

## AFL successfully launched its first sustainable bond issue

In July 2020, AFL, the bank of the French local authorities, raised €500 million on the financial markets by launching its first sustainable bond issue. Thanks to this success and relying on an innovative mechanism, AFL can finance or refinance eligible environmental and social investments of all its member local authorities.

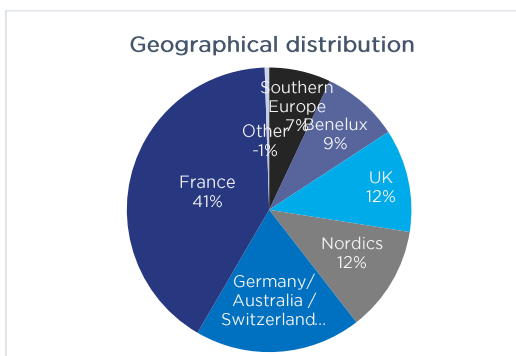
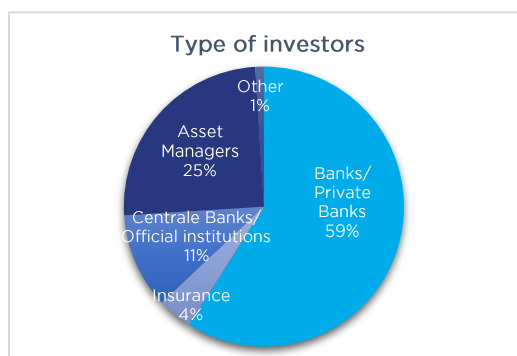
### A first "sustainable bond" for AFL

On Monday 6th of July, AFL successfully launched its first sustainability bond of €500 million with a 7-year maturity. This sixth public benchmark issue since the creation of AFL was well-received with a diversified order book in excess of €750 million with more than 45 accounts.

The transaction was executed at a margin of 35 basis points above the Government bond curve (Obligations assimilables du Trésor - OATs).

This operation was carried out with the participation of three French banks: Société Générale, Natixis and CACIB. "The success of this transaction demonstrates that the quality of our sustainable framework has been acknowledged by investors who constantly showed their interest and confidence in AFL and French local authorities' signature" confirms Yves Millardet, Chairman of the Executive Board of AFL.

### Investors diversification by geography and investor type:



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## Loans to finance local authorities' environmental and social investments

The proceeds of AFL bond issues aim to provide local authorities with an access to sustainable resources to finance or refinance their investments dedicated to environmental and social projects. "Local authorities are fully committed to making ecological transition progress. In the latest municipal elections, French voters confirmed high expectations in that matter. It was natural that AFL, the bank of the French local authorities, could provide them sustainable funding to support their social and environmental investments," says Olivier Landel, Chief Executive Officer of AFL-ST.

### Terms of the transaction (sustainable bond):

**Issuer:** Agence France Locale  
**Rating:** Aa3 stable outlook (Moody's) / AA- stable outlook (S&P)  
**Format:** EMTN Program. The base prospectus received AMF approval on June 9, 2020.  
**Size:** €500 million  
**Nominal amount of each bond:** €100,000  
**Settlement date:** July 13, 2020  
**Maturity date:** September 20, 2027 (7 years)  
**Coupon:** 0.000%  
**Spread:** OAT + 35bps  
**Listing:** Euronext Paris  
**Second Party Opinion:** Vigeo Eiris

### About AFL

**“The Company’s mission is to embody a responsible finance to strengthen the local world’s empowerment so as to better deliver the present and future needs of its inhabitants.”**

By creating our bank, the first one that we own and manage, we, French local authorities, have decided to act to deepen decentralization. Our bank, Agence France Locale (AFL), is not a financial institution similar to any other. Created by and for local authorities, it aims to strengthen our freedom, our ability to develop projects and our responsibility as local public actors. Its culture of prudence spares us from the dangers of complexity and its governance from downward slides of conflicts of interest. The main objective is to provide local world with an access to cost-efficient resources, under total transparency. The principles of solidarity and equity drive us. We are convinced that together we go further. We decided that our institution would be agile, addressing all types of local authorities, from the largest regions to the smallest municipalities. We see profit as a means to maximize public spending, not as an end goal. Through AFL, we support a local world committed to take up social, economic, and environmental challenges. AFL strengthens our empowerment: to carry out projects in our territories, today and tomorrow, to the benefits of the inhabitants. We are proud to have a bank whose development is like us, even more responsible and sustainable. We are Agence France Locale.



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