**A LEADING REGIONAL AUTHORITY IN EUROPE**

A regional economic power
The wealthiest region in France:
- over 30% of France’s GDP
- about 5.5% of the EU-27’s GDP
Among the highest GDP per capita in Europe (€60,215).

Regional governance
- Chairwoman: Valérie PÉCRESSE
- A Regional council that consists of 209 members democratically elected in December 2015, for a 6-years period.

Large areas of responsibility
- Transport
- Economic development, research
- Secondary education (high-schools)
- Environment, land development
- Professional training, employment
- Social inclusion, housing, culture and sport.

**A 2021 BUDGET BUILT AROUND BOOSTING INVESTMENT**

- An extra 2.5Bn investments since 2015
- For the 1st time, capital expenditures exceed operating expenditures in 2019
- €2Md of savings in operating expenses since 2015
- Self-financing capacity of investments on average by 82% since 2016 (against 57.7% in 2015)
- Gross savings rate on average by 30.9% since 2016 (including surpluses from the previous years)

**A GREEN AND SUSTAINABLE FUNDING STRATEGY**

Outstanding debt at the end of 2020:
- €5,751 Bn
- Average lifetime: 6.5 years
- Average rate: 1.85%

Medium/long term financing strategy mainly based on bond issuances which will exclusively consist of G & S bonds going forward:
Bond issuances made under its EMTN program (1st French local authority EMTN program in 2001):
- €4.75 Bn outstanding in total,
- including €3.2 Bn of Green and Sustainable Bonds issued between 2012 and 2020 (approximately 60% of the outstanding debt),
- Partnership with the EIB to finance sustainable projects, with 200MEUR drawn in July 2019, and new lines expected.
- Loans from CDC to finance High School Projects that can be used as a short term or a long term resource.
**HIGH FINANCIAL AND EXTRA-FINANCIAL RATINGS**

**Moody’s: “Aa2” Stable outlook**
- “strong operating performance”
- “strong governance and debt management”
- “unquestioned market access”
- “sound & secured liquidity profile”

**Fitch Ratings: “AA” Stable Outlook**
- “sound operating performance and strong governance”

In 2020, the Region is ranked 3rd out of 29 European local & regional governments, with an “Advanced” ESG level (61/100).

**THE PIONEERING ROLE OF THE REGION, IN A SAFE AND TRANSPARENT ENVIRONMENT**

The Île-de-France Region is a frequent and regular issuer in the green and sustainable bond market since 2012. It executed 9 green and sustainable transactions since 2012, of which 7 were public benchmark transactions.

The green and sustainability transactions launched by the Region are in line with the Sustainability Bond and comply with both GBP and SBP.

**Use of proceeds reporting on the issuance’s in the year following the issue:**
- commitment to allocate funds on the 7 categories of projects, as defined before the issuance
- Nine eligibility criteria in relation to the purpose and management of the project
- Detailed explanation of transversal impact indicators and calculation methodologies

- Projects presented through the Sustainable Development Goals (SDGs) put in place by the United Nations, since the 2017 report.
- A consolidated and updated 2021 framework, taking into account the upcoming European taxonomy regulation (TSC, DNSH & minimum safeguards).

**OUTSTANDING DEBT’S BREAKDOWN**

<table>
<thead>
<tr>
<th>Year</th>
<th>Public Bond Issues</th>
<th>Private Placements</th>
<th>CDC Loans</th>
<th>EIB Loans</th>
<th>Schuldschein</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>€350 million (2012-2024)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2014</td>
<td>€600 million (2014-2026)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>2015</td>
<td>€625 million (2015-2028)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>2016</td>
<td>€650 million (2016-2030)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>2017</td>
<td>€500 million (2017-2035)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2018</td>
<td>€500 million (2018-2038)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2019</td>
<td>€800 million (2019-2041)</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

Compliance with:
- Preparing the creation of the Green Bond principles
- Commitment to report on the use of funds
- Second opinion on the selection criteria
- External and independent certificate

- Published on the anniversary date
- Renewal of report
- Renewal of 2016 opinion
- To be published in June 2021

Diversified access to short-term liquidity with €1 Bn NEU-CP program in French law (2002) and a revolving facility of €587 million that can be used for cash management and to mobilize credit resources.

A rewarded strategy
- Gold Finance Leader Trophy, Public Sector (April 2019, Paris)
- Worldwide Prize in 2019, Sustainability bond of the year for local authorities, by Environmental Finance (spring 2019)
- Most impressive local government Green/SRI bond issuer at the Sustainable and Responsible Capital Markets Forum (Euromoney/GlobaCapital in September 2018, Amsterdam)
- Best sustainability bond issuer - France 2021 (Capital Finance International)
THE ALLOCATION OF GREEN AND SUSTAINABLE BOND ISSUANCES REMAINS STABLE OVER TIME

A PROJECTS SELECTION PROCESS FINALISED WITHIN 4 MONTHS

1. Each directorate of Region Île-de-France is asked to identify the proper projects to be considered
   • For an expected amount of spending
   • Compliant with the eligibility criteria

2. The most exemplary projects are selected by each directorate
   • High environmental and social commitment on all the Region’s area of intervention
   • Selection based on an investment budget of €1.6 bn (2018 accounts)
   • The major projects on transportation and eco-construction can be reconducted from a year to another

3. Finance directorate
   • Validates the breakdown between each category based on the projects presented
   • Consolidates information communicated by each directorate

GREEN AND SUSTAINABLE BOND ISSUANCE IN 2020 SHOWS RENEWED INVESTORS’ INTEREST

The June 2020 issuance has been a landmark transaction for Region Île-de-France as it represents the issuer’s largest in terms of size, the longest in terms of tenor, the lowest overall financing cost for a French Region in the bond markets, the first dual-tranche, the strongest investor base diversification (into Northern Europe, mainly Germany).

20 YEAR TRANCHE

54% → FRANCE
40% → GERM/AU/LEI/SWITZ
2% → BENELUX
2% → ITALY
1% → NORDICS
1% → REST OF EUROPE

10 YEAR TRANCHE

33% → FRANCE
33% → GERM/AU/LEI/SWITZ
18% → BENELUX
10% → NORDICS
2% → UK
2% → REST OF EUROPE
1% → JAPAN
1% → OTHERS

PROPORTION OF GREEN AND SUSTAINABLE BONDS IN THE OUTSTANDING REGIONAL DEBT


8% 7% 19% 29% 40% 49% 59% 65% 75%

www.ilededefrance.fr/region-funding