

Wednesday, 29 January 2025

ÎLE-DE-FRANCE MOBILITÉS: WORLD'S FIRST PUBLIC SECTOR ISSUER OF A EUROPEAN GREEN BOND (EuGB) OF ONE BILLION EUROS

Île-de-France Mobilités has become the first public sector issuer of a European Green Bond ("EuGB") of one billion euros, issued under the European Green Bond Regulation. This historic transaction underscores Île-de-France Mobilités' position as a pioneer in the sustainable bond market, while also reflecting investor confidence in the financial robustness of the Île-de-France transport authority and its future projects.

A historical transaction for Île-de-France Mobilités

Effective since 21 December 2024, the EuGB standard is a high-quality regulatory standard with voluntary application, designed to ensure enhanced transparency for investors, notably through the requirement to finance projects aligned with the European Union's taxonomy. This instrument will support sustainable projects related to climate and the environment, including clean public transportation.

In this context, Île-de-France Mobilités is the first worldwide public issuer to issue this new type of bond, owing to its strong commitments to ecological transition. Île-de-France Mobilités' core strategy is the development of an extensive low-carbon public transport network, aimed at contributing to the overarching objective set out in the regional mobility plan to reduce greenhouse gas emissions from transport in the region by 25 to 30% by 2030, compared to 2019 levels.

To achieve this objective, significant investments are being made to modernise the network, renew the electric rolling stock (trains, metros, tram-trains, trams), deploy low-emission buses and electric bicycles, while also developing the necessary supporting infrastructure.

Through this landmark transaction, Île-de-France Mobilités further strengthens its position as a trailblazing issuer in the sustainable bond market and underscores its exceptional domestic and international investor following as evidenced by the registration of over 110 participants to the Global Investor Call held on 24 January.

During the execution of the transaction, Île-de-France Mobilités was able to tighten the spread by 6bps to land at OAT+19bps, making it their largest ever tightening and the tightest spread to OAT they have ever achieved. Île-de-France Mobilités was also able to reach one of their largest orderbooks and further diversify their investor base.

BNP Paribas and Crédit Agricole CIB acted as green co-structuring banks for the issuance of this European Green Bond.

"Revolutionising transport in Île-de-France has been my top priority. To this end, we have launched an unparalleled programme to renovate and modernise one of the largest transport

networks in the world. The transport system in Île-de-France must play a leading role in tackling the climate challenge, establishing itself as a benchmark for decarbonised mobility by 2030. Being the first public issuer in the world to launch a €1 billion green bond under the "EuGB" standard is both a proud achievement and a testament to the strength of our vision."

Valérie Pécresse – President of the Île-de-France region, chair of Île-de-France Mobilités

"BNP Paribas is pleased to have supported Île-de-France Mobilités on their inaugural European Green Bond, a landmark transaction which is also the first of its kind in the SSA space, as both Green co-structurer and Joint lead Manager. This transaction represents an important step for the green bond market, with the EU Green Bond standard aiming to further best market practice for transparency. By leveraging this structure, Ile-de-France Mobilités is not only looking to advance the decarbonisation of transport infrastructure but also setting the pace for others to follow in sustainable financing."

Frederic Zorzi – Global Head of Primary Market, BNP Paribas

"Crédit Agricole CIB is proud to have assisted Île-de-France Mobilités as Green co-Structuring Agent and Joint Lead Manager for their Inaugural European Green Bond (EuGB), the world's first SSA institution to issue under this format. The EuGB standard is both stringent and voluntary and therefore a strong testament to IDFM's commitment to green bonds. This mandate is another highlight of a long partnership between Île-de-France Mobilités and Crédit Agricole CIB and the culmination of months of collaboration. We are pleased with the strong investor reception as well as the record low level vs. OAT achieved on the transaction and congratulate IDFM on the successful execution of this groundbreaking issuance."

Michael Guarda, Deputy Global Head of CMF and Global Head of Primary Credit, Crédit Agricole CIB

Île-de-France Mobilités reaffirms its position as a pioneer in the sustainable bond market

Green bonds have been a key component of Île-de-France Mobilités' financing strategy since the issuance of its inaugural green bond in May 2021. To date, Île-de-France Mobilités has issued a total of €5.8 billion in green bonds, all of which are dedicated to the development of low-carbon transport in the Île-de-France region.

In 2024, Île-de-France Mobilités published an updated Green Financing Framework, aligned with the European Taxonomy, together with a Green Bond report that provides a detailed, project-by-project review of alignment, as well as an evaluation of the methodology used to assess the carbon impact of the projects outlined in the report.

The issuance of this European Green Bond marks another milestone in Île-de-France Mobilités' green financing journey, reaffirming its commitment to high-quality sustainable financing.

An amount equivalent to the proceeds from the European Green Bond will be allocated to projects that advance the development of low-carbon public transport in the Île-de-France

region, through projects aligned with the European Taxonomy in the following 5 economic activities:

- 6.1. Passenger interurban rail transport
- 6.3. Urban and suburban transport, road passenger transport
- 6.4. Operation of personal mobility devices
- 6.14. Infrastructure for rail transport
- 6.15. Infrastructure enabling low-carbon road transport and public transport

Île-de-France Mobilités' factsheet on European Green Bonds provides a detailed breakdown of the allocation of the proceeds from this issuance, alongside other key elements, including the issuer's environmental strategy and the rationale for issuing European Green Bonds. The factsheet is available on the investor portal of Île-de-France Mobilités ¹.

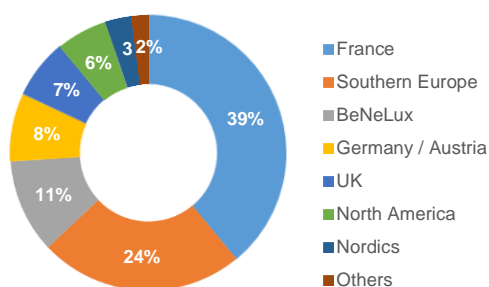
Transaction highlights

On Tuesday January 28, Île-de-France Mobilités successfully launched the first ever SSA EuGB, a EUR 1bn 20-year transaction at OAT+19bps. This is the tightest pricing ever achieved versus the OAT curve as well as the largest tightening from guidance (6bps); a true testimony to their loyal and diversified investor base.

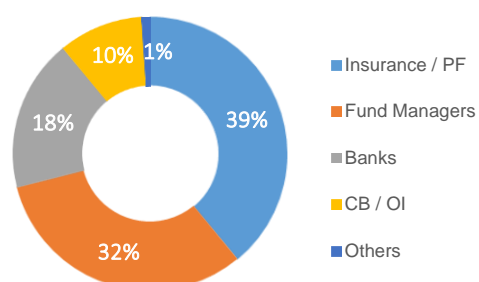
- On Wednesday 22nd January 2025 at 09:07 CET, Île-de-France Mobilités (Autorité Organisatrice des Transports en Communs en Île-de-France, Ticker: IDFMOB Govt), rated Aa3 (negative) by Moody's and AA- (negative) by Fitch, mandated BNP Paribas and Crédit Agricole CIB as Green Co-Structuring Agents and Joint Roadshow Coordinators to arrange a Global Investor Call and a series of investor meetings to introduce its inaugural EuGB in accordance with the EuGB Regulation
- Additionally, on Monday 27th January at 10:00 CET Île-de-France Mobilités mandated BNP Paribas, Crédit Agricole CIB, HSBC, Natixis and Société Générale as Joint Lead Managers for its upcoming EUR 20y EuGB benchmark transaction maturing 25 May 2045 following the Global Investor Call and investor meetings
- On the back of a successful GIC and roadshow, a supportive market backdrop and large IOIs, on Tuesday 28th January the orderbook opened at 08:56 CET with an initial guidance of OAT+25bps area
- Investor demand grew quickly and at 10:35 CET, the first update was announced to the market with orderbooks in excess of EUR 6bn (incl. EUR 300m JLM interest) and guidance was revised to OAT+21bps area (+/-2 WPIR) with the size set to EUR 1bn no grow
- Due to the strong investor demand with the orderbook in excess of EUR 6.6bn (incl. EUR 300m JLM interest), the spread was subsequently set to OAT+19bps at 11:14 CET
- The orderbook closed at 11:30 CET over EUR 5.9bn (incl. EUR 200m JLM interest) and the 20-year transaction priced at 14:05 CET at +19bps above the FRTR 3.25 05/45 with a reoffer yield of 3.849% and a reoffer price of 99.333%
- The geographical distribution highlights a diversified investor base with France taking the majority (39%), followed by Southern Europe (24%), BeNeLux (11%), Germany and Austria (8%), UK (7%), North America (6%), Nordics (3%), and others (2%)
- Regarding the breakdown by investor type, Insurance and Pension Funds received the largest allocation (39%), followed by Fund Managers (32%), Banks (18%), Central Banks and Official Institutions (10%) and other (1%)

¹ <https://www.iledefrance-mobilites.fr/en/about-us/investors-relations>

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