

Social Bonds Annual Allocation & Impact Report 2023



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Allocation and Impact Report

Access to social housing and to essential services

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 (32 senior preferred and non-preferred bonds for a total of €1,542.04m issued¹ have supported 680 projects. All 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 between 2021 and 2023, 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 SA is the independent third party that verifies this Social Bond Impact Report. KPMG SA's assurance report is provided at the end of 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.

1. 32 senior preferred and non-preferred bonds were issued between 2021 & 2023 for a total of €1,542.04m at origination. At 31/12/2023, the residual amount is €1,533.07m. The difference stems from cases of bond buybacks.









Social bonds issued

Between 2021 and 2023, La Banque Postale issued a nominal amount of €1,542.04m in social bonds through various types of debt. At 31/12/2023, the residual amount is €1,533.07m. The difference stems from cases of bonds buybacks.

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 issued (€)	Residual nominal amount (€)	Devise	Maturity date	% of allocation
Senior Non Preferred	FR0014001RR0	15/02/2021	2 400 000	2 400 000	EUR	15/02/2034	100%
Senior Non Preferred	FR0014003C39	10/05/2021	1 000 000	1 000 000	EUR	10/05/2031	100%
Senior Non Preferred	FR00140044X1	23/06/2021	750 000 000	750 000 000	EUR	23/06/2031	100%
Senior Preferred	FR0014004768	15/07/2021	600 000	600 000	EUR	22/07/2026	100%
Senior Preferred	FR0014003NL8	02/11/2021	71 914 500	68 427 500	EUR	31/12/2026	100%
Senior Preferred	FR0014007BQ3	21/12/2021	5 200 000	5 200 000	EUR	22/12/2031	100%
Senior Preferred	FR0014007TJ0	27/01/2022	3 000 000	3 000 000	EUR	27/01/2029	100%
Senior Non Preferred	FR00140089Q0	10/02/2022	1 000 000	1 000 000	EUR	10/02/2027	100%
Senior Non Preferred	FR0014008ER3	14/02/2022	3 000 000	3 000 000	EUR	14/02/2027	100%
Senior Preferred	FR0014007SD5	07/03/2022	59 200 000	59 200 000	EUR	06/05/2027	100%
Senior Non Preferred	FR00140096M4	23/03/2022	1 500 000	1 500 000	EUR	23/03/2029	100%
Senior Preferred	FR00140096A9	28/03/2022	3 000 000	3 000 000	EUR	15/03/2030	100%
Senior Preferred	FR001400AQC1	02/06/2022	1 000 000	1 000 000	EUR	02/06/2025	100%
Senior Preferred	FR001400AQD9	08/06/2022	2 000 000	2 000 000	EUR	08/06/2025	100%
Senior Preferred	FR001400AU08	09/06/2022	6 000 000	6 000 000	EUR	09/06/2024	100%
Senior Non Preferred	FR001400ASS3	13/06/2022	1 000 000	1 000 000	EUR	13/06/2032	100%
Senior Non Preferred	FR001400BGG1	06/07/2022	1 500 000	1 500 000	EUR	06/07/2027	100%
Senior Preferred	FR001400BQK2	13/07/2022	2 500 000	2 500 000	EUR	13/07/2024	100%
Senior Preferred	FR001400BQE5	13/07/2022	1 000 000	1 000 000	EUR	13/07/2025	100%
Senior Preferred	FR001400BQL0	12/09/2022	124 378 000	119 238 000	EUR	13/11/2028	100%
Senior Preferred	FR001400D5N2	10/10/2022	6 000 000	6 000 000	EUR	10/10/2025	100%
Senior Non Preferred	FR001400D6P5	10/10/2022	6 000 000	6 000 000	EUR	10/10/2027	100%
Senior Preferred	FR001400D6L4	10/10/2022	7 000 000	7 000 000	EUR	10/10/2024	100%
Senior Non Preferred	FR001400DAD7	14/10/2022	4 300 000	4 300 000	EUR	14/10/2027	100%
Senior Preferred	FR001400CZ27	07/11/2022	162 170 000	162 170 000	EUR	04/01/2029	100%
Senior Preferred	FR001400DIM1	10/11/2022	5 000 000	5 000 000	EUR	10/11/2027	100%
Senior Preferred	FR001400E9Q6	16/01/2023	67 381 000	67 035 000	EUR	22/03/2033	100%
Senior Preferred	FR001400G6D8	06/03/2023	1 500 000	1 500 000	EUR	06/03/2028	100%
Senior Preferred	FR001400FJY9	06/03/2023	237 500 000	237 500 000	EUR	08/05/2029	100%
Senior Preferred	FR001400GVPO	03/04/2023	1 000 000	1 000 000	EUR	03/04/2025	100%
Senior Non Preferred	FR001400HQS2	12/05/2023	2 000 000	2 000 000	EUR	12/05/2030	100%
Senior Non Preferred	FR001400I2V7	24/05/2023	1 000 000	1 000 000	EUR	24/05/2038	100%
Overall Total			1 542 043 500	1 533 070 500			

Key figures for the 2023 portfolio

	Amount of total eligible portfolio 	Pro rata ³ invested amount 	Number of projects funded 	Number of beneficiaries 	Beneficiary populations 	Number of departments 	Types of beneficiary institutions 	Funding objectives 
Access to affordable housing	€1,485.64m	€1,251.31m	516	45,020 ² housing units 94,542 ¹ people	Single people, couples, families, single-parent families, students, seniors, companies	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	€334.53m	€281,76m	164	105 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	52	Hospitals for dependent seniors <i>Centres de Lutte contre le Cancer</i> (French Comprehensive Cancer Centres) 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 94,542 people, with an average ratio of 2.1 inhabitants per home. According to Union Sociale pour l'Habitat (USH): 10.2M inhabitants for 4.8M housing units.

2. Alongside other financial backers, La Banque Postale has contributed to the construction and renovation of 45,020 social housing units.

3. Pro rata invested amount: refer to the methodology notes - Calculation of the amount refinanced by bond issues. The pro rata amount is calculated based on the remaining invested outstanding amount. All values in the graphs and tables in the report are presented on this pro-rated basis – except impact values/number of beneficiaries.

Access to social housing

Background

As a long-standing financier, La Banque Postale supports eight out of 10 social landlords. It is now a major partner bank for social landlords, among commercial banks. 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, which is a regulated sector in France, involves numerous participants, including public authorities, social landlords, public funders (such as Caisse des Dépôts et Consignations, through very long-term loans (approximately 80 years for land financing) or via Action Logement) and banks.

The purpose of social housing is to house individuals or families with insufficient resources 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

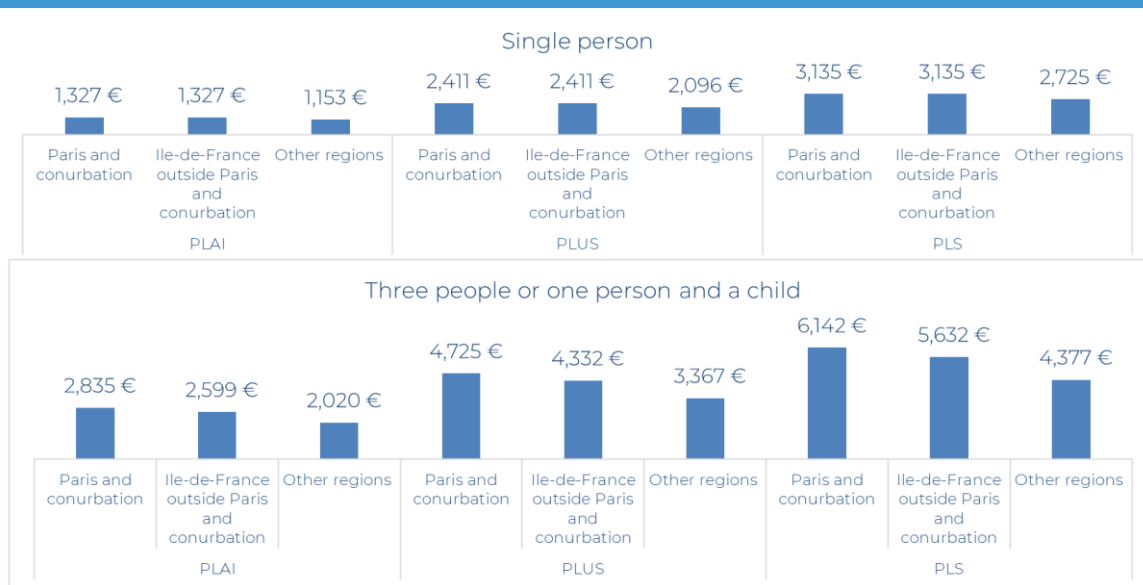
Housing units obtain social housing status through the signature of a specific agreement between the social landlord and the State: the Aide Personnalisée au Logement (personalised housing assistance, APL) agreement. This agreement triggers financial assistance to tenants, as well as to landlords, for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

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

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

The status obtained through APL is designed to maintain a steady rental market, with a social aspect, in order to meet the needs of low-income families.

Eligibility thresholds (in terms of monthly income) for social housing in 2024²



1. Social housing, rules and financing | Ministries of Ecology Energy and Territories (ecologie.gouv.fr)
 2. 20240205_plafonds-ressources-locatifs_fev24.pdf (actionlogement.fr)

Social housing categories

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

- The Prêt Locatif Aidé 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 income thresholds.
- The Prêt Locatif Social (social rental loan, PLS) is used to finance housing located primarily in areas where the real estate market is under the most pressure. The maximum rent is €13.34/m² for Paris and some municipalities in the Paris conurbation.

In addition to their rental activities, landlords also support the development of social home ownership, in particular with the Prêt Social Location-Accession (rental-ownership social loan, PSLA): a home ownership scheme that allows households below certain income limits to become the owner of their main residence, at a controlled price, with buyer/tenant status. It is often reserved for first-time buyers.

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 can be found across France¹:

- **184 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).**

127 semi-public real estate companies (sociétés d'économie mixte immobilières)² (approx. 0.7 million homes) are also involved.

Industry challenges¹ in France

At 1st January 2022, social housing units, totaling 5.3 million³, accounted for **15.9% of the main residences in France. 84%¹ are collective buildings.**

Building permits and housing starts in social housing were down in 2023, respectively by **25.5%** (totaling 372,500 housings units) and **19.6%** (294,700 housings units started) compared to 2022. 425,000 families moved into social housing in 2023, whether they were already tenants of a social landlord or came from the private market.

2.4 million applications remain unfilled, including 790,000 from households already living in social housing, a rise of 7% compared to 2021 (2022 figures).

Construction is failing to meet the substantial demand for social housing, aggravated by the evolution in family structure (divorces, people living alone, stepfamilies). Construction is also hampered by rising construction costs and new environmental standards (energy performance, restrictions on land development, etc.). According to CDC, 1.8 million social housing units must be renovated by 2034, or they will be banned from being rented out. Environmental standards also improve the housing conditions of residents in response to the issue of inadequate housing. Between 6 and 8.1% of social housing is assessed as being energy inefficient, which is better than in the private housing market.

1. Key figures 2023 – Union sociale pour l'habitat

2. Fédération des Entreprises publiques locales ; EPLSCOPE 2023

3. At 1 January 2022, 15.9% of primary residences were social rental housing | Statistical data and studies (developpement-durable.gouv.fr)

2023, a particularly tight year for housing

All market segments have been penalised by the sharp rise in interest rates between 2022 and 2023, including the Livret A (used as the social housing financing rate) and inflation on construction costs. This situation hampers construction, restricts access to home loans, limits the ability to purchase new homes, and prevents movement from existing housing to another as rents are affected by raising prices. On the social housing front, we observe same phenomena: construction is down, and demand is high.

Beyond these brakes on demand and supply, this crisis affects the entire housing sector and beyond: jobs in construction are threatened, the difficulty of moving penalises various sectors (seasonal jobs or those in coastal areas are affected), as well as companies for recruitment and job seekers. At the end of the day, it also means fewer resources from tax resources for local authorities and the State.

Of the 10.2 million beneficiary households, over **61%** of households housed in social housing have incomes below 60% of the PLUS income ceiling, and just over **two out of five tenants of social landlords have income below the national poverty threshold** (compared with 15% of all households).

22% are single-parent families, compared with 10% 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 2023 by the Abbé-Pierre Foundation;
- **Inadequate housing**, including having no option but to live in a third-party residence, and unsanitary housing. According to the national housing survey carried out in 2020 by INSEE, 834,000 households (1,874,000 people), or 3% of households as a whole, are affected by a serious lack of comfort⁷ in their home (building in poor condition, lack of basic sanitary facilities, dilapidated facade or absence of kitchen area). This situation is more common among households renting private housing (5%)

and social housing (6%), compared with 1.5% of homeowners. Geographically, this situation is slightly more prevalent in urban areas with more than 700,000 inhabitants.

- The right to housing and the corresponding policy: the DALO⁴ Law on the “enforceable right to housing” distinguishes between three categories of people with priority access to housing: applicants who have been on a social housing list for an abnormally long time; people with no housing or with inadequate housing; and applicants for transitional accommodation⁵. Between 2007 and 2022, more than 404,000 households were recognised under the DALO Law (and more than 258,000 re-housed), which does not cover all social housing applicants, but only the most urgent cases and applicants who are aware of this of this recourse.
- Social housing is a key focus of urban policy. Insecurity, school failure, unemployment and intercultural tensions are concentrated in certain neighbourhoods which tend to have a large number of social housing units (30% in the quartiers prioritaires de la politique de la Ville QPV). It is important to maintain and renovate better in order to increase quality of living in these areas. Social diversity is also promoted by the spread of construction through the city, in different neighborhoods. SRU law obliges municipalities to have a minimum rate of one-quarter social housing by 2025⁶.

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

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

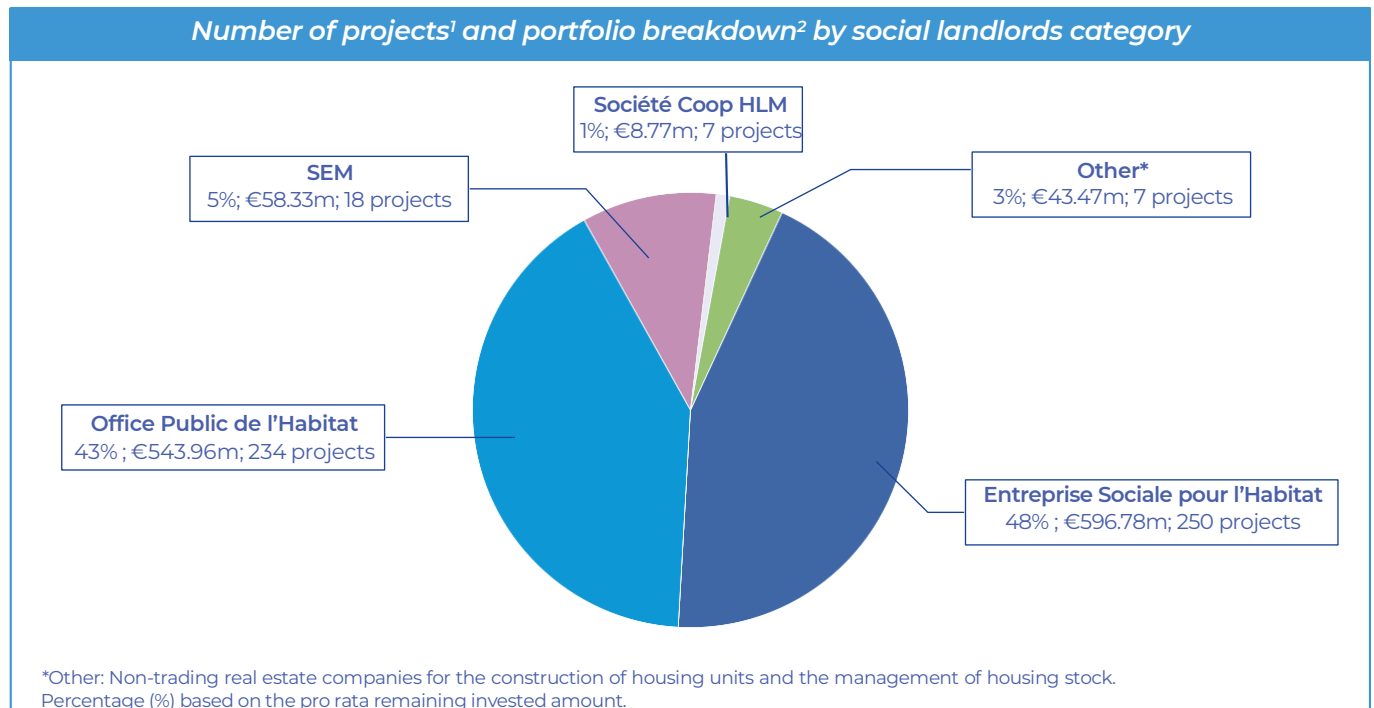
6. Article 55 of the Solidarity and Urban Renewal Act (SRU), instructions for use | Ministère de la Transition Écologique et de la Cohésion des Territoires (Ministry for Ecological Transition and Territorial Cohesion) (ecologie.gouv.fr)

7. The energy inefficient buildings, between 8,1% and 6% among social housing stock | L'Union sociale pour l'habitat (union-habitat.org) Enquête Logement | Insee

Impact of La Banque Postale's portfolio allocation on the bonds issued in 2023

La Banque Postale finances all categories of social landlords

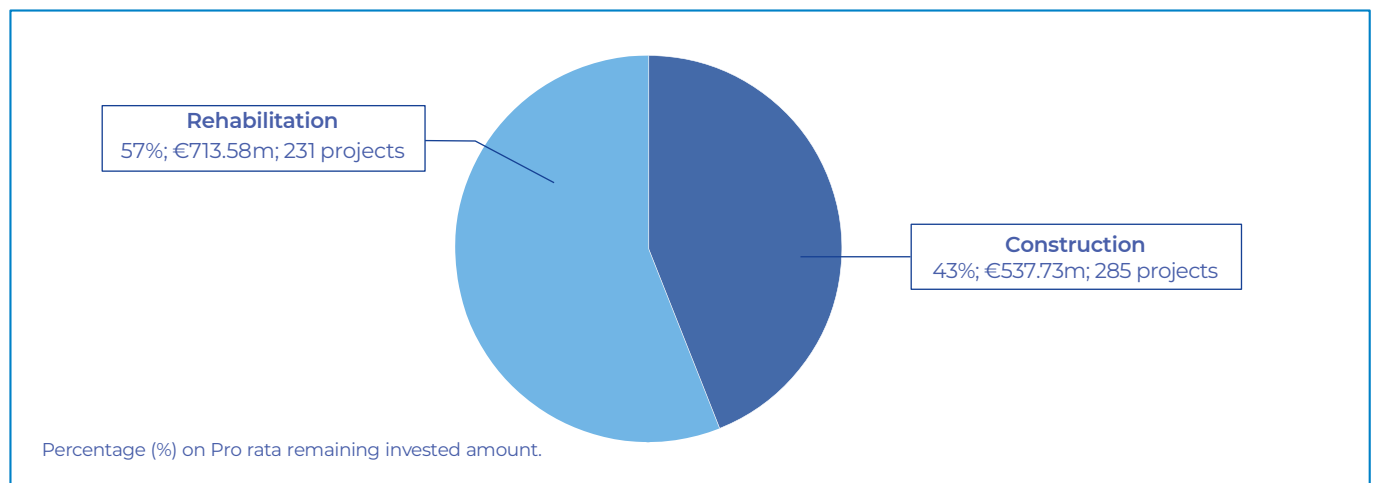
A partner of eight out of 10 social landlords, La Banque Postale is able to offer them a comprehensive and tailored offer throughout France.



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

57% 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.

43% 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.

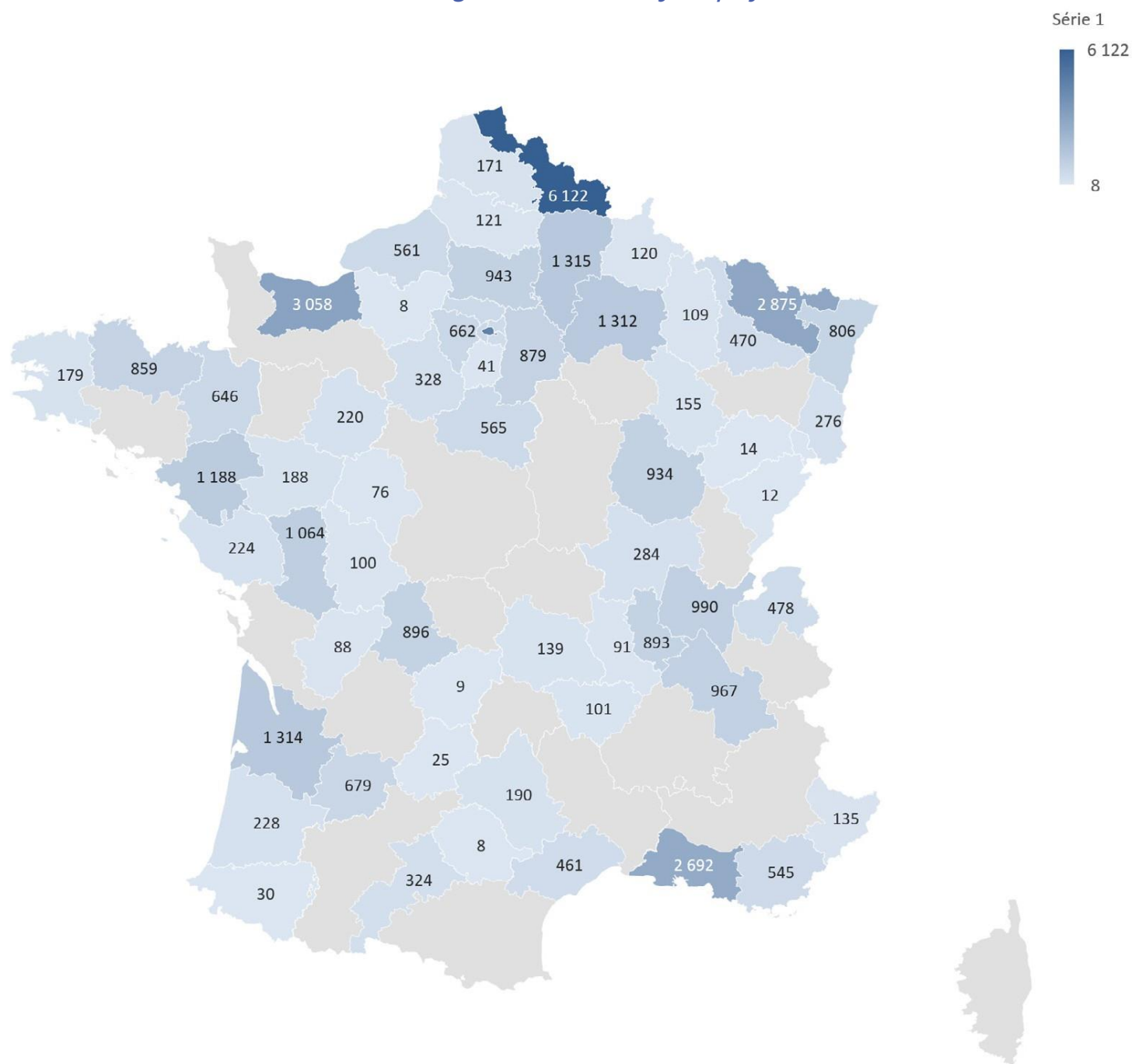


1. One project = One loan

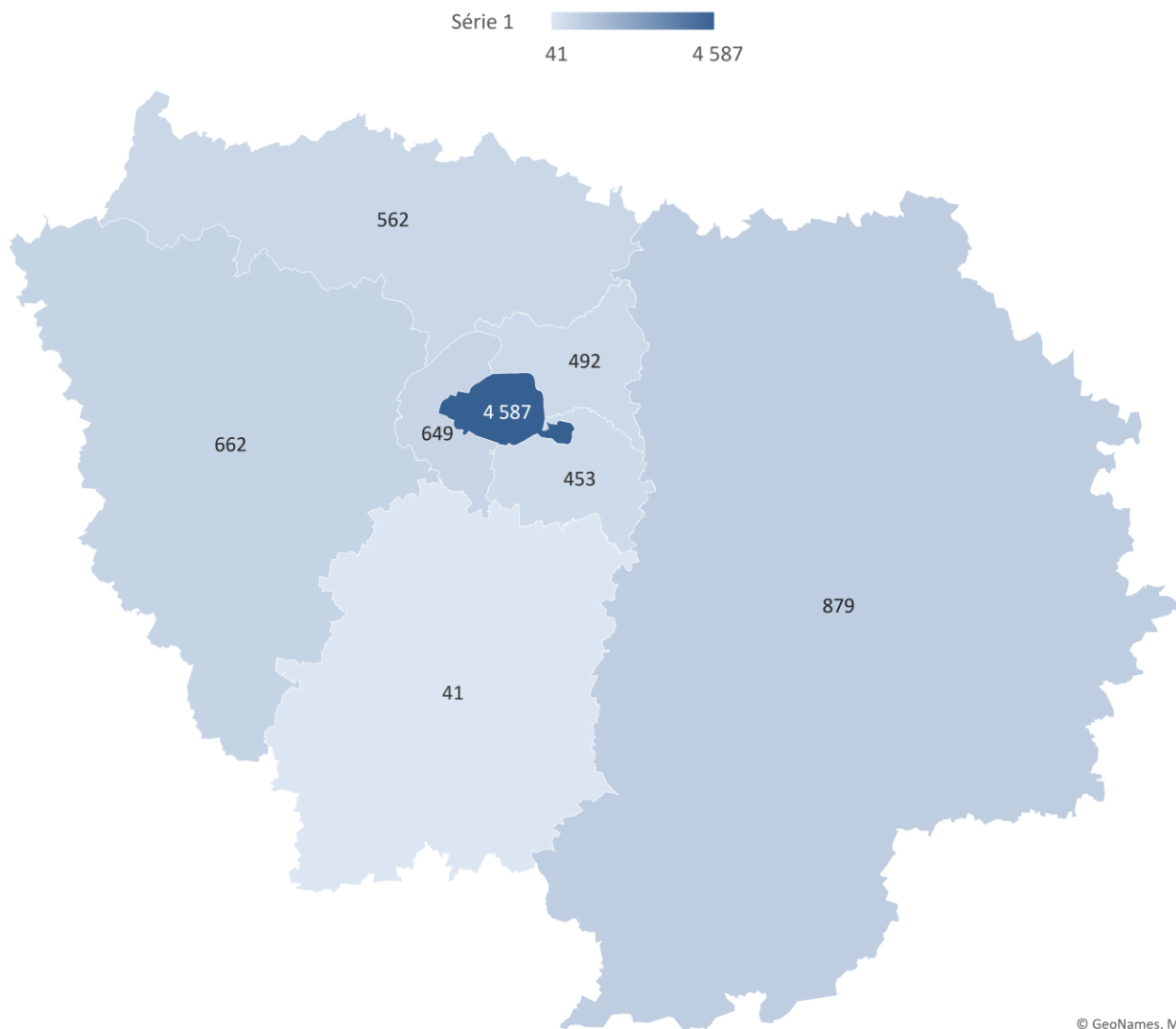
2. Calculation of the amount of projects refinanced by bond issues in the appendices

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



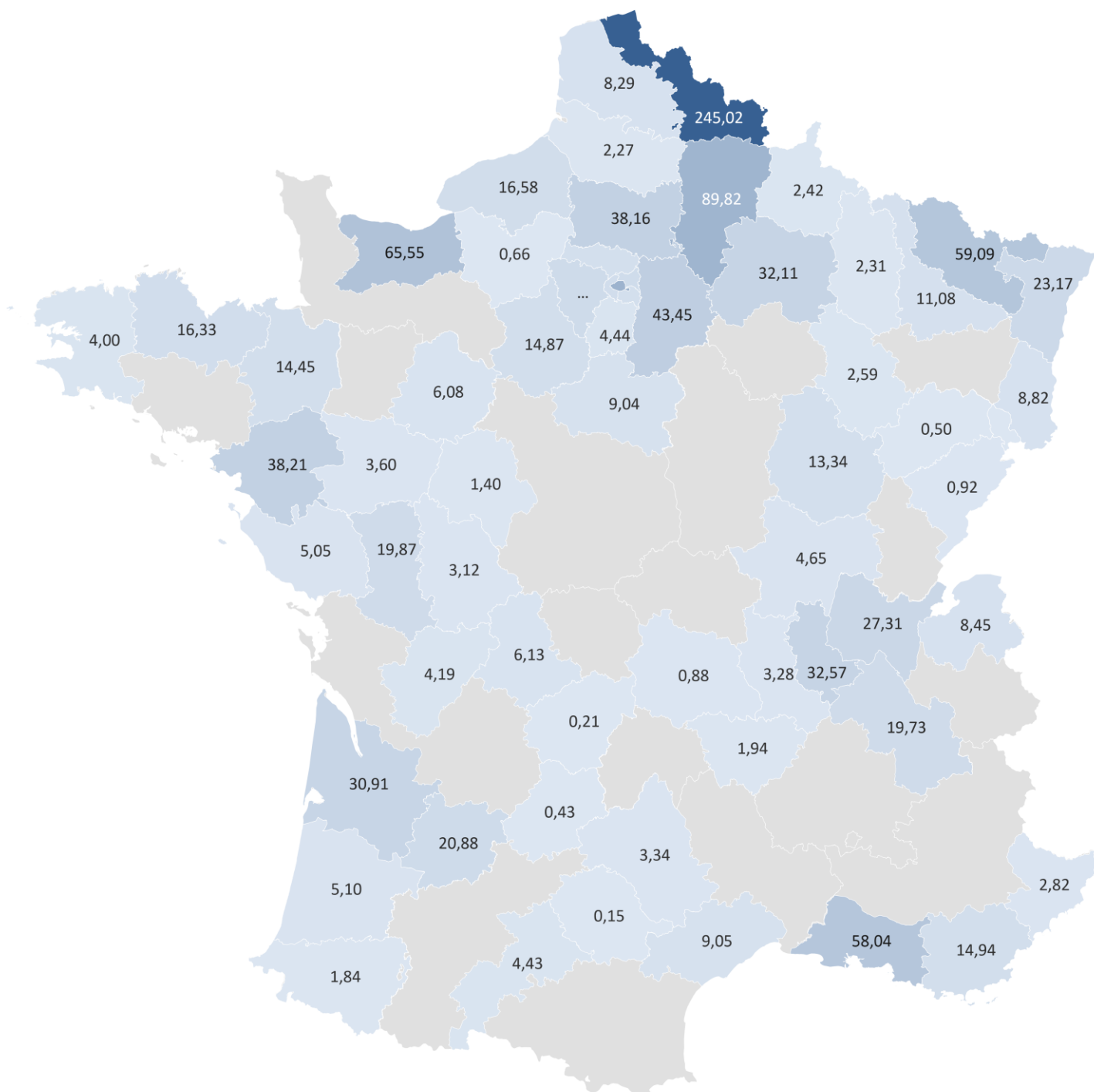
The departments in which La Banque Postale has the largest presence are tight housing markets: Bouches-du-Rhône (2,692 homes built and rehabilitated), Nord (6,122), Paris (4,587). In these departments, a single application is filled for more than 4.4 to 10 unfilled applications³.

La Banque Postale also financed social housing in French overseas departments where social housing demand is high: 42 housing units in French Guyana and 16 on the island of La Réunion.

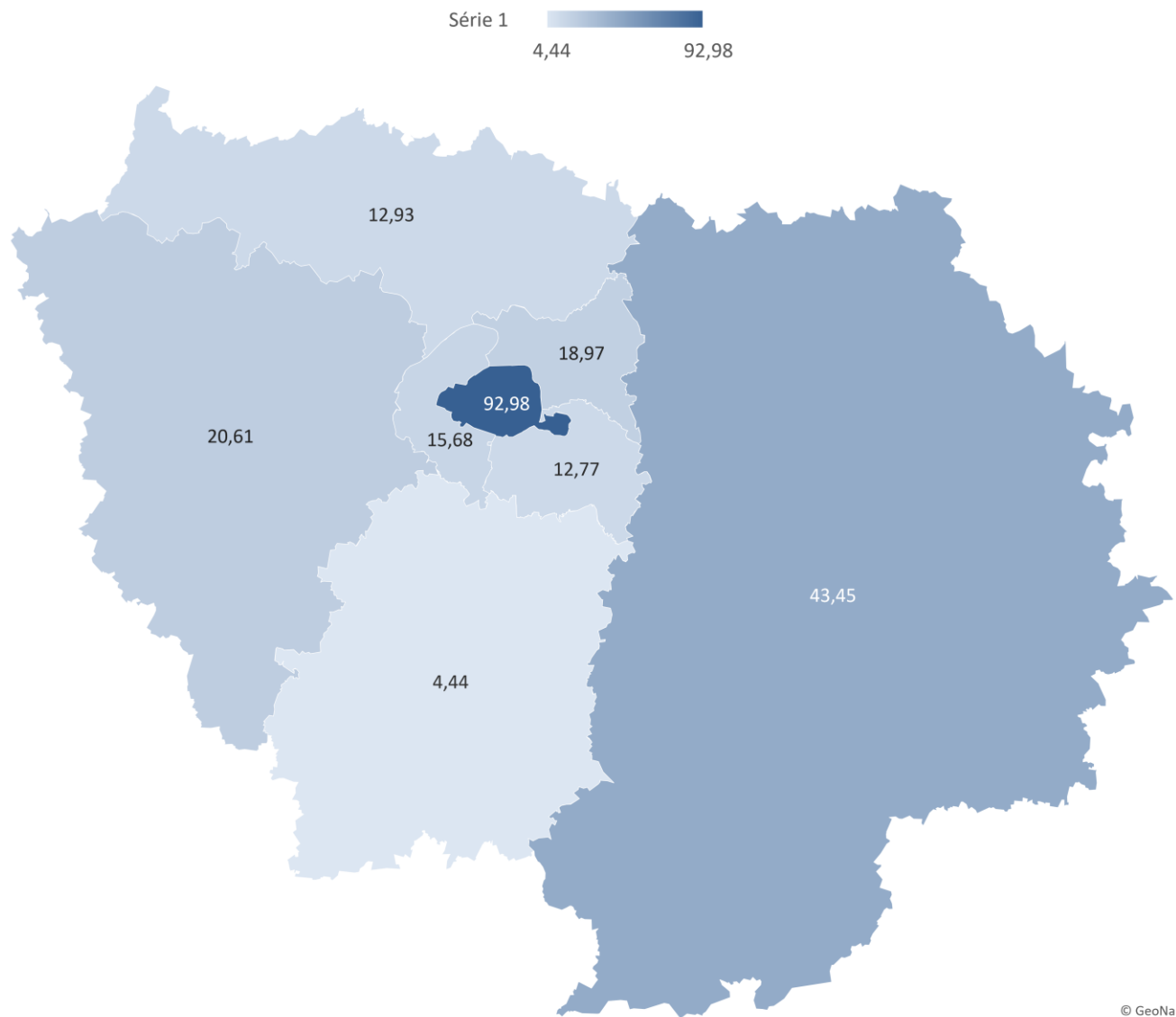
³ *Pression sur la demande de logement en 2018 (Pressure on housing demand in 2018) | L'Observatoire des Territoires (observatoire-des-territoires.gouv.fr)*

Amount of projects refinanced by bond issues - in € million

Montant des projets financés par les émissions obligataires (m€)



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



La Banque Postale also financed social housing in French overseas departments for pro rata remaining amounts of 5.44M€ in French Guyana and 3.37M€ on the island of La Réunion.



Construction of 12 single-family PSLA homes to the latest energy standards

Promocil - Sambre Avesnois Immobilier
Sambre-Avesnois & Est Cambrésis areas,
Nord department
France

In 2023 La Banque Postale financed two programmes worth €850k and €450k respectively for the construction of eight detached houses in Cerfontaine and four in Jeumont in the Nord department.

Complying with the latest RT2012 thermal regulations, these homes benefit from price discounts of more than 20% compared with the open market under the PSLA scheme, with a rental phase prior to the purchase option.

La Banque Postale funded the project to the tune of €30m with a 30-year loan.

Construction and rehabilitation

GRANDLYON HABITAT
Lyon inner-city and metropolitan area
France

GRANDLYON HABITAT, Lyon's leading inner-city social landlord, which has been in existence since 1920 and is also present in the Lyon metropolitan area, is investing to renovate its portfolio and meet the growing number of applicants.

In 2023, La Banque Postale granted financing of €10.5m as part of four programs to build new social rental housing and renovate the rental stock:

- 1/ «Bégude» operation in Feyzin: rehabilitation of 102 homes
- 2/ «République» operation in Collonges au Mont d'Or: completion of the financing plan for the construction of 11 homes
- 3/ «Viabert» development in the 6th district of Lyon: the financing plan for the acquisition/improvement of 22 homes has been finalised.
- 4/ «Rabelais» operation in Dardilly: rehabilitation of 83 homes.

Access to essential services

Background

As the first leading bank in the local public sector according to Finance Active, 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 access¹ 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 cost of treatment not covered 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 Care facilities for dependent elderly people (EHPADs)

In France, care facilities for dependent elderly people are medical facilities for dependent people aged over 60 requiring daily care and assistance for everyday activities. EHPADs may be public (44.43% of the total in France)², private (23.93%) or the subject of a partnership (31.64%). They offer hospitality services, assistance with loss of autonomy, and daily medical and paramedical care. According to a study by Uni Santé³, published in 2023, with data from 2022, in mainland France, there were 7,333 EHPAD elderly care facilities with an average capacity of 81 people for a total of nearly 596,763 beds (+1.3% vs. 2021). Despite the increase in the number of beds, the available supply is struggling to compensate for demographic change: there is less than one place for every 10 people aged over 75. Nevertheless, the level of beds differs from one territory to another. 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 concerning 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 structures⁴.

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 independent⁵ public EHPAD homes with a deleveraging period⁶ of 8.5 years).

1. 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

2. 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.

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

4. [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 \(solidarites-sante.gouv.fr\)](#)

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

6. 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 2,989 healthcare facilities in 2020⁷, including 1,347 public hospitals and 670 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 outpatient hospital places increased slightly, from over 70,000 to 80,000, as did home hospitalisation⁷. Public entities account for 60% of capacity, private not-for-profit for 15%.

Financing needs are substantial given the increase in the rate of disrepair⁸ and new environmental standards, particularly in the public hospital sector. Bank loans⁹ supplement national investment plans.

French comprehensive cancer centres (FCCs)

French comprehensive cancer centres - FCCs¹⁰ 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 are required to maintain this level of quality and improve care, admission capacity and prevention.

According to Santé Publique France¹¹, 433,136 new cancer cases were diagnosed in 2023, twice as many as in 1990 (+104% for women, +98% for men). As with public hospitals, bank loans⁹ 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, screening and early support, structures providing support in an ordinary environment, and support structures in 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 €250m¹²).

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).

7. French Health Ministry-DRESS 2022

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

9. 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

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

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

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

2023 – A year of inflation and rising interest rates for health entities

The additional costs associated with inflation (on energy, construction and renovation costs) coupled with the rise in financing rates have slowed investment. The cost of projects has risen without any additional resources being provided by business. Business levels have not returned to pre-Coronavirus levels. As a result, both public and private not-for-profit establishments are loss-making, which is making it more difficult to obtain bank loans. The volume of loans processed by the banks fell in 2023. For illustration, SFIL, which refinances most of the loans granted by La Banque Postale to the healthcare sector, refused 25% of projects, compared with the usual 4%. Many of the entities' investment projects have been postponed but could be resumed before 2026 with the forthcoming end of the credits provided for in the State plans and the addition of further public aid.

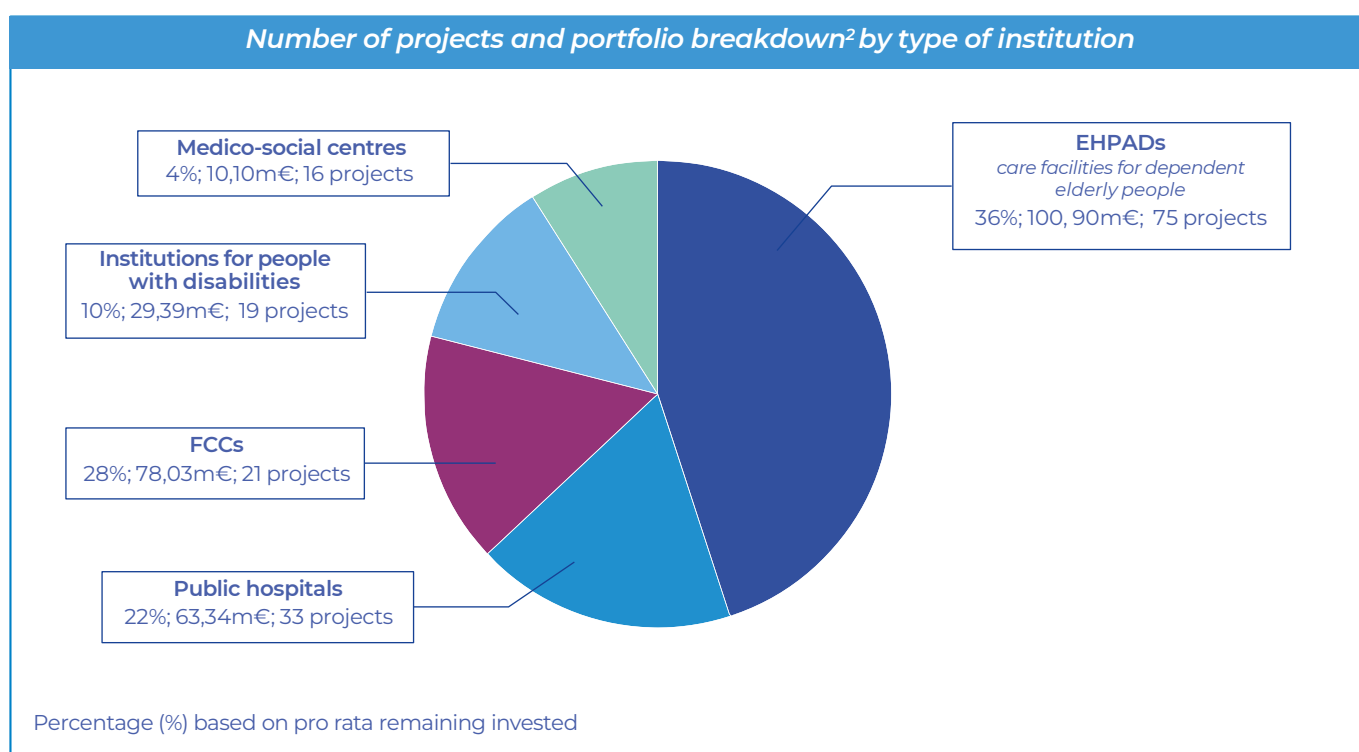
The FCCs stand out from the other entities because their level of activity remains high.

Impact of La Banque Postale's portfolio allocation on the bonds issued in 2023.

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 hospitals¹.

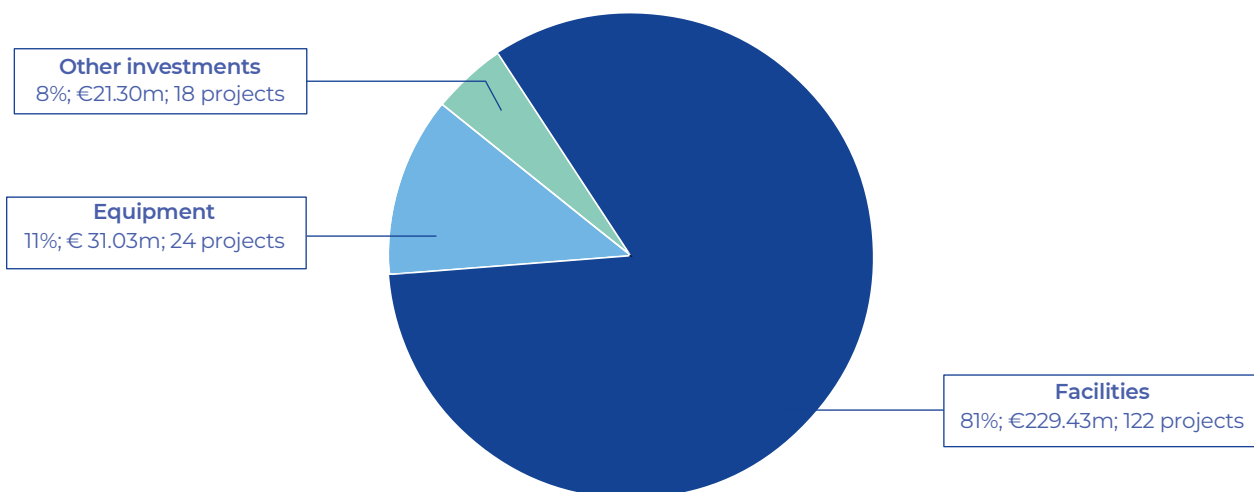
In 2017, building on its experience, La Banque Postale extended its scope of intervention to the entire health and medico-social sector (care facilities for dependent elderly people (EHPADs), FCCs, institutions for people with disabilities, medico-social centres). The underlying portfolio described in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



1. For the year 2022, and for the seventh consecutive year, according to l'Observatoire de la Dette réalisé par Finance Active
 2. One project = one loan. Breakdown by amount outstanding refinanced by bonds issued.

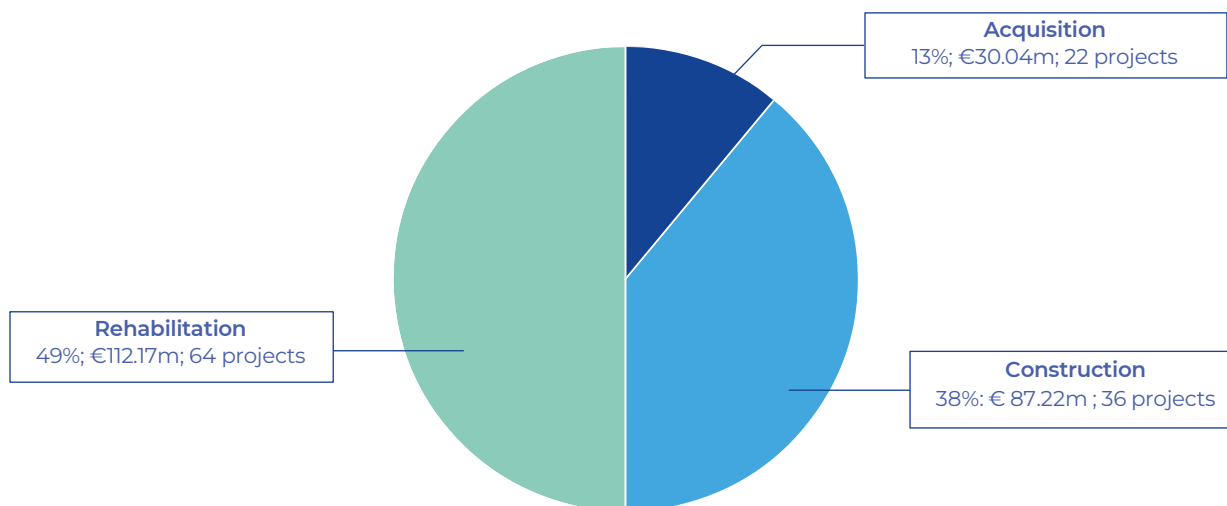
La Banque Postale responds to all the investment needs of healthcare institutions

Number of projects and portfolio breakdown³ by investment need



Percentage (%) based on pro rata remaining invested

Breakdown of facilities' financing



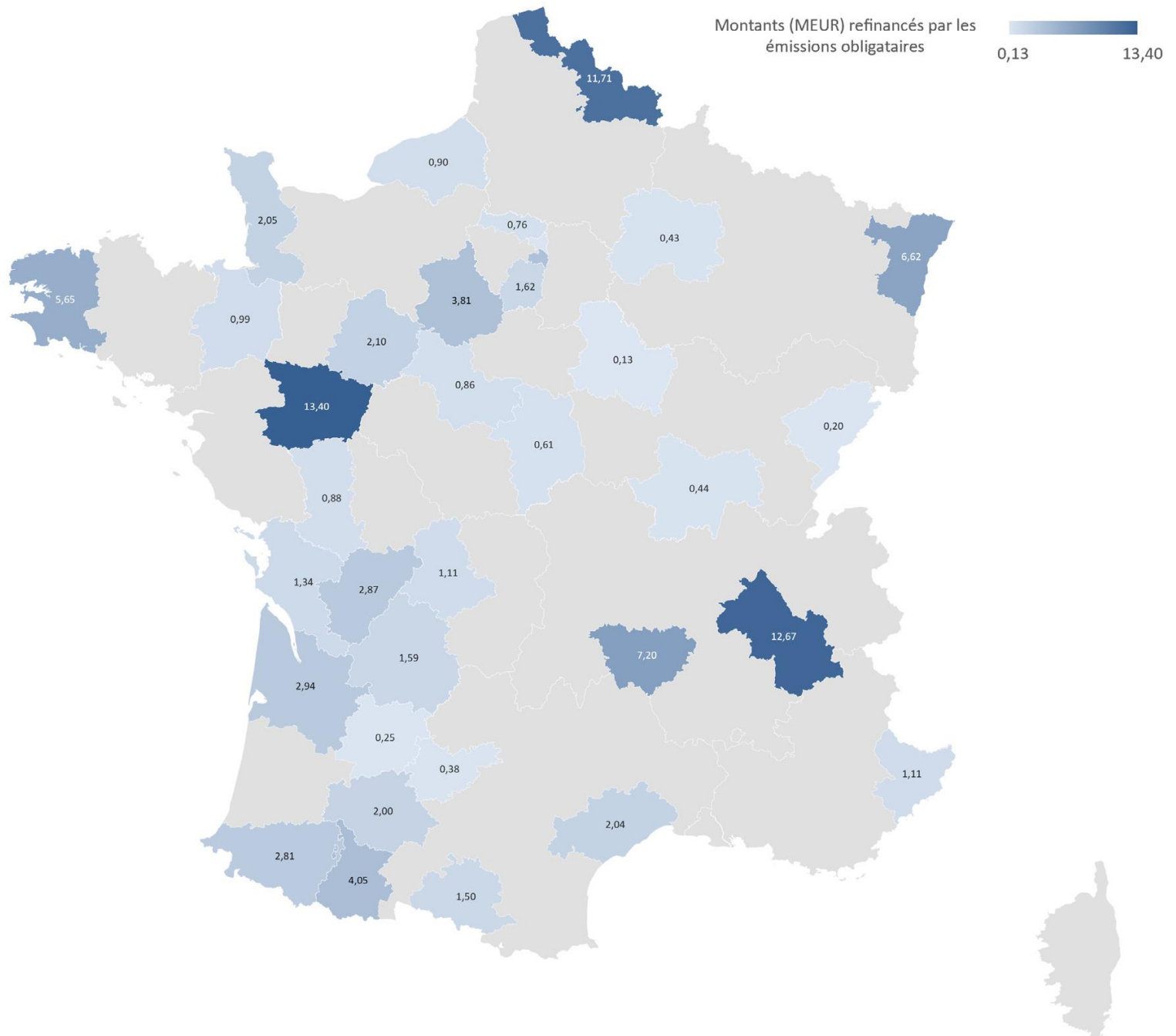
Percentage (%) based on pro rata remaining invested

3. One project = one loan. Breakdown by amount outstanding refinanced by bonds issued.

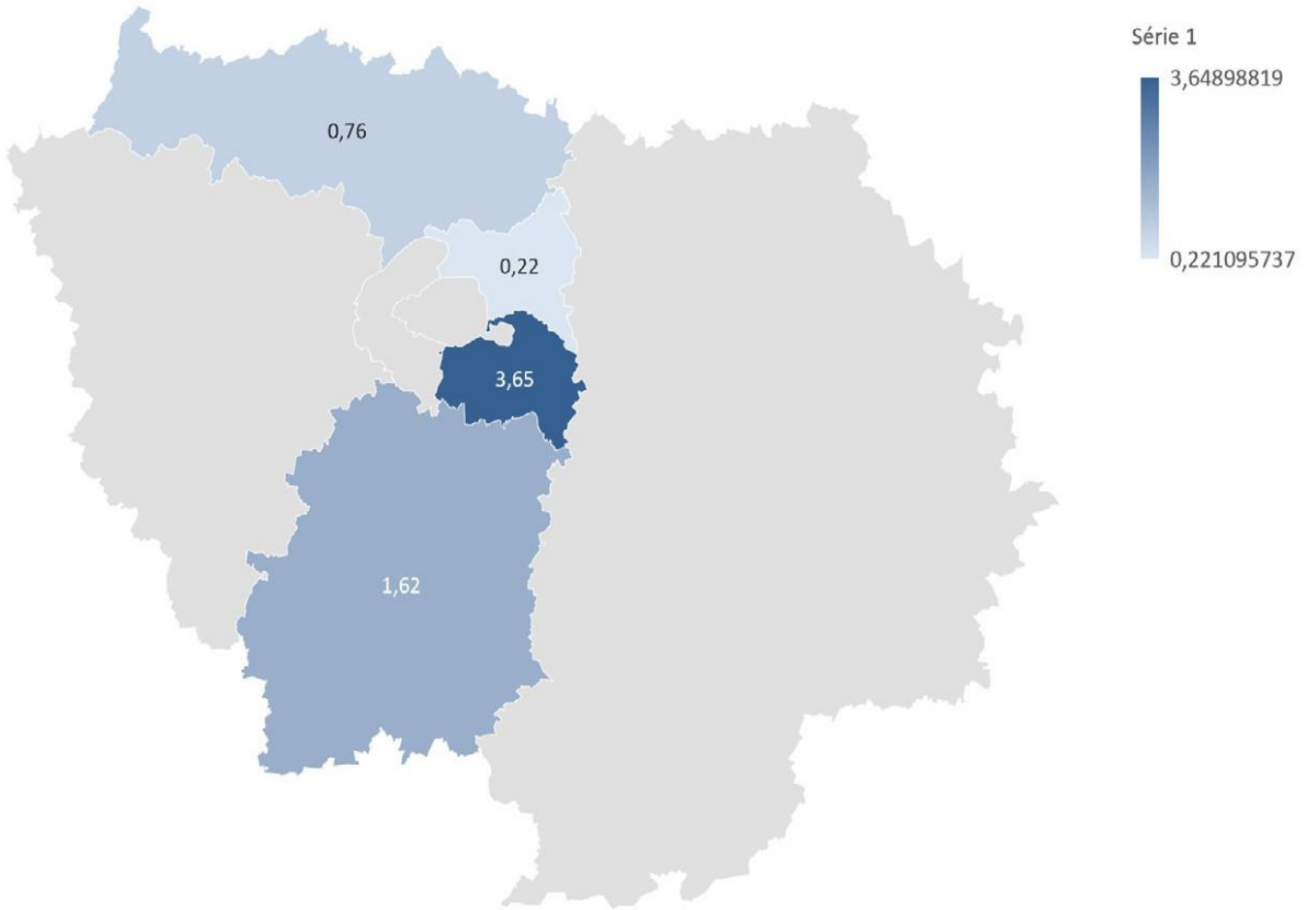
Loans to care facilities for dependent elderly people (EHPADs) are strongly represented in the report portfolio.

La Banque Postale financing concerns 75 projects by care facilities for dependent elderly people located in 35 departments, for a total of €100.90m (refinanced by bond issues).

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



Focus on Île-de-France: Breakdown of the portfolio of loans refinanced by bond issues



Care facilities for dependent elderly people - EHPADs

Department	Amount of loans refinanced by bond issues (€ million)	Share of total EHPAD
Alpes-Maritimes	1.11	1%
Ariège	1.50	1%
Charente	2.87	3%
Charente-Maritime	1.34	1%
Cher	0.61	1%
Dordogne	1.59	2%
Doubs	0.20	0%
Eure-et-Loir	3.81	4%
Finistère	5.65	6%
Gers	2.00	2%
Gironde	2.94	3%
Hérault	2.04	2%
Île-et-Vilaine	0.99	1%
Isère	12.67	13%
Loir-et-Cher	0.86	1%
Haute-Loire	7.20	7%
Lot-et-Garonne	0.25	0%
Maine-et-Loire	13.40	13%
Manche	2.05	2%
Marne	0.43	0%
Nord	11.71	12%
Pyrénées-Atlantiques	2.81	3%
Hautes-Pyrénées	4.05	4%
Bas-Rhin	6.62	7%
Saône-et-Loire	0.44	0%
Sarthe	2.10	2%
Seine-Maritime	0.90	1%
Deux-Sèvres	0.88	1%
Tarn-et-Garonne	0.38	0%
Haute-Vienne	1.11	1%
Yonne	0.13	0%
Essonne	1.62	2%
Seine-Saint-Denis	0.22	0%
Val-de-Marne	3.65	4%
Val-d'Oise	0.76	1%
Overall total	100,90	100%
Focus Île-de-France	Amount of loans refinanced by bond issues (€ million)	Share of total EHPAD
Essonne	1.62	1%
Seine-Saint-Denis	0.22	1%
Val-de-Marne	3.65	3%
Val-d'Oise	0.76	1%
Overall total	6.25	6%

La Banque Postale is a key lender to public hospitals⁴

La Banque Postale financing concerns 33 projects located in 18 departments, for a total of €63.34m (refinanced by bond issues).

Public hospitals		
Department	Amount (€ million) refinanced by bond issues	Share of total funding for public hospitals
Charente	0.09	0.1%
Côtes d'Armor	5.74	9.1%
Finistère	0.19	0.3%
Gard	0.50	0.8%
Haute-Garonne	1.69	2.7%
Hérault	1.47	2.3%
Île-et-Vilaine	3.69	5.8%
Haute-Loire	1.11	1.7%
Lot	1.42	2.2%
Lot-et-Garonne	5.13	8.1%
Morbihan	0.38	0.6%
Nord	11.75	18.6%
Pyrénées-Atlantiques	1.95	3.1%
Hautes-Pyrénées	1.28	2.0%
Pyrénées-Orientales	17.55	27.7%
Bas-Rhin	1.26	2.0%
Rhône	1.98	3.1%
Val-de-Marne	6.16	9.7%
Overall total	63.34	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 SFIL⁵ (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 33 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.

4. 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 stands at 38% in terms of value.

5. 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. nine FCCs), for a total of €78.03m (refinanced by bond issues).

<i>French comprehensive cancer centres - FCCs</i>		
Department	Amount (€ million) refinanced by bond issues	Share of total funding for FCCs
Bouches-du-Rhône	10.10	13%
Calvados	4.20	5%
Haute-Garonne	2.74	4%
Hérault	11.41	15%
Maine-et-Loire	4.49	6%
Meurthe-et-Moselle	1.87	2%
Nord	4.82	6%
Bas-Rhin	11.68	15%
Seine-Maritime	26.72	34%
Overall total	78.03	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 19 projects located in 15 departments for a total of €29.39m (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
Bouches-du-Rhône	1.05	4%
Corrèze	7.19	24%
Côtes d'Armor	0.35	1%
Île-et-Vilaine	4.56	16%
Isère	0.20	1%
Loire-Atlantique	1.43	5%
Meurthe-et-Moselle	1.01	3%
Morbihan	0.82	3%
Nord	0.99	3%
Puy-de-Dôme	0.58	2%
Hautes-Pyrénées	0.55	2%
Bas-Rhin	1.60	5%
Rhône	5.66	19%
Somme	1.80	6%
Vendée	1.58	5%
Overall total	29.39	100%

La Banque Postale funding for *medico-social centres* concerns 16 projects located in 11 departments for a total of €10.10m (refinanced by bond issues).

Médico-social centres		
Department	Amount (€ million) refinanced by bond issues	Share of total funding for médico-social centres
Bouches-du-Rhône	0.11	1%
Doubs	0.02	0%
Gard	0.21	2%
Gironde	0.12	1%
Meurthe-et-Moselle	0.27	3%
Oise	0.22	2%
Département de Paris	3.44	34%
Seine-Maritime	2.91	29%
Essonne	0.34	3%
Seine-Saint-Denis	0.12	1%
Val-d'Oise	2.35	23%
Overall total	10.10	100%

Accounting for 14% of the underlying health sector portfolio, 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.



Non-profit hospital

Infirmierie Protestante
Lyon, Rhône
France

The Infirmierie Protestante is a multi-disciplinary, non-profit organisation under the law of 1901, which has been based in Lyon for over 160 years. The establishment offers more than 50 specialities (cardiovascular, visceral surgery and oncology, orthopaedics, stomatology, neurology, ophthalmology, etc.).

La Banque Postale granted a loan of €520,000 for the creation of two operating theatres on the 1st floor of the hospital building.



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, associations). Their activity is governed by 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. The approval covers 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, with priority given to 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 public policies, public services and public and private players and organisations concerned, including social landlords.

■ Quartiers prioritaires de la politique de la ville (QPV)

The priority neighborhoods under urban policy are the areas of intervention targeted by the Ministry of the Urban Affairs, as defined by law. The list and boundaries of these areas were drawn up by the Commissariat général à l'égalité des territoires (CGET), which became the Agence nationale de la cohésion des territoires (ANCT) on 1 January 2020. In mainland France, Martinique and Reunion Island, they were identified according to a single criterion, that of income per inhabitant.

■ Aide personnalisée au Logement (personalised housing assistance), APL

The personal housing assistance (APL) is a financial allowance designed to reduce the amount of rent, monthly mortgage payment or ren). It is paid on the basis of housing situation, regardless of family situation: single, married, with or without dependants. The conditions for entitlement differ depending on whether beneficiary is renting, buying its own home or living in a hostel. Around 5.8 million households receive the APL, including 2.6 million households in social housing.

Access to care

■ Healthcare institutions

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 community 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 pursued by the departments 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 (2019). This issuing framework concerns social housing and excludes intermediate housing.
- La Banque Postale applies a principle of non-double refinancing and as a priority selects social loans that do not meet the requirements relating to the collection of savings through 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 31/12/2023

► 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 issued (residual nominal value at 31 December 2023). This calculation provides a fair view of the contribution of bond issues in financing. The calculation is made on a pro rata basis.

Calculation of pro rata percentage: liabilities/assets = 84% Social housing: pro rata amount= €1,251.31m
Health: pro rata amount = €281.76m

	La Banque Postale outstanding loans (31/12/2023)	Social bonds issued	Coefficient to apply
  Social housing	€1,485.64m	€1,533.07m	84%
 Access to essential services / healthcare	€334.53m		
Total	€1,820.17m		

To provide investors with a relevant view of supported projects, the 84% coefficient is not applied to housing capacity and number of beneficiaries. 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 documents reported on informatic system, 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.

Allocation and Impact Report

Social Ownership loans (Prêts d'Accession Sociale - PAS)

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.

The 2023 Allocation and Impact Report on Social Ownership loans (Prêts d'Accession Sociale - PAS) is LBP's first publication on this theme. With two bonds issued for a total¹ of €1,436m (one covered bond for €1,250m and one senior preferred for €186m), LBP has supported 11,636 projects.

All 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 between 2021 and 2023, 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 SA is the independent third party that verifies this Social Bond Impact Report. KPMG SA's assurance report is provided at the end of 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

Social Ownership loans (PAS): Acquisition or construction of a principal residence in accordance with the eligibility criteria defined in the French Finance Act for 2003, in particular income ceilings.

Projects funded by social bonds fall into the eligible categories – for Social Ownership loans – and contribute to the United Nations Sustainable Development Goals.

¹ Two bonds were issued in 2023 for a total of €1,436m at origination. At 31/12/2023, the residual amount was €1,436m. No bond buybacks took place.








Social bonds issued

In 2023, La Banque Postale issued a nominal amount of €1,436m in social bonds through two types of debt. At 31/12/2023, the residual amount was €1,436m. No bond buybacks took place.

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.

Type of debt	ISIN	Date of issue	Nominal amount issued (€)	Residual nominal amount (€)	Devise	Maturity date	% of allocation
Covered	FR001400FD12	31/01/2023	1,250 000 000.00	1,250 000 000.00	EUR	31/01/2031	100%
Senior Preferred	FR001400GX74	09/05/2023	186 000 000.00	186 000 000.00	EUR	06/07/2029	100%
Overall Total			1,436 000 000.00	1,436 000 000.00			

Key figures for the 2023 portfolio

	Amount of total eligible portfolio at 31/12/2023 	Pro rata invested amount ¹ 	Number of loans funded 	Number of beneficiaries 	Beneficiary populations 	Number of localisation 	Funding objectives 
Social Ownership loans (Prêts d'Accession Sociale - PAS)	€1,659.03m	€1,436m	11,636	6,857 houses 4,779 flats 27,659 beneficiaries	Households under income ceiling, defined by law	14 French regions 99 French departments	Acquisition with or without rehabilitation of a principal residence

1. Pro rata invested amount: refer to the methodology notes - Calculation of the amount refinanced by bond issues. The pro rata amount is calculated based on the remaining invested outstanding amount. All values in the graphs and tables in the report are presented on this pro-rated basis – except impact values/number of beneficiaries.

Social Ownership loans (Prêts d'Accession Sociale - PAS)

Background

The Social Ownership loan is a State regulated mortgage granted to people with incomes under a cap. Its purpose is to enable people to become owners, by buying or building their main home. What is access to essential services?

Loan features

- Both new housing and existing dwellings are eligible;
- Loans can be repaid over a period ranging from 5 to 30 years, to be agreed with the lender;
- 100% financing of the cost of the real estate transaction by the lender;
- Origination fees are free or limited to a certain amount;

- Mortgage fees and notary fees are reduced. The loan must be secured by a guarantee by the State-funded FGAS (Fonds de garantie de l'accession sociale à la propriété/ Guarantee fund for social home ownership);
- The interest rate may be fixed, variable or adjustable. However, it must not exceed a maximum rate².

Eligibility criteria³(caps applicable from 2016 to 31 March, 2024)

PAS are granted based on household resources, the composition of the household and the location of the property, as assessed two years earlier. It is not exclusively for first-time buyers.

2023 income not to be exceeded to obtain a Social Ownership loan, depending on the number of people to be housed and the housing area.

Number of people in the household	Area A and A bis	Area B1	Area B2	Area C
1	€37,000	€30,000	€27,000	€24,000
2	€51,800	€42,000	€37,800	€33,600
3	€62,900	€51,000	€45,900	€40,800
4	€74,000	€60,000	€54,000	€48,000
5	€85,100	€69,000	€62,100	€55,200
6	€96,200	€78,000	€70,200	€62,400
7	€107,300	€87,000	€78,300	€69,600
8 and more	€118,400	€96,000	€86,400	€76,800

The list of communes by zone reflects the degree of tension in the local property market and is defined by ministerial decree.

A-area: agglomeration of Paris (including the Abis area), the Côte d'Azur, the French part of the Geneva agglomeration, certain agglomerations or municipalities (including 8 municipalities in Outre-mer) where rents and housing prices are very high;

A-bis area: includes Paris and 75 municipalities of Yvelines, Hauts-de-Seine, Seine-Saint-Denis, Val-de-Marne and Val-d'Oise;

B1-area: includes certain large agglomerations and municipalities where rents and housing prices are high, part of the greater Parisian suburbs not located in the Abis or A-area, few expensive cities, the overseas departments;

B2-area: central cities of certain large agglomerations, outer suburbs around Paris not located in Abis area, A and B1 areas, certain municipalities where rents

2. www2.sfgas.fr/documents/100157/2189451/Historique+des+taux+plafonds+PC.htm/801cf8de-5e63-4865-89e8-314b3308ef37?version=15.0&t=1677679899279

3. Simulateur - Connaître la zone de sa commune : A, A bis, B1, B2 ou C - Zonage - service-public.fr ; [Ministères Écologie Énergie Territoires \(ecologie.gouv.fr\)](http://Ministères Écologie Énergie Territoires (ecologie.gouv.fr));

and housing prices are quite high, municipalities in Corsica not located in areas A or B1 ;

C-area: rest of the territory.

With these eligibility criteria, a large portion of the population is eligible for this financing. In fact, mostly of the beneficiaries are first-time buyers.

The PAS may be supplemented by other financing: a personal contribution, a zero-rate loan (Prêt à taux zero, PTZ), a home savings loan (Plan épargne logement, PEL), a fixed-rate loan or a loan equivalent to one granted to top up a home savings account (Compte épargne logement, CEL), a supplementary loan granted by Action Logement, a pension or mutual insurance fund, a local authority or an employer, or a bridging loan (prêt-relais) pending the sale of the previous home.

The PAS cannot be combined with a «conventional» property loan.

The acceptance criteria are the same as for a «conventional» property loan: income of the borrower(s), composition of the household, debt-to-income ratio, personal contribution, guarantees offered.

The banks offering these loans have signed an agreement with the State via the SGFAS (Société de Gestion du Fonds de Garantie à l'Accession Sociale) which manages the FGAS. All French banks offer PAS.

There are other options available⁴ to help people with modest incomes to access home ownership: rental-ownership (Prêt Social Location Accession - PSLA), opportunities to buy social housing, zero-rate loans (Prêt à taux zero, PTZ) and *bail-réel solidaire* (purchasing housing without paying for the land it stands on).

The PAS at La Banque Postale

La Banque Postale is the second bank⁵ for PAS. La Banque Postale has been selling PAS since the end of 2012⁵.

Loan features are the same as explained before. At La Banque Postale, other advantages are added:

- The PAS must be preferred to other types of financing and offered by La Banque Postale whenever the customer and their project are eligible;

- No maximum limit on the amount but it cannot exceed 100% of the cost of transaction (cost of the home, insurance, taxes related to the transactions, fees). It does not fund notary and registration fees, mortgage and agency fees, or furniture;

- The standard term of PAS granted by La Banque Postale is 25 years. It no longer authorises longer maturities as of 2020⁵. La Banque Postale lends at a fixed rate.

- Subsidised interest rate, discontinued in Q4 2021

- Origination fees are free and from 2024⁵, limited to 1% of the loan with a cap of €500

- Registration fees abolished by law since 2022⁵

- Adjustment of repayments free of charge to adapt to changes in the borrower's budget and choice of payment date

- Interest and capital repayments can be split, with no interest charged

- 1st rank mortgage guarantee combined with the FGAS guarantee. This use of the mortgage is a benefit for both the borrower and the investor.

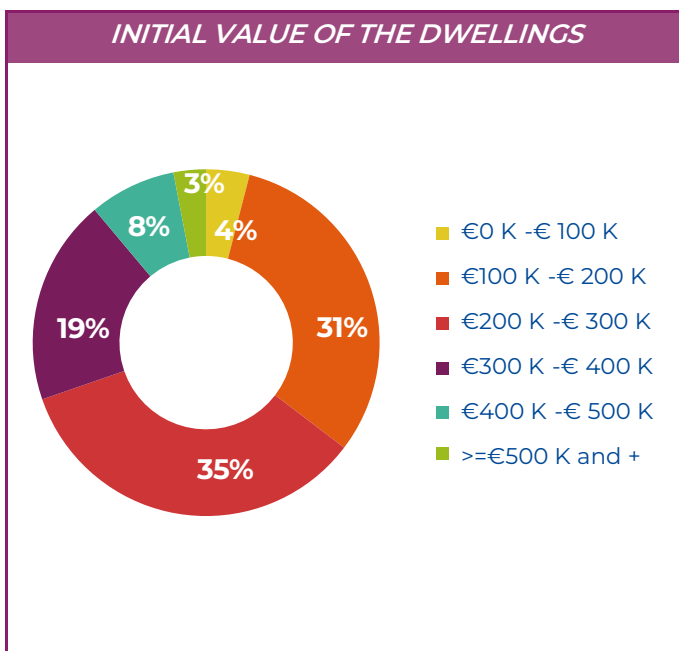
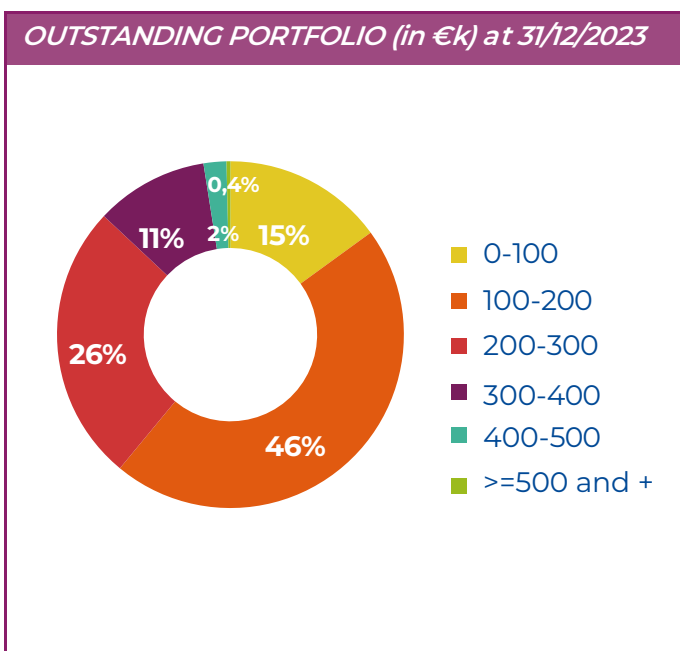
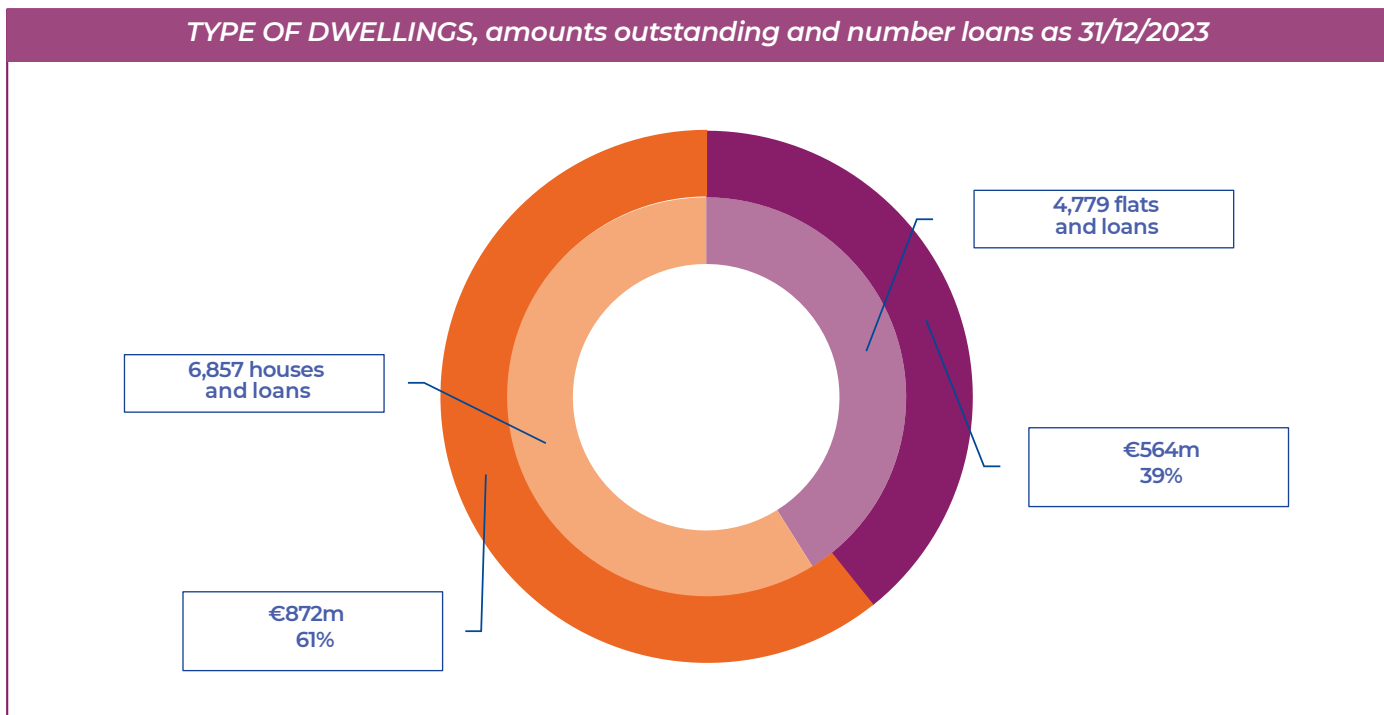
La Banque Postale granted loans for a total amount of €1,363m in 2023 (and €2,668m in 2022) in a context of increasing rates. These amounts are the total production of Social ownership loans (*Prêts PAS*) at LBP and not only the total of the pool selected for this present report. They represent 18% of total production of home loans granted by LBP in 2023.

4. Aides accessibles aux primo-accédants (Assistance available to first-time buyers) (promee.fr) ; Primo-accédants : les aides pour financer son premier achat immobilier (First-time buyers: help with financing your first property purchase) (actionlogement.fr)

5. According to the Internal financial audit – La Banque Postale // Loans in the portfolio was granted between 2020 and 2023.

Impact of La Banque Postale's portfolio allocation on the bonds issued in 2023.

Breakdowns are presented based on the total outstanding of the Social Ownership loans (as of 31/12/2023), with a pro rata applied = €1,436m.



Based on total production, PAS at LBP finances mainly loans of an average amount of €166,000 which is less than the average amount granted for conventional loans (€258,000). Moreover, PAS' customers provide less downpayment than conventional loans' customers¹.

¹. According to La Banque Postale Marketing department (based on total production and not only on the amount of the pool).

Stats from the pool confirms the social aspects of the stats provided by LBP's PAS total production presented above. The average amount at origination of the loans provided (selected for the pool) is €162,109 in the pool. 61% of the outstanding pool was under €200,000 at 31/12/2023 and the average outstanding loans was €142,578 at that date. The average value of dwellings selected for the PAS pool is €208,033. 35% of initial value of dwellings in the pool is under €200,000.

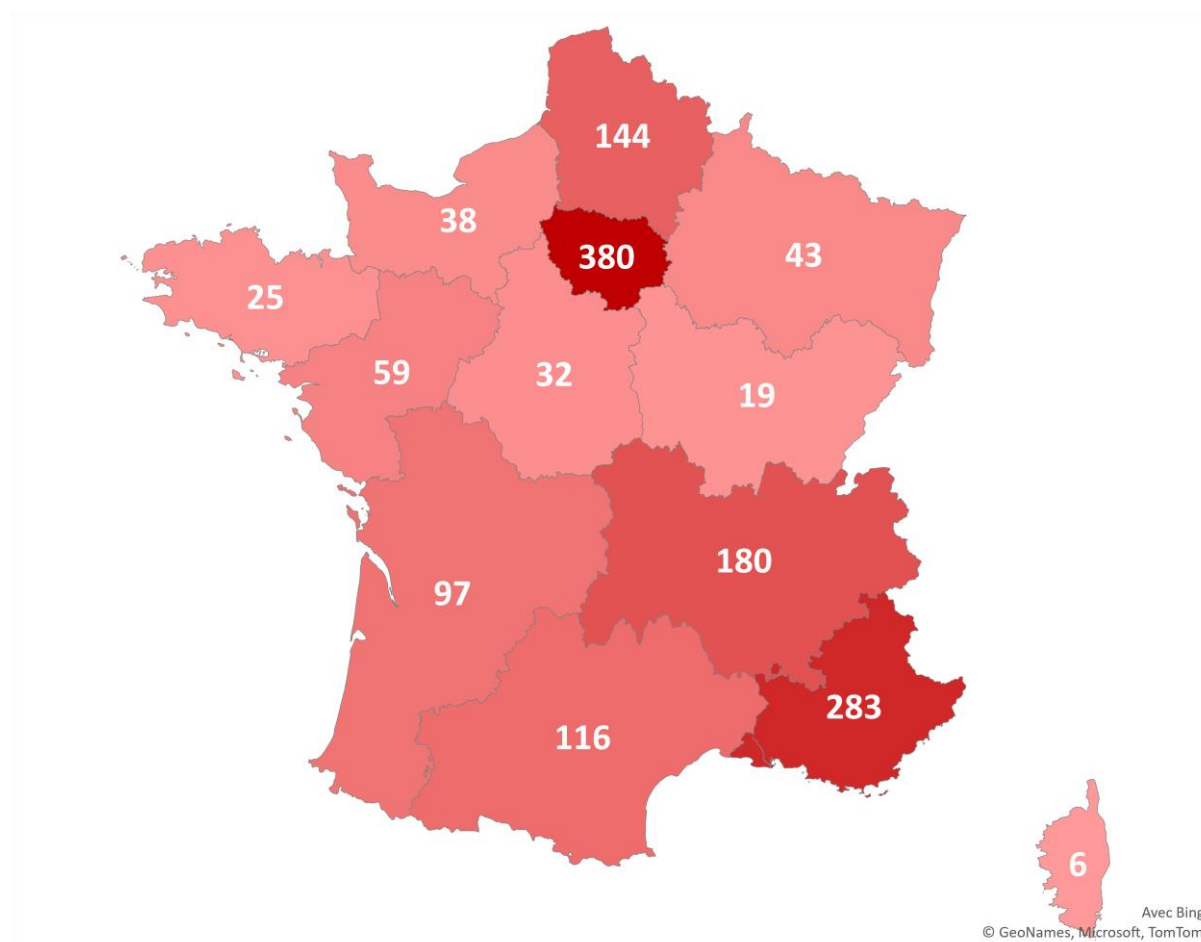
Portfolio geographical metrics

Areas (as defined by the french law in article D304-1 of the construction and housing code)	Portfolio's outstanding (€ m)	Total outstanding at social bonds level (pro rata applied, € m)	% of total outstanding	Number of dwellings
A	754	653	45%	4,199
B1	419	362	25%	2,989
B2	207	179	12%	1,737
C	255	220	15%	2,354
Not available	25	21	1%	357
Total	1,659	1,436	100%	11,636

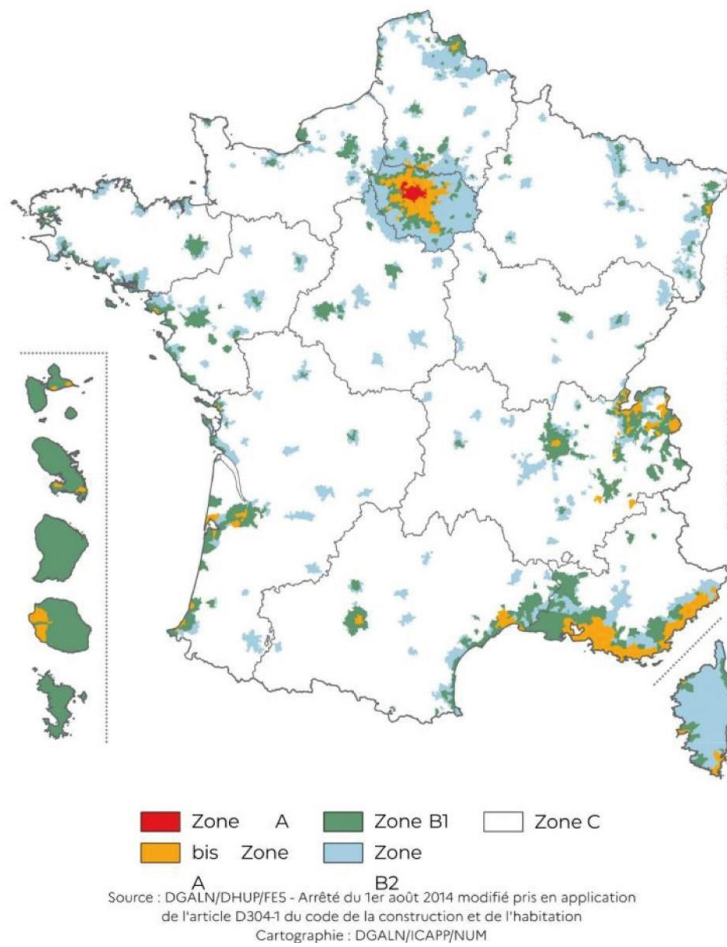
Number of loans - Indicator specified in Framework 2019
Data as of 31 December 2023

Areas are indicated as filled during financing agreement examination

Portfolio's outstanding at 31/12/2023 in MEUR – pro rata applied



Housing areas under pressure in France (Source DGALN/DHUP/FES, 2023)



Outstanding portfolio in overseas regions: € 13m (pro rata applied).
 70% of the outstanding portfolio (areas A and B1) relate to properties located in municipalities characterised by a significant imbalance between supply and demand for housing.

Household composition and beneficiaries financed

Household composition*	Number of loans	Total outstanding as of December 31, 2023 (at portfolio level, € m)	Total outstanding at social bonds level, as of December 31, 2023 (pro rata applied, at portfolio level, € m)	Number of beneficiaries financed (at origination)
1	2,514	265	230	2,514
2	1,790	281	243	3,580
2.55**	4,704	624	540	11,996
3-4	2,307	420	364	7,871
5+	321	69	60	1,698
Total	11,636	1,659	1,436	27,659

* Based on the number of borrowers and dependent children per financing agreement at origination. Outstanding as of 31/12/2023 ;

** Part of the portfolio for which a weighted average has been applied. Please, refer to the methodology for more information

We estimated that at origination, **27,659 people are part of households financed by the Social Ownership loans.**

The weighted average composition of households is **2.55 individuals at the time the loan is granted.**

Information on whether or not the borrower is a first-time buyer is provided in the pool for 62% of loans outstanding (€1.035bn out of a total of €1.659bn which is the total outstanding as of 31/12/2023) Of this proportion, **70%** of loan recipients in the pool are first-time buyers (€728M out of a total of €1.035bn which is the total outstanding as of 31/12/2023 where the information on whether or not the borrower is a first-time buyer is provided) : **4,877 borrowers are first-time buyers out of a total of 6,932 borrowers – for which first-time ownership information was available.**



► Calculation of household composition

For the purposes of the study, we consider the household composition (at the financing agreement level) to be the number of borrowers added to the number of dependent children. When two borrowers are part of the financing agreement, dependent children may be, but are not always attached to both borrowers. In order to avoid duplicates, only dependent children attached to one of the two borrowers were counted.

The weighted average (based on the initial amount of the loans) of the number of individuals financed per household is 2.55 in the portion of the portfolio where data on the household composition are available (62.4% of the pool outstanding; 1 035 €m).

This weighted average was applied on the portion of the portfolio where household composition was not accessible in the information system (37.6% of the pool's outstanding balance; €624m).

On a consolidated basis, the number of individuals per household at the time of loan origination is therefore 2.55 at the portfolio level.

The data used to calculate the number of beneficiaries financed correspond to the information provided in the financing agreement documentation. However, note that the household composition may have changed since the loans were granted.

► 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 issued (residual nominal value at 31 December 2023). This calculation provides a fair view of the contribution of bond issues in financing. The calculation is made on a pro rata basis.

Calculation of pro rata percentage: liabilities/assets = 87%

PAS: pro rata amount= €1,436m

	La Banque Postale outstanding loans (31/12/2023)	Social bonds issued	Coefficient to apply
SOCIAL BOND  Social Ownership loans - (Prêts d'Accession Sociale - PAS)	€1,659.03m	€1,436.00m	87%
TOTAL	€1,659.03m		

To provide investors with a relevant view of supported projects, the 87% coefficient is not applied to impact values.

► Choice of portfolio analysis

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

- geographical areas
- type of dwellings (house or flat)
- amount of loans
- initial value of the dwellings
- household composition

It reflects the needs of the household 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 social ownership loans.

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KPMG has issued a report on the verification of a selection of information disclosed in the English version of this Report.

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Further information regarding La Banque Postale's Green, social and sustainable bonds framework – April 2019 is available on the website of the Issuer (<https://www.labanquepostale.com/en/investors/dette/green-and-social-bonds.html>).



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La Banque Postale

Report of the independent practitioner on the verification of a selection of information disclosed in the Social bond report 2024

Year ended December 31st 2023

La Banque Postale
115 rue de Sèvres
75275 Paris Cedex 06

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Report of the independent practitioner on the verification of a selection of information disclosed in the Social bond report 2024

Year ended December 31st 2023

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 2024 (hereinafter the “Report”), available on the company’s website:

- the allocation, as of December 31st 2023, of funds raised by the entity through the Social Bonds issued in 2021, 2022 and 2023 (the “Issuances”) contained in the Report,
- the projects financed by the Issuances 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.

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.

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



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 Issuances 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.

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:

² ISAE 3000 (Revised) - *Assurance Engagements Other Than Audits or Reviews of Historical Financial 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 2023,
- 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 2023, 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 2023,
- 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 2023, 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, September 18th 2024

KPMG S.A.

Xavier De Coninck
Partner

Brice Javaux
ESG Expert

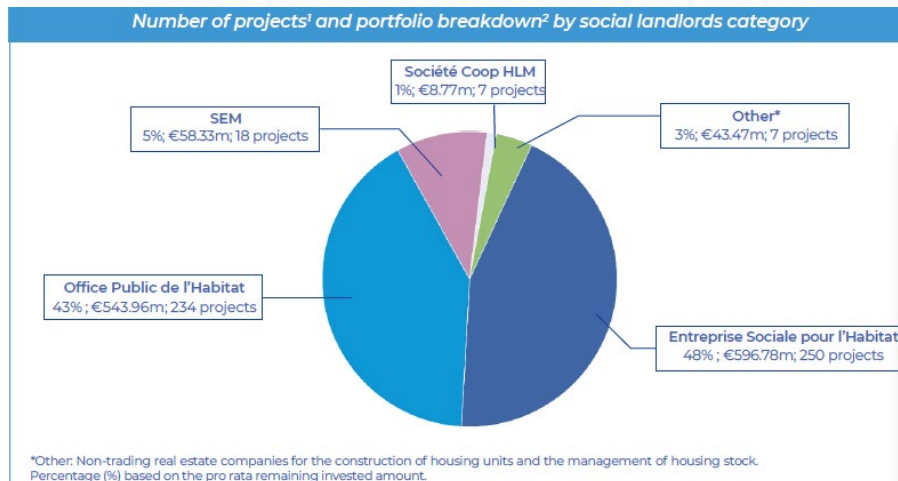
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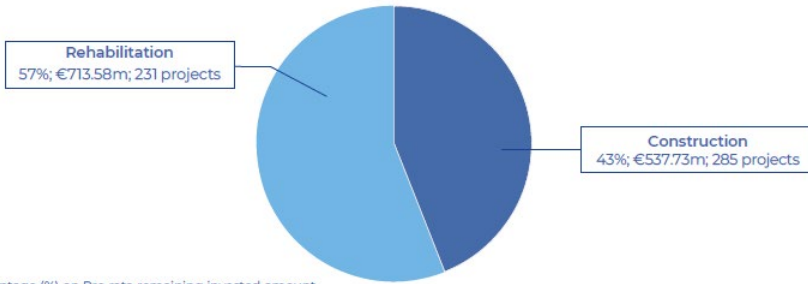
Report of the independent practitioner on the verification of a selection of information disclosed in the Social bond report 2024

Year ended December 31st 2023

Appendix: Extracts from the *Social Bonds Annual allocation & impact report 2023*

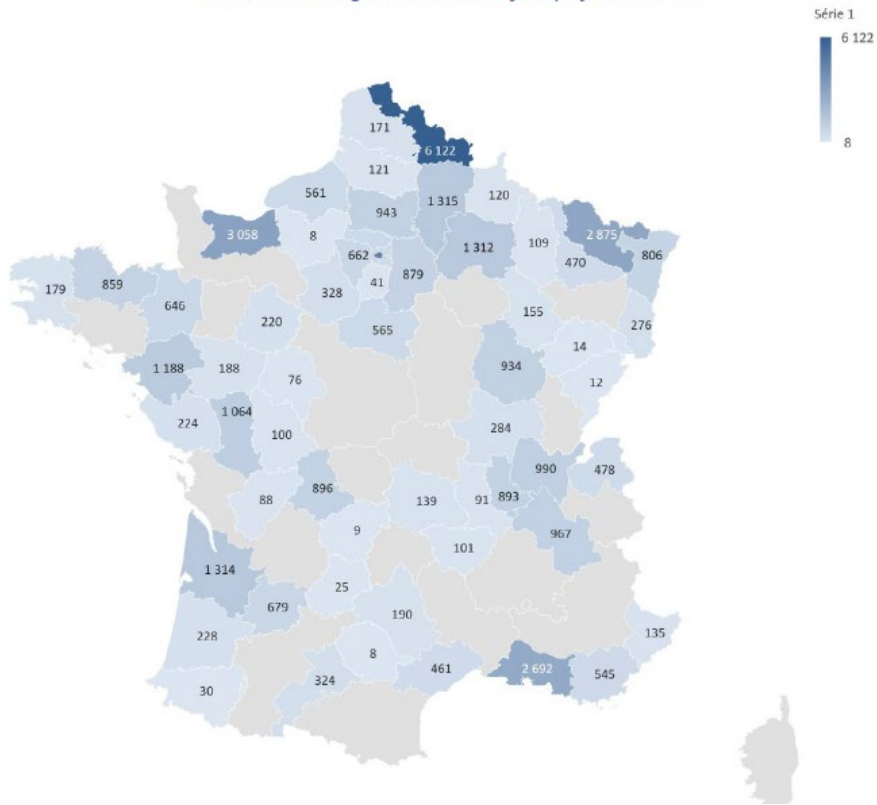
	Amount of total eligible portfolio 	Pro rata ³ invested amount 	Number of projects funded 	Number of beneficiaries 	Beneficiary populations 	Number of departments 	Types of beneficiary institutions 	Funding objectives
Access to affordable housing	€1,485.64m	€1,251.31m	516	45,020 ² housing units 94,542 ² people	Single people, couples, families, single-parent families, students, seniors, companies	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	€334.53m	€281,76m	164	105 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	52	Hospitals for dependent seniors <i>Centres de Lutte contre le Cancer</i> (French Comprehensive Cancer Centres) Institutions for people with disabilities Medico-social centres	Construction, rehabilitation and acquisition of property or equipment



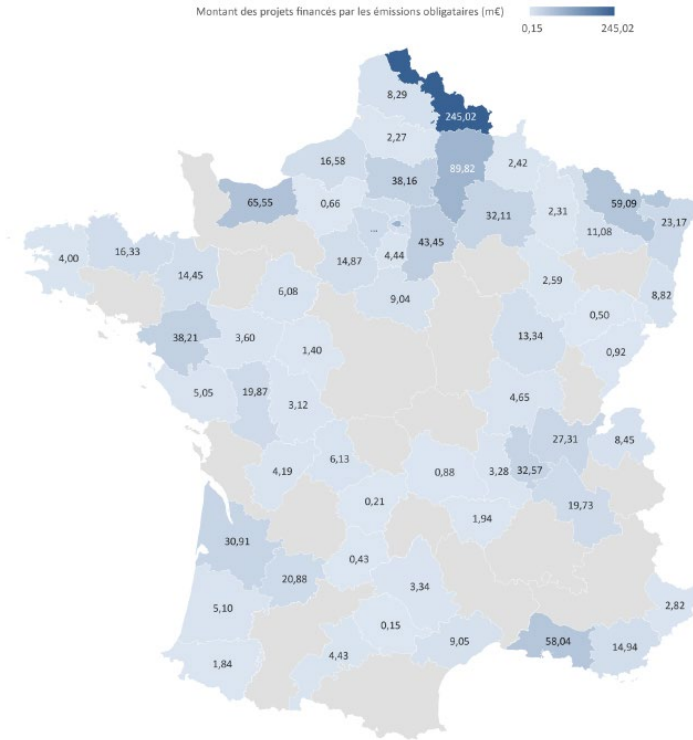


Percentage (%) on Pro rata remaining invested amount.

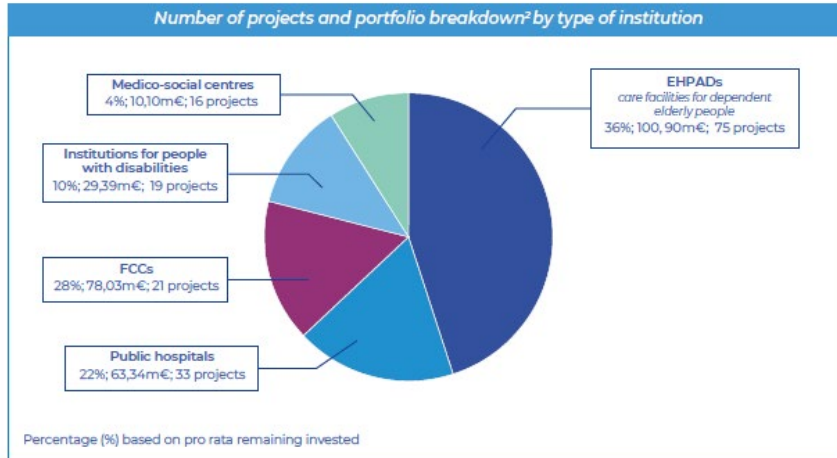
Number of housing units concerned by the projects financed.

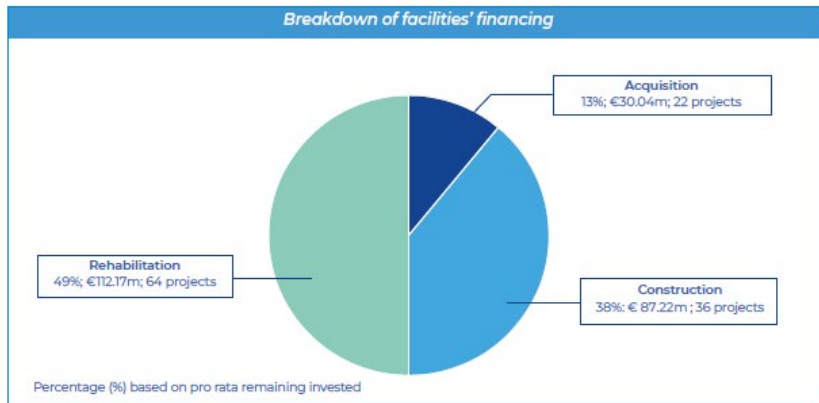
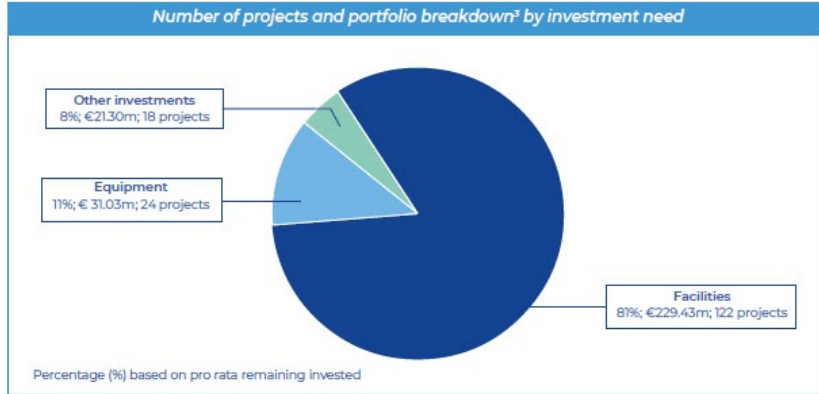


Amount of projects refinanced by bond issues - in € million

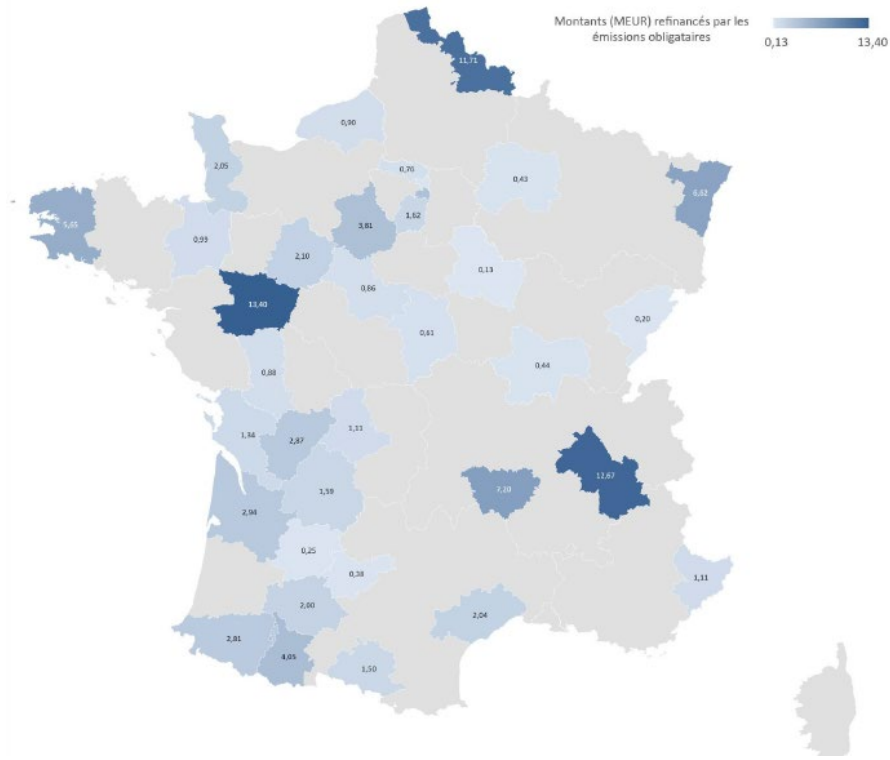


Number of projects and portfolio breakdown² by type of institution





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



Key figures for the 2023 portfolio

	Amount of total eligible portfolio at 31/12/2023	Number of loans funded	Number of beneficiaries	Beneficiary populations	Number of localisation	Funding objectives
Social Ownership loans (Prêts d'Accession Sociale - PAS)	€1,659.03m	11,636	6,857 houses 4,779 flats 27,659 beneficiaries	Households under income ceiling, defined by law	14 French regions 99 French departments	Acquisition with or without rehabilitation of a principal residence

