

June 22nd, 2020

Region Ile-de-France launches a successful Green & Sustainability Dual Tranche

On Monday 22nd June 2020, Region Ile-de-France, rated Aa2 / AA (Moody's / Fitch), successfully launched a Green and Sustainability dual tranche transaction under its Green & Sustainability Framework: EUR550m benchmark due on 2nd July 2030 and EUR250m due on 2nd July 2040 bearing a coupon of 0.100% and 0.610% respectively. This transaction marks the return of the issuer on the primary market after 2 years of absence as the region's strong budget management led to reduced funding needs since their last issuance in 2018. The proceeds of the bonds will be exclusively used to finance or refinance eligible projects including a part or its economic, ecological and solidarity recovery plan for 2020, as a response to the Covid-19 crisis. The proceeds will be used accordingly with the Issuer's revised Green and Sustainability Bond Framework, and as described in the "use of proceeds" section of its 100% Green and Sustainability EMTN Programme.

The dual-tranche was priced at a re-offer yield of 0.108% and 0.614% for the 10y and 20y (longest ever transaction) respectively, equating to a spread of +26 bps and +28 bps over interpolated OATs. On the back of a stable market backdrop, this transaction received a strong support from investors including dedicated sustainable investors with final orderbooks in excess of EUR 1.0bn and EUR1.1bn for each tranche respectively. Joint lead managers were BNP Paribas, Crédit Agricole CIB, Deutsche Bank, HSBC and Unicredit.

All in all, a landmark transaction for Region Ile-de-France as it represents the issuer's:

- Largest transaction in terms of size issued
- Longest transaction in terms of tenor
- Lowest overall financing cost for a Region financing exercise in the bond markets
- First dual-tranche
- Strongest investor base diversification into Northern Europe (mainly Germany) as per below statistics of the deal

Green & Sustainability Bond Framework

The framework used by the Region Ile-de-France for its green and sustainability bond issues was revised in order to ensure the eligibility of the sanitary measures taken during the fight against the Covid-19.

In particular, the Framework now includes a new sub-category covering:

- Projects contributing to the development of health infrastructures,
- the purchase of health equipment,
- Research and development, and
- The establishment of any emergency infrastructures necessary in the context of an exceptional crisis (health crisis, natural disaster, etc.)

The existing framework already covered the projects in favor of creating or maintaining employment through supporting measures to SMEs in the Region's territory.

Vigeo-eiris updated its Second Party Opinion in June 2020, taking into account these slight modifications of the framework.

Transaction Details

The mandate for a new mid to long-term transaction was announced to the market on 17 June 2020 along with a series of investor calls and Global Investor Call.

On Monday June 22nd at 09:18 CET, Region Ile-de-France announced to the market a dual tranche transaction on the back of successful investor calls and a strong market backdrop. The books opened with a guidance of 32 bps area over interpolated OATs for both tranches.

UR550m 2nd July 2030 tranche:

At 10:48 CET, the first update came out on the market and showing books in excess of EUR700m including a strong interest from ESG investors (excl. JLM interests) with a guidance unchanged at OATs +32bps area. Less than one hour after the first update given to the market, books were in excess of EUR 1.2bn (excl. JLM interests) and allowed the Region Ile-de-France to revise the guidance to OATs +29bps area. At 12:35 CET, the 10 year tranche was launched and the spread was set at OATs+26bps representing 6bps tightening from the initial guidance. The size was set in the same time at EUR550m, and final books were in excess of EUR1.0bn.

The 10-year tranche was priced at 14:49 CET with a yield of 0.108% and a spread of OATs +26bps.

EUR250m 2nd July 2040 tranche:

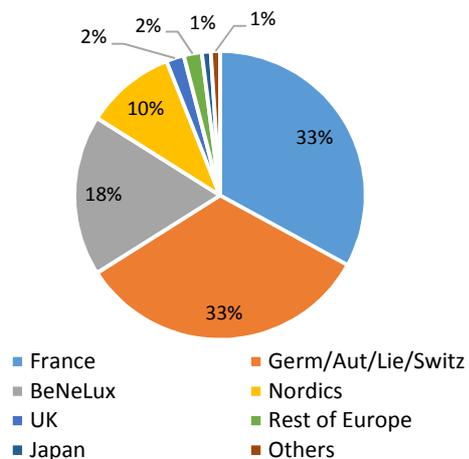
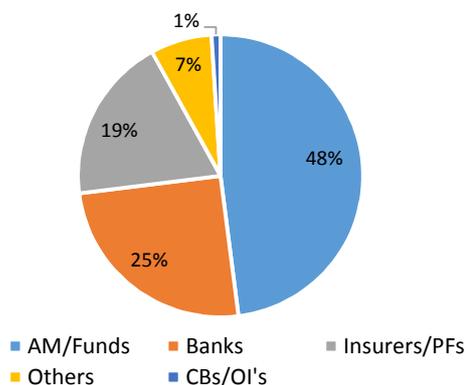
The orderbook grew quickly and stood in excess of EUR 650m (excl. JLM interests) around 10:48 CET, at which point the guidance was revised at OATs +29bps (+/-1bp WPIR), which allowed the Region to set the size at EUR250m. Less than one hour after the first update, 11:15 CET, the spread was set at OATs +28bps, representing 4bps tightening from the initial guidance. Books closed in excess of EUR 1.1bn (excl. JLM interests).

The 20-year tranche was priced at 14:21 CET with a yield of 0.614% and a spread of OATs (mid) + 28bps.

Composition of demand for the issue by allocation breakdown

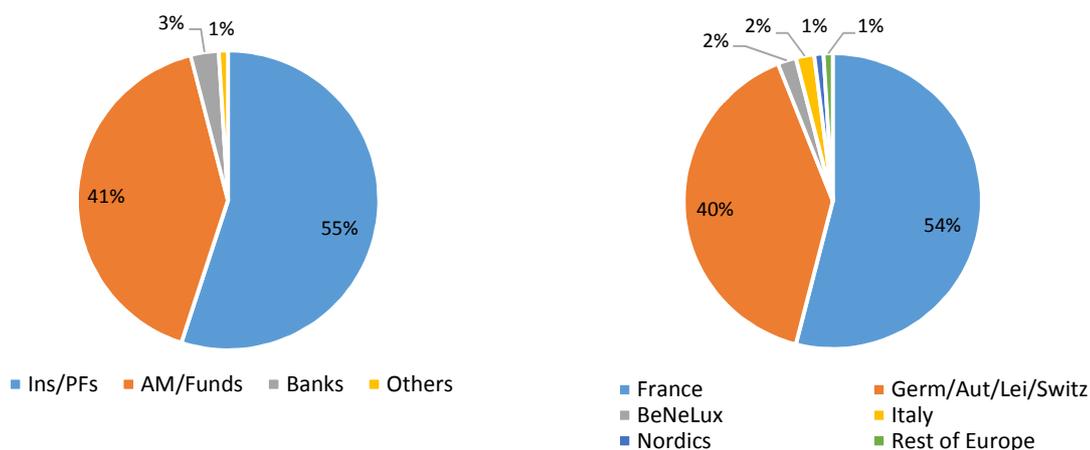
EUR550m 10-year tranche:

By Investor type:		By Geography:	
Asset Managers / Fund Managers	48%	France	33%
Banks	25%	Germ/Aut/Lie/Switz	33%
Insurers / Pension Funds	19%	BeNeLux	18%
Others	7%	Nordics	10%
Central Banks / Official Institutions	1%	UK	2%
		Rest of Europe	2%
		Japan	1%
		Others	1%



EUR250m 20-year tranche:

By Investor type:		By Geography:	
Insurers /Pension Funds	55%	France	54%
Asset Managers / Fund Managers	41%	Germ/Aut/Lie/Switz	40%
Banks	3%	BeNeLux	2%
Others	1%	Italy	2%
		Nordics	1%
		Rest of Europe	1%



Summary of the Terms and Conditions for the new Bond Issue

Tranches	10-year tranche	20-year tranche
Issue Amount	EUR 550mn	EUR 250mn
Pricing Date	22 June 2020	22 June 2020
Payment Date	30 June 2020 (T+6)	30 June 2020 (T+6)
Maturity Date	2 July 2030	2 July 2040
Re-offer Price	99.920%	99.925%
Re-offer Yield	0.108% ann.	0.614% ann.
Annual Coupon	0.100% per annum.	0.610% per annum.
Re-offer Spread	OATs +26bps	OATs +28bps
Listing	Euronext Paris	
Joint Lead Managers	BNP Paribas, Crédit Agricole CIB, Deutsche Bank, HSBC, UniCrédit	