SSA Handbook

- This handbook offers an overview of 20 SSA issuers with strong ESG issuance track records, combining credit fundamentals, funding strategies and sustainable finance credentials
- SSA credit metrics remain robust, with 90% rated 'AA' or higher and combined balance sheets totalling €3.6tr in 2024. Several institutions target >50% of annual issuance towards socially relevant sectors, tied to the overarching pursuit of the UN SDGs
- Social bond formats remain a key channel to address policy objectives, with several entities regularly issuing benchmark-sized transactions to support affordable housing, employment, healthcare, and SME finance
- SSAs are well positioned to adapt to evolving regulatory shifts that may challenge established funding models, while structural reforms at the MDB level and hybrid issuance formats are set to unlock new lending capacity

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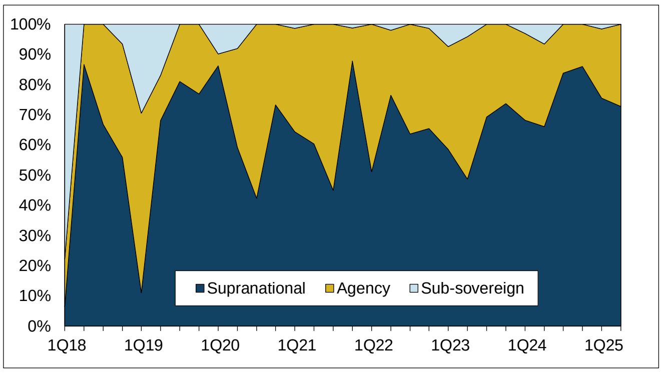
Introduction

Public sector financing remains a cornerstone in supporting economic growth and the development of essential infrastructure. This handbook offers a comprehensive and forward-looking perspective on institutions that drive public investment, highlighting their dual role as capital mobilisers and standard-setters in sustainable finance. This report focuses on 20 sub-sovereign, supranational, and agency (SSA) issuers, with a particular emphasis on those with a track record of issuing labelled bonds to support social or sustainability objectives. It presents a comparative overview of their credit strength, funding strategies, and ESG credentials, drawing on balance sheet data and primary market issuance trends to illustrate the contribution these issuers make to the sustainable finance universe. The breadth of entities covered — from promotional banks and public development institutions to social welfare and employment agencies — reflects the diverse nature of the SSA sustainable finance landscape. Many of these issuers are not only aligned with national and regional policy goals, but also act as innovators in structuring ESG-aligned funding tools. In an environment of rising public debt levels and heightened fiscal pressure, these institutions remain important counter-cyclical borrowers, channelling proceeds into sectors that deliver measurable economic and social benefits.

Labelled SSA funding marked by resilience and reorientation as mandates broaden

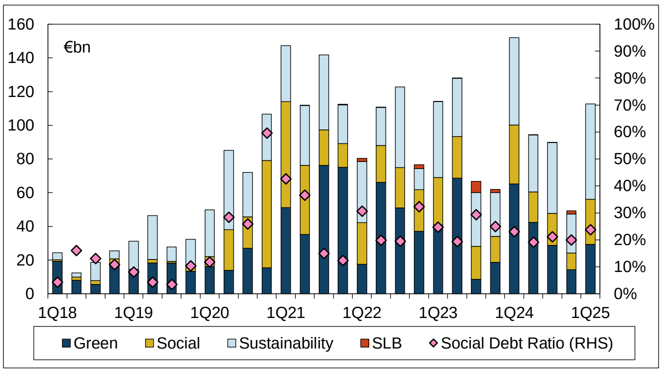
With the global economy exposed to a growing combination of economic and geopolitical shocks, SSAs have been increasingly called upon to fill budgetary needs across a range of areas from supporting long-term economic growth to increasing social well-being and supporting environmental objectives. This expansion of responsibilities underscores the importance of well-managed funding mechanisms that SSAs have continually refined to better manage risks and improve liquidity. At the same time, capital markets activity has experienced a significant rise over recent years across all sustainable finance categories, with green, social and sustainable bonds collectively exceeding €1.54tr in issuance in 2024 alone. Despite some signs of deceleration in headline growth in early 2025, SSAs have maintained their relevance as reliable issuers of high-quality, high-impact transactions. SSA social bond issuance in 2024 totalled €82bn, a decline from pandemic-era peaks but still nine times higher than 2019 levels. Importantly, several agencies including CADES, UNEDIC and BNG have continued to regularly issue benchmark-size social bonds, reflecting robust investor demand for high-grade paper with clearly defined social use-of-proceeds. They help finance healthcare systems, employment protection schemes or social housing dwellings. Furthermore, entities such as ICO and the Belgian regional authorities have remained key participants in SME and infrastructure finance. These issuance themes remain structurally resilient in light of market uncertainty and we expect them to continue to support social bond volumes.

Volume distribution by issuer type*



*Source: Bloomberg; *Comprises select SSA issuer group*

ESG volumes of SSAs by category



Source: Bloomberg

Blended objectives and outcomes feature prominently

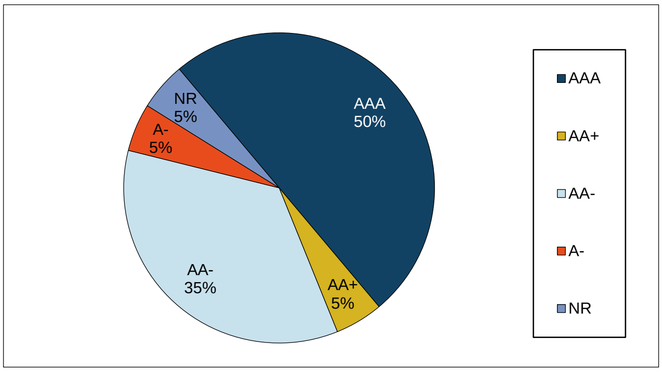
Beyond standalone social bonds, blended formats known as 'sustainability bonds' have increased in popularity. The format allows for flexible allocation to both social and green categories, and has become more prevalent among SSA issuers, especially supranationals. In this context, the strategic mandates of SSAs are becoming more aligned with holistic development objectives, even as scrutiny around ESG credibility and impact measurement intensifies. A conservative assessment of the share of social debt among global SSA ESG issuance shows that on average social bonds made up 21% of the total since 2018. This figure is likely to be much higher when considering the social portion of sustainability bonds. The French development bank AFD exemplifies the intersection of social and environmental objectives as its frameworks permit the financing of both education and climate adaption projects. Similarly, the Nordic Investment Bank's (NIB) sustainability bonds support clean transport and water infrastructure alongside social housing and urban development. These examples reflect broader market shifts towards SDG-linked issuance that accommodates multifaceted policy goals. Their development has occurred alongside more granular impact reporting and alignment with international principles, particularly the ICMA Social and Sustainability Bond Principles and the UN Sustainable Development Goals (SDGs). Notably, use-of-proceeds allocations in 2024 were heavily concentrated in affordable housing, access to essential services, and socioeconomic empowerment, all categories well represented across the issuers profiled in this handbook.

Issuer credit quality remains high as SSA market braces for policy headwinds and regulatory shifts

The 20 SSA issuers that we present have demonstrably strong social or sustainability credentials. They play pivotal roles in their respective capacities as supranational or domestic institutions. These rated entities had a total combined balance sheet of €3.6tr in 2024, higher than the previous year (+3% yoy) and their credit quality was strong, with the vast majority rated 'AAA' or 'AA' (90% of total). Nevertheless, geopolitical and regulatory developments have begun to reshape the sustainable finance landscape. A shift in the U.S. administration's position on multilateral development banks (MDBs) has cast uncertainty over future capital adequacy reforms and climate finance scaling, signalling a potential recalibration of MDBs' role in global sustainability investment.

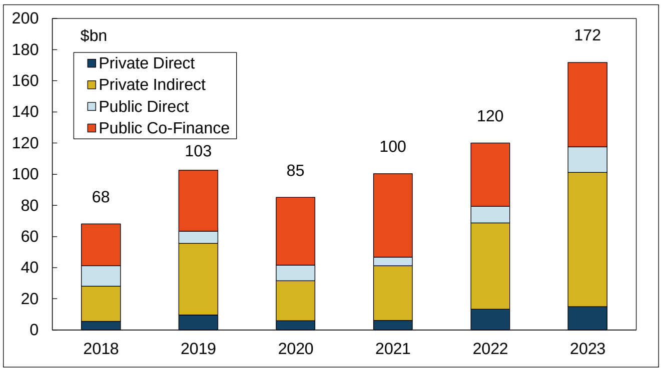
In Europe, the rollout of the EU Green Bond Standard (EU GBS) and the ongoing Omnibus I and II that entail the reform of the Corporate Sustainability Reporting Directive (CSRD) are poised to influence both issuer behaviour and investor expectations. The EU GBS aims to harmonise definitions and elevate transparency, but initial uptake has been cautious due to its stringent criteria. Nonetheless, SSA issuers are well placed to adopt elements of these frameworks, having historically led in reporting rigour and alignment with the EU Taxonomy. For example, NWB Bank and BNG Bank in the Netherlands already embed EU Taxonomy criteria in their impact reporting, while EIB has helped shape technical standards through its early adoption and disclosure practices.

Breakdown of selected issuer ratings



Source: Moody's, Fitch, S&P

MDB mobilisation of private and public capital



Source: World Bank Group; Climate financing by AfDB, ADB, AIIB, CEB, EBRD, EIB, IDB, IsDB, NDB and WBG

Meanwhile, investors are placing growing emphasis on measurable outcomes, particularly in sectors such as housing, healthcare, and employment generation. Several SSA issuers in this report — including CDC, CADES, and the Autonomous Community of Madrid — report on metrics such as number of hospital beds supported, households reached, or SMEs financed, reflecting this investor demand for traceable and outcome-oriented financing.

As the sustainable finance market continues to mature, SSAs remain one of its most credible and mission-driven pillars. The issuers presented here demonstrate not only strong credit fundamentals and capital market access, but also a commitment to financing initiatives that respond directly to societal and environmental needs. We hope this analysis provides investors, policymakers, and other capital market participants with valuable insights into the strategies, strengths, and forward trajectory of these key borrowers.

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SSA Issuer Overview

Institution	Abbrev.	Country	Type	Shareholdings	Guarantee / Support	Risk-Weighting
Agence Française de Développement	AFD	FR	Agency	100% France	EP status; strong consequent implicit support	20%
Autonomous Community of Madrid	ACM	ES	Sub-sovereign	-	Explicit guarantee by the Spanish state	0%
Bank Nederlandse Gemeeten NV	BNG	NL	Agency	50% Netherlands, 50% Dutch municipalities, regions and one water board	No guarantee, implicit gov. support based on public sector mandate and ownership	20%
Bpifrance	BPI	FR	Agency	49.2% EPIC Bpifrance, 49.2% CDC, 1.4% Private Banks, 0.2% Bpifrance	Explicit guarantee of the EMTN programme (through EPIC Bpifrance)	0%
Caisse d'Amortissement de la Dette Sociale	CADES	FR	Agency	100% France	EP status; strong consequent implicit support	0%
Caisse des Dépôts et Consignations	CDC	FR	Agency	100% France	ES status; strong consequent implicit support	0%
Caisse Française de Financement Local SA	CAFFIL	FR	Agency	100% SFIL S.A. (o/w owned 99.9% by CDC)	Explicit guarantee by the French state for parent SFIL	3.5%*
Council of Europe Development Bank	CEB	SNAT	Supranational	43 Member States of the Council of Europe	Callable capital; EUR7.5bn	0%
European Bank for Reconstruction and Development	EBRD	SNAT	Supranational	73 states, EU and EIB	Callable capital; EUR 23.5bn	0%
European Investment Bank	EIB	SNAT	Supranational	27 EU Member States, largest are DE, FR and IT (19% each)	Callable capital; EUR 226.6bn	0%
European Union	EU	SNAT	Supranational	27 EU Member States, largest are DE (22%), FR (17%), IT (13%)	Maintenance obligation; member states legally obliged to balance the EU budget	0%
Instituto de Crédito	ICO	ES	Agency	100% Spain	Explicit guarantee from Spanish state and EPS status	0%
International Bank for Reconstruction and Development	IBRD	SNAT	Supranational	189 countries, largest are US (16%), JP (7%), CN (6%)	Callable capital; EUR 280.6bn	0%
International Development Association	IDA	SNAT	Supranational	175 countries, largest are US (19%), JP (17%), UK (12%)	No explicit contractual callable capital, operates with fully paid-in capital; preferred creditor status	0%
International Finance Corporation	IFC	SNAT	Supranational	186 countries, largest are US (18%), JP (7%), DE (5%)	No explicit contractual callable capital, operates with fully paid-in capital; preferred creditor status	0%
Nederlandse Waterschapsbank NV	NWB	NL	Agency	81% Dutch water boards, 17% Netherlands, 2% Dutch provinces	No explicit debt guarantees from the state; implicit support from all shareholders due to high institutional importance	20%
Nordic Investment Bank	NIB	SNAT	Supranational	8 Nordic and Baltic countries, largest are SE (35%), NO (22%), DK (21%)	Callable capital; EUR 7.5bn	0%
NRW Bank	NRW	DE	Agency	100% Federal State of North Rhine-Westphalia	Explicit guarantee from the State, institutional & guarantor liability	0%
UNEDIC ASSEO	UNEDIC	FR	Agency	50% employer associations, 50% trade unions	Explicit guarantee by the French state of the EMTN programme	0%
Walloon Region	WALLO NIA	BE	Sub-sovereign	-	No explicit debt guarantees from the state; implicit gov. support based on reputational risk and gov. commitment to offset liquidity stress under 1989 financial law	0%

Source: Company reports; Bloomberg; EP = EPIC; ES = Établissement special; *Average risk weighting of the covered pool of assets as of FY24

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Abbreviations and Acronyms

CCyB	Countercyclical Capital Buffer
CET1	Common Equity Tier 1
CP	Commercial Paper
DB	Development Bank
EC	European Commission
ECB	European Central Bank
EFSM	European Financial Stability Mechanism
EMTN	European Medium-Term Note
EPA	Public Establishment of an Administrative Nature
EPIC	Public Institution of an Industrial and Commercial Nature
EU	European Union
GBP	Green Bond Principles
GLP	Green Loan Principles
HQLA	High Quality Liquid Assets
ICMA	International Capital Market Association
IMF	International Monetary Fund
LCR	Liquidity Coverage Ratio
MDB	Multilateral Development Bank
MFA	Macro-Financial Assistance
MTN	Medium-Term Note
NGEU	NextGenerationEU
NSFR	Net Stable Funding Ratio
SBP	Social Bond Principles
SDG	Sustainable Development Goals
SLP	Social Loan Principles
SME	Small-to-Medium Sized Enterprises
SNB	Swiss National Bank
SREP	Supervisory Review and Evaluation Process
SSA	Supranational, Sovereign and/or Agency
SURE	Support to Mitigate Unemployment Risks in an Emergency
UOP	Use of Proceeds
WBG	World Bank Group

Agence Française de Développement – AFD

Background and Ownership

The Agence Française de Développement (AFD) is France's national development bank, wholly-owned by the French government and headquartered in Paris. Created in 1941, it is the world's longest-serving development institution, and it plays an important role as the legally mandated agency to enact strategic policy and deliver bilateral aid and concessionary lending to developing countries and French overseas territories. In 1970, at the United Nations, the French state (alongside other developed nations) committed to allocating 0.7% of gross national incomes (GNI) to Official Development Aid (ODA). In 2023, it was announced by official decree that the deadline in doing so would be set to 2030 from 2025 previously. France was the fourth largest donor of ODA in 2023 (0.48% of GNI) and the AFD is central in meeting its 2030 target. The strategic importance of the agency is underlined by its special legal status as a "public institution of an industrial and commercial nature" (*EPIC* in French). The status stipulates that the institution is unable to enter into bankruptcy proceedings. In the case of dissolution, all assets and liabilities would be transferred to the French state.

Key Data		
Balance Sheet (€bn)	FY23	FY22
Total Assets	69.5	64.0
Total Equity	9.2	8.8
Outstanding Loans	39.4	36.2
Debt Securities	51.4	45.3
Key Ratios (%)		
ROCE	4.2	5.5
LT Debt / Capital	84.8	83.8
LT Debt / Equity	561	516
CET1 Ratio	13.7	13.6
Tier 1 Ratio	15.0	15.0
Cost-Income Ratio	68.4	61.5

Source: Company reports; Bloomberg

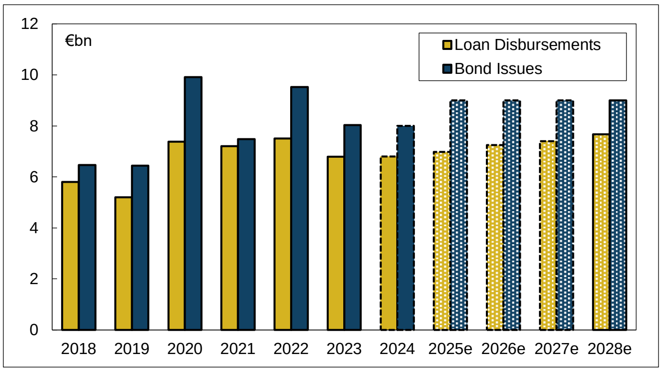
Main Purpose and Support

AFD aims to reduce poverty and promote sustainable development, assisting, monitoring and financing more than 4,200 development projects in 150 countries. Complementing its *EPIC* status, it has access to the state's emergency liquidity support mechanisms, in the form of emergency loans or the purchase of short-term notes by the central government, if required to mitigate default risk. The state has stringent oversight of AFD activities and prescribes the institution's objectives and resources through a multiyear agreement. The institution is also designated as a financial company regulated by the French national banking authority (ACPR). Despite its financial independence, it benefits from a high level of implicit government support, associated with its EPIC legal status, interconnectedness and extensive oversight from the state. Frequent instances of capital injections have supported AFD's capital, solvency and liquidity positions.

Funding, Liquidity and Capitalisation

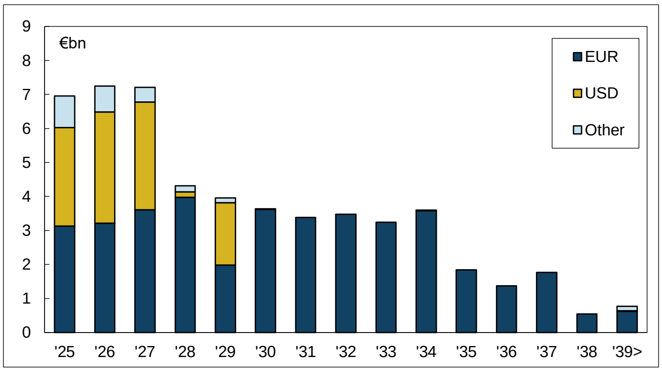
Funding: 2024 posed several challenges for French public-sector issuers, as political instability due to the dissolution of the National Assembly and subsequent rating agency downgrades dampened French SSA capital market activity. The sovereign downgrade to 'AA-' from 'AA' by S&P led to a temporary pause of issuance by a large number of French issuers, including AFD, as borrowing programme documentation was revised to reflect the rating change. Despite these headwinds, the agency managed to meet its funding target of €8bn for FY24, largely via public issues (83%) and private placements (16%). Tap issuances of existing lines were less frequent in 2024, as AFD only tapped once during the year for US$100m taking the existing September-2027 sustainable line to US$1.4bn. Net new issuance took the balance sheet to €71.1bn (debt: 71%; equity: 13%) as of 1H24. Bonds were largely placed in USD (47%) and EUR (46%), with the remainder made up of issuances in GBP, TRY, and AUD. The EMTN programme makes up the majority of issuance volumes, with fairly even distribution across the curve and tenors up to 20 years.

Loan disbursements vs. Debt issuance trends



Source: Company reports

EMTN programme maturity curve



Source: Company reports

AFD's USD-denominated and SDG-labelled bonds for comparison have short-to-medium term maturities. Market related debt from the EMTN programme amounted to €53.7bn at end-2024, leaving it with suitable room for further issues or private placements against the programme's authorisation threshold of €70bn. For 2025, AFD increased its annual funding target to €9bn, which would make it the second largest French agency by volume after CADES (€12bn target for 2025), and followed by Bpifrance (€8bn).

Liquidity: Liquidity is well-managed and benefits from strong state support mechanisms. Cash due from the central bank as a proportion of total assets is minimal (~2%) and when combined with its liquidity buffer permits the agency to cover between 11-12 months of projected outflows (above the internal threshold of 6-months). Together with frequent capital injections and the state's ability to act as a liquidity backstop under distressed scenarios, the AFD is able to cover short-term liquidity via its €8bn commercial paper and €2bn medium-term note programmes.

Capitalisation: The capital structure is robust and well-managed, largely thanks to the consistent support from the French state. As of 1H24, the equity-base increased by 64% since FY16 to €9.5bn, driven by the following actions: (2016): €2.4bn of Tier 2 loans converted into CET1 capital; (2021): €500mn capital injection and €900mn conversion of Subordinated loans into Tier 2 capital; (2023/24): €300mn conversion of French treasury loans into equity capital (€150mn each year). Capital conversions and injections have taken place so as to ease pressure on the agency's capital position, ensuring that the AFD continues to meet regulatory capital requirements whilst supporting its increasing social development-related activity. These steps have contributed to a strong CET1 ratio of 13.7% (+595bps above minimum requirements), a Tier 1 ratio of 15% (+551bps), excluding add-ons for CCyB.

ESG Credentials

AFD has a demonstrated strong track record in ESG and sustainability related development finance. As early as 2013, it excluded coal and gas financing, and by 2017, it was the first development agency to align its financing with the goals of the Paris Agreement. AFD ensures 100% of its financing aligns with low-emission, climate-resilient pathways, committing 50% to climate co-benefits. It has developed innovative tools, such as its Sustainable Development Analysis Framework, which evaluates project impacts and alignment with national and sectoral climate goals, and the 2050 Facility, which supports countries' long-term strategies. AFD's private-sector arm Proparco, tracks financed emissions and adheres to the European Development Finance Institution's (EDFI) net-zero commitments. With less than 1% of its portfolio exposed to fossil fuels, AFD seeks to achieve impact through public policy loans, financial flow redirection, and counterparty engagement, further solidifying its position as a pioneer in sustainable development finance.

AFD has set out three main objectives with regards to sustainability: (1) to be entirely compliant with the climate goals under the Paris Agreement; (2) for all activities to have a social link; and (3) to be entirely focused on the SDGs. To meet these objectives, AFD introduced its Sustainable Development Goals Bond Framework (SDGBF) in 2020. The methodology outlines the means through which it is able to raise funding, and how the proceeds from its climate, social and sustainable bond offerings are allocated. The SDGBF was last updated in 2024, and the revised version is supported by a second party opinion from Moody's. The updated framework highlights five main objectives, to: (1) align with new group strategic objectives; (2) simplify eligibility criteria; (3) increase the pool of eligible loans; (4) reflect the evolution of internal processes and; (5) reaffirm the AFD group's contribution to a fair transition. Under the SDGBF eligible projects can be financed under three green and thirteen social categories.

Since the issuance of its first sustainable bond over a decade ago, AFD's annual funding programme has evolved to having sustainable-labelled bonds account for more than 50% of new issues. As per the 2023 SDG Bond report, €19.3bn of loans were backed by sustainable bonds, of which 35% related to infrastructure and urban development. AFD extends loans to state-owned companies in impoverished countries to help increase drinking water capacity and contributes to improving living conditions, health and economic development. This was followed by lending to local banks and financial institutions (28%) aimed at renewable energy financing to mitigate constraints on energy production capacities. From 2025 onwards, the agency has highlighted its ambition to maintain the aforementioned three aims, whilst ensuring that at least 50% of new issues are allocated towards sustainable objectives.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
17 Jan 2024	10Y	€ 2,000	OAT + 42	-	3.000	3.121	€ 6,700 / 3.35x
22 Jan 2024	3.5Y	£ 350	SONIA MS + 50	-	4.125	4.211	€ 400 / 1.14x
05 Mar 2024	5Y Sustainable	US$ 2,000	SOFR MS + 52	3	4.500	4.610	$ 6,100 / 3.05x
28 Aug 2024	3Y Sustainable	US$ 2,000	SOFR MS + 49	2	4.000	3.999	$ 5,500 / 2.75x

Source: Bondradar; Bloomberg

Bank Nederlandse Gemeeten NV – BNG

Background and Ownership

Founded in 1914, Bank Nederlandse Gemeeten NV (BNG) operates as a Dutch supranational specialised in lending to the public sector, including the local government, provinces, municipalities, water boards and associations that perform public duties (housing associations, healthcare and educational institutions). BNG does not offer financing to private customers. Shareholders are exclusively Dutch public authorities, via the Dutch state (50%) and by municipal and regional authorities (50%). As per the institutions' articles of association, ownership is restricted to the Dutch public sector. Moody's, Fitch and S&P rate BNG 'AAA'/'Aaa' as a reflection of its public-sector ownership.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	128.0	115.5
Total Equity	4.8	4.7
Outstanding Loans	94.6	90.6
Debt Securities	113.9	102.4
Key Ratios (%)		
Return on Equity	6.4	5.6
Debt / Capital	94.4	94.6
Liquid Asset Ratio	11.0	11.3
LCR	217	143
NSFR	139	119
CET1	40.2	42.8
Cost-Income Ratio	25.2*	24.0

Source: Company reports; Bloomberg. *As of 1H24.

Main Purpose and Support

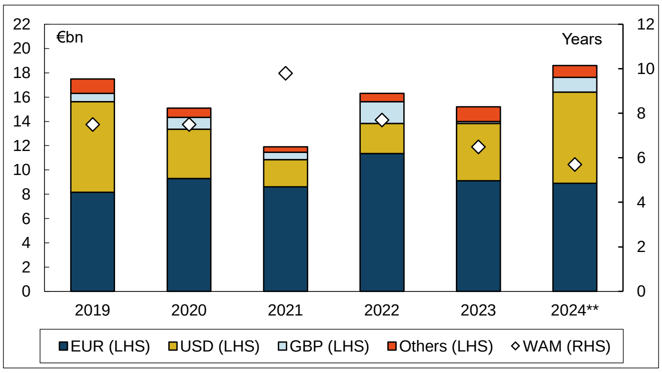
After the Dutch state, BNG is the largest public sector issuer in the Netherlands, and its purpose is to provide competitively-priced loans to the public domain, addressing social challenges and maximising the social impact of investments. Although the Dutch state does not outright guarantee the institutions' obligations, BNG's financial strength is underpinned by a high level of government involvement, as aspects relating to strategy, or capital and dividend policy are approved by the Ministry of Finance. Furthermore, a high proportion of loans falls under a backstop guarantee from the Dutch state (1H24: 60% of long-term loans across lending to housing associations and healthcare), and BNG's designation as an institution of national systemic importance since 2015 elevate its policy importance and underline its leading market position.

Funding, Liquidity and Capitalisation

Funding: At FY24, BNG's balance sheet stood at €128bn, 81% funded by debt securities in issue and 4% by equity. BNG's significant reliance on wholesale funding makes it a regular issuer in capital markets to support its lending activity. In 2024, the €19bn long-term issuance target was mostly met (98%) across 90 transactions, with a weighted average maturity of 5.7 years. EUR and USD made up the bulk of the issuances, accounting for 48% and 40%, respectively, followed by GBP (7%), AUD (2%) and CHF (2%). Long-term funding is undertaken via four programs: (1) Debt Issuance Programme (DIP; €110bn threshold); (2) Kangaroo & Kauri bonds (AUD15bn); (3) Uridashi & Samurai (JPY500bn); and (4) Namensschuldverschreibung (NSV; €10bn). Of the €18.6bn raised in long-term debt 40% were ESG labelled, bringing the total outstanding ESG volume to €26.7bn (+22% yoy). Taking into accounted matured bonds, BNG has issued more than €32bn in sustainability or social bonds since 2014.

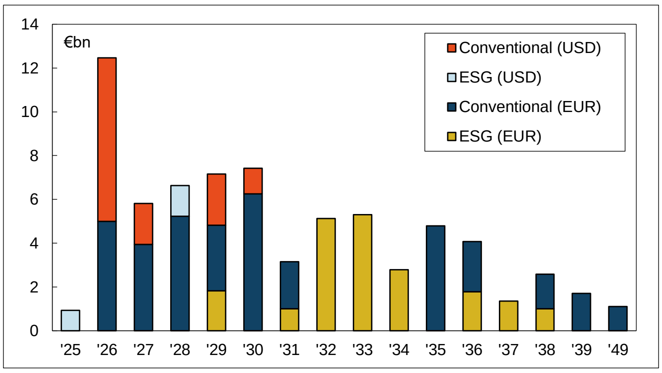
Liquidity: Short-term liquidity needs are partially managed via its Euro (€20bn) and US ($20bn) Commercial Paper funding programs, with BNG reporting a combined uptake of €9.6bn at FY24. BNG has access to €29bn of liquidity with the European Central Bank which it can draw upon with no notice, and are collateralised by pre-pledged public sector loans, with most of BNG's loans being eligible collateral for funding from the central bank. BNG's liquidity portfolio stands at €14.0bn at FY24, largely made up of government and supranational debt (70%), covered bonds (20%; entirely 'AAA') and RMBS (10%; entirely 'AAA'). BNG's LCR and NSFR are consequently reported at 217% and 139% respectively, stable in recent years and above minimum requirements set by the ECB.

Annual issuance volumes by currency and WAM*



*Source: Company reports. *Weighted average maturity.*

Benchmark USD/EUR maturity schedule



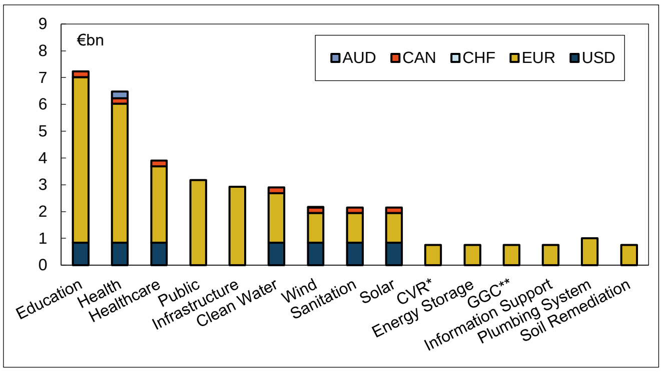
Source: Company reports. EUR/USD rate 1.0713 as of 1H24

Capitalisation: At FY24, BNG's total equity stood at €4.4bn, of which 94% made up of CET1 capital and remainder made up of AT1 securities issued in 2016. Large portions of the loan-book are assigned a 0% risk-weighting, and the resulting CET1 ratio stood well-above minimum requirements set by the European Central Bank at 40% (FY23: 43%; FY22: 33%). As part of the annual Supervisory Review and Evaluation Process (SREP), BNG has received notification from the ECB that its total SREP capital requirement is set at 10%, effective as of 1 January 2025. Additionally, the overall capital requirement (OCR) includes buffer requirements such as the capital conservation buffer (CCB; 2.5% CET1), the countercyclical buffer (CCyB; 2% for domestic loans outstanding) and the O-SIB buffer (0.25%), bringing the total to 14.75%. The Tier 1 leverage ratio was reported at 12% (FY23: 13.4%), lower than last year due to the increase in the balance sheet.

ESG Credentials

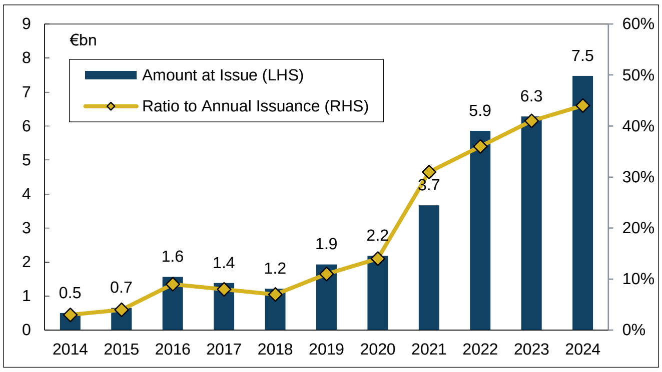
As part of its 2024-26 'Road to Impact' strategy plan, the institution aims at maximising its social impact and has identified five SDGs (3, 4, 7, 11, 13) that align closely with the activities BNG finances. The institutions' Sustainable Finance Framework (SFF) follows the four key pillars of the ICMA Green Bond Principles (GBP) and Social Bond Principles (SBP) and is accredited with a SPO from ISS-Corporate. The SFF is divided into two sub-frameworks, split between proceeds for Dutch municipalities and Dutch social housing associations. BNG is a market leader in financing the Dutch social housing sector via bond issuance. Proceeds are used to fund SDG expenditures of domestic social housing associations, with the intention of addressing core issues such as affordability, availability, sustainability, liveability and financial viability – the 5 "core tasks" for any housing association as defined by the national social housing organisation (Aedes). BNG's June 2024 impact report on social-labelled debt (mostly social housing), highlights €11.1bn of social bonds issued since the start of the framework in 2021, and more than 1,500 loans extended to housing associations as a result. As of FY23, €5.9bn in social bonds were issued, financing 630 loans that were disbursed to housing associations. BNG also reports €4.5bn in sustainability bonds since 2021, and 537 loans extended to local municipalities (2023: €350mn of sustainability bonds issued; financed 63 loans disbursed to Dutch municipalities). Proceeds towards municipalities provide the districts with financing to decide on the likes of public green spaces, social housing, forms of healthcare and the implementation of local and national policies.

ESG bonds use of proceeds



*Source: Bloomberg for bonds issued YTD from 1H24. *Circular Value Recovery. **Greenhouse Gas Control.*

ESG bond issuance trends



Source: Company reports

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
25 Jan 2024	5Y	US$ 2,500	MS + 49	3	4.250	4.253	-
01 Mar 2024	3Y	US$ 2,000	MS + 32	4	4.500	4.618	$7,500 / 3.75x
05 Apr 2024	5Y Social	€ 1,750 *	MS + 13	2	2.750	-	€2,900 / 1.66x
28 Aug 2024	10Y Social	€ 1,500 *	MS + 33	1	2.750	-	€1,800 /1.20x
01 Oct 2024	2Y	US$ 2,500	MS + 34	3	3.625	3.679	$4,200 / 1.68x

*Source: Bloomberg; Bondradar; *Tapped to the following amounts, in descending order: €2,080, €1,750.*

Bpifrance SA – BPI

Background and Ownership

Bpifrance SA (BPI) acts as a development bank, innovation agency, sovereign fund, and export credit agency. It is dedicated to promoting the financing and development of companies in France, particularly SMEs. Its main shareholders are the French state (via EPIC Bpifrance) and Caisse des Dépôts (CDC) each with a 49.18% stake. They both fully and irrevocably guarantee all obligations under the subsidiary. EPIC Bpifrance in turn is classified as a central government body, wholly-owned by the French state, benefitting from an implicit but automatic solvency and liquidity guarantee, derived from its status as an établissement public à caractère industriel et commercial (EPIC). Together these entities constitute Bpifrance Group. Bpifrance S.A. is directly regulated by the European Central Bank (ECB) and under domestic supervision by the Financial Markets Authority (AMF) and Autorité de Contrôle Prudentiel et de Résolution (ACPR).

Key Data		
Balance Sheet (€bn)	FY23	FY22
Total Assets	100.4	101.6
Total Equity	30.1	27.5
Gross Loans	50.3	49.0
Debt Securities	42.2	39.8
Key Ratios (%)		
ROCE	3.9	5.4
LT Debt / Capital	49.1	45.3
LT Debt / Equity	140.4	144.6
Liquid Asset Ratio	17.2	17.0
LCR	368	427
CET1	29.5	27.6
Cost-Income Ratio	52.3	42.2

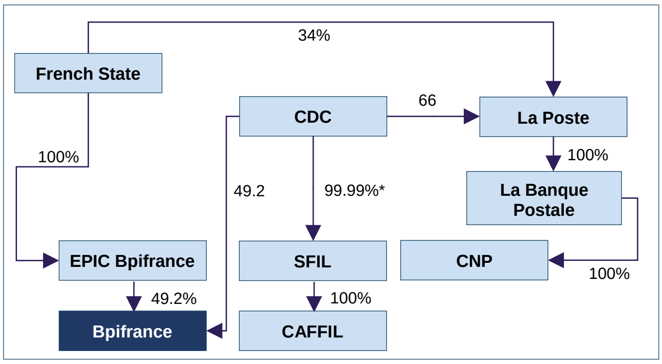
Source: Company reports; Bloomberg

Main Purpose and Support

BPI's main purpose is to facilitate the financing of French SMEs and mid-caps, fostering innovation and supporting local economic development. This occurs at vulnerable stages of the business such as the early-stage, innovation, international expansion or ownership transitions. Allocations and backing from the French State, regional authorities, and the European Union enable Bpifrance to offer guarantees, subsidised loans, equity investments, and co-financing arrangements alongside (private) banks and innovation support networks. However, Bpifrance's interventions are strictly regulated under European and national state aid rules, ensuring that its support does not distort competition or unfairly benefit companies. All of its aid mechanisms are designed to complement, rather than replace, private sector financing.

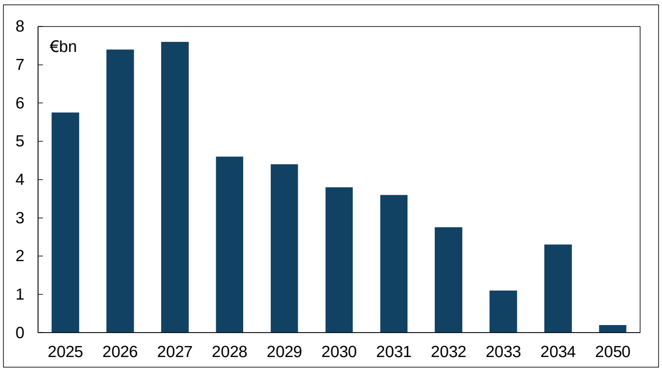
In 2021, the investment plan "France 2030" was presented by the French president, outlining €54bn in investments to improve economic competitiveness and support the environmental transition of domestic companies for which BPI plays a key financing role. Due to its importance in implementing the government's socio-economic objectives, it is designated with the special EPIC legal status, preventing the institution from entering into bankruptcy proceedings. All outstanding debt obligations are consolidated into that of the state under Maastricht rules and in the case of dissolution, all assets and liabilities would be transferred over as well. The EPIC status also means that BPI is under stringent oversight from the French Ministry of Economy and Ministry of Higher Education, Research and Innovation. Lastly, the entity is expected to benefit from state liquidity support mechanisms under distressed scenarios, in line with other EPIC institutions.

Bpifrance organisational structure



*Source: Company reports; *French state retains one ordinary share.*

EMTN & NEU EMTN maturity schedule



Source: Company reports

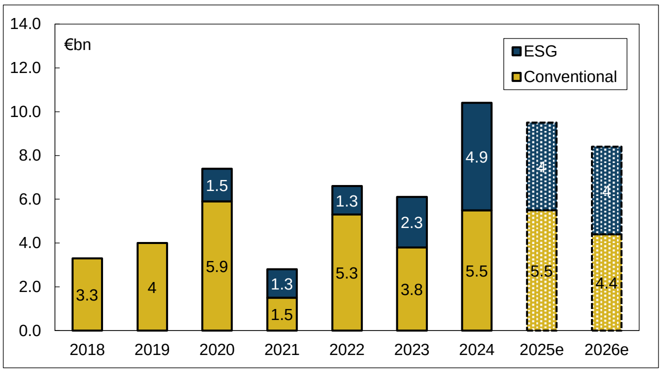
Funding, Liquidity and Capitalisation

Funding: BPI are frequent issuers in primary markets, placing benchmark bonds on a regular basis (some €1bn aimed to be issued each quarter) in EUR and GBP denominations so as to meet funding needs that match loan disbursements over the course of the year. The overall balance sheet of €102.7bn at FY24 is split between debt securities (60%) and equity (28%), highlighting BPIs reliance on wholesale funding. The funding program has expanded over the years to meet increased financing demand, which doubled from pre-2018 levels. At FY24, BPI raised €10.4bn equivalent, above its €8bn funding target for 2024, 93% of which was EUR-denominated and the rest in GBP. The weighted average maturity of the new issues was around 5-years, somewhat skewed to the medium segment of the curve by one outlier benchmark transaction of €1.25bn with an 8-year tenor. Issues align with BPI's target maturity threshold of 3-10-years and the overall funding strategy is broken down into a several programmes. These include a €50bn EMTN, €4bn negotiable EMTN, €5bn short-term European commercial paper, as well as a ESG bond programme. BPI also undertakes taps of private and public bond placements up to a maximum outstanding amount of €2bn. Funding above the target amount has prompted a new issuance target of €9.5bn for 2025 – a record amount for BPI. The institution aims for 40% of its issued bonds to be ESG themed, with a 90% EUR-denomination target, and maturities ranging between 3-10-years.

Liquidity: BPI's cash and liquidity reserves amounted to €19.7bn at FY24, split between a liquidity buffer composed of highly liquid (actionable in <1-week) financial and commercial assets available to absorb shocks (52%), other eligible assets available within 1-month (non-current liquidity; 37%) and cash and ECB deposits (current liquidity; 11% of total). The liquidity pool amounted to 19% of total assets and liquidity ratios are among the highest in the eurozone, with LCR and NSFR at 280% and 114%, respectively, well above minimum requirements (100%).

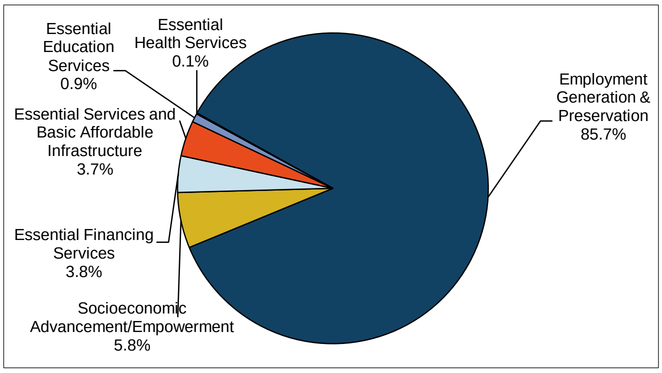
Capitalisation: As an ECB regulated entity, BPI needs to comply with solvency and capital ratios under CRR/CRD IV. BPI's capital structure is entirely made-up of CET1. As of end-2024, the solvency ratio stood at 27.4%, down 216bps yoy on the back of lower common equity and higher credit risk-related exposures. This places solvency levels comfortably above the minimum CET1 (9.75%) and overall capital (13.29%) requirements.

Annual Bond Issuance Volumes



Source: Company reports

Social Bond Proceeds by ICMA Category



Source: Company reports

ESG Credentials

BPI describes itself as the 'right hand of the French state' and backed by its highly protected legal status as an EPIC, its actions are guided and aligned by the social principles of the state. It aims to meet four societal priorities which align with the UN SDGs: (1) support employment and job creation; (2) encourage women entrepreneurship; (3) ecological and energy transition and; (4) quality of governance and management. Regarding climate targets, BPI have extended €20bn between 2020-23 towards the energy transition, renewable energy and the growth of greentech and are targeting €35bn of disbursements between 2025-2029. The increase in ESG-related lending activity prompted BPI to launch two frameworks: its Green Bond Framework (GBF; released 2021 and updated 2023) and Social Financing Framework (SFF; 2023). Both are supported by second party opinions from ISS ICS and EthniFinance respectively, and the SFF aligns with ICMA's SBP (2021 & 2022 appendix) and the Social Objectives of the Final Report on Social Taxonomy (2022).

The SFF aims to further develop the market of sustainable finance in France, with financing activities channelled towards micro, small and medium enterprises (MSMEs) in all French territories. Specifically, BPI supports vulnerable MSMEs affected by natural and health disasters, company innovation, digital transformations, and it provides loans that support social inclusion, education and health. As at FY24, sustainable bonds outstanding amount to €12.75bn, split between its green bond programme (€6.5bn; 51% of total), social bonds (€4.75bn; 37%) and its COVID-19 response bonds (€1.5bn; 12%). The issuer's latest social bond impact report from FY23 highlights that funds are directed towards MSME's in disadvantaged territories (57%), loans to finance innovation (17%) and MSMEs affected by health disasters (15%). BPI's ambition is to remain a top 20 ESG bond issuer in euro (excl. sovereigns and supranationals), increasing its ESG issuance volume from 20% of annual issuance volumes to ~50% by 2026.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
09 Jul 2024	10Y	€ 1,250*	FRTR + 23	-	3.375	3.399	-
27 Aug 2024	5Y Social	€ 1,500	FRTR + 22	-	2.750	2.871	€ 8,200
21 Oct 2024	7Y Green	€ 1,500	FRTR + 20	-	2.875	2.915	€ 5,400

*Source: Bondradar; Bloomberg; *Tapped to €2,000.*

Caisse d'Amortissement de la Dette Sociale – CADES

Background and Ownership

The Caisse d'Amortissement de la Dette Sociale (CADES) is a wholly-owned public administrative institution of the French state, established to refinance and amortise France's accumulated social security deficits. Once full amortisation of its debt has been completed, the intention is for the institution to cease to exist by 2033 (extended from previous 2024 end date). Created in 1996, CADES hold a special legal status as a "public establishment of an administrative nature" (EPA in French), whereby, rehabilitation and court order liquidation proceedings do not apply and in the case of dissolution, assets and liabilities would be transferred to the state. CADES operate under direct government oversight, supervised by the country's finance and social security ministers.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	13.0	8.3
Total Reserves	(137.9)	(145.2)
Outstanding Loans	0.1	0.0
Debt Securities	147.2	150.9
Entity-Specific (€bn)		
Debt Transfers (1)	8.8	27.2
Net Income (2)	16.0	18.3
Net Debt Variation*	(7.2)	8.9

Source: Bloomberg, company reports. *(1)-(2)

Main Purpose and Support

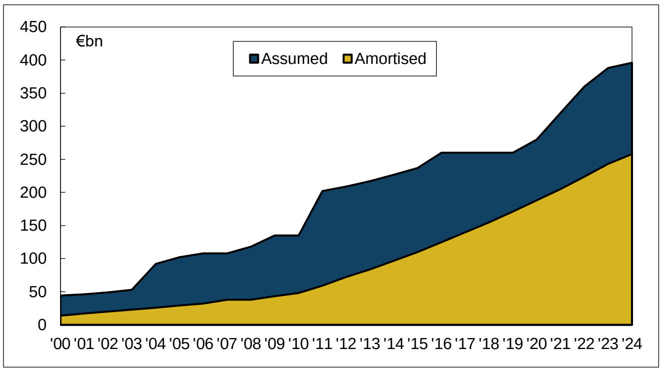
CADES fulfils a strategic mandate on behalf of the French state, funding and redeeming debt arising from built up deficits of social security administrations. It fulfils a key role in supporting the financial sustainability of the social security system, the latter being a constitutional responsibility of the French state. Since 1996, €396bn in social debt has been transferred to CADES and it has repaid 65% of it (€258bn) as at FY24. CADES is endowed with the proceeds of two taxes to accomplish its mission, the Contribution Sociale Généralisée (CSG) and Contribution au Remboursement de la Dette Sociale (CRDS), of which it receives 0.45% and 0.50% respectively. Additionally, the institution received an annual €2.1bn contribution from the Fonds de Réserves pour les Retraites (FRR), which was reduced to €1.45bn in 2025. Very strong government support is expected, supported by the EPA classification, its unique legal status, the state's responsibility for CADES' solvency and liquidity, and the receipt of dedicated tax revenues.

Funding and Liquidity

Funding: Since 2017, CADES' funding programme is managed by France's sovereign debt management body – the Agence France Tresor (AFT), and it is a regular issuer of debt securities in international capital markets. CADES set a €25bn issuance target for 2024, split by €20bn in medium-to-long-term debt (EUR, USD benchmark issuances and taps in EUR/ other currencies) and €5bn in short-term issues (via US commercial papers). CADES are one of the world's largest social bond issuers and benefit from excellent access to markets. Between September 2020 and end-2024 CADES issued €127bn in social bonds, 97% of their total issuance over the same period. For 2025, the funding target was set at €10bn via medium and long-term debt of which €4.8bn equivalent has been realised to date.

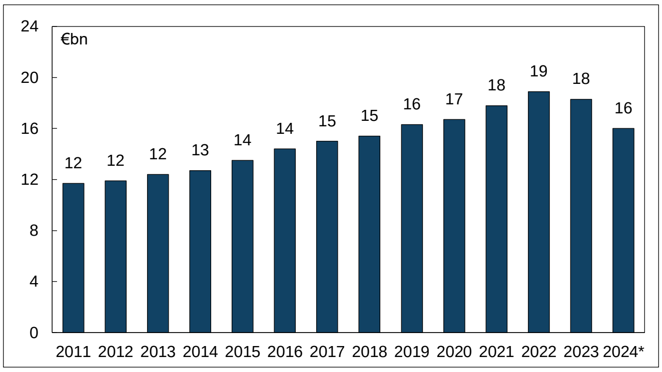
Realised funding in 2024 was €18.1bn in medium and long-term debt, split by two EUR and three USD benchmark transactions with tenors ranging between 3 and 5 years. Three bonds carried a social label, representing 65% of 2024 total funding. The outstanding debt structure is predominantly euro-denominated (61%), followed by USD (37%), with much smaller volumes in GBP, NOK, SEK and CNY. Tenors were clustered around the medium-term, with average tenors at issue 4.8-years, and the longest just 6-years. This is also reflective of the agency's limited remaining mandate, set to expire in 2033.

Social debt assumed vs amortised



Source: Company reports

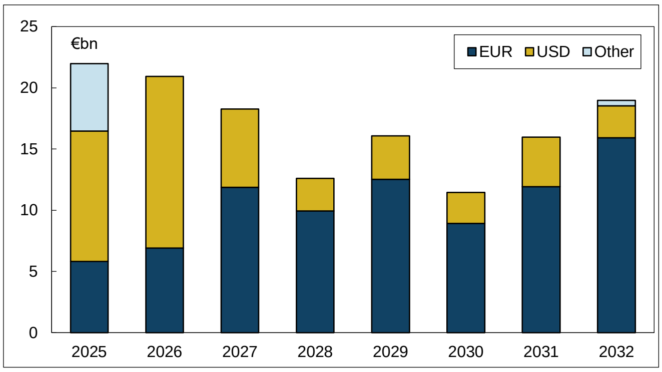
Evolution of annual amortisation amounts



*Source: Company reports; *2024 forecast as of Mar-2025*

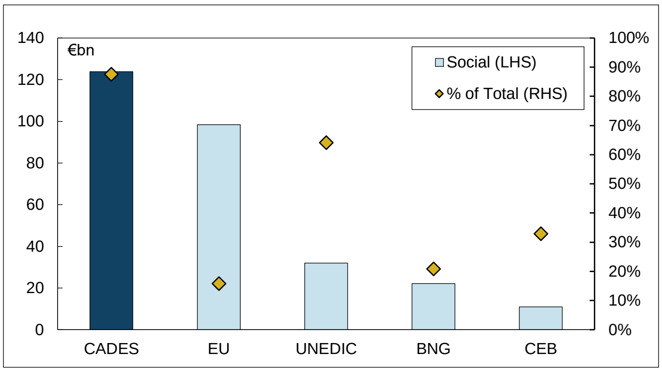
Liquidity: Historically, CADES have kept limited excess cash reserves (FY23: 30% of total assets), as resources need to be allocated exclusively to payments due on its borrowings. This means that CADES' liquidity holdings are considered modest, which is partially mitigated by a stable funding base and robust support mechanisms owed to its affiliation with the French state. As of 1H24, cash balances rose substantially to 61% of total assets due to net positive cash flows from a lower assumption of social security debt from social security funding organisations. Liquidity holdings are otherwise kept stable, owing to the steady collection of proceeds from the CSG and CRDS taxes, which are transferred to CADES on a daily basis. Furthermore, CADES benefits from credit lines held with the Banque de France, totalling €1.2bn. Lastly, owing to CADES' EPA status as a public administrative establishment, in the event of a liquidity shortfall, the institution has access to the French government's emergency liquidity support mechanisms, assured through the French treasury and via the purchase of negotiable short-term notes issued by CADES.

Bond repayment schedule



Source: Company reports

Top 5 SSA social bond issuers



Source: Bloomberg; Bond volumes correspond to active bonds; Bonds outstanding as of April 2025

ESG Credentials

Since its creation, CADES has played an instrumental role in supporting the French healthcare and retirement systems. CADES' position as one of the world's largest social bond issuers underpins its mission to amortise France's social debt and support the country's broader social welfare systems. CADES implemented its Social Bond Framework in September 2020 and it is supported by a second-party opinion from Vigeo Eiris, affirming the framework's alignment with the ICMA's SBP. Proceeds from these bonds are exclusively allocated to refinance social debt transferred to CADES since 2020. These eligible debts amounted to €120bn as of end-2024 against €127bn of outstanding social bonds, the scope of which split between illness (€102bn) and elderly (€18bn). In 2024, CADES issued 3 social bonds in EUR and USD for a combined €11.7bn equivalent, allocating funds to health and old-age pension branches of the general social security system (refinancing deficits accumulated between 2020-24).

Under French law, CADES is due to fully-amortise France's social debt by 2033, reflecting the state's ambition to be fiscally responsible and restore long-term sustainability to the nation's social security system. When created in 1996, CADES' initial mandate was to fully repay the social debt transferred to it by year-end 2014 (~€137bn of debt to amortise at the time). The mandate deadline has been extended twice so far, with the most recent extension occurring in 2020. This was heavily influenced by the effects of the pandemic that magnified the continued and expanded need for social security funding in France. Further extensions remain possible and are largely dependent on whether new social debt is expected to be transferred in the future (i.e. due to economic crises, social security system or fiscal reforms). In the lead-up to the 2033 deadline, funding requirements will gradually decrease as outstanding social debt shrinks, and the institution will increasingly concentrate bond issuance in the shorter-term.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
16 Jan 2024	5Y Social	€4,000	FRTR + 29	-	2.750	2.770	€20,000 / 5.00x
24 Jan 2024	3Y Social	US$4,000	SOFR MS + 38	3	4.250	4.301	-
14 Feb 2024	Long 3Y Social	€4,000	FRTR + 25	-	2.750	2.828	€21,100 / 5.25x
22 May 2024	5Y	US$4,000	SOFR MS + 40	3	4.500	4.642	$17,000 / 4.25x
12 Sep 2024	3Y	US$3,000	SOFR MS + 42	1	3.750	3.805	-

Source: Bloomberg; Bondradar

Caisse des Dépôts et Consignations – CDC

Background and Ownership

Caisse des Dépôts et Consignations (CDC) is a French government-related financial institution which performs a range of financial functions on behalf of the government, and engages in long-term investments, intended to support economic development in France. Formed in 1816, it plays an important role in supporting the French government's policy and carries out its mission in the public interest. Under the umbrella of CDC, affiliates include Bpifrance (public development bank joint-owned with the State; 49.2% shareholding), SFIL (public development bank provides funding to local and regional French government and public hospitals; 99.9%) and La Poste (French postal services; 66%), which in turn wholly-owns La Banque Postale (local banking services).

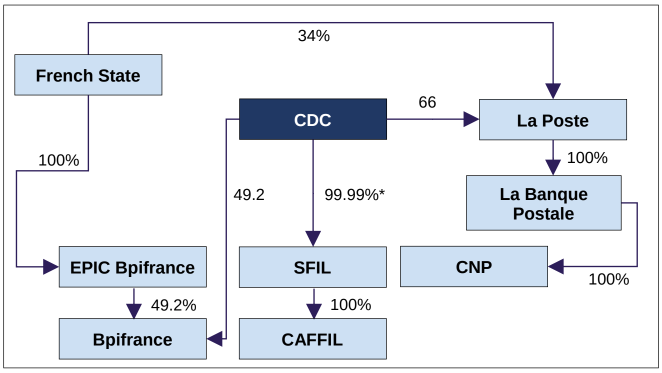
Key Data		
Balance Sheet (€bn)	FY24	FY22
Total Assets	1,034	1,040
Total Equity	70.5	70.7
Outstanding Loans	199.1	192.3
Debt Securities	158.2	155.4
Key Ratios (%)		
LT Debt / Equity	224.2	219.9
LT Debt / Capital	57.3	56.3
Liquid Asset Ratio	43	42
LCR	165	146
NSFR	132	132
CIR	94.5	94.7

Source: Company reports; Bloomberg

Main Purpose and Support

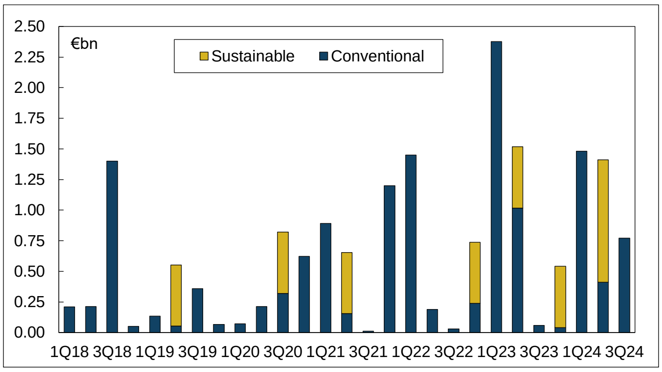
CDC is the only public sector institution in France designated as a special institution (établissement spécial), originally derived from a special law enacted in 1816. It serves the state's mandate through: (1) legal deposits and banking services - it has a monopoly in the administration of funds protected by French law and acts as the institutional bank for the French social security system and other public interest bodies; (2) local development - providing equity financing for public development projects and SMEs and support for new businesses and local job-creation schemes; (3) affiliates and strategic shareholdings - which in turn support government policies; and (4) manages pension schemes on a non-profit basis on behalf of the state. Even though CDC has no share capital, and balance sheet capital is comprised solely of accumulated reserves, it is subject to parliamentary supervision and considered to be an extension of the sovereign. There is no explicit guarantee on CDC's debt, and its legal status is defined by the monetary and financial code (article L-518), providing it with immunity to liquidation and bankruptcy. It also benefits from solvency protection (under law 80-539), whereby, in the event of dissolution, decisions on the institutions' assets and liabilities become the responsibility of the French state. CDC's strategic importance and integral links with the public administration are reflected in the equalisation of its credit rating with that of the sovereign by all three major agencies.

CDC group operating structure



*Source: Company reports; *French state retains one ordinary share*

Quarterly issuance volumes by label



Source: Bloomberg

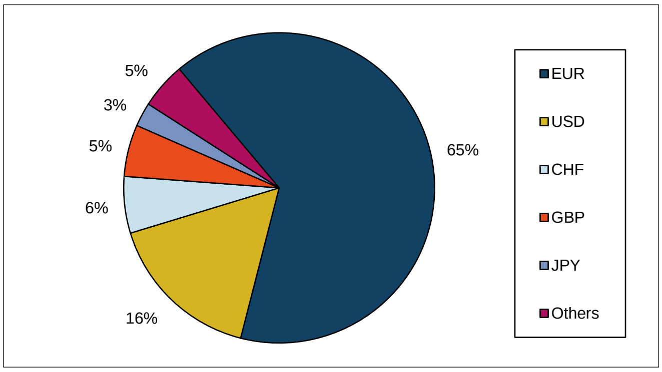
Funding, Liquidity and Capitalisation

Funding: CDC's main source of funding lies with the legal deposits it is entitled to as part of its custodian role, including deposits from notaries and the wider legal profession, unclaimed bank accounts and life insurance funds. Deposits from notaries are closely correlated to the real-estate markets and as such are sensitive to seasonal variations and general changes in real-estate transactions. CDC also maintains good access to capital markets through its €25bn EMTN programme under which it is likely to issue €3-5bn per year in maturities ranging from 2 to 30 years. At FY24, outstanding EMTN and NEUMTN bonds stood at EUR22bn, split by EUR (65% of total), USD (16%), CHF (6%) and GBP (5%). These were complemented by smaller benchmarks in JPY, NOK and AUD among others. CDC also conducts some 20 private placements per year with sizes ranging between €10mn - €300mn across a variety of currencies. 2024 issuance activity of CDC shows that it placed €3.6bn in medium-long-term bonds, largely denominated in EUR (41%), followed by USD (34%), GBP (18%) and CHF (7%). Assuming reciprocity with its financing activity, funding volumes are expected to rise between 2024 and 2028, following an increase of the target amount to €100bn worth of loans, investments and guarantees for the ecological transition. For comparison, CDC extended approximately €80bn of financing between 2020 and 2024 against its previous target of €60bn.

Liquidity: Despite low cash reserves of roughly 3% as a proportion of total assets, CDC's designation as a special establishment implies that it is not subject to liquidation laws and creditors ultimately have recourse to the French state. Additionally, as is the case with the majority of government-related public institutions, CDC would have access to the government's emergency liquidity support mechanisms, including emergency loans. Furthermore, the treasury would likely also purchase its long-term bonds or short-term notes that are issued. Short-term funding and liquidity needs are supported by CDC's €20bn NEU Commercial Paper programme (€3bn outstanding as of end-2024) and €30bn global Commercial Paper programme (€12.7bn outstanding).

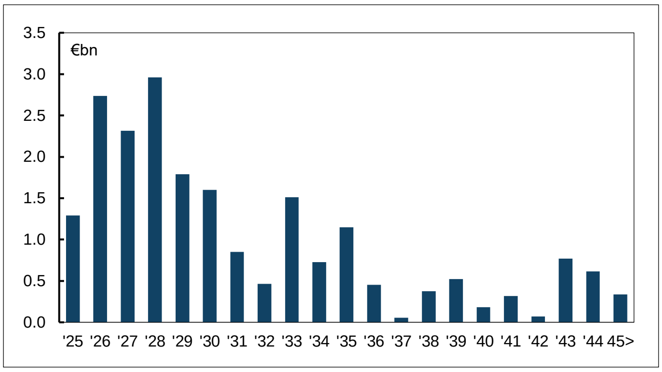
Capitalisation: Although CDC is not a bank and is not subject to BRRD regulation, it reports to the French banking regulator (APCR) as of 2020. This was stipulated under the PACTE law that also affirmed CDC's public interest mandate on behalf of the French government. CDC's internal prudential models, derived prior to the PACTE law taking effect, were deemed appropriate and suitable to the group's overall business model and activities by APCR. Total equity attributable to the owners stood at €70.6bn at FY24, almost unchanged yoy. Total equity (incl. non-controlling interests) to assets stood at 6.8%, also unchanged against last year. Following the integration of La Poste, CDC's consolidated capital structure changed materially as the newly integrated entity is more reliant on financial debt, explaining the strong reduction in the 'equity-to-asset' ratio that stood at 25% back in 2019.

EMTN bonds breakdown by currency



Source: Company reports; As of end-2024

EMTN bonds maturity schedule



Source: Company reports; Bloomberg; As of Apr-2025

ESG Credentials

Priorities under CDC's broad public guidelines include promoting sustainable growth, employment, as well as local and economic development. Its stated mission is to contribute to the sustainable development of France, by accelerating its transition towards a resilient and low-carbon economic model while considering the social dimension of the transition. CDC strives to combat social divisions resulting from territorial, demographic and social inequalities. CDC's operations are in accordance with the Paris Climate Agreement and it introduced its Sustainable Bond Framework (SBF) in 2019, which was most recently updated it in February 2023, permitting the issuance of green, social and sustainability bonds. This framework carries a second party opinion from Moody's ESG Solutions, deeming it credible and aligned with the four core components of ICMA's Green and Social Bond Principles and its Sustainable Guidelines.

CDC remains committed to issuing at least €1bn in bonds under its SBF each year, while also having raised its transition financing target from €60bn to €100bn between 2024 to 2028. As part of its social and regional cohesion strategy, CDC aims to provide services to French citizens that support their daily lives and foster the development of affordable housing in all territories. According to Bloomberg data, there were €7.5bn in ESG-labelled bonds in issue under the CDC Group, split between green (€2.75bn) and sustainability (€4.7bn) bonds. The issuer's most recent allocation report from FY23 shows that use of proceeds from the issue of its sustainability bonds were split between green (54% of proceeds) and social (46%) projects. Social loans finance projects related to social housing (24%), thermal renovation of social housing (17%), supporting the elderly (4%) and access to digital services (1%).

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
10 Jan	5Y	£ 300	SONIA MS + 40	0	4.000	4.004	£370 / 1.2x
24 Jan	3Y	US$ 1,000	SOFR MS + 35	3	4.250	4.344	$3,000 / 3.0x
25 Apr	5Y Sustainable	€ 1,000	OAT + 17	-	3.000	3.036	€11,000 / 11.0x
10 Sep	3Y	£ 250	SONIA MS + 36	1	4.000	4.074	£350 / 1.4x

Source: Bondradar; Bloomberg

Caisse Française de Financement Local – CAFFIL

Background and Ownership

Caisse Française de Financement Local (CAFFIL) is a French specialised credit institution with a mandate to solely transact with public sector entities or entities that they fully guarantee. Created in 1998, the institutions' role is to finance guaranteed home loans, loans to the public sector and exposure to credit institutions. CAFFIL is 100% owned by SFIL S.A. – a French public development bank – serving a vital role as issuer in executing the group's public policy mandate. In 2020, the SFIL Group was transferred to the Caisse des Dépôts et Consignations (CDC) Group as part of the French government's strategy to strengthen its public financial ecosystem and support the financing of public sector projects.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	68.6	65.0
Total Equity	1.5	1.5
Outstanding Loans	47.1	45.8
Debt Securities	54.0	53.8
Key Ratios (%)		
LT Debt / Equity	3,622	3,625
LT Debt / Capital	82.2	86.5
Liquid Asset Ratio	62.6	62.5
LCR	100	100
NSFR	114	113
CIR	51.0	57.4

Source: Company reports; Bloomberg

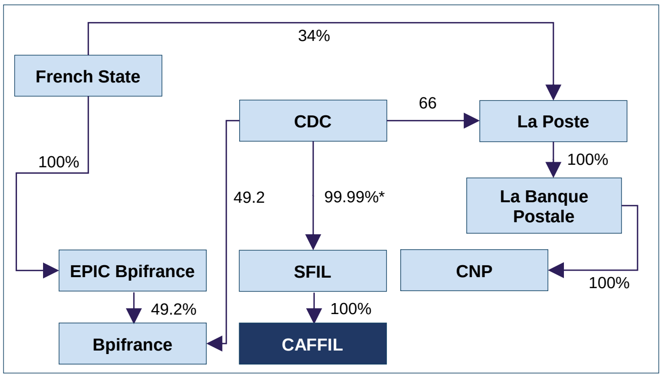
Main Purpose and Support

CAFFIL is a specialised credit institution (société de crédit foncier; SCF) that primarily refinances loans to public sector entities through the issue of covered bonds. Its two stated public policy missions are (1) to provide funding for French local authorities and hospital investments; and (2) to provide funding for large export contracts. In this context, CAFFIL, and SFIL Group more generally, are key components to the financing scheme set-up by the French state in 2013 for local authorities and public hospitals. For example, it refinances loans to the local public sector, originated by La Banque Postale. This partnership and the related covered bond programme have established CAFFIL as one of the leading players in the French public sector loan market. SFIL's credit ratings are aligned with that of the French sovereign ('Aa3'/'AA-'), whereas CAFFIL's covered bond ratings benefit from three-notch ratings uplift by Moody's and DBRS. The 'Aaa'/'AAA' ratings of its covered bonds mean the issuer only incurs low funding costs and can pass on optimum financing conditions on public sector loans. The SFIL Group are subject to government oversight from the ECB and l'Autorité de Contrôle Prudentiel et de Résolution (ACPR), ensuring compliance with banking regulations (including Basel III capital requirements). Covered bonds issued by CAFFIL are subject to the EU Covered Bond Directive, which aligns covered bond frameworks across EU member states.

Funding and Liquidity

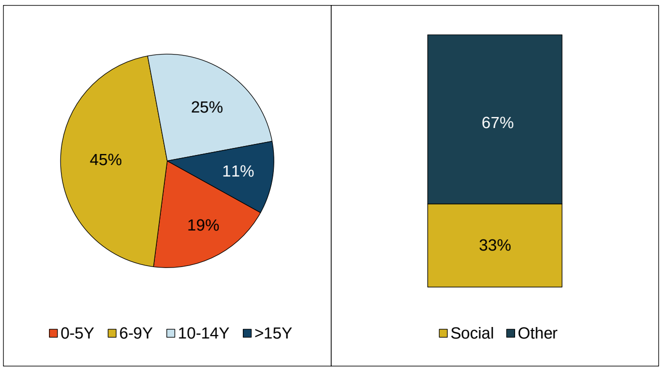
Funding: Total Liabilities at FY24 stood at €68.1bn, split between issued debt securities (79%), direct borrowings from parent SFIL via its financing agreement (15%) and common equity (2%). The majority of CAFFIL's wholesale funding stems from its covered bonds (obligations foncières), which benefit from a "legal privilege". This ensures bondholder protection and lien to the cover pool of assets if CAFFIL were to enter into a distressed scenario. CAFFIL's covered bonds are secured by a pool of loans and bonds to the public sector (FY24: 93% of cover pool), and other low-risk exposures to credit institutions (5%) and Banque de France cash deposits (2%). Institutions under the CDC umbrella facilitate CAFFIL's financing operations, with La Banque Postale (LBP) originating loans to French local governments, public hospitals and other public sector entities tailored to meet the long-term financing needs of public infrastructure and services. SFIL in turn purchases these loans from La Banque Postale and then transfers them to CAFFIL (subject to alignment with CAFFIL eligibility criteria), which then become collateral for issued covered bonds. The institution ensures that all acquired assets comply with French and EU regulations governing covered bonds.

CAFFIL organisational structure



*Source: Company reports; *French state retains one ordinary share.*

2024 issuances split by tenor and label



Source: Company reports

CAFFIL communicated a €4-5.5bn covered bond issuance target for 2024 (2023: €3.5bn target) that was met with €5.3bn, in new transactions, curve extensions and private placements, against €5bn in redemptions. Funding activity was focused on issuing benchmark covered bonds in primary markets (80%; €4.75bn), followed by two taps of existing lines (9%; €0.5bn) and private placements (11%; €0.57bn). Primary market activity was sustained by high demand for longer-maturity bonds from investors, with the average maturity at 9.4-years (2023: 7-years). CAFFIL is a frequent and sought after issuer in capital markets and an illustration of that was the record level of subscriptions received for its 15-year, €500mn covered bond placed in May 2024, with order books reaching €7.4bn (~15x subscribed) across 160 international investors.

For 2025, CAFFIL revised its funding target upwards again to €5.5-6.5bn with €5bn in expected redemptions. The plan otherwise remains unchanged, targeting longer-term maturities subject to investor demand, while also maintaining the placement of at least one social and green bond each. The continued push for ESG-labelled issuances underscores SFIL's ambition to increase the proportion of sustainable bonds to at least one-third of total volumes. Group-wide issuance activity is expected to range between €8-10.5bn in 2025, of which CAFFIL will account for 60-70%.

Liquidity: As a specialised credit institution, CAFFIL is subject to a minimum over-collateralisation (OC) ratio to ensure that sufficient HQLA is held against covered bond issuances. According to both French covered bond law and the European Capital Requirements Regulation (CRR), CAFFIL must maintain the value of covered assets to the pool outstanding covered bonds above 105%, which it comfortably complied with as of end-2024 (119.4%). Liquid assets and those eligible for refinancing by the Banque de France amount to €42.1bn, which is equivalent to 65% of the total assets (the cover pool). These assets are skewed toward French public sector holdings (93%) and are in turn largely made up of exposures to French municipalities, departments or regions (70%). At FY24, liquidity indicators such as LCR and NSFR were adequate and reported at 100% and 114% respectively, but somewhat below those of peer institutions.

ESG Credentials

Local authorities in France play a key role for public investments in social infrastructure and environmental protection, accounting for more than 80% of total public investment in these areas. SFIL and by extension CAFFIL are pivotal in providing this investment to all aspects of local development and services (i.e. schools, healthcare, water, transportation, amongst others). The importance of financing green and social investments by French local authorities is underlined by CAFFIL's regular presence in capital markets via green and social covered bond issuance since 2019. The resulting investments, support the ecological transition and provide access to essential services, while strengthening regional cohesion and offer affordable basic infrastructure. SFIL's Green, Social and Sustainability Bond Framework was most recently updated in November 2024 to consolidate all future ESG transactions under a single framework. The previous Green Bond (2019) and Social Note (2018) Frameworks are not used for new issuance any longer. The new framework serves to address strong demand for social loans from local authorities (e.g. in the area of public education) as well as the growing weight of green and social projects for the export contract financing activity. It also includes new best market practices and eligible green project categories under the EU-taxonomy. It carries a second party opinion from Fitch.

Since 2019, SFIL Group have issued €10bn of green and social bonds, making it one of the leading French public sector ESG issuers. The group committed to issuing 25% of 2024 bonds in ESG-format and exceeded that target. Between 2024 and 2030, SFIL Group is looking to increase the share of ESG as a share of overall bond issuance, targeting a ratio of 33%. These future proceeds are aimed at supporting the group's lending target of disbursing €12bn in social loans to finance public hospitals and social investments. Based on 2024 reporting, green and social loans continued to be on the rise and accounted for 44% of total lending (FY23: 43%; FY22: 37%).

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
24 Jan 2024	10Y Cov.	€ 1,000	MS + 47	-	3.125	3.135	€ 2,650 / 2.65x
19 Mar 2024	12Y Social Cov.	€ 500	MS + 45	-	3.000	3.026	€ 2,800 / 5.60x
17 May 2024	15Y Cov.	€ 500	MS + 45	-	3.125	3.171	€ 7,400 / 14.8x
03 Oct 2024	7Y Social Cov.	€ 1,250	MS + 69	-	3.125	3.204	€ 4,250 / 1.20x
25 Nov 2024	5Y Cov.	€ 1,000	MS + 57	-	2.625	2.733	€ 1,350 / 1.35x

Source: Bondradar; Bloomberg

Comunidad Autonoma de Madrid – ACM

Background and Ownership

Comunidad Autonoma de Madrid or Autonomous Community of Madrid (ACM) is one of the Spanish government's 17 autonomous regions, providing regional governmental services. It was formally created in 1983, based on the limits of the province of Madrid, which was until then conventionally included in the historical region of New Castile. ACM only covers an area of approximately 1.6% of Spain's territory but is the third most populous region in the country (~14.5% of total population), concentrated around the metropolitan area of Madrid. The 7 million inhabitants generate the highest GDP per capita (137% of national average) among all autonomous regions (2023 GDP: €275bn), contributing more than 19.4% towards Spain's total GDP, closely followed by the region of Catalonia.

Key Data		
Regional Data	FY24	FY23
GDP Per Capita (€000s)	42.2*	42.2
Debt / GDP (%)	12.0	12.2
Unemployment (%)	9.1	9.6
Budget Figures (€bn where applicable)		
Operating Revenue	27.5	24.0
Operating Expenditure	26.2	23.3
Fiscal Surplus / (Deficit)	1.3	0.7
Total Debt	37.2	35.9
Debt / Revenue (%)	136	150
Yearly Debt Issues	1.85	1.60
Green Benchmark	0.6	0.6
Sustainable Benchmark	1.0	1.0
Taps	0.2	0.0
Private Placements	<0.1	0.0

Source: Company reports; INE; Bank of Spain; * FY23

Main Purpose and Support

In order to meet its obligation as regional government, the ACM's budget is primarily comprised of state and locally managed taxes, with the majority of tax revenues coming from the federal state and transferred to the region. The remainder is sources from tax income directly from the regional government, and the remainder is comprised of non-financial income. The industrial base of the Autonomous Community of Madrid is heavily weighted towards the service sector, which amounts to 85% of the total regional economy. Wholesale & retail commerce (incl. hospitality & transportation) account for 23% of the economic base, followed by technical & scientific activities (19%) and public administration (14%).

All of the 17 autonomous communities in Spain benefit from an explicit debt guarantee from the state. This is relevant, and especially in the case of Madrid given its importance to the overall Spanish economy, as it enables the region to continue to provide crucial public services under all circumstances. The central government has set the precedent for such extraordinary support when it launched the Fondo de Liquidez Autonomico in 2012 in the wake of the financial crisis, the Facilidad Financiera fund in 2015 and the Fondo Covid-19 in 2020. These liquidity and funding support mechanisms have allowed ACM to access cheap funding in order to help cover budget deficits and finance debt redemptions when needed. However, since 2013 ACM has not requested any support from the central government and looked towards wholesale funding instead.

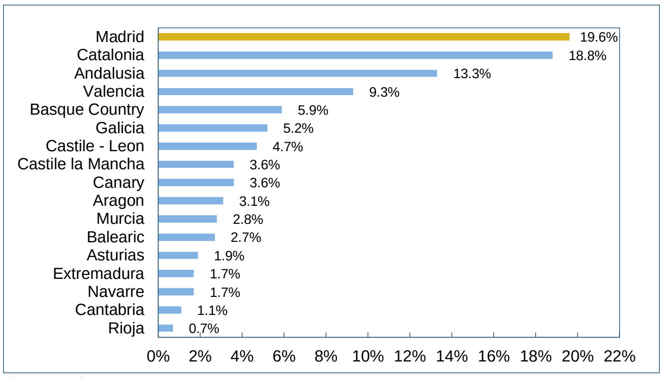
Funding and Liquidity

Funding: Madrid's funding requirements increased in 2024 to €3.9bn (+14% yoy) and have typically been satisfied in capital markets, thus distinguishing Madrid as one of the regions that largely avoids central government liquidity mechanism. For 2025, gross financing needs amount to €3.3bn, almost exclusively for refinancing of long-term debt redemptions (85% of total) and others. The preference is for medium to long-term maturities to smoothen the maturity profile towards longer term financing while promoting sustainable finance. Over the 15 years, the average debt maturity has gradually increased to 8.2 years from 5.5 back in 2010. The total debt stock at 4Q24 stood at €37.2bn, resulting in a manageable debt/GDP ratio of 12%, well below the regional average of 21.1%. ACM has also benefitted from benign funding conditions in recent years with average debt funding costs of 2.3% at 4Q24, very close to those of the Spanish Treasury (2.21%).

ACM's robust creditor status is underpinned by solid economic indicators. The latest available official data on the region's GDP shows that the ACM generated a GDP per capita of €42.2k against a national average of €30.9k. It is one of the wealthiest and most developed regions of the country, reflected in the lower than average unemployment rate of 9.1% as at 1Q25 (11.4% Spanish average). Foreign direct investment into the region as of FY24 was €24.7bn (67% of national total) and together with the region of Catalonia they account for 81% of total foreign investment received in Spain. Madrid's budget deficit is well controlled and expected to be -0.2% of regional GDP for the forecast 2024 period. The deficit is expected to narrow to just -0.1% of regional GDP (€316m) for 2025.

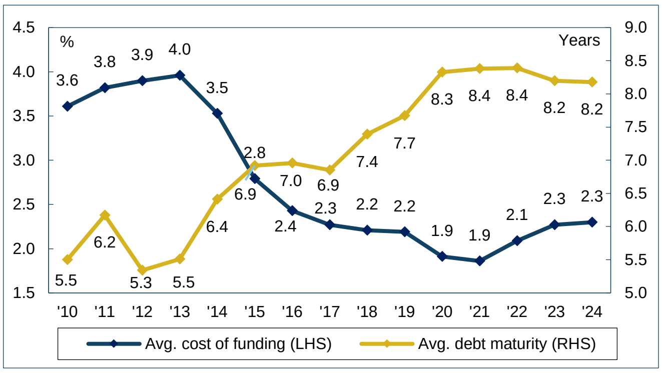
Liquidity: Madrid's liquidity position is prudently managed and there is little reliance, if any, on central government facilities, allowing for additional autonomy in ACM's debt management. Reliable and frequent access to capital markets, even during periods of market volatility are considered a strong positive in terms of the region's liquidity assessment. Historically, the region has reported low free cash positions as much of its near-term liquidity needs are predictable and follow a calendar of settlements. Additional comfort is provided by ACM's commercial paper (CP) programme and standby facilities with other banks, amounting to €2.8bn (€1.8bn of which are credit lines).

Contribution to national GDP by region (2023)



Source: Company reports

Average funding cost and maturity



Source: Company reports

ESG Credentials

The Autonomous Community of Madrid has a clearly articulated social and environmental mandate to meet the needs of its citizens. It is committed to integrate sustainable development and social responsibility in all its activities while playing a key role to promote sustainable initiatives across the region. Supported by its solid track record of successful debt management, Madrid was the first Spanish public administration to access capital markets to finance social projects and developments back in 2017, while also addressing the issues of climate change. In Spain it is the public sector entity with the largest amount of outstanding themed bonds, totalling €8.3bn as of April 2025. 63.5% of ACM's annual issuance in 2024 were sustainable, a sizeable amount. Social expenditures represent the largest share of programmes and include policies related to public health education, social services, employment promotion, public transportation, and subsidised housing

The issuer's Sustainable Finance Framework was last updated in 2020 and is aligned with ICMA's green and social bond principles, as well as the sustainability bond guidelines, and carries a second party opinion from Sustainalytics. As part of its wider ESG commitments, ACM is implementing the 2030 UN SDGs, pursuing the development goals 1, 3, 4, 5, 8, 11, 13 and 15. Madrid commits a substantial amount of its budget on social expenditures and to a lesser degree on environmental spending. The 2024 eligible portfolio amounted to €3.2bn and most was spent on social inclusion (65% of total), followed by healthcare (30%), education (3%), affordable housing (1.3%) and others. These expenditures are mapped to the various SDG goals and ACM tracks the impact KPIs of its ESG bonds. Looking ahead, the region established a sustainability strategy called the 'new energy, climate and air strategy' (EECAM) for the 2023-2030 period, which introduces seven strategic objectives focused on boosting energy efficiency, promoting responsible self-consumption, expanding renewable energy use, and reducing emissions among others The plan identifies key sectors for urgent action and potential challenges, proposing targeted areas where stakeholders and society can drive meaningful change. The strategy incorporates 58 detailed measures within the framework to effectively address these environmental challenges. Among other things, this will require significant investment in subway line extensions and bus interchanges and terminals to not only promote cleaner and more energy efficient transport but also more affordable basic infrastructure and essential service, thus meeting both green and social eligibility criteria.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
22 May 2024	5Y Green	€ 600	SPGB + 14	-6	3.173	3.173	€ 3,000 / 5.00x
20 Feb 2024	10Y Sustainable	€ 1000	SPGB + 16	-8	3.462	3.462	€ 3,900 / 3.90x

Source: Bondradar; Bloomberg

Council of Europe Development Bank – CEB

Background and Ownership

The Council of Europe Development Bank (CEB) is the oldest European multilateral development bank (MDB), established in 1956. It is the only development bank in Europe to have an exclusively social mandate and its initial purpose was to finance social programmes related to the resettlement of refugees in the aftermath of World War II. The CEB represents a major instrument of policy solidarity in Europe that also responds to emergency situations, such as providing aid to victims of natural or ecological disasters. However, its stated primary mission remains the promotion of social cohesion in Europe. Although the CEB exists as a separate legal entity and is financially independent from the Council of Europe, the two entities maintain strong institutional ties. In particular, the CEB works to promote the Council of Europe's guiding values and principles of human rights, democracy and rule of law across all its activities, which in turn are also fully aligned with the 2030 Sustainable Development Goals (SDGs). Headquartered in Paris, the CEB currently has 43-member states, of which the key shareholders include France, Germany and Italy (16.9% of subscribed capital each), as well as Spain (11%) and Turkey (7.2%).

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	38.6	34.4
Total Equity	4.7	3.5
Loans and Advances	29.2	26.0
Debt Securities	30.9	27.9
Key Ratios (%)		
LT Debt / Equity	654	793
Callable Capital / LT Debt	25.4	17.8
Liquid Asset Ratio	33.9	32.3
LCR	606	378
NSFR	134	136
CET1 Ratio	29.3	29.0

Source: Company reports; Bloomberg

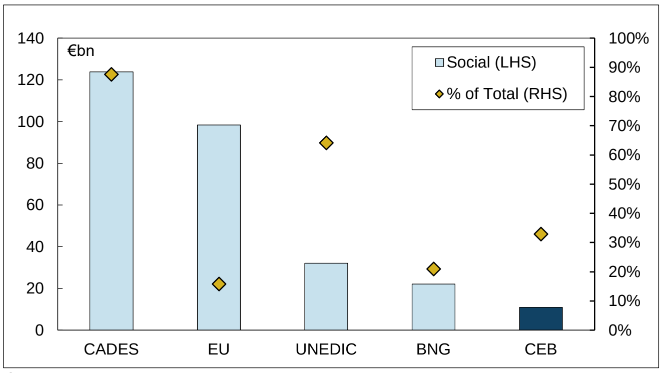
Main Purpose and Support

The CEB's mandate to foster social cohesion in Europe is pursued by socially oriented investments and funding and the provision of expertise for projects with high social impacts in member states. Under its 2023-2027 Strategic Framework, the bank articulates three overarching goals that it is pursuing: To meet the challenges of European social development and inclusion, assist refugees and migrants within their host communities, and support the reconstruction and rehabilitation needs of Ukraine's social sector. CEB's unique mandate and its institutional importance have been reinforced by multiple crises in recent years. Examples include pandemic related lending in 2020-2021 (€3.8bn), health infrastructure restoration in Ukraine (€100mn loan co-financed with the WBG following Ukraine's formal adhesion in June 2023), and relief measures to Turkey's health sector following the 2023 earthquake (€250mn loan).

Funding, Liquidity and Capitalisation

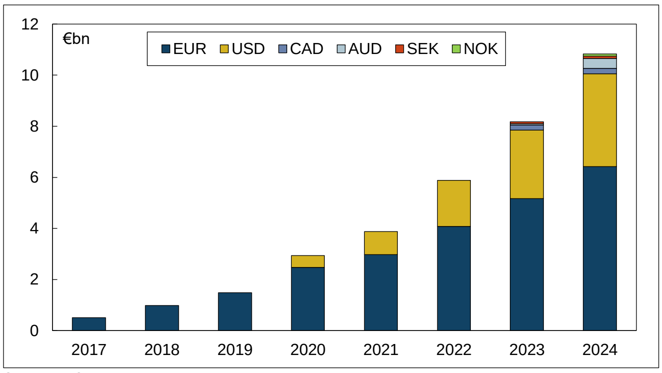
Funding: CEB does not collect deposits nor does it have access to central bank emergency refinancing facilities, instead most of its funding stems from debt placements in international capital markets. When looking at the balance sheet, this becomes evident as the FY24 liabilities stood at €38.6bn, largely comprised of debt securities in issue (80%) and equity (12%). The bank's funding strategy rests on several pillars: regular benchmark issuances, investor-specific debt raises, taps and private placements, and its Social Inclusion Bond (SIB) franchise. Having raised €6.2bn in 2024, issuance for this period equates to 89% of its borrowing authorisation for 2024 (€7bn). This marks the second-highest borrowing volume for the bank to date. Issues were spread across seven currencies, led by EUR-denominated transactions (52%), followed by USD (37%), AUD (6%), GBP (3%) and NOK (1%). The average maturity of the new issues was 6.1-years (FY23: 5.4-years), with more than 74% of maturities carrying a tenor of 5-years or more. These medium and longer dated bonds serve to manage the liquidity profile and ensure sufficient refinancing of loans in upcoming years.

Top 5 European social bond issuers



Source: Bloomberg; Bond volumes correspond to active bonds, denominated in €; Bonds outstanding as of April 2025.

Cumulative social bond issuances



Source: Company reports

2024 was a distinctive year for the bank, with several new issues being remarked for the records set in their respective categories. CEB issued two benchmark bonds – a 10-year €1.5bn and 5-year US$1.5bn – that were the largest syndicated bonds in the issuer history. Similarly, CEB's social inclusion bond programme placed labelled bonds with record nominal amounts in euros and dollars (€1.25bn, 7-year syndicated SIB in April 2024; and US$1bn, 3-year global SIB in June 2024). A broader mandate and strong demand for lending have led CEB to increase their funding target for 2025 to €7.5bn (+7% yoy).

Liquidity: Liquidity is considered to be prudently managed, as the bank has established liquidity indicators at different time horizons and holds sufficient liquid assets to withstand periods of severe market conditions. These scenarios include periods where access to the market for new funding is not possible, while the CEB continues to pursue its regular activities. To measure liquidity under such circumstances, the bank's survival horizon during which it continues to fulfil its payment obligations is stated to be 18-months at FY24. CEB also monitors the bank's treasury asset ratio (3.1x), which compares total financial assets against prudential equity. Other regulatory liquidity measures such as the LCR and NSFR were strong at 606% and 134% respectively (FY23: 547% and 139%). The high LCR above the minimum requirement of 100% was mostly due to exceptionally low debt repayments in 1H24, against inflows of interbank loan repayments for the same period. We expect the ratio to normalise over coming reporting periods, in line with recent averages of approximately 350%.

Capitalisation: In December 2024, CEB completed its seventh capital increase, which was also its largest to date. Total subscribed capital increased by €4bn to €9.6bn. For the first time, a portion of the capital increase was made with paid-in capital, which now constitutes 18.4% of subscribed capital (FY23: 11.2%). The increase in paid-in capital has lowered the gearing ratio (outstanding loans/ own-funds) to 1.8% at FY24 (FY23: 2.5%), comfortably below the internal limit of 2.5%. The €9.6bn in callable capital cover 31% of debt securities in issue, which is modest relative to peer institutions. In addition to having the discretion to increase bank capital, the CEB's governing board may call upon unpaid capital if required by the administrative council to enable the CEB to continue meeting its obligations and to repay any potential indebtedness. However, since inception no such calls have been made.

ESG Credentials

To achieve the goals of its Strategic Framework 2023-2027 (mentioned earlier), the CEB also has cross-cutting considerations on climate action, gender equality and digital transition in addition to monitoring 17 key performance indicators (KPI), of which 5 specifically underpin the CEB's strong commitment to sustainability. Project financing sustainability KPI relate to 'Vulnerability Lens', 'Gender Tag', and 'Climate Co-benefits', whereas internal operations sustainability KPI refer to 'Gender Balance Index' and 'Women in Management'. Lines of action by the CEB are investments in social projects that foster inclusion and improve the living conditions of the most vulnerable populations. The CEB's specific social mandate positions it particularly well for issuing social bonds and as a result, it launched its inaugural social inclusion bond in 2017. As of FY24, CEB have issued over €11bn in social inclusion bonds since their inaugural placement and over time expanded into a variety of currency markets, encompassing EUR, USD, CAD, SEK, NOK and AUD. The outstanding amount as per latest reporting is €9.7bn equivalent across 15 bonds.

The issuer's Social Inclusion Bond Framework (SIBF) aligns with the Paris Agreement and supports the UN SDGs (predominantly goals 1 and 10; no poverty and reduced inequalities). The framework is supported by a SPO from Sustainalytics, which stipulates that it aligns with the core components of ICMA's 2021 Social Bond Principles. Bond proceeds can be allocated to four key themes under the framework and draw on a pool of €12.4bn in eligible assets. This eligible loan portfolio was distributed across health and social care (38%), education and vocational training (22%), MSME financing (21%), and social and affordable housing (18%). The CEB has proven its institutional importance throughout challenging periods, as seen during the pandemic and the ongoing war in Ukraine. It has been a key source of loan financing, supporting healthcare projects such as vaccine procurement, fostering digital platforms to improve distance schooling, and enabled the continuation of key social infrastructure investments amid economic gridlock. In 2023, Ukraine formally become the 43rd member of the CEB, with a capital share of 1%. This made it the first MDBs since the outbreak of the war, to provide grants and loans to support emergency assistance for the long-term integration of displaced Ukrainian people in their European host communities. As of December 2024, some €403mn of direct loans have been disbursed for Ukraine.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
11 Jan 2024	10Y	€ 1,500	MS + 20	-2	2.625	2.738	€2,700 / 1.80x
24 Jan 2024	5Y	US$ 1,500	MS + 41	-3	4.125	4.164	$ 9,500 / 6.33x
03 Apr 2024	5Y Social	AUD 600	SQ ASW + 45	-	4.300	4.344*	-
16 Apr 2024	7Y Social	€ 1,250	MS + 13	-	2.750	2.800	€ 3,300 / 2.64x
11 Jun 2024	3Y Social	US$ 1,000	MS + 24	2	4.625	4.644	-

*Source: Bondradar; Bloomberg; *Indicative yield.*

European Bank for Reconstruction and Development – EBRD

Background and Ownership

The European Bank for Reconstruction and Development (EBRD) is a supranational institution founded in 1991 and owned by 75-members, including the EU, EIB, China and India. EU countries and institutions account for 54% of total capital, while the main non-European shareholders are the USA (10%), UK and Japan (9% each). In sum, G7 members account for 56% of shareholder votes and OECD countries account for 85%. EBRD's 'AAA'/'Aaa' rating is in part also a reflection of the solid credit ratings of its members, which on a weighted average basis are 'A-'/'A3'. In 2023, EBRD governors approved a resolution to increase the bank's paid-in capital by €4bn to a total of €6.2bn, while total capital stands at €29.8bn. The additional funds are to be used to provide investment for wartime and reconstruction projects in Ukraine, and to support the EBRD's priorities in all economies it operates in. The top-up was realized at YE24.

Key Data		
Balance Sheet (€bn)	**FY23**	**FY22**
Total Assets	73.9	71.6
Total Equity	22.3	19.3
Loans and Advances	34.8	31.9
Debt Securities	44.3	43.4
Key Ratios (%)		
LT Debt / Equity	198.9	224.5
LT Debt / Capital	65.6	68.6
Callable Capital / Debt	51.5	53.5
Liquid Asset Ratio	38.0	42.6
LCR	92	107
Cost-Income Ratio	59.3	60.5

Source: Company reports; Bloomberg

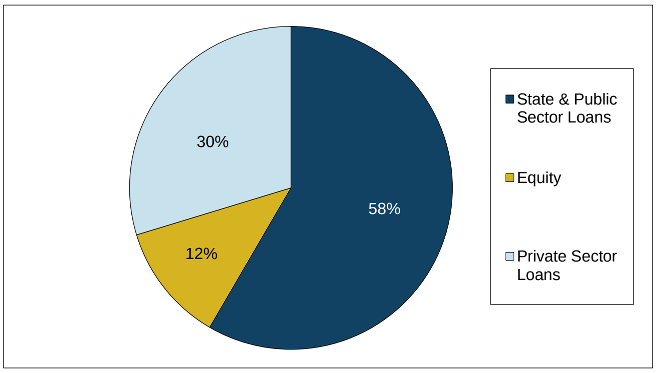
Main Purpose and Support

The EBRD's purpose is to foster open, market-oriented economies and promote private and entrepreneurial initiative in Central and Eastern Europe (CEE), and the Commonwealth of the Independent States. Unlike many of its peers, the EBRD focuses on lending to the private sector, including public-sector projects supporting the private sector. Beyond lending, EBRD also makes equity investments and provides guarantees, although, its mandate stipulates that it must only work in countries that are committed to democratic principles. Strong support is expected from non-borrowing countries, including countries outside of Europe. Around 64% of subscribed capital is provided by 'AAA'/'AA' countries, 91% are rated investment-grade. Furthermore, the EBRD benefits from its preferred creditor status and 0% risk weighting under Basel III.

Funding and Capitalisation

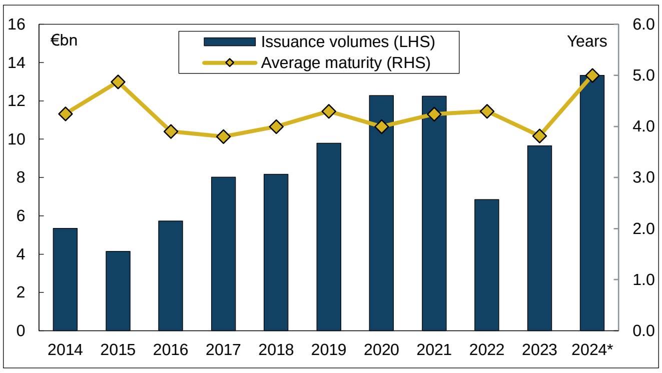
Funding: At 1H24 the balance sheet was €82.5bn, 63% funded by debt issuance and 28% by equity. EBRD is a regular issuer in capital markets and has set a borrowing target of €13.5bn in net new issuance for FY24, 97% of which was met by 3Q24 according to the EBRD documents. Issuance by currency is somewhat diversified, with core currencies such as USD and EUR accounting for 55% and 17% of transactions respectively, followed by GBP (11%), TRY (5%) and INR (5%). As a regular issuer of local currency debt, EBRD assists the development of less liquid, domestic capital markets in some of the countries it operates in. Total issuance volume since inception stands at €156bn across more than 3,100 transactions, in 63 currencies (incl. EUR legacy currencies). Some €46.5bn of reported outstanding medium-to-long-term bonds (excluding taps) are spread across 492 medium-to-long-term bonds, with an average maturity of 5.7-years. At 3Q24, approximately 23% of the EBRD's outstanding bonds were denominated in emerging market (EM) currencies however, fter swaps the exposure is much lower (<5%). EBRD also holds several outstanding Russian rouble-denominated bonds (<1% of total) under its legacy portfolio. The institution will be able to settle these bonds in USD, circumventing a likely event of default where the EBRD fail to make bond repayments due to an inability to obtain Russian rouble.

Development related exposures by products



Source: Company reports; Data at 1H24.

Annual borrowing programme issuance



*Source: Company reports; *As of 3Q24.*

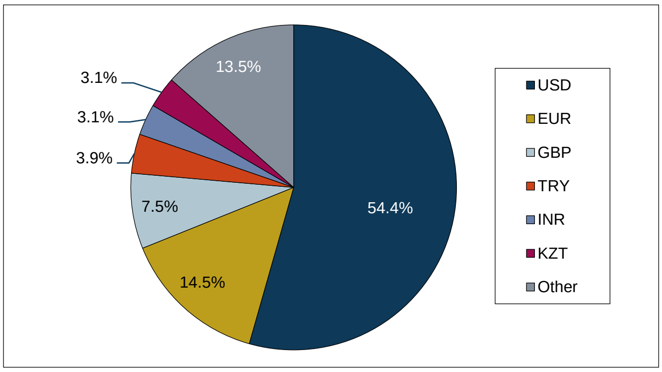
Capitalisation: Total subscribed capital stands at €29.8bn, backed by a high-degree of paid-in capital (1H24: 21%) when compared to other supranationals. The high proportion of retained earnings and reserves (1H24: €17.1bn) provides the EBRD with a strong buffer to absorb potential losses. Under a stressed scenario, callable capital covers approximately 45% of outstanding debt obligations (medium-to-long term bonds and commercial paper) at 1H24 (€52.3bn). This is at the lower end when compared to peers although, when taking into consideration the EBRD's €34.6bn of liquid treasury assets that are rated 'A' or higher, this reduces the debt exposure amount to €19.6bn. The EBRD pursues a 1:1 gearing ratio, restricting loans and investments made into invested economies to the total amount of unimpaired subscribed capital, reserves and surpluses. Due to steadily rising lending volumes over recent years, that ratio has been increasing (1H24: 86% / FY23: 85% / FY22: 83%).

ESG Credentials

The EBRD has been issuing green bonds since 2010 in accordance with ICMA's Green Bond Principles and has been one of the largest investors in environmental projects in its countries of operation. It is also the first MDB with an explicit requirement in its mandate to promote environmentally sound and sustainable development. Under the umbrella of socially responsible investments (SRI), the issuer is active in green, environmentally sustainable, climate resilient, green transition, and social bonds. Furthermore, its comprehensive Green Economy Transition (GET) approach aims to advance the transition to environmentally sustainable, low-carbon and climate resilient economies. The GET seeks to prevent economies from being locked into carbon-intensive, climate-vulnerable and/or environmentally damaging pathways. To achieve these objectives, GET targets green financing of at least 50% of the bank's annual investments by 2025. Environmental Sustainability Bonds (ESB) have been issued since 2010, whereby the UoP can go towards any category detailed under the Green Bond Principles. In 2019, Climate Resilience Bonds (CRB) were introduced, with UoP supporting climate change adaption. In the same year, Green Transition Bonds (GTB) were launched with UoP going to key sectors of the economy with a high dependency on fossil fuel usage to promote the low-carbon transition.

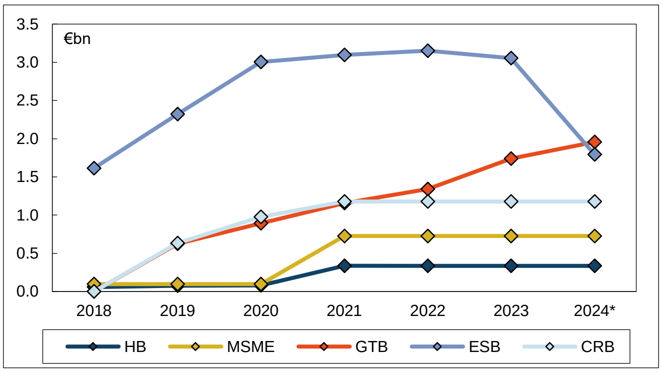
At 1H24, there were €7bn in ESB outstanding, across 108 transactions, followed by GTB (€2bn across 21 transactions) and CRB (€1.2bn across 13 transactions). The EBRD's social bond programme are split between micro, small and medium enterprises (MSME) and health bonds (HB). MSME aims to promote private sector development, and foster productive investments to enhance competitiveness, productivity, living standards, and labour conditions among small companies. The MSME loan portfolio stood at €4.8bn (80% disbursed) at 1H24 following the extension of €619mn to MSMEs across 108 transactions. Microfinance bonds (MFB) are part of the MSME offering, and since 2010 8 MFBs have been issued totalling €804mn. The EBRD's Health Bonds support projects that enhance access to and quality of healthcare services and pharmaceutical products by financing private healthcare providers, hospital infrastructure, and pharmaceutical sector advancements, while promoting higher standards and innovation. Since 2018, the EBRD has issued 11 Health Bonds totalling €337mn.

Outstanding debt by currency



Source: Company reports; Data as of 9M24

ESG-themed bonds outstanding



*Source: Company reports; *As of 1H24.*

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
25 Jan 2024	5Y	US$2,500*	SOFR MS + 39	3	4.125	-	-
07 Feb 2024	5Y	£700*	SOFR MS + 28	-	3.875	-	£940 / 1.34x
20 Feb 2024	4Y	US$750*	SOFR + 33	0	4.783**	-	-
13 Mar 2024	10Y	US$ 1,000*	SOFR MS + 53	0	4.250	4.316	$1,900 / 1.90x
17 Jul 2024	7Y Green	€ 1,000	MS + 12	-	2.875	2.898	€2,650 / 2.65x

*Source: Bondradar; Bloomberg; *Including taps, outstanding amounts (in descending order) are US$3,050; £1,100; US$1,790, US$1,080 **Bloomberg estimated coupon.*

European Investment Bank – EIB

Background and Ownership

The European Investment Bank (EIB) was established in 1958 under the Treaty of Rome and is owned by the 27-member states of the European Union (EU). It is the EU's long-term lending institution and one of the largest providers of finance for climate action in the world. Each member state's share of capital is based on its economic weighting, with respect to GDP contribution. The largest shareholders of subscribed capital are Germany, France and Italy (19% each), followed by Spain (11%), the Netherlands and Belgium (5% each). Moody's, Fitch and S&P rate EIB at 'AAA'/'Aaa' as a reflection of its member countries.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	582.1	572.0
Total Equity	93.3	89.0
Outstanding Loans	347.5	335.5
LT Debt Securities	442.1	431.7
Key Ratios (%)		
LT Debt / Equity	473.8	485.0
LT Debt / Capital	82.4	82.6
Callable Capital / Debt	51.3	52.2
Liquid Asset Ratio	11.6	12.8
LCR	725	424
NPL	0.6	0.4

Source: Bloomberg; Company reports, Bloomberg

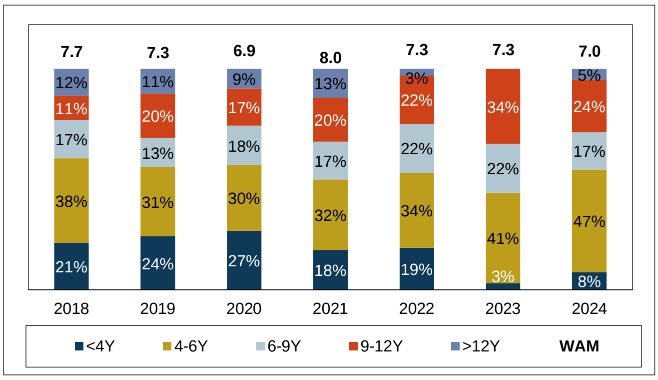
Main Purpose and Support

EIB's purpose is to promote balanced economic development across EU member states by providing loans and guarantees to both public and private sector borrowers for investment projects relating to energy, industry and environmental sectors. EIB also lends to EU candidate countries to support their accession processes and to other non-EU countries in accordance with the EU's cooperation and development policies. Strong member support is assumed, while the majority (60%) of capital is provided by 'AAA'/'AA' rated countries and more than 95% by investment grade countries. The EIB's preferred creditor status and EIB statute are underpinned by EU Treaty. However, there are no explicit guarantees in place to support the EIB's debt issuances.

Funding, Liquidity and Capitalisation

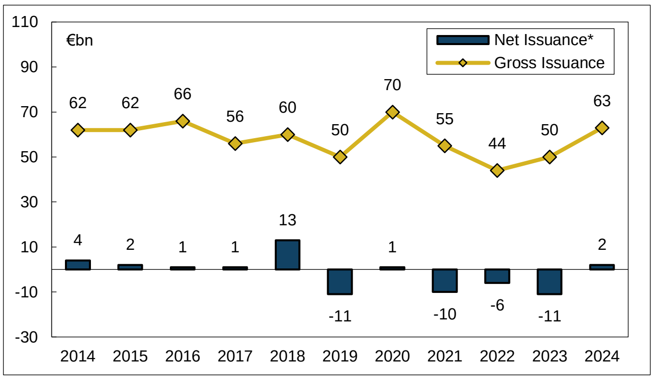
Funding: EIB is the largest MDB globally with a balance sheet of €556bn, which is 1.6x the size of the IBRD and funded 75% by debt and 15% equity. In 2024 gross funding of €63bn was within the institutions target range (€60bn, with max authorisation up to €65bn). Guidance for 2025 remains unchanged on last year and as of March 2025, 54% of the programme target had already been completed. Borrowing volumes have increased over the last two-years, reflecting the need for continued investment needs that meet persistently high demand in member states (FY23: €49bn target, FY22: €44bn). In 2024, EUR and USD account for most of the volume, split by Euro Area Reference Notes (EARN; 46% of total issuance) and USD Global (41%) formats. Currency diversification is achieved by issuing across 9 additional denominations, the next-largest being GBP (6%), PLN (3%) and AUD (2%). The average maturity profile for the outstanding portfolio is 7-years, with EUR-denominated notes skewed to the longer-end (8.4-year average) and 9x oversubscribed on average. Under the USD Global format, EIB issued a 10Y $5bn bond which attracted the highest ever orderbook for a USD SSA bond at this maturity (>$20bn). For 2024 EIB placed a combined €18.3bn in ESG themed bonds, split by climate awareness (85%) and sustainability awareness (15%) bonds. This represented 29% of total funding.

Issuance by tenor bucket and WAM*



*Source: Company reports. *WAM = weighted average maturity*

Gross and net bond issuance

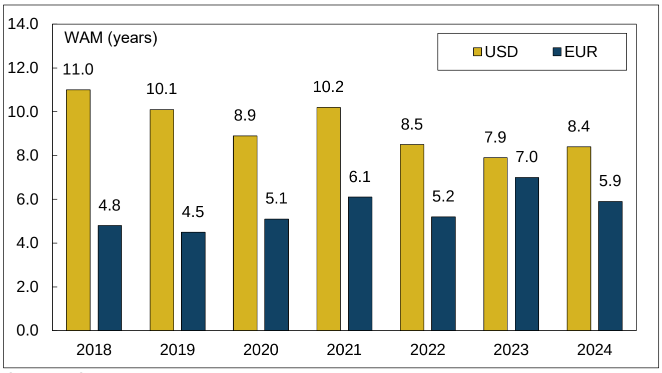


*Source: Company reports; *Net issuance = gross debt issuance – redemptions*

Liquidity: EIBs liquidity profile is considered adequate compared to its peers, with €45bn in HQLA (61% L1 securities; 33% cash and reserves at the Central Bank). These accounted for 13% of total assets and covered 63% of projected (next 18-months) net cash outflows, well-above the bank-defined 25% minimum. LCR and NSFRs were strong at 424% and 125%, respectively. A positive liquidity assessment is also underpinned by the access EIB has to the ECB's and SNB's liquidity operations – a rare feature amongst MDBs. Preliminary funding volume indications are projected to be lower until YE26 (€50bn funding target for 2026), reflecting the EIBs expectation that tighter funding conditions and market uncertainty will drive down financing volumes (current €95bn financing target vs. €85bn in 2026).

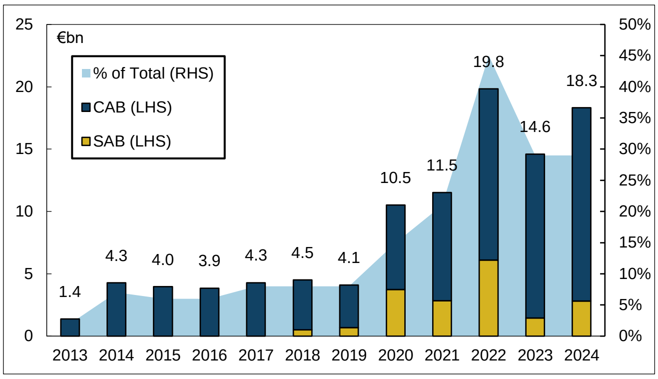
Capitalisation: At FY24, authorised capital stood at €226.6bn, of which 10% was paid-in (€22.2bn). On a comparative basis, this appears to be on the lower end, but expected strong enforceability provides some comfort. The EIB statutes are underpinned by the EU treaty, which supersedes national law. They stipulate that in the event of a member states' inability or unwillingness to meet its obligations of a capital call, loan or guarantee, the member state can be suspended which could entail losing voting rights and access to EIB financing and dividends. Further remedial action can be brought to the EU's Court of Justice, a process which is not available to other MDBs. During such an event, callable capital would cover around half of gross debt. EIB's common equity tier 1 (CET1) ratio stood comfortably at 34.2% (FY23: 33.1%), well above peers.

EUR and USD bond issuance WAM



Source: Company reports; WAM = weighted average maturity

CAB and SAB issuance



Source: Company reports

ESG Credentials

The EIB has been issuing green bonds since 2007 as one of the world's first intuitions to do so. At the time, the use of proceeds went towards the EIB's inaugural Climate Awareness Bond (CAB) supporting climate change mitigation. Building on this initiative, the bank then launched its first Sustainability Awareness Bond (SAB) in 2018, the use of proceeds of which go towards environmental and social sustainability objectives. Since then, the EIB has increase the level of climate and environment commitments in line with the political ambitions of the EU Commission articulated in the 'European Green Deal'. This has effectively transformed the EIB from an EU bank supporting climate into 'the EU climate bank'. Consequently, allocations have been gradually aligning with the EU Taxonomy and EU Green Bond Standard, amid evolving EU legislation on sustainable finance since 2018.

The EIB's 2024-27 Strategic Roadmap expresses its commitment to financing the green transition and supporting climate action as its principal strategic priority. The bank is a pioneer in the development of the EU Capital Markets Union (CMU) and as an innovator in the green and sustainable finance space, via its thematic ESG bonds and digitalisation of capital markets (blockchain-based bonds). Indicative financing scenarios in the years-ahead are aligned with FY24, targeting 50% of investments in the green transition and >45% to cohesion policy (EIB's investment plan to support economically weaker EU regions). Looking ahead, the EIB is on track to support €1tn in investment for climate action and environmental sustainability by 2030. This initiative is financed by the proceeds of its CAB and SAB programmes.

EIB's CAB and SAB frameworks have received the highest level of assurance in the green and sustainability bond market following KPMGs independent review. The use of proceeds for SAB bonds are split between environmental and social projects, whereby, EIB targets the following objectives for the latter: access to water and sanitation, access to social and affordable housing, access to equitable and inclusive quality education, natural disaster risk management and universal access to affordable health services. As of March 2025, total CAB and SAB issuance since 2007 stood at €112bn in 23 currencies, making EIB one of the largest MDB issuer of green and sustainability bonds.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
16 Jan 2024	10Y Green	€6,000	MS + 18	2	2.750	2.812	€42,480 / 7.08x
05 Mar 2024	5Y	€5,000	MS + 5	2	2.750	2.750	€32,000 / 6.40x
23 Apr 2024	5Y	US$5,000	MS + 36	2	4.750	-	-
30 Apr 2024	7Y	€5,000	MS + 12	2	2.875	2.976	€37,000 / 7.40x
04 Sep 2024	10Y Green	€5,000	MS + 26	2	2.625	-	€34,500 / 6.90x

Source: Bondradar; Bloomberg

The European Union - EU

Background and Ownership

The European Union (EU) in its current form was established in 1993 under the Treaty of Maastricht and operates as a supranational organisation fully-owned by its 27 member states. It was designed to enhance European political and economic integration by creating a single currency (the euro), a unified foreign and security policy, and common citizenship rights and by advancing cooperation in the areas of immigration, environmentalism, and judicial affairs. There are four main decision-making institutions which lead the EU's administration. These institutions collectively provide the EU with policy direction and play different roles in the law-making process: (1) the European Parliament; (2) the European Council; (3) the Council of the European Union; and (4) the European Commission. Their work is complemented by other core institutions and bodies, which include: The Court of Justice of the European Union, the European Central Bank, and the European Court of Auditors. The EU institutions and bodies cooperate extensively with the network of EU agencies and organisations across the European Union to translate policies into action.

The four main institutions set the EU's agenda and initiate and coordinate EU law-making. In principle, the Commission proposes new laws, and the Parliament and Council of the European Union adopt them. The member countries then implement them, and the Commission ensures that the laws are properly applied. The EU's expenditure is predominantly sourced from member states' own resources, which includes custom duties, VAT and GNI-based contributions. Together these amount to some 90% of EU revenues that support the scale and cross-border nature of projects member states would otherwise be unable to individually finance. Under the 2024 EU Budget the four largest EU shareholders based GNI contributions are Germany (22%), France (17%), Italy (13%) and Spain (9%). Approximately 63% of total contributions are attributed to 'AAA' to 'Aa3'-rated member-states.

Main Purpose and Support

The European Union's stated aims are to foster peace, well-being, and shared values among its citizens, while ensuring freedom, security, and justice. It seeks sustainable development, economic growth, social progress, environmental protection, and cultural diversity, alongside promoting social equality, scientific advancement, and cohesion among member states. Furthermore, it also provides financial assistance and planning for countries in financial distress and also seeks to close Europe's investment gap. To meet these goals, the EU provides loans and grants to EU member states (via EFSM, BoP, SURE and NGEU programme) and loans to non-EU countries benefitting from an IMF programme (MFA programme) and loans for Euratom which lends to EU member states and their entities to finance projects relating to nuclear energy. All programmes (excluding MFA+) operate on a back-to-back basis, meaning that loans are financed by the equivalent borrowings (same terms, maturities). Consequently, at maturity, the loan beneficiary reimburses the EU, which in return repays the borrowing.

EU Lending Programmes and Outstanding Debt Volumes

Programme*	Target / Purpose	Outstanding Debt (€bn)		
		2021	2022	2023
NGEU	Post-pandemic fiscal response of the EU to resulting social and economic challenges, with an emphasis on common priorities such as boosting green and digital transitions. Represents significant increase in EU borrowing and is used for loans and, for the first time, grants.	18.0	45.2	79.2
EFSM	Member States that are experiencing/threatened by severe economic/financial disturbances caused by exceptional circumstances. Expired, although existing loans are often extended.	46.8	46.3	42.8
SURE	Member States that experienced COVID-related economic disturbances (focus on income and employment preservation).	89.6	98.4	98.4
MFA	Non-EU Member States (under IMF programme) experiencing a balance of payments crisis.	7.4	15.0	15.2
MFA+	Support to Ukraine for economic stabilisation and strengthening of country's resilience.	-	-	18.0
BoP	Non-EU Member States that are struggling with their balance of payments. Loans are conditional on the implementation of policies designed to address underlying problems. Set to expire ~2025.	0.2	0.2	0.2
Euratom	Member and non-member states. Euratom finances projects related to nuclear energy.	0.3	0.3	0.3
Total		162	205	254

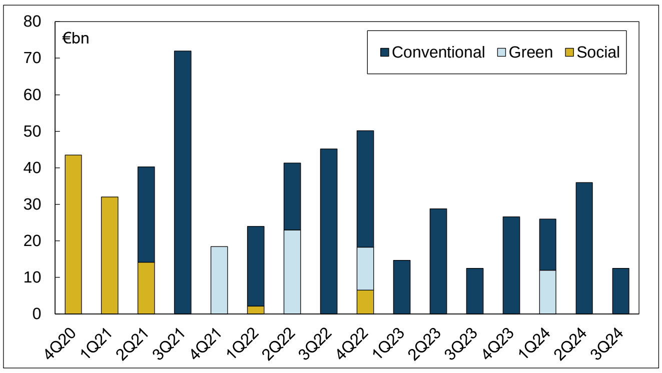
*Source: EU consolidated annual accounts. *Euratom = European Atomic Energy Community; BoP = Balance of Payments; MFA = Macro-Financial Assistance; SURE = Support to mitigate Unemployment Risks in an Emergency; EFSM = European Financial Stability Mechanism; NGEU = NextGenerationEU.*

Funding and Liquidity

Funding: The European Commission acts as the EU's politically independent executive arm, and has been engaged in debt issuances for the benefit of EU policy implementation more than four decades. Deeper political and financial integration have spawned various debt issuance programmes in recent years, and as of year-end 2024 contributed to the EU's outstanding debt holdings of €578bn. Prominent funding programmes include the NGEU, SURE and MFA+. Issuance under the €100bn Covid-19 related SURE programme was almost maximised at 98%, while the NGEU that runs until end-2026 has only reached 52% of its €712bn capacity to date. In 2023, the EU started lending to Ukraine under the MFA+ programme, for an amount of ~€50bn until 2027. In conjunction, EU funding programmes are expected to reach €1tr in outstanding debt by 2026 and account for almost 40% of the 'AAA' rated government debt in Europe.

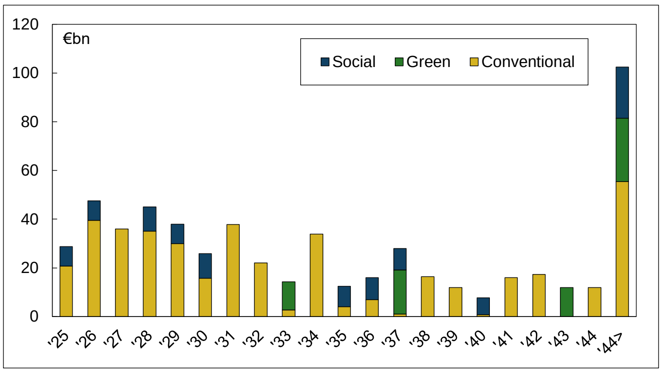
The EU provides an update on its funding intentions twice a year (one for each half) and for 1H25 the plan is to issue €90bn across seven auctions and six syndications, out of an indicative €160bn target for FY25. For FY24 the total was €140bn in long-term bonds (1H24: €75bn; 2H24: €65bn) across 13 auctions and 10-11 syndicated transactions. Most funding under the EU mantle is earmarked for the NGEU (81% of syndications) and to a lesser degree for programmes such as MFA or REPowerEU. The EU's borrowing framework, states that the maximum single issuance amount is set at €25bn, while maturities can range between 3 and 30-year, with the average targeted to be around 17-years.

Quarterly issuance volumes by label



Source: Bloomberg

Debt maturity profile



Source: Company reports.

Liquidity: The EU's liquidity position is considered to be strong as it receives regular contributions from member states throughout the year. It is also required to maintain a balanced budget and conservative budgeting practices mean it operates a buffer, providing it with additional liquidity. Average cash holdings were reported to be €50.7bn in the second-half of 2024 (1H24: €28.2bn). The wide variation is attributed to the concentration of disbursements between end-2024 and beginning-2025. Available cash holdings as a proportion of outstanding debt is rather modest at 8.8%. In the unlikely event that a borrowing member is not able to repay a loan, and as a result the EU is unable to service its own maturing debts, the EU Parliament, Council and Commission are entitled to draw on other member state funds under the EU's Own Resources Ceiling for up to 1.4% of the EU's GNI annually (up to 2% for NGEU). Under such a scenario, oustanding funds would be divided between members with respect to their GNI's and each member would have three days to satisfy the call.

ESG Credentials

Sustainable finance principles are deeply embedded in EU projects and play an important role in delivering on the policy objectives under the European Green Deal as well as the EU's international commitments on climate and sustainability objectives. The EU strongly supports the transition to a low-carbon, more resource-efficient and sustainable European economy and has been at the forefront of efforts to build a financial system that supports sustainable growth. This ambition is reflected in the fact that the EU is one of the largest and most regular ESG bond issuers in the world. For instance, to accelerate the green transition, each member state must dedicate at least 37% of the expenditure in its Recovery and Resilience Plans (RRP) to climate-related reforms and investments. As a result, 30% of NGEU bonds carry a green label, making the EU the world's largest green bond issuer upon programme completion. As of end-2024, the EU reported the completion of nine green bond syndications and eight auctions, bringing the total amount outstanding to €68.2bn. NGEU green bonds are issued under the Green Bond Framework (2021), which is accredited with a SPO from Vigeo Eiris, confirming alignment with ICMA's GBP and the European Union's overall ESG strategy.

The Commission also has a track record of putting important social matters at the centre of its actions. It launched the European Pillar of Social Rights, promoting equity for all citizens, equal employment opportunities and fostering social inclusion. Under the action plan, the EU has outlined three targets which it aims to achieve by 2030: (1) 78% of the population aged 20-64 to be employed; (2) 60% of all adults to be participating in training every year; and (3) reduce the number of those at risk of poverty or social exclusion by 15mn. It displayed its social credentials during the Covid-19 pandemic when it launched the temporary SURE programme to offset the adverse socioeconomic effects of the outbreak. Total issuance under the programme reached €98.4bn, propelling the EU to become the world's largest social bond issuer and although the programme was officially completed by 2023 bond redemptions will continue until 2050 (45% by 2030 and 78% by 2040). The success of SURE bonds was that it supported some 41mn people and 3.4mn firms during this challenging period. Proceeds were allocated to short-time work schemes (49%), followed by self-employed measures (31%), wage subsidy schemes (9%), other measures supporting job retention and workers' incomes (6%) and health measures (5%). The issuer's ability to develop and execute such sizeable socially geared issuance programmes leads us to believe that during a potential future crisis it would be able to respond accordingly once more.

Instituto de Crédito Oficial – ICO

Background and Ownership

The Instituto de Crédito Oficial (ICO) is the Spanish government's central financial agency, linked to the Ministry of Economy, Trade and Business. The ICO assumes several functions in the Spanish economy aimed at ensuring access to financing. Wholly-owned by the Spanish government, ICO was created in 1971 as the institution responsible for coordinating state-owned banks before assuming its current position after the de-privatisation reform of 1991.

Key Data		
Balance Sheet (€bn)	**FY24**	**FY23**
Total Assets	37.8	31.7
Total Equity	5.5	5.8
Outstanding Loans	13.6	13.3
Debt Securities	21.9	16.9
Key Ratios (%)		
Debt Securities / Equity	398.8	292.9
CET1	23.0	26.5
LCR	519	741
NSFR	125	112
NPL	2.5	2.8
OpEx / Gross Revenues	15.3	13.6

Source: Company reports; Bloomberg

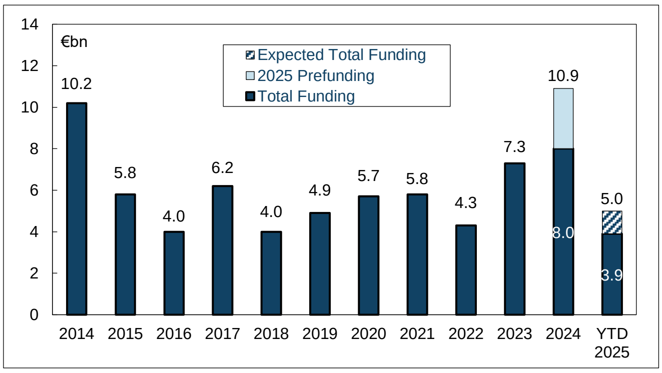
Main Purpose and Support

ICO's main purpose is to sustain and promote economic activities oriented towards the growth and improvement of the distribution of national wealth. ICO performs three key functions: (1) a national promotional bank, providing financing to companies with a special emphasis on SMEs and the self-employed; (2) an instrument of economic policy, implementing joint initiatives with ministries and national organisms and it channels EU resources; and (3) a State Financial Agency, managing public funds and instruments aimed at promoting internationalisation, development cooperation, territorial financing and aid to those affected by economic crises or natural disasters. As an extension of the government, all debt and obligations generated from ICO's funding activities are under an explicit, irrevocable, unconditional and direct guarantee from the State per Spanish law (Royal Decree 706/1999). The institution is regulated by the Central Bank of Spain and the availability of State support for ICO is unaffected by the EU's Bank Recovery and Resolution Directive (BRRD) or the Single Resolution Mechanism as the ICO is explicitly excluded from resolution and restructuring measures.

Funding and Capitalisation

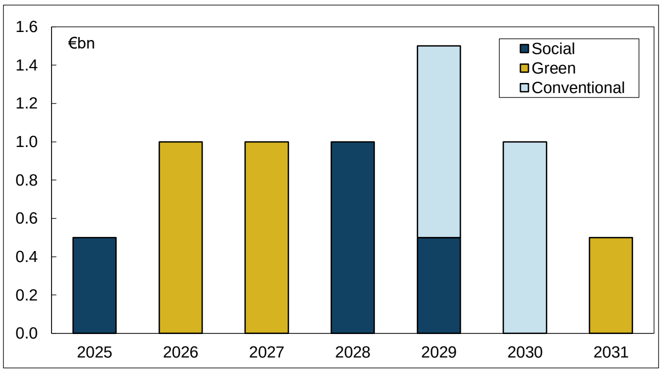
Funding: ICO reported a balance sheet of €37.8bn as of FY24 (on an unqualified basis), largely split between bonds (44%), loans (17%), European commercial paper (14%), and equity and reserves (14%). The high proportion of bonds within total funding (€16.6bn outstanding) demonstrates the institutions' strong reliance on market funding to finance its operations, although this is not disproportionate relative to peers. ICO's funding strategy is centred around issuing state guaranteed debt and other obligations in international capital markets. The existing debt issuance programmes include the benchmark Global MTN (€30bn envelope; €500mn minimum size), Kangaroo (AUD6bn) and Samurai (JPY300bn) programmes. The institution also regularly taps existing facilities (€50mn minimum size) and is active with private placements. As at year-end, ICO issued €8bn under its 2024 funding programme, excluding an additional €2.9bn of pre-funding for 2025 via private placements. Conventional bonds accounted for 88% of funding volumes, with the remainder split equally between green and social themes. Recent examples are a 7-year €500mn green bond and a 5-year €500mn social bond issued in March and June 2024, respectively.

Issuance Volumes by Year



Source: Company reports; As of April 2025

EUR Benchmark Maturity Curve



Source: Company reports; As of April 2025

Short-term funding is managed via its European commercial paper programme (€10bn envelope) for regular treasury management purposes and the loan-portion of the funding profile is predominantly attributed to loans from the European Investment Bank (EIB). The latter supports the financing and investment towards predominantly Spanish SMEs and midcaps. Issuance volumes for ICO will be low for 2025, comparative to previous years as the institution had set a full-year target of €5bn, of which €2.9bn has already been pre-funded for 2025 from the year prior. ICO stated that they plan to issue at least one green and social bond each, likely at €500mn and will be flexible with respect to structure and currency for private placements, subject to investor demand.

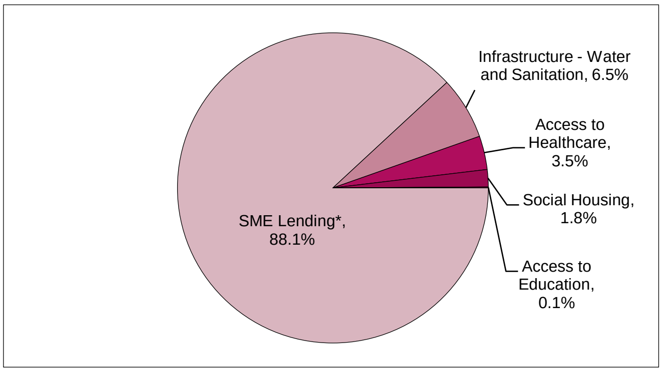
Capitalisation: Given ICO's designation as a financial institution, it is regulated by the Bank of Spain and the institution is subject to the central bank's regulatory capital requirements. ICO's CET1 ratio stood at 22% as of 3Q24 and has been steadily declining over recent years (FY23: 26% / FY22: 34%), which is due to higher RWAs from expanded lending activities. Nevertheless, the CET1 sits well above the 15.2% minimum requirement and the Bank of Spain remains committed to supporting ICO's capitalisation level via strategic capital injections to align the institutions' capital ratios with those of its European peers, albeit this has not been necessary since 2016.

ESG Credentials

ICO is currently pursuing its 2022-2027 strategy, which aims to enhance the Spanish economy's growth model with more sustainable and digital features and a greater capacity to generate quality employment. To achieve these strategic objectives ICO has developed action plans to be implemented in the short and medium term. Gaining access to public sector and EU resources is one of them and support under the EU's Recovery and Resilience Facility requires member states to develop a national recovery and resilience plan. Spain's national initiative is called the 'Recovery, Transformation and Resilience Plan' and details a comprehensive agenda of investments and reforms, specifying goals, objectives and indicators for follow-up and monitoring. For instance, 40% of all new financing during the period should be sustainable. Furthermore, ICO is named as an Implementing Partner of the European Commission, enabling it to channel and manage EU funds under the InvestEU initiative for the benefit of Spanish companies. Since 2023, ICO has mobilised funds for sustainable infrastructure and renewable energy projects that are financed with NGEU funds.

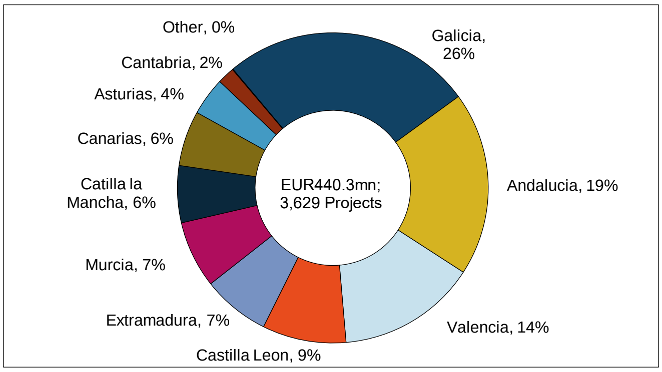
The agency is a benchmark issuer of ESG-labelled bonds and a pioneer in the social bond-space. ICO placed its inaugural social bond in 2015, well before ICMA published the first iteration of its Social Bond Principles in 2017. The bond was designed to finance projects targeted at SMEs and the self-employed in regions in Spain with a per capita income below the national average. Ten more social bonds have since followed, firmly establishing ICO as a reference entity for social bond issuance. These bonds are issued under the issuers Social Bond Framework, launched in 2015 and updated it 2021. It received a second party opinion from Sustainalytics affirming its alignment with ICMA's Social Bond Principles. The 2021 framework update enabled ICO to launch the first Spanish social bond in response to the pandemic. ICO mainly allocates funds towards projects that advocate for economic and territorial cohesion and the construction of social housing, among others. To date, ICO have launched 17 sustainable bond issues (11 social and 6 green) for a total €8.6bn. The €5.6bn in social bonds issued to date, have supported approximately 77k projects and helped maintain or create ~524k jobs. In terms of social housing, the bonds have financed 407 developments, among several other social benefits.

Social bond allocations



*Source: Company reports; *To economically underperforming regions of Spain.*

Regional allocation of SME lending*



*Source: Company reports; *To economically underperforming regions of Spain.*

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
26 Mar 2024	7Y Green	€ 500	SPGB + 11	-	3.050	3.088	€3,100 / 6.2x
11 Jun 2024	Long 5Y Social	€ 500	SPGB + 9	-	3.050	3.703	€2,100 / 4.2x
17 Sep 2024	6Y	€ 1,000	SPGB + 10	-	2.700	2.713	€1,900 / 1.9x

Source: Bondradar; Bloomberg

International Bank for Reconstruction and Development – IBRD

Background and Ownership

The International Bank for Reconstruction and Development (IBRD) is the largest of the five supranational institutions under the World Bank Group. It operates as a global development cooperative which provides financial products and policy advice to aid countries in reducing poverty and extend the benefits of sustainable growth to all of their people. The MDB provides loans, guarantees and other financial products for development-focused projects and programs to creditworthy middle-to-lower income countries to support sustainable development. IBRD maintains legal and financial independence from the rest of the group. It is owned by 189 member states, with the largest proportion of shareholder rights awarded to the United States (15.5% of total voting power), followed by Japan (7.1%), China (5.9%), Germany (4.2%) and the France and UK (3.9% each). Consequently, 33% of voting rights were held by member countries rated ‘AA’ or above.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	332.9	304.7
Total Equity	59.3	55.3
Outstanding Loans	245.7	223.6
LT Debt Securities	244.5	217.5
Key Ratios (%)		
LT Debt / Equity	412.7	393.3
LT Debt / Capital	80.4	79.7
Callable Capital / Debt	114.7	124.8
Liquid Asset Ratio	22.1	22.7
NPL	0.5	0.4

Source: Company reports; Bloomberg; Converted from USD as at reporting date

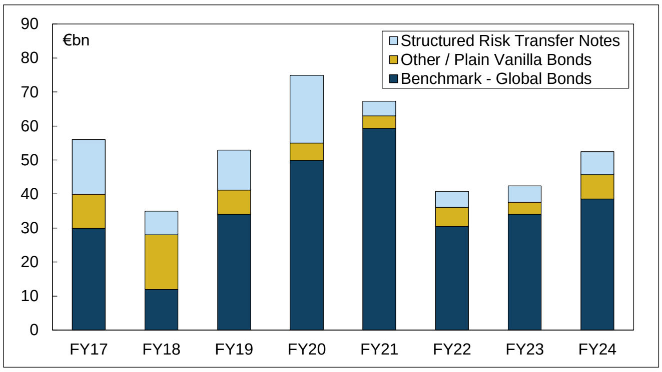
Main Purpose and Support

The IBRD’s purpose aligns with that of the World Bank Group in overcoming extreme poverty and improving standards of living for its member states. The IBRD works with its borrowing members to achieve sustainable economic growth in their national economies and to find effective solutions to global problems in economic development and environmental sustainability. The IBRD’s financial strength is underpinned by both its strong financial policies and the continued support received from its shareholders.

Funding, Liquidity and Capitalisation

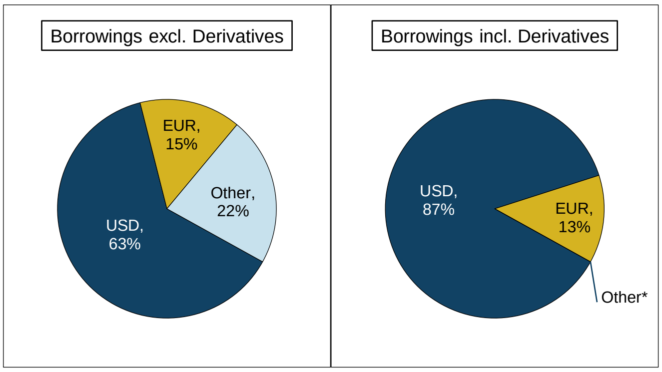
Funding & Liquidity: IBRD’s last fiscal year ended June 2024 and as of that date, the balance sheet stood at US$357bn, 73% funded by borrowings and 18% by equity. IBRD completed its 2024 issuance target of US$45-55bn in medium-to-long-term bonds, raising US$52bn with mostly sustainable labelled debt (~98% of total) and an average final bond maturity of 6.8 years. The MDB’s access to capital markets is strong, with net new issuance having grown by 24% yoy to US$52bn (FY23: $US42bn; FY22: US$41bn), owing to higher debt servicing and refinancing requirements. During the fiscal year, new issues replaced US$29.8bn of maturing medium-to-long-term debt and trades were skewed towards EUR and USD denominations, accounting for 61% and 14% of the total respectively. The majority of bonds were issued from IBRD’s Global & Benchmark Bonds program with a typical issue size of US$2-4bn and tenors ranging from 2 to 30 years. These make up approximately 74% of net new issues, with the remainder being bonds issued from its Non-Core Currency Bonds, Structured Notes and Capital-at-Risk Bonds programs. The IBRD maintains its supply of large US$ bonds to meet demand from its globally diverse US$ investor base. Other forms of US$ are issued via the Discount Notes program for short-term (<1Y-year) cash and capital management, of which the average daily balance during the fiscal year stood at US$10.4bn (-23% yoy). The IBRD have set their funding target for medium-to-long term debt for FY25 (fiscal year ending June 30 2025) at US$50-55bn.

Annual issuance volumes by programme



Source: Company reports

Borrowing portfolio currency composition



*Source: Bloomberg; *Less-than 0.5%*

The IBRD’s liquidity profile is moderate compared to peers as liquid asset holdings were reported at US$78.8bn at FY24 (22% of balance sheet size). They are largely composed of time deposits rated ‘A-’ or higher (58%) and government and agency obligations rated ‘AA-’ or higher (39%). The MDB’s liquidity management guidelines are conservative, as they stipulate that liquid asset holdings need to be kept at or above 80% of forward-looking projected net loan disbursements for the upcoming fiscal year. This is also referred to as the ‘Target Liquidity Level’ or ‘TLL’, which at FY24 stood at

US$59bn. Consequently, the liquid asset ratio, as a percentage of the TLL, stands at 134% at FY24 – well above its framework-defined requirement. To account for the higher projected debt service in the forthcoming fiscal year, the IBRD has set the FY25 TLL at US$65bn. The maturity of liquid assets is well managed, with assets set to mature within 3 and 6-months at 37% and 89%, respectively.

Capitalisation: At FY24, the IBRD had an authorised capital of $323bn (€313bn) with 7% paid-in (€22bn). Albeit a low-level, the IBRD has conservative financial policies in place to minimise the need for a call on capital, with risk management indicators excluding these commitments as a consideration in for risk bearing capacity. Policies in place include a 1:1 Statutory Lending Limit (SLL) – a measure whereby the amount of outstanding and participations in loans and callable guarantees may not exceed subscribed capital, reserves and surplus – so as to manage the institutions' capital position and ensure strong capital adequacy and limit concentration risk (FY24: 76%; SLL limit: US$357bn). The IBRD also utilises an equity-to-loans ratio to measure risk, reported at 21.5% as of FY24 against a minimum of 18%. Callable capital covers 115% of gross debt as of FY24, while the leverage ratio (i.e. development-related assets (total loans) / (useable equity)) sits at 3.84x, and declining (FY23: 4.04x / FY22: 4.15x) due to increases in paid-in capital. In 2018 IBRD's board approved an increase in authorised capital by US$57.5bn (US$7.5bn of which in paid-in capital). 20% of the approved amount is yet to be rolled-out, and the subscription period is set to expire in October 2025 (extended from 2023). Shareholders are formally and legally obliged to pay their callable capital subscriptions when called regardless of their ability to do so, and in the event of failure to pay, the IBRD has the ability to freeze additional lending to the debtor nation.

ESG Credentials

The IBRD has been a global pioneer and innovator in sustainable and social bond issuances since it launched the world's first green bond in 2008. A milestone at the time, it marked the beginning of the green bond market and set the foundation for transparency and impact reporting. The green bond space has since grown to include IBRD's forest bonds (2016; focus to support sustainable forestry management and reforestation), blue bonds (launched 2018; focus to marine ecosystem management) and climate resilience bonds (2019; focus to enhance resilience to climate change). In 2022, as a first-of-its kind, the IBRD launched the Wildlife Conservation Bond ("Rhino Bond"), with proceeds linked to increasing the population of endangered black rhino's in South Africa.

Since 2008, the IBRD has expanded its pool of sustainable financing sources, creating several new bond labels and categories. Under the IBRD's Sustainable Bonds Framework it finances projects with the following social targets: (1) healthcare; (2) education; (3) food security; (4) social security; pensions, legal systems; (5) affordable housing; job creation and quality; and (7) financial support for countries undertaking the climate transition. In 2017 it launched a series of Pandemic Bonds as part of the World Bank's Pandemic Emergency Financing Facility to low-to-middle-income countries to counter instances of severe outbreaks. These successfully transitioned into its COVID-19 Response Bond programmes. Other forms of social bonds include the IBRD's Women's Empowerment Bonds (launched 2013; supporting gender equality and access to education and employment opportunities) and Health Bonds (2019; expanding access to healthcare services).

IBRD further underscored its reputation as a market innovator by launching highly-specialised sustainable bond programmes, such as SDG Bonds, Education Bonds, Urban Resilience Bonds and Catastrophe (CAT) Bonds, among others. In 2024, it highlighted the issuance of three catastrophe (cat) bonds to finance US$420mn of insurance coverage for the Government of Mexico against storm events along the Atlantic coast of Mexico and earthquake events. The IBRD's Sustainable Development Bonds and Green Bonds frameworks are aligned with the ICMA Sustainability Bond Guidelines and Green Bond Principles, respectively. The latter framework is affirmed by a second opinion from Cicero.

Overall, IBRD's financing supports sustainable development activities in its member countries, driven by the group's Climate Change Action Plan being aligned with the Paris Agreement since July 2023. The institution is committed to increasing funding flows to benefit the environment, having set its FY25 climate finance target at 45% of total lending. In 2024, the IBRD and IDA together delivered US$31bn towards climate finance objectives.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
10 Jan 2024	7Y Sustainable	US$ 5,000	MS + 55	2	4.000	4.082	-
10 Apr 2024	7Y Sustainable	US$ 3,000	MS + 48	1	4.500	4.521	-
10 Apr 2024	2Y Sustainable	US$ 3,000	MS + 17	2	4.750	4.764	-
28 Aug 2024	10Y Sustainable	US$ 3,500	MS + 57	1	3.875	3.951	-
16 Oct 2024	5Y Sustainable	US$ 5,000	MS + 39	2	3.875	3.933	$11,000 / 2.20x

Source: Bondradar; Bloomberg

International Development Association – IDA

Background and Ownership

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	225.3	208.5
Total Equity	141.4	170.3
Outstanding Loans	189.1	175.7
Debt Securities	41.3	29.9
Key Ratios (%)		
LT Debt / Equity	29.2	17.5
LT Debt / Capital	18.8	14.9
Liquid Asset Ratio	13.8	13.4

Source: Company reports; Bloomberg; Converted from USD as at reporting date

The International Development Association (IDA) is the second largest of the five supranational institutions that form the World Bank Group (WBG). The IDA operates as an MDB, providing concessional grants and loans to the governments of the world's 75 poorest countries. Founded in 1960, the IDA is owned by 175 member countries. Shareholder contributions and grants from member-states account for the IDA's subscribed capital, and at 1H24 'AAA'-rated members accounted for ~49% of cumulative contributions, largely represented by the United States (19%), followed by Japan (17%), the United Kingdom (12%) and Germany (10%). As a reflection of the high credit rating of the majority of its member-states (weighted average shareholder rating of Aa3), Moody's and S&P rate the IDA at 'AAA'/'Aaa'.

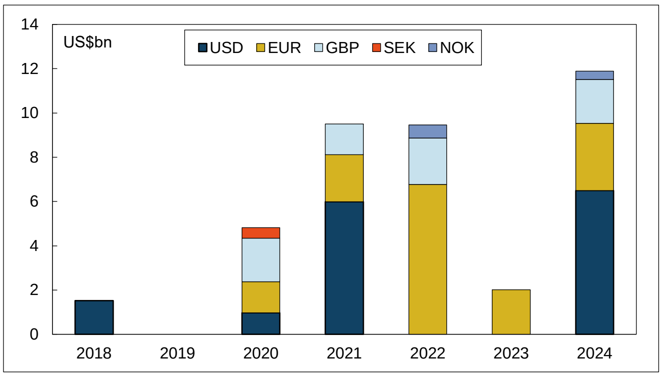
Main Purpose and Support

The IDA's purpose aligns with the WBG's strategy to end extreme poverty and promote shared prosperity by financing initiatives which accelerates sustainable and inclusive growth and invest in human capital. The supra specialises in concessional and non-concessional lending, as well as grants to member states based on country performance and per-capita income. The IDA is the single-largest source of donor funds for basic social services for these countries. Financial strength is gauged from the non-contractual and continued support is receives from its shareholders, preferred creditor status and 0% risk-weighting under Basel III.

Funding, Liquidity and Capitalisation

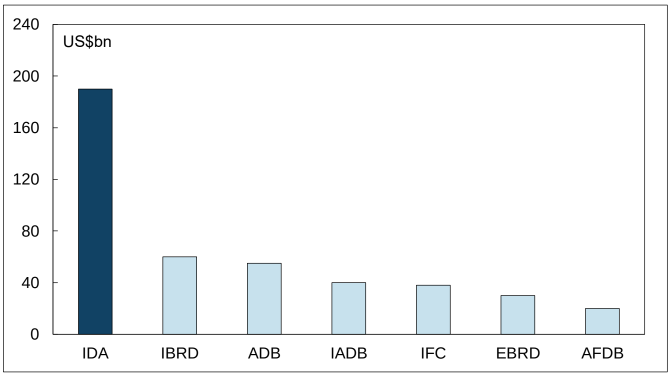
Funding: Unlike most SSA peers, the IDA's financing capacity is predominantly equity-funded, owing to its history of support from member shareholders via its triennial replenishment cycles. Historically, the IDA has been reliant on its equity base to raise funding but it opted to switch to a hybrid model in 2018. Since then, it started accessing capital markets for the first time in its 60-year history, so as to continue to meet the growing financing needs of developing countries. Inaugural bonds were raised in USD, EUR, GBP, SEK and NOK, offering a mix of short and long-term debt products. As of the end of IDA's fiscal year in June 2024, the balance sheet stood at US$241bn, 79% funded by equity and 19% by debt. Despite not having set an explicit funding target for its 2024 financial year, issuance totalled US$12bn in medium-to-long term debt securities, all of which carried a sustainable bond label, taking the total outstanding to US$44bn. Under its benchmark medium-term note (MTN) programme, average bond issuance in FY24 was €1.4bn across eight transactions, with an average tenor of 10.3-years. In terms of currency distribution, bonds were mostly USD-denominated (54%), followed by EUR (27%), GBP (16%) and NOK (3%).

Annual issuance volumes by currency



Source: Company reports

IDA equity base relative to peers



Source: Company reports; ADB, IADB, EBRD, AFDB figures as of FY23

Liquidity: The IDA's liquidity position was solid with US$33.4bn in liquid asset (14% of total assets) mostly comprised of sovereign and government agency bonds, as well as time deposits held at counterparty banks, 77% of which were rated at least 'AA'. Liquidity and risk management policies align closely with those of the IBRD, with the IDA setting a minimum liquidity level of at least 80% of projected net outflows over a 24-month period (FY24: minimum of US$24.7bn). Owing to higher anticipated debt servicing in the forthcoming fiscal year, the IDA has set the FY25 minimum liquidity threshold at US$29.5bn. The IDA's lack of a callable capital is mitigated by sizeable liquid asset holdings, covering short term liabilities (<1-year) more than 6x.

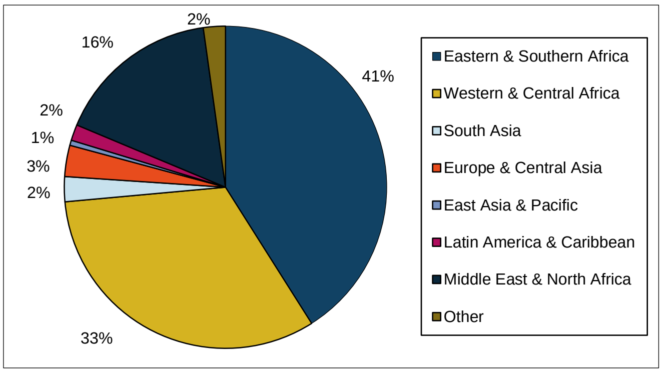
Capitalisation: Relative to its peers, the IDA has the largest capital base following consistent equity increases since 1960. The equity base is reported at US$190bn as of FY24, and has been built up through regular contributions from shareholders via capital replenishment cycles which occur triennially. IDA's 20th replenishment cycle runs from July 2022 to June 2025, raising US$23.5 in member equity, supporting the US$93bn financing envelope. Unlike most supranationals, the IDA does not have callable capital, and instead all subscribed capital is derived from past shareholder contributions, transfers and grants. The IDA also benefits from monetary transfers and grants from the IBRD and IFC on an annual basis. At FY24, the cumulative amount of transfers and grants made to the IDA was US$20.9bn, with the IBRD and IFC accounting for 80% and 19% of transfers respectively. Institutional solvency is internally calibrated via its Deployable Strategic Capital (DSC) measure. This calculates available capital available to support future financing commitments. It is calculated as the ratio between total available resources (equity net of un-expensed development grants + loan/loss provisions) and total resources required (minimum capital to cover expected/unexpected losses and a buffer equivalent to 10% of total available resources). At FY24, the DSC ratio was 34.8% (minimum requirement: 0%), demonstrating the IDA's adequate level of capital to support operations.

ESG Credentials

The IDA's Sustainable Development Bonds Framework (SDBF; released in 2020 and last updated in 2021) is aligned with ICMA's Sustainable Bond Guidelines. All IDA bonds issued under the framework support the financing of a combination of green and social projects in IDA member countries, with each project designed to achieve positive social and environmental impacts in line with the WBG's aforementioned twin goals. IDA's support covers primary education, basic health services, clean water and sanitation, agriculture, business climate improvements, infrastructure and institutional reform. Since 1960, the IDA has extended US$533bn in financing to 115 countries. As part of the 20th replenishment cycle, the US$93bn financing package is intended for five key themes: human capital, climate change, fragility, conflict and violence (FCV), gender and development and jobs and economic transformation (JET).

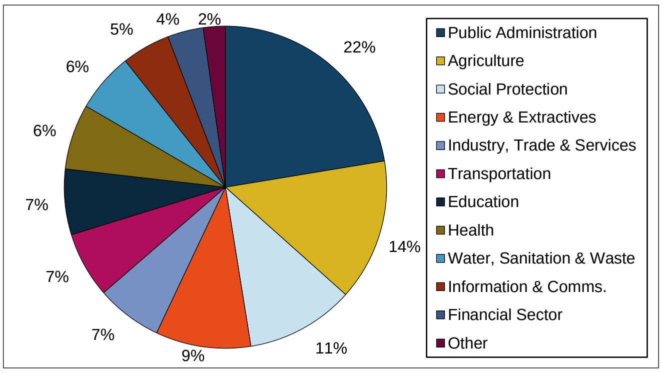
The IDA labels itself as a "first-mover" in tackling complex development challenges, being the first major development partner to operate in post-conflict and crisis environments. The IDA positioned itself as crucial partner to respond to a variety of crises during and after the event, offering early response financing as well as providing assistance in strengthening resilience to future shocks. Examples include the 2014 Ebola crisis in West Africa, the 2015 earthquake in Nepal, the Middle East and East Africa drought and food insecurity in 2017, and the 2020 Covid-pandemic. IDA's next replenishment cycle (IDA21) will commence in July 2025 for which the World Bank has already announced a record US$100bn replenishment (total US$24bn pledged pre-leverage) as 17 donors increased their contributions by more than 25% in national currencies. The IDA is able to make significant impact in the regions that it operates in, as for every $1 in contributions that it receives, it can extend $3.5 in concessional loans and grants to the respective donor.

Loan commitments by region (FY23)



Source: Company reports

Loan commitments by sector (FY23)



Source: Company reports

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
18 Jan 2024	20Y Sustainable	€ 1,750	MS + 61	-	3.200	3.217	€2,700 / 1.54x
11 Jun 2024	5Y Sustainable	US$ 4,000	MS + 37	2	4.375	4.483	-
13 Sep 2024	7Y Sustainable	US$ 2,500	MS + 52	-	3.750	3.776	$5,800 / 2.32x
17 Oct 2024	10Y Sustainable	€ 1,750	MS + 36	-	2.800	2.832	€2,250 / 1.29x
27 Nov 2024	5Y Sustainable	US$ 3,500	MS + 47	1	4.375	4.396	$4,800 / 1.37x

Source: Bondradar; Bloomberg

International Finance Corporation – IFC

Background and Ownership

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	101.0	101.2
Total Equity	35.0	32.1
Outstanding Loans	35.0	29.9
LT Debt Securities	52.0	48.1
Key Ratios (%)		
LT Debt / Equity	148.8	149.8
Paid-in / Subscribed Cap.	96.3	94.4
Liquid Asset Ratio	34.9	36.3

Source: Company reports; Bloomberg; Converted from USD as at reporting date

The International Finance Corporation (IFC) is a multilateral development bank (MDB) and part of the World Bank Group (WBG). The organisation was established in 1956 to support economic growth in developing countries by providing debt and equity financing to private enterprises. As such, it combines the characteristics of a multilateral development bank with those of a private financial institution. IFC is legally distinct from other WBG entities with its own financial structure, staff, share capital and articles of agreements. In 2018, shareholders agreed to a capital increase, which would substantially lift the amount of paid-in capital held. This is the first major increase since 1992 and allows IFC's investment portfolio to grow to support high-impact projects in line with its business strategy. The plan includes a $17bn conversion of retained earnings into equity and a substantial increase in paid-in capital from its members by $5.5bn. As of end-June 2024 (FY24), paid-in capital stood at $23.2bn, up from USD2.5bn back in 2018. IFC counts 186 members with the single largest shareholders being the U.S. (17.7% of voting shares), Japan (7.4%), Germany (5.2%), UK (4.6%) and France (4.6%). Some 50% of capital is held by 'AAA'/'AA' rated sovereigns. Member countries guide IFC's programmes and activities through the Board of Governors and the Board of Directors, while voting power is weighted according to share capital.

Main Purpose and Support

IFC's stated mission is to end extreme poverty and boost shared prosperity on a liveable planet. As the private sector arm of the WBG, IFC provides financing and advisory services to support private sector development in developing economies, in line with good environmental, social and governance standards. Generally, IFC charges market-based rates for its loans and seeks market returns on its equity investments and investments in debt securities and unlike most other development institutions, IFC does not accept host government guarantees of repayment. The institution's underlying financial strength is based principally on the quality of its investment portfolio, its substantial paid-in capital and retained earnings. Additionally, low debt to equity ratio, the size of its liquid asset portfolio, its diversified earnings base and solid profitability are all credit positives. Profits generated by IFC are channelled back into investments in developing member countries.

IFC's business comprises three core segments:

- **Investment Services** offers loans, bonds and other fixed income instruments, equity, trade and commodity finance, derivative and structured finance, as well as blended finance. These services are intended to enable companies to manage risk and broaden their access to foreign and domestic capital markets.
- **Advisory services** cater to private and public-sector clients to create markets and mobilise capital, and engage in early stage project development activities to develop bankable investment projects.
- **Asset Management Company** – a wholly-owned subsidiary of IFC, manages funds on behalf of a variety of institutional investors – sovereign funds, pension funds and development finance institutions – providing them with the ability to invest alongside projects funded by IFC. It mobilises additional funding through parallel loans, loan participations, partial credit guarantees, securitisations, loan sales, risk sharing facilities and fund investments. By attracting new investors, IFC introduces its clients to new sources of capital and better ways of doing business.

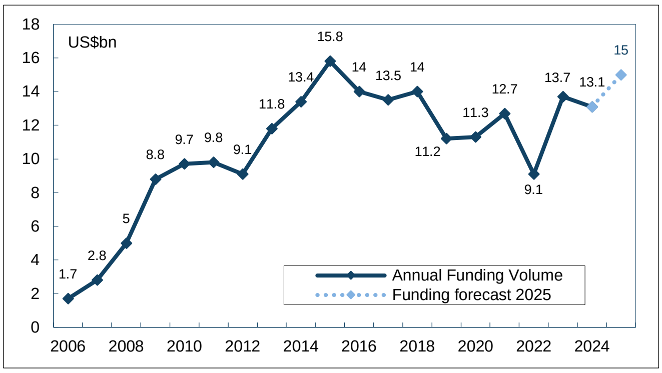
Unlike most of its MDB peers, the IFC does not benefit from explicit contractual callable capital support from its shareholders. Despite this, we deem non-contractual shareholder support likely to be high, as evidenced by a consistent history of capital increases and the institutional significance ascribed to it by its shareholders, in part due to its expertise in private sector lending and attracting private capital for climate financing needs.

Funding, Liquidity and Capitalisation

Funding & Liquidity: IFC generates most of the funds for its investment activities through the issuance of debt securities in international capital markets. These are diversified by geography, investors and currency. New medium and long-term funding totalled $13.1bn as at FY24 (FY23: $13.7bn) across 27 currencies. IFC has issued global US dollar benchmark bonds every year since 2000 and as a US dollar-based institution, most borrowings are swapped into compounded Secured Overnight Financing Rate (SOFR). Euros is a market IFC has been notably absent from, having never sold a public benchmark in the single currency. This is partly owed to its existing commitments, which make it hard to find room to issue euro benchmark transactions that typically require €1bn minimum size. However, as the issuer has expanded its funding programme for 2025, this may become a consideration for the future. As at FY24, borrowing by currency was skewed towards USD (44% of total), AUD (19%), GBP (19%) and CAD (6%). IFC considers AUD a key market due to attractive term funding, supported by a growing domestic and international investor base. It even established a standalone AUD domestic debt issuance programme in 2007 (updated in Jul-2024), and domestic issues are repo-eligible with the Reserve Bank of Australia.

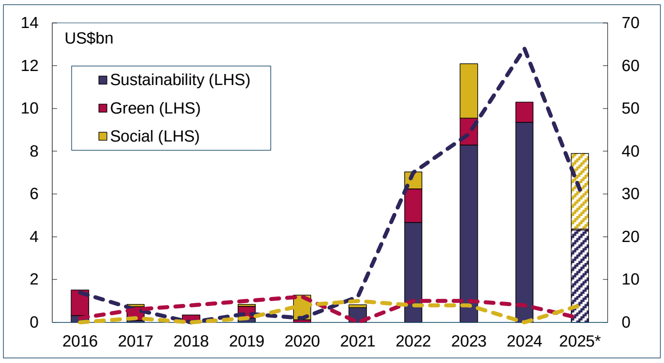
Total outstanding borrowings stood at $55.8bn and had a weighted average remaining contractual maturity of 5 years at (FY23: 5.4 years). In addition to this diverse funding base, IFC also utilises redemptions and repurchases of its debt securities to provide liquidity to the market, which is particularly effective for less liquid currencies. For 2025, IFC announced an annual funding programme of up to $15bn, excluding a $5bn discount note programme. IFC's funding policy generally prescribes that there should only be minimal asset/liability misalignments, with the exception of new products approved by the board. The bank also has a strong liquidity position, with $37.7bn in liquid assets to total assets equating 35%, well above the 25% average of its 'AAA' rated MDB peers. IFC's overall liquidity ratio was 81% (FY23: 104%), comfortably above the 45% required under IFC liquidity policy to cover the next three years estimated net cash requirements.

Annual funding volume



Source: Company reports

Cumulative ESG issuance by volume and number



Source: Bloomberg; *end-March 2025 data; Lines indicate number of bonds

Capitalisation: Total equity at FY24 stood at $31.2bn of which 66% ($23.2bn) was paid-in capital and 36% ($13.1bn) related to undesignated retained earnings. IFC relies on accumulated earnings for much of its capital and unlike other multilateral organisations IFC has no callable shareholder capital. This is offset by the large proportion of paid-in capital, of which more than 50% is supplied by 'AAA'/'AA' rated sovereigns. We deem the overall capital position to be solid, and so far, IFC has not experienced any significant financial distress that would require it to call for additional capital injections. This, alongside its track record of robust risk management practices suggest any potential accumulation of distressed exposures would likely be detected and dealt with at an early stage with sufficient capital in place. IFC's capital adequacy, as measured by the deployable strategic capital (DSC) ratio was 23.4% at the end of FY21 (FY20: 17.9%). DSC is capital available for additional commitments, over and above the current portfolio, and calculated as total resources available less total resources required less capital buffers. The increase in the ratio was largely attributed to effects of the capital increase and partially offset by an increase in requirements to support the business and treasury portfolios.

ESG Credentials

Over the past 15 years, IFC has established itself as an important ESG bond issuer, setting up two ICMA aligned thematic issuance programmes to support its various objectives. The first was their green bond programme launched in 2010, proceeds of which are used to finance climate-friendly projects including renewable energy, biodiversity protection, ocean and water protection, among others. As of FY24, over $13.8bn in green bonds have been raised across 207 bonds and taps in 21 currencies. In 2017, IFC established its social bond programme, used to finance projects that improve access to essential services and income generation to underserved target populations in developing countries. These projects directly contribute to the achievement of the UN Sustainable Development Goals (UN SDG). IFC aims to increase climate-related investments to 45% of its own-account long-term commitment volume, starting from FY25.

IFC have been a frequent issuer of social bonds in public and private markets and as of FY24 placed over $8.3bn across 97 bonds and taps in 14 currencies. In January 2025, IFC issued its largest social bond to date, which was also the largest US dollar denominated social bond by a supranational. The issuance followed an update to IFC's social bond framework designed to enhance and expand the eligibility criteria for social bonds and to be in line with the best practices and ICMA principles. The $2bn social bond carried a 3-year maturity and interest in the transaction was so strong that the deal was 5.3x oversubscribed. This made it the largest ever orderbook for a single bond issue in IFC's history. Furthermore, the high demand in the trade from quality investors such as central banks, official institutions, bank treasuries and other real money investors resulted in unusually strong spread tightening (-4bps) from initial price thoughts compared to the usual 1-2bps of its peer group.

Nederlandse Waterschapsbank (NWB)

Background and Ownership

Nederlandse Waterschapsbank (NWB) is a Dutch promotional bank established in 1954 to address the financing needs of the country's water authorities, enabling critical investments in flood protection and water management. Based in The Hague, the bank has expanded its remit over the years to support other public-sector entities, including municipalities, provincial governments, healthcare, and social housing providers. NWB's ownership structure reflects its close alignment with the public sectors, as 81% of its shares are held by the 21 regional water authorities, 17% by the Dutch state, and 2% by provincial governments. This close alignment underscores its important role in the Dutch financial system, meeting approximately 35% of the public sector's borrowing needs as a dedicated financier of public infrastructure and social projects. At FY24 the balance sheet grew to €78.7bn (FY23: €75.9bn), with the increase mainly due to higher cash reserves at the central bank as part of NWB's liquidity buffer. The ownership and governance structure ensure strong oversight and alignment with national and regional priorities, reinforcing its position as a key institution in the Netherlands' public financing landscape. The bank's mandate continues to evolve by increasing its focus on renewable energy and sustainability while maintaining its low-risk profile.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	78.8	75.9
Total Equity	2.1	2.1
Outstanding Loans	59.2	55.3
Debt Securities	64.0	62.5
Key Ratios (%)		
LT Debt / Equity	3,058	3,033
CET1	35.7	41.1
Liquid Asset Ratio	11.7	14.7
LCR	183	160
NSFR	134	133
Cost-Income Ratio	28.6	21.8

Source: Company reports; Bloomberg

Main Purpose and Support

As a specialised financial institution in the Dutch public sector, Nederlandse Waterschapsbank has a clear mandate to provide affordable and reliable financing to other public-sector entities. Its activities are deeply rooted in the country's unique challenges and priorities, ranging from flood protection and water management to social housing and sustainable development. Resources are channelled into critical areas like infrastructure, healthcare, education, and renewable energy, ensuring that public-sector organisations can undertake projects that benefit society as a whole. One of NWB's distinguishing features is its reliance on low-risk borrowers, such as water authorities and social housing providers, whose financial stability is reinforced by strong regulatory frameworks. Loans to social housing associations are backed by the Waarborgfonds Sociale Woningbouw (WSW), a guarantee fund that minimises credit risk and supports the delivery of projects. While NWB's debt does not carry explicit guarantees, the institutions' ownership by public authorities and its alignment with national policy objectives raises the expectation of implicit support by the Dutch government. NWB enjoys strong ties with the Dutch Ministry of Finance, which oversees its strategy and dividend policy, further underscores its integration into the public sector framework. This combination of a clear public policy mandate, robust client base, and significant government support mechanisms ensures NWB's continued ability to provide reliable and cost-effective financing to the Dutch public sector.

Funding, Liquidity and Capitalisation

Funding: NWB's funding strategy is entirely wholesale-based, and is conducted out of its €75bn debt issuance programme in benchmark size and maturities. Public transactions in various currencies are offered via its EMTN, Kangaroo, Kauri and Formosa programmes, complemented by private placements. The significant diversification within the issuers funding approach mitigates the risks typically associated with reliance on wholesale markets. As of FY24, funding is sourced across multiple currencies, including EUR (64%), USD (34%), and AUD (1%) and well as GBP and HKD (combined 1%), ensuring exposure to a broad range of capital markets. Geographically, funding is equally varied, with investors located in Europe (52%), Asia (21%), the Americas (20%), the Middle East and Africa (4%), and Australia (3%). Furthermore, NWB attracts a wide spectrum of investor types, including central banks (40%), bank treasuries (25%), asset managers (22%), and insurance and pension funds (13%), which adds resilience to the bank's investor base. This level of diversification reduces concentration risk and enhances the bank's ability to navigate localised market disruptions effectively. 2025 long-term funding requirements are €11-13bn.

Liquidity: Short-term funding needs are predominantly met with commercial paper programmes. As of FY24 the cumulative amount raised under the Euro Commercial Paper (ECP) programme was €105bn and under the US programme (USCP) it was €118bn equivalent. Expiring CP is refinanced during the year with just €5.6bn outstanding by year-end. Short-term funds are raised to extend cash loans to clients, to increase NWB's liquidity buffer, and to meet collateral obligations arising from derivative transactions entered by the bank to hedge its own interest rate and foreign exchange risks. Furthermore, NWB maintains a robust liquidity buffer of €9.2bn, comprised of cash and central bank reserves as well as interbank assets. These resources provide the bank with a strong liquidity safety net, reflected in solid liquidity metrics such as the liquidity coverage ratio (LCR) of 183% and a net stable funding ratio (NSFR) of 134%. Additionally, due to NWB's classification as a promotional bank, the inclusion of its bonds in the EU's Level 1 high-quality liquid assets (HQLA) category enhances the attractiveness of its securities among institutional investors. While maturity mismatches exist between its funding and asset profiles, these risks are mitigated by the bank's asset-liability management and its ability to refinance at favourable terms. Overall, NWB's funding strategy, underpinned by its public policy mandate and strong market reputation, ensures it remains resilient to market stresses while continuing to provide essential financing to the Dutch public sector.

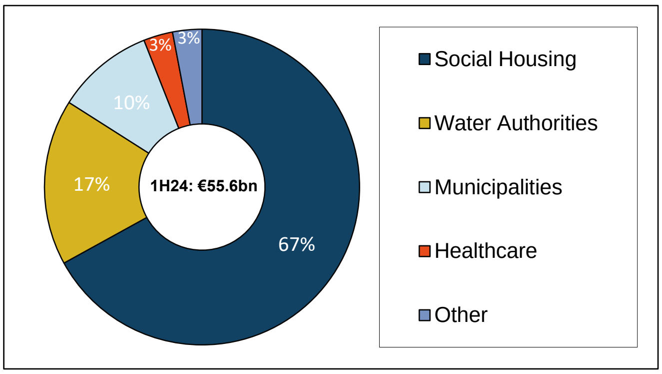
Capitalisation: The bank's equity stood at €2bn as of FY24, almost unchanged compared with end-2023, supported by stable net profits of €94m (FY23: €126m). The CET1 ratio was very strong at 35.7% (2023: 41.1%), and including the bank's AT1, total capital of €2.3bn resulted in a Tier 1 ratio of 41.4% (2023: 48%). This is well above the total minimum requirement of 14.7% that has been set for the bank. The slight decrease of the CET1 ratio and Tier 1 ratio was largely driven by the reclassification of drinking water companies to 'corporate' status from 'public sector entities', resulting in higher risk weightings. This decision followed a consultation with the ECB in 2024 and saw the risk-weighting increase from 20% to 100%. Although this translated into higher RWA volumes of €5.5bn (+19% yoy), it only represents a relatively modest 7% of total assets.

ESG Credentials

NWB's sustainability credentials are very strong, having pioneered the issuance of water bonds as a subset of green debt, while also issuing SDG housing bonds to finance sustainable initiatives, highlighting its approach to address both environmental and social challenges. NWB is the largest issuer of sustainable bonds in the Netherlands and the annual volume of ESG bonds represents more than 33% of total long-term funding. Since issuing the first Water Bond in 2014, NWB has reportedly issued more than €32bn in ESG bonds, of which €25bn remain outstanding. By theme they comprise sustainability (54%), green (26%), and social (20%) bonds and currently, make up more than 41% of all NWB bonds outstanding. In 2024 NWB issued €4bn ESG themed bonds out of a total €10bn. NWB Bank is firmly committed to the Paris Climate Agreement, having set ambitious climate goals, including achieving a net-zero CO2e emissions loan portfolio by 2050 and an energy-positive portfolio by 2035. These targets, validated by the Science Based Targets initiative (SBTi), are complemented by intermediate milestones, such as a 65.5% reduction in Scope 1 and 2 emissions and a 62.3% reduction in Scope 3 emissions per square meter of property financed by 2030, (compared to a 2018 baseline). Efforts towards biodiversity and water management, aim to halt nature loss and restore ecosystems by 2030, with specific targets, such as achieving 5% green-blue networks (i.e. interconnected natural areas) in client-managed areas by 2030 and 10% by 2050.

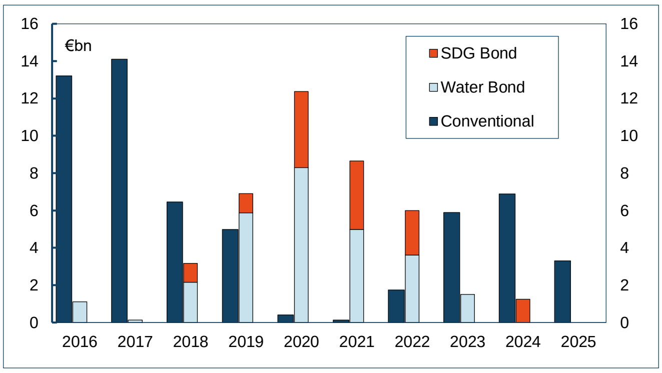
The bank's role in addressing social challenges is equally compelling. As a public sector bank with deep roots in water management, NWB finances critical infrastructure that mitigates climate risks, such as flood control and drought management, which are integral to the Netherlands' water authorities. Additionally, NWB is a key enabler of social housing development, collaborating with housing associations to meet the national target of building 250,000 new social dwellings by 2030. These homes, designated for households with modest incomes, are not only affordable but also increasingly sustainable, helping tenants reduce energy costs and avoid energy poverty. NWB tracks the social impact of its lending by monitoring metrics such as net new social dwellings built, the percentage of allocations to income-eligible households, and energy efficiency improvements in these homes. To this end, the issuer developed a dedicated UN SDG Housing Bond Framework and identified eight SDGs suitable to support social housing developments. These are SDGs 1,3,5,7,8,10, and 16. The most recent bond issued on the back of the framework came in January 2025 and was a $1.5bn (SDG Housing Bond) with a 5-year tenor at SOFR MS+48bps (-2bps from IPT). This represents about 10% of NWB's 2025 funding plan.

Long-term portfolio distribution



Source: Company reports

ESG and conventional bond issuance



Source: Bloomberg

Nordic Investment Bank – NIB

Background and Ownership

The Nordic Investment Bank (NIB) was established in 1975 by the five Nordic nation states and it operates as a regional multilateral development bank. NIB finances long-term private and public sector projects and since 2005 its membership was expanded to include Estonia, Latvia and Lithuania, reflecting the new members' economic integration. NIB is owned by the aforementioned eight member-countries: Sweden (34.6% of authorized capital), Norway (21.5%), Denmark (21.1%), Finland (17.7%), Lithuania (2.0%), Latvia (1.3%), Estonia (0.9%), Iceland (0.9%). As a reflection of the high credit ratings of its member countries, Moody's and S&P rate NIB at 'AAA'/'Aaa'.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	43.1	39.6
Total Equity	4.6	4.4
Outstanding Loans	22.9	21.9
Debt Securities	35.8	32.2
Key Ratios (%)		
LT Debt / Equity	787.1	740.1
Callable Capital / LT Debt	21.0	23.4
Liquid Asset Ratio	39.9	37.2
LCR	6,782	4,398
NSFR	169	163
Cost-Income Ratio	18.5	18.8

Source: Company reports; Bloomberg

Main Purpose and Support

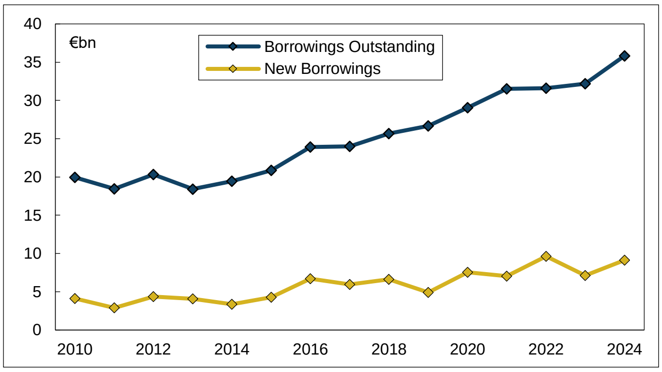
NIB's purpose is to promote financing of private and public-sector projects predominantly within its member countries (FY24: 99% of lending outstanding to member states). Lending activities align with the bank's dual-mandate of benefitting the environment and improving productivity within the region. Projects include pollution reduction and adaptation, resource efficiency & development, climate change mitigation, and clean technology. Although NIB is not a profit-maximising institution, it has been consistently profitable over the past decade and charges market interest rates on its loans. In contrast to most MDBs, it typically distributes annual dividend payments to member state governments. Strong support is expected from its shareholders, with approximately 95% of authorized capital held by 'AA+' or higher rated countries. No explicit guarantees are in place to support NIB's debt issuances.

Funding, Liquidity and Capitalisation

Funding: At FY24 the balance sheet was €43.1bn, 83% funded by debt issuance and 11% by equity. NIB is a regular issuer of debt instruments in capital markets and set an issuance target of €8.5-9.5bn for FY24, which it met with €9.1bn in funding raised across 95 trades. USD and EUR issuances accounted for 30% and 28% of outstanding funding, respectively, followed by NOK (11%), GBP (11%), and HKD (6%). Average maturity of new funding was 4.6-years in the medium segment. The currency distribution broadly reflects that of the outstanding funding portfolio. For 2025 the funding plan approximates that of last year, targeting €7.5-8.5bn of which €1.95bn was reportedly already raised. NIB plans to complete 35-45% of its funding needs via USD global benchmarks, EUR benchmarks and Environmental Bonds. 25-25% from Nordic currency markets as well as major local markets such as GBP, AUD and NZD. The remaining 25-35% is set to come from private placements. 2024 also marked a record year for NIB Environmental Bonds (NEBs), with a total issuance of €1.7bn, including the largest NEB to date - a 5-year €750m bond. NEBs were also issued in NOK and SEK.

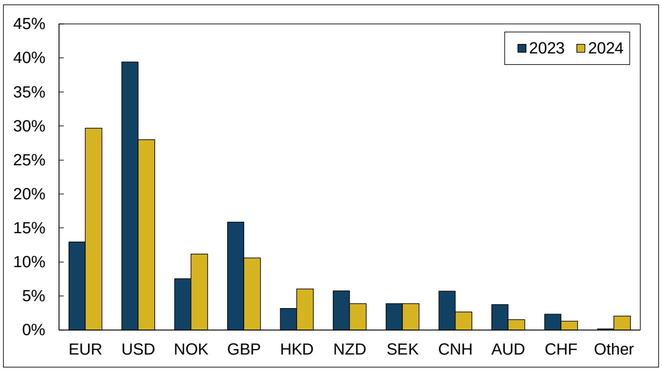
Liquidity: NIBs liquidity buffer is considered to be strong, with the liquid asset portfolio amounting to €17.2bn, comprising reverse repos (33% of total), covered bonds (23%), sovereign and sov. guaranteed bonds (18%), Public-sector and supranational bonds (12%) and cash & deposits (6%). The ratings of the bonds was 93% rated 'AA-', underscoring the high quality of the liquidity buffer. Liquid assets accounted for 40% of FY24 total assets and meet the bank's 12-month target for the survival horizon under a stressed environment. The 407 days liquidity survival compares with 461 days at the end of 2023. The LCR was 6,782% compared with 4,398% at the end of 2023 and NSFR was 169% compared with 163% at the end of 2023.

Quarterly issuance volumes by currency



Source: Company reports

Distribution of new borrowings by currency



Source: Company reports

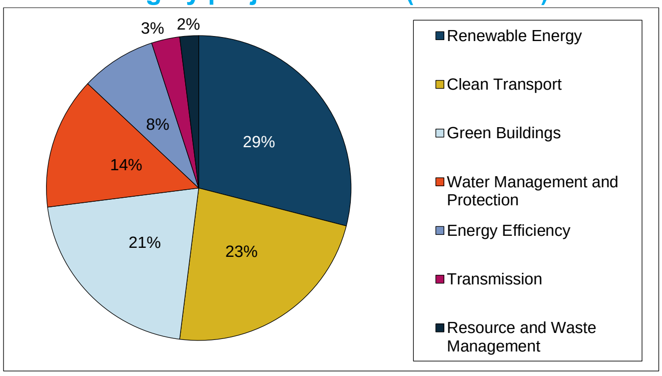
Capitalisation: At FY24, NIB has an authorised capital stock of €8.37bn, 10% of which is paid-in (€846mn). This is generally considered low but there is strong enforceability in place, whereby, the Board can enforce all callable capital if deemed necessary to fulfil outstanding debt obligations. In such an event, the authorised capital stock would cover 23.4% of outstanding debt as at FY24. NIB's adjusted common equity (paid-in capital and accumulated reserves) amounted to €4.4bn, equivalent to 162% of its minimum economic capital requirement (sum of economic capital allocated to cover credit, market and operational risk). At FY24, NIB's total capitalisation of €40.4bn more than covered (113%) of total outstanding debt. Total debt to equity stands much higher at 787% (FY23: 751% / FY22: 787%).

ESG Credentials

NIB has an explicit mandate to finance environmental improvements, with a key focus on the climate transition and marine protection. Its four main drivers for achieving environmental benefits include: (1) pollution reduction; (2) preventative measures; (3) resource efficiency and; (4) climate change mitigation. NIB's 2024 Environmental Bond Framework is supported by a second party opinion from S&P Global, and aligns with its environmental mandate that stipulates the importance of the green transition for the institution. As it remains on course to achieving its 2050 net-zero target, as part of NIB' Climate Strategy, the institution has set climate targets for 2030 primarily focused towards the portions of its lending portfolio which are carbon-intensive and/or hold significant importance for decarbonisation. Under the Environmental Bond Framework, NIB have issued €9.3bn under its Environmental Bond and Nordic-Baltic Blue bond programmes, via 40 issuances between 2011 and 2025. Furthermore, NIB has committed to finance projects that have a positive environmental impact in the amount of at least €30bn by the end of 2030 (NIB typically finances up to 50% of total project costs; hence €15bn expected commitment). NIB's cumulative disbursement for environmental projects between 2021-2024 reached €16.8bn (56% target fulfilment), with €5.5bn financed in 2024.

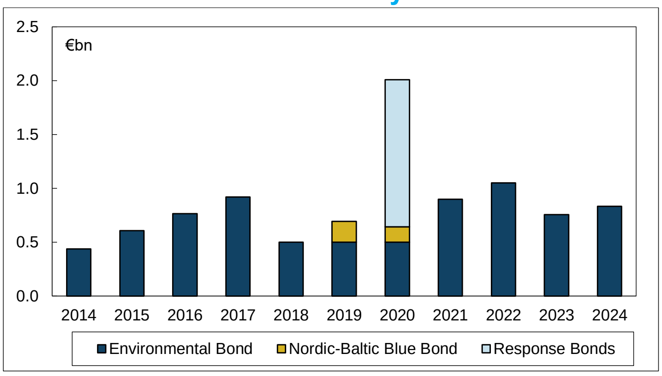
NIB's commitment to provide long-term financing for investments with positive socioeconomic and environmental impacts was evident in April 2020, when the institution introduced its Response Bond Framework for issuing Response Bonds to finance eligible projects that aimed to alleviate the social and economic consequences caused by the COVID-19 pandemic in the banks' Nordic-Baltic member countries. NIB issued €1.4bn across two sustainable bonds each with a maturity of 3-years and more than 3-times oversubscribed, funding three Response Loans disbursed to support additional resources for healthcare systems, job protection and personal income losses in the Republics of Estonia, Latvia and Lithuania. NIB remains dedicated to international principles standards and agreements and actively participates in global partnerships and networks, including the Paris Agreement, the UN SDGs, the EU Taxonomy and ICMA's principles.

ESG lending by project themes (2011-2024)



Source: Company reports

Annual ESG-linked issuance by label



Source: Company reports; Bloomberg.

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
14 Feb 2024	3.4Y	£500	SONIA MS + 21	-	4.125	-	0.68x
28 Feb 2024	5Y	US$1,500	SOFR MS + 37	3	4.250	4.369	3.00x
25 Mar 2024	5.5Y	NOK6,000	3mN + 19	-	3mN + 19	-	-
11 Sep 2024	5Y Green	€750	MS + 8	1	2.375	2.496	1.60x
04 Oct 2024	3Y	US$700	SOFR + 29	-	-	-	1.07x

Source: Bondradar; Bloomberg

NRW Bank – NRWB

Background and Ownership

NRW Bank (NRWB) is the development bank of North Rhine-Westphalia (NRW), Germany's most populous and economically powerful federal state, contributing over 22% to the nation's GDP. NRW Bank was founded in 2002 following the restructuring of Westdeutsche Landesbank (WestLB). The development bank is operated as a public law institution *(Anstalt öffentlichen Rechts)* and is wholly owned by the state of NRW since 2011. As of FY24, the bank reported total assets of €162bn, making it Germany's second-largest promotional bank after KfW. It also holds a banking license and is therefore regulated by the German financial supervisory authority (BAFIN) Headquartered in Düsseldorf and Münster, the bank distributes its financial products through partnerships with local savings banks, cooperative banks, and private banks, while also providing direct loans to municipalities and public institutions. NRWB is a cornerstone of NRW's development strategy, leveraging its financial strength, sustainability focus, and solutions to drive regional growth and resilience.

Key Data		
Balance Sheet (€bn)	FY24	FY23
Total Assets	161.8	161.3
Total Equity	19.9	19.9
Outstanding Loans	59.4	58.9
Debt Securities	82.3	81.8
Key Ratios (%)		
LT Debt / Equity	414.6	410.6
CET1	42.5	42.5
Total Capital Ratio	42.6	42.6
Liquid Asset Ratio	32.6	34.9
LCR	520	239
NSFR	118	116
Cost-Income Ratio*	40.7	32.5

Source: Company reports; Bloomberg; *un-adjusted

Main Purpose and Support

NRWB's mandate focuses on fostering economic, social, and structural development across three primary segments: (1) Economy, (2) Housing, and (3) Infrastructure/ Municipalities. It provides financial solutions to SMEs, start-ups, municipalities, and housing companies, often through subsidised loans and advisory services. Sustainability is a key priority, with roughly 25% of its loans classified as green loans and a strong focus on renewable energy and environmental protection. The bank has also established itself as a leading issuer of green and social bonds aligning its operations with climate neutrality and digital transformation goals. NRWB is operated as a self-financed institution, reinvesting its profits to preserve capital and sustain its operations independently of the state budget. It derives the majority of its income from promotional loans and the management of its liquidity portfolio, demonstrating a prudent approach to financial management. The bank also channels funding from European institutions, such as the EIB as well as KfW, to amplify its impact on regional development. Due to its public mandate, NRWB benefits from several layers of support from its owner, the state of NRW. First and foremost, the state provides NRWB with an explicit, unconditional, irrevocable guarantee for all of its borrowings. The guarantee is for an unlimited period and is payable upon first demand. Furthermore, the state provides a maintenance obligation *(Anstaltslast)* and statutory guarantee on its liabilities *(Gewährträgerhaftung)*. These are further commitments from the state which ensure the bank is able to fulfil its financial obligations.

Funding, Liquidity and Capitalisation

Funding: Like many of its peers, NRW Bank is not a deposit taking institution and is therefore highly reliant on market-based funding. According to company reports, issued bonds for FY24 amounted to €8.6bn after repurchases (FY23: 6.8bn). For 2025, the bank plans to raise between €11-13bn through wholesale funding, the same amount as last year. The targeted average maturity is 5-7 years with the aim of issuing at least one euro and dollar benchmark each at a minimum €/$1bn notional size. Furthermore, with the possibility of bringing upcoming new benchmarks and tap issuances to a maximum size of €/$1.5bn, NRWB intends to provide greater liquidity for investors in the event of corresponding demand. The bank's status as quasi-sub sovereign issuer and the multitude of support layers provided by the state of NRW ensure seamless access to capital markets at favourable rates.

Funding transactions with domestic investors are dominated by bearer bonds, note loans and registered bonds. NRW Bank also uses its international programmes for funding operations. These include medium-term to long-term maturities via its 'Debt Issuance Programme' and the Australian and New Zealand Medium Term Note Programme (Kangaroo / Kauri Programme). Short-term funding needs are mostly met with the €35bn Global Commercial Paper Programme (GCP). Other sources of refinancing include the programme-linked funds from KfW and Landwirtschaftliche Rentenbank for the on-lending business.

Liquidity: In terms of liquidity, NRWB had €0.1bn in cash and €52.6bn in receivables from banks, of which 68% consisted of promotional loans granted under the house bank principle and not readily available for liquidity purposes. Nevertheless, liquidity indicators were solid with LCR (520%) and NSFR (116%) comfortably above the minimum requirements of 100%.

Capital: NRW Bank maintains an exceptionally strong regulatory capital position, underscoring its financial resilience and capacity to support its promotional mandate. As of FY24, the bank's CET1 capital ratio stood at 42.5% (FY23: 42.5%), significantly exceeding the regulatory minimum CET1 requirement of 9.50% and the total capital requirement of

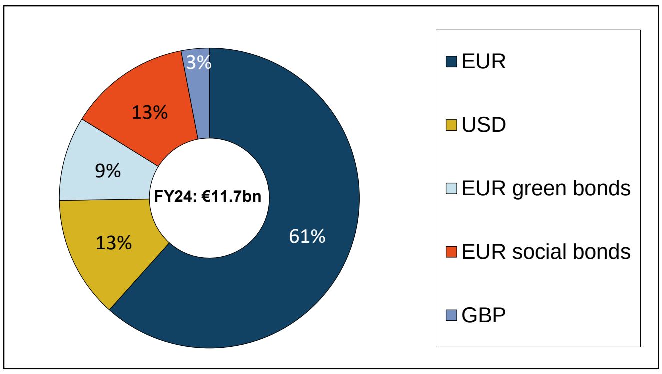
14.75%. This robust capitalisation stems in part from the bank's statutory obligation to retain profits, bolstering its reserves, as well as its historical absorption of assets and capital reserves of NRW's public housing development institution in 2010. Despite regulatory adjustments, such as the introduction of countercyclical and sectoral capital buffers in 2023 and the moderate increase in risk-weighted assets (RWAs) due to changes in the standardised approach, the bank's capital ratios remain among the highest in its peer group of public-sector development banks. Looking forward, the bank's strong capital position is expected to be sustained, supported by its prudent profit retention policy and commitment to its policy-driven mandate.

ESG Credentials

NRW Bank has continually aligned its strategy with sustainability and innovation in recent years. It has introduced targeted support for SMEs transitioning to renewable energy sources and has integrated ESG criteria and climate-related risk assessments into its investment portfolio. This forward-looking approach highlights its commitment to fostering a climate-neutral and digitally advanced state of NRW while maintaining its role as a pillar of economic and social development in the region. Part of the funding strategy is to refinance environmentally friendly loans with green bonds, which NRWB started to issue in 2013 and has since then continued to do so on an annual basis. In 2020 the bank broadened its scope and established its Social Bond Framework (updated in 2022) to support lending to affordable home ownership, SMEs, education and municipalities. In 2024 NRWB issued social and green bonds for €1.5bn and €1bn respectively, bringing the total outstanding to €8.75bn for green bonds since 2013, and €6.6bn for social bonds since 2020. As of FY24, ESG themed bonds comprised almost a quarter of NRW Bank's funding and looking ahead, the 2025 funding strategy foresees the issuance of at least one green bond with a minimum volume of €500m and at least one social bond with a minimum volume of €1bn.

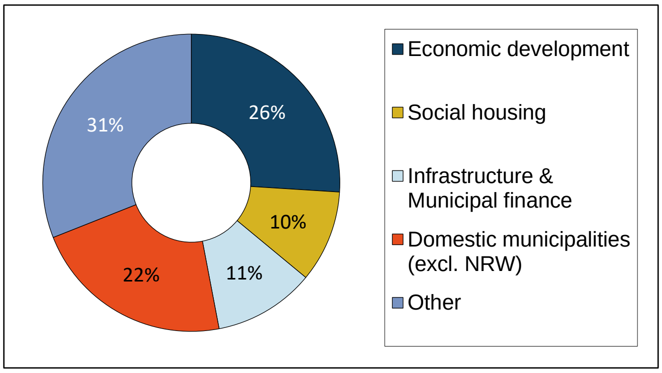
In terms of application, green bonds are used to (re)finance climate- and environmentally-friendly projects in NRW, with the issuer's green bond framework based on the ICMA Green Bond Principles (GBP). In an effort to broaden the adoption of sustainable projects, NRWB offers preferential funding rates under certain circumstances, its so-called 'green funding curve'. To qualify, projects must at least meet the 'substantial contribution' criteria under the EU Taxonomy. In addition, alignment with the relevant 'do no significant harm' (DNSH) criteria as well as the 'minimum social safeguards' is expected on a best-effort basis. With regards to social bonds, the Social Bond Framework is aligned with ICMA's Social Bond Principles (SBP) and an external review by ISS ESG ensures credibility and alignment with best practices. Social bonds are predominantly denominated in EUR or AUD and supported by a (partly) dynamic asset pool with a look-back period of 36 months. The 2025 social asset pool stands at €7.9bn and allocation by project category is geared towards SMEs (54%), access to public goods & services (24%), health & care (9%), affordable housing (6%), and others (7% - education, emergency housing, disaster management). NRWB's most recent placement of a social bond occurred in September 2024, when it issued €500m with a 15-year maturity at MS+43bps. For 2025, the funding target is set at least €1bn with EUR, AUD, GBP and CHF all currencies in consideration.

NRW Bank funding mix



Source: Company reports

Asset portfolio by category



Source: Company reports

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
30 Jan 2024	5Y	€1,000	MS + 8	-3	2.625	2.662	2.80x
14 Feb 2024	3Y	US$1,000	SOFR MS + 34	-	4.625	4.687	1.00x
07 May 2024	7Y Green	€1,000	MS + 12	-2	2.750	2.859	3.20x
19 Jul 2024	10Y Social	€1,000	MS + 22	-2	2.875	2.918	1.8x
18 Sep 2024	15Y Social	€500	MS + 43	-	2.875	2.932	1.15x

Source: Bondradar; Bloomberg

UNEDIC ASSEO – UNEDIC

Background and Ownership

UNEDIC (*Union nationale interprofessionnelle pour l'emploi dans l'industrie et le commerce*) is a cornerstone of France's welfare system, established in 1958 as a non-profit association under the 1901 French association law. It is the sole entity responsible for managing France's unemployment insurance system (UIS), ensuring financial stability and operational efficiency in providing support to unemployed individuals. Governed under the principle of equal representation, UNEDIC is jointly managed by major trade unions and employers' organisations, reflecting a shared commitment from both labour and business sectors to the system's governance. Affiliation with the UIS is mandatory for all private employees and companies, encompassing around 20m employees and 2m companies. As of March-2025, UNEDIC distributed unemployment benefits to about 2.7mn eligible jobseekers, representing less than half (44%) the total jobseekers in France.

Key Data		
Balance Sheet (€ bns)	FY23	FY22
Total Assets	9.6	9.3
Total Equity	(58.2)	(59.8)
Outstanding Loans	-	-
Total Debt	63.0	64.4
Bond Issues	48.8	51.5
NEU MTN	5.3	5.3
NEU CP	9.0	7.7

Source: Bloomberg, company reports

UNEDIC operates as a government-related entity, legally independent but with close financial and operational ties to the government. Its integration within the broader French welfare framework underscores its quasi-public nature. Multi-year agreements, negotiated between labour unions and employers are subject to government approval as they ultimately define the rules for unemployment contributions and benefits. Furthermore, the government's involvement in UNEDIC can be considered significant as it has the authority to intervene in cases of gridlock among social partners or financial mismanagement, effectively assuming control of the entity's assets and liabilities if necessary. Additionally, UNEDIC is subject to oversight by the national court of accounts and has a government representative as a non-voting member on its board. Over past decades, the French government has consistently demonstrated its strong commitment to the institution, reinforcing its financial stability through direct subsidies and guarantees. This unique governance model highlights UNEDIC's pivotal role as a bridge between public oversight and private management in France's welfare ecosystem.

Main Purpose and Support

Acting as the financial backbone of the UIS, UNEDIC is tasked with defining and implementing rules for unemployment contributions, eligibility criteria, and benefits. These rules are established in multi-year agreements negotiated between employers and unions, which must then be approved by the French government. UNEDIC helps maintain the financial balance of the UIS, ensuring that contributions from employers and employees are collected and sufficient to fund the benefits distributed to eligible jobseekers. In this regard it collaborates closely with other agencies to ensures the smooth operation of UIS even during challenging economic periods.

UNEDIC operates under a robust framework of state support, which ensures its financial resilience and operational continuity. It is the only French agency that benefits from an explicit, state guarantee on its long-term bond issuances, formalised annually through the national budget law. This guarantee has been in place since 2011, and it allows UNEDIC to access capital markets on favourable terms. For instance, during the COVID-19 pandemic the government significantly increased the guaranteed amount, supporting emergency measures, demonstrating its commitment to stabilising the UIS during times of crisis. Recent labour market reforms, implemented in 2021 and 2023, are expected to further enhance the sustainability of the UIS by reducing unemployment numbers and improving the system's financial trajectory, with effects anticipated in 2025/ 2026. The layers of support, such as explicit guarantees, regulatory oversight, and proactive government intervention, highlight UNEDIC's strategic importance within the French welfare system even during periods of economic uncertainty.

Funding and Liquidity

Funding: UNEDIC continues to demonstrate robust access to funding sources, with its bond issuances consistently attracting strong demand, reflected in oversubscriptions. Its investor base is notably diverse, with over two-thirds of funding in 2024 sourced from international investors. The pandemic triggered a sharp rise in funding requirements during 2020-2021, rising to €31.5bn from just €4bn previously. The successful placement of debt during that period further underscored UNEDIC's strong market access and its credibility with investors.

UNEDIC operates a €60 billion Euro Medium-Term Note (EMTN) programme, which is backed by an explicit guarantee from the French state since 2011. The central government guarantee, renewed annually through a parliamentary vote as part of the finance bill, was set at €1bn for 2024. Additionally, UNEDIC has a €10bn Negotiable European Medium-Term Note (NEU MTN) programme, which is not covered by a state guarantee. The NEU MTN was utilised throughout 2020 but has not been active since. It should be noted that since 2020, UNEDIC has primarily focused on issuing social bonds under both its funding programmes, making it a key entity among French welfare institutions.

To meet the issuers short-term funding needs, the above-mentioned programmes are complemented by an €18bn Negotiable European Commercial Paper (NEU CP) programme. This is instrumental in bridging temporary mismatches between cash inflows (e.g., contributions) and cash outflows (e.g., unemployment benefit payments) that are structurally negative. The flexibility and short duration of NEU CPs allows UNEDIC to optimise its cash management while maintaining access to quick funding when needed. As of March 2025, the outstanding stock of NEU CP reached approximately €16bn reflecting an increase on the €12bn reported at end-2024.

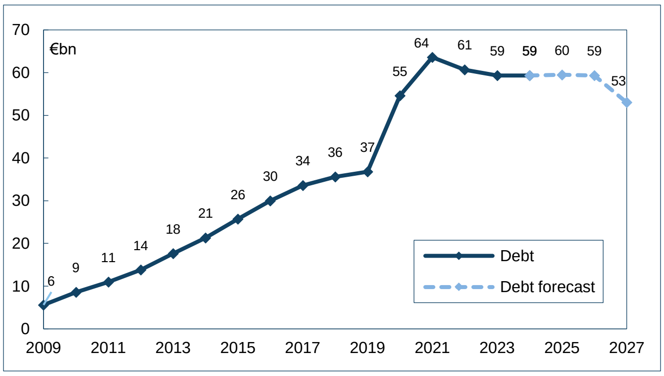
Liquidity: UNEDIC's liquidity management framework reflects a robust and disciplined approach, ensuring a substantial safety net to meet its obligations. As of FY23 reporting, the organisation held a solid €3.7bn in marketable securities and cash & cash equivalents, comfortably exceeding its mandated minimum liquidity buffer of €2.5bn. This buffer is calibrated to cover more than 100% of all government-guaranteed long-term and medium-term bond maturities due within the next ten calendar days, as well as 50% of short-term debt maturities over the same period. This conservative approach and the financial surpluses in place underscore UNEDICS good liquidity risk management processes.

ESG Credentials

UNEDIC's contributions to advance the French government's agenda on employment policies and benefits, exhibits the inherently social dimension of the entity. Its social bond issuances are therefore aligned with its mandate to support employment against poverty and exclusion, as well as its efforts to mitigate income inequalities when it comes to compensating salary losses. In May 2020, UNEDIC published its Social Bond Framework document in accordance with ICMA's Social Bond Principles (SBP). ISS ESG was mandated as second party opinion provider and the evaluation covers the frameworks' transparency, governance and conformity with ICMA's Principles and the contribution to the UN Sustainable Development Goals (SDGs). The agency contributes to UN SDGs 1 (No Poverty), 4 (Quality Education), 8 (Decent Work and Economic Growth), and 10 (Reduced Inequalities). Eligible use of proceeds for social bonds are defined by the unemployment insurance scheme and a designated 'Social Bond Committee' comprising of representatives of the Treasury, Studies & Analysis, and Information and Communications departments. They are responsible for the management and maintenance of the framework, the allocation of proceeds, as well as the approval of annual allocation and impact reports aimed at investors.

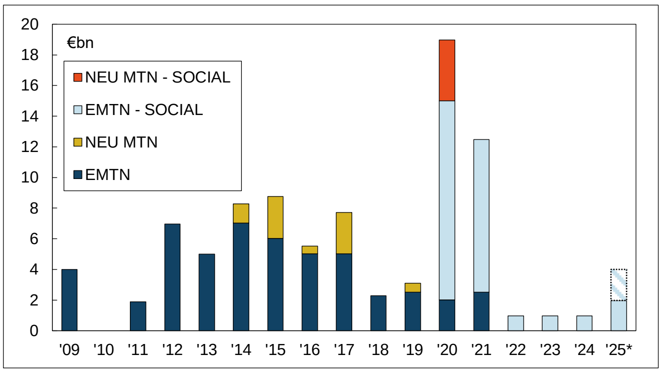
Since 2021, all medium-to-long-term funding activities have been conducted through social bond issuance, and based on Bloomberg data social bond issuance reached €32bn since 2020. The bulk of this volume (is linked to the high demand for social assistance during the 2020 and 2021 pandemic years. After this period, the strong rebound in employment in France returned UNEDIC to a surplus in 2022, allowing it to deleverage its funding position. In the following three years, the funding target was reduced to just €1bn annually and the three 10-year bonds placed during this period helped maintain the issuers presence in the euro market. However, 2025 once more saw the expansion of its funding target to €4bn due to the agencies broadening mission and labour market developments. The agency is looking to continue funding with an average maturity of 10-years, with shorter or longer maturities possible, depending on requirements. In March, UNEDIC launched a €2bn social bond with an eight-year tenor. The spread over OATs tightened considerably for an agency (-4bps vs guidance), which was in part due to the issuer's previous rarity in primary and secondary markets. The spread eventually settled at OAT+4bps on the back of solid book orders (3x oversubscribed), flat to fair value. With this deal, UNEDIC already met 50% of its 2025 funding target.

Debt Development and Forecast



Source: Company reports

Med./Long-term Funding Programmes Over Time



Source: Company reports

Walloon Region – Wallonia

Background and Ownership

The Walloon Region (Wallonia) is located in the southern part of Belgium and is predominantly French-speaking. It is one of three Regions (Wallonia, Flanders and Brussels) that form the federal state. It has its own independent government with defined powers and responsibilities. The Belgian government is formed of a federal central state and two types of parallel federated entities: (1) the Regions, which are defined geographically, and (2) the Communities, defined by culture and language. This structure became official in 1993 under the Belgian constitution. The three Communities comprise of the Dutch speaking Flemish Community in the north, the French in the south and the German in the east. While the regions can legislate and implement policies independently in their areas of jurisdiction, the federal government retains control over nationwide matters such as defence, justice, foreign affairs, and social security, ensuring cohesion across the country. Despite their autonomy, the regions and federal government remain interdependent, with federal policies, funding, and collaborative initiatives shaping national unity. This decentralised structure balances regional independence with federal cooperation, though differing priorities between regions, such as economic disparities between Flanders and Wallonia, occasionally create political challenges.

Key Data		
Regional Data	FY23	FY22
GDP Per Capita (€000s)	37.0	35.0
Unemployment (%)	8.2	8.4
Budget Figures (€bn where applicable)		
Revenues	17.2	15.8
Expenditure	19.6	18.7
Fiscal Surplus / (Deficit)	(2.4)	(2.9)
(Gross) Regional Debt	25.3	23.2
Debt / Revenue (%)	147	147
Yearly Debt Issues	2.83	3.36
EMTN	2.45	3.31
MTN	0.10	-
Schuldschein	-	0.05
Bank Loans	0.28	-

Source: Company reports; Statbel; CEIC

Main Purpose and Support

Wallonia services its obligations via a tax-based budget, with the revenue-portion largely coming from local and regional taxes transferred to it from the federal state. The remainder is derived from revenues transferred via the Wallonia-Brussels Federation, borrowing proceeds and other non-financial income. The spending side of Wallonia is geared towards local authorities, social action and health, which accounts for 46% of the regional economy. Payments to businesses, employment, and research make up 21%, followed by parliament and government departments (11%), mobility and infrastructures (8%) and urban development, housing and energy (5%).

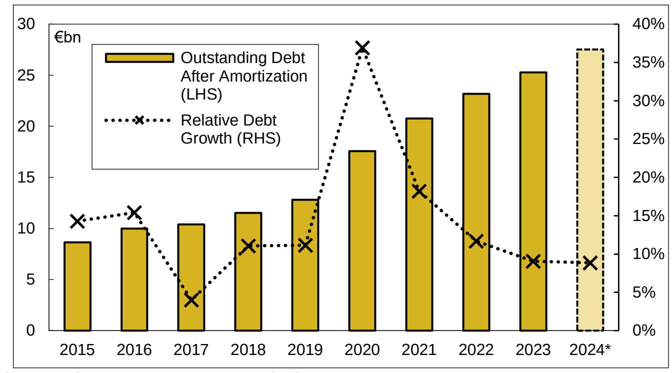
The federalisation of the Belgian state is characterised by the transfer of national competencies towards Communities and Regions. Funding of Wallonia is governed by the Special Finances Act (SFA), establishing explicit support mechanisms from the Federal State under Article 54. It specifies that in case of insufficient or delayed payment to the Communities and Regions, they can contract a loan that is guaranteed by the Federal State. However, there are no direct or explicit guarantees provided on debt issuance by the regions. However, due to their economic and administrative importance a high degree of implicit support is assumed under a distressed scenario. To ensure fiscal responsibility and sustainability, there are specific provisions under the SFA permitting the state to restrict the borrowing capacity of federated entities.

Funding Profile

Funding: Wallonia's financial position over the past decade has been characterised by its growing budget deficit, whereby expenditures have exceeded revenues since 2014. As a consequence, in 2019 Wallonia implemented a 'zero-based' budgeting policy, whereby expenditures are closely reviewed and conducted from nil rather than building on the previous budget. The intention is to promote greater efficiency in public spending and financial discipline in the longer-term. For 2024, the Region's budget estimate points to total revenues of €18.1bn, against expenditure of €21.1bn, a €3.0bn budget deficit (€3.4bn annual average since 2019). Total debt outstanding amounts to €24.3bn as of 1H24 and is comprised of: (1) direct and indirect borrowing since the regionalisation in 1989; (2) guaranteed debt contracted by third parties which benefit from Wallonia's guarantee for the purposes of social housing, public transport, airports etc.

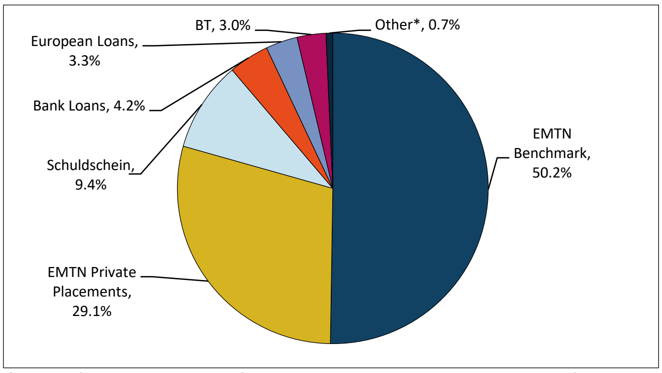
The Region's external funding is supported by a €30bn EMTN programme, a €3.75bn MTN programme and a €2.25bn overdraft cash facility. The debt burden, doubled since FY19, largely due to large spending under the 'Walloon Recovery Plan', a €7bn initiative to finance more than 300 projects in response to ongoing social, economic and environmental challenges. Funding needs for 2024 were expressed at €3.8bn, although likely to be closer to €2.9bn when taking into consideration pre-funding from the year before and lower than expected budgetary expenditure. As of October 2024, Wallonia accessed capital markets 19 times, issuing €2.7bn predominantly from its EMTN benchmark programme (84% of total), with the remainder being private placements (16%). The average tenor of 2024 issues was 18.7-years, shorter than the 21.1-year average of its outstanding portfolio.

Outstanding Debt Evolution



*Source: Company reports. *As of 3Q24.*

Outstanding Direct Debt by Instruments



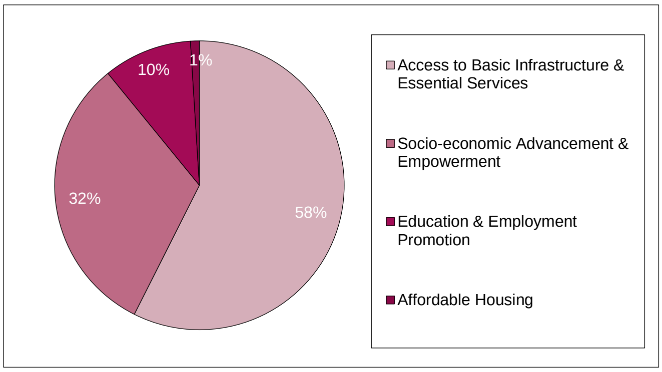
*Source: Company reports. *Others = MTN, Autonomous Loans. As of 1H24.*

ESG Credentials

The Region of Wallonia developed its own Sustainable Development Strategy (SWDD) in 2012 and by 2022 presented the third iteration of the strategy, which among other things pledges to contribute to the implementation of the 2030 UN Agenda for Sustainable Development and its 17 SDGs. In terms of formalising these commitments, Wallonia developed and first published its Green, Social and Sustainable Framework (GSSF) in 2019, which was later updated in 2021 to align with the ICMA Social and Green Bond Principles. A second party opinion is provided by Vigeo Eiris (2021). The updated framework also serves as the starting point to incorporate recommendations under the EU-Taxonomy, the EU Green Bond Standard, as well as eligible social categories for exceptional expenditure related to the pandemic.

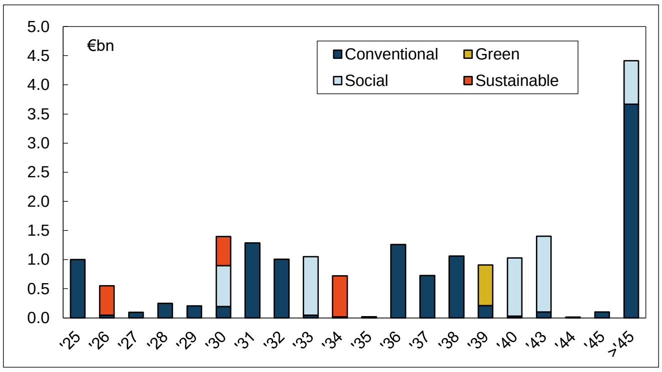
Since 2019, Wallonia have issued four social bonds, accounting for the majority of ESG-labelled bond proceeds (68% at FY23). Social bond proceeds have mostly gone towards socio-economic advancement and empowerment (i.e. social inclusion, combatting poverty and COVID-19 related measures; 49% of total), followed by education and employment promotion (23%), affordable housing (15%) and access to basic infrastructure and essential services (13%). As of November 2024, Wallonia raised €2.55bn across two social bonds (€1.45bn) and a tap of its €800m March-2043 social bond. Otherwise, ESG transactions since 2019, include one green and two sustainability bonds with the allocation of proceeds predominantly going towards sustainable mobility and energy efficiency and low-carbon buildings (90% of green bond allocations at FY23). Wallonia has also entered into a strategic partnership and financing agreement with the EIB to help execute on its sustainability targets. The agreement from 2021 for €1.1bn goes towards improving energy efficiency in social housing in Wallonia and towards investments into flood resilience projects.

Proceeds to social projects by category



Source: Company reports; As of November 2024

Quarterly issuance volumes by label



Source: Bloomberg; As of FY24

Select benchmark transactions

Issue Date	Maturity/Call	Size (m)	Final Spread (bps)	Tightening (bps)	Coupon (%)	Yield (%)	Book (m)/cov.
06 Feb 2024	7Y Social	€1,000	OLO + 45	3	3.000	3.027	€3,570 / 3.57x
05 Jun 2024	30Y Social	€750	OLO + 34	3	3.900	3.946	€3,350 / 2.68x
18 Nov 2024	6Y Social (Tap)	€750	OLO + 39	3	3.000	3.049	€1,300 / 4.33x

Source: Bondradar; Bloomberg

Daiwa Capital Markets

Appendix: Peer Comparables

1. Annual/ Half-Year Snapshot and Consolidated Balance Sheet Summary

	Supranational								Agency										Sub-sovereign	
€bn unless otherwise stated	IBRD	IDA	IFC	EIB	EU	EBRD	CEB	NIB	NRWB	NWB	BNG	ICO	CDC	CAFFIL	AFD	BPI	CADES	UNEDIC	WALL.	ACM
Reporting Date:	*FY24*	*FY24*	*FY24*	*FY24*	*FY24*	*3Q24*	*FY24*	*FY24*	*FY24*	*FY24*	*FY24*	*FY24*	*FY24*	*FY24*	*1H24*	*FY24*	*FY24*	*FY24*	*1H24*	*FY24*
HALF-YEAR SNAPSHOT																				
Funding Plan																				
FY24 Funding Target	42.0	-	12.1	60.0	140.0	13.5	7.0	8.5	12.0	12.0	19.0	8.0	-	4.8	8.0	8.0	20.0	1.0	2.9	-
Med-to-Long Term Debt Issued	48.9	11.2	12.2	63.4	138.1	13.1	6.3	9.1	11.7	10.0	18.6	10.9	3.7	5.3	4.5	10.4	18.1	1.0	2.3	1.8
Completion Rate (%)	116.4	-	100.8	105.7	98.6	97.0	90.4	107.3	97.5	83.3	97.9	136.3	-	112.0	55.6	130.0	90.5	100.0	77.7	-
Capital Structure																				
Callable Capital	281	-	-	227	-	24	8	8	-	-	-	-	-	-	-	-	-	-	-	-
Paid-in Capital	21	261	22	22	-	6	2	1	17	0	0	4	-	1	-	-	-	-	-	-
Subscribed Capital	302	261	22	249	-	30	10	8	17	0	0	4	-	1	-	-	-	-	-	-
Paid-in Capital Ratio (%)	7	100	96	9	-	21	18	10	100	100	100	100	-	100	-	-	-	-	-	-
Callable Capital / Debt (%)	115	-	-	51	-	44	25	21	-	-	-	-	-	-	-	-	-	-	-	-
Balance Sheet																				
Total Assets	333	225	101	582	-	84	39	43	162	79	128	38	1,034	69	71	103	13	-	-	-
Total Equity	59	141	35	93	-	24	5	5	20	2	5	5	71	1	9	29	-138	-	-	-
Gross Loans	246	189	35	348	-	35	29	23	59	59	95	14	199	47	40	48	0	-	-	-
Long-term Debt	245	41	52	442	-	53	31	36	82	64	114	22	158	54	51	44	147	-	-	-
BALANCE SHEET SUMMARY																				
Total Assets																				
2023	305	209	101	572	468	74	39	40	161	76	116	32	1,040	65	70	100	8	10	-	-
2022	303	210	94	566	446	72	32	39	160	73	112	30	1,017	63	64	102	11	9	-	-
2021	268	185	89	624	414	75	30	38	153	96	149	38	1,067	71	55	101	12	11	-	-
Total Equity																				
2023	55	170	32	89	-	22	5	4	20	2	5	6	71	1	9	30	-145	-58	-	-
2022	53	170	31	87	-	19	3	4	19	2	5	6	65	2	9	28	-136	-60	-	-
2021	41	153	26	81	-	20	3	4	19	2	5	5	70	1	8	28	-115	-63	-	-
Gross Loans																				
2023	224	176	30	335	253	35	26	21	59	55	91	13	192	47	39	50	0	14	-	-
2022	219	170	26	321	206	32	22	22	59	51	90	11	191	47	36	49	0	13	-	-
2021	186	153	23	341	164	30	21	22	58	70	90	11	189	46	35	47	0	-	-	-
Long-term Debt																				
2023	217	30	48	432	429	44	28	32	82	62	78	17	155	54	51	42	151	54	-	36
2022	224	31	46	417	324	43	24	32	83	60	96	13	144	53	45	40	144	52	-	35
2021	219	24	47	474	215	49	25	32	76	66	106	20	143	55	45	36	123	53	-	34
LT Debt / Equity (%)																				
2023	393	18	150	485	-	199	591	740	411	3,033	1,652	293	220	3,624	561	140	-104	-93	-	-
2022	425	18	147	480	-	225	704	770	435	3,020	2,071	239	222	3,556	516	145	-105	-86	-	-
2021	541	16	178	585	-	241	768	788	397	3,476	2,092	371	204	3,812	557	128	-107	-83	-	-

Daiwa Capital Markets

2. Financial Risk Profile

	Supranational								Agency										Sub-sovereign	
€bn unless otherwise stated	IBRD	IDA	IFC	EIB	EU	EBRD	CEB	NIB	NRWB	NWB	BNG	ICO	CDC	CAFFIL	AFD	BPI	CADES	UNEDIC	WALL.	ACM
Funding and Liquidity																				
Liquid Asset / Assets (%)																				
2023	23	13	36	13	-	38	29	37	35	15	11	23	42	63	-	17	-	39	-	-
2022	25	18	42	14	-	43	31	34	35	17	9	21	44	63	-	17	-	40	-	-
2021	26	17	40	17	-	45	29	35	30	18	6	35	42	52	-	16	-	38	-	-
Liquidity Coverage Ratio (%)																				
2023	-	-	-	424	-	92	378	4,398	239	160	143	741	146	100	-	368	-	-	-	-
2022	-	-	-	348	-	107	554	1,176	306	285	189	327	147	100	-	427	-	-	-	-
2021	-	-	-	565	-	-	256	5,162	442	183	174	948	186	771	-	425	-	-	-	-
Net Stable Funding Ratio (%)																				
2023	-	-	-	118	-	-	136	163	116	133	119	112	132	113	-	114	-	-	-	-
2022	-	-	-	125	-	-	130	164	120	141	125	116	129	109	-	-	-	-	-	-
2021	-	-	-	130	-	-	132	160	131	133	126	125	143	113	-	-	-	-	-	-
Capitalisation																				
Subscribed Capital																				
2023	291.4	248.7	21.9	248.8	-	29.8	5.6	8.4	17.0	0.0	0.1	4.3	-	1.4	-	-	-	-	-	-
2022	293.0	245.9	22.5	248.8	-	29.8	5.5	8.4	17.0	0.0	0.1	4.3	-	1.4	-	-	-	-	-	-
2021	251.2	211.2	19.2	248.8	-	29.8	5.5	8.4	17.0	0.0	0.1	4.3	-	1.4	-	-	-	-	-	-
Callable Capital																				
2023	271.4	-	-	226.6	-	23.5	5.0	7.5	-	-	-	-	-	-	-	-	-	-	-	-
2022	273.4	-	-	226.6	-	23.5	4.9	7.5	-	-	-	-	-	-	-	-	-	-	-	-
2021	235.0	-	-	226.6	-	23.5	4.9	7.5	-	-	-	-	-	-	-	-	-	-	-	-
Paid-in Capital																				
2023	20.0	248.7	20.7	22.2	-	6.2	0.6	0.8	17.0	0.0	0.1	4.3	-	1.4	-	-	-	-	-	-
2022	19.6	245.9	20.7	22.2	-	6.2	0.6	0.8	17.0	0.0	0.1	4.3	-	1.4	-	-	-	-	-	-
2021	16.2	211.2	17.5	22.2	-	6.2	0.6	0.8	17.0	0.0	0.1	4.3	-	1.4	-	-	-	-	-	-
Paid-in / Subscribed Capital (%)																				
2023	6.9	-	94.4	8.9	-	20.9	11.2	10.1	100.0	100.0	100.0	100.0	-	100.0	-	-	-	-	-	-
2022	6.7	-	92.1	8.9	-	20.9	11.2	10.1	100.0	100.0	100.0	100.0	-	100.0	-	-	-	-	-	-
2021	6.5	-	91.0	8.9	-	20.9	11.2	10.1	100.0	100.0	100.0	100.0	-	100.0	-	-	-	-	-	-
Callable Capital / Debt (%)																				
2023	124.8	-	-	52.2	-	52.1	17.8	23.0	-	-	-	-	-	-	-	-	-	-	-	-
2022	121.9	-	-	53.6	-	53.5	20.1	23.8	-	-	-	-	-	-	-	-	-	-	-	-
2021	107.1	-	-	45.6	-	47.0	19.6	23.9	-	-	-	-	-	-	-	-	-	-	-	-
CET1 (%)																				
2023	-	-	-	33.1	-	-	29.0	-	42.5	41.1	42.8	26.5	-	-	13.7	29.5	-	-	-	-
2022	-	-	-	35.1	-	-	30.4	-	44.0	38.3	34.8	33.7	-	-	13.6	27.6	-	-	-	-
2021	-	-	-	32.3	-	-	29.1	-	44.4	38.0	32.0	37.0	-	-	14.5	30.5	-	-	-	-

€bn unless otherwise stated	Supranational								Agency										Sub-sovereign	
	IBRD	IDA	IFC	EIB	EU	EBRD	CEB	NIB	NRWB	NWB	BNG	ICO	CDC	CAFFIL	AFD	BPI	CADES	UNEDIC	WALL.	ACM
Profitability																				
NII																				
2023	3.1	2.2	1.8	3.5	-	1.7	0.2	0.3	0.8	0.3	0.6	-0.1	7.1	0.2	1.9	0.9	-2.7	-	-	-
2022	2.2	1.8	0.9	3.4	-	1.2	0.1	0.2	0.7	0.3	0.5	-0.4	6.6	0.2	0.6	0.9	-1.2	-	-	-
2021	2.0	1.7	3.9	3.9	-	1.1	0.1	0.2	0.7	0.3	0.4	-0.1	4.4	0.2	0.4	0.9	-1.1	-	-	-
Net Income																				
2023	1.1	-3.0	0.6	2.3	-	2.1	0.1	0.3	0.0	0.1	0.3	0.3	3.0	0.1	0.4	1.1	18.3	1.5	-	-
2022	3.5	0.0	-0.4	2.3	-	-1.2	0.1	0.1	0.0	0.1	0.3	0.1	3.2	0.1	0.5	1.5	19.0	3.4	-	-
2021	1.7	-0.4	3.5	8.3	-	2.4	0.1	0.2	0.0	0.1	0.2	0.1	3.9	0.1	0.3	1.8	17.8	-6.8	-	-
Return on Assets (%)																				
2023	0.4	-1.4	0.6	0.4	-	2.9	0.3	0.6	0.0	0.2	0.2	0.8	0.3	0.1	0.6	1.1	193.4	16.2	-	-
2022	1.3	0.0	-0.5	0.4	-	-1.7	0.3	0.4	0.0	0.2	0.2	0.4	0.3	0.1	0.8	1.5	169.6	34.1	-	-
2021	0.7	-0.2	4.2	1.3	-	3.4	0.3	0.4	0.0	0.1	0.2	0.4	0.4	0.1	0.5	1.9	139.3	-53.8	-	-
Return on Common Equity (%)																				
2023	2.0	0.0	2.0	2.6	-	10.0	3.1	5.9	0.0	6.2	5.8	4.4	6.0	4.4	4.2	3.9	-	-	-	-
2022	7.7	0.0	-1.4	2.8	-	-6.2	2.4	3.4	0.0	7.3	6.9	2.7	6.7	6.0	5.5	5.4	-	-	-	-
2021	4.6	0.0	14.9	11.0	-	12.7	3.0	4.1	0.0	6.5	5.4	2.6	8.9	3.9	4.3	7.0	-	-	-	-

Source: Company reports, Bloomberg

3. ESG Data

	Supranational								Agency										Sub-sovereign	
€bn unless otherwise stated	IBRD	IDA	IFC	EIB	EU	EBRD	CEB	NIB	NRWB	NWB	BNG	ICO	CDC	CAFFIL	AFD	BPI	CADES	UNEDIC	WALL.	ACM
Yearly Issuance Volumes																				
Total Bond Volumes																				
2024	53.5	14.1	9.3	60.5	107.9	24.8	5.6	8.8	9.1	8.1	15.6	7.5	4.0	4.5	6.3	7.5	18.1	1.0	2.5	1.6
2023	46.4	4.5	12.7	47.4	87.9	10.1	6.5	6.9	6.9	7.4	14.5	3.1	4.5	3.4	8.1	4.4	22.2	1.0	3.2	1.6
2022	27.9	6.3	9.9	37.5	167.4	6.7	5.4	8.9	7.9	7.7	12.4	1.2	2.6	4.8	8.9	7.8	38.2	1.0	3.3	1.6
2021	44.1	8.5	7.7	47.7	162.6	13.4	4.4	7.4	10.6	8.8	11.7	1.8	3.0	5.5	8.0	3.0	36.3	10.0	3.1	1.9
Green Bond Volumes																				
2024	0.6	-	0.9	15.1	17.0	1.6	-	1.7	1.0	1.0	-	0.5	-	-	-	1.5	-	-	-	0.6
2023	0.9	-	1.2	11.3	-	0.5	-	0.7	1.0	1.5	-	0.5	-	0.8	-	1.0	-	-	0.7	0.6
2022	1.5	-	1.6	12.4	37.8	0.2	-	1.2	1.5	0.5	-	0.5	-	0.8	0.2	2.0	-	-	-	0.5
2021	1.7	-	-	6.8	18.4	0.5	-	1.0	1.0	0.7	-	0.5	-	-	-	2.0	-	-	-	0.5
Social Bond Volumes																				
2024	-	-	-	-	-	-	2.6	-	1.5	1.4	5.8	0.5	-	1.8	-	1.6	11.7	1.0	2.3	-
2023	-	-	2.3	-	-	-	2.2	-	1.2	-	6.5	0.5	-	0.5	-	1.6	22.2	1.0	2.3	-
2022	-	-	0.7	-	8.7	-	2.1	-	1.0	-	4.2	0.5	-	0.5	-	-	38.0	1.0	-	-
2021	-	-	0.8	-	46.1	0.9	1.0	-	2.0	-	1.9	0.5	-	0.8	-	-	36.0	10.0	-	-
Sustainability Bond Volumes																				
2024	53.0	14.1	8.5	2.5	-	-	-	-	-	1.4	1.0	-	1.0	-	3.6	-	-	-	-	1.0
2023	45.5	4.5	8.5	1.8	-	-	-	-	-	2.1	0.4	-	1.0	-	3.6	-	-	-	-	1.0
2022	26.4	6.3	6.2	5.3	-	-	-	-	-	2.4	2.2	-	0.5	-	4.1	-	-	-	-	1.0
2021	37.8	8.5	0.8	2.9	-	-	-	-	-	5.0	2.2	-	0.5	-	4.0	-	-	-	-	1.0
Yearly Issuance Compositions																				
ESG Label to Total New Issuance (%)																				
2024	100	100	100	29	16	7	47	20	27	46	44	13	25	39	58	41	65	100	91	100
2023	100	100	95	28	-	5	34	10	32	48	47	32	22	37	44	59	100	100	93	100
2022	100	100	86	47	28	3	39	13	32	38	52	84	20	26	48	26	100	100	-	94
2021	90	100	20	20	40	10	22	14	28	65	35	56	17	14	50	67	99	100	-	80
Green Label to Total New Issuance (%)																				
2024	1	-	9	25	16	7	-	20	11	12	-	7	-	-	-	20	-	-	-	36
2023	2	-	9	24	-	5	-	10	14	20	-	16	-	22	-	23	-	-	22	38
2022	5	-	16	33	23	3	-	13	19	6	-	42	-	16	2	26	-	-	-	31
2021	4	-	-	14	11	4	-	14	9	8	-	28	-	-	-	67	-	-	-	27
Social Label to Total New Issuance (%)																				
2024	-	-	-	-	-	-	47	-	16	17	37	7	-	39	-	21	65	100	91	-
2023	-	-	19	-	-	-	34	-	17	-	45	16	-	15	-	36	100	100	71	-
2022	-	-	7	-	5	-	39	-	13	-	34	42	-	11	-	-	100	100	-	-
2021	-	-	11	-	28	7	22	-	19	-	17	28	-	14	-	-	99	100	-	-

	Supranational								Agency										Sub-sovereign	
€bn unless otherwise stated	IBRD	IDA	IFC	EIB	EU	EBRD	CEB	NIB	NRWB	NWB	BNG	ICO	CDC	CAFFIL	AFD	BPI	CADES	UNEDIC	WALL.	ACM
Sustainability Label to Total New Issuance (%)																				
2024	99	100	91	4	-	-	-	-	-	17	6	-	25	-	58	-	-	-	-	64
2023	98	100	67	4	-	-	-	-	-	28	2	-	22	-	44	-	-	-	-	63
2022	95	100	63	14	-	-	-	-	-	31	18	-	20	-	46	-	-	-	-	63
2021	86	100	10	6	-	-	-	-	-	57	19	-	17	-	50	-	-	-	-	53
ICMA Guideline Alignment																				
Green Bond Principles	X		X	X	X	X		X	X	X	X	X	X	X	X	X			X	
Social Bond Principles			X	X	X	X	X		X	X	X	X	X	X		X	X	X	X	
Sustainability Bond Principles	X	X		X									X	X	X					
ESG Scoring (Third Party)																				
Bloomberg Composite – ESG Disclosure Score - Methodology																				
2023	36	-	15	-	-	26	-	25	19	48	33	36	8	-	26	28	-	-	-	-
2022	33	-	15	39	-	25	-	25	18	47	33	36	9	-	25	30	-	1	-	-
2021	29	-	10	42	-	23	-	24	18	47	32	35	6	-	25	28	-	1	-	-
Bloomberg Composite – Environmental Disclosure Score																				
2023	38	-	2	-	-	20	-	20	14	32	25	29	1	-	9	28	-	-	-	-
2022	36	-	2	38	-	18	-	20	14	32	22	31	1	-	9	28	-	0	-	-
2021	35	-	1	38	-	18	-	19	14	32	22	30	0	-	9	24	-	0	-	-
Bloomberg Composite – Social Disclosure Score																				
2023	29	-	10	-	-	30	-	23	16	45	18	31	8	-	29	25	-	-	-	-
2022	29	-	10	25	-	32	-	23	16	43	20	30	9	-	27	26	-	3	-	-
2021	26	-	5	35	-	28	-	20	16	42	19	27	3	-	27	25	-	3	-	-
Bloomberg Composite – Sustainability Disclosure Score																				
2023	40	-	33	-	-	30	-	32	26	67	56	47	16	-	39	32	-	-	-	-
2022	34	-	33	52	-	23	-	32	26	67	56	47	16	-	39	35	-	0	-	-
2021	25	-	25	52	-	23	-	32	26	67	54	47	16	-	39	35	-	0	-	-
Sustainalytics – ESG Scores																				
ESG Risk Rating	10.5	-	7.8	5.0	6.2	19.2	5.4	5.0	10.5	29.9	9.4	7.1	7.4	-	10.5	9.7	11.0	7.0	-	-
Risk Band	Low	-	Negl.	Negl.	Negl.	Low	Negl.	Negl.	Low	Medium	Negl.	Negl.	Negl.	-	Low	Negl.	Low	Negl.	-	-

Source: Company reports, Bloomberg

	Supranational								Agency										Sub-sovereign	
	IBRD	IDA	IFC	EIB	EU	EBRD	CEB	NIB	NRWB	NWB	BNG	ICO	CDC	CAFFIL	AFD	BPI	CADES	UNEDIC	WALL.	ACM
Lending Target	45% of WB group lending to climate finance.			50% of investments into green transition and >45% to cohesion policy.		Green Energy Transition (GET) plan: 50% of bank's annual investment allocated to green financing.		€30bn indirect (€15bn direct) commitment to projects with positive environmental impact.		250k social housing dwellings by 2030.		40% of new financing to be sustainable				€35bn to climate and industry (each), €10bn to health sector and €5bn to AI.			Walloon Recovery Plan - €7bn initiative to finance >300 projects to respond to social /climate issues.	Eligible portfolio for sustainably responsible investments (€3.2bn).
Timeframe	2025			2024-27		2025		2021-30				2022-27				2025-29			2021-26	-
Funding Target					30% of NGEU financing envelope to be funded with green-label bond issues.				At least 1x green bond (€500mn) and 1x social bond (€1bn) per year.	Annual issuance green and sustainable bonds > 33% of total long-term funding		€1bn of green and social bonds per year.	€1bn of new issues under Sustainable Bond Framework each year.	(SFIL Group) 33% of outstanding bonds under ESG-format		50% of new issues via ESG format.		€4bn EMTN social bonds.		
Timeframe					2021-26				2025	Annual		-	-	2024-30		2025>		2025		
Other Climate / Transition Finance Targets	Minimum 50% of climate finance supports adaptation and resilience.			Support €1trbn in investment for climate action and environment / sustainability.	55% reduction in GHG emissions and net zero by 2050.			€1.1bn of transition lending to be disbursed for "hard to abate" sectors.	Carbon neutral in all business units.	Energy positive portfolio and net-zero loan portfolio.			€100bn investment towards climate / energy transition.						55% reduction of GHG emissions compared to 1990.	Energy, Climate and Air Strategy of the Community of Madrid with 7 strategic objectives.
Timeframe	2025			2030				2030	2045	2030 / 50			2024-28						2030	2023-30

Source: Company reports, Bloomberg

4. Agency Ratings

	Supranational								Agency										Sub-sovereign	
€bn unless otherwise stated	IBRD	IDA	IFC	EIB	EU	EBRD	CEB	NIB	NRWB	NWB	BNG	ICO	CDC	CAFFIL	AFD	BPI	CADES	UNEDIC	WALL.	ACM
Moody's																				
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Positive	Stable	-	-	Stable	Stable	Stable	Negative	Positive
Long-term Rating	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aa1	Aaa	Aaa	Baa1	Aa3	-	-	Aa3	Aa3	Aa3	A3	Baa1
Senior Unsecured Debt	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aa1	Aaa	Aaa	Baa1	Aa3	-	-	Aa3	Aa3	Aa3	A3	Baa1
Short-term Rating	P-1	P-1	P-1	P-1	P-1	P-1	P-1	P-1	P-1	P-1	P-1	P-2	P-1	-	-	P-1	P-1	P-1	P-2	-
Last Review Date	Feb-24	Feb-24	Jan-24	Jul-24	Nov-24	Oct-24	Sep-24	May-24	Dec-24	Jul-24	Jul-24	Mar-24	Dec-24			Dec-24	Dec-24	Dec-24	Oct-24	Mar-24
S&P																				
Outlook	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Stable	Negative	Stable	Stable	Stable	Negative	-	Negative	-	Negative	Negative	-	Stable
LT Foreign Issuer Credit	AAA	AAA	AAA	AAA	AA+	AAA	AAA	AAA	AA	AAA	AAA	A	AA-	-	AA-	-	AA-	AA-	-	A
LT Local Issuer Credit	-	-	AAA	-	-	-	-	-	AA	AAA	AAA	A	AA-	-	AA-	-	AA-	AA-	-	A
ST Foreign Issuer Credit	A-1+	A-1+	A-1+	A-1+	A-1+	A-1+	A-1+	A-1+	A-1+	A-1+	A-1+	A-1	A-1+	-	A-1+	-	A-1+	A-1+	-	A-1
ST Local Issuer Credit	-	-	A-1+	-	-	-	-	-	A-1+	A-1+	A-1+	A-1	A-1+	-	A-1+	-	A-1+	A-1+	-	A-1
Last Review Date	Feb-25	Feb-25	Feb-25	Dec-24	May-24	Aug-24	Jun-24	Mar-24	Jan-25	Oct-24	Oct-24	Sep-24	Mar-25		Mar-25		Jun-24	Mar-25		Jan-25
Fitch																				
Outlook	Stable	-	-	Stable	Stable	Stable	Stable	-	Stable	-	Stable	Positive	Negative	-	Negative	Negative	Negative	Negative	-	Positive
LT Issuer Default Rating	AAA	-	-	AAA	AAA	AAA	AAA	-	AAA	-	AAA	A-	AA-	-	AA-	AA-	AA-	AA-	-	A-
LT LC Issuer Default	-	-	-	-	-	-	-	-	-	-	-	-	AA-	-	-	AA-	AA-	AA-	-	A-
Senior Unsecured Debt	AAA	-	-	AAA	AAA	AAA	AAA	-	AAA	-	AAA	A-	AA-	-	AA-	AA-	AA-	-	-	A-
ST Issuer Default Rating	F1+	-	-	F1+	F1+	F1+	F1+	-	F1+	-	F1+	F1	F1+	-	F1+	F1+	F1+	F1+	-	F1
ST LC Issuer Default	-	-	-	-	-	-	-	-	-	-	-	-	F1+	-	-	F1+	F1+	-	-	-
Last Review Date	Jan-25			Jul-24	Feb-25	Nov-24	Jun-24		Sep-24		Dec-24	Nov-24	Oct-24		Oct-24	Oct-24	Nov-24	Oct-24		Nov-24

Source: Rating agencies; Company reports; Bloomberg

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