

Social Bonds Annual allocation & Impact Report 2022



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Introduction

La Banque Postale is a civic-minded bank. Driven by its 2021-2030 strategic plan and its public service mission on banking accessibility, it aims to make a positive contribution to society.

La Banque Postale reaffirmed its commitment to the just transition, i.e. an environmental transition that is socially acceptable to all, in its corporate purpose, published in June 2021.

In February 2022, La Banque Postale entered a new phase of its transformation by becoming a mission-led company. Its environmental and social objectives are now central to its governance.

Since the publication of its Green, Social and Sustainability Bond Framework in 2019, La Banque Postale's social bonds (28 senior preferred and non-preferred bonds for a total of €1,261.26m issued) have supported 631 projects. All the proceeds from these social bonds are managed and allocated to projects targeted by the Green, Social and Sustainability Bond Framework.

This report provides details of the social bonds issued by La Banque Postale in 2021 and 2022, as well as the composition and amount of the underlying loan portfolio.

La Banque Postale's Green, Social and Sustainability Bond Framework complies with the Green Bond Principles (GBP), the Social Bond Principles (SBP) and the Sustainability Bond Guidelines (SBG) published by the International Capital Market Association-ICMA in 2018.

Vigeo Eiris, a subsidiary of Moody's ESG Solutions rating agency, provided a second opinion that La Banque Postale's Green, Social and Sustainability Bond Framework is fully aligned with the ICMA recommendations mentioned above.

KPMG LLP is the independent third party that certifies this Social Bond Impact Report. KPMG LLP's review report is provided following this document.

Excerpt from the 2019 Green, Social and Sustainability Bond Framework – Eligible categories for this report.



Affordable housing

SDG 1: No poverty – **SDG 10:** Reduced inequalities

Loans to social landlords: new construction and/or rehabilitation of existing social housing



Access to care

SDG 3: Good health and well-being – **SDG 10:** Reduced inequalities



Loans to finance access to healthcare: Public hospitals, Elderly care facilities, French comprehensive cancer centres (FCCs)

Projects funded by social bonds fall into one of two eligible categories – affordable housing and access to essential services – and contribute to the United Nations Sustainable Development Goals.








Social bonds issued

In 2021 and 2022, La Banque Postale issued a nominal amount of €1,261.26m in social bonds through various types of debt.

In accordance with the 2019 Green, Social and Sustainability Bond Framework, 100% of the funds raised are allocated to existing eligible social projects. These projects are intended to combat inequalities, by promoting access to property for people with low incomes, as well as access to healthcare

Type of debt	ISIN	Date of issue	Nominal amount (€ million)	Residual nominal amount (€ million)	Maturity date	% Allocation
Senior non preferred	FR0014001RR0	15 February 2021	2.40	2.40	15 February 2034	100%
Senior non preferred	FR0014003C39	10 May 2021	1.00	1.00	10 May 2031	100%
Senior non preferred	FR00140044X1	23 June 2021	750.00	750.00	23 June 2031	100%
Structured senior preferred	FR0014004768	15 July 2021	0.60	0.60	22 July 2026	100%
Structured senior preferred	FR0014003NL8	02 November 2021	71.91	71.91	31 December 2026	100%
Structured senior preferred	FR0014007BQ3	21 December 2021	5.20	5.20	22 December 2031	100%
Vanilla senior preferred	FR0014007TJ0	27 January 2022	3.00	3.00	27 January 2029	100%
Senior non preferred	FR00140089Q0	10 February 2022	1.00	1.00	10 February 2027	100%
Senior non preferred	FR0014008ER3	14 February 2022	3.00	3.00	14 February 2027	100%
Structured senior preferred	FR0014007SD5	07 March 2022	59.20	59.20	06 May 2027	100%
Structured senior preferred	FR0014007S78	07 March 2022	28.60	28.60	07 May 2030	100%
Senior non preferred	FR00140096M4	23 March 2022	1.50	1.50	23 March 2029	100%
Structured senior preferred	FR00140096A9	28 March 2022	3.00	3.00	15 March 2030	100%
Structured senior preferred	FR001400ABX9	31 May 2022	1.00	1.00	13 May 2030	100%
Vanilla senior preferred	FR001400AQC1	02 June 2022	1.00	1.00	02 June 2025	100%
Vanilla senior preferred	FR001400AQD9	08 June 2022	2.00	2.00	08 June 2025	100%
Vanilla senior preferred	FR001400AU08	09 June 2022	6.00	6.00	09 June 2024	100%
Senior non preferred	FR001400ASS3	13 June 2022	1.00	1.00	13 June 2032	100%
Senior non preferred	FR001400BGG1	06 July 2022	1.50	1.50	06 July 2027	100%
Vanilla senior preferred	FR001400BQE5	13 July 2022	1.00	1.00	13 July 2025	100%
Vanilla senior preferred	FR001400BQK2	13 July 2022	2.50	2.50	13 July 2024	100%
Structured senior preferred	FR001400BQL0	12 September 2022	124.38	124.38	13 November 2028	100%
Vanilla senior preferred	FR001400D6L4	10 October 2022	7.00	7.00	10 October 2024	100%
Vanilla senior preferred	FR001400D5N2	10 October 2022	6.00	6.00	10 October 2025	100%
Senior non preferred	FR001400D6P5	10 October 2022	6.00	6.00	10 October 2027	100%
Senior non preferred	FR001400DAD7	14 October 2022	4.30	4.30	14 October 2027	100%
Structured senior preferred	FR001400CZ27	07 November 2022	162.17	162.17	04 January 2029	100%
Vanilla senior preferred	FR001400DIM1	10 November 2022	5.00	5.00	10 November 2027	100%
Total			1261.26	1261.26		100%

Key figures for the 2022 portfolio

	Amount invested 	Number of projects funded 	Number of beneficiaries 	Beneficiary populations 	Number of departments 	Types of beneficiary institutions 	Funding objectives 
Access to affordable housing	€1,318m	501	49,496 ² housing units 103,941 ¹ people	Single people, couples, families, single-parent families, students, seniors	65	<i>Entreprises Sociales pour l'Habitat</i> (social housing companies) <i>Offices Publics de l'Habitat</i> (public housing offices) <i>Sociétés d'économie mixte</i> (semi-public companies) <i>Sociétés Coop HLM</i> (cooperative social-housing companies)	Construction Renovation
Access to essential services	€277m	130	86 establishments	Elderly persons (60 years and over) dependent or not, patients requiring short-term, long-term, follow-up and rehabilitation care, persons with disabilities, children and teenagers	47	Hospitals for dependent seniors <i>Centres de Lutte contre le Cancer</i> (centres fighting against cancer) Institutions for people with disabilities Medico-social centres	Construction, rehabilitation and acquisition of property or equipment

1. Alongside other financial backers, La Banque Postale has helped to provide housing for 103,941 people, with an average ratio of 2.1 inhabitants per home.

2. Alongside other financiers, La Banque Postale has contributed to the construction and renovation of 49,496 social housing units.

Access to social housing

Background

As a long-standing financier, La Banque Postale supports 8 out of 10 social landlords. It is now the leading partner bank for social landlords.

In this report, the bank's actions relate to the construction, renovation, and rehabilitation of housing to rejuvenate properties and improve energy performance, as well as the purchase of property.

Social housing is the result of nearly two centuries of history in France. Today, the social housing sector is confronted with an ageing housing stock and insufficient supply relative to demand.

Social housing, a regulated sector in France, involves numerous participants, including public authorities, social landlords and public funders (such as Caisse des Dépôts et Consignations, through very long-term loans (approximately 90 years) or via Action Logement) and banks.

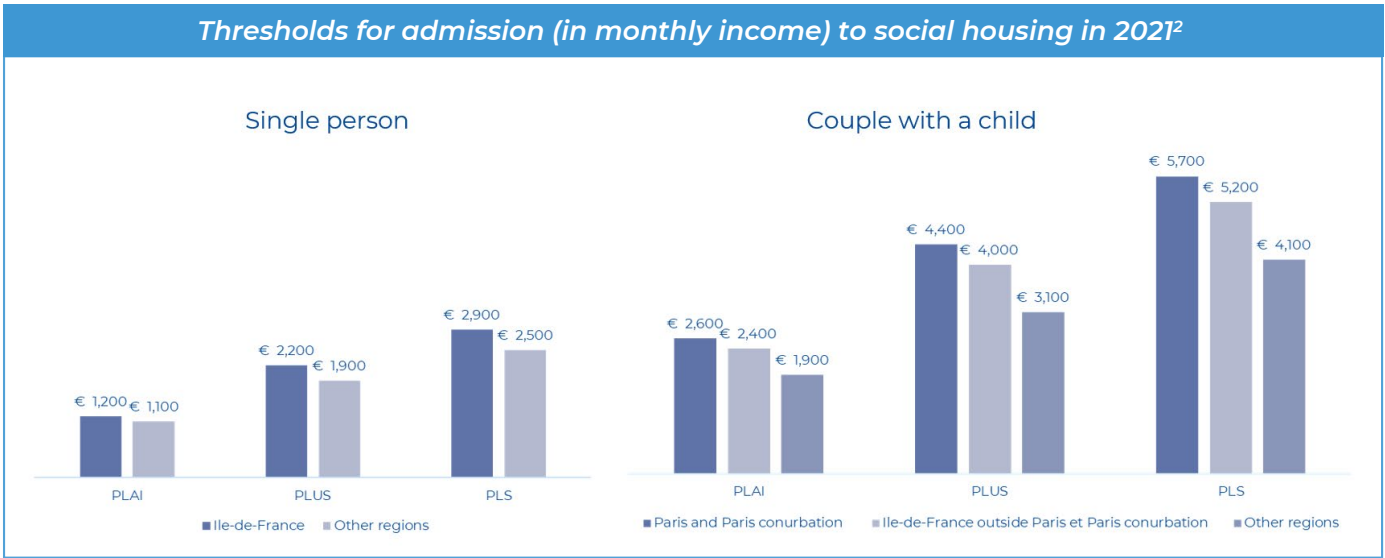
The purpose of social housing is to house individuals or families whose resources are too limited to be able to afford a home in the private sector. It also provides housing for people living in shelters or in situations of extreme vulnerability. The French government's policy on social housing also aims to promote social diversity and reduce territorial inequalities.

Social Housing Meets Specific Rules¹

Housing units obtain social housing status through the signature of a specific agreement between the social landlord and the State: the *Aide Personnalisée au Logement* (personalised housing assistance, APL) agreement. This agreement triggers assistance to tenants, as well as to landlords, for construction.

Rents, as well as the designation of tenants, are regulated by the State. The rent per square metre is capped. Access to social housing is subject to an income cap.

The income threshold to be met for admission to social housing depends on the family situation, the location of the dwelling, and the nature of the loan having financed its construction (or acquisition). The nature of this loan determines the amount of the rent.



1. Social housing, rules, financing, at | Ministries of Ecology Energy Territories (ecologie.gouv.fr)

2. 2021 income caps - Union sociale pour l'habitat

Social Housing Categories

Social housing is divided into three categories according to the loans and subsidies granted to organisations during their construction:

- The *Prêt Locatif d'Insertion* (integration rental loan, PLAI) for people in situations of extreme vulnerability confronted by both social and economic difficulties. Rents range from €4.56/m² to €5.97/m² depending on the location.
- The *Prêt Locatif à Usage Social* (rental loan for social use, PLUS) refers to traditional social housing. Rents range from €5.14/m² to €6.70/m² depending on the surface area and the location. More than 80% of social housing is regulated by these rent and resource thresholds.
- The *Prêt Locatif Social* (social rental loan, PLS) is used to finance housing located primarily in areas where the real estate market is the tensest. The maximum rent is €13.34/m² for Paris and some municipalities in the Paris conurbation.

Social Landlords or Social Housing Organisations

Social landlords are public or private bodies responsible for the construction, rehabilitation, maintenance and management of social housing. Three types of social landlords are to be found across France³:

- 197 *Offices Publics de l'Habitat* (public housing offices) (approx. 2.3 million homes);
- 174 *Entreprises sociales pour l'Habitat* (social enterprises for housing) (approx. 2.5 million homes);
- 162 *Sociétés coopératives d'HLM* (social-housing cooperative companies) (approx. 0.2 million homes).

Semi-public real estate companies (*sociétés d'économie mixte immobilières*)⁴ (approx. 0.5 million homes) are also involved.

Industry Challenges

At 1st January 2022, social housing units, totalling 5.7 million⁵, accounted for **17% of the main residences in France**.

Construction is failing to meet the substantial demand for social housing and is also hampered by rising construction costs and new environmental standards. The latter also improve the housing conditions of residents in response to the issue of inadequate housing.

2.3 million applications remain unfilled, 760,000 of which on the part of households already living in social housing (2021 figures).

Of the 10.2 million beneficiary households, over one-third have resources below the national poverty line.

37.1% are single-parent families, compared with 24.7% of the population as a whole.

The issue of social housing is linked to numerous other challenges, including:

- **Housing the homeless**, the population of whom was estimated at 330,000 in 2022 by the Abbé-Pierre Foundation;
- **Inadequate housing**, including having no option but to live in a third-party residence, and unsanitary housing;
- **The right to housing and the corresponding policy**: the DALO⁶ Law on the “enforceable right to housing” distinguishes between three categories of people with priority access to housing: applicants having been on a social housing list for an abnormally long time; people with no housing or with inadequate housing; and applicants for transitional accommodation⁷. Between 2008 and 2020, 333,848 households were recognised under the DALO Law, which does not cover all social housing applicants, but the most urgent and informed situations of this recourse.
- Social housing is a key focus of **urban policy**. Insecurity, school failure, unemployment and intercultural tensions are concentrated in certain neighbourhoods generally having a large number of social housing units.

3. Key figures 2022 – Union sociale pour l'habitat

4. Fédération des Entreprises publiques locales

5. Key figures on social housing – L'Union sociale pour l'Habitat 2022; on approvals: Avec 104.800 agréments en 2021, le logement social n'atteint pas ses objectifs (With 104,800 approvals in 2021, objectives on social housing have not been met) (banquedesterritoires.fr) and internal sector rating; Sources: SDES, RPLS, INSEE; 2020 INSEE annual census survey.

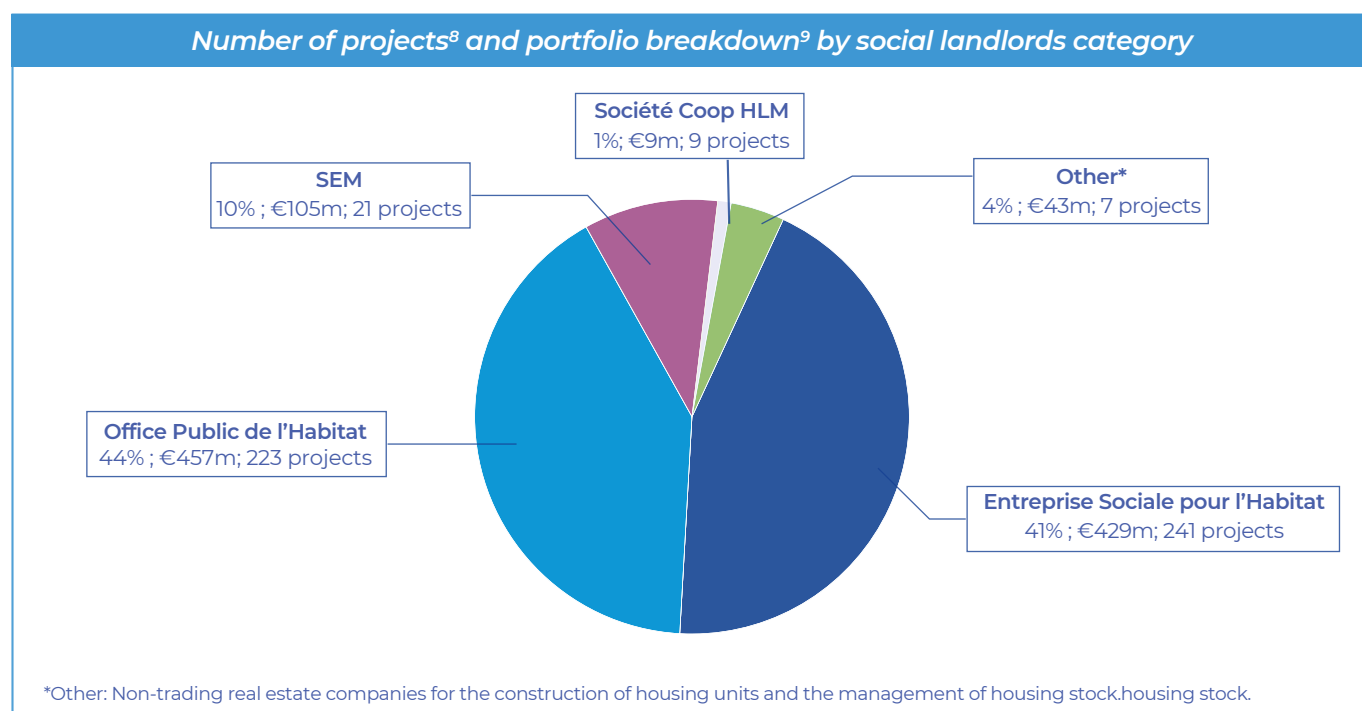
6. Droit au logement opposable : quelle application du DALO ? (Enforceable right to housing: how does DALO apply?) | vie-publique.fr

7. Accommodation is considered to be temporary, an emergency response, while housing stands as a lasting solution

Impact of La Banque Postale's portfolio allocated on the bonds issued in 2022

La Banque Postale finances all categories of social landlords

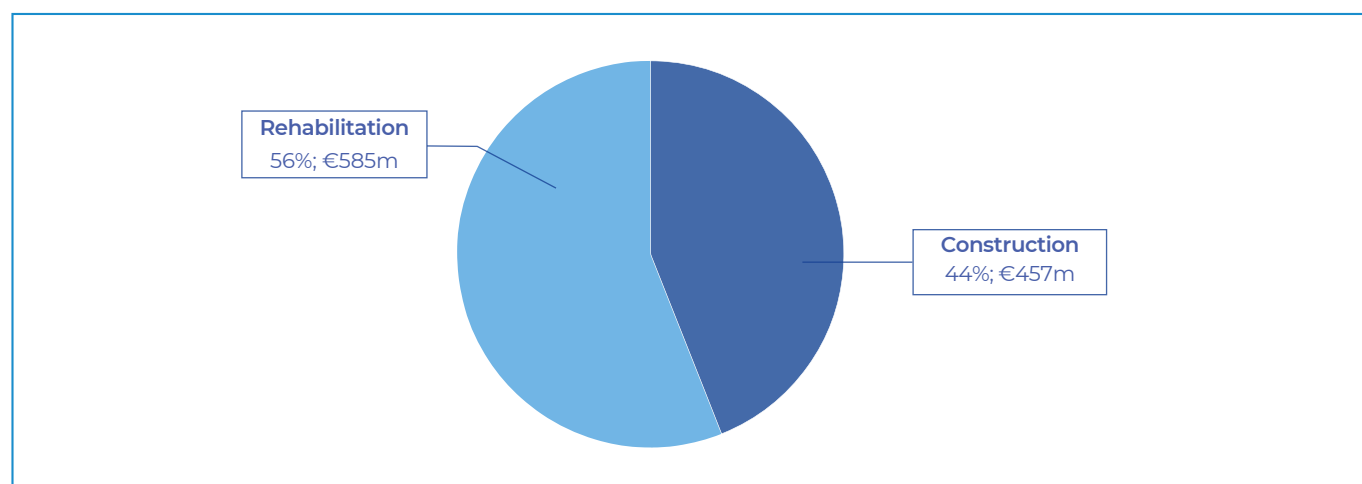
A partner of 8 out of 10 social landlords, La Banque Postale is able to offer them a comprehensive and adapted offer throughout France.



La Banque Postale responds to all the investment needs of social landlords

56% of the portfolio refinances rehabilitation projects. These projects address the ageing of buildings as well as energy and thermal rehabilitation, improving the quality of life of occupants.

44% of the portfolio refinances projects for the construction of collective or individual housing, homes, and residences for students, seniors, or people with disabilities. To diversify, social landlords develop real estate projects, including the construction of schools, shops, and *gendarmerie* stations. La Banque Postale also responds to these initiatives.

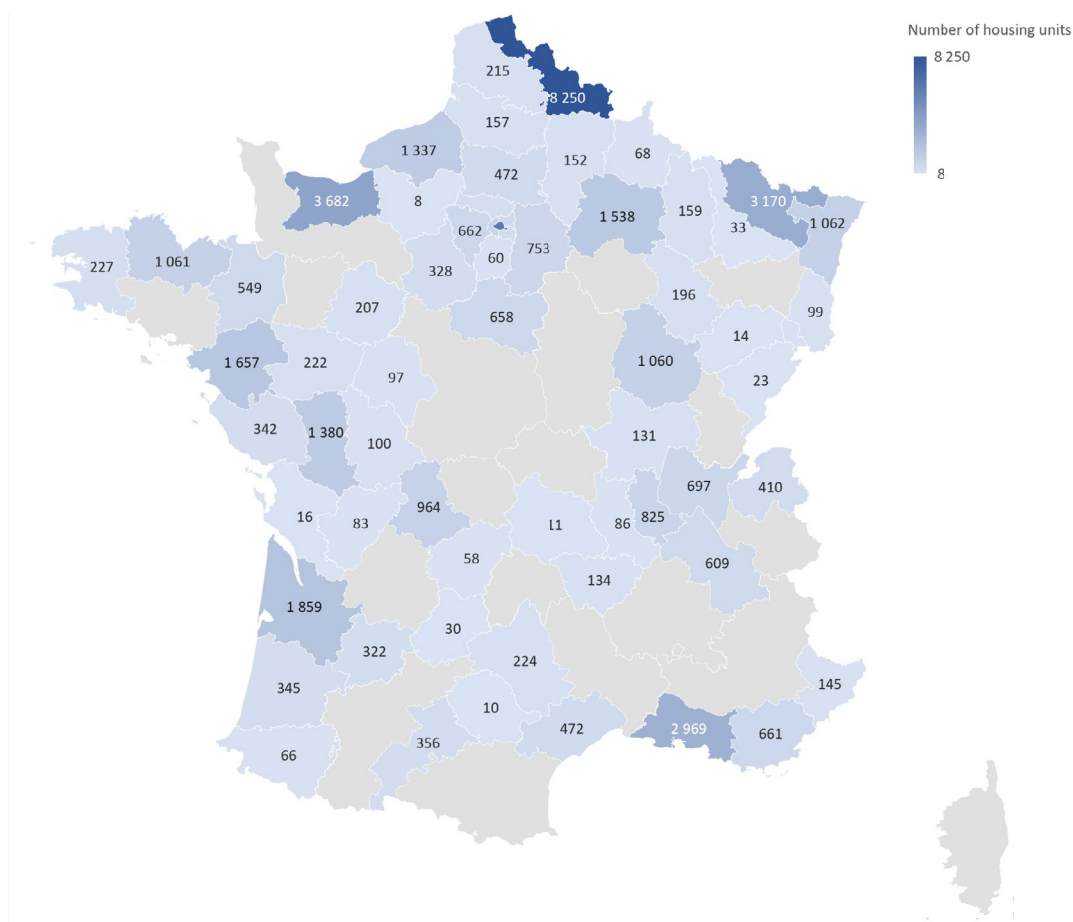


8. One project = One loan

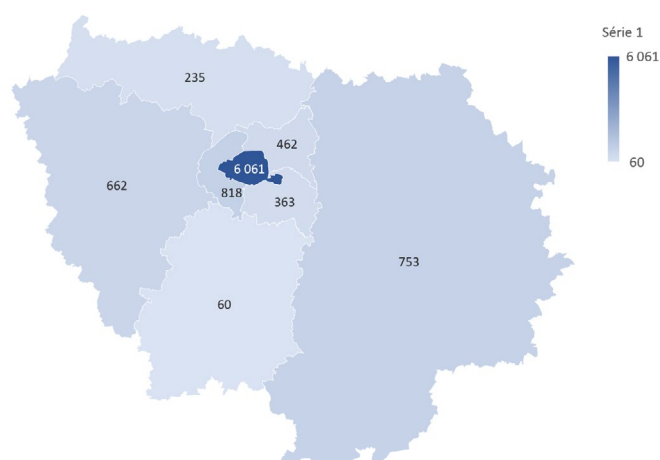
9. Calculation of the amount of projects refinanced by bond issues in the appendices

Loans to social landlords financed by La Banque Postale contribute to the construction and rehabilitation of numerous dwellings across a large part of France.

Number of housing units concerned by the projects financed.



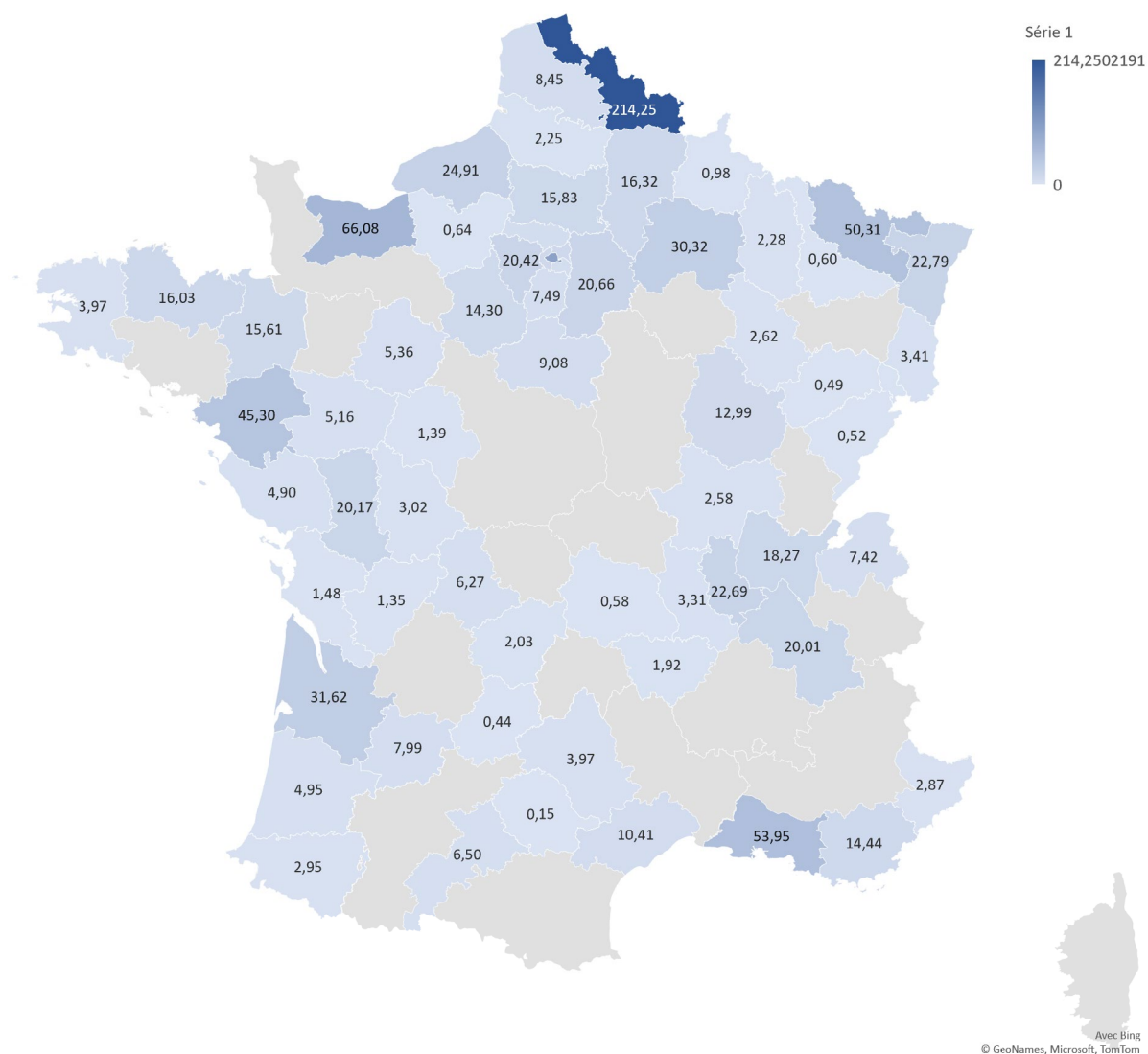
Focus on Île-de-France: Number of housing units concerned by the projects financed



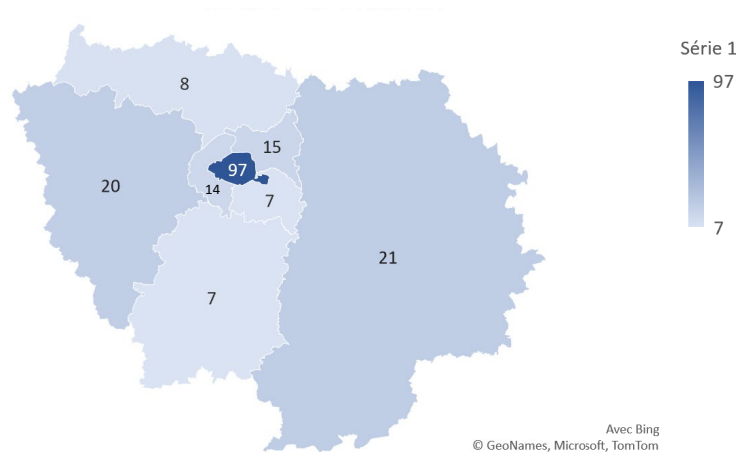
The departments in which La Banque Postale has the largest presence are tight¹⁰ housing markets: Bouches-du-Rhône (2,969 homes built and rehabilitated), Nord (8,250), Paris (6,061). In these departments, a single application is filled for more than 4.4 to 10 unfilled applications.

10. Pression sur la demande de logement en 2018 (Pressure on housing demand in 2018) | L'Observatoire des Territoires (observatoire-des-territoires.gouv.fr)

Amount of projects refinanced by bond issues - in € million



Focus Île-de-France: Amount of projects refinanced by bond issues - in € million





Construction of 142 homes

Mon Logis-Action Logement
Dammarie-les-Lys, Seine-et-Marne
France

In Seine-et-Marne, a department bordering Paris where demand is high, La Banque Postale took part in the acquisition and construction of 142 social housing units. The development includes housing units ranging from studios to 4-room residences with parking spaces and a garden. It was delivered in September 2024. La Banque Postale funded the project to the tune of €30m with a 30-year loan.

Rehabilitation of existing housing

Plurial Novilia, Action Logement
Grand-Est region, Seine-et-Marne and Essonne
departments
France

Each year, this social landlord devotes tens of millions of euros in the rehabilitation of existing housing (thermal rehabilitation, residential development, etc.). In 2022, nearly 1,000 homes were renovated and nearly 1,300 under renovation.

La Banque Postale granted a 20-year €15m loan to contribute to the financing of these developments.

Through its subsidiaries (in this case, Mon Logis and Plurial Novilia), Action Logement, a client of La Banque Postale, stands as a leading group in social and intermediate housing. Action Logement builds and finances these housing units, primarily in areas with tight housing sectors, taking into account social and environmental aspects. It is also a major funder of public policy on urban renewal and the revitalisation of medium-sized towns, as well as local housing policies.

The group jointly manages the PEEC contribution of employers to the construction effort (tax of 0.45% of the payroll for companies with more than 50 employees).

Access to essential services

Background

As a leading bank in the local public sector, La Banque Postale supports public hospitals, French comprehensive cancer centres (FCCs), elderly care facilities, medico-social centres, and institutions for people with disabilities across France. It meets the financing needs of the healthcare sector for the construction, acquisition and development of buildings and investments in equipment. This financing activity benefits the entire French population and, by reducing inequalities, contributes to improved access¹⁰ to care, both curative and preventive.

What is access to essential services?

- *Physical accessibility*, i.e. at a reasonable distance from home for people requiring care;
- *The financial affordability* of care, i.e. the ability of the patient to personally pay for the price of the care not paid by health insurance and supplementary insurance. This may also include ancillary costs (such as transport);
- *Access to care is also determined by other factors*, including the rate of disrepair of healthcare buildings, the equipment rate and the attendance rate.

In France, healthcare institutions contribute to hospital public service missions.

The legal status, activity and funding methods of healthcare institutions may differ:

- Public: hospital centres (CH), regional hospitals, university hospitals (CHR/CHU), long-term care facilities (*Care facility for dependent elderly people*– EHPADs)
- Private: for-profit structures (private clinics) and not-for-profit structures (e.g. French comprehensive cancer centres - FCCs).

Contributing to the French public service as part of

the national health policy, these establishments are comprehensively regulated in each region, in terms of their activities by the *Agence Régionale de la Santé* (regional health agency, ARS), and in respect of their financing by the *Assurance Maladie* health insurance system, the ARS, public finance executives, and the *Cour des Comptes* controller and auditor general.

Care facilities for dependent elderly people (EHPADs)

In France, care facility for dependent elderly people are medical facilities for dependent people aged over 60 requiring daily care and assistance for everyday activities. EHPADs may be public¹¹, private or the subject of a partnership. They offer hospitality services, support for the loss of autonomy, and daily medical and paramedical care. According to a study by Uni Santé¹², in 2021 in mainland France, there were 7,353 EHPAD Elderly care facilities with an average capacity of 81 people for a total of nearly 595,000 beds. According to the French Directorate for Research, Studies, Assessments and Statistics (DRESS), on a like-for-like basis, an additional 108,000 seniors are expected in Elderly care facilities by 2030. Current capacity fails to cover these additional accommodation needs.

However, more than population ageing and the lengthening of life spans, assumptions on the increase in chronic diseases and dependency are the key factors requiring an increasing number of places in elderly care facilities and an adaptation of structures¹⁴.

Investment (building works, extensions, renovations, acquisitions, etc.) in these structures is funded on a self-financing basis, by public funds (ARS and other national plans) and bank loans (55% share for independent¹⁵ public EHPAD homes with a deleveraging period¹⁶ of 8.5 years).

10. About what is access to essential services: Chambaud, Laurent. « Accès aux soins : éléments de cadrage », Regards, vol. 53, no. 1, 2018, pp. 19-28. Les inégalités sociales et territoriales de santé (santepubliquefrance.fr) ; Accès aux soins : éléments de cadrage | Cairn.info

11. As part of its social bond issues, La Banque Postale only refines projects carried out by public or private not-for-profit Elderly care facilities.

12. [Overview of care facilities for dependent elderly people \(EHPAD\) in France - La finance pour tous](#)

13. Loss of autonomy: with unchanged practices, 108,000 more senior citizens are expected to be living in Elderly care facilities by 2030. Projections of the elderly population suffering loss of autonomy according to the Lieux de vie et autonomie model (LIVIA) | Direction de la recherche, des études, de l'évaluation et des statistiques (solidarites-sante.gouv.fr)

14. [Loss of autonomy: with unchanged practices, 108,000 more senior citizens are expected to be living in Elderly care facilities by 2030. Projections of the elderly population suffering loss of autonomy according to the Lieux de vie et autonomie \(LIVIA\) | Direction de la recherche, des études, de l'évaluation et des statistiques \(solidarites-sante.gouv.fr\)](#)

15. EHPADs not attached to a hospital or communal social action centre

16. Number of years required to repay the entire stock of debt at a constant level of gross savings

Public hospitals

The French hospital sector had 3,008 healthcare facilities in 2019¹⁷, including 1,354 public hospitals and 671 not-for-profit private facilities. The remainder was composed of private clinics. Six categories of public health institutions exist in France:

- regional or university hospitals (CHR/CHU)
- specialised hospital centres (CHS) (mainly in psychiatry)
- hospitals or local centres (CP)
- other hospital centres (CH)

The number of beds (full hospitalisation) is decreasing in hospitals, having fallen from 415,000 to nearly 387,000 between 2013 and 2020. Over the same period, the number of places in outpatient hospitalisation increased slightly, from over 70,000 to 80,000, as did home hospitalisation¹⁸.

Financing needs are substantial with the increase in the rate of disrepair¹⁹ and new environmental standards, particularly in the public hospital sector. Bank loans²⁰ supplement national investment plans.

French comprehensive cancer centres (FCCs)

French comprehensive cancer centres - FCCs²¹ are part of the French hospital sector. They are private not-for-profit and academic health facilities. They perform a 100% public service activity. There are 20 such centres in France.

FCCs boast recognised expertise, highly qualified specialist teams and state-of-the-art equipment; substantial investment and financing needs are required to maintain this level of quality and improve care, admission capacity and prevention.

According to *Santé Publique France*²², 433,136 new cases of cancer were diagnosed in 2023, twice as many as in 1990 (+104% for women, +98% for men). As with public hospitals, bank loans²³ supplement national investment plans.

Medico-social institutions and services for people with disabilities

A diverse range of support structures exist for people with disabilities according to their age and needs, from assisted-living facilities to support services and including prevention structures, screening and early support, structures providing support in an ordinary environment, and support structures at institutions.

The portfolio covered by this impact report includes numerous loans granted to sheltered-employment institutions (ESAT). At these structures, people with disabilities work under adapted working conditions (the main employment sectors being green spaces, cleaning, catering, packaging and market gardening) and receive social and educational support.

Demand for space is increasing at all institutions for people with disabilities, requiring them to increase their admission capacity across France.

These investments (building works, extensions, renovations, acquisitions, the development of new activities) are self-financed or financed by public funds (ARS and other national plans) and bank loans (the total annual funding need amounts to some €250m²⁴).

The underlying portfolio covered by this report also concerns other medico-social institutions, including *Etablissements de Prévention Spécialisée* (specialised prevention institutions) and *Instituts départementaux de l'enfance* (departmental children's institutes). These institutions are part of the national child welfare policy (*Aide sociale à l'Enfance*).

17. French Health Ministry-DRESS

18. Studies and results, DREES, n°1208, September 2021 :

19. Public hospital property - current situation and outlook - La Banque Postale

20. Public hospitals indebtedness - La Banque Postale ; La Banque Postale, first bank lender of public hospitals in 2021- La Banque Postale ; Information to Parliament about the financial situation of hospitals: progress needed - Cour des comptes ; may 2023

21. French comprehensive cancer centres (FCCs) : Hospitals specialising in cancer / oncology - Unicancer

22. Article - Weekly epidemiological bulletin (santepubliquefrance.fr)

23. The debt of public hospitals - La Banque Postale ; La Banque Postale, first bank lender of public hospitals in 2021- La Banque Postale ; Information to Parliament about the financial situation of hospitals: progress needed - Cour des comptes ; may 2023

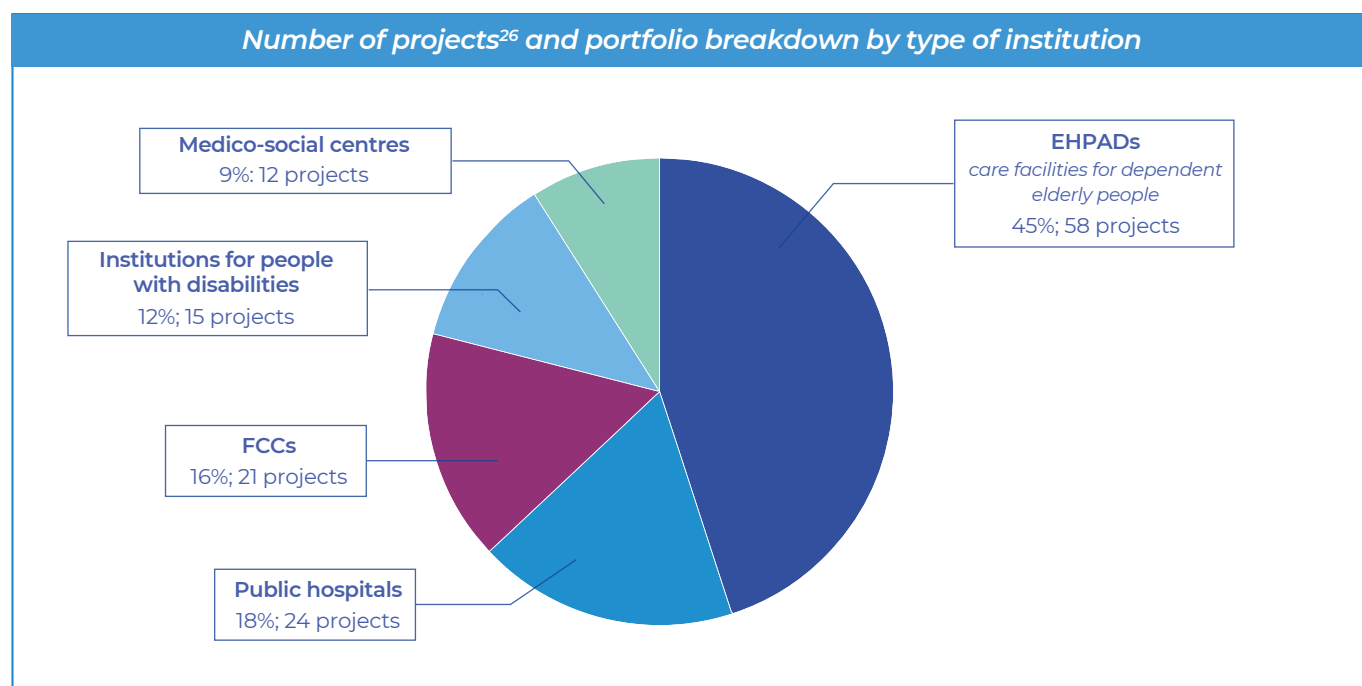
24. According to La Banque Postale, the figure concerns ESPICs (private health establishments of collective interest), while ESATs can be ESPICs, public or associative.

Impact of La Banque Postale's portfolio allocated on the bonds issued in 2022.

La Banque Postale finances the main categories of healthcare institutions

La Banque Postale began financing the healthcare sector in 2013, starting with public hospitals, and in 2015 became the leading bank lender to public hospitals²⁵.

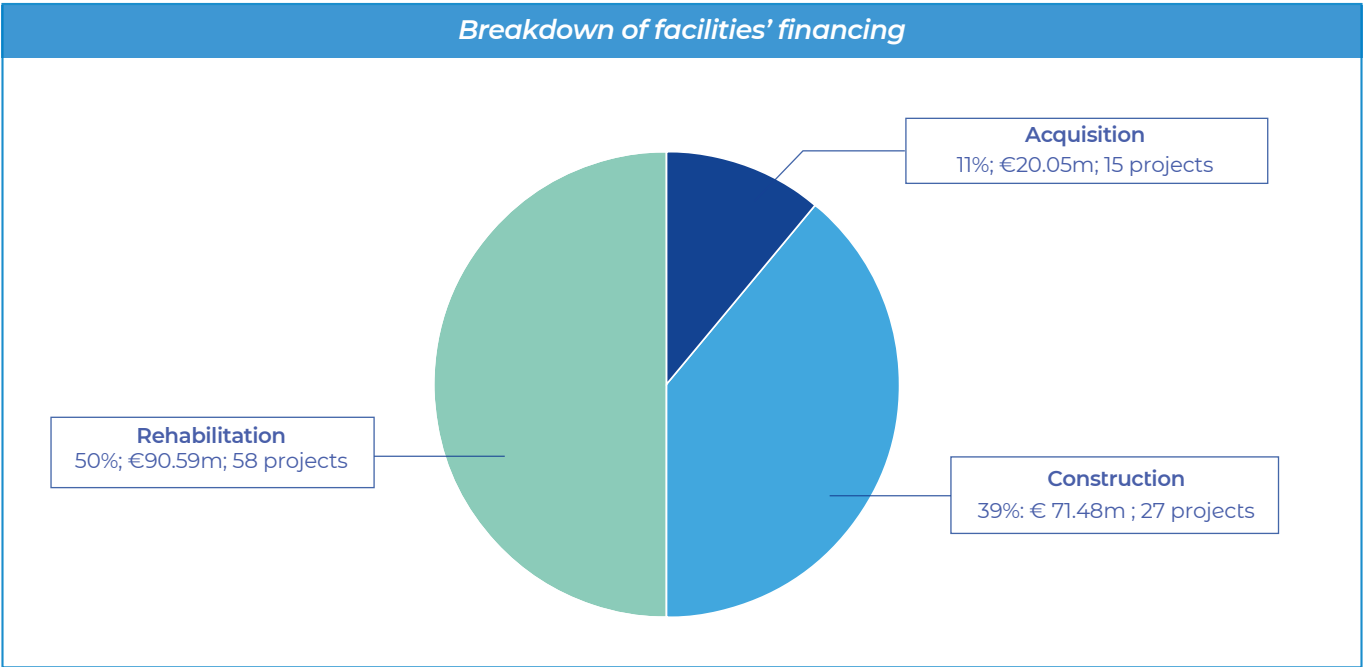
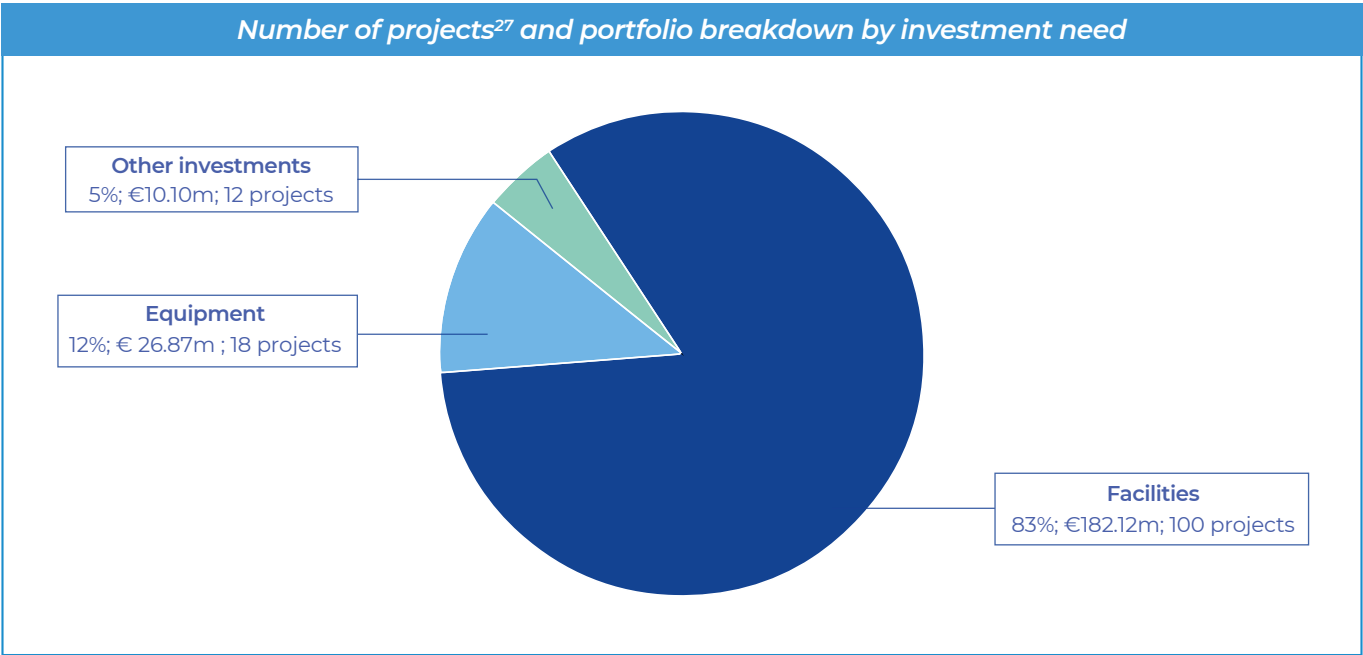
In 2017, building on its experience, La Banque Postale extended its scope of intervention to the entire health and medico-social sector (care facilities for dependent elderly people (EHPADs), FCCs, institutions for people with disabilities, medico-social centres). The underlying portfolio described in this report includes only funding to public or private not-for-profit institutions.



25. For the year 2022, and for the seventh consecutive year, according to l'Observatoire de la Dette réalisé par Finance Active

26. One project = one loan

La Banque Postale responds to all the investment needs of healthcare institutions

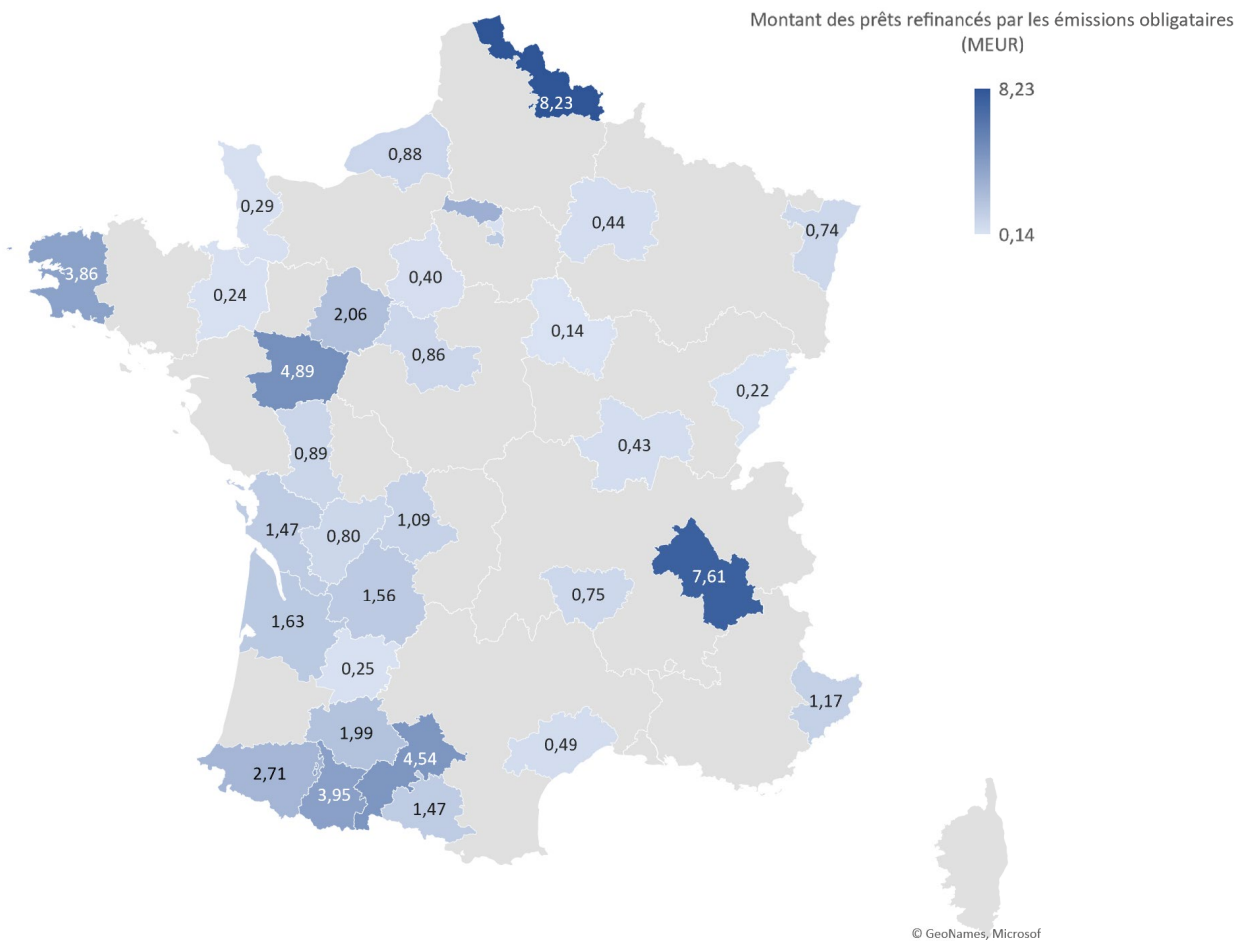


27. One project = one loan

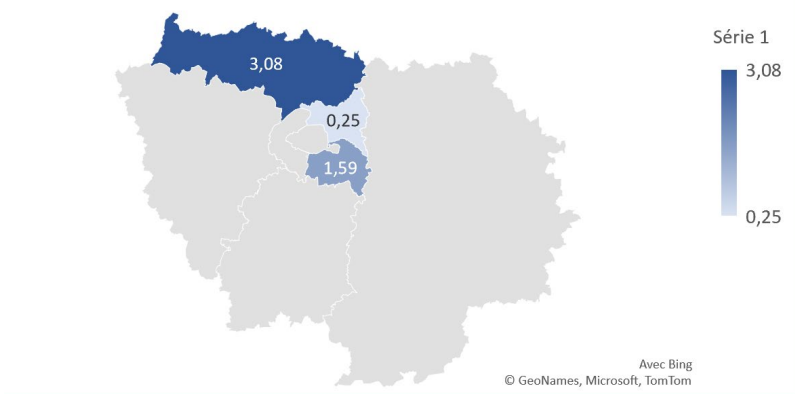
Loans to Care facilities for dependent elderly people (EHPADs) are strongly represented in the report portfolio.

La Banque Postale financing concerns 58 projects by Care facilities for dependent elderly people located in 33 departments, for a total of €61.0M (refinanced by bond issues).

EHPAD - Breakdown of the portfolio of loans refinanced by bond issues



Focus on Île-de-France: Number of housing units concerned by the projects financed



Care facilities for dependent elderly people - EHPADs		
Department	Amount of loans refinanced by bond issues (€ million)	Share of total EHPAD
Alpes-Maritimes	1.17	2%
Ariège	1.47	2%
Charente	0.80	1%
Charente-Maritime	1.47	2%
Dordogne	1.56	3%
Doubs	0.22	0%
Eure-et-Loir	0.40	1%
Finistère	3.86	6%
Haute-Garonne	4.54	7%
Gers	1.99	3%
Gironde	1.63	3%
Hérault	0.49	1%
Ille-et-Vilaine	0.24	0%
Isère	7.61	12%
Loir-et-Cher	0.86	1%
Haute-Loire	0.75	1%
Lot-et-Garonne	0.25	0%
Maine-et-Loire	4.89	8%
Manche	0.29	0%
Département de la Marne	0.44	1%
Département du Nord	8.23	13%
Pyrénées-Atlantiques	2.71	4%
Hautes-Pyrénées	3.95	6%
Bas-Rhin	0.74	1%
Saône-et-Loire	0.43	1%
Sarthe	2.06	3%
Seine-Maritime	0.88	1%
Deux-Sèvres	0.89	1%
Haute-Vienne	1.09	2%
Département de l'Yonne	0.14	0%
Seine-Saint-Denis	0.25	0%
Val-de-Marne	1.59	3%
Val-d'Oise	3.08	5%
Overall total	61.0	100%

La Banque Postale is a key lender to public hospitals²⁸

La Banque Postale financing concerns 24 projects located in 13 departments, for a total of €50.33m (refinanced by bond issues).

Public hospitals		
Department	Amount (€ million) refinanced by bond issues	Share of total funding for public hospitals
Pyénées-Orientales	17.30	34.4%
Nord	13.63	27.1%
Val-de-Marne	6.01	11.9%
Lot-et-Garonne	5.05	10.0%
Côtes-d'Armor	2.41	4.8%
Hérault	1.54	3.1%
Hautes-Pyrénées	1.31	2.6%
Pyénées-Atlantiques	1.19	2.4%
Haute-Loire	0.69	1.4%
Gard	0.49	1.0%
Morbihan	0.40	0.8%
Finistère	0.21	0.4%
Charente	0.11	0.2%
Overall total	50.33	100%

La Banque Postale is the leading lender to public hospitals. The share of projects related to hospitals refinanced by the social bond issues is not representative of the role played by La Banque Postale in financing for this sector. 98% of the outstanding loans granted to public hospitals was transferred upstream to SFIL²⁹ (around €500m per year).

La Banque Postale finances all categories of hospitals (CHR/U, CHS, CH, HP) and meets all their equipment and property needs. The 24 projects covered by this report concern, for example, the construction of an after-care and rehabilitation service, and investments in biomedical, logistical, technical and paramedical equipment, including a laundry, an MRI machine, and a scanner shared between institutions. To complete these projects, which are useful to several entities, hospitals form consortia, including public interest groups, economic interest groups and health cooperation groups. The projects covered by this report therefore benefit all the departments of the institutions concerned.

28. According to Finance active (Observatoire de la dette des collectivités locales - Edition 2022), La Banque Postale is the leading bank lender to local authorities and public hospitals. La Banque Postale's share of the public hospital market rises to 38% in terms of value.

29. refer to glossary

La Banque Postale is a key lender to French comprehensive cancer centres (FCCs)

La Banque Postale financing concerns 21 projects located in 9 departments (i.e. 9 FCCs), for a total of €77m (refinanced by bond issues).

French comprehensive cancer centres - FCCs		
Department	Amount (€ million) refinanced by bond issues	Share of total funding for FCCs
Seine-Maritime	27.23	35%
Bas-Rhin	13.43	17%
Hérault	11.51	15%
Bouches-du-Rhône	9.90	13%
Nord	5.37	7%
Calvados	4.28	6%
Haute-Garonne	2.83	4%
Meurthe-et-Moselle	1.93	3%
Rhône	0.52	1%
Overall total	77.00	100%

FCCs have significant needs for funding and investment in high-tech equipment to improve cancer prevention and care.

La Banque Postale also responds to the investment needs of other healthcare institutions

La Banque Postale funding for *institutions for people with disabilities* concerns 15 projects located in 11 departments for a total of €26.06m (refinanced by bond issues).

La Banque Postale funding for *medico-social centres* concerns 12 projects located in 8 departments for a total of €4.75m (refinanced by bond issues).

Institutions for people with disabilities		
Department	Amount (€ million) refinanced by bond issues	Share of total funding for institutions for people with disabilities
Corrèze	7.06	27%
Ille-et-Vilaine	4.45	17%
Rhône	3.98	15%
Seine-Maritime	2.91	11%
Somme	1.76	7%
Vendée	1.55	6%
Bouches-du-Rhône	1.15	4%
Meurthe-et-Moselle	1.04	4%
Nord	0.97	4%
Morbihan	0.82	3%
Côtes-d'Armor	0.35	1%
Overall total	26.06	100%

Medico-social centres		
Department	Amount (€ million) refinanced by bond issues	Share of total funding for medico-social centres
Paris	3.37	71%
Essonne	0.34	7%
Meurthe-et-Moselle	0.27	6%
Oise	0.22	5%
Gard	0.21	4%
Bouches-du-Rhône	0.11	2%
Gironde	0.11	2%
Seine-Saint-Denis	0.11	2%
Overall total	4.75	100%

Accounting for 14% of the underlying portfolio of the health sector, institutions for people with disabilities and medico-social centres come in diverse forms but share operational similarities. They may be public and fall within the scope of the social action of departments or groups of municipalities. They may also be managed by an organisation and thus operate on a not-for-profit basis. These institutions and centres provided the following medical and social services: homes for people with disabilities, ESAT sheltered employment institutions, prevention centres for young people or temporary accommodation for children experiencing family difficulties, and accommodation for unaccompanied minors.



ESAT

EPSOMS 80
Rivery, Somme
France

In the Somme department, La Banque Postale contributed to the acquisition, reconstruction and development of the ESAT's Rivery site and structures for workers with disabilities, with the creation of a shop space and the development of workshops.

La Banque Postale granted two loans, a principal and then a supplement, to this transaction, for a total of €4.8m, out of a total investment of €5.1m.



Residences for seniors and people with disabilities, ESATS

Glandier EPDA (autonomous departmental public institution)
Beyssac, Corrèze
France

In the rural department of La Corrèze, La Banque Postale contributed to the construction of assisted-living facilities and accommodation for seniors and people with disabilities, and an ESAT for workers with disabilities.

La Banque Postale granted a loan of €9.4m out of a total investment of €15.7m (including a €13m bank loan).



Access to social housing

■ Social landlords or social housing organisations

Social landlords are organisations that own real estate, which they rent at lower prices than those in the private market. Social landlords also build, acquire and rehabilitate housing units and surrounding neighbourhoods. Five categories of social landlords exist in France depending on the nature of the originator (public, local authorities, CDC Habitat, Action Logement, organisations). Their activity is governed by the law.

- **OPH – Office public de l’habitat (public housing office)**
- **ESH - Entreprises sociales pour l’habitat (social housing companies)**
- **Scoop HLM - Sociétés coopératives d’HLM (social housing cooperative companies)**
- **SEM - Société d’économie mixte (semi-public company)**

These social landlords benefit from several State grants and subsidies:

- purchase prices lower than those in the private sector;
- exemption from property tax;
- reduced VAT for building works;
- subsidised loans from Caisse des Dépôts et Consignations.

■ Social housing approval

To carry out their general-interest missions, social housing organisations have a public mandate determining the public service obligations to be fulfilled. This approval has the effect of reserving the activity stipulated by law for these social housing organisations. Approval concerns three categories of activity: project management, social/financial/technical engineering, private sector leasing and social rental management. Approval entitles future tenants to personalised housing assistance (*aide personnalisée au logement*, APL).

■ Urban policy

The aim of urban policy is to reduce development gaps within cities, the priority being placed on disadvantaged neighbourhoods to improve the living conditions of inhabitants.

Characterised by an overarching approach to urban, economic and social problems, urban policy is interministerial. As such, it operates in all fields (education, employment, security, housing, living environment, etc.) and harnesses all the public policies, public services and the public and private players and organisations concerned, including social landlords.

Access to care

■ Healthcare institution

According to Article L. 6111-1 of the French Public Health Code, a health institution (hospital, clinical, public, private for profit or not for profit):

- diagnoses, monitors and treats patients, injured people and pregnant women, taking into account the uniqueness and psychological aspects of individuals;
- delivers care with or without accommodation, on an outpatient basis or at home. Care may be short-term, after-care and rehabilitation, or long-term;
- contributes to the coordination of care with health professionals working in the city and medico-social services;
- contributes to the implementation of the public health policy and vigilance systems to guarantee health security;
- conducts discussions and research on the ethics relating to medicalised accommodation and care;
- contributes to training, university and post-university education, and health research and innovation.

■ **GIP - *Groupement d'intérêt public* (public interest group)**

A legal framework for public and private partners in public interest missions

■ **GIE - *Groupement d'intérêt économique* (economic interest group)**

A legal framework allowing for partnerships between companies with a view to supporting or developing their economic activity while maintaining their independence.

■ **GCS - *Groupement de coopération sanitaire* (health cooperation group)**

A legal framework for non-profit cooperation between the public and private sectors and between cities and hospitals. The objective is to facilitate, improve and develop the activities of members and thus enable the pooling of resources.

■ **Aide sociale à l'enfance (child welfare)**

In France, child welfare is a multi-channel social policy led within the framework of social action, as provided for by Article L. 221-1 of the French Social Action and Family Code, by the departments. It targets families with acute educational or material difficulties.

■ **SFIL**

SFIL is a public development bank created in 2013 by Caisse des Dépôts et Consignations (CDC) with a view to ensuring the stability of local public sector financing in France. SFIL has been entrusted with two missions: financing local authorities and French public hospitals, in partnership with La Banque Postale; and, since 2015, financing the major international contracts of French companies. La Banque Postale sells 98% of its portfolio of public-hospital loans to SFIL, which refinances them by issuing covered bonds through its subsidiary CAFFIL (Caisse Française de Financement Local) ("originate-to-distribute" mechanism).



► Selection and scope of the loan portfolio

- The loans selected for this report were granted no later than three years before the issue date and all of them before 31/12/2022, in accordance with the look-back-period rule specified in the Green, Social and Sustainability Bond Framework (2019).
- The selection process for refinanced loans complies with the guidelines set out in the Green, Social and Sustainability Bond Framework.
- La Banque Postale applies a principle of non-double refinancing and as a priority selects social loans failing to meet the requirements relating to the collection of the Livret A and Livret de Développement Durable et Solidaire (LDDS) regulated savings accounts.
- In accordance with the 2019 Green, Social and Sustainability Bond Framework, all the social loans selected for this report were on La Banque Postale's balance sheet at 31/12/2022



► Calculation of the amount refinanced by bond issues

The purpose of the calculation is to align the amount of financing (total outstanding loan portfolio selected) with the amount of issues (residual nominal at 31 December 2022). This calculation provides a fair view of the impact of bond issues. The calculation is made on a pro rata basis.

Calculation of pro rata percentage: liabilities/assets = 79%

Social housing: pro rata amount= €1,042m

Health: pro rata amount = €219m

		La Banque Postale outstanding loans (2022/12/31)	Social bonds issued	Coefficient to apply
<div> <div>Social bonds</div> <div>  Social housing </div> <div>  Access to essential services / healthcare </div> <div>Total</div> </div>		€1317,63m	€1261,26m	79%
		€277m		
		€1594,63m		

To provide investors with a relevant view of supported projects, the 79% coefficient is not applied to housing capacity. La Banque Postale draws the reader's attention to the fact that it does not ascribe to itself the full benefit of these projects because it contributes alongside other banks to the completion of these projects. There is also no direct link between the amount financed by La Banque Postale and the specific number of housing units created.

► Choice of portfolio analysis

Based on the loan portfolio data available, the analysis seeks to illustrate the allocation of loans:

- Number of projects, amount and/or share of the portfolio by type of institution and social landlord
- Number of projects and/or share of the portfolio per investment need
- Number of social housing units and amount of projects financed by bond issues by French department
- By category of healthcare institution: number of projects, number of French departments concerned, total amount financed by bond issues, breakdown and share of portfolio by French department (table or map)

This analysis illustrates the allocation of loans and their local and regional impact. It reflects the needs of the healthcare institutions and social housing organisations supported by La Banque Postale. The Background section of the report provides additional insight into the analysis of the portfolio by highlighting the specific characteristics of these sectors in France and their general needs, which La Banque Postale endeavours to meet.

Methodological detail: the number of housing units is determined by the information available in the financing object, by the public information available from the beneficiary structures, or by applying an average calculation. With the improvement of our information systems, in future editions of the report we will be able to provide more accurate data, taken directly from financing contracts.

ONE LOAN = ONE PROJECT

The use of the term “project” refers to a loan line in the underlying portfolio.



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92066 Paris la Défense Cedex

La Banque Postale

Report of the independent practitioner on the verification of a selection of information disclosed in the Social bond report 2023

Year ended December 31st 2022

La Banque Postale
115 rue de Sèvres
75275 Paris Cedex 06

KPMG S.A., a French audit and accounting limited liability company registered with the Paris Association of Chartered Accountants under n°14-30080101 and a member of the Regional Association of statutory auditors of Versailles and Centre.

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La Banque Postale

115 rue de Sèvres
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Report of the independent practitioner on the verification of a selection of information disclosed in the Social bond report 2023

Year ended December 31st 2022

To the Directors of La Banque Postale,

In our capacity, and appointed as, independent practitioner of your company (hereinafter the “entity”), and in accordance with your request, we have undertaken a limited assurance engagement on the following information (the “Information”) presented in the Social Bond Report 2023 (hereinafter the “Report”), available on the company’s website:

- the allocation, as of December 31st 2022, of funds raised by the entity through the Social Bonds issued in 2021 and 2022 (“the Issuing”) contained in the Report,
- the projects financed by the Issuing and identified as eligible by the entity (“Eligible Projects”),
- the impact indicators regarding the eligible projects.

The Information has been prepared in the context of the “Green, Social & Sustainability Bond Framework” (hereinafter the “Framework”) defined by the entity, available on the entity’s website¹.

Conclusion

Based on the procedures we performed, as described under the “Nature and scope of procedures” paragraph, and the evidence we obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Framework, available on the entity’s website.

Comments

Without modifying our conclusion, we have the following comments:

- The procedures and methods for collecting, monitoring, and controlling the data disclosed in the allocation and impact report need to be improved in terms of robustness;
- As stated in the paragraph “Methodological Note” of the Report, we draw attention to the fact that more than 60% of the “Housing Units” indicator is estimated using a calculation method developed by La Banque Postale, which is less precise than its second method, which corresponds to the direct collection of data from the financing files or publicly available information from the beneficiary structures.

¹ <https://www.labanquepostale.com/investisseurs/investisseurs-dette/obligations-vertes-sociales.html>



Preparation of the Information

The absence of a commonly used and generally accepted reporting framework or of a significant body of established practices on which to draw to assess and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

Consequently, the Information needs to be read and understood together with the Green, Social & Sustainability Bond Framework.

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- selecting the Eligible Projects regarding the eligible criteria,
- preparing the Information in accordance with the Issuing and the “Framework”,
- designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent practitioner

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on the fact that the Information is free from material misstatement, whether due to fraud or error, and has been prepared, in all material respects, in accordance with the Framework.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence

It is not our responsibility to:

- Challenge the eligibility criteria as defined in the Framework, and, in particular, we give no interpretation on the final terms of this Framework,
- Form an opinion on the effective use of the funds allocated to the Eligible Projects after such funds were allocated.

Applicable professional guidance

We performed the limited assurance engagement in accordance with the international standard ISAE 3000 (revised)².

Means and resources

Our work was carried out by an independent and multidisciplinary team including specialists in sustainable development and corporate social responsibility.

² ISAE 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information



Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Information is likely to arise.

To assess this risk, we took into account the entity's internal controls on the preparation of the Information in order to design appropriate assurance procedures, and not with the purpose of expressing a conclusion as to the effectiveness of the entity's internal control system.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the Information:

- We identified and conducted several interviews with the persons responsible for the collect of the Information, with the Directions in charge of overseeing the collect of the Information and, where appropriate, with those responsible for internal control and risk management procedures,
- We assessed the suitability of the procedures used by the entity to report the Information with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector,
- We verified the existence of internal control and risk management procedures implemented by the entity,
- We verified the consistency of the Information with the accounting records and underlying data,
- We reviewed the processes used for data collection, aggregation, processing, monitoring and control, in particular the procedures relating to the allocation of funds as of December 31st 2022,
- On the basis of a representative sample of projects, namely financed and refinanced loans:
 - verify the eligibility of these projects with regard to the eligibility criteria defined in the Framework,
 - verify the concordance of the amounts of the projects as of December 31st 2022, with the accounts and the data underlying the accounts,
- verify that the amount of funds allocated to projects is less than or equal to the amount of these projects as of Month December 31st 2022,
- verifying that the methods for measuring the impact indicators related to the selected eligible projects, as summarized in the methodological note, presented in the “Methodology appendix” section of the Annual report, have been properly applied, without calling them into question, by reconciling:
 - input data in the spreadsheets prepared by the Group with regards to the selected projects to which the proceeds have been allocated for fiscal year 2022, by category of eligible projects;
 - other source documents that we deemed necessary for the calculations;
 - the results of the spreadsheets related to the impact indicators.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion, a higher level of assurance would have required us to carry out more extensive procedures.



This report has been prepared within the context described above and may not be used, distributed or referred to for any other purpose.

Paris la Défense, December 15th 2023

KPMG S.A.

A handwritten signature in blue ink, appearing to read 'Brice Javaux'.

Xavier De Coninck
Partner

Brice Javaux
ESG Expert

Appendix: Extracts from the *Social Bonds Annual allocation & impact report 2022*

La Banque Postale

Report of the independent practitioner on the verification of a selection of information disclosed in the Social bond report 2023

Year ended December 31st 2022

	Amount invested 	Number of projects funded 	Number of beneficiaries 	Beneficiary populations 	Number of departments 	Types of beneficiary institutions 	Funding objectives
Access to affordable housing	€1,318m	501	49,496 ² housing units 103,941 ¹ people	Single people, couples, families, single-parent families, students, seniors	65	Entreprises Sociales pour l'Habitat (social housing companies) Offices Publics de l'Habitat (public housing offices) Sociétés d'économie mixte (semi-public companies) Sociétés Coop HLM (cooperative social-housing companies)	Construction Renovation
Access to essential services	€277m	130	86 establishments	Elderly persons (60 years and over) dependent or not, patients requiring short-term, long-term, follow-up and rehabilitation care, persons with disabilities, children and teenagers	47	Hospitals for dependent seniors Centres de Lutte contre le Cancer (centres fighting against cancer) Institutions for people with disabilities Medico-social centres	Construction, rehabilitation and acquisition of property or equipment

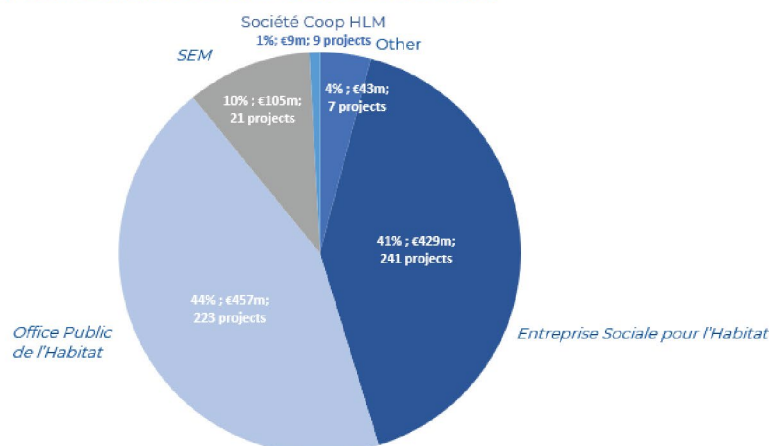
1. Alongside other financial backers, La Banque Postale has helped to provide housing for 103,941 people, with an average ratio of 21 inhabitants per home.

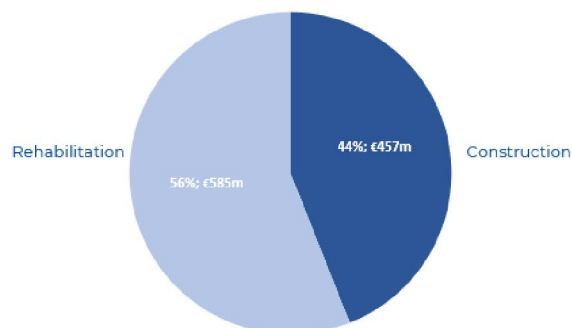
2. Alongside other financiers, La Banque Postale has contributed to the construction and renovation of 49,496 social housing units.

LA BANQUE POSTALE FINANCES ALL CATEGORIES OF SOCIAL LANDLORDS

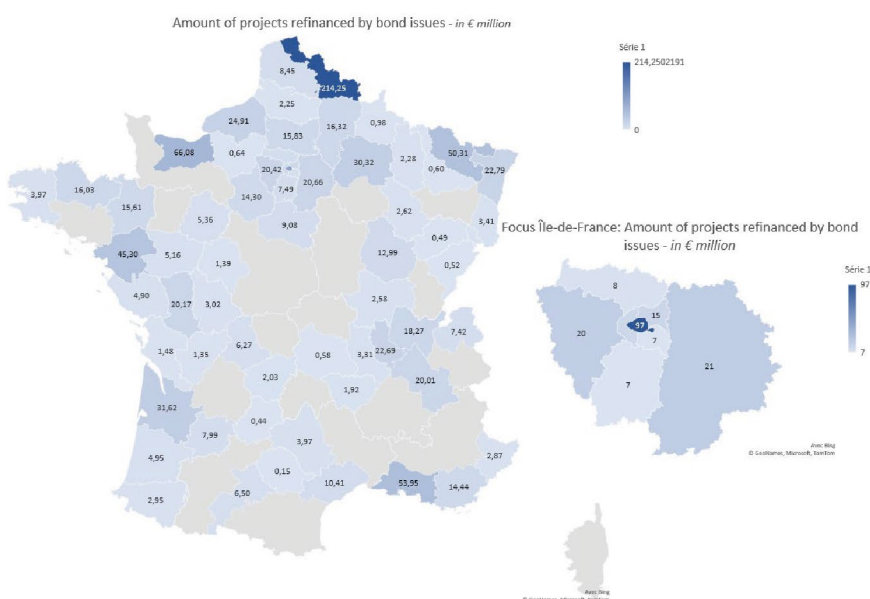
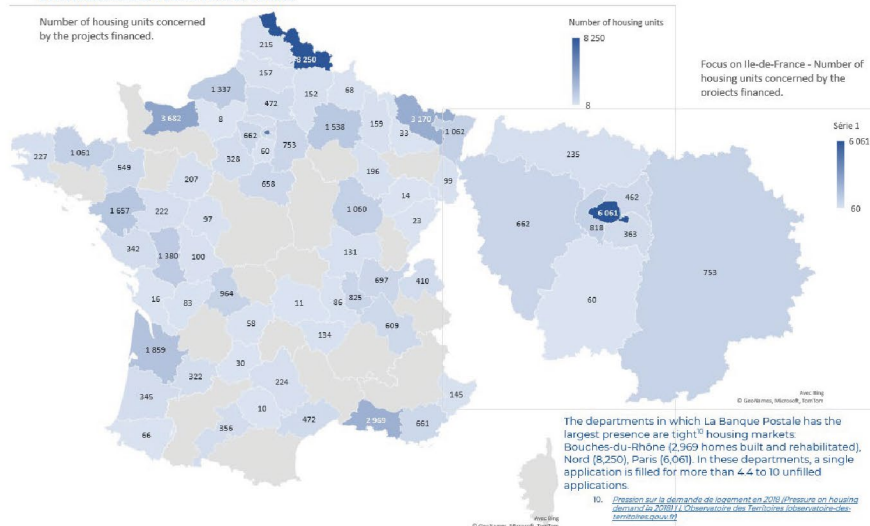
A partner of 8 out of 10 social landlords, La Banque Postale is able to offer them a comprehensive and adapted offer throughout France.

Number of projects³ and portfolio breakdown³ by social landlords category





LOANS TO SOCIAL LANDLORDS FINANCED BY LA BANQUE POSTALE CONTRIBUTE TO THE CONSTRUCTION AND REHABILITATION OF NUMEROUS DWELLINGS ACROSS A LARGE PART OF FRANCE



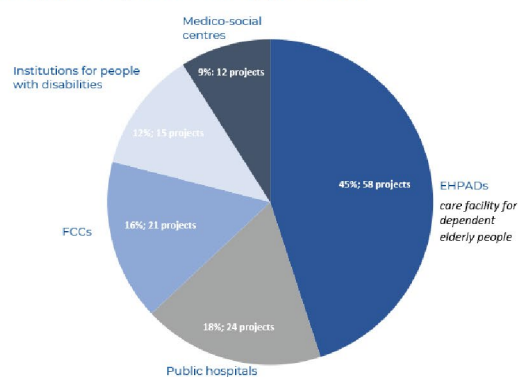
La Banque Postale

Report of the independent practitioner on the verification of a selection of information disclosed in the Social bond report 2023

Year ended December 31st 2022

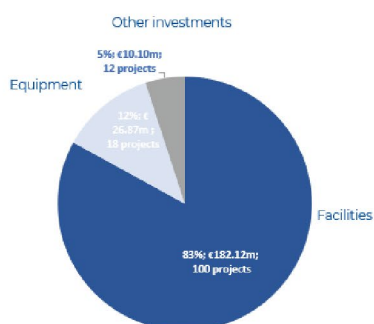
La Banque Postale began financing the healthcare sector in 2013, starting with public hospitals, and in 2015 became the leading bank lender to public hospitals²⁵. In 2017, building on its experience, La Banque Postale extended its scope of intervention to the entire health and medico-social sector (care facilities for dependent elderly people (EHPADs), FCCs, institutions for people with disabilities, medico-social centres). The underlying portfolio described in this report includes only funding to public or private not-for-profit institutions.

Number of projects²⁶ and portfolio breakdown by type of institution



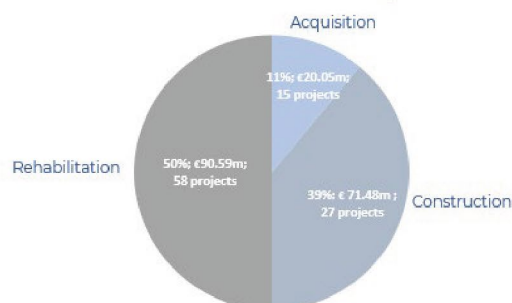
LA BANQUE POSTALE RESPONDS TO ALL THE INVESTMENT NEEDS OF HEALTHCARE INSTITUTIONS

Number of projects²⁷ and portfolio breakdown by investment need



²⁵ For the year 2022, and for the seventh consecutive year, according to l'Observatoire de la Dette réalisé par Finance Active
²⁶ One project = one loan

Breakdown of facilities' financing





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