



SACHSEN-ANHALT

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Allocationreport

For the

**Inaugural Social Bond of the State of
Saxony-Anhalt (2023)**

June 2024

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At a glance – Framework and Issuance

Framework – Key facts

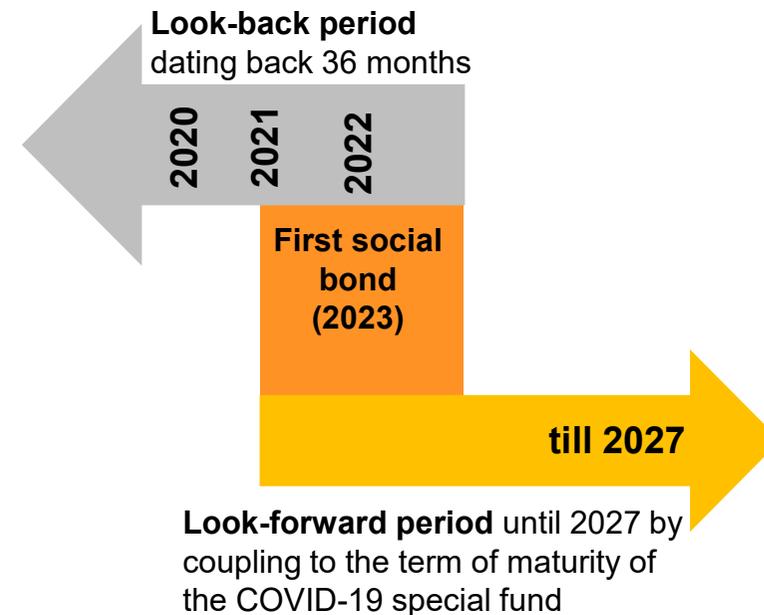


Content = 31 projects with a total project volume of EUR 1.898 billion

		<p>Consideration and compliance with the ICMA Social Bond Principles (SBP)</p>
	<p>imug rating confirms that the Social Bond Framework of the State of Saxony-Anhalt is in line with the Social Bond Principles (SBP) 2021.</p>	<p>External review and confirmation</p>
		<p>Contribution to the UN SDG</p>

Targeting of the following project categories:

- Affordable basic infrastructure
- Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises
- Socioeconomic advancement and empowerment
- Access to essential services



Social bond – Key facts



- Reference to **28 projects** out of 31 suitable social projects
- Reference to **four SBP categories** (according to ICMA) and **six UN SGD**



- **The grand total of existing projects** amounts to **EUR 740 million** with a planned **issue volume of EUR 500 million**.
- A separate and detailed list of all projects is published and available on the state's website ([List of projects](#)).

SBP category (according to ICMA)	Volume 2020–2022	Portion	Number of projects
I. Affordable basic infrastructure	3,591,747	0.5%	1
II. Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises	101,756,622	13.7%	3
III. Socioeconomic advancement and empowerment	8,387,787	1.1%	2
IV. Access to essential services	626,732,213.92	84.7%	22
	740,468,369.93	100,0%	28

Transaction:

Format:	State Treasury Bond
Coupon:	2,95%, act/act, Follow. unadj.
Tenor:	10 years
Trade Date:	13.06.2023
Settlement:	20.06.2023
Maturity Date:	20.06.2033
Reoffer Price:	99,966%
Reoffer Rendite:	2,954%
ISIN Code:	DE000A351SC5
Final Order Book:	~ 2.9bn
# of Accounts:	69 accounts involved



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Social Bond (2023) – Results

Ergebnisse (1)



Standard

- The report was prepared in accordance with the requirements of the standards developed by the ICMA - the Social Bond Principles and the Harmonised Framework for Impact Reporting for Social Bonds.



Verification

- The figures used for the allocation of issue proceeds and published here were audited by the State Court of Audit and the State Parliament for each financial year in accordance with State law and verified and confirmed as part of the budget accounts. The budget accounts for each year are available online on the website of the Ministry of Finance. [Haushalt \(sachsen-anhalt.de\)](https://www.sachsen-anhalt.de/haushalt)



Indicators

- For each of the projects mentioned, there are outcome or output indicators, which are broken down in the table published below.



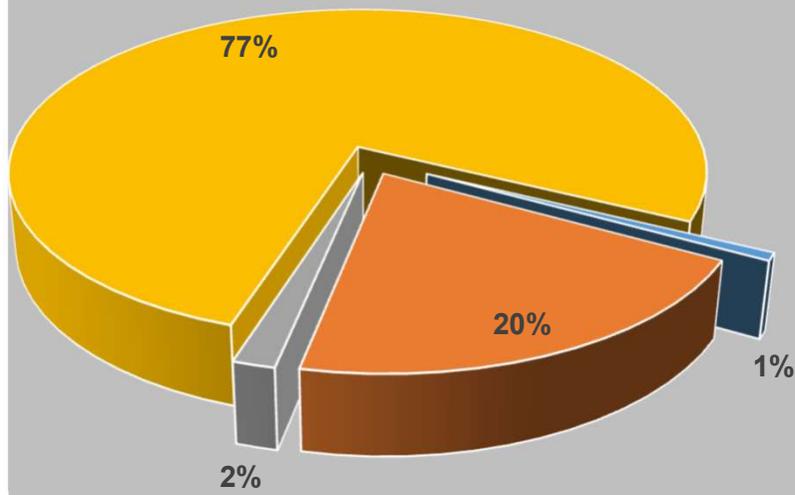
Allocation

- The issue proceeds were fully allocated and went exclusively to the projects presented in the framework for social bonds and the project list.
- As at the reporting date of 31 December 2022, the asset pool amounted to EUR 744 million and thus exceeded the issue proceeds by 49%.

Results (2)



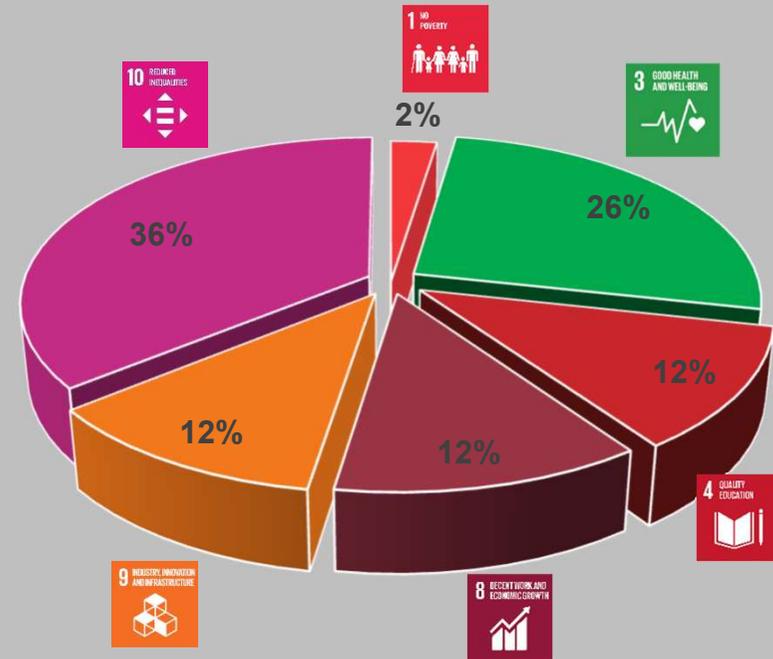
Allocation by SBP category*



- I. Affordable basic infrastructure
- II. Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises
- III. Socioeconomic advancement and empowerment
- IV. Access to essential services

* Analysis by expenditure volume

Allocation by SDG*



* Analysis by expenditure volume



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Social expenditures in figures

Facts and figures from the projects



Total amount of outstanding social bonds

EUR 500 Mio.



Total amount of social expenditure

EUR 744 Mio.



Number of allocated projects

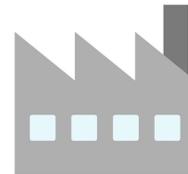
28

One Unit Social Bond ST* =



one project/measure was financed;
62 new jobs were created or secured;
2,871 people were reached

* standardised to 1 unit = one million nominal volume



Number of new or secured jobs

31,049

Number of supported companies

29



Number of people and patients reached

646,767

Number of corona vaccinations

2,083,989



Number of kindergarten children, pupils and students reached

421,745

Number of funded measures

88

Further information on the complete overview of project information in Appendix 1



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Significant events in the reporting period

The ruling of the Federal Constitutional Court and the requirements for special funds



From the very beginning of the design phase of the social bond framework, it was a special feature that the so-called 'Sondervermögen Corona' (SVC) served as a reference point for the projects used. Within this special fund, the country decided on 60 individual measures to eliminate the negative effects of the Covid-19 pandemic, but also to invest in new structures in order to be more resilient to future challenges. Without question, the pandemic has highlighted weaknesses in the areas of digitalisation, health and education, which needed to be addressed with this special fund. The framework for social bonds was therefore a presentation of existing projects, but also a description of the State government's future plans, which were intended to show investors the opportunities still available for involvement in the State.

The SVC was established in accordance with the provisions of the State's debt brake. With the ruling of the Federal Constitutional Court of 15 November 2023 (2 BvF1/22), the requirements for the establishment of special funds and their financing were tightened and specified. The State took this as an opportunity to incorporate the constitutional references and to remedy the situation by means of an annual emergency resolution in accordance with Section 18 (6) LHO.

The resolution on the 2024 State budget also provided for the full repayment of the capital funds borrowed early to finance the projects from the SVC. There are no changes to the projects that are also used as a reference for the State's social bond framework. The existing project list remains valid. Potential expenditure from the individual projects will be financed under the State's emergency resolution and thus continued.

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