at the closing date; it does not take into account the management decisions that will make it possible to manage differences in maturity or the future production of assets and liabilities. SFIL Group's liquidity is provided by its refinancing agreement with its shareholders and by issue Euro medium term notes and certificates of deposit. In addition, the Sfil Group may obtain funding from the Banque de France, by giving certain of these assets in guarantee.

EUR millions	Less than 1 month	1 month to 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	Not broken down	Total
	12/31/2024								
AMOUNT	**1,799**	**206**	**(815)**	**1,551**	**(6,759)**	**4,589**	**1,734**	**(702)**	**1,602**

4.4.4 Interest rate risk

As Sfil has no trading activity, interest rate risk is limited to "banking book" activities (IRRBB - Interest Rate Risk of the Banking Book). According to the Basel Committee, it refers to the current or future risk to which the bank's equity and profits are exposed due to unfavorable movements in interest rates that affect the positions of the banking book.

Among the various interest rate risks, the Group is exposed to three types of risk, namely fixed interest rate risk, floating rate risk (basis and fixing) and option risk related to the existence of floors on commercial loans:

Organization and governance

Interest rate risk is managed by the ALM team of the Finance and Financial Markets division, which:

- produces monitoring indicators;
- performs first-level controls;
- proposes management measures.

This management is controlled and supervised by the Market and ALM Risk division, which:

- defines monitoring indicators in conjunction with ALM;
- determines, for the most important management indicators, limits consistent with the risk appetite defined by the Board of Directors and with the regulatory framework;
- carries out second-level controls on management indicators subject to limits.

This activity is structured around two committees:

- the Asset & Liability Management Committee (Alco), which decides on the strategy and monitors its proper implementation through the review of management indicators;
- the "Rate ALM" Committee which prepare the files presented to Alco and the operational implementation of Alco's decisions.

Monitoring system [Audited]

Hedging Strategy

The Sfil Group has defined an interest rate risk appetite, which is broken down into a system of limits governing the sensitivity of the net present value (NPV) and the sensitivity of the net interest margin (NIM).

In order to manage these sensitivities within the limits set, Caffil has implemented the following hedging strategy:

- micro-hedging of interest rate risk on balance sheet items denominated in a currency other than the euro or indexed to a complex interest rate structure. Certain euro-denominated vanilla transactions may also be micro-hedged if their notional value or duration could lead to a sensitivity limit of the NPV or NIM being exceeded. Micro-hedging is carried out exclusively by swaps;
- macro-hedging of interest rate risk for all transactions that are not micro-hedged. The transactions concerned are mainly (i) loans to the local public sector and (ii) issues of *obligations foncières* denominated in euros. This macro-hedging is obtained as far as possible by matching assets and liabilities with the same risk profile or by setting up new swaps.

Concerning the parent company Sfil, the hedging strategy involves a perfect micro-hedge of the interest rate risk, either by swaps against €STR (or via the stabilization mechanism as regards the export credit activity), or by matching asset and liability transactions on the same index. There is, therefore, no interest rate risk at the level of the parent company Sfil, or only a temporary exposure related to the desynchronization between the hedged item and the hedging item.

Interest rate risk indicators

These different types of interest rate risk are monitored, analyzed and managed through:

- the sensitivity of the net present value (NPV), calculated for eight stress scenarios. These eight scenarios correspond to the six scenarios used to calculate the regulatory NPV sensitivity indicator (see below), plus two additional internal scenarios defined on the basis of historical changes in interest rates. The maximum loss observed among the eight scenarios must not exceed the limit defined as part of the Sfil Group's risk appetite. These calculations are carried out on a consolidated basis, on a static basis and taking into account the investment of equity.

Since January 1, 2024, the calculation of the NPV sensitivity also includes transactions with floors on EURIBOR.

(in EUR millions)	Limit	12/31/2024	12/31/2023
Maximum NPV loss observed	(80)/80	(16.9)	(15.4)

- the regulatory sensitivity of the NPV, calculated, in accordance with the instructions in force, for six scenarios of translation, flattening and steepening with application of a post-shock floor at -150 bps. These sensitivities are calculated on a consolidated basis, on a static basis and excluding the investment of equity.

At 12/31/2024	Interest rate shock applied	Results *(in EUR millions)*
Regulatory sensitivity of NPV	+200 bps	(116)
	-200 bps	276
	Steepening	3
	Flattening	36
	Short-term increase	(17)
	Short-term decrease	76

- adjustable rate gaps broken down by tenor indexes to monitor basis, floor and fixing risks. These gaps are calculated on a static basis, on a consolidated basis:

EURIBOR gaps	For each index tenor, difference between assets and liabilities at adjustable rates. These gaps are calculated each month until the balance sheet is extinguished.
Floored EURIBOR gaps	For each index tenor, the difference between assets and liabilities at adjustable rates with floor on the index or coupon. These gaps are calculated each month until the balance sheet is extinguished.
Fixing gap	For each index tenor, the difference between adjustable rate balance sheet and off-balance sheet assets and liabilities, by fixing date.

- the sensitivity of the net interest margin (NIM): the risk in terms of income is monitored through the sensitivity indicator of the NIM, calculated for (i) a parallel shock of +200 bps and (ii) a parallel shock of -200 bps with a floor at -150 bps. The sensitivity of the NIM is calculated on a like-for-like basis over a one-year horizon.

Sensitivity of the net interest margin over 12 months *(in EUR millions)*	12/31/2024
Parallel increase in rates of 200 bps	(10)
Parallel decrease in rates of 200 bps	9.1

4.4.5 Foreign exchange and euro/currency basis risk

The foreign exchange risk is defined as the risk of loss, linked to a change in the exchange rate of currencies against a reference currency.

For Sfil, the reference currency is the euro: the foreign exchange risk reflects, therefore, a change in the value of assets and liabilities denominated in a currency other than the euro because of fluctuations of this same currency vis-à-vis the euro.

The euro/currency basis risk is defined as the risk of loss related to the difference in basis when matching uses and resources denominated in different currencies.

Organization and governance

Foreign exchange risk is managed by the ALM team of the Finance and Financial Markets division, which:

- produces monitoring indicators;
- performs first-level controls;
- proposes management measures.

This management is controlled and supervised by the Market and ALM Risk division, which:

- defines monitoring indicators in conjunction with ALM;
- sets limits for the most material currencies that are consistent with the risk appetite;
- carries out second-level controls on management indicators subject to limits.

This activity is structured around two committees:

- the Asset & Liability Management Committee (Alco), which decides on the strategy and monitors its proper implementation through the review of management indicators;
- the "Liquidity ALM" Committee which prepares the files presented to Alco and the operational implementation of Alco's decisions.

Monitoring system

The management of foreign exchange risk is intrinsically linked to the management of the euro/currency basis risk.

Basis risk euro/foreign currencies

Issues and assets denominated in foreign currencies give rise, as soon as possible and at the latest when they are recognized on the balance sheet and until their final maturity, to a cross-currency swap against the euro. The outstanding amounts and interest margins in foreign currencies of these transactions are therefore converted into euros, thus ensuring perfect currency hedging.

- For various reasons (export credit files of particularly high amount or duration, multiplication of drawdowns of an amount too low to be hedged by swaps, retention of a portion of the un-hedged export credit margin, etc.), this perfect hedging by cross-currency swap may not be carried out on time or for the outstanding in question, requiring the definition of a basis risk monitoring and management system.

This monitoring is carried out through the basis gap (or index gap in currency) in the two active currencies (USD and GBP) and controlled by the sensitivity of each of the gaps for a shock of 10 bps.

Sensitivity to euro/currency basis *EUR millions*	12/31/2024
USD	0.25
GBP	0

Foreign exchange risk monitoring [Audited]

The imperfections of the hedging in euros/currency, associated with the conservation of a margin in foreign currency at the parent company Sfil, with the maintenance of a minimum balance in foreign currency on the bank account in order to meet a cash flow and payment of invoices in foreign currencies, justify residual positions subject to limits.

Foreign exchange risk is monitored through the accounting foreign exchange position calculated by the Accounting division and restated by the ALM division for purely accounting items in order to return to an economic foreign exchange position.

Given its low appetite for foreign exchange risk (the group has set itself a low foreign exchange position for three currencies (USD, GBP and CHF) and a zero foreign exchange position in all other currencies), the group has very little exposure to this risk.

4.4.6 Market risk

Market risk is defined as the potential risk of loss (through the income statement or directly through equity) resulting from fluctuations in the prices of financial instruments that make up a particular portfolio.

Market risks scope

As a public development bank, the Sfil Group is not intended to carry out transactions for trading purposes and is therefore not subject to market risk in the regulatory sense of the term. At the consolidated level, all hedging instruments are treated for hedging purposes.

Nevertheless, certain transactions even though they do not carry market risk in the regulatory sense of the term, are still sensitive to the volatility of market parameters and pose a risk to the accounting income or equity. They de facto constitute a so-called non-regulatory market risk. It concerns mainly:

- risks arising from changes in the value of financial assets recognized at fair value through profit or loss or through equity;
- certain hedging derivatives according to IFRS, for which there may be a difference between the valuation of the hedged risk and the valuation of the hedging item (derivative), which are valued using different yield curves;
- changes in accounting valuation adjustments on derivatives, such as Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA), recognized in net income in accordance with IFRS;
- the provision for investment securities in accordance with the French accounting standards;
- risks that may materialize at the level of Sfil's individual financial statements, in connection with its derivatives intermediation activity carried out on behalf of Caffil, if the derivatives that Sfil enters into with external counterparties are not perfectly mirrored with Caffil.

Organization and governance

Governance of market risk monitoring is led by the Guidelines and Market Risks Committee, which monitors the following risk indicators on a quarterly basis:

- the valuation of assets recognized at fair value under IFRS and provisions for placement securities under French accounting standards;
- the change in value of derivatives and margin calls on derivatives paid and received.

This Committee is also responsible for approving policies, directives and procedures relating to non-regulatory market risks before they are submitted to the Risks Committee.

Monitoring system

The assessment and continuous monitoring of non-regulatory market risks are carried out by the Market and ALM Risk division through:

- the valuation of balance sheet items (assets and liabilities) and value adjustments on derivatives (CVA and DVA);
- daily control of margin calls on derivatives via the monitoring of sensitivities to the market parameters (5);
- the calculation of the impact of the spread risk on the securities' portfolio.

4.4.7 Operational risk

In accordance with the latest version of EU Regulation No. 575/2013 (CRR3), operational risk is defined as "the risk of loss resulting from an inadequacy or failure of processes, personnel and internal systems or external events, including but not limited to legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic risk and reputation".

Legal risk and non-compliance risk are detailed below in dedicated sections.

Organization and governance

Sfil Group has set up an organization, procedures and a management tool to monitor and control its operational risks. This system is managed by the Operational, Cyber and Resilience Risks division (DROCR) and relies on a network of internal control officers from the first line of defense (see 4.2.4 "Internal control") as well as on the process managers whose role is to identify the operational risks related to their scope.

(5) They correspond to a change in the fair value of the instruments for a standardized movement (or shock) of the market's parameters.

The internal control officers are responsible for reporting operational incidents, participating in risk mapping exercises and reporting key operational risk indicators. Their role is the subject of an assignment sheet and an annual objective is defined and assessed during the annual reviews.

The second line of defense is provided by the internal control functions of the DROCR as well as by the Permanent Control division, which carries out the second-level permanent controls (see 4.2.4 “Internal control”).

Operational risk management governance is structured around three committees:

- the Operational Risks Committee, whose role is to validate the mapping of operational risks and monitor key risk indicators and incidents;
- the Information Systems Security Committee (ISS) and the Recovery and Business Continuity Plan (RBCP), whose role is to monitor the implementation of the information systems security policy as well as the contingency and business continuity plan;
- the Outsourced essential services (PSEE) Committee, which validates the classification of new services as outsourced essential services.

Monitoring system

The Sfil Group’s policy for measuring and managing operational risks consists of regularly identifying and assessing its risk exposure and the existing mitigation and control systems to establish whether or not the level of residual risk is acceptable. The monitoring system is based on three main processes:

- **Collection and reporting of operational incidents, action plans**

Sfil Group has defined an operational incident and loss collection process governed by guidelines and procedures. This process allows Sfil Group to comply with regulatory requirements and also to gather key data to improve the quality of its internal control system. The threshold of mandatory declaration for financial impacts is EUR 10,000.

The internal control officers define the action plans to correct the significant incidents or major operational risks identified. The DROCR regularly monitors these action plans.

The Sfil Group’s activities in 2024 generated only one incident that exceeded the collection thresholds.

- **Operational risks mapping**

Operational risks mapping makes it possible to identify and assess operational risks. It is established and regularly updated for each Sfil Group process.

- **Key indicators**

The monitoring of key operational risk indicators associated with alert thresholds makes it possible to continuously and dynamically monitor changes in operational risks. This system is complemented by an Information system security policy (ISSP), a Recovery and Business Continuity Plan (RBCP) and, where necessary, insurance policies subscribed by Sfil Group to cover specific risks.

Calculation of equity requirements

The Sfil Group has opted for the standard method of calculating the regulatory equity requirement for operational risk. This requirement amounts to EUR 31.5 million as of December 31, 2024.

EU OR1 - OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

		a	b	c	d	e
Banking activities *(in EUR millions)*		Relevant indicator			Own funds requirements	Risk exposure amount
		12/31/2021	12/31/2022	12/31/2023		
1	Banking activities subject to basic indicator approach (BIA)	-	-	-	-	-
2	Banking activities subject to standardized approach (TSA) / alternative standardized approach (ASA)	243	178	209	31	394
3	Subject to standardized approach (TSA)	243	178	209		
4	Subject to alternative standardized approach (ASA)	-	-	-		
5	Banking activities subject to advanced measurement approach (AMA)	-	-	-	-	-

Risks related to Information and Communication Technologies (ICT)

This system is complemented by an information system security management policy, a Recovery and Business Continuity Plan (RBCP) and, where necessary, insurance policies to cover specific risks.

More specifically, the monitoring of ICT-related risks at Sfil is currently based on two areas:

- **IT system security management**

The DROCR has put in place a set of provisions, governed by a policy and directives, based on the requirements of the ISO 27001 standard, applicable to all of Sfil's operating divisions.

These provisions are intended to protect information against any threat that could affect its confidentiality, integrity or availability. They are broken down into operational processes determined in collaboration with the operational divisions, including the Technology and Organization department, and are subject to regular controls.

In addition, with a view to continuous improvement, a three-year plan to strengthen IT security has been defined and is regularly monitored. A plan to ensure compliance with the DORA regulations has also been defined.

- **Business continuity and crisis management**

The Sfil Group has developed a Recovery and Business Continuity Plan (RBCP). This includes all the measures aimed at ensuring, under various operational crisis scenarios, the temporary maintenance of essential operational tasks in degraded mode, then the planned resumption of its activities, in order to limit its losses.

Outsourced Essential Services

Sfil has an outsourcing policy that specifies the Group's outsourcing strategies as well as the monitoring and control system associated with outsourcing. The Operational Risk Committee monitors outsourcing and, more specifically, outsourced essential services.

Secure payment methods

The security of payment methods is controlled by a set of procedures and systems. In this context, Sfil also responds to Swift and Target 2 certification requests every year.

4.4.8 Non-compliance risk

Non-compliance risk is defined by article 10, p) of the *Arrêté* of November 3, 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the control of the Autorité de contrôle prudentiel et de résolution (ACPR) amended by the arrêté of February 25, 2021. It corresponds to the risk of legal, administrative or disciplinary sanctions, significant financial loss or damage to reputation arising from non-compliance with provisions specific to banking and financial activities, whether of a directly applicable legislative or regulatory, national or European nature or in terms of professional and ethical standards or instructions issued by the effective managers, in particular pursuant to the guidelines of the supervisory body.

Reputational risk is the risk of damage to the trust in Sfil Group by its clients, counterparties, suppliers, employees, shareholders, supervisors or any other third party whose trust, in any capacity whatsoever, is a necessary condition for the normal continuation of activity. Reputational risk is essentially a risk contingent on all the other risks incurred and in particular the potential materialization of a credit risk, a market risk, an operational risk or a risk of non-compliance, as well as a violation of Sfil's Ethics and Professional Conduct Code.

The risks of non-compliance are broken down into the following four categories:

- financial security risk (including the fight against money laundering and the financing of terrorism - AML-CFT);
- ethics and corruption risks (including conflicts of interest);
- risks relating to the protection of customers' interests and compliance with other banking and financial regulations;
- risks related to the protection of personal data.

Regulatory non-compliance					Financial security		
Ethics and business conduct, prevention of conflicts of interest	Protection of customer interests	Fight against corruption	Preservation of market integrity	Protection of personal data	Money Laundering and Terrorist Financing	Sanctions, asset freezes and embargoes	Export rules

Organization and governance

Observance of the rules and compliance system concerns all Sfil employees, who must act in compliance and with integrity in their daily work. The Compliance division ensures compliance with the laws, regulations and ethical principles specific to the banking activities carried out by the Sfil Group that may affect the systems for which it is responsible.

In accordance with applicable legal and regulatory requirements, professional standards, the internal control framework policy and the permanent control charter, the organization of functions aimed at managing non-compliance risk is part of the internal control system of the Sfil Group.

The Sfil Group has a non-compliance risk management policy that defines a framework to guarantee reasonable assurance of non-compliance risk management. The framework of these systems is submitted to the Compliance Committee and proposed to the Board of Directors for approval on the proposal of the Risks and Internal Control Committee.

The non-compliance risk management processes apply to all the Sfil Group's departments, activities and processes. For each of these categories, the Compliance division has defined systems adapted to the risks previously assessed.

The General Secretary is Chief Compliance Officer. As such, she is responsible for the compliance verification function in accordance with Article 28 of the arrêté. The Compliance division, in its role as the second line of defense, ensures compliance with the compliance systems entrusted to the various business lines. It implements actions to control the non-compliance risks listed in the above table.

In this context, Sfil's Compliance division:

- defines the non-compliance risk management systems taking into account the risk appetite approved by the Board of Directors;
- prepares internal reports for the Board of Directors;
- contributes to the training of employees on non-compliance risks.

To support the business lines and ensure the supervision of the system, the Compliance division relies on employees identified as internal control officers (see 4.2.4 “Internal control”) within the operational divisions as a point of contact with the business lines.

Implementation of the compliance systems

In compliance with risk appetite, compliance policies and procedures have been defined for all of Sfil Group's activities. The Compliance division verifies compliance with these policies and procedures and, if necessary, proposes actions to the divisions concerned to ensure their compliance.

The Sfil Group has no risk appetite for banking and financial non-compliance risk and has a zero tolerance policy for corruption, influence peddling and all breaches of probity.

Sfil's policy for measuring and managing non-compliance risk, consists of regularly identifying and assessing its risk exposure and the existing mitigation and control systems to establish whether or not the level of residual risk is acceptable. This policy is divided into four main processes:

- the mapping of non-compliance risks (see 4.2.4 "Internal control");
- the collection and reporting of compliance incidents;
- the performance of permanent compliance controls (see 4.2.4 “Internal Control”);
- monitoring key operational risk indicators.

Ethics and professional conduct

Since its creation, Sfil has defined its code of ethics and professional conduct as a set of values and principles shared by all managers and employees in order to carry out our duties on a daily basis with complete integrity, in compliance with the provisions specific to our activities.

The Code of Ethics and Professional Conduct, appended to the internal regulations, establishes the rules of conduct applicable both within the Sfil Group and vis-à-vis the outside world (customers, suppliers, service providers, investors and financial markets, etc.). The Compliance division has set out the rules applicable to each employee in terms of managing and declaring conflicts of interest, gifts and invitations and secondary activities within an additional set of procedures.

In order to strengthen its system, the Sfil Group has appointed a Professional Conduct Officer who relies on the Professional conduct section within the Compliance division to exercise their duties. The Professional Conduct Officer, who has a comprehensive view of the bank's activities, can thus be consulted on any ethical or professional conduct issue, including the prevention of conflicts of interest.

The compliance training system rolled out to Sfil Group employees makes it possible to maintain up-to-date knowledge of this system within the workforce. The aim is to promote a culture of risk and compliance. The obligation to attend training sessions is specified in the code of ethics and professional conduct. The Sfil Group's employees follow a basic compliance training program supplemented by expert training for the staff most exposed to some of the risks of non-compliance.

Fight against corruption

The governance of the corruption prevention system at the highest level of Sfil is a guarantee of the credibility of the approach and the proactive behavior of the governing body. Through its clear and unequivocal commitment, it promotes a culture of compliance and transparency essential to the assessment of corruption risks.

In this respect, General Management is responsible for defining the anti-corruption system and formally validates the risk management strategy implemented on the basis of the corruption risk mapping and ensures the implementation of the selected action plans. General Management has entrusted the deployment of the system and its coordination to the Compliance division. In this context, the Compliance division is responsible for:

- designing and defining the methods for implementing the policy to prevent and fight against corruption, which are then rolled out within the corresponding operational business line processes/procedures;
- conducting the anti-corruption analyzes required when entering into a business relationship with third parties (particularly in the context of export refinancing);
- defining awareness-raising and training programs in the prevention and fight against corruption in order to disseminate the anti-corruption culture;
- assisting, where applicable, in internal investigations carried out following the revelation of suspicions or facts of corruption;
- monitoring best practices and changes in regulatory requirements, reporting on the implementation and effectiveness of the system to General Management and the supervisory body;
- advising, supporting and issuing recommendations to employees on how to apply the anti-corruption system;
- ensuring compliance by means of controls. The Compliance division is the preferred contact for all theoretical and practical questions that employees may have about situations potentially constituting acts of corruption, both in a preventive and corrective manner.

General Management also ensures that the resources allocated to the challenges of preventing and detecting acts of corruption are adequate, in particular by ensuring that the Compliance division has sufficient human and financial resources to fight against corruption.

Lobbying

Pursuant to article 18.2 of law no. 2013-907 of October 11, 2013 on transparency in public life, any interest representative, provided that he/she meets the conditions relating to the time spent devoted to the lobbying activity or the number of meetings over a 12-month period, is required to register in the "Agora" digital directory maintained by the High Authority for Transparency in Public Life (HATVP). In this context, Sfil is required to declare for each calendar year:

- the lobbying actions undertaken with the French public authorities in respect of the year according to the following structure: area of intervention, interests represented, type of public decisions and actions to represent interests and category of public officials contacted; and
- the resources allocated to these lobbying activities according to the following details: period concerned, amount of associated expenses, number of employees allocated to the actions and revenue generated in France for the period reported.

All lobbying expenses are non-material (less than EUR 15,000). In addition, Sfil does not directly or indirectly subsidize political parties.

Alert system

The Sfil Group has a whistleblowing system, hosted on an online platform (accessible by all on the Sfil institutional website) which makes it possible to report confidentially (and at the request of the whistleblower, anonymously) any unlawful behavior in the following areas: conflict of interest, corruption, fraud - embezzlement, misuse of corporate assets - misappropriation of assets, market abuse, environmental protection, protection of personal data, risks in terms of health, hygiene and safety at work, psychosocial risks, fight against discrimination and harassment at work. This platform is accessible to employees, external service providers and all other Sfil stakeholders. The confidentiality of the whistleblower's identity and his/her communications is preserved when the alert is issued and throughout the whistleblowing procedure.

Protection of customer interests

Respect for the integrity and loyalty of third parties is essential. The Sfil Group expects all its employees to act ethically at all times in their relationships with third parties, as stated in the code of ethics and professional conduct.

The Compliance division has implemented procedures to comply with regulatory requirements related to the protection of customer interests and in consideration of the specific scope of activities of the Sfil Group. The operational divisions working with customers implement these requirements in their operational procedures; regular training is provided to them in order to maintain an appropriate culture of compliance.

Integrity of markets

The Sfil Group has deployed a system to combat and prevent market abuse tailored to its size, organization and specific activities, in particular with regard to the types and potential indicators of market abuse.

In compliance with the amended European Regulation No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse and the various associated implementing regulations, the Compliance division has deployed a set of procedures describing the principles, measures, systems and processes implemented by Sfil and Caffil to prevent, monitor, detect and report suspicious transactions in terms of market abuse. This procedural corpus is rolled out in the operational procedures within the most concerned divisions.

The prevention of market abuse also relies on effective dissemination to employees of the regulatory requirements in this area. In this context, the Compliance division deploys training and awareness-raising programs in terms of preventing market abuse adapted to the roles and responsibilities of employees, managers and corporate officers.

Financial security

The Sfil Group implements all the provisions of the fifth European Directive on the prevention of money laundering and the financing of terrorism (AML-CFT).

As a banking institution covered by article L.561-2 of the French Monetary and Financial Code, the Sfil Group is subject to the AML-CFT regulations, which impose obligations on it to strengthen its role in the prevention of money laundering and the financing of terrorism. The system put in place also meets the requirements of the arrêté of November 3, 2014 on the internal control of companies in the banking, payment services and investment services sector, as amended by the arrêté of February 25, 2021, with regard to the implementation and internal control of the AML-CFT system.

- **A structured framework for financial security**

The Compliance division has a comprehensive and structured financial security procedure corpus, which forms the basis of the internal practices. This corpus, regularly updated to include legislative, regulatory and case law changes, includes a general AML-CFT policy, which defines the Sfil Group's commitments and guiding principles for the prevention of money laundering and the financing of terrorism. This policy is supplemented by operational procedures detailing the implementation methods and the procedures to be carried out to ensure compliance with regulatory obligations.

- **A culture of compliance and an adapted training system**

The prevention of financial security risks is based on a strong culture of compliance within the Sfil Group. In order to meet regulatory requirements in this area, the compliance division deploys AML-CFT training and awareness programs adapted to the roles and responsibilities of employees, directors and corporate officers. This system makes it possible to maintain a high level of vigilance proportionate to the challenges of financial security, while guaranteeing employees' adherence to compliance requirements and observance of internal procedures.

- **A robust system for detecting and treating non-compliance risks**

To ensure the detection and treatment of non-compliance risks in terms of financial security, the Compliance division relies on human, technological and organizational resources.

The vigilance system is based on the KYC (Know Your Customer) process. Sfil implements strict procedures to identify and verify its customers and their beneficial owners, including the collection and analysis of identification information, the assessment of the purpose and nature of the business relationships, as well as the review of the origin of the customer's funds and activities. A risk classification is carried out in order to segment customers according to their level of risk, with the implementation of enhanced vigilance measures for high-risk profiles.

A screening tool ensures daily screening of the business relationships database and third parties with which Sfil interacts, by comparing them with the official lists of sanctions, asset freezes and politically exposed persons. These lists are updated regularly. The centralized processing of alerts generated by this tool is based on an in-depth, documented and traced analysis of each alert.

In addition, enhanced monitoring of transactions is put in place to detect any atypical transactions. Transactions deemed sensitive are subject to an in-depth review to identify any unusual patterns. The analyses carried out feed into the decision-making process, which may lead, if necessary, to the filing of a suspicious transaction report with the competent authorities.

This structured system enables Sfil to meet regulatory requirements and ensure the effective management of financial security risks.

Protection of personal data

The Sfil Group, which is particularly sensitive to the protection of personal data, has appointed a data protection officer (DPO), who reports to the Chief Compliance Officer. The governance and procedural framework in place provide the necessary framework to meet the regulatory requirements of the European Data Protection Regulation on the protection of personal data and the legitimate expectations of its employees, customers and more broadly any third parties interacting with it.

As part of their mission, the DPO monitors risk indicators including personal data leaks, registry compliance and employee training rates. A personal data charter as well as a corpus of operational policies and procedures set out the principles that must be respected in order to comply with the European regulation on the protection of personal data. More specifically, for external third parties interacting with the Sfil Group, a confidentiality policy is made available on the website.

The Sfil Group, as data controller, has a register of personal data processing activities in accordance with article 30 of the General Data Protection Regulation (GDPR); it also includes a reporting module for incidents and violations. Lastly, the DPO, in conjunction with the Permanent Control division, ensures compliance with the rules set out in the policies and procedures relating to the protection of personal data.

All employees are trained in compliance with the GDPR via an e-learning module. The internal contacts or intermediaries within the divisions are trained, firstly, on personal data protection regulations and also on compliance with the GDPR compliance systems in place within the Sfil Group. This training is provided in a face-to-face format. The objective is to provide the knowledge and skills that these contacts need as part of their missions to maintain the Sfil Group's compliance with the GDPR. The DPO, for their part, follows training courses and joins professional groups in order to keep their knowledge up to date.

4.4.9 Legal and tax risk

The *Arrêté* of November 3, 2014 defines Legal Risk as the risk of any dispute with a counterparty resulting from any inaccuracy, lack or insufficiency that may be attributed to the Company in the exercise of its activities.

Tax risk corresponds to the possible non-compliance with the applicable tax regulations.

Although the Sfil Group has no appetite for legal and tax risks, this does not mean that it is fully protected against these risks, especially since it is subject to significant and evolving regulations, in particular the introduction of new rules to improve the transparency, efficiency and integrity of financial markets and the strengthening of tax transparency requirements. In the event of non-compliance with applicable laws and regulations, Sfil could be exposed to significant fines and administrative sanctions and could suffer losses as a result of private litigation.

Organization and governance

The control and management of legal and tax risk (excluding declarations) is handled within the General Secretary's office by:

- the Financing Legal division, which covers the financing of the local public sector and the financing of export credit;
- the Financial Markets Legal division;
- the Legal Affairs and Governance division, dedicated to the social life of Sfil and its subsidiary Caffil and their governance.

These three divisions report to the General Secretary, who validates the legal strategies implemented. They may issue opinions intended for the decision-making process of the following committees:

- Regulatory Watch Committee;
- New Products Committee;
- Credit Committee;
- the weekly Financial Markets Committee;
- Asset Management Committee.

Legal and tax risk is managed by:

- advising and assisting the Bank's General Management and operating divisions in order to prevent, detect, measure and control the legal and tax risks inherent in their activity;
- participation in the organization of governance and the implementation of best practices in this area (policies, procedures and internal regulations) in order to promote the management and control of risks by the management bodies;
- monitoring regulatory changes via a legal watch initiated by the three divisions in their areas of expertise;
- review and negotiation of contracts as well as the adaptation of all contracts to regulatory changes having an impact on the business;
- insurance management (excluding social protection insurance);
- trademark protection;
- the management of pre-litigation and litigation.

Litigation information

The Financing Legal division monitors litigation cases and the progress of proceedings.

As of December 31, 2024, to the best of the bank's knowledge, there were no litigation or disputes considered significant between the Sfil Group and its borrowers, nor any governmental, legal or arbitration proceedings against the Sfil Group that could have a significant impact on the financial position of the Sfil Group.

Information on tax risk

The Finance division prepares tax declarations and can contact the General Secretary for tax advice.

There was no change during 2024 concerning the file linked to the treatment of the taxation in Ireland of the income of the Dexia Municipal Agency (former name of Caffil) branch in Dublin, which closed in 2013.

In the absence of new cases or litigation with the administration, the risk is currently considered not significant.

4.4.10 ESG risks

Environmental, social or governance (ESG) risks are the risks of losses resulting from any negative financial impact on the institution arising from the current or projected impact of ESG factors on the institution's counterparties or on its invested assets.

Environmental risk refers to losses resulting from any negative financial impact on the institution. This impact may result from the current or projected impact on the institution's counterparties or its invested assets of environmental factors, including factors related to the transition to the following environmental objectives:

- climate change mitigation;
- climate change adaptation;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and reduction;
- protection and restoration of biodiversity and ecosystems.

Environmental risk includes both physical risk and transition risk.

Physical climate risks can be acute or chronic:

- acute physical risks are defined as the risk of loss resulting from extreme weather events (floods, storms, hurricanes, forest fires), the resulting damage of which may result in the destruction of the physical assets held by local authorities or non-financial counterparties;
- chronic physical risks represent the risk of loss resulting from longer-term changes in climate models (loss of snow cover, sea level rise, shrinkage and swelling of clays, for example).

Physical risk can also be induced by environmental factors such as water stress, resource scarcity, biodiversity loss or other.

Transition risk is the financial loss resulting from the process of transitioning to a low-carbon and environmentally sustainable economy and may be attributable to climate or environmental factors, such as policy changes, regulations, technologies or market sentiment.

Social risk is the risk of losses resulting from any negative financial impact on the institution resulting from the current or expected impact of social factors, on the institution's counterparties or on its invested assets.

Governance risk is the risk of losses resulting from any negative financial impact on the institution arising from the current or expected impact of governance-related factors on the institution's counterparties or invested assets.

Steering, policies and governance

Objectives, targets, limits and performance assessment

With the founding principle of serving the public interest, Sfil adopted its corporate purpose statement in 2018: financing a sustainable future through a long-term and responsible support to regional development and large exporters by mobilizing international capital, with an objective of positive and moderate profitability as part of a controlled risk-taking and a balanced social model.

In 2018, Sfil joined the United Nations Global Compact, which aims to propose solutions to global challenges, in close connection with the Sustainable Development Agenda and the 17 United Nations Sustainable Development Goals by 2030. In 2021, the Sfil Group placed the challenges of sustainable development at the heart of its #Objectif 2026 strategic plan. The Group has structured its action around four areas:

- environmental transformation;
- social and regional cohesion;
- development and economic sovereignty;
- internal exemplarity.

These four areas are specified in section 2.6.1 "General guidelines on sustainable development" of the management report.

At the end of 2023, Sfil committed to gradually align its portfolios on trajectories compatible with the Paris Agreement and to mobilize EUR 17.5 billion respectively in favor of environmental transition via green loans to local authorities and the refinancing of export credits with a positive environmental or climate impact. In addition, EUR 12 billion will be dedicated to the financing of public hospitals and the social investments of French local authorities (see section 2.6.3 "Environmental information" of the management report).

Financing of the French local public sector

As part of its general interest mission, Sfil particularly supports local public sector players who, because of their skills, have a major role to play in achieving the carbon neutrality objective set out in the National Low-Carbon Strategy (SNBC) that France has set for 2050. The need to ramp up local authority investments in favor of the climate is also underlined by the I4CE Institute [6] which values them at EUR 23 billion by 2030.

As the leading local public sector financier, Sfil and its partners strongly support local authority investment projects with a positive environmental impact through the granting of green loans. These loans cover the following categories:

- renewable energy;
- soft mobility and clean transport;
- energy efficiency in construction;
- sustainable water and sanitation management;
- waste management and recovery.

Sfil has partially adapted the range of green loans offered to French local authorities to the European Green Taxonomy, and in particular to the objectives of climate change mitigation and adaptation, the sustainable use and protection of water and marine resources and the transition to a circular economy.

The Taxonomy is an opportunity to extend the range of green loans to local authorities for certain types of projects, such as heating networks. It also enables Sfil to engage its local public sector customers on the challenges of the environmental transition.

In addition, the Sfil Group actively supports the social projects of its customers via loans to French public hospitals and a range of social loans intended for French local authorities. This latter financing offer covers the following areas:

- fire and rescue services;
- health, social and family actions;
- education and vocational training;
- sport, culture and community;
- regional renewal and cohesion.

The roll-out of these thematic offers is accompanied by a broad awareness-raising among borrowers in order to enroll them in full support of the actions carried out by local authorities and their groupings in the environmental and social fields.

(6) Overview of local authority climate finance, September 2024 (I4CE).

Refinancing of export credits

As a public development bank, Sfil's mandate is to develop, support and sustain jobs and economic activity in France (in line with Sustainable Development Goal no. 8 *Decent work and economic growth*). The refinancing of export credits can have a positive environmental or social impact in the countries of destination on the following themes:

Green loans	Social loans
• Soft mobility and clean transport • Renewable energy • Low-carbon energy	• Access to essential services • Affordable basic infrastructures

Export credits are outside the scope of the European taxonomy, being mainly counterparties located outside the European Union. Nevertheless, the criteria for certain categories of green projects, included in the framework of the Sfil Group's green, social and sustainable bond issues mentioned below, are taken from the European taxonomy.

In addition, the refinancing of export credit by Sfil is also covered by the standards contained in the Arrangement on Officially Supported Export Credits published by the OECD and by social guidelines.

Bond issues

In order to support customers in these business lines in their investments in favor of the energy and environmental transition, since 2019 Sfil has issued thematic bonds that refinance green or social loans. These thematic bonds are governed by the framework of green, social and sustainable bond issues, updated in November 2024. This framework was established in accordance with the Green Bond Principles (2021 version with the annex of June 2022), the "Social Bond Principles" (2023 version) and the Sustainability Bond Guidelines (2021 version) as published by the International Capital Markets Association.

Sfil has set a target of 33% of emissions in a green, social or sustainable format over the period 2024-2030. In 2024, the Group issued 33% of thematic bonds.

Policies and procedures for direct and indirect dialog with counterparties

Due to its status as a public development bank, Sfil does not participate in the production or trade of any illicit products, or any illegal activities under the laws of France or the country of operation for these two business lines, i.e. the local public sector and the refinancing of export credits.

Given the central role of French local authorities in the environmental transition, Sfil particularly supports these players in their growing need for financing in projects with a positive environmental impact via green loans, by adapting its lending policy. The lending criteria take into account the environmental and social utility of the projects financed, with a more pronounced risk appetite when it comes to green and social financing.

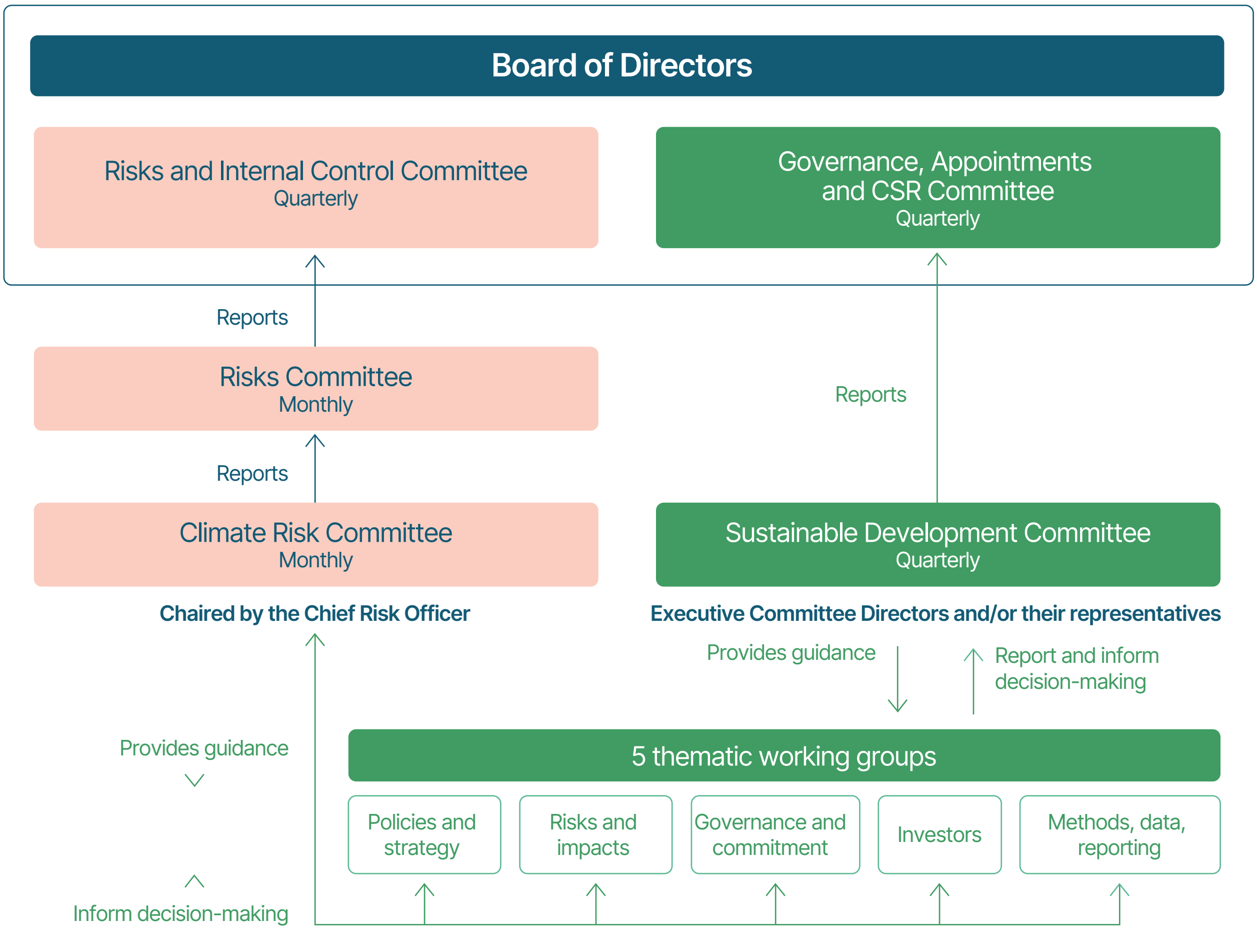
As part of the implementation of its climate and environmental risk policy, Sfil takes into account the documents published by local authorities such as risk identification studies in their regions and vulnerability studies. Sfil is also attentive to the new regional Conferences of the Parties (COP) set up to respond to climate change and the adaptation of certain local authorities that are more exposed than others.

The export credit refinancing system is part of a more global ecosystem committed to the mitigation and reduction of environmental and social risks:

- the export credits benefiting from the credit insurance of Bpifrance Assurance Export are aligned with France's public policy in terms of sustainable development and with the recommendations of the OECD Council (the Common Approaches) which refer, in particular, to the World Bank's environmental and social standards and the International Finance Corporation (IFC) performance standards;
- most of Sfil's banking partners (18 out of 30) are signatories of the Equator Principles, a set of provisions intended to serve as a common basis and framework for financial institutions to identify, assess and manage environmental and social risks when financing projects. They are based on the IFC performance standards and World Bank's environmental and social criteria;
- for projects with a high environmental or social impact, an ex-ante analysis is carried out by an independent expert appointed by the banking syndicate. This analysis examines measures that can be taken to avoid, minimize, mitigate or correct adverse impacts and/or to improve environmental and social performance. If necessary, it results in the implementation of an environmental and/or social management plan.

Governance

Sfil's Board of Directors pays particular attention to sustainability issues, and in particular, to climate and environmental risks in accordance with its internal regulations. The Board approved the *#Objectif 2026* strategic plan, and in particular its corporate social responsibility component and ambitions.



For all of its work, the Board of Directors is assisted by several specialized committees, in particular by the Risks and Internal Control Committee and by the Governance, Appointments and CSR Committee. The latter examines Sfil's strategic thinking in terms of sustainability, the actions carried out and monitors the preparation and publication of information. It is in this context that it issues an opinion on Sfil's sustainable development report, which is then approved by the Board of Directors.

In coordination with the Sustainable Development Committee, a specific climate risk governance has also been put in place in the form of a Climate Risk Committee. Chaired by the Chief Risk Officer and made up of representatives of the various divisions concerned, this committee is responsible for steering and implementing the work undertaken as part of the "climate roadmap". The work examined by the climate risk committee is then presented in summary form to the sustainable development committee. The sustainable development and climate risk committees are assisted in these tasks by five working groups composed of contacts from the various (operational and support) divisions, including a group dedicated to climate risks and their impacts, managed by the risks' division, with in particular the objective of discussing work to detect, assess, monitor and manage climate and environmental risks.

ESG risks are integrated into Sfil's risk appetite with the implementation of monitoring indicators reflecting Sfil's commitments. Each of the indicators put in place is monitored by the operational division concerned and is presented quarterly to the Risks Committee, General Management, the Risks and Internal Control Committee and the Board of Directors via the indicator dashboard. A report on climate risks is presented each quarter to the Risks and Internal Control Committee as part of the Quarterly Risks Review.

The Risks and Internal Control Committee is thus kept informed of all work on climate and environmental risks. The roadmap for the year 2024 was approved at the Board of Directors meeting of December 6, 2023.

As part of its policy of approving new products and services to its customers, the New Products Committee ensures compliance with the applicable regulations on the protection of the Group's customers.

Lastly, the activities listed in section 2.6.1. "General guidelines in terms of sustainable development" are subject to a policy of exclusion from Sfil's financing.

Compensation policy and CSR objectives

The compensation of the Chief Executive Officer is submitted by the Compensation Committee to the Board of Directors for decision. In 2024, 30% of the objectives concern ESG performance criteria.

Similarly, the members of the Executive Committee who do not exercise a control function receive variable compensation based on individual and cross-functional objectives. Cross-functional objectives contribute to half of their annual performance and are defined by the Board of Directors. 30% of these cross-functional objectives include ESG criteria in 2024.

Incentives and profit-sharing plans are in effect at Sfil (agreements of May 31, 2023). The weighting of the ESG criteria in the calculation formula, which represent one third of the overall weight of the collective performance (see section 2.6.2 "Social information" of the management report).

Monitoring of environmental, social and governance risks

Management framework

Applicable framework

The Sfil Group takes environmental risks into account with regard to the different levels of regulation:

- for the definitions and the framework within which this management must be applied: the ECB Guide on climate and environmental risks, the proposed amendment 2021/0341 to directive 2013/36 as well as the proposed amendment 2021/0342 of EU Regulation 575/2013;
- for the identification of climate and environmental risk factors and the assessment of their impact on traditional risk categories: guidelines on non-financial reporting: supplement on climate-related information (2019/C 209/01).

As part of the studies (in particular on the transition risk), the scenarios were drawn up on the basis of the ACPR/NGFS (orderly, delayed or accelerated transition) narratives of the SNBC implementation trajectory as adopted by the decree of April 21, 2020.

Given the French legal and legal framework and international human rights treaties ratified by France, local public sector entities are not very exposed to the risk of non-compliance with human rights. The French legal framework incorporates in their entirety the conventions of the International Labour Organization relating to:

- respect for freedom of association and the right to collective bargaining;
- the elimination of discrimination in respect of employment and occupation;
- the elimination of forced or compulsory labor;
- the effective abolition of child labor.

French local authorities also carry out social missions and ensure proper compliance with the regulations in force both within their structure and within their region.

The governance of local public sector entities is regulated by the laws and regulations grouped within the General Code of Local Authorities and the Public Health Code. In addition, they are regularly checked by the French State services (network of prefectures for local authorities and that of regional health agencies for public health institutions) to ensure proper compliance with the regulations in force.

French export credit transactions comply with strict rules in terms of environmental and social standards, the fight against corruption and debt sustainability from the point of view of borrowers. Export credit transactions are governed by a set of rules set out in the OECD Arrangement and in the recommendations that supplement it [7].

Recommendation of "Common Approaches" (OECD)

- mention of the environmental and social impact of projects benefiting from export credits;
- review, implementation of due diligence, assessment of projects according to international standards
- assessment of projects against relevant aspects of the eight IFC Performance Standards

Performance Standard 1 (SFI)

- identification of the environmental and social impacts, risks and opportunities associated with a project:
  - greenhouse gas emissions
  - relevant risks associated with climate change
  - adaptation options
  - cross-border effects (air pollution, international water use or pollution)

Bpifrance Assurance Export

- application of the multilateral regulatory framework for public intervention
- integration of environmental and social risks in the impact analysis (human rights, fight against corruption, transparency, decision-making)

Equator Principles

- all export transactions refinanced to date by Sfil involved a bank that had signed the Equator Principles and were therefore compliant with these principles

(7) *https://legalinstruments.oecd.org/en/instruments/OCD-LEGAL-0393*

Lastly, French local public sector entities and export credit counterparties are not subject to non-financial reporting obligations.

ESG risks taxonomy

ESG risks may materialize through the specific activities of the Sfil Group or its counterparties as part of the lending activity. These risks have been identified as potentially affecting the Group's financial performance.

Sfil's risks taxonomy includes ESG risks. These are divided into three categories, each with sub-themes:

- Climate and environmental risk: physical climate risk, transition risk, risk related to pollution, risk related to biodiversity and ecosystems and risk related to resources and waste;
- Social risk: risk related to working conditions in the value chain, risk related to affected communities and risk related to end users and consumers;
- Governance risk: risk related to the conduct of business (fight against corruption, political commitment, relations with suppliers, etc.).

Data

Most data is not available for the local public sector loan portfolio. Counterparties are not subject to the same non-financial disclosure requirements as companies. Consequently, Sfil relies on various sources, drawn from public data and research institutes.

As part of the implementation of its climate and environmental risk rating tool (climate and environment rating - see *Climate and environment mapping and ratings* below) on the local public sector portfolio, and the absence of structured, comprehensive and homogeneous data publications by these counterparties, the application of approximations was necessary.

The valuation work was carried out on all French local authorities. The very detailed analysis carried out at the level of the municipalities formed the basis for that of the other authorities, in particular the own-tax groups, departments and regions. The methodology is based on the use of structured, homogeneous and public data, without soliciting borrowers. It aims to measure a gross risk only, i.e. without taking into account the adaptation measures already undertaken by the borrower.

In 2024, this climate and environmental rating was tested on a sample of borrowers with at least a high climate and environmental risk. The test made it possible to measure the interest and robustness of the tool. From 2025, the climate and environment rating will be gradually integrated into the process of granting financing to local authorities as follows:

- the gross climate and environmental risk is rated by the tool based on public data only;
- an additional analysis is carried out according to this rating and other criteria, in particular financial. This analysis is carried out by the teams of the local public sector division ("first line of defense") and/or the risks' division ("second line of defense"). Depending on the type of authority concerned, it is based on the collection of information and any specific and relevant document sent by the borrower.

Sfil has a better understanding of the projects it finances in the case of thematic loans (green and social loans to local authorities) and can better understand their impact in order to improve its management of ESG risk on the local public sector.

Concerning the refinancing of export credits, in addition to the intervention framework governed by the OECD arrangement, Sfil has set up a tool to assess climate risks (physical risk and transition risk). The results of this tool feed into the ESG risk analysis tool ("ESG grid"). This ESG grid is structured into three components: environmental, social and governance. It takes into account the double materiality (the impact of the project as well as the risks weighing on the project). The environmental component analyzes climate issues, including mitigation and adaptation, as well as biodiversity. The analysis is based on the environmental and social impact study and the environmental and social management plan when required by the normative framework, and on any other specific and relevant document sent by the agent.

Global risk management system [Audited]

Sfil's risk management system incorporates the consideration of ESG risks. In this sense, the risk appetite monitors various ESG indicators, the Group's risk mapping assesses their materiality and the stress tests conducted anticipate events that may affect the Group's activities.

Risk appetite framework

Sfil has included the following indicators related to ESG risks in its risk appetite:

- Sfil's ESG score;
- the share of green and social loans to local authorities in the total annual production of the local public sector;
- the share of sustainable emissions (green, social and sustainable);
- production in sectors exposed to fossil fuels;
- the decarbonization trajectory of the French local public sector portfolio;
- the setting of a risk concentration limit for the outstanding French local authorities, in order to identify exposures presenting both a deteriorated credit risk and a significant physical climate risk.

The reporting process implemented by Sfil is presented in section 4.2. "Risk management system".

With regard to decarbonization trajectories by 2030 and the target for the production of green financing in 2024-2030, the gap to the target will be assessed once a year by the committees in charge of managing the local public sector activity on the one hand and the refinancing of export credit activity on the other, once the results of the carbon footprint measurement of the portfolios of the previous year are known; in the event of a misalignment observed or anticipated, corrective measures may be decided by these committees.

Identification, measurement and monitoring of sensitive exposures

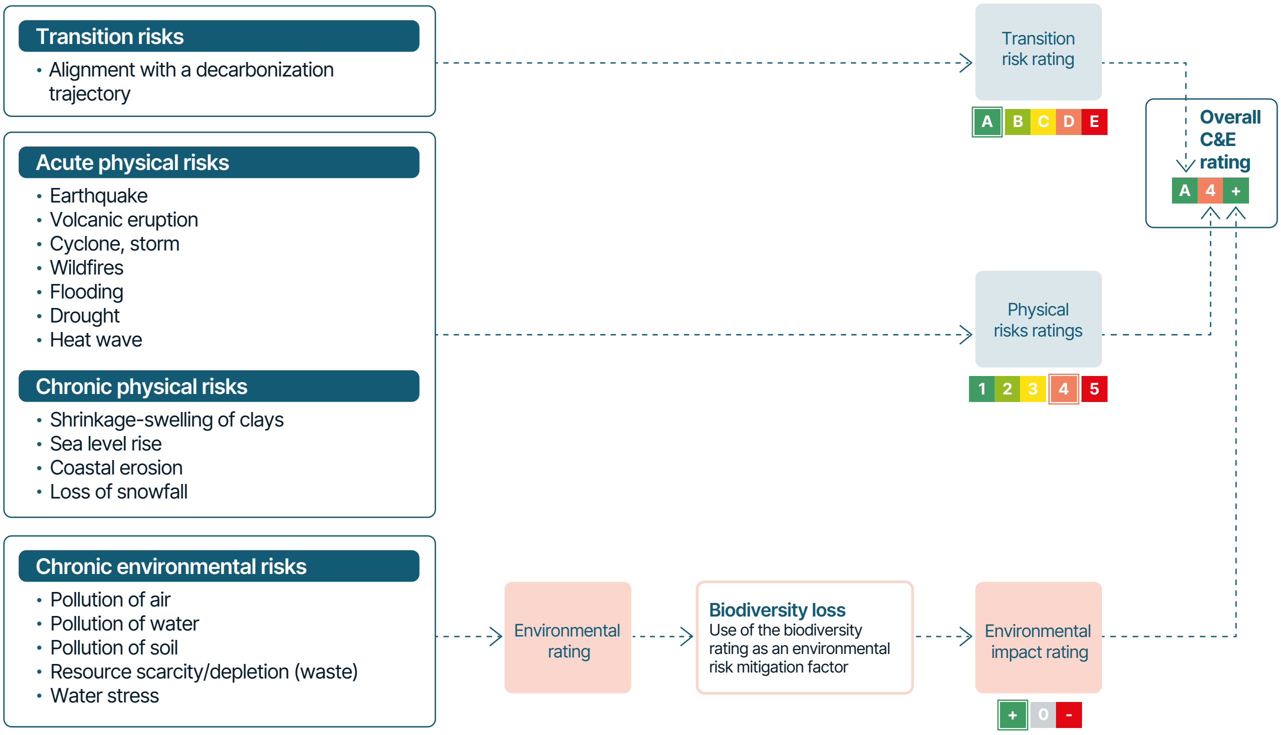
- **Climate and environment mapping and ratings**

Sfil mapped the risks induced by the climate and the environment in accordance with the material risk identification policy in force and assessed the materiality of their financial impact on a qualitative basis, i.e. on an expert basis, and according to two time horizons: short/medium term (less than five years) or long term (more than five years until 2050). The results by type of risk are detailed below. In addition, as part of its credit granting risk policy, the Group takes into account certain physical risks and performs sectoral monitoring of transition risks and geographical monitoring of acute physical risks in its portfolio of local authorities.

Sfil has developed a rating tool for the local public sector (municipalities, groupings with own taxation, groupings without own taxation, departments, regions and French public hospitals) used for granting loans and monitoring risks. The methodology implemented incorporates both direct and indirect risks (vulnerability of the local economic fabric) and includes three distinct components forming an overall climate and environmental rating. The three components of this rating are:

- a score measuring transition risk that is intended to assess transition challenges for local authorities and drawn up on the basis of the various studies carried out to date:
- a score measuring acute physical risks (earthquakes, cyclones, forest fires, floods, drought, heat waves) and chronic risks (loss of snow, shrinkage and swelling of clays, coastal erosion and sea level rise);
- a score measuring chronic environmental risks. The rating, expressed in the form of an outlook, covers the following risks: air, water and soil pollution, scarcity and depletion of resources (waste), water stress and loss of biodiversity.

Work on physical risk used the IPCC RCP 8.5 scenario (the most pessimistic) whenever possible.



With regard to the export credit portfolio, Sfil rolled out a rating tool in 2024 enabling an in-depth analysis of risk factors. This tool covers:

- acute physical risks, such as floods, drought, storms, extreme temperatures, heat waves and cold waves, and forest fires;
- chronic physical risks, such as increased temperatures;
- transition risk, incorporating elements such as the sector of activity, country of operation, regulatory risks, technological risks, as well as mitigation measures.

It thus provides a detailed view of the borrower's exposure to climate hazards, its sectoral vulnerability and finally its net exposure after taking into account risk mitigation measures. It also provides an overview of the borrower's transition risk exposure, taking into account its sector of activity, the country in which it operates and the risk mitigation measures already implemented. This climate rating tool feeds into the ESG grid mentioned above (see above *Policies and procedures for direct and indirect dialog with counterparties*).

- **Stress tests**

Within the ICAAP framework, the approach used was deepened and the scope extended. For the local public sector portfolio, the global climate and environmental rating now available is used to determine a possible penalty to be applied to each third party concerned, which makes it possible to calculate impacts in terms of weighted risks and expected losses.

For the export credit portfolio, a specific climate crisis scenario applicable to a particular country was defined, leading to the classification in default of the third parties concerned and the valuation of the impact in terms of direct losses or expected losses.

More generally, ESG risks are also likely to have reputational impacts. They are included in the reputational risk, which is quantified under the ICAAP through an increase in the cost of refinancing.

The 2024 ILAAP exercise took into account climate risk via assumptions of acute physical risks on overseas local authorities leading to financial difficulties.

Sfil also participates in climate stress tests organized by the regulators, in particular the test initiated by the EBA (Fit for 55).

- **Risk management**

Transition risk management is based in particular on:

- the exclusion of sectors exposed to fossil fuels (see "Exclusion policy" in section 2.6.1 "General guidelines on sustainable development");
- taking into account the social and environmental utility of the projects financed in the lending criteria, with a greater risk appetite for green and social loans;
- monitoring the decarbonization trajectory and production targets for green loans and setting a limit monitoring indicator for the French local public sector in the risk appetite.

Physical risk management is based in particular on:

- the implementation of specific analysis and rating methodologies for borrowers subject to particular climatic hazards;
- the integration of the climate and environment rating into the process of granting financing to local authorities and the implementation of additional analyzes according to this rating and other criteria, in particular financial;
- priority support for these borrowers in their investments in connection with adaptation to climate change;
- the implementation of a new risk concentration indicator for outstanding to the French local public sector (excluding hospitals), in order to identify exposures presenting both a deteriorated credit risk and a significant physical climate risk.

With regard to its loan refinancing activities, the Group increasingly incorporates ESG factors into its lending criteria: the delegated scheme and lending decisions take into account the social and environmental utility of the projects financed.

With regard to the export credit activity, Sfil, which exclusively refinances export credits insured by Bpifrance Assurance Export, ensures in its application process:

- compliance with Bpifrance Assurance Export requirements arising from the OECD arrangement and other OECD recommendations governing export credit;
- that these requirements are enforceable against the debtor, so that the export credit can be suspended or terminated early if the debtor's commitments to mitigate environmental, social or anti-corruption impacts are not met.

Types of risks

The materiality of climate risks is assessed by reference to traditional risk classes (credit risk, market and liquidity risk, operational risk and reputational risk) and according to different time horizons: short- or medium-term (i.e. less than five years) or long-term (i.e. more than five years until 2050).

Physical and transition risk factors influence economic activities as well as the financial system, leading to direct or indirect impacts. Consequently, these risks are decisive factors for the traditional risk categories, in particular credit, ALM, operational and reputational risks. The analyses show that a net risk never exceeds an average level for all risk categories, regardless of the time horizon considered.

The potential impact of social risks for local authorities is extremely low in view of their role and powers (which include social missions) and given the French Constitutional and legal framework and international human rights treaties ratified by France.

Credit risk

Sfil's mapping linking credit risk to environmental risks was constructed by separating the two activities of the group. It is based, in particular, on national standards such as the SNBC.

Credit risk	Description	Scope	Physical risk SMT	Physical risk LT	Transition risk SMT	Transition risk LT
	• Increased investment needs of French local authorities for the implementation of the national low-carbon strategy (SNBC) • Downgrading of the risk profile of certain counterparties exposed to physical and/or transition risks: - Increased risks in certain territories (particularly in French Overseas Departments and Collectivities) - Impact of regional changes on the socio-economic fabric - Increased pricing of greenhouse gas emissions (higher operating cost)	Local public sector				
		Export credit				

Low risk Medium risk High risk Not applicable
SMT: Short or medium term LT: Long term

At the same time, qualitative mappings were carried out to identify environmental risk factors and their transmission channels. These include, in particular, sectorial climate and environmental risk mappings for the export credit portfolio, as well as environmental risk mapping for the local public sector.

Finally, Sfil has taken into account climate risks (physical climate and environmental risks, transition risk) in its rating models.

Balance sheet/market risk

The Group has identified external or internal environmental factors whose influence could materialize through its liquidity and market risks.

	Description	Scope	Physical risk		Transition risk	
			SMT	LT	SMT	LT
Liquidity and market risk	• Saturation of Sfil and Caffil's issue capacities if the climate investments of local authorities are higher than expected, in particular if the investments for the low-carbon transition do not replace traditional investments	Local public sector	Low	Low	Low	Medium
	• Downgrading of non-financial rating	Sfil			Medium	Medium
	• Degradation in the value of liquidity buffers, particularly of sovereigns in the event of repeated weather events in their territory or of banks in the event of a downgrade in their non-financial rating	Sfil	Low	Low	Low	Low
	• Shortage of green assets	Sfil			Low	Medium

Low risk Medium risk High risk Not applicable
SMT: Short or medium term LT: Long term

Operational risk

As part of the assessment of the link between environmental risks and operational risk, Sfil analyzed the natural risks likely to affect its sites as well as those of its essential outsourced service providers.

	Description	Scope	Physical risk		Transition risk	
			SMT	LT	SMT	LT
Operational risk	• Damage to infrastructure (real estate, data centers) or business interruption	Sfil and suppliers	Low	Medium		

Low risk Medium risk High risk Not applicable
SMT: Short or medium term LT: Long term

Non-compliance risk

Sfil has carried out a mapping of the reputation and legal risk related to climate and environmental risks.
The reputation of the Sfil Group may be significantly affected due to the third parties with which it is in contact. The Group only deals with partners who meet the established integrity rules, requirements that are more generally part of Sfil's sustainable development approach. The non-compliance risks and systems implemented by Sfil are presented in section 4.4.8 "Non-compliance risk".

	Description	Scope	Physical risk		Transition risk	
			SMT	LT	SMT	LT
Reputational risk	• Financing of environmentally controversial activities	Local public sector			Low	Low
		Export credit			Medium	Medium
Legal and non-compliance risk	• Non-alignment of the funded project with the climate objective initially sought • Legal recourse ("liability risk") resulting directly or indirectly from losses caused by physical or transition risks	Sfil	Low	Low	Low	Medium

Low risk Medium risk High risk Not applicable
SMT: Short or medium term LT: Long term

Quantitative information

ESG 1: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK INDICATORS: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMIS AND RESIDUAL MATURITY

Most of the non-financial counterparties to which Sfil is exposed are not subject to the Taxonomy Regulation, either because they are below the thresholds set by European regulations or because they are outside the European Union. Consequently, the environmentally sustainable exposures (column c) are marginal.

The methodology for calculating financed emissions is detailed in section 2.6.3 "Environmental information" of the management report.

		a	b	c	d	e
		Gross carrying amount *EUR millions*				
	Sector/Sub-sector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures
1	Exposures towards sectors that highly contribute to climate change *	6,322	-	4	148	4
2	**A - Agriculture, forestry and fishing**	**-**	**-**	**-**	**-**	**-**
3	**B - Mining and quarrying**	**115**	**-**	**-**	**-**	**-**
4	*B.05 - Mining of coal and lignite*	-	-	-	-	-
5	*B.06 - Extraction of crude petroleum and natural gas*	*115*	-		-	-
6	*B.07 - Mining of metal ores*	-	-	-	-	-
7	*B.08 - Other mining and quarrying*	-	-	-	-	-
8	*B.09 - Mining support services activities*	-	-	-	-	-
9	**C - Manufacturing**	**-**	**-**	**-**	**-**	**-**
10	*C.10 - Manufacture of food products*	-	-	-	-	-
11	*C.11 - Manufacture of beverages*	-	-	-	-	-
12	*C.12 - Manufacture of tobacco products*	-	-	-	-	-
13	*C.13 - Manufacture of textiles*	-	-	-	-	-
14	*C.14 - Manufacture of wearing apparel*	-	-	-	-	-
15	*C.15 - Manufacture of leather and related products*	-	-	-	-	-
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	-	-	-	-	-
17	*C.17 - Manufacture of pulp, paper and paperboard*	-	-	-	-	-
18	*C.18 - Printing and service activities related to printing*	-	-	-	-	-
19	*C.19 - Manufacture of coke oven products*	-	-	-	-	-
20	*C.20 - Production of chemicals*	-	-	-	-	-
21	*C.21 - Manufacture of pharmaceutical preparations*	-	-	-	-	-
22	*C.22 - Manufacture of rubber products*	-	-	-	-	-
23	*C.23 - Manufacture of other non-metallic minerals products*	-	-	-	-	-
24	*C.24 - Manufacture of basic metals*	-	-	-	-	-
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	-	-	-	-	-
26	*C.26 - Manufacture of computer, electronic and optical products*	-	-	-	-	-
27	*C.27 - Manufacture of electrical equipment*	-	-	-	-	-
28	C.28 - Manufacture of machinery and equipment n.e.c.	-	-	-	-	-

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *EUR millions*			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *tons of CO_2 equivalent*							
	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity
(2)	(1)	(0)	1,096,892	146,950	99.46%	134	2,756	3,350	82	10
-	-	-	-	-	-	-	-	-	-	-
(0)	**-**	**-**	**129,915**	**120,689**	**100.00%**	**-**	**115**	**-**	**-**	**8**
-	-	-	-	-	-	-	-	-	-	-
(0)	*-*	*-*	*129,915*	*120,689*	*100.00%*	*-*	*115*	*-*	*-*	*8*
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-

		a	b	c	d	e
		Gross carrying amount *EUR millions*				
Sector/Sub-sector			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	-	-	-	-	-
30	*C.30 - Manufacture of other transport equipment*	-	-	-	-	-
31	*C.31 - Manufacture of furniture*	-	-	-	-	-
32	*C.32 - Other manufacturing*	-	-	-	-	-
33	*C.33 - Repair and installation of machinery and equipment*	-	-	-	-	-
34	**D - Electricity, gas, steam and air conditioning supply**	**393**	**-**	**-**	**85**	**-**
35	*D35.1 - Electric power generation, transmission and distribution*	*393*	-	-	*85*	-
36	*D35.11 – Production of electricity*	*322*	-		*28*	
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	-	-	-	-	-
38	*D35.3 - Steam and air conditioning supply*	-	-	-	-	-
39	**E - Water supply; sewerage, waste management and remediation activities**	**-**	**-**	**-**	**-**	**-**
40	**F - Construction**	**34**	**-**	**4**	**-**	**3**
41	*F.41 - Construction of buildings*	*4*	-	-	-	*3*
42	*F.42 - Civil engineering*	*22*	-	-	-	-
43	*F.43 - Specialised construction activities*	*8*	-	*4*	-	-
44	**G - Wholesale and retail trade; repair of motor vehicles and motorcycles**	**-**	**-**	**-**	**-**	**-**
45	**H - Transportation and storage**	**4,980**	**-**	**-**	**-**	**-**
46	*H.49 - Land transport and transport via pipelines*	*366*	-	-	-	-
47	*H.50 - Water transport*	*4,554*	-	-	-	-
48	*H.51 - Air transport*	*60*	-	-	-	-
49	*H.52 - Warehousing and support activities for transportation*	-	-	-	-	-
50	*H.53 - Postal and courier activities*	-	-	-	-	-
51	**I - Accommodation and food service activities**	**-**	**-**	**-**	**-**	**-**
52	**L - Real estate activities**	**800**	**-**	**0**	**63**	**0**
53	Exposures towards sectors other than those that highly contribute to climate change *	157	-	-	6	-
54	**K – Financial and insurance activities**	**19**	**-**	**-**	**-**	**-**
55	**Exposures to other sectors (NACE codes J, M - U)**	**138**	**-**	**-**	**6**	**-**
56	**TOTAL**	**6,479**	**-**	**4**	**154**	**4**

(a) In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

f	g	h	i	j	k	l	m	n	o	p
Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions *EUR millions*			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *tons of CO_2 equivalent*							
	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
(1)	**(0)**	**-**	**210,439**	**27**	**100.00%**	**28**	**58**	**307**	**0**	**13**
(1)	*(0)*	-	*210,439*	*26,669*	*100.00%*	*28*	*58*	*307*	*0*	*13*
(0)	*(0)*	-	*120,145*	*25,394*	*100.00%*	*28*	-	*294*	*0*	*15*
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(0)	**-**	**(0)**	**-**	**-**	**-**	**8**	**20**	**0**	**5**	**9**
(0)	-	*(0)*	-	-	-	-	*4*	-	-	*9*
(0)	-	-	-	-	-	*0*	*16*	*0*	*5*	*11*
(0)	-	-	-	-	-	*8*	-	-	-	*4*
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(2)	**-**	**-**	**738,538**	**26,234**	**100.00%**	**-**	**2,280**	**2,700**	**0**	**10**
(0)	-	-	*154,742*	*4,201*	*100.00%*	-	-	*366*	*0*	*11*
(1)	-	-	*522,519*	*22,017*	*100.00%*	-	*2,220*	*2,334*	*0*	*10*
(0)	-	-	*61,277*	*16*	*100.00%*	-	*60*	-	-	*8*
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
(0)	**(0)**	**(0)**	**18,000**	**-**	**100.00%**	**98**	**282**	**343**	**76**	**12**
(0)	(0)	-				19	87	51	0	9
(0)	**-**	**-**				**19**	**-**	**-**	**-**	**3**
(0)	**(0)**	**-**				**-**	**87**	**51**	**0**	**9**
(3)	**(1)**	**(0)**	**1,096,892**	**146,950**	**99.46%**	**153**	**2,843**	**3,401**	**82**	**10**

ESG 2: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK INDICATORS: LOANS COLLATERALIZED BY IMMOVABLE PROPERTY - ENERGY EFFICIENCY OF THE COLLATERAL

The real estate loans in Sfil's portfolio are not collateralized by underlying immovable property. These are loans granted to social housing organizations that have been guaranteed by French local authorities.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		p
		Total gross carrying amount amount *EUR millions*																
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without energy performance certificate label of collateral		
	Counterparty sector		(0) ≤ 100	> 100; ≤ 200	> 200; ≤ 300	> 300; ≤ 400	> 400; ≤ 500	> 500	A	B	C	D	E	F	G			Of which level of energy efficiency (energy performance score in kWh/m² of collateral) estimated
1	**TOTAL EU AREA**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2	Of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Of which collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	**TOTAL NON-EU AREA**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
7	Of which loans collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Of which collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

ESG 3: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK INDICATORS: ALIGNMENT METRICS

Sfil's exposures to non-financial counterparties in the maritime transport and electricity grid sectors are not included in the table above in the absence of a relevant sectorial trajectory for the IEA. They represented outstanding amounts of EUR 4.6 billion at December 31, 2024.

- Sfil has set targets for reducing the greenhouse gas emissions of its financing portfolios. Concerning the non-financial counterparties to which financing is granted as part of the export credit activity: Sfil excludes the financing of new projects in the coal, oil and gas sectors. The exposures currently in the portfolio will be extinguished by 2034.
- In terms of electricity production, Sfil is committed to refinancing only low-carbon or nuclear energy projects, and more selectively gas-fired power plants if they contribute to improving the carbon intensity of the energy mix in the destination country.
- Sfil aims to support the transition efforts of the shipping sector and in particular the cruise sub-sector, by financing the construction of less polluting and more low-carbon vessels. The Poseidon Principles provide a common framework for assessing and disclosing the climate alignment of shipping finance portfolios. In addition, the Poseidon Principles are in line with the policies and ambition of the International Maritime Organization (IMO), i.e. net zero by 2050 with intermediate objectives in 2030 and in 2040. While it was initially planned for 2024, the process of adhering to the Poseidon Principles will begin during the first half of 2025.

In addition, with regard to French local authorities and public hospitals, which account for most of Sfil's exposures (EUR 45 billion at December 31, 2024), Sfil aims to reduce the carbon intensity of its portfolio to 76 gCO_2/€ by 2030, in line with the SNBC (revised version of 2018-2019). This objective will be updated with the new version of the SNBC expected in the course of 2025.

	a	b	c	d	e	f
	Sector	NACE sectors	Portfolio gross carrying amount *EUR millions*	Alignment metric	Year of reference	Distance to IEA NZE 2050 scenario
1	Power	Electricity, gas, steam and air conditioning supply	322	gCO_2e/kWh	2024	-13%
2	Fossil fuel combustion	Extraction of hydrocarbons	115	gCO_2e/kWh	2024	-4%
3	Fossil fuel combustion	Distribution of gaseous fuels through mains	141	gCO_2e/kWh	2024	0%
4	Air transport	Passenger air transport	60	tCO_2e/million p.km	2024	54%

ESG 4 - BANKING BOOK - CLIMATE CHANGE TRANSITION INDICATORS

Sfil relied on the information published by the Climate Accountability Institute to identify any exposure to the 20 highest-emitting entities in the world. Sfil has no exposure to these counterparties.

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	-	-	-	-	-

** For counterparties among the top 20 carbon emitting companies in the world*

ESG 5 - BANKING BOOK - CLIMATE CHANGE PHYSICAL RISK INDICATORS: EXPOSURES SUBJECT TO PHYSICAL RISK

Sfil's portfolio mainly consists of exposures to French local authorities. As a result, the work carried out on physical risk focused on these counterparties. The work focused on the following chronic and acute hazards: storms, cyclones, fires, floods, earthquakes, drought, heat waves, coastal erosion, shrinkage and swelling of clays, sea level rise, risk of snow loss). The IPCC RCP 8.5 scenario (the most pessimistic) is used whenever possible. This table presents exposures to counterparties for which the physical risk is considered high or very high.

Sfil is continuing its work on physical risk in order to cover its entire portfolio, and in particular its exposures to non-financial counterparties, which are covered by this table.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount *EUR millions*													
			Of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket										Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	Variable: Geographical area subject to climate change physical risk - acute and chronic events		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Average weighted maturity	Of which exposures sensitive to impact from chronic climate change events	Of which exposures sensitive to impact from acute climate change events	Of which exposures sensitive to impact from both chronic and acute climate change events	Of which stage 2 expo-sures	Of which non-performing exposures		Of which stage 2 expo-sures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	-													
2	B - Mining and quarrying	115													
3	C - Manufacturing	-													
4	D - Electricity, gas, steam and air conditioning supply	393													
5	E - Water supply; sewerage, waste management and remediation activities	-													
6	F - Construction	34													
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	-													
8	H - Transportation and storage	4,980													
9	L - Real estate activities	800													
10	Loans collateralized by residential immovable property	-													
11	Loans collateralised by commercial immovable property	-													
12	Repossessed collaterals	-													

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount *EUR millions*													
	Of which exposures sensitive to impact from climate change physical events													
Variable: Geographical area subject to climate change physical risk - acute and chronic events		Breakdown by maturity bucket					Of which exposures sensitive to impact from chronic climate change events	Of which exposures sensitive to impact from acute climate change events	Of which exposures sensitive to impact from both chronic and acute climate change events	Of which stage 2 expo-sures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		≤ 5 years	> 5 years ≤ 10 years	> 10 years ≤ 20 years	> 20 years	Average weighted maturity							Of which stage 2 expo-sures	Of which non-performing exposures
13 Other relevant sectors (breakdown below where relevant)	-													
14 General governments	39,713	695	1,852	4,606	1,419	14	-	-	8,571	224	33	(2)	(2)	(0)

ESG 6 - SUMMARY OF KPIS OF EXPOSURES ALIGNED WITH THE TAXONOMY

The ratio of aligned assets reflects the structure of Sfil's balance sheet with, on the one hand, loans to the French local public sector mainly consisting of financing of investment budgets and whose purpose is not precisely known, and export credits granted to counterparties outside the European Union. These two types of counterparties are not subject to non-financial disclosure requirements.

	KPI			
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	% coverage (over total assets)*
GAR stock	1.60%	0.00%	1.60%	80.02%
GAR flow				

** % of assets covered by the KPI over banks´ total assets*

As a methodological change now includes local authorities in the assets covered by the ratio, the flow data will be available in the next publication. The regulations applicable at December 31, 2024 no longer provide for the exclusion of these counterparties from assets in the numerator and denominator of the GAR ratio, unlike the 2023 financial year for which the information relating to the Taxonomy was prepared according to the clarifications provided by the European Commission's communication of December 21, 2023. The comparability of flow data is therefore not appropriate for this financial year in view of these changes.

ESG 7 - MITIGATION MEASURES: ASSETS INCLUDED IN THE GAR CALCULATION

The activities eligible for the climate objectives are defined by the delegated "climate" and "complementary" regulations and their amendments, where applicable. The following assets are considered eligible:

- exposures on financial and non-financial counterparties subject to the NFRD and for which information relating to the Taxonomy has been collected;
- financing for which the purpose of the financing is known, and which concerns an activity eligible for the Taxonomy for French local authorities.

To determine the aligned outstandings, Sfil relied on the information published by financial and non-financial counterparties subject to the Taxonomy. When the information is not available, the outstandings concerned are considered as non-aligned. In the specific case of exposures to local authorities for which the purpose of the financing is known, the analysis carried out is based on the underlying characteristics of the assets financed.

The GAR ratio is calculated as the ratio between the aligned assets and the covered assets, the latter corresponding to the eligible assets mentioned above plus:

- exposures to companies not subject to the NFRD (financial and non-financial corporations outside the European Union and European Union corporations below the declaration thresholds);
- derivatives, interbank demand loans, cash and cash equivalents and other assets (property, plant and equipment and intangible assets, tax assets and accrued income and miscellaneous assets, etc.).

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date T															
			Climate change mitigation (CCM)					Climate change adaptation (CCA)					Total (CCM + CCA)				
			Of which towards taxonomy-relevant sectors (taxonomy-eligible)					Of which towards taxonomy-relevant sectors (taxonomy-eligible)					Of which towards taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)			
	EUR millions	Total gross carrying amount			Of which specialized lending	Of which transitional	Of which enabling			Of which specialized lending	Of which adaptation	Of which enabling			Of which specialized lending	Of which transitional/ adaptation	Of which enabling
	GAR - COVERED ASSETS IN BOTH NUMERATOR AND DENOMINATOR																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	45,043	2,877	920	799	-	699	252	-	-	-	-	3,129	920	799	-	699
2	**Financial corporations**	**3,069**	**1,111**	**120**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,111**	**120**	**-**	**-**	**-**
3	Credit institutions	3,069	1,111	120	-	-	-	-	-	-	-	-	1,111	120	-	-	-
4	Loans and advances	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	3,068	1,111	120	-	-	-	-	-	-	-	-	1,111	120	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

4

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date T															
			Climate change mitigation (CCM)					Climate change adaptation (CCA)					Total (CCM + CCA)				
			Of which towards taxonomy-relevant sectors (taxonomy-eligible)					Of which towards taxonomy-relevant sectors (taxonomy-eligible)					Of which towards taxonomy-relevant sectors (taxonomy-eligible)				
				Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)			
EUR millions		Total gross carrying amount			Of which specia-lized lending	Of which transi-tional	Of which ena-bling			Of which specia-lized lending	Of which adap-tation	Of which ena-bling			Of which specia-lized lending	Of which transi-tional/ adap-tation	Of which ena-bling
19	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**9**	**4**	**2**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4**	**2**	**-**	**-**	**-**
21	Loans and advances	9	4	2	-	-	-	-	-	-	-	-	4	2	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-		-	-	-	-		-	-	-	-		-	-
24	**Households**	**-**	**-**	**-**	**-**	**-**	**-**						**-**	**-**	**-**	**-**	**-**
25	Of which loans collateralised by residential immovable property	-	-	-	-	-	-						-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-						-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-						-	-	-	-	-
28	**Local government financing**	**41,966**	**1,762**	**799**	**799**	**-**	**699**	**252**	**-**	**-**	**-**	**-**	**2,014**	**799**	**799**	**-**	**699**
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	41,966	1,762	799	799	-	699	252	-	-	-	-	2,014	799	799	-	699
31	Collateral obtained by taking possession: residential and commercial immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	**45,043**	**2,877**	**920**	**799**	**-**	**699**	**252**	**-**	**-**	**-**	**-**	**3,129**	**920**	**799**	**-**	**699**

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date T															
			Climate change mitigation (CCM)					Climate change adaptation (CCA)					Total (CCM + CCA)				
				Of which towards taxonomy-relevant sectors (taxonomy-eligible)					Of which towards taxonomy-relevant sectors (taxonomy-eligible)					Of which towards taxonomy-relevant sectors (taxonomy-eligible)			
					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)					Of which environmentally sustainable (taxonomy-aligned)		
	EUR millions	Total gross carrying amount			Of which specia-lized lending	Of which transi-tional	Of which ena-bling			Of which specia-lized lending	Of which adap-tation	Of which ena-bling			Of which specia-lized lending	Of which transi-tional/ adap-tation	Of which ena-bling
	ASSETS EXCLUDED FROM THE NUMERATOR FOR GAR CALCULATION (COVERED IN THE DENOMINATOR)																
33	**EU non-financial corporations (not subject to NFRD disclosure obligations)**	**853**															
34	Loans and advances	853															
35	Debt securities	-															
36	Equity instruments	-															
37	**Non-EU non-financial corporations (not subject to NFRD disclosure obligations)**	**7,018**															
38	Loans and advances	6,257															
39	Debt securities	761															
40	Equity instruments	-															
41	Derivatives	2,156															
42	On demand interbank loans	42															
43	Cash and cash-related assets	-															
44	Other activities (e.g. Goodwill, commodities, etc.)	2,398															
45	**Total assets in the denominator (GAR)**	**57,510**															
	OTHER ASSETS EXCLUDED FROM BOTH THE NUMERATOR AND DENOMINATOR FOR GAR CALCULATION																
46	Sovereigns	12,343															
47	Central banks exposure	2,016															
48	Trading book	-															
49	**Total assets excluded from numerator and denominator**	**14,359**															
50	**TOTAL ASSETS**	**71,869**															

ESG 8 - GAR *(%)*

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Disclosure reference date T: KPIs on stock															
		Climate change mitigation (CCM)					Climate change adaptation (CCA)					Total (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					
			Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable				
	% (compared to total covered assets included in the denominator)			Of which specialized lending	Of which transitional	Of which enabling			Of which specialized lending	Of which adaptation	Of which enabling			Of which specialized lending	Of which transitional/ adaptation	Of which enabling	Proportion of total assets covered
1	**GAR**	**5.00%**	**1.60%**	**1.39%**	**-**	**1.22%**	**0.44%**	**-**	**-**	**-**	**-**	**5.44%**	**1.60%**	**1.39%**	**-**	**1.22%**	**80.02%**
2	**Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation**	**6.39%**	**2.04%**	**1.77%**	**-**	**1.55%**	**0.56%**	**-**	**-**	**-**	**-**	**6.95%**	**2.04%**	**1.77%**	**-**	**1.55%**	**62.67%**
3	**Financial corporations**	**36.21%**	**3.90%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36.21%**	**3.90%**	**-**	**-**	**-**	**4.27%**
4	Credit institutions	36.21%	3.90%	-	-	-	-	-	-	-	-	36.21%	3.90%	-	-	-	4.27%
5	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Non-financial corporations (subject to NFRD disclosure obligations)**	**45.80%**	**22.90%**	**0.00%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**45.80%**	**22.90%**	**0.00%**	**-**	**-**	**0.01%**
10	**Households**	**-**	**-**	**-**	**-**	**-**						**-**	**-**	**-**	**-**	**-**	**-**
11	Of which loans collateralized by residential immovable property	-	-	-	-	-						-	-	-	-	-	-
12	Of which building renovation loans	-	-	-	-	-						-	-	-	-	-	-
13	Of which motor vehicle loans	-	-	-	-	-						-	-	-	-	-	-
14	**Local government financing**	**4.20%**	**1.90%**	**1.90%**	**-**	**1.67%**						**4.80%**	**1.90%**	**1.90%**	**-**	**1.67%**	**58.39%**
15	Housing financing	-	-	-	-	-						-	-	-	-	-	-
16	Other local government financing	4.20%	1.90%	1.90%	-	1.67%	0.60%	-	-	-	-	4.80%	1.90%	1.90%	-	1.67%	58.39%
17	**Collateral obtained by taking possession: residential and commercial immovable property**	**-**	**-**	**-**	**-**	**-**						**-**	**-**	**-**	**-**	**-**	**-**

ESG 10 - OTHER CLIMATE CHANGE MITIGATION ACTIONS NOT COVERED IN REGULATION (EU) 2020/852

Sfil does not hold any exposures to households or loans to non-financial corporations that are collateralized by commercial real estate assets.

	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount *EUR millions*	Type of risk mitigated (climate change transition risk)	Type of risk mitigated (climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	-	-	-	-
2		Non-financial corporations	-	-	-	-
3		Of which loans collateralized by commercial immovable property	-	-	-	-
7		Other counterparties	-	-	-	-
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations		-	-	-
9		Non-financial corporations	-	-	-	
10		Of which loans collateralized by commercial immovable property	-	-	-	-
11		Households	-	-	-	-
12		Of which loans collateralized by residential immovable property	-	-	-	-
13		Of which building renovation loans	-	-	-	-
14		Other counterparties	1,617	O	-	Loans to local authorities and financing projects aimed at: - drinking water and sanitation - energy efficiency of urban furniture - waste collection and sorting and rainwater management

4.5 Cross-reference table of Pillar 3 requirements

CRR art.	Topic	Report section	Pages
435	Risk management objectives and policy	4.1.2 Risk profile 4.2.1 Risk management organization and governance 4.2.4 Internal control	96 - 97, 98 - 99, 101 - 109
435	Governance information	3.1 Governance information	51 - 84
435, 451a	Statement on the adequacy of risk management systems, including liquidity risk	4. Risks and capital adequacy	93 - 195
435	Risk management strategies and processes for each type of risk	All sections 4.4	129 - 193
447 and 438	Key metrics	4.1.1 Key figures	95 - 96
436	Scope of consolidation	4.3.1 Scope of application of the prudential scope 4.3.2 Capital requirements and risk-weighted assets	110 - 112, 113 - 128
437, 438, 440, 451	Equity	4.2.3 Stress testing system 4.3.2 Capital requirements and risk-weighted assets	100 - 100, 113 - 128
442, 435, 444	Credit risk	4.4.1 Credit risk	129 - 146
439, 431, 453	Counterparty risk	4.4.2 Counterparty risk	146 - 152
451a, 435	Liquidity risk	4.4.3 Liquidity risk	152 - 162
435	Market risk	4.4.6 Market risk	165 - 165
435, 446, 454	Operational risk	4.4.7 Operational risk	165 - 167
449 a	ESG risks	4.4.10 ESG risks	171 - 193
443	Encumbered assets	4.4.3 Liquidity risk	152 - 162
450	Compensation policy	2.6.2 Social information	26 - 37

5. Consolidated financial statements

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5.1 Financial statements

5.1.1 Assets

EUR millions	Note	12/31/2024	12/31/2023
Central banks	*2.1*	2,016	2,980
Financial Assets at fair value through profit or loss	*2.2*	1,690	2,251
Hedging derivatives	*4.1*	2,142	2,189
Financial Assets at fair value through equity	*2.3*	-	80
Financial Assets at amortized cost			
Loans and advances to banks at amortized cost	*2.4*	56	67
Loans and advances to customers at amortized cost	*2.4*	55,007	51,393
Securities at amortized cost	*2.4*	8,514	7,985
Fair value revaluation of portfolio hedge		380	405
Current tax assets	*2.5*	1	13
Deferred tax assets	*2.5*	74	67
Tangible assets	*2.6*	28	32
Intangible assets	*2.7*	19	21
Accruals and other assets	*2.8*	1,940	2,165
TOTAL ASSET		**71,869**	**69,648**

5.1.2 Liabilities

EUR millions	*Note*	12/31/2024	12/31/2023
Central banks		-	-
Financial liabilities at fair value through profit or loss	*3.1*	335	431
Hedging derivatives	*4.1*	3,886	4,318
Financial liabilities at amortized cost			
Due to banks at amortized cost	*3.2*	-	-
Customer borrowings and deposits at amortized cost		-	-
Debt securities at amortized cost	*3.2*	65,640	62,894
Fair value revaluation of portfolio hedge		39	53
Current tax liabilities	*3.3*	1	2
Deferred tax liabilities	*3.3*	-	-
Accruals and other liabilities	*3.4*	349	227
Provisions	*3.5*	15	13
Subordinated debt		-	-
EQUITY	***3.6***	**1,602**	**1,709**
Capital		1,445	1,445
Reserves and retained earnings		155	256
Net result through equity		(67)	(49)
Net income		69	56
TOTAL LIABILITIES		**71,869**	**69,648**

5.1.3 Income Statement

EUR millions	*Note*	**2024**	2023
Interest income	*5.1*	5,070	4,740
Interest expense	*5.1*	(4,884)	(4,576)
Fee and commission income	*5.2*	5	8
Fee and commission expense	*5.2*	(4)	(4)
Net result of financial instruments at fair value though profit or loss	*5.3*	19	1
Net result of financial instruments at fair value though equity	*5.4*	-	-
Gains or losses resulting from derecognition of financial instruments at amortized cost	*5.5*	3	9
Gains or losses resulting from reclassification of financial assets at amortized cost to fair value through profit or loss		-	-
Gains or losses resulting from reclassification of financial assets at fair value through equity to fair value through profit or loss		-	-
Other income		0	0
Other expense		(0)	(0)
NET BANKING INCOME		**209**	**178**
Operating expenses	*5.6*	(103)	(103)
Depreciation and amortization of property and equipment and intangible assets	*5.7*	(14)	(16)
GROS OPERATING INCOME		**92**	**60**
Cost of risk	*5.8*	1	11
OPERATING INCOME		**93**	**70**
Net gains (losses) on other assets		(0)	(0)
INCOME BEFORE TAX		**93**	**70**
Income tax	*5.9*	(24)	(14)
NET INCOME		**69**	**56**
EARNINGS PER SHARE *(EUR)*			
• basic		7.44	6.08
• diluted		7.44	6.08

5.1.4 Net income and unrealized or deferred gains and losses through equity

EUR millions	**2024**	2023
NET INCOME	**69**	**56**
Items that may subsequently be reclassified through profit or loss	**(18)**	**(4)**
Unrealized or deferred gains and losses of financial assets at fair value through equity	0	0
Unrealized or deferred gains and losses of cash flow hedges derivatives	(0)	(2)
Unrealized or deferred gains and losses of cost of hedging derivatives	(24)	(4)
Tax on items that may subsequently be reclassified through profit or loss	6	1
Items that may not be reclassified through profit or loss	**(0)**	**0**
Actuarial gains and losses on defined-benefit plans	(0)	1
Tax on items that may not subsequently be reclassified through profit or loss	0	(0)
TOTAL UNREALIZED GAINS OR LOSSES THROUGH EQUITY	**(18)**	**(4)**
NET INCOME AND GAINS OR LOSSES THROUGH EQUITY	**51**	**53**

5.1.5 Equity

EUR millions	Capital and reserves: Share capital, additional paid-in capital	Capital and reserves: Retained earnings and net income for the period	Capital and reserves: Total	Unrealized or deferred gains and losses: Remeasure-ment gains (losses) related to post-employment benefit plans, after tax	Unrealized or deferred gains and losses: Net change in fair value of financial assets at fair value through equity, after tax	Unrealized or deferred gains and losses: Net change in fair value of cash flow hedging derivatives, after tax	Unrealized or deferred gains and losses: Net change in fair value of cost of hedging derivatives, after tax	Total	Total equity
EQUITY AS OF JANUARY 1, 2023	**1,445**	**320**	**1,765**	**0**	**0**	**1**	**(46)**	**(45)**	**1,720**
Stocks issued	-	-	-	-	-	-	-	-	-
Dividends	-	(64)	(64)	-	-	-	-	-	(64)
Changes in fair value of financial assets through equity	-	-	-	-	(0)	-	-	(0)	(0)
Changes in fair value of derivatives through equity	-	-	-	0	-	(1)	(3)	(4)	(4)
Net income for the period	-	56	56	-	-	-	-	-	56
Other movements	-	-	-	-	-	-	-	-	-
EQUITY AS OF DECEMBER 31, 2023	**1,445**	**312**	**1,757**	**1**	**0**	**0**	**(49)**	**(49)**	**1,709**
Stocks issued	-	-	-	-	-	-	-	-	-
Dividends for the year 2023	-	(42)	(42)	-	-	-	-	-	(42)
Changes in fair value of financial assets through equity	-	-	-	-	(0)	-	-	(0)	(0)
Changes in fair value of derivatives through equity	-	-	-	(0)	-	(0)	(18)	(18)	(18)
Net income for the period	-	69	69	-	-	-	-	-	69
Distribution of reserves	-	(31)	(31)	-	-	-	-	-	(31)
Interim dividend on retained earnings	-	(55)	(55)	-	-	-	-	-	(55)
Interim dividend on profit for the year	-	(30)	(30)	-	-	-	-	-	(30)
Other movements	-	-	-	-	-	-	-	-	-
EQUITY AS OF DECEMBER 31, 2024	**1,445**	**224**	**1,669**	**0**	**(0)**	**0**	**(67)**	**(66)**	**1,602**

5.1.6 Cash flow statement

EUR millions	2024	2023
NET INCOME BEFORE TAX	**93**	**70**
+/- Net depreciation and amortization of tangible and intangible fixed assets	14	(16)
+/- Depreciation and write-downs	0	(11)
+/- Expense/income from investing activities	-	-
+/- Expense/income from financing activities	-	-
+/- Other non-cash items	68	3
Non-monetary items included in net income before tax and other adjustments	**82**	**(25)**
+/- Cash from interbank operations	220	(21)
+/- Cash from customer operations	(2,979)	79
+/- Cash from financing assets and liabilities	12	(1,145)
+/- Cash from not financing assets and liabilities	(11)	(15)
- Income tax paid	(35)	(45)
Decrease/(increase) in cash from operating activities	**(2,793)**	**(1,147)**
CASH FLOW FROM OPERATING ACTIVITIES (A)	**(2,619)**	**(1,101)**
CASH FLOW FROM INVESTING ACTIVITIES (B)	**5**	**(9)**
+/- Cash from or for shareholders	(157)	(64)
+/- Other cash from financing activities	1,826	2,174
CASH FLOW FROM FINANCING ACTIVITIES (C)	**1,669**	**2,109**
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH (D)	**-**	**-**
INCREASE/(DECREASE) IN CASH EQUIVALENTS (A + B + C + D)	**(945)**	**999**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**3,008**	**2,009**
Cash and balances with central banks (assets & liabilities)	2,979	1,969
Interbank accounts (assets & liabilities) and loans/sight deposits	29	39
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2,063**	**3,008**
Cash and balances with central banks (assets & liabilities)	2,016	2,979
Interbank accounts (assets & liabilities) and loans/sight deposits	47	29
CHANGE IN NET CASH	**(945)**	**999**

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Note 1 Accounting and valuation policies

1.1 Applicable accounting standards

1.1.1 Application of the accounting standards endorsed by the European Union

Applicable benchmark:

The Group prepares its consolidated financial statements in compliance with International Financial Reporting Standards (IFRS), as endorsed by and applicable within the European Union.

The consolidated condensed financial statements are furthermore in accordance with ANC Recommendation 2022-01 of April 8, 2022 regarding disclosure of consolidated financial statements for banking reporting entities under IFRS.

Information about closing:

The consolidated financial statements as of December 31, 2024, were approved by the Board of directors on February 12, 2025.

The quantitative impacts on the financial statements and qualitative information associated with the war in Ukraine are presented by the company in note 8 below. Additional information is also disclosed in the management report of the Group.

Accounting principles applied to the financial statements are detailed in note 1.2 below.

1.1.2 IASB and IFRIC texts endorsed by the European Union and effective as of January 1, 2024

- Amendments to **IAS 12 International Tax Reform - Model Pillar 2 rule**: published by the IASB in May 2023, endorsed by the European Union on November 8, 2023 (EU regulation no. 2023/2468) and immediately applicable once published, these amendments require an entity to disclose that it has applied the exception to the recognition and disclosure of deferred tax assets and liabilities related to Pillar 2 income taxes.

  The Caisse des Dépôts Group, to which Sfil belongs, is treated as a sovereign wealth fund and is therefore exempt from the Pillar 2 directive. Sfil therefore qualifies as an ultimate parent entity, but as its consolidated sales (assimilated to net banking income) do not exceed 750 million euros, it is exempt from the application of this directive.

- Amendments to **IAS 1 Presentation of Financial Statements**: published by the IASB in January 2020 and October 2022, endorsed by the European Union on December 19, 2023 (EU regulation no. 2023/2822) and effective for annual periods beginning on or after January 1, 2024, these amendments clarify the criteria for distinguishing between current and non-current liabilities.

  These amendments have no impact on the Group's consolidated financial statements, as the Group presents its assets and liabilities in order of liquidity, as most credit institutions do.

- Amendments to **IFRS 16 Leases**: published by the IASB in September 2022, endorsed by the European Union on November 21, 2023 (EU regulation no. 2023/2579) and effective immediately for annual periods beginning on or after January 1, 2024, these amendments clarify the subsequent measurement of sale and leaseback transactions where the initial disposal of the asset meets the IFRS 15 criteria for recognition as a sale. In particular, the amendments specify how to subsequently measure the lease liability arising from sale-leaseback transactions, consisting of variable lease payments that do not depend on an index or rate.

  These amendments have no impact on the Group's consolidated financial statements, as the Group does not engage in sale-leaseback transactions.

- Amendments to **IAS 7 and IFRS 7 Supplier Financing Arrangements**: published by the IASB in May 2023, endorsed by the European Union on May 15, 2024 (EU regulation no. 2024/1317) and effective immediately for annual periods beginning on or after January 1, 2024, these amendments clarify disclosure requirements to improve current requirements, which are intended to help users of financial statements understand the effects of supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

  These amendments have no impact on the Group's consolidated financial statements.

1.1.3 IASB and IFRIC texts endorsed by the European Union or in the process of being endorsed but not yet applicable

- amendments to **IAS 21 Lack of Exchangeability**: issued by the IASB in August 2023, not yet endorsed by the European Union and mandatory for annual periods beginning on or after January 1, 2025, these amendments clarify how an entity should assess whether a currency is exchangeable, and how it should determine a spot exchange rate when it is not.

  These amendments will have no impact on the Group, as the Group does not carry out transactions in non-tradable currencies.

- Amendments to **IFRS 7 and IFRS 9 Classification and Measurement of Financial Instruments**: published by the IASB in May 2024, not yet adopted by the European Union and mandatory for annual periods beginning on or after January 1, 2026, with the option of earlier application, these amendments specify 3 topics.
  - They specify the classification of financial assets, particularly those with contingent characteristics (whether ESG-related or not). When the nature of the contingent event is not directly linked to a change in the risks or cost base of the loan, an additional SPPI test must be performed to determine whether or not the contingent contractual flows differ significantly from those of an identical asset without a clause.

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- They clarify the derecognition of a financial liability settled by electronic transfer, notably by allowing an entity to consider a financial liability that will be settled by means of an electronic payment system to be discharged before the settlement date if the following criteria are met: there is no possibility of withdrawing, interrupting or cancelling the payment instruction, no possibility of accessing the amount used for settlement following the payment instruction, and if the settlement risk associated with the electronic payment system is insignificant.
- Lastly, they specify the disclosures to be made concerning investments made in equity instruments designated at fair value through other comprehensive income, as well as on contractual conditions likely to modify the timing or amount of contractual cash flows.

  The Group does not anticipate any major impact, in particular from the application of the guidance for assessing the SPPI nature of its loans with ESG characteristics.
- **IFRS 18 Presentation and Disclosures in Financial Statements**: published by the IASB in April 2024, not yet endorsed by the European Union and mandatory for annual periods beginning on or after January 1, 2027, with the option of earlier application, this standard introduces three new types of requirement aimed at improving the presentation of financial performance information provided by companies, so that investors have a better basis for analysis and comparison of companies.

  The Group is currently working to determine the impact of this standard on its financial statements.

1.1.4 Treatment and impacts of EU Regulation 2016/1011 and amendments to accounting standards

Regulators imposed the transition to new risk-free rates to improve the reliability of benchmarks and protect consumers. The IASB amended IAS 39, IFRS 9 and IFRS 7, endorsed by the EU in 2020, to reduce uncertainty in hedging relationships. These amendments, applied in two phases from January 2020 and 2021, had a limited impact on the Group's financial statements. In particular, they provided exemptions and practical solutions.

The Sfil Group managed the transition from EURIBOR, EONIA, LIBOR and STIBOR rates, identifying various risks (litigation, market, operational and accounting). Since 2020, it has strengthened its access to derivatives markets and adhered to the ISDA Protocol, with specific transitions carried out for EONIA, LIBOR, CHF, GBP and USD, while STIBOR remains compliant with regulations.

1.2 Accounting principles applied to the financial statements

The financial statements are prepared on a going concern basis. They are stated in millions of euros (EUR) unless otherwise specified.

The preparation of financial information requires management to make estimates and assumptions that affect the amounts reported. In order to make these assumptions and estimates, management uses the information available at the date of financial statement preparation and exercises its judgment. While management believes it has considered all available information when making these assumptions, actual results may differ from such estimates and the differences may have a material impact on the financial statements.

Judgments were principally made in the following areas:

- classification of financial instruments;
- determination of the occurrence of a significant increase in credit risk since initial recognition;
- determination of whether or not there is an active market for financial instruments measured at fair value;
- hedge accounting;
- existence of a present obligation with probable outflows in the event of litigation.

These judgments are detailed in the following chapters.

Estimates were principally made in the following areas:

- determination of fair value for financial instruments measured at fair value;
- assessment of the amount of expected credit losses, in particular in the framework of the definition of macroeconomic scenarios used;
- estimates of future taxable profits for the recognition and measurement of deferred tax assets.

Estimates and judgement are also used to estimate climate and environmental risks. Governance and commitments on these risks are outlined in the management report. Information on the effect and consideration of climate risks on credit risk management is presented in paragraph 1.2.5.7 "impairment of financial assets" and in note 7 "Note on risk exposure". The accounting treatment of major financial instruments with margin clauses indexed to ESG (Sustainability-linked loans) criteria is presented in Note 1.2.5.3 "financial assets measured at amortized cost".

1.2.1 Consolidation

The consolidated financial statements of the Group include all entities under its control. Controlled entities are fully consolidated.

The Group controls a subsidiary when the following conditions are all met:

- the Group has the power over the relevant activities of the entity, through voting rights or other rights;
- the Group is exposed to or has rights to variable returns from its involvement with the entity;
- the Group has the ability to use its power over the entity to affect the amount of those returns.

The analysis of the level of control is reviewed when a change occurs in one of these criteria. Subsidiaries are consolidated on the date that the Group gains control. All intra-group transactions and balances, including unrealized gains or losses resulting from intra-group transactions, are eliminated on consolidation.

The scope of consolidation as of December 31, 2024 is the same as that as of December 31, 2023.

1.2.2 Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention for both parties to settle expected future cash flows on a net basis or to simultaneously realize the asset and settle the liability.

1.2.3 Foreign currency transactions

Foreign currency transactions are accounted for using the exchange rate prevailing on the transaction date.

As a reminder, the main feature of a monetary item is the right to receive (or the obligation to deliver) a fixed or determinable number of units of currency. Under IAS 21, monetary assets and liabilities denominated in foreign currencies are recognized at closing rates and any resulting exchange differences are recognized in profit or loss.

Financial assets denominated in a foreign currency and measured at fair value through the item Other comprehensive income are accounted for as monetary items under IFRS 9: the exchange difference resulting from the adjustment of the amortized cost of these assets is recognized in profit or loss, while further adjustments of the carrying amount (except the loss allowance for expected credit losses: see below) are recognized in equity.

The Group holds no non-monetary asset or liability denominated in a foreign currency.

1.2.4 Trade date and settlement date accounting

All purchases and sales of financial assets are recognized on settlement date, which is the date that a financial asset is received or delivered by one company of the Group. Derivative instruments are recognized at fair value on the transaction date.

1.2.5 Financial assets

When the Group becomes party to the contractual provisions of a financial asset, the latter is classified under one of the three categories instituted by IFRS 9, depending on the business model it is held within on the one hand and the characteristics of its contractual cash flows on the other hand.

1.2.5.1 Business model

The inclusion of Group's financial assets within business models is assessed at a level that reflects how groups of financial assets are managed together to achieve Group's business objectives, which are:

- refinancing local government entities and public hospitals through the acquisition of medium/long-run loans granted by La Banque Postale or la Banque des Territoires;
- refinancing export credit contracts covered by Bpifrance Assurance Export insurance policy on behalf of and under the control of the French Republic;
- more marginally, reducing the sensitivity of remaining sensitive structured loans held by the Group.

This assessment implies most of the time the use of judgment and relies on facts, circumstances and, generally speaking, all relevant evidence that is available for the Group at the date of the assessment. These relevant evidence can be broken down into two groups:

- qualitative evidence: how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way in which those risks are managed, how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected);
- quantitative evidence: the frequency, value and timing of sales in prior reporting periods, the reasons for those sales and expectations about future sales activity.

It can be inferred from this assessment that the Group only uses the collect model and, marginally, the collect and sell model for certain securities acquired by the Group to invest surplus cash. The Group does not hold any financial assets for trading purposes, *i.e.* the Group does not acquire, incur or hold financial assets for the purpose of realizing a net gain through selling or repurchasing them it in the near term.

1.2.5.2 Characteristics of contractual cash flows (SPPI criterion)

The SPPI (Solely Payments of Principal and Interests) criterion test is intended to assess whether the contractual cash flows of a financial asset are consistent with the ones of a basic lending agreement, *i.e.* payment of principal and interest on that outstanding principal. Irrespective of the legal form of the asset and the nature of its rate (fixed or variable), this is the case when the contractual cash flows comprise only a compensation for the time value of money, a compensation for the credit risk derived from the outstanding principal for a given time period, if applicable a compensation for other basic lending risks (*e.g.* liquidity risk) and costs (*e.g.* administrative costs) associated with holding the asset for a given period of time, plus if applicable a margin.

Most of the time a qualitative analysis is sufficient to determine whether the asset is SPPI compliant or not. Sometimes, an additional quantitative analysis is necessary: it intends to compare the contractual cash flows of the financial asset considered with the ones of a benchmark asset. If the gap assessed through this comparison is not material, the asset is assimilated to a basic lending agreement.

1.2.5.3 Financial assets measured at amortized cost

A financial asset is classified and subsequently measured at amortized cost if it is compliant with both of the tow following conditions:

- this financial asset is held within a business model, objective of which is to hold financial assets in the purpose of collecting contractual cash flows (collect model);
- contractual provisions of this asset result, at specified dates, in cash flows which embed only the repayment of principal and interest on the outstanding principal (SPPI criterion).

First impact loans were granted by the Group to support companies in their sustainability efforts through an incentive mechanism to revise the margin based on ESG criteria specific to the borrower or to its achievement of sustainable objectives (Sustainability-linked loans). The analysis of these loans basic lending arrangements since they met this de minimis character as well as the other SPPI criteria.

At initial recognition, the Group recognizes a financial asset belonging to this category at fair value, including if applicable any premium/discount and transaction costs. Subsequently, the financial asset is measured at amortized cost, which corresponds to its carrying amount at initial recognition minus repaid principal, plus or minus as appropriate the amortization of the premium/discount and transaction costs calculated using the effective interest rate method and taking into account any loss allowance for expected credit losses. The latter reduces the carrying amount of the financial asset with an offsetting entry to the profit or loss as cost of risk.

Due and accrued interest on loans and fixed income securities belonging to this category as well as the amortization of premium/discount and transaction costs, calculated using the effective interest rate method, are recognized in the net interest margin.

The effective interest rate is the rate that accurately discounts the expected future cash flows over the expected life of the financial instrument or, where more appropriate, a shorter period, so as to obtain the gross carrying amount of the financial instrument or, if the underlying instrument is a purchased or originated credit-impaired financial asset or has been subsequently impaired (see below), its net carrying amount (which takes into account in particular the loss allowance for expected credit losses). The calculation of this rate takes into account the commissions received or paid by the parties which, because of their nature, form an integral part of the effective rate of the contract, possible premiums and discounts and transaction costs. Transaction costs are incremental costs that are directly attributable to the acquisition of a financial instrument and are used for the calculation of the effective interest rate. An incremental cost is one that would not have been incurred if the entity had not acquired the financial instrument.

1.2.5.4 Financial assets measured at fair value through the item Other comprehensive income

A financial asset is classified and subsequently measured at fair value through the item Other comprehensive income if it is compliant with both of the two following conditions:

- this financial asset is held within a business model, objective of which is both to collect the contractual cash flows and to sell financial assets (collect and sale model);
- contractual provisions of this asset result, at specified dates, in cash flows which embed only the repayment of principal and interest on the outstanding principal (SPPI criterion).

At initial recognition, the Group recognizes a financial asset belonging to this category at fair value, including if applicable any premium/discount and transaction costs. Subsequently, the unrealized gains or losses stemming from the variation of the fair value of this asset are recognized as other comprehensive income in equity, except an amount corresponding to the loss allowance for expected credit losses, which is recognized in profit or loss as cost of risk.

Due and accrued interest on loans and fixed income securities belonging to this category as well as the amortization of premium/discount and transaction costs, calculated using the effective interest rate method (see above), are recognized in the net interest margin.

1.2.5.5 Financial assets measured at fair value through profit or loss

A financial asset which does not belong to any of the two categories described above (amortized cost and fair value through the item Other comprehensive income) falls under this category and is classified and subsequently measured at fair value through profit or loss: this category is mainly composed of financial assets that are not SPPI compliant.

At initial recognition, the Group recognizes a financial asset belonging to this category at fair value, including if applicable any premium/discount and excluding transaction costs. Subsequently, the unrealized gains or losses stemming from the variation of the fair value of this asset are recognized in profit or loss as net banking income.

In accordance with the principles stated under ANC Recommendation 2022-01 issued on April 8, 2022, the Group decided to recognize separately:

- the fair value variations excluding accrued interest; they are recognized under the item Net result of financial instruments at fair value through profit or loss of the net banking income;
- due and accrued interest; they are recognized in the net interest margin.

1.2.5.6 Designation options

The Group does not use the following options:

- option to designate a financial asset as measured at fair value through profit or loss: this option can be exercised only if it eliminates or significantly reduces a recognition inconsistency for assets or liabilities (accounting mismatch);
- option to present in other comprehensive income subsequent changes in fair value of particular investments in equity instruments; the Group does not hold such instruments.

1.2.5.7 Impairment of financial assets

Defining the impairment base

A loss allowance for expected credit losses is calculated for all financial assets measured at amortized cost or at fair value through the item Other comprehensive income. At each closing date, they are broken down into three Stages:

- Stage 1: credit risk on the financial asset has not increased significantly since its initial recognition;
- Stage 2: credit risk on the financial asset has increased significantly since its initial recognition;
- Stage 3: the asset has defaulted.

At each closing date, the loss allowance for expected credit losses of a financial asset is measured as:

- the amount corresponding to the expected credit losses during the next 12 months for Stage 1 assets;
- the amount corresponding to the expected credit losses to maturity for Stage 2 and Stage 3 assets.

No loss allowance is recognized at initial recognition for purchased or originated credit-impaired financial assets. Interest incomes generated by these assets are determined using an effective interest rate that embeds expected credit losses. Subsequently, the loss allowance recognized on these assets corresponds to the accumulated variations of lifetime expected credit losses from initial recognition. The Group does not primarily intend to purchase or originate purchased or originated credit-impaired financial assets.

Assessing whether credit risk has significantly increased

The assessment of credit risk increase is performed on an individual basis: the Group does not use the collective basis approach. The objective of the assessment is to compare the default risk at closing date with its default risk at the date of initial recognition. This assessment takes into consideration all reasonable and supportable information that is relevant and that is available for the Group without incurring undue cost or making undue effort, in particular qualitative and quantitative information on past events (use of historic metrics), on current economic environment and on expectations on future economic environment (forward-looking information). In practice, the assessment of credit risk increase is realized at counterparty level:

- either through the comparison of the probability of default (PD) at maturity (weighted average PD of the forward-looking scenarios) with the PD at initial recognition;
- or through the characterization of risk levels (ratings coming from internal rating systems) year-to-year migrations towards risk levels regarded as risky (higher historic default rates).

The contracts of a counterparty are classified in Stage 3 when the counterparty is in one or other of the following situations:

- it is in "default" within the meaning of the CRR because it is unlikely to pay: it is probable that the counterparty will not repay all or part of its debt, without taking any guarantees into account, if applicable;
- it presents an arrear in payment past due of more than 90 days, irrespective of whether this counterparty is or is not in "default" within the meaning of the CRR.

The contracts of a counterparty in one or the other of the situations previously described are also considered as Non-Performing Exposures from a prudential perspective. On the perimeter being broken down into Stages, the accounting base of Stage 3 is therefore larger than the one of the "default" within the meaning of the CRR and is broadly in line with the one of Non-Performing Exposures, with just one significant difference: counterparties already in Forbearance and to which a new Forbearance has been granted and/or an incident of payment past due of between 31 and 90 days has occurred. The contracts of a counterparty in this situation are considered as Non-Performing Exposures from a prudential perspective but remain classified in Stage 2 from an accounting perspective (see below).

The contracts of a counterparty are classified in Stage 2 when, without however being in one or the other of the situations in Stage 3 (see above), the counterparty is in one or the other of the following situations characterizing a significant increase in credit risk:

- it is followed by the Watchlist Committee, due to an increase in its credit risk, or it is in Forbearance, which means that the Group has refrained the enforcement of its rights towards counterparty facing financial difficulties;
- it presents arrears in payment past due of strictly between 31 and 90 days;
- its rating presents one of the following characteristics: it has become non-Investment grade (internal rating inferior or equal to BB+), it has no internal rating, it has experimented or is to experiment a rating migration regarded as risky in the forward-looking scenarios. The rating migrations regarded as risky have been assessed on the basis of a statistical analysis using historical data and complemented by the use of expert judgment.

If none of the situations detailed above has occurred, the significant increase in credit risk is not characterized and the contracts of the counterparty remain classified in Stage 1.

Stages transitions must be compliant with the following rules:

- for the contracts of a counterparty in "default", exiting from Stage 3 and "default" (and getting back to Stage 2 or Stage 1) can only occur after a cure period of at least one year during which the counterparty is still considered as being in "default" within the meaning of the CRR and the contracts of this counterparty remain classified in Stage 3. Exit must in addition be formally decided in Default Committee and is conditional to the full repayment of arrears if any. It shall be noted that this cure period is not applicable to the contracts of a counterparty that was in Stage 3 without simultaneously being in "default" in the meaning of the CRR;
- for the contracts in Forbearance, exiting from Stage 2 or as appropriate Stage 3 (and getting back to Stage 1) can only occur after a cure period of at least two years which starts from the date when the forbearance had been granted if the counterparty was not in "default" within the meaning of the CRR or from the date of exit from "default" if it was.

Measuring the amount of the expected credit loss

The loss allowance recognized on the contract is equal to the average of expected credit losses of each of the scenarios weighted by their respective probability of occurrence. For all material portfolios, the definition of scenarios integrates a forward-looking dimension, which consists in projecting macroeconomic and financial variables and assessing their impacts. These scenarios are built upon either projections realized by the credit risk direction, or quantitative studies.

In the case of French local authorities, the main hypothesis as well as the scenarios and their weighting are presented below. The hypothesis of these scenarios are regularly updated. Three scenarios are thus constructed based on the 2022 and 2023 conjunctural estimates. The forward-looking forecasts 2024-2026 are based on the macroeconomic forecasts of the baseline scenario of the Caisse des Dépôts Group economists, updated in September 2023.

The most significant variables used in determining credit losses (inflation rate, GDP growth, 10-year OAT rates) for each scenario are detailed below:

Baseline scenario *(data in %)*	2024	2025	2026
Inflation	2.7	2.3	2.1
Growth in GDP	0.7	1.1	1.1
OAT 10 years	2.9	2.8	2.7

Favourable scenario *(data in %)*	2024	2025	2026
Inflation	2.3	2	2
Growth in GPD	1.5	1.5	1.3
OAT 10 years	2.7	2.5	2.5

Adverse scenario *(data in %)*	2024	2025	2026
Inflation	5.8	4.2	3.7
Growth in GPD	-1.5	0.0	0.5
OAT 10 years	5.5	5.5	5.5

Since 2022, these scenarios also integrate the climate challenges faced by local authorities in terms of transition to a decarbonized economy and physical risks, influencing increasingly significantly the capital and operating expenditure of the latter's. Thus, the modelling of macro-budgetary variables now includes the expenses related to a progressive implementation over the period 2023-2026 of the additional investment efforts expected from local authorities to comply with the National Low Carbon Strategy, as I4CE has estimated in its study Communities: Investment and engineering needs for carbon neutrality. An initial estimate of the costs of adapting to climate change, based on the study Climate assessment of local government budgets – mitigation component published in September 2022 by I4CE was also taken into account in the construction of these scenarios.

Consideration of climate issues and weighting of scenarios:

- in the central scenario (weighted at 55%), investment would remain at a sustained level, driven by inflation, the end of the electoral cycle for local authorities, and above all by major investments in the transition to a low-carbon economy. The investment effort in favour of the climate is massive in a context of a slight contraction of the gross savings of local authorities would require a strong use of debt;
- in the favorable scenario (weighted at 15%) based on more favorable macroeconomic data, the State allocations are higher and include a lower effort by local authorities on climate spending due to a substitution/pooling effect with other non-climate-related spending;
- in the adverse scenario (30% weighted) which differs from the central scenario by less favourable macroeconomic assumptions (GDP, inflation and unemployment) and a recession in 2024, state endowments and investments are frozen in view of the contraction in savings, and climate investments are postponed due to the economic recession.

The impact of changing weights between the three scenarios on the amounts of expected credit losses is deemed very limited. as well as the inclusion of capital expenditure and adaptation to the climate transition. As an illustration, as of December 31, 2024, the following table presents the accounted ECL (EUR 50.4 million) and the unweighted ECL of the three scenarios. The respective weights of each scenario and the detail of macro-budgetary variables used are also specified.

Scenarios	Weight	French local communities financial ratios*	2024	2025	2026	*Unweighted ECL (in EUR millions)*	*Weighted ECL (in EUR millions)*
Baseline	**55%**	Deleveraging ratio (in years)	5.17	5.53	5.84	**49.2**	**50.4**
		Leveraging ratio (in % of RRF*)	77.9%	80.2%	81.7%		
		Gross savings ratio (in % of RRF*)	15.1%	14.5%	14.0%		
Adverse	**30%**	Deleveraging ratio (in years)	6.03	7.37	9.13	**51.8**	
		Leveraging ratio (in % of RRF*)	77.0%	79.1%	83.1%		
		Gross savings ratio (in% of RRF*)	12.8%	10.7%	9.1%		
Favorable	**15%**	Deleveraging ratio (in years)	4.95	5.03	5.05	**49.7**	
		Leveraging ratio (in % of RRF*)	77.0%	77.7%	77.3%		
		Gross savings ratio (in % of RRF*)	15.6%	15.4%	15.3%		

RRF: real operating revenue
** Definitions of ratios used:*
- Deleveraging capacity is a solvency ratio calculated by dividing outstanding debt by gross savings. This ratio expresses the theoretical number of years required for a local authority to repay all its debt if it were to devote all its cash flow to it.
- Leveraging ratio: obtained by calculating the ratio between medium- and long-term debt (numerator) and operating revenue (denominator), the latter being current revenue (taxes, government grants, revenue from public services). Operating revenues are characterized by a certain regularity, and are allocated first and foremost to the payment of the community's current expenses, known as management expenses (personnel costs, purchases and supplies, social assistance, etc.) and to the payment of debt (capital and interest). The debt ratio is used to measure the debt incurred to finance investments, and to assess its level in relation to current revenue.
- Gross savings ratio: local authority budgets are divided into an operating section and an investment section. The operating section organizes current expenditure and receipts (taxes, government grants, receipts from the operation of public services). Gross savings is the calculated balance of operating revenues less operating expenses (current expenses and interest on debt). The gross savings rate is obtained by dividing gross savings by operating revenue. It is used to measure the community's operating performance (including debt interest payments), before taking into account its investment policy.

Further work is underway to establish a methodology for rating climate risks in the local public sector. These ratings will eventually be used to calculate ECLs. Modeling work is in progress.

For the contracts classified in Stage 1 or Stage 2, the expected credit losses equals the present value of the product of three parameters discounted at the original effective interest rate of the contract: the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD), respectively on a one-year horizon for the contracts classified in Stage 1 and on the residual lifetime horizon for the contracts classified in Stage 2. The three parameters depend on the scenario and the year considered. The Group has capitalized on the framework of calculation of these parameters under Basel regulation and has introduced adjustments so as to comply with specific provisions of IFRS 9. This approach has resulted in the definition of IFRS 9 specific models for each material portfolio. More precisely, specific models have been developed so as to calculate PD and LGD for local authorities and inter-municipal grouping with own-source tax revenue, given that this portfolio is the most material for the Group. These calculations have been performed by taking the following steps:

- a migration through-the-cycle matrix is built upon available historical data;
- it is then distorted to derive point-in-time PD as well as migration point in time matrix;
- the latter is used in the scenarios, taking into account forward-looking information.

For the contracts classified in Stage 3, the expected credit losses are computed according to two different methodologies depending on the type of counterparty:

- as regards local authorities and inter-municipal grouping with own-source tax revenue, the methodology is the same as for Stages 1 and 2. PD is set at 100% (recognized default) and a "Default" LGD model has been developed;
- as regards other counterparties, the expected credit losses equal the loss at maturity, *i.e.* the difference between the sequence of cash flows contractually due to the Group and the sequence of cash flows that the Group expects to recover, both discounted at the original effective interest rate. Depending on the materiality of the contract, the cash flows that the Group expects to recover are calculated either through individual simulations performed by the credit risk division or through standard recovery scenarios using predefined management rules. These flows are, if applicable, net of any flows derived from realizing securities which form an integral part of contractual provisions.

At each closing date, the classification in Stages and the loss allowances for expected credit losses are subject to analysis and are validated by the impairment committee prior to their accounting. Besides, back testing procedures have been set up so as to annually monitor the efficiency of the framework of expected credit losses calculation under IFRS 9; they encompass data quality, portfolio structure and expectations quality.

Recognizing the impairment

Positive and negative variations of the amount of the loss allowance for expected credit losses are recognized in cost of risk.

When an asset is determined by management as being irrecoverable, it is derecognized (see below): the loss allowance for expected credit losses is reversed and the net loss is recognized in profit or loss as cost of risk. Subsequent recoveries, if any, are also recognized in cost of risk.

1.2.5.8 Derecognition of financial assets

A financial asset is derecognized when and only when the contractual rights to the cash flows from this asset expire or if this asset is transferred and the transfer meets one of the following conditions:

- substantially all the risks and rewards of ownership of this asset have been transferred; or
- substantially all the risks and rewards of ownership of this asset have been neither transferred nor retained and the control on this asset has not been retained. If the control on this asset has been retained, the underlying asset continues to be recognized to the extent of Group's continuing involvement in it.

The gain or loss realized when derecognizing a financial asset equals the difference between on the one hand the consideration received (net of transaction costs and including any new asset obtained less any new liability assumed) and on the other hand the carrying amount of this asset measured at the date of derecognition. It is recognized in profit or loss of the reporting period considered as net banking income.

Case of disposals

Financial assets are derecognized on disposal. The gain or loss realized on disposal takes into account the followings:

- for financial assets measured at amortized cost, the carrying amount of the disposed asset is systematically determined based on the "first in, first out" approach (FIFO method) on a portfolio basis;
- for financial assets measured at fair value through the item Other comprehensive income, cumulative gains or losses previously recognized in equity are, applying FIFO method, reversed in profit or loss on disposal, under the item of the net banking income used for recognizing the net gains and losses of this category.

Case of repos and reverse repos operations

Sold securities that are subject to a commitment to repurchase them at a predetermined price (repos) are not derecognized and remain on the balance sheet in their original category. The corresponding liability is recognized as financial liabilities at amortized cost. The asset is reported as pledged in the notes.

Securities purchased under commitment to sell at a predetermined price (reverse repos) are recognized off-balance sheet and the corresponding loans are recognized on the balance sheet as financial assets at amortized cost.

The difference between the sale and the repurchase price is recognized as interest income or expense and is capitalized and amortized over the term of the maturity of the contract using the effective interest rate method.

Case of prepayments

The prepayment of a loan results in general in the payment of a penalty which is included within the gain or the loss realized on derecognition.

In the case of a prepayment without refinancing, the loan does not exist any loner and is derecognized.

In the case of a prepayment with refinancing, the accounting treatment differs depending on whether the restructured terms are substantially different from the original terms; it is in particular the case in one of the following situations:

- the restructured loan is not classified in the same accounting category as the original loan, either because its contractual cash flows are from now compliant with the SPPI criterion (while they were not originally) or because they are not any longer (while they were originally);
- the net present value of the cash flows under the new conditions, including any fees paid net of any fees received, is more than 10% different from the net present value of the cash flows remaining from the original loan, both of these present values being discounted at the original effective interest rate.

If restructured terms are not substantially different from original terms, the original loan is not derecognized. Its gross carrying amount is adjusted so as to reflect the post-restructuring terms, including costs and fees incurred; it corresponds to the present value of the cash flows of the restructured loan discounted at the original effective interest rate (or, in the case of purchased or originated credit-impaired assets, at this rate adjusted so as to reflect credit quality). Such an adjustment, called "catch-up" effect, constitutes the excess of the restructured margin of the loan over its original margin: it is immediately recognized in profit or loss of the reporting period, within the net interest margin. Furthermore, for financial assets measured at amortized cost or at fair value through the item Other comprehensive income, the Group assesses whether, due to the modifications in the terms, a significant increase in credit risk since initial recognition has occurred: if so, an adjustment of the loss allowance for expected credit losses is recognized (see above).

If restructured terms are substantially different from original terms, the original loan is derecognized and the loan under restructured terms is recognized as a new financial asset. Its gross carrying amount is adjusted so as to reflect market conditions; it corresponds to the present value of the restructured cash flows discounted at the effective interest rate of a loan granted under normal market conditions at the date when the loan is restructured. Such an adjustment constitutes the excess of the restructured margin of the loan over normal market conditions at the date when the loan is restructured: it is immediately recognized in profit or loss of the reporting period, under the item of the net banking income used for recognizing the net gains and losses of the category of the derecognized financial asset.

1.2.6 Financial liabilities

1.2.6.1 Financial liabilities held for trading

The Group does not hold financial liabilities belonging to this category.

1.2.6.2 Financial liabilities designated at fair value through profit or loss

The Group does not use this option.

1.2.6.3 Financial liabilities at amortized cost

Financial liabilities at amortized cost are mainly *obligations foncières* and other resources that benefit from the privilege defined in article L.513-11 of the Monetary and Financial Code. Financial liabilities at amortized cost also include unsecurred LT issues and certificates of deposit issued by Sfil.

At initial recognition, the Group recognizes a financial liability belonging to this category at fair value, which is its nominal value including if applicable any reimbursement and issue premiums and transaction costs (mainly fees and commissions on bond issues). Subsequently, the financial liability is measured at amortized cost, which corresponds to its carrying amount at initial recognition plus or minus as appropriate the amortization of premiums and transaction costs calculated using the effective interest rate method.

Due and accrued interest on financial liabilities belonging to this category as well as the amortization of premiums and transaction costs calculated using the effective interest rate method, are recognized in the net interest margin.

Bonds issued which are denominated in foreign currencies are accounted for using the same method as foreign currency transactions (see above).

1.2.6.4 Derecognition of financial liabilities

A financial liability is derecognized when and only when it is extinguished, *i.e.* when the obligation specified in the contract is discharged, cancelled or expires.

The restructuring of a financial liability results in the derecognition of this financial liability when the restructured terms are substantially different from the original terms (see above).

1.2.7 Derivatives

The Group has decided to apply the provisions of IFRS 9 for hedge accounting from January 1, 2022. In accordance with paragraph 6.1.3 of IFRS 9, IFRS 9 applies prospectively from that date to all the Group's micro-hedging relationships. Macro-hedging relationships continue to be recognized in accordance with the provisions of IAS 39, in compliance with the provisions of European Commission regulation 2086/2004 amending IAS 39 (IAS 39 "carve out"). Moreover, the Group discloses the financial information on hedge accounting that is required under IFRS 7 as amended by IFRS 9.

All derivatives are initially recognized on the balance sheet at fair value and then are revalued at their fair value. The fair value of derivatives is calculated either on the basis of prices observed in listed markets or by using internal valuation models.

The amount registered on the balance sheet includes the premium paid or received after amortization, the amount of changes in fair value and accrued interest, which together make up the fair value of the derivative. Derivative instruments are recognized as assets if their fair value is positive and as liabilities if it is negative.

1.2.7.1 Derivatives not documented in a hedging relationship

The Group enters into derivative contracts for the unique purpose of hedging its exposures to interest rate or foreign exchange positions. However, some derivatives must be measured at fair value through profit or loss at closing date; they are:

- the ones which failed hedge effectiveness tests at closing date;
- the ones which hedge financial assets that are measured at fair value through profit or loss. It comprises mainly the financial assets that are not compliant with the SPPI criterion. In this case, the revaluation of the derivative hedges natively the revaluation of the hedged risk of the hedged item, making pointless the documentation of a hedging relationship;

Both realized and unrealized gains and losses on these derivatives, measured at fair value through profit or loss at closing date, are recognized in profit or loss within the net banking income.

1.2.7.2 Derivatives documented in a hedging relationship

Hedging derivatives can be classified as either:

- hedges of the fair value of a recognized asset or liability or a firm commitment (fair value hedge); or
- hedges of a future cash flows that might eventually impact the future profit or loss and that is attributable to a recognized asset or liability or a forecast and highly probable future transaction (cash flow hedge).

Hedge accounting may be used for such derivatives, provided certain criteria are met:

- the hedging relationship only includes qualifying hedging instruments and qualifying hedged items;
- the hedging relationship is formally designated at inception and documented in a structured manner that describes: the hedging strategy, the entity's risk management objective, the hedging instrument, the item being hedged, the nature of the risk being hedged, and how the entity assesses the effectiveness of the hedge;
- the hedging relationship meets all of the following hedge effectiveness constraints that together constitute the prospective effectiveness test:
  - there is an economic relationship between the hedged item and the hedging instrument;
  - the effect of the credit risk does not be predominant over the changes in value that result from the economic link;
  - there is no lack of balance in the used hedge ratio that would create hedge ineffectiveness.

- concerning cash-flow hedges, the forecast transaction that constitutes the hedged item must be highly probable and involve exposure to a variability in cash flows that could ultimately affect net income.

Changes in the fair value of derivatives that are designated and documented in a fair value hedging relationship, and that respect the criteria set out above, are recognized in profit or loss, along with the corresponding change in fair value of the hedged items that are attributable to that specific hedged risk. Regarding notably structured financial instruments, the existence of a perfect hedge with a derivative, and the documentation of the associated hedging relationship, have the effect of reevaluating the hedged risk of the financial instrument, in parallel with the revaluation of the hedging derivative.

The effective portion of the changes in the fair value of derivatives that are designated and documented in a cash flow hedging relationship and that respect the criteria set out above, is recognized in equity. The non-efficient portion of the changes in the fair value of the derivatives is recognized in profit or loss. Considering that hedged items are financial instruments or futures transactions, amounts deferred in equity are recycled to profit or loss and classified as income or expense when the hedged items affects the profit or loss.

In addition, the component of the change in fair value for hedging derivatives corresponding to the basis spread (if any) is, in accordance with the option offered by IFRS 9, initially recognized in other comprehensive income. As the basis spread of the hedged items is linked to a series of future transactions, the amounts recorded in equity are reclassified in net income and classified as income or expense when the hedged items affect net income.

If at any time the hedge no longer meets the criteria for hedge accounting, one of the following accounting treatments shall be applied:

- in the case of a fair value hedge, the portion attributable to the hedged risk of the adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortized to profit or loss over the residual maturity of the hedged item by adjusting the effective interest rate on the hedged item;
- in the case of a cash flow hedge, the amounts deferred in equity during the previous reporting periods, *i.e.* the effective portion of the changes in the fair value of derivatives, are maintained in equity until the derecognition or the extinguishment of the hedged item. They are recycled to profit or loss when or as the item formerly hedged impacts profit or loss.

1.2.7.3 Hedging of the interest rate risk of a portfolio

The Group uses the provisions of IAS 39 as adopted by the European Union (IAS 39 carve-out) because it better reflects the way the Group manages its financial instruments.

The objective of hedging relationships is to reduce the interest rate risk exposure stemming from certain categories of assets or liabilities designated as the hedged items.

The Group performs a comprehensive analysis of its interest rate risk exposure. It consists in assessing fixed-rate exposure generated by all fixed-rate balance sheet items. The Group selects financial assets and liabilities to be included in the hedge of the portfolio's interest rate risk exposure. The same methodology is constantly applied to select financial assets and liabilities that are included in the portfolio. Financial assets and liabilities are classified by time-buckets. Hence, when they are removed from the portfolio, they must be removed from all time-buckets on which they have an impact.

The Group chose to put together homogeneous portfolios of loans and portfolios of bonds. Based on this gap analysis, which is realized on a net basis, the Group defines at inception the risk exposure to be hedged, the length of time-buckets and the testing method and frequency.

Most of macro-hedging instruments used by the Group are plain-vanilla interest rate swaps designated at inception within a fair value hedge of fixed-rate resources or expenses. Hedge effectiveness is assessed through the use of target schedules. Prospective (realized at inception) and retrospective (realized at each half-year and annual closing date) effectiveness tests are intended to ensure there is no "over" hedging: they are successful if, for each time-bucket of the target schedule, the nominal amount of hedged items is superior to the notional amount of hedging derivatives.

Hedging instruments are made up of a portfolio of derivatives, in which positions may be offset. Hedging items are recognized at fair value (including accrued interest expense or income) with fair value adjustments recognized in profit or loss.

Revaluation related to the hedged risk is recognized on the balance sheet (respectively in asset or liability depending on whether the groups of hedged items are assets or liabilities) as Fair value revaluation of portfolio hedge with fair value adjustments recognized in profit or loss.

1.2.8 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in its absence, the most advantageous market the Group has access to on that date. The fair value of a liability reflects its non-performance risk, which includes in particular the Group's own credit risk.

Market prices are used to determine fair value where an active market exists. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on a going concern basis. Active market prices are not, however, available for a significant number of the financial assets and liabilities held or issued by the Group.

If a financial instrument is not listed on an active market, valuation techniques are used. Valuation techniques include the use of market data from recent arm's length transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same if any, and valuation models.

A valuation model reflects what the transaction price would have been on the measurement date in current market conditions. The valuation model incorporates all the factors that market participants would consider when pricing the instrument; for example modifications in the credit risk quality of the underlying financial instruments as well as instrument and market liquidity. Within this framework, the Group uses its own valuation models and market assumptions, *i.e.* present value of cash flows or any other techniques based on market conditions existing at closing date.

1.2.8.1 Fair value of financial instruments measured at amortized cost

The following additional comments are applicable to the fair value of financial instruments measured at amortized cost presented in note 7 of the financial statements:

- the fair value of fixed-rate loans is estimated by comparing market interest rates when the loans were granted with current market interest rates offered on similar loans;
- caps, floors and prepayment penalties are included in determining the fair value these instruments.

1.2.8.2 Financial instruments measured at fair value

Non-derivative financial assets measured at fair value, either through other comprehensive income or through profit or loss, and derivative instruments are measured at fair value by reference to listed market prices when available. When listed market prices are not available, fair value is estimated on the basis of valuation models or discounted cash flows method, using as much as possible observable, and if necessary non-observable market data.

For non-derivative financial assets measured at fair value and for derivative instruments, when listed prices are not available, the pricing model attempts to reflect as accurately as possible the market conditions on the valuation date as well as any changes in the credit quality of these financial instruments and the market liquidity.

To determine the fair value of its derivatives, the Group uses different discount curves depending on whether collateral was actually exchanged. Collateralized derivatives related future cash-flows are discounted using an OIS-based curve or an €STER curve for centrally cleared derivatives for which the discounting index has transitioned in the year 2020. In contrast, uncollateralized derivatives related future cash-flows are discounted using an Euribor-based curve. This differential treatment reflects the different financing costs associated with the derivatives used (FVA – funding valuation adjustment). As a reminder, Caisse Française de Financement Local does not pay any collateral to its derivative counterparties, if they benefit from the legal privilege on assets, as well as the legal holders of covered bonds.

In addition, a value adjustment is included in the fair value of derivatives to reflect the impact of counterparty's credit risk (CVA – credit valuation adjustment) or the Group's own credit risk (DVA – debit valuation adjustment). Value adjustment allows switching from a fair value based on cash flows discounted at risk-free rate, *i.e.* without considering credit risk, into a fair value including this risk. Its calculation is based on the risk exposures combined with loss rates including market parameters.

1.2.9 Deferred taxes

Deferred taxes are recognized using the liability method to account for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates enacted or substantively enacted at closing date are used to determine deferred taxes.

Deferred tax assets are recognized to the extent that it is probable that sufficient future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax liabilities are recognized to account for temporary differences arising from investments in subsidiaries, jointly controlled companies and associates, except where the timing of the reversal of the temporary difference cannot be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes relating to fair value remeasurements of financial assets measured at fair value through other comprehensive income and cash flow hedges, and other operations which are charged or credited directly to other comprehensive income, are also charged or credited to other comprehensive income.

1.2.10 Tangible and intangible assets

Fixed assets consist exclusively of operating tangible and intangible assets. These assets are held for production or administrative purposes. Fixed assets are recognized as assets if:

- it is probable that the associated future economic benefits will flow to the entity; and
- their cost can be measured reliably.

Fixed assets are recognized at acquisition cost plus any directly attributable expenses.

Software developed internally, when it meets the criteria for recognition, is recognized at its development cost, which includes external expenditures on hardware and services and staff expenses that can be directly attributed to its production and preparation for use.

After initial recognition, fixed assets are carried at cost less accumulated depreciation and impairment. When they are ready to be used, fixed assets are depreciated linearly over their expected useful life. Depreciation is recognized in profit or loss under the item Depreciation and amortization property and equipment and intangible assets.

The component approach is applied to all fixed assets. The depreciation periods are as follows:

Components	Depreciation period
Technical Installations	10 years
Fixtures and fittings	10 years
IT equipment	3 years
Software developed or acquired*	3 or 5 years
Office equipment	10 years

* *Purchased licenses and equipments are depreciated over 3 years. The depreciation period of internally developed softwares depends on whether they are strategic. Those which are considered strategic, are amortized over 5 years; those which are not are amortized over 3 years.*

Fixed assets are tested for impairment when impairment indicators are identified. When the carrying amount of a fixed asset is greater than its estimated recoverable amount, an impairment charge is recognized and the carrying amount of the fixed asset is written down to the estimated recoverable amount. Impairment charges are recognized in profit or loss under the item Depreciation and amortization property and equipment and intangible assets.

Gains or losses on disposal of fixed assets are charged to Net gains (losses) on other assets.

1.2.11 Leases

The Group contracts leases as lessee and it is not involved in sale and leaseback transactions. Most of the leases entered into by the Group are commercial leases governed by the French trade law (*Code de Commerce*), commonly referred to as "3/6/9 leases".

In compliance with the provisions of IFRS 16 standard, a contract is or contains a lease if it conveys, for a period of time in exchange for consideration, the right to control the use of an identified asset, namely both rights:

- to obtain substantially all the economic benefits from the use of this asset. It may be the case directly or indirectly and in several ways: for example by using or holding the asset; and
- to direct the use of this asset. It is evidenced when the Group has the right to direct how and for what purpose this asset is used or, when these parameters are predetermined, the Group has the right to operate the asset or has designed it.

This consideration shall be allocated to each of the lease and non-lease components of the contract, each lease component within the contract being accounted for as a distinct lease and separately from non-lease components. However, as a practical expedient, non-lease components may not be separated from the lease component they are associated to, the whole being then accounted for as a single lease.

Short-term leases and leases for which the underlying asset is of low value when it is new may be exempted. Non material leases are also exempted. Lease payments associated with those leases are recognized on a straight-line basis under the item Operating expenses over the lease term.

The lease term starts from the commencement date and extends over the period during which the lease is non-cancellable, taking into consideration each extension option that the lessee is reasonably certain to exercise and each termination option that the lessee is reasonably certain not to exercise. It shall not go beyond the period for which the contract is enforceable; the contract is no longer enforceable as soon as the lessee and the lessor each have the unilateral right to terminate the contract with no more than an insignificant penalty.

At initial recognition, which occurs at the commencement date of the lease, the Group recognizes:

- a right-of-use asset. This asset is initially measured at cost, which corresponds to the amount of the initial measurement of the lease liability including if applicable any lease payments already made, any initial direct costs incurred by the Group and any final restoration costs;
- a lease liability. This liability is initially measured at the present value of the lease payments yet not made discounted using the interest rate implicit in the lease or, by default, using the Group's incremental borrowing rate.

The lease payments included in this measurement are the contractual payments for the right to use the underlying asset; they comprise:

- fixed payments, net of any lease incentives receivable;
- variable payments, which depend on an index or a rate. The measurement is performed using the index or the rate in force at the commencement date;
- if applicable, amounts due under residual value guarantees;
- if applicable, the exercise price of any purchase option that the Group is reasonably certain to exercise;
- if however the Group has assessed the lease term assuming it exercises a termination option, the penalties incurred in this event.

Subsequently, the Group measures the right-of-use asset at cost:

- minus accumulated depreciation and, if applicable, impairment. From the commencement date, depreciation is being accounted for, linearly over the shorter period between the useful expected life of this asset and the lease term. The useful expected life shall however be used if the Group is reasonably certain to exercise a purchase option it has or if the legal ownership of the asset is transferred to the Group before the end of the lease term;
- taking into account if applicable any remeasurement of the lease liability.

Subsequently, the Group measures the lease liability at amortized cost, which corresponds to its carrying amount at initial recognition:

- plus accrued interest;
- minus the part of the payments made during the reporting period which corresponds to the repayed capital;
- taking into account if applicable any remeasurement of the lease liability or any lease modification.

Any remeasurement of the lease liability is recognized with an offsetting entry to the right-of-use corresponding asset and, in the event that it leads to reduce to zero the carrying amount of this asset or to reduce the lease duration, with an offsetting entry to the profit or loss for the remaining. The lease liability is remeasured by discounting the revised lease payments using:

- either the revised discount rate at the reameasurement date (the interest rate implicit in the lease or, by default, the Group's incremental borrowing rate). It is especially the case when the lease term is modified. It is also the case when the lease is modified in a way that the lease modification shall not be accounted for as a separate lease;
- or the discount rate used for the initial recognition of the lease liability. It is especially the case on the fixing date of the index or the rate on which is based the sequence of future variable payments.

Regarding leases-related disclosures in the financial statements:

- right-of-use assets are recognized under the item Tangible assets or Intangible assets as the case may be;
- depreciation allowances of right-of-use assets and, if applicable, impairment loss allowances are recognized under the item Depreciation and amortization of property and equipment and intangible assets;
- lease liabilities are recognized under the item Accruals and other liabilities;
- due and accrued interest on lease liabilities are recognized in the net interest margin.

1.2.12 Provisions

Provisions mainly include mainly provisions for litigations, restructuring, and loan commitments.

Regarding mainly litigations and restructuring, under IAS 37, a provision is recognized when and only when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate of the amount of the obligation can be made.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation. The discount rate used is the pre-tax rate that reflects current market assessments of the time value of money.

Regarding loan commitments, the followings must be distinguished (see above):

- loan commitments measured at fair value through profit or loss: they are fully in the scope of IFRS 9. Therefore, they are not impaired for expected credit losses but valued and their valuation is recognized on the asset side;
- other loan commitments: they are in the scope of the provisions of IFRS 9 related to derecognition and impairment only. Therefore, loss allowances for expected credit losses related to these commitments are measured and recognized the same way as the ones related to financial assets measured at amortized cost or fair value through other comprehensive income. The assessment of whether credit risk has significantly increased since initial recognition is performed from the date on which the Group is irrevocably and legally committed, *i.e.* from the issuing of a letter of loan offer. Besides, related loss allowances are recognized as liabilities through net income under "Cost of risk".

1.2.13 Employee benefits

Staff expenses include all costs related to employees, particularly expenses of the reporting period related to profit-sharing and incentive plans. Employee benefits are classified in four categories:

1.2.13.1 Short-term benefits

Short-term benefits are those expected to be settled wholly in twelve months after the end of the annual reporting period during which employee services are rendered; they are not discounted and are recognized as an expense of the reporting period. Annual leave is recognized when the benefits are granted to the employee. To this purpose, a provision is recognized based on rights vested by employees at the closing date.

1.2.13.2 Long-term benefits

These benefits, generally related to seniority, are paid to current employees. Their payment is deferred for more than twelve months after the end of the reporting period during which the employees rendered the related service. They represent, specially, long service awards. The actuarial gains and losses related to these benefits and all service costs are recognized immediately in profit or loss.

1.2.13.3 Termination benefits

Employee termination benefits result either from the decision by Sfil to terminate an employment contract before the legal retirement age or by a decision of voluntary redundancy in exchange for termination benefits. A charge for termination benefits at the end of the employment contract is recognized only when Sfil is no longer able to withdraw its offer.

1.2.13.4 Post-employment benefits

Post-employment benefits are only made of defined contribution plans. The assets of these plans are generally held by insurance companies or pension funds. The pension plans are generally funded by payments from both Sfil and its employees.

Under defined benefit plans, Sfil has a formal or constructive obligation to provide the agreed benefits to current and former employees. Actuarial and investment risks fall on Sfil; as a result, this obligation is measured and recognized as a liability under the item Provisions.

Post-employment benefit obligations are measured using an actuarial valuation technique that includes demographic and financial assumptions and the Projected Unit Credit Method, under which each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation.

The defined benefit net liability recognized in the balance sheet is valued by independent actuaries and represents the present value of defined benefit obligations reduced by the fair value of plan assets (if any).

When the fair value of assets exceeds the amount of the obligation, an asset is recognized if it represents a future economic benefit for Sfil in form of a reduction in future contributions to the plan or a future partial refund.

Remeasurements of defined benefit net liability (or asset) and the fair value of its covering assets is subject to adjustments due to changes in actuarial assumptions, which results in revaluating the liability (or asset) recognized under defined contribution plans. Actuarial gains and losses resulting from these adjustments are recognized as other comprehensive income at the closing date.

Under defined benefit plans, the expense recognized as staff expenses represents in particular the acquired rights during the reporting period by each employee and comprises the current service cost and past service cost arising from plan amendments, curtailments or settlements.

1.2.14 Interest income and expense

For all interest-bearing instruments, interest income and expense are recognized in profit or loss using the effective interest rate method (see above).

Accrued interest is recognized on the balance sheet under the same item as the related financial assets or liabilities.

1.2.15 Commissions

Most of the commissions arising from the Group's activities are recognized on an accrual basis over the life of the underlying transaction.

Loan commitment commissions are recognized as an adjustment to the effective interest rate and recognized in net interest margin if the loan is withdrawn.

1.2.16 Earnings per share

Basic earnings per share before dilution are calculated by dividing net income available for shareholders by the weighted average number of shares outstanding at closing date.

1.2.17 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include balances at central banks and interbank deposits and demand deposits on credit institutions.

1.2.18 Related-party transactions

Two parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party when making financial or operational decisions. The Group is owned by the Caisse des Dépôts Group, company registered in France, and by French State. Within this framework, related-party transactions are those with companies owned directly or indirectly by the same final shareholders, in particular the subsidiaries of Caisse des Dépôts group, and with directors.

1.2.19 Segment reporting

The Group's unique activity involves the financing or refinancing of loans to public sector entities and exporters.

The Group conducts its business solely from France. It has no direct activity in other countries and is unable to present a relevant geographic breakdown of its results.

Note 2 Notes to the assets

2.1 Central banks

EUR millions	**12/31/2024**	12/31/2023
Mandatory reserve deposits with central banks	-	-
Other deposits	2,016	2,980
TOTAL	**2,016**	**2,980**

2.2 Financial assets at fair value through profit or loss

2.2.1 Analysis by nature

EUR millions	**12/31/2024**	12/31/2023
Loans and advances to customers	1,676	2,233
Non Hedging derivatives*	14	18
TOTAL	**1,690**	**2,251**

* *Sfil is only authorized to enter into derivative transactions for hedging purposes. However, as certain hedging derivatives do not meet all the conditions required by IFRS to be classified as hedging instruments for accounting purposes, they are classified as derivative instruments at fair value through profit or loss. Furthermore, as from January 1, 2018 and the entry into force of IFRS 9, derivatives used to hedge assets reclassified as assets measured at fair value through profit or loss can no longer be classified as hedging instruments for accounting purposes. They are therefore now allocated to this category.*

2.2.2 Analysis of loans and advances to customers analysis by counterparty

EUR millions	**12/31/2024**	12/31/2023
Public sector	1,498	1,973
Other - guaranteed by a State or local government	178	260
TOTAL	**1,676**	**2,233**

2.3 Financial assets at fair value through equity

2.3.1 Analysis by nature

EUR millions	**12/31/2024**	12/31/2023
Stocks	-	-
Bonds	-	80
TOTAL	**-**	**80**

2.3.2 Analysis by counterparty

EUR millions	**12/31/2024**	12/31/2023
Public sector	-	-
Credit institutions	-	80
TOTAL	**-**	**80**

All financial assets measured at fair value through equity as of December 31, 2023, were allocated to the Stage 1 category.

2.4 Financial assets at amortized cost

	12/31/2024										
	Gross amount				Impairment				Net carrying amount	Accumulated partial write-offs	Accumulated total write-offs
EUR millions	Stage 1	Stage 2	Stage 3	Total	*Stage 1*	*Stage 2*	*Stage 3*	Total			
Sight accounts	42	-	-	42	-	-	-	-	42	-	-
Credit institutions	14	-	-	14	(0)	-	-	(0)	14	-	-
LOANS AND ADVANCES TO BANKS AT AMORTIZED COST	**56**	**-**	**-**	**56**	**(0)**	**-**	**-**	**(0)**	**56**	**-**	**-**
Public sector	45,689	2,877	173	48,740	(3)	(23)	(6)	(31)	48,709	-	-
Non-financial institutions	6,144	154	3	6,301	(2)	(1)	(0)	(3)	6,298	-	-
LOANS AND ADVANCES TO CUSTOMERS AT AMORTIZED COST	**51,833**	**3,032**	**177**	**55,041**	**(5)**	**(23)**	**(6)**	**(34)**	**55,007**	**-**	**-**
Public sector	4,386	515	2	4,903	(6)	(4)	(0)	(10)	4,893	-	-
Credit institutions	3,621	-	-	3,621	(1)	-	-	(1)	3,620	-	-
Non-financial institutions	-	-	-	-	-	-	-	-	-	-	-
BONDS AT AMORTIZED COST	**8,007**	**515**	**2**	**8,524**	**(7)**	**(4)**	**(0)**	**(10)**	**8,514**	**-**	**-**
TOTAL	**59,896**	**3,546**	**179**	**63,622**	**(11)**	**(27)**	**(6)**	**(44)**	**63,578**	**-**	**-**

	12/31/2023										
	Gross amount				Impairment				Net carrying amount	Accumulated partial write-offs	Accumulated total write-offs
EUR millions	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total			
Sight accounts	23	-	-	23	-	-	-	-	23	-	-
Credit institutions	45	-	-	45	(0)	-	-	(0)	45	-	-
LOANS AND ADVANCES TO BANKS AT AMORTIZED COST	**67**	**-**	**-**	**67**	**(0)**	**-**	**-**	**(0)**	**67**	**-**	**-**
Public sector	43,887	1,772	152	45,812	(6)	(12)	(5)	(23)	45,788	-	-
Non-financial institutions	1,773	3,844	1	5,618	(1)	(13)	(0)	(14)	5,604	-	-
LOANS AND ADVANCES TO CUSTOMERS AT AMORTIZED COST	**45,661**	**5,616**	**153**	**51,430**	**(7)**	**(25)**	**(5)**	**(37)**	**51,393**	**-**	**-**
Public sector	4,239	637	3	4,880	(4)	(5)	(0)	(9)	4,871	-	-
Credit institutions	3,115	-	-	3,115	(1)	-	-	(1)	3,114	-	-
Non-financial institutions	-	-	-	-	-	-	-	-	-	-	-
BONDS AT AMORTIZED COST	**7,355**	**637**	**3**	**7,995**	**(5)**	**(5)**	**(0)**	**(9)**	**7,985**	**-**	**-**
TOTAL	**53,083**	**6,254**	**155**	**59,492**	**(11)**	**(30)**	**(5)**	**(46)**	**59,446**	**-**	**-**

Loans and advances to customers at amortized cost include a gross amount at December 31, 2023 and December 31, 2024 of EUR 230 million and EUR 388 million respectively, corresponding to loans granted by the Sfil Group to support customers in their sustainability initiatives, through an incentive mechanism to revise the margin in line with ESG criteria. All these exposures were allocated to Stage 1 for the two years concerned.

Gross amounts increased by around EUR 4.1 billion in 2024, mainly as a result of the strong performance of Sfil's two main activities, namely financing loans to local authorities and French public hospitals, as well as refinancing large export contracts. The increase in amortized cost securities is related to the acquisition of covered bonds and securities from credit institutions or the public sector, aimed at investing surplus cash.

Gross amounts in Stage 2 decreased by around EUR 2.7 billion.This change is explained by the decision to remove all export credit exposures in the cruise sector from the watchlist, following the confirmation of a significant improvement in the financial health of these customers. This movement was partially offset by the transfer of another export counterparty from Stage 1 to Stage 2. Amounts allocated to Stage 3 remain overall stable.

Expected credit losses have slightly decreased by EUR 2 million.

The Sfil Group's forborne exposures correspond to exposures to which renegotiation measures have been applied in a context of financial difficulty on the part of the debtor (actual or future). Renegotiation measures consist of concessions such as payment deferrals, interest rate reductions, maturity rescheduling, debt write-offs or changes in contractual terms.

As of December 31, 2024, the number of forborne contracts stood at 58, with 47 borrowers, for a total risk exposure of EUR 238 million.

2.5 Tax assets

EUR millions	12/31/2024	12/31/2023
Current income tax	(0)	6
Other taxes	1	7
Current tax assets	**1**	**13**
Deferred tax assets (see note 4.2)	**74**	**67**
TOTAL TAX ASSETS	**74**	**80**

Deferred tax assets were submitted to a recoverability test taking into account the business plans presented to the Board of Directors according to realistic hypotheses. Deferred taxes as of December 31, 2024, are recoverable on the basis of this analysis within a reasonable horizon by taking into account the tax rules governing the treatment of past deficits. As of December 31, 2024, the Sfil Group has no deferred tax assets related to carry forward tax losses.

In addition, SFIL takes into account the legislative measures designed to reduce the corporate income tax rate to 25.83% from 2022.

2.6 Tangible assets

EUR millions	Equipment & Fixtures	Construction work in progress	IFRS 16	Total
NET CARRYING AMOUNT AS OF AU 12/31/2023	**6**	**0**	**26**	**32**
Acquisitions	1	0	-	1
Valuation/increases	-	-	-	-
Cancellations	-	-	-	-
Transfers	-	(0)	-	(0)
Sales	(0)	-	-	(0)
Depreciation and impairments	-	-	-	-
Amortizations	(1)	-	(3)	(4)
NET CARRYING AMOUNT AS OF AU 12/31/2024	**5**	**0**	**23**	**28**

2.7 Intangible assets

EUR millions	Software	Internally developed assets	Construction work in progress	Total
NET CARRYING AMOUNT AS OF AU 12/31/2023	**1**	**14**	**6**	**21**
Acquisitions	1	9	2	12
Valuation/increases	-	-	-	-
Cancellations	-	-	(0)	(0)
Transfers	-	-	(4)	(4)
Sales	(1)	(12)	-	(13)
Depreciation and impairments	-	-	-	-
Amortizations	0	2	-	3
NET CARRYING AMOUNT AS OF AU 12/31/2024	**1**	**14**	**4**	**19**

2.8 Accruals and other assets

EUR millions	12/31/2024	12/31/2023
Cash collateral paid	1,892	2,119
Other accounts receivable	4	5
Prepaid charges	24	20
Other assets	21	20
TOTAL ACCRUALS AND OTHER ASSETS	**1,940**	**2,165**

Note 3 Notes to the liabilities

3.1 Financial liabilities at fair value through profit or loss

EUR millions	12/31/2024	12/31/2023
Non hedging derivatives*	335	431
TOTAL	**335**	**431**

* *Group Sfil is only authorized to enter into derivative transactions for hedging purposes. However, as certain hedging derivatives do not meet all the conditions required by IFRS to be classified as hedging instruments for accounting purposes, they are classified as derivative instruments at fair value through profit or loss.*
Furthermore, as from January 1, 2018 and the entry into force of IFRS 9, derivatives used to hedge assets reclassified as assets measured at fair value through profit or loss can no longer be classified as hedging instruments for accounting purposes. They are therefore now allocated to this category.

3.2 Financial liabilities at amortized cost

EUR millions	12/31/2024	12/31/2023
Current account	-	-
Securities sold under repurchase agreements	-	-
Term deposits	-	-
Sub-total due to credit institutions at amortized cost	**-**	**-**
Certificates of deposit*	814	832
Euro medium term notes*	12,052	10,027
Obligations foncières	46,409	45,746
Registered covered bonds	6,365	6,290
Sub-total debt securities at amortized cost	**65,640**	**62,894**
TOTAL	**65,640**	**62,894**

* *Unlike obligations foncières and registered covered bonds, these bonds do not benefit from the legal privilege.*

3.3 Tax liabilities

EUR millions	12/31/2024	12/31/2023
Current income tax	-	0
Other taxes	1	2
Current tax liabilities	**1**	**2**
Deferred tax liabilities (see note 4.2)	**-**	**-**
TOTAL TAX LIABILITIES	**1**	**2**

3.4 Accruals and other liabilities

EUR millions	**12/31/2024**	12/31/2023
Cash collateral received	230	103
Other accrued charges	45	41
Deferred income	-	-
Contribution to support fund*	40	50
Other accounts payable and other liabilities	35	34
TOTAL	**349**	**227**

* *The item corresponds the residual balance of the commitment Sfil made in 2013 to contribute to the multi-year support fund for local governments in the amount of EUR 10 million for 15 years, for a total of EUR 150 million.*

3.5 Provisions

EUR millions	12/31/2023	Additions to provisions	Used amount	Unused amounts reversed during the period	Increase in the discounted amount due to the passage of time and effect of any change in the discount rate	Other movements	**12/31/2024**
Commitments and guarantees given	6	5	-	(4)	-	-	7
Provision on pensions	7	1	-	(1)	-	-	8
Other provisions	0	-	-	(0)	-	-	-
TOTAL	**13**	**7**	**-**	**(5)**	**-**	**-**	**15**

3.6 Reserve distribution and dividends

The Annual General Meeting on May 30, 2024, decided to distribute part of the 2023 profit (EUR 97 million) as dividends, corresponding to 75% of the consolidated net income under IFRS, which translates to EUR 42 million or EUR 4.56 per share. The remaining balance of EUR 55 million has been allocated to retained earnings.Furthermore, the Board of Directors on October 11, 2024, decided to proceed with an exceptional dividend distribution of EUR 85 million, or EUR 9.10 per share, as an advance on the dividend for the 2024 year. This will be drawn from retained earnings to the tune of EUR 55 million and from the 2024 profit for EUR 30 million. Additionally, the Ordinary General Meeting on November 13, 2024, resolved to make an exceptional distribution of reserves totaling EUR 31 million, or EUR 3.30 per share, sourced from the General Reserves account. Following these distributions, the balance of the General Reserves account will be reduced to EUR 69 million.

It will also be proposed at the Annual General Meeting on May 28, 2025, to supplement the advance on the dividend paid in 2024 to 75% of the consolidated net income under IFRS for 2024, amounting to EUR 52 million or EUR 5.56 per share. This amount will be drawn from the available profit for the fiscal year, which is EUR 43 million, as well as from the general reserves account, amounting to EUR 9 million. After this distribution, the balance of the general reserves account will be EUR 60 million.

Note 4 Other notes on the balance sheet

The hedging derivatives described below are in line with the Sfil group's risk policy, detailed in section 4.4.4 "Interest rate risk" of chapter 4 Risks and capital adequacy.

4.1 Derivatives

4.1.1 Analysis by nature

	12/31/2024		12/31/2023	
EUR millions	**Assets**	**Liabilities**	Assets	Liabilities
DERIVATIVES AT FAIR VALUE THROUGH PROFIT OR LOSS*	**14**	**335**	**18**	**431**
Derivatives designated as fair value hedges	1,755	3,033	1,737	3,670
Derivatives designated as cash flow hedges	1	419	7	213
Derivatives designated as portfolio hedges	389	446	446	444
HEDGING DERIVATIVES	**2,145**	**3,897**	**2,191**	**4,328**
CVA/DVA Impact	**(2)**	**(11)**	**(2)**	**(9)**
TOTAL DERIVATIVES	**2,156**	**4,221**	**2,207**	**4,749**

* *The Sfil Group may only use derivatives for hedging purposes. However, certain hedging derivatives that do not meet all the conditions required by IFRS to qualify as hedges are classified as derivatives at fair value through profit or loss.*
Moreover, as from January 1, 2018 and the entry into force of IFRS 9, derivatives used to hedge assets reclassified as assets measured at fair value through profit or loss can no longer be classified as hedging instruments for accounting purposes. They are therefore now allocated to this category.

4.1.2 Detail of derivatives designated as fair value through profit or loss

	12/31/2024				
	Notional amount				
EUR millions	**To receive**	**To deliver**	**Net**	**Assets**	**Liabilities**
Foreign exchange derivatives	0	0	(0)	10	195
Interest rate derivatives	1,613	1,613	0	4	140
TOTAL	**1,613**	**1,613**	**(0)**	**14**	**335**

	12/31/2023				
	Notional amount				
EUR millions	To receive	To deliver	Net	Assets	Liabilities
Foreign exchange derivatives	0	1	(0)	8	200
Interest rate derivatives	2,061	2,061	0	11	231
TOTAL	**2,061**	**2,061**	**(0)**	**18**	**431**

4.1.3 Detail of derivatives designated as fair value hedges

	12/31/2024				
	Notional amount				
EUR millions	**To receive**	**To deliver**	**Net**	**Assets**	**Liabilities**
Foreign exchange derivatives	3,302	3,290	12	227	48
Interest rate derivatives	63,003	62,978	24	1,528	2,985
TOTAL	**66,305**	**66,269**	**36**	**1,755**	**3,033**

	12/31/2023				
	Notional amount				
EUR millions	To receive	To deliver	Net	Assets	Liabilities
Foreign exchange derivatives	2,244	2,347	(103)	102	73
Interest rate derivatives	60,977	60,955	22	1,635	3,597
TOTAL	**63,221**	**63,302**	**(81)**	**1,737**	**3,670**

4.1.4 Detail of derivatives designated as cash flow hedges

	12/31/2024				
	Notional amount				
EUR millions	**To receive**	**To deliver**	**Net**	**Assets**	**Liabilities**
Foreign exchange derivatives	4,158	4,487	(330)	1	419
Interest rate derivatives	-	-	-	-	-
TOTAL	**4,158**	**4,487**	**(330)**	**1**	**419**

	12/31/2023				
	Notional amount				
EUR millions	To receive	To deliver	Net	Assets	Liabilities
Foreign exchange derivatives	3,950	4,051	(102)	7	213
Interest rate derivatives	-	-	-	-	-
TOTAL	**3,950**	**4,051**	**(102)**	**7**	**213**

EUR millions	**12/31/2024**	12/31/2023
Amount removed from cash flow hedge reserve and included in the carrying amount of a non-financial instrument (hedging of cash flows of a highly probable transaction)	-	-

4.1.5 Detail of derivatives designated as portfolio hedges

	12/31/2024				
	Notional amount				
EUR millions	To receive	To deliver	Net	Assets	Liabilities
Interest rate derivatives	40,876	40,876	0	389	446
TOTAL	**40,876**	**40,876**	**0**	**389**	**446**

	12/31/2023				
	Notional amount				
EUR millions	To receive	To deliver	Net	Assets	Liabilities
Interest rate derivatives	43,464	43,459	5	446	444
TOTAL	**43,464**	**43,459**	**5**	**446**	**444**

4.1.6 Breakdown of notional amount of derivatives designated as hedges by residual maturity

	12/31/2024					
EUR millions	Less than 1 month	1 to 3 months	3 months to 12 months	1 year to 5 years	More than 5 years	Notional amount to receive
Foreign exchange derivatives	-	1	80	3,052	169	3,302
Interest rate derivatives	502	1,154	5,166	28,573	27,608	63,003
TOTAL OF DERIVATIVES DESIGNATED AS FAIR VALUE HEDGES	**502**	**1,155**	**5,247**	**31,625**	**27,777**	**66,305**
Foreign exchange derivatives	51	13	478	1,573	2,044	4,158
Interest rate derivatives	-	-	-	-	-	-
TOTAL OF DERIVATIVES DESIGNATED AS CASH FLOW HEDGES	**51**	**13**	**478**	**1,573**	**2,044**	**4,158**
Interest rate derivatives	4,651	1,189	9,102	8,205	17,729	40,876
TOTAL OF DERIVATIVES DESIGNATED AS PORTFOLIO HEDGES	**4,651**	**1,189**	**9,102**	**8,205**	**17,729**	**40,876**

	12/31/2023					
EUR millions	Less than 1 month	1 to 3 months	3 months to 12 months	1 year to 5 years	More than 5 years	Notional amount to receive
Foreign exchange derivatives	-	1	-	1,867	377	2,244
Interest rate derivatives	1,245	809	6,176	27,135	25,611	60,977
TOTAL OF DERIVATIVES DESIGNATED AS FAIR VALUE HEDGES	**1,245**	**810**	**6,176**	**29,002**	**25,988**	**63,221**
Foreign exchange derivatives	40	19	455	1,245	2,191	3,950
Interest rate derivatives	-	-	-	-	-	-
TOTAL OF DERIVATIVES DESIGNATED AS CASH FLOW HEDGES	**40**	**19**	**455**	**1,245**	**2,191**	**3,950**
Interest rate derivatives	10,129	1,215	8,730	10,760	12,631	43,464
TOTAL OF DERIVATIVES DESIGNATED AS PORTFOLIO HEDGES	**10,129**	**1,215**	**8,730**	**10,760**	**12,631**	**43,464**

4.2 Deferred taxes

Deferred tax assets and liabilities are netted out when they concern the same tax entity.

4.2.1 Analysis by nature

EUR millions	**12/31/2024**	12/31/2023
Deferred tax assets before impairment	74	67
Impairment on deferred tax assets	-	-
DEFERRED TAX ASSETS	**74**	**67**
DEFERRED TAX LIABILITIES	**-**	**-**
TOTAL	**74**	**67**

4.2.2 Movements

EUR millions	**12/31/2024**	12/31/2023
As of January 1	**67**	**64**
Charge/credit recognized in the income statement	1	1
Effect of change in tax rates - impact on the income statement	-	-
Movements directly recognized in equity	6	1
Effect of change in tax rates - impact on equity	-	-
Translation adjustment	-	-
Tax audit effects	-	-
Other movements	-	-
AS OF DECEMBER 31	**74**	**67**

4.2.3 Deferred taxes from assets on the balance sheet

EUR millions	**12/31/2024**	12/31/2023
Loans and loan loss provisions	150	192
Securities	(111)	(112)
Derivatives	(132)	(94)
Accruals and other assets	(6)	(7)
TOTAL	**(98)**	**(21)**

4.2.4 Deferred taxes from liabilities on the balance sheet

EUR millions	**12/31/2024**	12/31/2023
Borrowings, deposits and issues of debt securities	(266)	(457)
Derivatives	414	518
Provisions	6	5
Accruals and other liabilities	18	21
TOTAL	**172**	**88**

4.3 Transactions with related parties

Analysis by nature

	Parent company[1]		Other related parties[2]	
EUR millions	**12/31/2024**	12/31/2023	**12/31/2024**	12/31/2023
ASSETS				
Financial assets at fair value through profit or loss	-	-	-	-
Hedging derivatives	-	-	-	-
Financial assets at fair value through equity	-	65	-	-
Loans and advances to banks at amortized cost	0	1	-	-
Securities at amortized cost	-	-	40	41
Accruals and other assets	1	1	1	1
LIABILITIES				
Hedging derivatives	-	-	-	-
Due to banks	-	-	-	-
Debt securities at amortized cost	-	-	344	306
Accruals and other liabilities	-	-	0	0
INCOME STATEMENT				
Interest income	3	2	2	1
Interest expense	(2)	(2)	(11)	(11)
Fee and commission income	-	-	5	4
Fee and commission expense	-	-	(0)	(0)
Net result of financial assets ar fair value through profit or loss	1	2	(3)	(1)
Net result of financial assets ar fair value through equity	-	-	-	-
Gains or losses resulting from derecognition of financial instruments at amortized cost	-	-	-	-
Other income	-	-	-	0
Other expense	-	-	-	-
Operating expenses	-	-	-	-
Cost of risk	-	-	-	-
OFF BALANCE SHEET				
Foreign exchange derivatives	-	-	-	-
Interest rate derivatives	-	-	-	-
Financing commitments received	4,000	4,000	1,000	1,000
Financing commitments given[3]	111	124	-	-

(1) This item includes transactions with Caisse des Dépôts, the parent company of Sfil.
(2) This item includes transactions with La Banque Postale and Bpifrance, subsidiaries of Caisse des Dépôts Group.
(3) At the end of 2022, Sfil Group signed a partnership agreement with Caisse des Dépôts to offer local authorities and public hospitals in France a new long- and very long-term fixed-rate product. Within this framework, Sfil Group will make cash advances to Caisse des Dépôts corresponding to the amounts of loans granted by the latter. In return, Caisse des Dépôts undertakes to sell the loan to the Sfil Group at the end of the drawdown phase.

4.4 Unrealized or deferred gains and losses, breakdown

EUR millions	**12/31/2024**	12/31/2023
Unrealized or deferred gains and losses of financial assets at fair value through equity	-	0
Unrealized or deferred gains and losses of cash flow hedges derivatives	0	0
Unrealized or deferred gains and losses of cost of hedging derivatives	(90)	(66)
Actuarial gains and losses on defined-benefit plans	0	1
TOTAL	**(90)**	**(66)**
Deferred tax on unrealized or deferred gains and losses of financial assets at fair value through equity	-	(0)
Deferred tax on unrealized or deferred gains and losses of cash flow hedges derivatives	(0)	(0)
Deferred tax on unrealized or deferred gains and losses of cost of hedging derivatives	23	17
Deferred tax on actuarial gains and losses on defined-benefit plans	(0)	(0)
TOTAL AFTER TAX	**(67)**	**(49)**

Note 5 Notes to the income statement

5.1 Interest income - interest expense

Sfil presents interest calculated using the effective interest rate method on financial instruments measured at amortized cost or at market value through equity under the headings "Interest income" and "Interest expense".

These headings also include interest income and expense on financial instruments recognized at fair value through profit or loss because they do not meet the SPPI criterion due to the fact that the cash flows received do not consist solely of principal and interest payments. However, the change in value calculated excluding accrued interest on these financial instruments at fair value through profit or loss is recorded under Net result of financial instruments at fair value through profit or loss (*see note 5.3*).

Interest income and expense on hedging derivatives are included with the revenue generated by the associated hedged items. Meanwhile, certain derivatives not classified as hedging instruments for accounting purposes are held as economic hedges of financial instruments carried at fair value through profit or loss; the interest income and expense on these hedging derivatives are included in the headings recording the interest on these financial instruments.

	2024			2023		
EUR millions	**Income**	**Expense**	**Net**	Income	Expense	Net
Loans/loans with credit institutions	-	-	-	-	-	-
Loans/loans with customers	80	-	80	110	-	110
Derivatives outside the hedging relationship	76	(75)	1	103	(124)	(20)
FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**156**	**(75)**	**81**	**213**	**(124)**	**89**
Hedging derivatives	3,175	(3,641)	(466)	2,623	(3,065)	(442)
HEDGING DERIVATIVES	**3,175**	**(3,641)**	**(466)**	**2,623**	**(3,065)**	**(442)**
Securities	0	(0)	0	0	-	0
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**0**	**(0)**	**0**	**0**	**-**	**0**
Central bank accounts	113	(0)	113	93	(0)	93
Accounts and loans with credit institutions*	100	(38)	62	102	(465)	(363)
Accounts and loans with customers*	1,230	(0)	1,230	1,482	-	1,482
Securities	296	(1,131)	(835)	227	(922)	(695)
Other	-	-	-	-	-	-
FINANCIAL ASSETS AND LIABILITIES AT AMORTIZED COST	**1,739**	**(1,168)**	**571**	**1,903**	**(1,387)**	**516**
TOTAL	**5,070**	**(4,884)**	**186**	**4,740**	**(4,576)**	**163**

* *In the context of refinancing large export credits, the insurance contracted by Sfil is economically neutral, as its cost is ultimately borne by the borrower. Since 2023, insurance premiums are no longer recorded, and those remaining to be amortized on Sfil's balance sheet have been fully recognized in the results for the 2023 year. The impact of this recognition was EUR +396 million on interest income and EUR -396 million on interest expenses, resulting in a net interest margin impact of zero.*

Interest income and expenses evaluated using the effective interest rate method amounted to EUR 1,903 million and EUR -1.387 million, respectively, as of December 31, 2023, and EUR 1,740 million and EUR -1,169 million as of December 31, 2024.

As of December 31, 2024, as well as December 31, 2023, with the return to a positive interest rate environment, negative interest paid on financial instruments in assets and received on financial instruments in liabilities was zero.

5.2 Fees and commissions

EUR millions	**2024**	2023
Servicing commission received from La Banque Postale	5	4
Other commission	(4)	(0)
TOTAL	**0**	**4**

5.3 Net result of financial instruments at fair value through profit or loss

All interest received and paid on assets, liabilities and derivatives is recorded in the interest margin, as required by IFRS. Consequently, net gains or losses on hedging transactions only include changes in the clean value of derivatives and the re-valuation of assets and liabilities included in a hedging relationship.

EUR millions	**2024**	2023
Net result on financial assets or liabilities at fair value through profit or loss	12	(5)
Net result of hedge accounting	7	6
Net result of foreign exchange transactions	(0)	0
TOTAL	**19**	**1**

Analysis of net result of hedge accounting

EUR millions	**2024**	2023
FAIR VALUE HEDGES	**7**	**9**
Fair value changes in the hedged item attributable to the hedged risk	(534)	(846)
Fair value changes in the hedging derivatives	541	855
CASH FLOW HEDGES	**(0)**	**(0)**
Fair value changes in the hedging derivatives – ineffective portion	-	-
Discontinuation of cash flow hedge accounting (Cash flows no longer expected to occur)	(0)	(0)
PORTFOLIO HEDGE	**(1)**	**(2)**
Fair value changes in the hedged item	56	318
Fair value changes in the hedging derivatives	(57)	(321)
CVA/DVA IMPACT	**1**	**0**
TOTAL	**7**	**6**

5.4 Net result of financial instruments at fair value through equity

EUR millions	**2024**	2023
Net result of disposal on bonds at fair value though equity	-	-
Net results on disposal or prepayment of hedging derivatives instruments at fair value through equity	-	-
TOTAL	**-**	**-**

5.5 Gains and losses resulting from derecognition of financial instruments at amortized costs

EUR millions	**2024**	2023
Net result on disposal or prepayment of bonds at amortized cost	(0)	-
Net result on disposal or prepayment of loans and advances to banks at amortized cost	-	0
Net result on disposal or prepayment of loans and advances to customers at amortized cost	3	8
Net result on disposal or prepayment of due to banks at amortized cost	-	0
Net result on disposal or prepayment of debt securities at amortized cost	-	1
TOTAL	**3**	**9**

Detail of on derecognition of assets and liabilities at amortized cost

	2024		2023	
EUR millions	**Notional amount**	**Impact on result**	Notional amount	Impact on result
Net result on disposal, prepayment or restructuring of bonds at amortized cost	**1**	**(0)**	**-**	**-**
Prepayment of securities at amortized cost	1	(0)		-
Net result on disposal, prepayment or restructuring of loans and advance to credit institutions at amortized cost	**-**	**-**	**-**	**-**
Prepayment of loans and advances to credit institutions at amortized cost	-	-	-	-
Restructuring of loans and advances to credit institutions at amortized cost	-	-	-	-
Net result on disposal, prepayment or restructuring of loans and advances to customers at amortized cost	**248**	**3**	**282**	**8**
Prepayment of loans and advances to customers	44	2	92	2
Restructuring of loans and advances to customers*	205	1	190	6
SUB-TOTAL ASSETS	**250**	**3**	**282**	**8**
Net result of prepayment of debt to banks at amortized cost	**-**	**-**	**-**	**-**
Prepayments of debt to banks	-	-	-	-
Net result of prepayment of debt securities at amortized cost	**-**	**-**	**114**	**1**
Prepayment of debt securities at amortized cost			114	1
SUB-TOTAL LIABILITIES	**-**	**-**	**114**	**1**
TOTAL	**250**	**3**	**396**	**9**

* *Gains and losses arising from the derecognition of financial assets or liabilities at amortized cost are mainly associated with the business of restructuring loans to local public sector customers, which leads to the upfront recognition of income in accordance with IFRS principles (see note 1.2.5.8).*

5.6 Operating expenses

EUR millions	2024	2023
Payroll costs*	(61)	(59)
Other general and administrative expenses	(35)	(31)
Taxes	(7)	(13)
TOTAL	**(103)**	**(103)**

* *Sfil has taken into account the decisions handed down by the social chamber of the Cour de Cassation on September 13, 2023 concerning employees' entitlement to paid leave, and has booked a provision representing a non-material amount.*
In addition, in accordance with IAS19, personnel costs include the impact of the pension reform which came into effect in April 2023, for a non-material amount in respect of past service costs. For the record, discounting gains and losses arising from changes in assumptions relating to post-employment benefit obligations are recognized directly in net income and unrealized or deferred gains or losses recognized directly in equity (see note 3.5).

5.7 Depreciation and amortization, property and equipment and intangible assets

EUR millions	2024	2023
Depreciation and amortization on tangible assets	(1)	(1)
Depreciation and amortization on intangible assets	(10)	(10)
IFRS16 impact	(3)	(5)
TOTAL	**(14)**	**(16)**

5.8 Cost of risk

EUR millions	2024				
Specific Impairment	January 1	Allocations	Reversals	Losses	December 31
Stage 1	(0)	-	0	0	-
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**(0)**	**-**	**0**	**0**	**-**
Stage 1	5	-	0	(5)	(0)
Stage 2	(6)	-	-	6	-
Stage 3	-	-	-	-	-
LOANS AND ADVANCES TO BANKS AT AMORTIZED COST	**(0)**	**-**	**0**	**0**	**(0)**
Stage 1	12	(2)	13	(28)	(5)
Stage 2	(38)	(12)	4	22	(23)
Stage 3	(11)	(1)	0	6	(6)
LOANS AND ADVANCES TO CUSTOMERS AT AMORTIZED COST	**(37)**	**(14)**	**17**	**(0)**	**(34)**
Stage 1	2	(2)	1	(7)	(7)
Stage 2	(11)	-	1	7	(4)
Stage 3	(0)	-	0	0	(0)
BONDS AT AMORTIZED COST	**(9)**	**(2)**	**2**	**(0)**	**(10)**
Stage 1	(2)	(0)	3	(1)	(1)
Stage 2	(3)	(4)	1	1	(5)
Stage 3	(0)	-	-	0	-
OFF-BALANCE SHEET COMMITMENTS	**(5)**	**(4)**	**4**	**0**	**(6)**
OTHER PROVISIONS	**(1)**	**(1)**	**0**	**-**	**(2)**
TOTAL	**(53)**	**(21)**	**22**	**(0)**	**(52)**

EUR millions Specific Impairment	2023 January 1	Allocations	Reversals	Losses	December 31
Stage 1	(0)	-	-	-	(0)
Stage 2	-	-	-	-	-
Stage 3	-	-	-	-	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**(0)**	**-**	**-**	**-**	**(0)**
Stage 1	(0)	0	0	6	5
Stage 2	-	-	-	(6)	(6)
Stage 3	-	-	-	-	-
LOANS AND ADVANCES TO BANKS AT AMORTIZED COST	**(0)**	**0**	**0**	**(0)**	**(0)**
Stage 1	10	(2)	2	2	12
Stage 2	(35)	(10)	9	(1)	(38)
Stage 3	(10)	(3)	2	(0)	(11)
LOANS AND ADVANCES TO CUSTOMERS AT AMORTIZED COST	**(35)**	**(15)**	**13**	**0**	**(37)**
Stage 1	(3)	(1)	6	0	2
Stage 2	(12)	-	1	(0)	(11)
Stage 3	(0)	-	-	-	(0)
BONDS AT AMORTIZED COST	**(16)**	**(1)**	**7**	**0**	**(9)**
Stage 1	(2)	(1)	1	-	(2)
Stage 2	(8)	-	5	-	(3)
Stage 3	(0)	-	-	-	(0)
OFF-BALANCE SHEET COMMITMENTS	**(10)**	**(1)**	**5**	**-**	**(5)**
OTHER PROVISIONS	**(3)**	**-**	**2**	**-**	**(1)**
TOTAL	**(63)**	**(16)**	**27**	**(0)**	**(53)**

5.9 Corporate income tax

5.9.1 Breakdown of tax expense

EUR millions	**2024**	2023
Current taxes	(25)	(21)
Deferred taxes	1	1
Deferred tax on previous year	-	-
Other income taxes on previous exercise*	0	6
TOTAL	**(24)**	**(14)**

* *In 2023 and in the context of the tax reassessment relating to the 2012 financial year, the Sfil Group concluded a memorandum of understanding with Dexia SA enabling the amount of the sums due between the entities to be agreed, generating an income of EUR 6 million.*

5.9.2 Effective tax expense

The difference between the actual corporate income tax rate and the French tax rate can be analyzed as follows:

EUR millions	**2024**	2023
INCOME BEFORE INCOME TAXES	**93**	**70**
Net income from associates	-	-
TAX BASE	**93**	**70**
Applicable tax rate at end of the period	25.83%	25.83%
THEORETICAL CORPORATE INCOME TAX AT THE STANDARD RATE	**(24)**	**(18)**
Tax effect of non-deductible expenses	(0)	(2)
Tax effect of non-taxable income	-	-
Impact of items taxed at a reduced rate	-	-
Other additional taxes or tax savings	-	-
Tax audit effects*	-	-
Other corporation tax previous year	0	6
Revaluation of the stock of deferred taxes	-	-
Use of corporate income tax rate applicable to the future fiscal years*	-	-
CORPORATE INCOME TAX RECORDED IN THE INCOME STATEMENT	**(24)**	**(14)**

* *In 2023 and in the context of the tax reassessment relating to the 2012 financial year, the Sfil Group concluded a memorandum of understanding with Dexia SA enabling the amount of the sums due between the entities to be agreed, generating an income of EUR 6 million.*

5.9.3 Tax consolidation

Since January 1, 2014, Caffil has been a member of the SFIL tax group.

Note 6 Note on off-balance sheet items

6.1 Regular way trade

EUR millions	**12/31/2024**	12/31/2023
Assets and currencies to be delivered	-	-
Liabilities and currencies to be received	-	-

6.2 Guarantees

EUR millions	**12/31/2024**	12/31/2023
Guarantees received from credit institutions	-	-
Enhanced guarantees(1)	17,199	14,744
Loan guarantee commitments received	-	-
Guarantees received from customers(2)	1,104	1,229

(1) *The export financing and financing commitments granted by the Sfil Group are backed by a 100% unconditional and irrevocable guarantee from the French Republic, known as the enhanced guarantee. It is worth noting that the Sfil Group no longer utilizes this mechanism for operations concluded since September 2024 but continues to benefit from the export credit insurance provided by Bpifrance Export. This development is part of the group's ongoing efforts to simplify its operations.*

(2) *Guarantees received from customers are generally granted by local authorities.*

6.3 Financing commitments

EUR millions	**12/31/2024**	12/31/2023
Loan commitments granted to credit institutions[1]	-	0
Loan commitments granted to customers[1]	7,533	6,728
Loan commitments received from credit institutions[2]	5,000	5,000
Loan commitments received from customers	-	-

(1) Financing commitments on loans and lines of credit related to contract issued but not paid out. These amounts mainly relates to commintments on operations in export credit business line.

(2) Commitments on this line correspond to financing commitments received from Caisse des Dépôts and La Banque Postale for EUR 4,000 million and EUR 1,000 million respectively. With regard to the Caisse des Dépôts financing commitment, Sfil records the total commitments relating to existing tranches only, which are limited to EUR 4,000 million. This amount does not take into account the possibility provided for in the financing agreement with Caisse des Dépôts to negotiate additional financing in good faith.

6.4 Other commitments

EUR millions	**12/31/2024**	12/31/2023
Commitments given[1]	17	13
Engagements received from Caisse des Dépôts[2]	111	124
Commitments received[3]	16	14

(1) This refers to the irrevocable payment undertaking to the Single Resolution Fund. These commitments are collateralized by interest-bearing cash deposits of the same amount. The European ruling rejecting the appeal against the Single Resolution Board by a bank regarding the reimbursement of commitments from a subsidiary whose banking license has been revoked did not result in any changes to Sfil's accounting for these commitments. In 2024, this amount also includes pledges of securities totaling EUR 4 million.

(2) At the end of 2022, Caffil signed a partnership agreement with Caisse des Dépôts to offer local authorities and public hospitals in France a new long-term fixed-rate product. Under this agreement, Caffil makes cash advances to Caisse des Dépôts corresponding to the amounts of loans granted by the latter. In return, Caisse des Dépôts undertakes to sell the loan to Caffill at the end of the drawdown phase.

(3) Mainly loans guaranteed by public authorities.

6.5 Impairments on financing commitments and other commitments granted

	Financing commitments and financial guarantees under IFRS 9 as of 12/31/2024									**Commitments and financial guarantees measured at fair value**	
	Gross amount				**Impairment**						
EUR millions	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Net carrying amount**	**Nominal amount**	**Accumulated negative changes in fair value due to credit risk on non-performing commitments**
Granted to credit institutions	-	-	-	-	-	-	-	-	-	-	-
Granted to customers	6,849	683	-	7,533	(1)	(5)	-	(6)	7,527	-	-
TOTAL	**6,849**	**683**	**-**	**7,533**	**(1)**	**(5)**	**-**	**(6)**	**7,527**	**-**	**-**

	Financing commitments and financial guarantees under IFRS 9 as of 12/31/2023									Commitments and financial guarantees measured at fair value	
	Gross amount				Impairment						
EUR millions	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Net carrying amount	Nominal amount	Accumulated negative changes in fair value due to credit risk on non-performing commitments
Granted to credit institutions	0	-	-	-	-	-	-	-	0	-	-
Granted to customers	5,890	838	-	6,728	(2)	(3)	-	(5)	6,722	-	-
TOTAL	**5,890**	**838**	**-**	**6,728**	**(2)**	**(3)**	**-**	**(5)**	**6,722**	**-**	**-**

Financing commitments increased by EUR 0.8 billion in 2024. This development is mainly due to the strong export activity observed over the period and to financing commitments in Stage 1. Expected credit losses have seen a slight increase.

Note 7 Notes on risk exposure

IFRS 7 requires two main categories of information:

- Information on the significance of financial instruments in relation to the company's financial position and results (presentation by classes of instruments);
- "Qualitative" and "quantitative" information regarding the nature and extent of financial risks and how the entity manages these risks (sensitivity analysis to market risks and information on liquidity and credit risks).

Regarding the positioning of the information required by IFRS 7, the standard allows for this information to be disclosed outside of the financial statements, within the management report or, for example, a risk management report.

In line with this provision, the Sfil Group now presents qualitative and quantitative information on the nature and extent of financial risks in Chapter 4, Risks and Capital Adequacy, of its annual financial report.

7.1 Fair value

This note presents the fair value adjustments that are not recognized, in income or in equity, because they correspond to assets or liabilities valued at amortized cost in the IFRS accounts.

These fair value adjustments take into account the features of the relevant assets and liabilities (maturity, hedging of interest rate risk, amortization profile, and, for assets, their rating); they also take into account current market conditions in terms of price or spread of these same operations, or operations to which they could be assimilated. The breakdown of assets and liabilities as a function of the method used to determine their fair value is shown in Note 7.1.3. below; it can be seen that most assets are valued according to a technique that takes into account the fact that significant parameters are not observable for the assets since the exposure primarily consists of loans, a form of debt that is not listed on liquid markets. For the valuation of liabilities, certain observable parameters have been used.

These fair values provide interesting information but are not relevant for drawing conclusions on the value of the company or on the income generated in the future. The assets and liabilities stand out for being consistent in rates and maturity and moreover are intended to be maintained on the balance sheet until their maturity, given the specialized activity of the company.

7.1.1 Composition of the fair value of the assets

EUR millions	12/31/2024 Book value	12/31/2024 Fair value	12/31/2024 Unrecognized fair value adjustment
Central banks	2,016	2,016	-
Financial assets at fair value through profit or loss	1,690	1,690	-
Hedging derivatives	2,142	2,142	-
Financial assets at fair value through equity	-	-	-
Loans and advances to banks at amortized cost	56	56	(0)
Loans and advances to customers at amortized cost	55,007	51,923	(3,084)
Bonds at amortized cost	8,514	8,003	(510)
Fair value revaluation of portfolio hedge	380	-	(380)
TOTAL	**69,806**	**65,831**	**(3,975)**

EUR millions	12/31/2023 Book value	12/31/2023 Fair value	12/31/2023 Unrecognized fair value adjustment
Central banks	2,980	2,980	-
Financial assets at fair value through profit or loss	2,251	2,251	-
Hedging derivatives	2,189	2,189	-
Financial assets at fair value through equity	80	80	-
Loans and advances to banks at amortized cost	67	67	(1)
Loans and advances to customers at amortized cost	51,393	48,343	(3,050)
Bonds at amortized cost	7,985	7,419	(566)
TOTAL	**66,945**	**63,328**	**(3,617)**

In accordance with the recommendations of the AMF, Fair value revaluation of portfolio hedge is presented on a separate line starting from the December 2024 financial statement.
The interest-rate component of asset portfolios hedged under the macro-FVH model amounted to EUR 405 million at December 31, 2023.

7.1.2 Composition of the fair value of the liabilities, excluding equity

	12/31/2024		
EUR millions	**Book value**	**Fair value**	**Unrecognized fair value adjustment**
Financial liabilities at fair value through profit or loss	335	335	-
Hedging derivatives	3,886	3,886	-
Due to banks at amortized cost	-	-	-
Debt securities at amortized cost	65,640	62,127	(3,513)
Fair value revaluation of portfolio hedge	39	-	(39)
TOTAL	**69,901**	**66,348**	**(3,553)**

	12/31/2023		
EUR millions	Book value	Fair value	Unrecognized fair value adjustment
Financial liabilities at fair value through profit or loss	431	431	-
Hedging derivatives	4,318	4,318	-
Due to banks at amortized cost	0	-	(0)
Debt securities at amortized cost	62,894	59,464	(3,430)
TOTAL	**67,644**	**64,213**	**(3,430)**

In accordance with the recommendations of the AMF, Fair value revaluation of portfolio hedge is presented on a separate line starting from the December 2024 financial statement.
The interest-rate component of the liability portfolios hedged under the macro-FVH model amounts to EUR 53 million at December 31, 2023.

7.1.3 Methods used to determine the fair value of financial instruments

The fair value of a fnancial instrument is determined on the basis of prices that can be observed in the market for the instrument itself or for a comparable instrument, or with the help of a technical evaluation utilizing observable market data. A hierarchy of the methods used to establish fair value has been drawn up. It is composed of the following three levels:

- level 1 corresponds to the instruments considered to be liquid, i.e. that their valuation is based on the price observed in a liquid market, for which Sfil assured itself of the existence of a large number of contributors. Level 1 securities include in particular certain government bonds.
- level 2 uses another method to determine the value of instruments for which Sfil can not observe market prices, but observes such for similar instruments by the same issuer or guarantor listed in the market. In this case, observable prices and other data observable in the market are used and an adjustment is made to account for the degree of the security's illiquidity.
- in level 3, when there is no active market or observable market data, the fair value of instruments is determined by using a valuation spread developed from an internal model. Level 3 Hedging derivatives are valued using these internal models.

The measurement of derivatives is based on an analysis combining the observability of the market data used in the assessment and the robustness of the valuation models measured in terms of efficiency to provide a valuation in market consensus. The result of this application is that the derivatives used by Sfil Group in hedging its activities are primarily of level 2.

For the derivatives in level 3, this classification mainly involves hybrid, structured products (interest rate – foreign exchange), spread (correlation) products and options on interest rates. This classification is mainly due to the fact that these products present complex payoffs which require an advanced statistical model with variable parameters which are sometimes unable to be seen in the market.

EUR millions Fair value of financial assets	12/31/2024 Level 1	Level 2	Level 3	Total
Central banks	2,016	-	-	2,016
Financial assets at fair value through profit or loss	-	13	1,677	1,690
Hedging derivatives	-	2,132	10	2,142
Financial assets at fair value through equity	-	-	-	-
Loans and advances to banks at amortized cost	42	14	0	56
Loans and advances to customers at amortized cost	-	-	51,923	51,923
Bonds at amortized cost	4,799	2,316	888	8,003
TOTAL	**6,857**	**4,476**	**54,498**	**65,831**

EUR millions Fair value of financial assets	12/31/2023 Level 1	Level 2	Level 3	Total
Central banks	2,980	-	-	2,980
Financial assets at fair value through profit or loss	-	17	2,234	2,251
Hedging derivatives	-	2,119	70	2,189
Financial assets at fair value through equity	80	-	-	80
Loans and advances to banks at amortized cost	23	44	0	67
Loans and advances to customers at amortized cost	-	-	48,343	48,343
Bonds at amortized cost	3,880	2,516	1,023	7,419
TOTAL	**6,963**	**4,695**	**51,670**	**63,328**

EUR millions Fair value of financial liabilities	12/31/2024 Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	-	303	32	335
Hedging derivatives	-	3,855	31	3,886
Due to banks at amortized cost	-	-	-	-
Debt securities at amortized cost	51,074	5,273	5,779	62,127
TOTAL	**51,074**	**9,432**	**5,842**	**66,348**

EUR millions Fair value of financial liabilities	12/31/2023 Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	-	412	19	431
Hedging derivatives	-	4,278	40	4,318
Due to banks at amortized cost	-	-	-	-
Debt securities at amortized cost	48,119	5,662	5,683	59,464
TOTAL	**48,119**	**10,353**	**5,742**	**64,213**

Sensitivity of the market value of level 3 financial instruments to changes in reasonably possible hypotheses

The following table gives a synthetic view of financial instruments in level 3 for which changes in hypotheses concerning one or more non observable parameter would cause a significant change in market value. These amounts illustrate the interval of uncertainty inherent in the recourse to judgment in estimating parameters of level 3 or in the choice of valuation techniques and models. They reflect the uncertainty of valuation which is effective at the date of valuation. Although this uncertainty essentially results from the sensitivity of the portfolio at the date of valuation, it does not make it possible to foresee or to deduct future variations in the market value any more than they represent the effect of extreme market conditions on the value of the portfolio. To estimate sensitivity, Sfil either values financial instruments using reasonably possible parameters or applies hypotheses based on its policy of additional valuation adjustments.

EUR millions	12/31/2024	12/31/2023
Uncertainty inherent in level 3 market parameters	1	0
Uncertainty inherent in level 3 derivatives valuation models	6	12
SENSITIVITY OF THE MARKET VALUE OF LEVEL 3 FINANCIAL INSTRUMENTS	**7**	**12**

7.1.4 Transfer between level 1 and 2

EUR millions	12/31/2024	12/31/2023
Level 1 to level 2	-	-
Level 2 to level 1	-	-

7.1.5 Level 3: flow analysis

EUR millions Fair value of financial assets	Financial assets at fair value through profit or loss	Hedging derivatives	Financial assets at fair value through equity	Total financial assets
12/31/2023	**2,234**	**70**	**-**	**2,303**
Total gains and losses through profit and loss	-	-	-	-
Total unrealized or deferred gains and losses	(229)	1	-	(228)
Total OCI unrealized or deferred gains and losses	-	-	-	-
Purchase	1	0		1
Sale	-	-	-	-
Direct origination	-	-	-	-
Settlement	(328)	(27)	-	(355)
Transfer in activities destined to be sold	-	-	-	-
Transfer to level 3	-	5	-	5
Transfer out of level 3	(0)	(38)	-	(39)
Other variations	-	-	-	-
12/31/2024	**1,677**	**10**	**-**	**1,687**

EUR millions Fair value of financial liabilities	Financial liabilities at fair value through profit or loss	Hedging derivatives	Total financial liabilities
12/31/2023	**18**	**40**	**59**
Total gains and losses through profit and loss	-	-	-
Total unrealized or deferred gains and losses	(5)	(10)	(15)
Total OCI unrealized or deferred gains and losses	-	-	-
Purchase	0	-	0
Sale	-	-	-
Direct origination	-	-	-
Settlement	(3)	(4)	(7)
Transfer in activities destined to be sold	-	-	-
Transfer to level 3	22	5	27
Transfer out of level 3	(2)	-	(2)
Other variations	-	-	-
12/31/2024	**32**	**31**	**63**

7.2 Off-setting of financial assets and liabilities

7.2.1 Financial assets subject to off-setting, enforceable master netting arrangements and similar agreements

	12/31/2024					
				Other amounts in the application scope but not offset		
EUR millions	**Gross amounts before off-setting**	**Gross amounts off-set according to IAS 32**	**Net Amounts presented in the balance sheet**	**Effect of master netting arrangements**	**Financial Instruments received as collateral**	**Net Amounts according to IFRS 7 and 13**
Loans and advances at fair value through profit or loss	2,156	-	2,156	(1,225)	(220)	710
Derivatives (including hedging instruments)	1,676	-	1,676	-	-	1,676
Loans and advances to banks at amortized cost	56	-	56	-	-	56
Loans and advances to customers at amortized cost	55,007	-	55,007	-	-	55,007
TOTAL	**58,896**	**-**	**58,896**	**(1,225)**	**(220)**	**57,451**

	12/31/2023					
				Other amounts in the application scope but not offset		
EUR millions	Gross amounts before off-setting	Gross amounts off-set according to IAS 32	Net Amounts presented in the balance sheet	Effect of master netting arrangements	Financial Instruments received as collateral	Net Amounts according to IFRS 7 and 13
Loans and advances at fair value through profit or loss	2,207	-	2,207	(1,346)	(101)	760
Derivatives (including hedging instruments)	2,233	-	2,233	-	-	2,233
Loans and advances to banks at amortized cost	67	-	67	-	-	67
Loans and advances to customers at amortized cost	51,393	-	51,393	-	-	51,393
TOTAL	**55,900**	**-**	**55,900**	**(1,346)**	**(101)**	**54,452**

7.2.2 Financial liabilities subject to off-setting, enforceable master netting arrangements and similar agreements

	12/31/2024					
				Other amounts in the application scope but not offset		
EUR millions	**Gross amounts before off-setting**	**Gross amounts off-set according to IAS 32**	**Net Amounts presented in the balance sheet**	**Effect of master netting arrangements**	**Financial Instruments received as collateral**	**Net Amounts according to IFRS 7 and 13**
Derivatives (including hedging instruments)	4,221	-	4,221	(1,225)	(1,763)	1,233
Due to banks at amortized cost	-	-	-	-	-	-
Customer borrowings and deposits at amortized cost	-	-	-	-	-	-
TOTAL	**4,221**	**-**	**4,221**	**(1,225)**	**(1,763)**	**1,233**

	12/31/2023					
				Other amounts in the application scope but not offset		
EUR millions	Gross amounts before offsetting	Gross amounts offset according to IAS 32	Net Amounts presented in the balance sheet	Effect of master netting arrangements	Financial Instruments received as collateral	Net Amounts according to IFRS 7 and 13
Derivatives (including hedging instruments)	4,749	-	4,749	(1,346)	(1,984)	1,419
Due to banks at amortized cost	0	-	0	-	-	0
Customer borrowings and deposits at amortized cost	-	-	-	-	-	-
TOTAL	**4,749**	**-**	**4,749**	**(1,346)**	**(1,984)**	**1,419**

7.3 Exposure to credit risk, climate risk, liquidity risk, foreign exchange risk and interest rate risk

The information on the management of credit risk, climate risk, liquidity risk, foreign exchange risk and interest rate risk required by IFRS 7 is presented in Chapter 4 Risks and capital adequacy.

Note 8 Impact of the war in Ukraine on the financial statements of the Company

The foreseeable impacts of the war in Ukraine are very limited for the Sfil group. As a reminder, the Sfil Group has no operations outside France. In addition, the Group has no exposure to Russia or Belarus, and only one exposure to Ukraine, which represented EUR 33 million on the balance sheet at December 31, 2024. This exposure was granted as part of Sfil's export credit business and is 100% guaranteed by the French Republic. Sfil is therefore not directly exposed to credit risk on this file. Nevertheless, as of February 24, 2022, Sfil had decided to place this asset on the watchlist. At the end of 2024, considering the financial deterioration of Ukraine and the geopolitical context, Sfil decided to downgrade its entire exposure to Ukraine to Stage 3, despite the absence of any defaults on this contract. This downgrade resulted in the recognition of an expected credit loss of EUR 0.2 million, which had no material impact on the company's results.

Note 9 Post-closing events

No significant event that influences the Company's financial situation has occurred since the closing on December 31, 2024.

Note 10 Statutory Auditor's fees

	KMPG SA				PricewaterhouseCoopers Audit			
	Amount including VAT		%		Amount including VAT		%	
EUR thousands	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
AUDIT								
Audit, certification, examination of company financial statements	442	437	76%	76%	463	459	82%	86%
of which Sfil	*139*	*137*			*135*	*134*		
other audit tasks	143	135	24%	24%	103	72	18%	14%
of which Sfil	*77*	*69*			*58*	*34*		
TOTAL	**585**	**572**	**100%**	**100%**	**566**	**531**	**100%**	**100%**

Services other than the certification of financial statements mainly comprise the issuance of comfort letters for the updating of EMTN issue programs or for syndicated public issues, as well as reports on asset allocations associated with SFIL Group's thematic issues.

5.3 Statutory Auditors' report on the consolidated financial statements

For the year ended December 31, 2024

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of Sfil S.A.,

Sfil S.A.
112-114 avenue Emile Zola
75015 Paris, France

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Sfil S.A. for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Financial Statements Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period from… [date du début de l'exercice] to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (*code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of credit risk and measurement of impairment losses on customer loans portfolios

Risk identified	Our response
In connection with its activities, the Sfil Group is exposed to credit risk arising from customers' inability to meet their financial commitments. As of December 31, 2024, loans and receivables from customers at amortized cost amounted to 55 bjllion euros (note 2.4 to the financial statements), to which should be added a total amount of financing commitments granted to customers of 5.7 billion euros (note 6.5). In accordance with IFRS 9, the Sfil group has recorded impairments intended to cover the risks of expected credit losses (stage 1 and 2) for €38 million or impaired outstandings (stage 3) for €6 million (note 2.4), as well as expected losses on off-balance sheet commitments for €6 million on outstandings in stages 1 and 2 (note 6.5). Expected credit losses impairment rules require setting-up a first impairment stage materializing expected credit losses in the next twelve months since initial recognition of a financial asset, and a second stage materializing expected credit losses at maturity, in the event of a significant deterioration of credit risk. Impairment for expected credit losses (stages 1 and 2) are determined mainly on the basis of models taking into accounts various inputs (Probability of Default, Loss Given Default, exposures, etc.) and forward-looking scenarios. For contracts classified under stage 3, the expected credit losses are estimated either in accordance with the model described above with the application of a specific loss given default model or through estimating the cash flows that the Group expects to recover (for other types of counterparties). Geopolitical and trade tensions, as well as political instability in Europe, have repercussions on economic conditions and consequently affect borrowers' repayment capacity. In this context, we have considered the estimates of expected credit loss as of December 31, 2024 constitutes a key audit matter since management is required to exercise judgement both in the classification by stages of outstandings, and in determining the inputs and methods used in determining impairments.	In particular, we assessed the adequacy of the level of credit risk coverage and the overall level of the associated cost of risk as well as the relevance of the internal control system and in particular its adaptation to the uncertain economic context. **Impairments of loans classified under stage 1 and 2** Our work mainly consisted in: • ensuring the existence of a governance system for reviewing, at an appropriate frequency, the appropriateness of the impairment models and the inputs used to calculate impairments and analyzing changes in impairments amounts; • carrying out controls on methodological updates and on changes made to the methods for calculating impairment for expected credit losses in the context of the actual crisis, • assessing the appropriateness of the inputs used to calculate impairments; • assessing the appropriateness of the assumptions with regards to the Forward Looking scenarios; • performing an independent valuation of the provision amounts on main customer loan portfolios; • carrying out controls on the IT system, including a review of the general IT controls, interfaces and embedded controls for specific data aimed at processing information relating to IFRS 9. **Impairment of loans classified under stage 3** As part of our audit procedures, and more generally, we have tested the operating effectiveness of the controls related the identification of exposures classifeid as stage 3, the monitoring of credit and counterparty risk, the assessment of non-recovery risk and the determination of the related individual impairment and provisions. Our work consisted in assessing the quality of the monitoring system for sensitive, doubtful and non-performing counterparties, the credit review process and the guarantee valuation system. In addition, we performed and independent valuation of the provision amounts, on the basis of a sample of files selected on materiality and risk criteria. We also assessed the relevance of the disclosures provided in the notes to the financial statements

Measurement of financial instruments classified in Fair Value Level 2 and 3

Risk identified	Our response

In connection with its activities, the Sfil group holds derivatives recognized at fair value through profit or loss as well as loans recognized at fair value through profit or loss in accordance with the classification criteria of IFRS 9 "Financial Instruments".
 	
The Sfil Group uses, to calculate the fair value level 2 or 3 of these instruments, techniques or in-house valuation models based on parameters and data, some of which are not observable in the market, as indicated in "Methods used to determine the fair value of financial instruments," Note 7.1.3 to the consolidated financial statements. The models and parameters used to value these instruments are based on estimates.
 	
The models and data used to value these instruments, and their classification under the fair value hierarchy, are based on management's judgment and estimates.
 	
We consider the valuation of financial instruments classified in fair value level 2 and 3 to be a key audit matter due to:
• the complexity related to determining valuation models,
• the sensitivity of these models to assumptions adopted by the Credit Risk Department, and
• the uncertainty inherent in the exercise of judgements used to estimate the level 3 parameters.
 	
As of December 31, 2024, the financial instruments recognized at fair value through profit or loss (including hedging derivatives) represent respectively €3,832 million in the assets (including €1,676 million in loans recognized at fair value through profit or loss) and €4,221 million in the liabilities, of Sfil's balance sheet. Note 7.1.3 to the consolidated financial statements provides detailed information on the measurement and classification in Stage 2 and 3 of fair value of such financial instruments.
	With the support of experts in the valuation of financial instruments included in the audit team, we designed an approach including the following main stages:
	
	Derivatives measured at fair value
	• We developed an independent expectation of the valuation for the entire population of vanilla swaps.
	• We tested and evaluated the entity's process for developing the fair value of structured derivatives:
	  ◦ assessment of the governance set up by the Risk Department for the control of the valuation models;
	  ◦ assessment of the model validation policy and testing of its implementation;
	  ◦ test of operating effectiveness of controls on the integrity of data used in the valuation of derivatives;
	  ◦ review of the results of the valuation verification process based on the valuations of external counterparties.
	  ◦ test of the reliability of a sample of data used in the valuation of structured derivatives as of December 31, 2024.
	• We developed an independent expectation of the valuation on a sample of structured derivatives.
	
	Assets classified at fair value through profit or loss – "non SPPI" loans
	• We tested and evaluated the entity's process for developing the fair value of "non SPPI" loans:
	  ◦ assessment of the valuation model and the assumptions used;
	  ◦ assessment of the changes to the assumptions "premiums" involved in the valuation of the loans;
	  ◦ verification of the operating effectiveness of key controls relating to the assumptions used in the valuation model;
	  ◦ verification of the operating effectiveness of key controls on the integrity of the data and the operational implementation of models used in the valuation;
	  ◦ Test of the data used in the determination of credit spreads as of December 31, 2024;
	• We developed an independent expectation of the valuation on a sample of "non SPPI" loans.
	
	We have also assessed criteria used to determine the fair value hierarchy using a sample of financial instruments,in particular the observability of valuation parameters.
	
	Finally, we have verified the appropriateness of the disclosures provided in notes to the financial statements in connection with the fair value of such instruments.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared unde the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation N° 2019/815 of 17 Decembre 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent in the macro-tagging of consolidated accounts according to the format single European electronic information system, it is possible that the content of certain tags of the accompanying notes is not reproduced in an identical manner to the consolidated accounts attached to this report.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Sfil S.A. by the annual general meeting held on September 30, 2020 for KPMG S.A. and PricewaterhouseCoopers Audit.

As at December 31, 2024, KPMG S.A. and PricewaterhouseCoopers Audit were in the 4th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (*code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Financial statements Committee

We submit to the Financial statements Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Financial statements Committee [ou autre terminologie retenue par la société pour désigner le comité spécialisé visé à l'article L.821-67 du *code de commerce*] includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Financial statements Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (*code de commerce*) and in the French Code of Ethics (*code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Financial statements Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, March 25, 2025	Paris la Défense, March 25, 2025
PricewaterhouseCoopers Audit	**KPMG S.A.**
Ridha Ben Chamek	Jean-François Dandé

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6.1 Sfil S.A. financial statements

6.1.1 Assets

EUR millions	Note	12/31/2024	12/31/2023
Central banks	2.1	721	1,926
Government and public securities	2.2	76	75
Loans and advances to banks	2.3	10,248	6,983
Loans and advances to customers	2.4	9,662	7,981
Bonds and other fixed income securities	2.5	499	476
Equities and other variable income securities		-	-
Investments in non-consolidated companies and other long-term investments		-	-
Investments in consolidated companies	2.6	35	35
Intangible assets	2.7	19	21
Tangible assets	2.8	5	6
Unpaid capital		-	-
Uncalled subscribed capital		-	-
Treasury stock		-	-
Other assets	2.9	1,928	2,157
Accruals and other assets	2.10	1,039	789
TOTAL ASSETS	**2.11**	**24,232**	**20,450**

6.1.2 Liabilities

EUR millions	Note	12/31/2024	12/31/2023
Central banks		-	-
Due to banks	3.1	9,689	7,891
Customer borrowings and deposits		-	-
Debt securities	3.2	13,029	11,244
Other liabilities	3.3	207	99
Accruals and other liabilities	3.4	22	23
Provisions	3.5	1,028	852
Subordinated debt		-	-
Equity	**3.6**	**256**	**341**
Subscribed capital		130	130
Additional paid-in capital		-	-
Reserves and retained earnings		53	113
Net income		73	97
TOTAL LIABILITIES	**3.7**	**24,232**	**20,450**

6.1.3 Off-balance sheet items

EUR millions	Note	12/31/2024	12/31/2023
COMMITMENTS GRANTED	***4.1***	**25,173**	**21,521**
Financing commitments		7,570	6,766
Guarantees granted		17,593	14,748
Commitments given on securities		-	-
Other commitments granted		10	6
COMMITMENTS RECEIVED	***4.2***	**30,111**	**26,602**
Financing commitments		12,908	11,859
Guarantees received		17,199	14,744
Commitments received on securities		-	-
Forward commitments		-	-
Other commitments received		4	-
OTHER COMMITMENTS	**4.3**	**53,282**	**46,515**
Foreign currency transactions		8,697	7,035
Commitments related to securities transactions		44,584	39,480

6.1.4 Income statement

EUR millions	Note	2024	2023
Interest income	*5.1*	1,117	1,176
Interest expense	*5.1*	(1,093)	(1,165)
Income from variable income securities	*5.2*	63	84
Commission income	*5.3*	5	8
Commission expense	*5.3*	(1)	(1)
Net gains (losses) on held for trading portfolio	*5.4*	(0)	(0)
Net gains (losses) on placement portfolio	*5.5*	-	-
Other income	*5.6*	94	102
Other expense	*5.6*	(0)	(0)
NET BANKING INCOME		**184**	**203**
General operating expense	*5.7*	(99)	(98)
Depreciation and amortization		(11)	(11)
GROSS OPERATING INCOME		**74**	**94**
Cost of risk	*5.8*	2	7
INCOME FROM OPERATIONS		**76**	**101**
Gains or losses on fixed assets		-	-
INCOME BEFORE NON-RECURRING ITEMS AND TAXES		**76**	**101**
Non-recurring items		-	-
Income tax	*5.9*	(3)	(4)
NET INCOME		**73**	**97**
Basic earnings per share		7.84	10.46
Diluted earnings per share		7.84	10.46

6.1.5 Equity

EUR millions	**Amount**
AS OF 12/31/2023	
Share capital	130
Additional paid-in capital	-
Commitments to increase share capital and additional paid-in capital	-
Reserves and retained earnings	113
Net income for the year	97
EQUITY AS OF 12/31/2023	**341**
MOVEMENTS FOR THE PERIOD	
Changes in share capital	-
Changes in additional paid-in capital	-
Changes in commitments to increase share capital and additional paid-in capital	-
Changes in reserves and retained earnings	97
Dividends paid (-)	(42)
Extraordinary distribution of reserves	(31)
Interim dividend taken from retained earnings	(55)
Interim dividend taken from net profit for the year	(30)
Changes in Net income for the period	(24)
Other movements	-
AS OF 12/31/2024	
Share capital	130
Additional paid-in capital	-
Commitments to increase share capital and additional paid-in capital	-
Reserves and retained earnings	53
Net income for the period	73
EQUITY AS OF 12/31/2023	**256**

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6

Note 1 Accounting and valuation policies

1.1 Applicable accounting standards: rules adopted by the French Accounting Standards Board (Autorité des Normes Comptables – ANC)

Sfil prepares its financial statements in compliance with ANC Regulation n°2014-07 issued on November 26, 2014 and related to the financial statements for the reporting entities of the banking sector, and in particular credit institutions. As stated in its article 3 and subject to the provisions of the latter regulation, these reporting entities prepare their financial statements in compliance with ANC Regulation n°2014-03 issued on June 5, 2014 and related to general accounting plan. The financial statements are furthermore in accordance with the indications of Directive 86/635/EEC of the Council of European Communities.

The financial statements as of December 31, 2024, were prepared using the same accounting policies as those used in the financial statements as of December 31, 2023. The financial statements of December 31, 2024 were approved by the Board of Directors on February 12, 2025.

The French Accounting Standards Board College has adopted ANC regulation N°2023-03 of July 7, 2023 amending various ANC regulations in coordination with ANC regulation N°2022-06 of November 22, 2022 relating to the modernization of financial statements. The latter will apply to financial statements beginning on or after January 1, 2025. Its application should not have a material impact on Sfil.

1.2 Accounting principles applied to the financial statements

The financial statements have been prepared in accordance with French generally accepted accounting principles, respecting the principles of prudence, sincerity and true and faithful image, on the basis of the following assumptions:

- going concern principle;
- segregation of accounting periods;
- consistency of methods;
- historical costs;
- no netting principle;
- intangibility of the opening balance sheet.

1.2.1 Loans and advances to banks and to customers

Loans and advances to banks include all loans connected to banking transactions with credit institutions, except securities. They are broken down into sight accounts and term loans. They include in particular over-collateralized loans granted to Caffil.

Loans and advances to customers comprise mainly loans granted in the form of export credits.

Loans and advances to customers are recognized in the balance sheet net of impairment for possible losses. Commissions received and marginal transaction costs related to the granting or the acquisition of a loan, if they are significant, are amortized over the maturity of the loan. Other commission income is immediately recognized in the income statement.

Interest on loans is recognized as Interest income, *prorata temporis* for accrued amounts due and not yet due, as is interest on past-dues.

Prepayment indemnities are recognized in the income statement at the date they occur.

The undrawn portion of signed loan contracts is recognized as an off-balance sheet item.

Sound loans, non-performing loans

As long as loans are not classified as non-performing, they are classified as sound or stressed; they remain in their original position.

A loan is considered as non-performing when it presents one of the following characteristics:

- a probable or certain risk that it will not be repaid (past-due for more than nine months for local government borrowers, and for more than three months for the other counterparties). A counterparty that is overdue by more than this amount may not be downgraded to non-performing if special circumstances demonstrate that the overdue amounts are due to causes unrelated to the debtor's situation (technical overdue amounts).
- when the situation of a counterparty presents characteristics such that, independently of the existence of any outstanding payments, it can be concluded that a proven risk exists (worsening of the financial situation or alert procedures for example).

For the sake of operational simplicity and conservatism, Sfil has aligned the notion of non-performing loan with the prudential notion of actual default, i.e. a default due to arrears in payment and/or due to the risk of non-payment of the totality of outstanding due by the borrower (notion of "Unlikely To Pay (UTP") with reference to the default policy of the Company. Counterparties on probation prior a potential reclassification out of the default category are also on the scope of non-performing loans from an accounting perspective.

Compromised non-performing loans:

Compromised non-performing loans are loans to borrowers whose recovery outlook is so downgraded that they might be ultimately written off. Loans accounted for as non-performing for more than one year are transferred to this category.

Restructured loans:

Restructured loans for financial difficulties are loans for witch the entity has modified the original contractual terms (interest rate, maturity, etc.) for economic reasons linked to the borrower's financial difficulties, in a way that would not have been envisaged in other circumstances.

The definition of restructured loans for financial difficulties meets two cumulative criteria:

- contract modifications or debt refinancing (concessions);
- customers in financial difficulty (debtors experiencing, or about to experience, difficulties in meeting their financial commitments).

Restructured loans do not include loans whose terms have been commercially renegotiated with counterparties who are not insolvent or in a deteriorated financial situation.

This notion of restructuring must be assessed at contract level and not at customer level (there is no contagion). It concerns both non-performing and performing loans, at the time of restructuring.

Depending on the terms of the restructuring, the restructured receivable may be considered as "in default", resulting in its classification in doubtful debts. The return to performing loans follows the same procedure as for a return to "non-default". Information on these loans is provided in the notes to the financial statements.

Accounting treatment of credit risk

As soon as a loan is non-performing (see non-performing loans section), the probable loss must be taken into account by recording an impairment loss against the loan.

The Group records impairment losses corresponding, in present value terms, to all its expected losses on non-performing or compromised non-performing loans.

Forecast losses are equal to the difference between initial contractual cash flows, less cash already received, and forecast cash flows. The latter are determined by taking into account the counterparty's financial situation, its economic outlook, the guarantees called or likely to be called, after deduction of the costs associated with their realization, and the status of ongoing proceedings. Initial contractual cash flows, less cash already received, and forecast cash flows are discounted at the original effective rate of the corresponding outstanding for fixed-rate loans, or at the most recent effective rate determined in accordance with the contractual terms for variable-rate loans.

At the closing date, the carrying amount of a loan net of impairment must be equal to the lower of historical cost or the present value of expected cash flows from interest, repayment of principal and, where applicable, the net value of collateral.

Interest on loans downgraded to non-performing continues to be recognized after the downgrade.

Impairment is at least equal to the amount of interest recorded on non-performing loans and not collected.

Impairment corresponding to unpaid interest is recognized in NBI, while the portion corresponding to principal is recognized in cost of risk.

Litigious loans are provisioned on a case-by-case basis.

1.2.2 Securities

Securities held by Sfil are recognized on the asset side of the balance sheet under the item Government and public securities or Bonds and other fixed income securities.

The item Government and public securities includes securities issued by public sector entities that may be refinanced through the European system of central banks.

The item Bonds and other fixed income securities includes:

- securities issued by public sector entities that are not eligible for refinancing by central banks;
- securities guaranteed by public sector entities.

Securities held by Sfil are recognized as either investment securities or placement securities.

1.2.2.1 Investment securities

Fixed income securities with a specified maturity are recognized as investment securities when there is the intention and the capacity to hold them to maturity. Securities in this category are subject to back-financing or interest-rate hedging over their residual maturity.

Investment securities are recognized on the date of purchase at acquisition clean price, excluding fees. Accrued interest at the date of acquisition and subsequently accrued interest at each closing date is recognized on the balance sheet in the same categories as the corresponding security. Interest on these securities is recognized as Interest income.

The difference between the redemption value and the acquisition clean cost (discount or premium) is amortized according to a quasi-actuarial method over the residual maturity of the security.

At closing date, unrealized gains are not recognized and unrealized losses are generally not impaired. By way of exception, unrealized losses are impaired in the following cases:

- a doubt about the issuer's ability to meet its obligations;
- the probability that the Company will not hold these securities until maturity due to new circumstances.

1.2.2.2 Placement securities

Securities that do not fit into the category investment securities are recognized as placement securities.

Placement securities are recognized on the date of purchase at acquisition clean price, excluding fees. Accrued interest at the date of acquisition and subsequently accrued interest at each closing date is recognized on the balance sheet in the same categories as the corresponding security. Interest on these securities is recognized as Interest income.

The difference between the redemption value and the acquisition clean cost (discount or premium) is amortized according to a quasi-actuarial method over the residual maturity of the security.

In application of the principle of prudence, placement securities are recognized on the balance sheet at their acquisition cost including if applicable the amortization of discount or premium or selling price at closing date, whichever is lower, after accounting, when relevant, for the value of the micro-hedge swap.

If the market for a financial instrument is not active, valuation techniques are used to calculate its selling price. The valuation model should take into account all the factors that market players would consider valuating the asset. Within this framework, Sfil relies on its own valuation models, making every effort to take into account the market conditions at the date of the valuation as well as any changes in the credit quality of these financial instruments and market liquidity.

When the decrease in the value of the security exceeds the unrealized gain on the micro-hedge, the decrease in net value is recognized as asset impairment in Net gains (losses) on placement portfolio transactions, as well as subsequent impairment reversals and capital gains and losses on sales.

Placement securities transferred to investment securities are recognized at their acquisition cost and previously recognized impairment is reversed over the residual maturity of the securities concerned.

1.2.3 Debt due to banks

Debt due to banks is broken down according to the type of debt (sight accounts, current accounts, long-term loans or non-allocated receivables) and the initial maturity (sight or term debt).

Interest accrued on this debt is recognized in liabilities, offsetting income statement.

1.2.4 Debt securities

These debts consist of unsecured bonds and certificates of deposit issued by Sfil.

Debt securities are recognized at nominal value.

Redemption and issue premiums are amortized according to a quasi-actuarial method over the maturity of the securities concerned *prorata temporis*. They are recognized on the balance sheet in the same categories as the corresponding debt. Amortization of these premiums is recognized in the income statement as Interest expense. If securities are issued above par, amortization of issue premiums is deducted from Interest expense.

Interest is recognized in the net interest margin for accrued amounts calculated *prorata temporis*.

Issuance costs and commissions related to issued securities are amortized according to a quasi-actuarial method over the maturity of the related debts and are recognized in the net interest margin.

Bonds issued which are denominated in foreign currencies are accounted for using the same method as foreign currency transactions (see below).

1.2.5 Provisions

Provisions are recognized based on their discounted value when the following three conditions are met:

- Sfil has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources representing economic benefits will be required to settle the obligation;
- a reliable estimate of the amount of the obligation can be made.

Collective provision covers the risk of loss in value among the loans, bonds and loan commitments not yet covered by any specific loss allowance at closing date. Among this group, counterparties that are reviewed in Watchlist Committee or might be reviewed in a foreseeable future are identified through the use of automatic criteria (based in particular on internal ratings and warning indicators for rating migration determined to be risky) and *ad-hoc* analysis based on the use of professional judgment and expert opinion.Outstandings on these counterparties form the base of the collective provision. Losses on these counterparties are estimated on the basis of past events (use of historical patterns), current economic environment and expectations on future economic environment. For this purpose, Sfil uses a credit risk model based on an approach derived from Basel approach; this model is subject to regular back-testing.

1.2.6 Derivative transactions

Sfil concludes derivative transactions that can be broken down into two categories: Micro-hedge transactions and Isolated open positions. The valuation and accounting treatments of these financial instruments depends on the chosen category.

The notional amount of these transactions is recognized off-balance sheet over the maturity of the instruments, *i.e.* from the date the contract is signed (including forward contracts) up to maturity. The amount recognized is adjusted to reflect any changes in notional amounts so as to represent the current or future maximum commitment.

Payments made at the inception of financial instruments are amortized over their maturity for the time remaining according to a quasi-actuarial method.

1.2.6.1 Micro-hedge transactions

Derivatives are booked as micro-hedges when they are designed to hedge against the interest rate risk or the foreign exchange risk related to an item or a set of homogeneous items identified from the outset.

Expense and income on these transactions are recognized in the income statement the same way as income and expense on the hedged item or set of homogeneous items.

Termination fees received or paid because of the early interruption of the hedging instrument are generally recognized in the income statement at the termination date. In the framework of a restructuring, they are by way of exception amortized when they constitute an expense in compliance with the tax rule.

1.2.6.2 Isolated open positions

Sfil acts as an intermediary between CAFFIL, its subsidiary, and certain banking counterparties. These transactions with its subsidiary constitute isolated open positions.

Expense and income on these transactions are recognized in the income statement *prorata temporis*, respectively as Interest expense and Interest income. The counterpart is recognized in accruals until the payment date.

A provision is recognized in respect of any unrealized losses. Unrealized gains are not recognized.

1.2.7 Foreign currency transactions

Sfil recognizes foreign currency transactions in accounts opened and denominated in each of the currencies used.

Specific foreign exchange position accounts and foreign exchange position equivalent accounts are opened in each currency.

At each closing date, differences between on the one hand the amounts resulting from a market price valuation at closing date of the foreign exchange position accounts and on the other hand the amounts recognized in the foreign exchange position equivalent accounts are recognized in the income statement.

1.2.8 Foreign exchange transactions

In the course of systematic hedging of its foreign exchange risk, Sfil enters into currency swaps. These currency swaps are initiated to eliminate the risk of foreign exchange rate fluctuations that might affect an asset or liability as soon as such a risk is identified. They are mainly used to hedge certain liabilities, debt securities and customer loans.

Results of foreign exchange hedging transactions are accounted for by recognizing the difference between the hedging rate and the spot rate – contango or backwardation – *prorata temporis* in the income statement.

1.2.9 Guarantees

As part of its activity to refinance large export credits, Sfil enters into credit insurance policies received from Bpifrance Assurance Export, acting on behalf of the French State. Expenses related to these guarantees, previously recorded prorata temporis in net interest margin, are now recorded up-front in the income statement when they fall due.

1.2.10 Other income

Charges which are not re-invoiced exactly up to the same amount are recognized as Other income.

1.2.11 Employee benefits

Staff expenses include all costs related to employees, particularly expenses of the period related to prof-it-sharing and incentive plans. Employee benefits are classified in four categories:

1.2.11.1 Short-term benefits

Short-term benefits are those expected to be settled wholly in twelve months after the end of the annual reporting period during which employee services are rendered; they are not discounted and are recognized as an expense of the reporting period. Annual leave is recognized when the benefits are granted to the employee. To this purpose, a provision is recognized based on rights vested by employees at closing date.

1.2.11.2 Long-term benefits

These benefits, generally related to seniority, are paid to current employees. Their payment is deferred for more than twelve months after the end of the annual period during which the employees rendered the related service. They represent, specially, long service awards. The actuarial gains and losses related to these benefits and all service costs are recognized immediately in the income statement.

1.2.11.3 Termination benefits

Employee termination benefits result either from the decision by Sfil to terminate an employment contract before the legal retirement age or by a decision of voluntary redundancy in exchange for termination benefits. A charge for termination benefits at the end of the employment contract is recognized only when Sfil is no longer able to withdraw its offer.

1.2.11.4 Post-employment benefits

Post-employment benefits are only made of defined contribution plans. The assets of these plans are generally held by insurance companies or pension funds. The pension plans are generally funded by payments from both Sfil and its employees.

Under defined benefit plans, Sfil has a formal or constructive obligation to provide the agreed benefits to current and former employees. Actuarial and investment risks fall on Sfil. As a result, this obligation is measured and recognized as a liability under the item Provisions.

Post-employment benefit obligations under defined benefit plans are measured using an actuarial valuation technique that includes demographic and financial assumptions and the Projected Unit Credit Method, under which each period of service gives rise to an additional unit of benefit entitlement and each unit is measured separately to build up the final obligation.

The defined benefit net liability recognized in the balance sheet is valued by independent actuaries and represents the present value of defined benefit obligations reduced by the fair value of plan assets (if any).

Re-measurements of defined benefit net liability (or asset) and the fair value of its covering assets is subject to adjustments due to changes in actuarial assumptions, which results in revaluating the liability (or asset) recognized under defined contribution plans. Actuarial gains and losses resulting from these adjustments are recognized according the "corridor" method. Under this method, Sfil is allowed to recognize, over the average remaining service lives of employees, only the portion of actuarial gains and losses that exceeds the corridor. The corridor is the greatest of the following two amounts: 10% of the present value of the gross defined benefit plans or 10% of the fair value of plan assets at previous re-porting period closing date.

Under defined benefit plans, the expense recognized as staff expenses represents in particular the acquired rights during the reporting period by each employee and comprises the current service cost and past service cost arising from plan amendments, curtailments or settlements.

1.2.12 Tangible and intangible assets

Fixed assets consist exclusively of operating tangible and intangible assets. These assets are held for production or administrative purposes. Fixed assets are recognized as assets if:

- it is probable that the associated future economic benefits will flow to the entity, and
- their cost can be measured reliably.

Fixed assets are recognized at acquisition cost plus any directly attributable expenses.

Software developed internally, when it meets the criteria for recognition, is recognized at its development cost, which includes external expenditures on hardware and services and staff expenses that can be directly attributed to its production and preparation for use.

After initial recognition, fixed assets are carried at cost less accumulated depreciation and impairment. When they are ready to be used, fixed assets are depreciated linearly over their expected useful life. Depreciation is recognized in the income statement under the item Depreciation and amortization.

The component approach is applied to all fixed assets. The depreciation periods are as follows:

Components	Depreciation period
Technical Installations	10 years
Fixtures and fittings	10 years
IT equipment	3 years
Software developed or acquired*	3 or 5 years
Office equipment	10 years

* *Purchased licenses and equipments are depreciated over 3 years. The depreciation period of internally developed softwares depends on whether they are strategic. Those which are considered strategic are amortized over 5 years; those which are not are amortized over 3 years.*

Fixed assets are tested for impairment when impairment indicators are identified. When the carrying amount of a fixed asset is greater than its estimated recoverable amount, an impairment charge is recognized and the carrying amount of the fixed asset is written down to the estimated recoverable amount. Impairment charges are recognized in the income statement under the item Depreciation and amortization.

Gains or losses on disposal of fixed assets are charged to Income (loss) on fixed assets.

1.2.13 Non-recurring income and expense

Non-recurring income and expense result from events or transactions that do not relate to ordinary course of business or routine management of the Company's assets and liabilities.

Furthermore, the income or expense involved does not depend on decisions taken within the framework of usual management of the Company's activities or assets, but results from external events of a completely exceptional nature. Only items of this nature that have a significant impact on the period's income statement are recognized as non-recurring income and expense.

1.2.14 Tax consolidation

Since January 1, 2014, Sfil is the head of the tax group which consolidates CAFFIL .

1.2.15 Offices and activities in uncooperative States and territories

In application of article L.511-45 of the Monetary and Financial Code, it should be noted that Sfil has no offices in States that have not signed an administrative assistance agreement with France (subsidiaries, branches, including *ad hoc* entities, and equity interest in other entities over which the Company has exclusive or joint (or *de facto*) control). In the context of its export refinancing activities, SFIL may, in limited cases, receive interest income from borrowers located in one of these countries, due to the specific nature of their operations. Such income is fully subject to corporate income tax in France.

1.2.16 Identity of the parent company consolidating the accounts of Sfil as of December 31, 2023

Groupe Caisse des Dépôts
56 rue de Lille 75007 Paris

Note 2 Notes to the assets

2.1 Central banks

EUR millions	**12/31/2024**	12/31/2023
Mandatory reserve	-	-
Other deposits	721	1,926
TOTAL	**721**	**1,926**

2.2 Government and public entity securities

2.2.1 Accrued interest included in this item: EUR 0 million

2.2.2 Analysis by residual maturity excluding accrued interest

EUR millions	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	**Total**
	-	-	-	51	25	-	75

2.2.3 Analysis by listed securities and other securities excluding accrued interest

EUR millions	**Gross amount as of 12/31/2024**	Impairment as of 12/31/2024	**Net amount as of 12/31/2024**	Unrealized capital gain or loss as of 12/31/2024 (2)	Net amount as of 12/31/2023
Listed securities(1)	75	-	75	(1)	75
Other securities	-	-	-	-	-
TOTAL	**75**	**-**	**75**	**(1)**	**75**

(1) Listed securities are registered for trading on a stock exchange.
(2) The unrealized capital gain or loss is after swapping and corresponds to the difference between accounting value and market value.

2.2.4 Analysis by type of portfolio excluding accrued interest and changes during the year

EUR millions Portfolio	Net amount as of 12/31/2023	Gross amount as of 12/31/2023	Acquisitions, increase	Amortization, redemption or disposals	Others	Foreign exchange variation	Impairment as of 12/31/2024	**Net amount as of 12/31/2024***	Unrealized capital gain or loss as of 12/31/2024*
Trading	-	-	-	-	-	-	-	-	-
Placement	-	-	-	-	-	-	-	-	-
Investment	75	75	52	(52)	-	-	-	75	(1)
TOTAL	**75**	**75**	**52**	**(52)**	**-**	**-**	**-**	**75**	**(1)**

* *The unrealized capital gain or loss is after swapping and corresponds to the difference between accounting value and market value.*

2.3 Loans and advances to banks

2.3.1 Sight loans and advances to banks

EUR millions	**31/12/2024**	31/12/2023
Sight accounts	17	12
Unallocated sums	-	-
TOTAL	**17**	**12**

2.3.2 Time loans and advances to banks

This item includes several loans granted to the Caffil Local for a total amount of EUR 10,020 million enabling the latter to refinance its overcollateralisation, as well as a loan made to a bank as part of the refinancing of large export credits activity for an amount of EUR 14 million (excluding accrued interest). As a reminder, this last loan benefits from a guarantee issued by BPI AE in the name, on behalf, and under the control of the French Republic.

2.3.2.1 Accrued interest included in this item: EUR 197 million

2.3.2.2 Analysis by residual maturity excluding accrued interest

EUR millions	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	Total
	3,000	-	510	6,024	500	-	10,034

2.3.2.3 Analysis by initial maturity excluding accrued interest

EUR millions	Gross amount as of 12/31/2024	Impairment as of 12/31/2024	Net amount as of 12/31/2024	Net amount as of 12/31/2023
Loans of less than 1 year	3,500	-	3,500	2,635
Loans of more than 1 year	6,534	-	6,534	4,240
TOTAL	**10,034**	**-**	**10,034**	**6,875**

2.3.2.4 Breakdown by counterparty

EUR millions	31/12/2024	31/12/2023
Export credits loans*	14	45
Loans to Caffil	10,020	6,830
TOTAL	**10,034**	**6,875**

* *Loans benefiting from a guarantee issued by BPI AE in the name, on behalf and under the control of the French Republic*

2.4 Loans and advances to customers

2.4.1 Accrued interest included in this item: EUR 46 million

2.4.2 Analysis by residual maturity excluding accrued interest

EUR millions	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	Total
	48	53	862	3,663	4,991	(0)	9,616

2.4.3 Analysis of commitments by the counterparty's economic sector excluding accrued interest

EUR millions	12/31/2024	12/31/2023
Export credits loans*	9,616	7,938
Other sectors	-	-
TOTAL	**9,616**	**7,938**

* *Loans benefiting from a guarantee issued by BPI AE in the name, on behalf and under the control of the French Republic.*

2.4.4 Analysis by initial maturity excluding accrued interest

EUR millions	Gross amount as of 12/31/2024	Impairment as of 12/31/2024	Net amount as of 12/31/2024	Net amount as of 12/31/2023
Loans of less than 1 year	-	-	-	-
Loans of more than 1 year	9,617	(0)	9,616	7,938
TOTAL	**9,617**	**(0)**	**9,616**	**7,938**

2.4.5 Analysis of loans by category of outstanding commitments excluding accrued interest

EUR millions	Gross amount as of 12/31/2024	Impairment as of 12/31/2024	Net amount as of 12/31/2024	Net amount as of 12/31/2023
Performing commitments	9,583	-	9,583	7,938
Non-performing loans*	33	(0)	33	-
Compromised non-performing loans	-	-	-	-
TOTAL	**9,617**	**(0)**	**9,616**	**7,938**

* *The foreseeable impacts of the war in Ukraine are very limited for the Sfil group. As a reminder, the Sfil Group has no operations outside France. In addition, the Group has no exposure to Russia or Belarus, and only one exposure to Ukraine, which represented EUR 33 million on the balance sheet at December 31, 2024. This exposure was granted as part of Sfil's export credit business and is 100% guaranteed by the French Republic. Sfil is therefore not directly exposed to credit risk on this file. Nevertheless, as of February 24, 2022, Sfil had decided to place this asset on the watchlist. At the end of 2024, considering the financial deterioration of Ukraine and the geopolitical context, Sfil decided to classify its entire exposure to Ukraine as doubtful, despite the absence of any defaults on this contract. This downgrade resulted in the recognition of an expected credit loss of EUR 0.2 million, which had no material impact on the company's results.*

2.5 Bonds and other fixed income securities

2.5.1 Accrued interest included in this item : EUR 5 million

2.5.2 Analysis by residual maturity excluding accrued interest

EUR millions	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	Total
	19	108	204	140	22	-	494

2.5.3 Analysis by the issuer's economic sector excluding accrued interest

EUR millions	12/31/2024	Unrealized capital gain or loss as of 12/31/2024*	12/31/2023
Credit institutions	494	1	473
TOTAL	**494**	**1**	**473**

* *The unrealized capital gain or loss is calculated as the difference between the book value and the market value.*

2.5.4 Analysis by listed securities and other securities excluding accrued interest

EUR millions	12/31/2024	Unrealized capital gain or loss as of 12/31/2024 (2)	12/31/2023
Listed securities (1)	494	1	473
Other securities	-	-	-
TOTAL	**494**	**1**	**473**

(1) *Listed securities are registered for trading on a stock exchange*
(2) *The unrealized capital gain or loss is calculated as the difference between the book value and the market value, taking derivatives into account.*

2.5.5 Analysis by type of portfolio excluding accrued interest and changes during the year

EUR millions Portfolio	Net amount as of 12/31/2023	Gross amount as of 12/31/2023	Increases	Decreases	Others	Impairment as of 12/31/2024	Net amount as of 12/31/2024 (1)	Unrealized capital gain or loss as of 12/31/2024 *
Trading	-	-	-	-	-	-	-	-
Placement	82	82	-	(82)	-	-	-	-
Investment	391	391	278	(175)	-	-	494	1
TOTAL	**473**	**473**	**278**	**(257)**	**-**	**-**	**494**	**1**

* *The unrealized capital gain or loss is calculated as the difference between the book value and the market value, taking derivatives into account.*

2.6 Investments in consolidated companies

Sfil holds 100% of the shares of Caisse Française de Financement Local (Caffil) for EUR 35 million.

2.7 Intangible assets

EUR millions	Software	Internally developed assets	Construction work in progress	Total
NET CARRYING AMOUNT AS OF AU 12/31/2023	**1**	**14**	**6**	**21**
Acquisitions	1	9	2	12
Cancellations	-	-	(0)	(0)
Transfers	-	-	(4)	(4)
Sales	-	(0)	-	(0)
Depreciations and impairments	-	-	-	-
Amortizations	(1)	(9)	-	(10)
NET CARRYING AMOUNT AS OF AU 12/31/2023	**1**	**14**	**4**	**19**

2.8 Tangible assets

EUR millions	Property & equipment	Construction work in progress	Total
NET CARRYING AMOUNT AS OF AU 12/31/2023	**6**	**0**	**6**
Acquisitions	1	0	1
Cancellations	-	-	-
Transfers	-	(0)	(0)
Sales	(0)	-	(0)
Depreciations and impairments	-	-	-
Amortizations	(1)	-	(1)
NET CARRYING AMOUNT AS OF AU 12/31/2024	**5**	**0**	**5**

2.9 Other assets

EUR millions	12/31/2024	12/31/2023
Cash collateral granted	1,892	2,119
Other receivables	36	38
TOTAL	**1,928**	**2,157**

2.10 Accruals and other assets

EUR millions	12/31/2024	12/31/2023
Deferred losses on hedging transactions	0	-
Deferred charges on hedging transactions	137	105
Other prepaid charges	6	6
Accrued interest not yet due on hedging transactions	649	530
Other accounts receivable on hedging transactions	169	52
Other deferred income	78	96
TOTAL	**1,039**	**789**

2.11 Breakdown of assets by currency

EUR millions	Amount in original currency as of 12/31/2024	Amount in euros as of 12/31/2024	Amount in original currency as of 12/31/2023	Amount in euros as of 12/31/2023
EUR	20,990	20,990	16,656	16,656
CHF	4	5	4	5
GBP	247	299	210	241
SEK	0	0	0	0
USD	3,045	2,938	3,926	3,547
AUD	0	0	-	-
CAD	1	1	1	1
JPY	0	0	-	-
TOTAL		**24,232**		**20,450**

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Note 3 Notes to the liabilities

3.1 Due to banks

3.1.1 Accrued interest included in this item : EUR 71 million

3.1.2 Due to banks

EUR millions	12/31/2024	12/31/2023
Sight accounts	-	0
Current account	-	-
Term borrowing	9,618	7,809
Unallocated sums	-	-
TOTAL	**9,618**	**7,809**

3.1.3 Analysis by residual maturity excluding accrued interest

EUR millions	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	12/31/2024
Sight	-	-	-	-	-	-	-
Term	46	53	871	3,663	4,985	-	9,618
TOTAL	**46**	**53**	**871**	**3,663**	**4,985**	**-**	**9,618**

3.1.4 Analysis of term borrowing by counterparty excluding accrued interest

EUR millions	12/31/2024	12/31/2023
Caisse des Dépôts	-	-
Caffil*	9,618	7,809
La Banque Postale	-	-
TOTAL	**9,618**	**7,809**

* *Sfil refinances its export credit business through its subsidiary Caffil.*

3.2 Debt securities

3.2.1 Accrued interest included in this item : EUR 156 million

3.2.2 Analysis by residual maturity excluding accrued interest

EUR millions Type of securities	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	12/31/2024
Certificates ofdeposit	299	417	100	-	-	-	816
EMTN	-	-	-	7,824	4,234	-	12,058
TOTAL	**299**	**417**	**100**	**7,824**	**4,234**	**-**	**12,873**
Of which net issue premiums	-	-	-	*(38)*	*(16)*	-	*(54)*

3.2.3 Changes during the year excluding accrued interest

EUR millions	12/31/2023	Increases	Decreases	Translation adjustments	12/31/2024
Certificates of deposit	833	816	(833)	-	816
EMTN	10,333	3,683	(2,049)	92	12,058
TOTAL	**11,166**	**4,498**	**(2,882)**	**92**	**12,873**

3.3 Other liabilities

EUR millions	12/31/2024	12/31/2023
Cash collateral received	183	71
Taxes	1	2
Other payables	24	27
TOTAL	**207**	**99**

3.4 Accruals and other liabilities

EUR millions	12/31/2024	12/31/2023
Deferred income on hedging transactions	183	121
Deferred income on loans	0	-
Accrued interest not yet due on hedging transactions	778	669
Other accounts payable on hedging transactions	-	-
Other accrued charges	68	61
TOTAL	**1,028**	**852**

3.5 Provisions

EUR millions	12/31/2023	Increases	Decreases	Foreign exchange variation	12/31/2024
Provisions on pensions on credit and engagement	16	-	(2)	-	14
Provisions on financial instruments	0	-	0	-	-
Provisions on pensions	7	2	(1)	-	8
TOTAL	**23**	**2**	**(3)**	**-**	**22**

3.6 Equity

EUR millions	12/31/2024	12/31/2023
Share capital	130	130
Legal reserve	13	13
General reserve	69	100
Retained earnings (+/-)	0	-
Interim dividend on profit for the year	(30)	-
Net income (+/-)	73	97
TOTAL	**256**	**341**

Sfil's share capital totaled EUR 130 million, comprising 9,285,725 shares with a face value of EUR 14.

The Annual General Meeting of May 30, 2024 resolved to pay a dividend of EUR 97 million, corresponding to 75% of IFRS consolidated net profit for 2023, i.e. EUR 42 million or EUR 4.56 per share. The balance of EUR 55 million has been allocated to retained earnings.
In addition, the Ordinary General Meeting of November 13, 2024 decided to make an exceptional distribution of reserves totalling EUR 31 million, or EUR 3.30 per share, taken from the General Reserves account. Furthermore, on October 11, 2024, the Board of Directors decided to pay an exceptional dividend of EUR 85 million, or EUR 9.10 per share, in the form of an interim dividend for the 2024 financial year, of which EUR 55 million was deducted from retained earnings and EUR 30 million from net profit for 2024.
Following these distributions, the General Reserves account was reduced to EUR 69 million.
A proposal will also be made to the Annual General Meeting on May 28, 2025 to supplement the interim dividend paid in 2024 by 75% of the IFRS 2024 consolidated net profit, i.e. EUR 52 million or EUR 5.56 per share. This amount will be taken from available earnings for the year, i.e. EUR 43 million, and from the general reserves account, i.e. EUR 9 million.
Following this distribution, the amount in the general reserves account will be EUR 60 million.

3.7 Breakdown of liabilities by currency

EUR millions	Amount in original currency as of 12/31/2024	Amount in euros as of 12/31/2024	Amount in original currency as of 12/31/2023	Amount in euros as of 12/31/2023
EUR	18,586	18,586	16,656	16,656
CHF	4	5	4	5
GBP	247	298	210	241
SEK	0	0	0	0
USD	5,537	5,342	3,926	3,547
AUD	-	-	0	0
CAD	1	1	1	1
JPY	-	-	0	0
TOTAL		**24,232**		**20,450**

3.8 Transactions with related parties

EUR millions Analysis by nature	Consolidated entity Caffil 12/31/2024	Consolidated entity Caffil 12/31/2023	Parent Company [2] 12/31/2024	Parent Company [2] 12/31/2023	Other related parties [3] 12/31/2024	Other related parties [3] 12/31/2023
ASSETS						
Loans and advances to banks	10,216	6,926	-	-	-	-
Bonds and other fixed income securities	-	-	-	66	-	-
Investments in consolidated companies	35	35	-	-	-	-
Other assets	22	17	-	-	2	2
Accruals and other assets	380	316	1	1	0	0
LIABILITIES						
Due to banks	9,689	7,891	-	-	-	-
Debt securities	-	-	-	-	(72)	12
Other liabilities	79	86	-	-	0	0
Accruals and other liabilities	224	213	-	-	-	-
INCOME STATEMENT						
Interest income	373	248	1	-	(0)	0
Interest expense	(427)	(311)	(2)	(2)	2	(0)
Commission income	-	-	-	-	5	4
Commission expense	(0)	(0)	-	-	(0)	(0)
Net gains (losses) on held for trading portfolio	129	175	-	-	-	-
Net gains (losses) on placement portfolio	-	-	-	(0)	-	0
Other banking income	94	102	-	-	-	0
Other banking expense	-	-	-	-	-	-
General operating expenses	-	-	-	-	-	-
OFF-BALANCE SHEET						
Interest rate derivatives	17,013	14,824	-	-	-	-
Foreign exchange derivatives	2,095	2,214	-	-	-	-
Financing commitments received	7,908	6,859	4,000	4,000	1,000	1,000
Financing commitments given	50	50	-	-	-	-

(1) This item includes transactions with Caisse des Dépôts.
(2) Other related parties concern La Banque Postale and Bpifrance, subsidiaries of Caisse des Dépôts.

Note 4 Notes to the off-balance sheet items

4.1 Commitments granted

EUR millions	12/31/2024	12/31/2023
Financing commitments granted to credit institutions (1)	50	50
Financing commitments granted to customers (2)	7,520	6,716
Other guarantees given to banks (3)	17,593	14,748
Other commitments given, assets assigned in guarantee (4)	10	6
TOTAL	**25,173**	**21,521**

(1) This amount corresponds to commitments given by Sfil to Caffil.

(2) This amount corresponds to commitments given by Sfil in connection with its export credit activity.

(3) This amount corresponds to the sell-back, to the benefit of Caffil, of guarantees received from export credit activity.

(4) This amount corresponds to irrevocable payment commitments given to the Single Resolution Fund.These commitments are collateralized by interest-bearing cash deposits of the same amount. The European ruling rejecting a bank's appeal against the Conseil de Résolution Unique (CRU) for restitution of the commitments of a subsidiary whose banking license had been withdrawn, did not result in any change in the accounting treatment of these commitments for Sfil.

4.2 Commitments received

EUR millions	12/31/2024	12/31/2023
Financing commitments received from credit institutions(1)	12,908	11,859
Guarantees received from banks(2)	17,199	14,744
Other commitments received	4	-
TOTAL	**30,111**	**26,602**

(1) This amount includes financing commitments received from Caffil as part of the export credit refinancing activity, as well as financing commitments received from Caisse des Dépôts and Caisse des Dépôts and La Banque Postale. In December 2020, Sfil signed a new financing agreement with Caisse des Dépôts, replacing the initial agreement of 2013 and better adapted to its new shareholder and financial situation. As of December 31, 2020, this amount corresponded to funding commitments received from Caisse des Dépôts and La Banque Postale for respective amounts of EUR 4,000 million, and EUR 1,000 million. Regarding Caisse des Dépôts' financing commitments, Sfil recorded the total of its commitments related to the only tranches existing, which is limited to EUR 4,000 million. This amount does not take into account the possibility stipulated in the financing agreement with Caisse des Dépôts to negotiate additional funding in good faith.

(2) Credit insurance issued by BPI AE on behalf of the French Republic and received by Sfil to finance major export credits.

4.3 Foreign currency transactions and commitments on interest rate derivatives

4.3.1 Foreign currency transactions

Spot and forward foreign exchange transactions are stated at their foreign currency value, translated at the year-end exchange rate.

"Currencies to receive" and "Currencies to deliver" comprise long currency swaps with inter-currency cash flows corresponding to hedging transactions.

EUR millions	12/31/2024	Fair value as of 12/31/2024	12/31/2023
Currencies to receive	4,517	84	3,569
Currencies to deliver	4,349	(117)	3,517
TOTAL	**8,866**	**(33)**	**7,087**

4.3.2 Commitments on interest rate derivatives

Commitments on interest rate derivatives are recorded in accordance with CRB standards 88-02 and 90-15: amounts related to unconditional operations are recorded at the contractual notional value.

4.3.2.1 Analysis of over-the-counter interest rate transactions by residual maturity

EUR millions	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Indeterminate	12/31/2024
Unconditional transactions	507	549	2,129	16,162	25,239	-	44,584
of which deferred start	-	-	-	-	*305*	-	*305*

4.3.2.2 Analysis of interest rate transactions by product type

EUR millions	31/12/2024	31/12/2023
Interest rate swaps	44,584	39,480
Term contracts	-	-
Interest rate options	-	-
TOTAL	**44,584**	**39,480**

4.3.2.3 Analysis of interest rate transactions by counterparty

EUR millions	12/31/2024	12/31/2023
Caffil	17,013	14,824
Other related parties	-	-
Other counterparties	27,571	24,656
TOTAL	**44,584**	**39,480**

4.3.3 Analysis of interest rate and foreign currency transactions by type of transaction

EUR millions	Micro-hedge	Isolated open position	12/31/2024	Fair value as of 12/31/2024	12/31/2023
Foreign currency transactions - to receive	2,907	671	3,578	84	2,504
Foreign currency transactions - to deliver	2,923	486	3,410	(117)	2,452
Interest rate swaps	27,571	17,013	44,584	(327)	39,480
TOTAL	**33,401**	**18,171**	**51,572**	**(359)**	**44,436**

Note 5 Notes to the income statement

5.1 Interests and related income/expense

EUR millions	2024	2023
INTEREST AND RELATED INCOME	**1,117**	**1,176**
Loans and advances to banks	505	367
Loans and advances to customers	585	778
Bonds and other fixed income securities	27	27
Macro-hedge transactions	-	4
Other commitments	-	-
INTEREST AND RELATED EXPENSE	**(1,093)**	**(1,165)**
Due to banks	(459)	(339)
Due to clients	(104)	(434)
Bonds and other fixed income securities	(530)	(387)
Macro-hedge transactions	-	(5)
Other commitments	-	-
INTEREST MARGIN	**24**	**11**

5.2 Income from variable income securities

This item includes the dividend paid by Caffil to Sfil.

5.3 Commissions received and paid

EUR millions	2024	2023
COMMISSIONS (INCOME)	**5**	**8**
Commissions on securities	-	-
Commissions on forward financial instruments	-	4
Commissions on financial services	5	4
Other commissions	-	0
COMMISSIONS (EXPENSES)	**(1)**	**(1)**
Commissions on securities	(0)	(0)
Commissions on forward financial instruments	-	-
Commissions on financial services	(1)	(1)
Other commissions	(0)	(0)
TOTAL	**3**	**7**

5.4 Net gains or losses on trading portfolio

EUR millions	2024	2023
Provision on financial instruments	0	0
Foreign exchange income	(0)	0
TOTAL	**(0)**	**0**

5.5 Gains or losses on portfolio transactions

EUR millions	2024	2023
Losses on placement portfolio	-	(0)
Gains on placement portfolio	0	0
TOTAL	**0**	**(0)**

5.6 Other income and expense

EUR millions	2024	2023
Other income	0	0
Rebilled expense*	94	102
Other expense	(0)	(0)
TOTAL	**94**	**102**

* *This item includes expenses billed to Caffil.*

5.7 General operating expenses

EUR millions General operating expenses	2024	2023
Payroll expense	(39)	(36)
Social security taxes	(20)	(20)
Taxes	(4)	(7)
Other general operating expense	(36)	(35)
TOTAL	**(99)**	**(98)**

EUR millions Depreciation and amortization of property, plant and equipment and intangible assets	2024	2023
Depreciation and amortization of property, plant and equipment	(1)	(1)
Depreciation and amortization of intangible assets	(10)	(10)
Losses on disposals of property, plant and equipment	(0)	-
Losses on disposals of intangible assets	(0)	(0)
TOTAL	**(11)**	**(11)**

5.8 Cost of risk

EUR millions	2024	2023
Collective and specific impairments	2	7
TOTAL	**2**	**7**

5.9 Income tax

EUR millions	2024	2023
Current income tax*	(3)	(4)
TOTAL	**(3)**	**(4)**

* *The tax rate applicable in France for the years ending December 31, 2022 was 25.83%*

Note 6 Financial relations with members of the Executive Committee and the Board of Directors

EUR millions Gross compensation allocated to members of the Executive Committee and Board of Directors of the Company owing to their functions within them, in the subsidiaries and affiliated companies	2024	2023
Executive Committee	3	2
Board of Directors	0	0
TOTAL	**3**	**3**

EUR millions Amount, at year end, of the debt liabilities in their favor and of other obligations undertaken on their behalf	2024	2023
Executive Committee	-	-
Board of Directors	-	-
TOTAL	**-**	**-**

Note 7 Information on subsidiaries and shareholdings

EUR millions Companies	Capital	Share premiums, reserves and retained earnings	Net Banking Income (NBI) of last year (2020)	Profit or loss of last year (2020)	Percentage of capital held	Carrying amount of shares held*	Dividends received by Sfil during the year	Loans and advances granted by Sfil	Total guarantees granted by Sfil	Business
Caisse Française de Financement Local	1,350	70	192	71	100%	35	63	10,020	-	*Société de crédit foncier*
112-114 avenue Émile Zola – 75015 Paris										

* *Sfil acquired 100% of the capital of Caffil for EUR 1, on January 31, 2013. In 2017, Sfil subscribed for the entire capital increase of its subsidiary Caffil for EUR 35 million.*

Note 8 Impact of the war in Ukraine

The foreseeable impacts of the war in Ukraine are very limited for the Sfil Group. As a reminder, the Sfil Group has no operations outside France. Furthermore, the Group has no exposure to Russia or Belarus, and only one exposure to Ukraine, which represented an outstanding amount of EUR 33 million at December 31, 2024 (almost fully drawn down). This exposure was granted as part of Sfil's export credit business and is 100% guaranteed by the French Republic. Sfil is therefore not directly exposed to credit risk on this file. Sfil has nevertheless decided to place this asset on watchlist as of February 24, 2022. At the end of 2024, considering the financial deterioration of Ukraine and the geopolitical context, Sfil decided to classify its entire exposure to Ukraine as doubtful, despite the absence of any defaults on this contract. This downgrade resulted in the recognition of an expected credit loss of EUR 0.2 million, which had no material impact on the company's results.

Note 9 Post-closing events

No significant event that influences the Company's financial situation has occurred since the December 31, 2024 closing date.

6.3 Statutory Auditors' report on the financial statements

For the year ended December 31, 2024

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the annual general meeting of Sfil S.A.,

Sfil S.A.
112-114 avenue Emile Zola
75015 Paris, France

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Sfil S.A. for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from 1 January 2024 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Description of risk	How our audit addressed this risk
As part of its activities, Sfil is exposed to credit risk in connection with its credit transactions, particularly to local authorities and hospitals. At 31 December 2024, transactions with customers amounted to €9.7 billion, in addition to financing commitments given for €7.6 billion as shown under off-balance sheet commitments. In relation to credit risk, Sfil records a collective provision whose purpose is to cover the risk of probable impairment of loans and loan commitments not already covered by specific (individual) impairment. These collective provisions are assessed according to a credit risk model based on an approach consistent with the Basel approach. This collective collective provision amounts €13.8 million at year end 2024. The geopolitical and commercial tensions are destabilising the economic environment in Europe and worldwide, affecting the repayment ability of borrowers. Given the significant judgement required of management in determining the inputs and methods for calculating the collective provisions, we considered that their assessment at 31 December 2024 constituted a key audit matter. Transactions with customers, financing commitments given, collective provisions and risk costs are presented in notes 2.4, 3.5, 4.1 and 5.8 respectively to the financial statements of Sfil.	Against a backdrop of heightened uncertainty, our work consisted primarily in: • verifying that a governance system is in place that ensures that the appropriateness of the provision models and inputs used to calculate provisions is reviewed at a suitable frequency, as well as an analysis of the changes in collective provisions; • testing the controls considered key in the provision calculation process; • analysing assumptions leading to the identification of a deterioration in credit risk; • assessing the main inputs used to estimate the collective provisions; • estimating the main assumptions used in developing macro-economic scenarios; • performing a counter-calculation of the collective provisions, in collaboration with our experts; • carrying out checks on the IT system, including a review of general IT controls, interfaces and automatic controls for specific data used to define the collective provisions. We assessed the adequacy of the level of credit risk coverage and the overall level of the related cost of risk and, in particular, ensured that it was suitable in the context of the current crisis. We have also examined the qualitative and quantitative information provided in the notes to the financial statements.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Executive Board and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the following item.

Concerning the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code, we have the following matter to report: As indicated in the management report, these disclosures do not include banking and related transactions, as the Company considers that such disclosures are not within the scope of the information to be provided.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by articles L.225-37-4 and L.22-10-10 of the French Commercial Code.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (Code monétaire et financier) and prepared under the Chairman of the Management Board's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

It is not our responsibility to ensure that the financial statements included by the Company in the annual financial report filed with the AMF correspond to those on which we carried out our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Sfil S.A. by the Annual General Meeting held on 30 September 2020.

At 31 December 2024, we were in the fifth consecutive year of our engagement.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The financial statements were approved by the Executive Board.

Responsibilities of the Statutory Auditors relating to the audit of the financial statements

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine, March 25, 2025

PricewaterhouseCoopers Audit
Ridha Ben Chamek

Paris la Défense, March 25, 2025

KPMG S.A.
Jean-François Dandé

7. General information

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7.1 Legal and administrative information

Corporate name

Sfil

Registered office

The Company's registered office is located at:, 112, 114 avenue Émile Zola, 75015 Paris, France

Legal structure

Limited liability company with a board of directors.

Official approval

The Autorité de contrôle prudentiel et de résolution (ACPR) College, the French administrative authority responsible for the supervision of banking and insurance undertakings, authorized Sfil as a bank on January 16, 2013.

Applicable legislation

Sfil is a limited liability company (*société anonyme*) governed by the provisions of the French Commercial Code relating to commercial companies and the provisions of the French Monetary and Financial Code relating to credit institutions.

Date of incorporation and duration of the Company

The Company was founded on December 28, 1999, for a period of 99 years.

Purpose

As stipulated in article 3 of the by-laws, the Company is a credit institution, licensed by the Autorité de contrôle prudentiel et de résolution, whose purpose is to carry out on a regular basis:

a) any banking transaction, within the meaning of article L.311-1 of the French Monetary and Financial Code;

b) any transaction relating to those transactions referred to in (a) above, including the investment, subscription, purchase, management, custody and sale of financial securities and any financial product;

c) any transaction involving the receipt of funds from its shareholders and the *société de crédit foncier* controlled by the Company;

d) pursuant to article L.513-15 of the French Monetary and Financial Code, any service relating to the management and recovery of exposures, debt securities and other securities, bonds, or other resources provided for in article L.513-2 of the French Monetary and Financial Code, of a duly authorized *société de crédit foncier* controlled by the Company;

e) the provision of services on behalf of third parties with a view to carrying out banking transactions;

in connection with lending transactions to the local public sector in France and, more generally, any transaction that may benefit from a public guarantee.

To this end, the Company may, in compliance with applicable banking and financial regulations:

a) obtain any suitable funding, and notably (i) issue any financial security, any negotiable debt security, or other financial instruments in France or abroad and (ii) more generally, have recourse to any means of managing receivables and assets, with or without transfer of ownership;

b) acquire and hold shares in existing or newly created companies contributing to the performance of its activities and sell such shares; and

c) in more general terms, carry out, directly or indirectly, for itself or on behalf of third parties or in concert any financial, commercial, industrial, personal property or real estate transactions with a view to conducting the aforementioned activities.

Company registration and APE business identification code, LEI

Sfil is registered at the Trade and Companies Register (RCS) under number: PARIS 428 782 585.

Its APE code is: 6492Z.

Its LEI is: 549300HFEHJOXGE4ZE63.

Availability of legal information concerning the Company

Legal documents, including the internal rules of the Board of Directors concerning Sfil may be consulted at the Company's registered office located at: 112-114, avenue Émile Zola, 75015 Paris, France.

Financial year

The Company's financial year begins on January 1 and ends on December 31, according to the provisions of article 32 of the by-laws.

Exceptional events and lawsuits

Reference is made to the text in section 4.4 of this annual financial report relating to risk management, and more specifically the sub-section 4.4.9 dealing with legal and tax risk.

Statutory distribution of profits

According to the provisions of article 34 of the by-laws, each financial year, amounts to be transferred to reserves as provided by law shall be deducted from the profit for the year, less prior-year losses if applicable. Thus, 5% shall be deducted to constitute the legal reserve fund; this deduction ceases to be mandatory when this fund reaches one-tenth of the share capital; it resumes when, for any reason, the legal reserve has fallen below this fraction.

Distributable profit consists of the profit for the financial year, less prior-year losses, and amounts transferred to reserves in accordance with law or the by-laws, plus any retained earning carried forward from previous years.

The distributable profit, after deduction of any sum that the Shareholders' Meeting deems appropriate to allocate to any reserve funds or to carry forward, is distributed among the shareholders in proportion to their shareholding in the Company.

Shareholders' Meetings

Notice of meeting

As stipulated in article 24 of the by-laws, Shareholders' Meetings shall be convened either by the Board of Directors or otherwise by the Statutory Auditor(s) or by a representative appointed by the President of the Commercial Court ruling in summary proceedings upon the request of one or more shareholders representing at least 5% of the share capital.

During the liquidation period, the meetings shall be convened by the liquidator(s). Shareholders' Meetings shall be held at the registered office or at any other location indicated in the meeting notice.

The convening notice shall be given fifteen days before the date of the meeting, either by a simple or registered letter addressed to each shareholder, or by electronic mail sent to each shareholder, and in this case subject to the implementation of the provisions of the article R.225-63 of the French Commercial Code [1], or by a notice published in a Journal of Legal Notices at the registered office. In the latter case, each shareholder must also be convened by simple letter or, at his or her request and at his or her own expense, by registered letter.

In the event of recourse to video-conferencing or telecommunication, the notice shall specify the means used.

If a meeting has not been able to meet and deliberate without due quorum, the second meeting and, if necessary, the second continuing meeting, shall be convened in the same form as the first one and the meeting notice shall recall the date of the first one and reproduces its agenda.

Right to attend Shareholders' Meetings

Article 26 of the by-laws stipulates that each shareholder has the right to participate in Shareholders' Meetings and deliberations personally or by proxy, irrespective of the number of his shares, on simple proof of his or her identity, provided that these shares have been fully paid up and recorded in the financial statements on his or her name on the day of the Shareholders' Meeting.

Any shareholder may vote by correspondence by means of a form, which he or she may receive under the conditions specified in the meeting notice.

A shareholder may only be represented by another shareholder who has a mandate, by his or her spouse or by the partner, with whom he or she has concluded a civil solidarity pact.

Voting rights

Article 28 of the by-laws specifies that the voting rights attached to the shares are proportional to the percentage of capital the shares represent. Each share conveys one voting right.

Voting shall be realized by show of hands, by roll call, or by secret ballot, according to the decision of the Board of the meeting or the shareholders. Shareholders may also vote by mail.

Information about the capital and shares

Amount of the capital, number and nature of the shares

The share capital of Sfil amounts to EUR 130,000,150; it is divided into 9,285,725 shares, each with a voting right and not subject to any pledge. There are no other securities giving access to the capital of Sfil.

Breakdown of capital

The share capital of Sfil is entirely held by Caisse des Dépôts except for one share held by the French State, *via* the Agence des participations de l'État.

(1) *The use of electronic telecommunications for the convening of shareholders assumes that the Company has submitted a proposal to this effect, and obtained their agreement.*

7.2 Statement by the person responsible

I, the undersigned Philippe MILLS, Chief Executive Officer of Sfil, hereby attest that to my knowledge, the annual and consolidated financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets and liabilities, financial position and profit and loss for the issuer and for all of the companies included in its consolidation scope, and that the management report faithfully reflects the changes and results of the company and the financial position for the issuer and for all of the companies included in its consolidation scope, as well as a description of the main risks and uncertainties facing them.

Paris, March 25, 2025

Philippe MILLS

Chief Executive Officer

Designed & published by LABRADOR +33 (0)1 53 06 30 80

More information on sfil.fr

112-114 avenue Émile Zola
75015 Paris

French limited company (*Société anonyme*)
with a share capital of EUR 130,000,150
Trade and Companies Register (RCS) PARIS 428 782 585