PRESS RELEASE DECEMBER 15, 2025

Morningstar DBRS Confirms Sfil's Long-Term Credit Ratings at AA With a Stable Trend

BANKING ORGANIZATIONS

DBRS Ratings GmbH (Morningstar DBRS) confirmed Sfil SA's (Sfil or the Bank) credit ratings, including the Long-Term Issuer Rating at AA and the Short-Term Issuer Rating at R-1 (high). All credit ratings have Stable trends. Sfil's Support Assessment remains SA1. See the full list of credit ratings at the end of this press release.

KEY CREDIT RATING CONSIDERATIONS

The confirmation of Sfil's Long-Term Issuer Rating at AA with a Stable trend reflects Morningstar DBRS' Issuer Rating of AA with a Stable trend on the Republic of France. Sfil's credit ratings reflect its statutory ownership by Caisse des Dépôts et Consignations (CDC), which is entirely owned by the Republic of France. Moreover, both CDC and the Republic of France provide letters of comfort in support of Sfil's creditworthiness. As a result, Morningstar DBRS' support assessment for Sfil is SA1.

CREDIT RATING DRIVERS

An upgrade of the Republic of France's credit ratings would lead to an upgrade of Sfil´s credit ratings.

Similarly, a downgrade of the Republic of France's credit ratings would lead to a downgrade of Sfil´s credit ratings. Any indication of weakening of the support mechanisms between Sfil, CDC, and the French State would also lead to a downgrade of Sfil's credit ratings.

CREDIT RATING RATIONALE

Sfil is a French public development bank founded in February 2013, approved by the Autorité de Contrôle Prudentiel et de Résolution, the French regulator. Sfil is specialised in public sector finance and large-scale export finance, and with total assets of EUR 73.3 billion at the end of June 2025, is the ninth-largest credit institution in France by asset size. At YE2024, the Bank had 412 employees. Since 1 October 2020, Sfil is 100% indirectly owned by the French State through CDC, with the French State retaining one share in the Bank. The reference shareholder, CDC, has provided a letter of comfort to support Sfil's creditworthiness. In addition, the French Republic has also provided a letter of comfort by which it is committed to ensuring that Sfil is able to maintain the continuity of its activities and to honour its financial commitments at any point in time where CDC would fail to do so. As such, Morningstar DBRS considers that both CDC and the French State are committed to ensuring that Sfil is able to pursue its activities in an ongoing manner and to honour Sfil's financial commitments.

Given its public service mandate, Sfil's goal is not to maximise profits. Hence, margins on its loan portfolio are low and profitability is modest. Net interest income represents a large part of the Bank's operating revenues. Sfil's net income increased in H1 2025 to EUR 43 million compared with EUR 38 million in H1 2024. This was mainly driven by recurring net income, which increased to EUR 34 million compared with EUR 31 million a year earlier. Recurring net banking income increased by 10% year over year (YOY) to EUR 113 million, supported by higher business volumes, partly offset by higher funding costs. Sfil's recurring operating expenses were up 5% YOY H1 2025 to EUR 60 million, as costs were well controlled, creating positive operating leverage. Sfil reported a EUR 2 million reversal of loan loss provisions in H1 2025, or about 1 basis point (bp) of Sfil's financial assets at amortised costs. Overall, profitability remains relatively low, with total recurring operating income representing roughly 0.31% of Sfil's total assets in H1 2025 and recurring net income represented 0.09% of total assets.

Morningstar DBRS considers Sfil's risk profile to be solid, underpinned by high-quality exposures and low levels of market and operational risk. Sfil's risk profile is mainly driven by its loan book, which is very low risk because of the high proportion of French public-sector lending, reflecting the generally high quality of the portfolio and the low risk profile of the French public sector. The export credit agreement refinancing activity does not materially affect Sfil's asset quality given the guarantees provided by Bpifrance Assurance Export on behalf of the French State. As a result, the H1 2025 nonperforming loan ratio as calculated by Morningstar DBRS was low at 0.29%.

Sfil's funding structure is entirely reliant on wholesale funding. The Bank's main funding source consists of covered bonds issued by Caisse Française de Financement Local, which aligns with the Bank's loan exposure to the French public sector. In addition, Sfil has diversified its funding sources, with a euro medium-term note programme of up to EUR 15 billion. In H1 2025, Sfil raised a total amount EUR 5.9 billion, of which EUR 5.25 billion was issued in the public primary market, evidencing the Bank's good access to market funding. At the consolidated level, Sfil had total liquidity reserves, including cash and assets eligible for secured funding from the ECB or the market, of EUR 46.6 billion at the end H1 2025 to cover a one-year liquidity shortfall in a stressed scenario. In addition, Sfil benefits from back-up liquidity facilities provided by CDC and La Banque Postale. The two lines have never been used and were still undrawn at the end of H1 2025. Sfil reported a very high Liquidity Coverage Ratio of 3,462%, as disbursements are low and largely covered by the liquidity reserve. The Net Stable Funding Ratio was 127.65% at the end of H1 2025.

Morningstar DBRS views Sfil's capitalisation as very solid, given the Bank's low risk profile. At the end of June 2025, the Bank reported a Common Equity Tier 1 (CET1) of 43.5%, up from 42.2% at the end of 2024 and 37.3% at the end of H1 2024, well above the requirements of the European Central Bank's Supervisory and Evaluation Process for 2025, set at 8.56% for CET1. Since Q3 2024, Sfil has been calculating risk-weighted assets (RWA) according to the standardised approach, following a new regulatory decision to align exposure to most French local authorities with French sovereign risk in respect to prudential requirements. This means that local authorities benefit from a risk factor of 0%. This resulted in RWAs decreasing to EUR 3.3 billion at the end of June 2025 compared with EUR 4.1 billion a year earlier, which increased Sfil's CET1 ratio by approximately 500 bps.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS
There were no Environmental/Social/Governance factor(s) that had a significant or relevant effect on the credit analysis.

A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (16 May 2025) at https://dbrs.morningstar.com/research/454196.

Notes:
All figures are in euros unless otherwise noted.

The principal methodology is the Global Methodology for Rating Banks and Banking Organisations (23 May 2025; https://dbrs.morningstar.com/research/454637). In addition, Morningstar DBRS uses the Morningstar DBRS

Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (16 May 2025; https://dbrs.morningstar.com/research/454196) in its consideration of ESG factors.

The following methodology has also been applied:
-- Morningstar DBRS Global Corporate Criteria (3 February 2025), https://dbrs.morningstar.com/research/447186.

The credit rating methodologies used in the analysis of this transaction can be found at: https://dbrs.morningstar.com/about/methodologies.

The sources of information used for these credit ratings include Morningstar Inc. and company documents. Other sources include Sfil Interim Financial Report 2025 and Sfil Annual Financial Report 2024. Morningstar DBRS considers the information available to it for the purposes of providing these credit ratings to be of satisfactory quality.

Morningstar DBRS does not audit the information it receives in connection with the credit rating process, and it does not and cannot independently verify that information in every instance.

The conditions that lead to the assignment of a Negative or Positive trend are generally resolved within a 12-month period. Morningstar DBRS' trends and credit ratings are under regular surveillance.

For further information on Morningstar DBRS historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: https://registers.esma.europa.eu/cerep-publication. For further information on Morningstar DBRS historical default rates published by the Financial Conduct Authority (FCA) in a central repository, see https://data.fca.org.uk/#/ceres/craStats.

The sensitivity analysis of the relevant key credit rating assumptions can be found at: https://dbrs.morningstar.com/research/469777.

These credit ratings are endorsed by DBRS Ratings Limited for use in the United Kingdom.

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Initial Rating Date: 10 September 2018
Last Rating Date: 24 September 2025

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For more information on this credit or on this industry, visit https://dbrs.morningstar.com.

Ratings

Sfil

Date Issued	Debt Rated	Action	Rating	Trend	Attributes
15-Dec-25	Long-Term Issuer Rating	Confirmed	AA	Stb	EU U
15-Dec-25	Short-Term Issuer Rating	Confirmed	R-1 (high)	Stb	EU U
15-Dec-25	Short-Term Debt	Confirmed	R-1 (high)	Stb	EU U
15-Dec-25	Long-Term Senior Debt	Confirmed	AA	Stb	EU U
15-Dec-25	EUR 3,000,000,000 Negotiable European Commercial Paper Programme	Confirmed	R-1 (high)	Stb	EU U

Contacts

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