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## Agence France Locale 10-year EUR 750 million Benchmark Bond

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On Thursday January 11<sup>th</sup> 2024, AFL, the French local authorities' bank, launched its first syndicated bond issue of the year, a 10-year EUR 750 syndicated bond issue.

The orderbook exceeding EUR 1 billion (excluding Joint Lead Manager interest) with a 1.3 times oversubscription attests to the strength of the investor base supporting AFL and the quality of its credit.

### New Benchmark Transaction for AFL

On January 11<sup>th</sup>, AFL executed its first benchmark bond of the year, a new €750 million issue with a 10-year maturity. Despite an uncertain market in the beginning of the year, AFL successfully issued this new bond, with final demand exceeding EUR 1 billion, i.e. 1.3 times the amount offered, excluding Joint Lead Manager interest.

After announcing an initial margin of 50 basis points above the OAT (Obligations assimilables du Trésor - French Government curve), AFL managed to narrow its margin to OAT+49.

“For the second year, AFL chose to issue a bond with an initial size of EUR 750 million. We are proud to confirm this success, which continues to illustrate the confidence shown by investors in AFL’s business model,” explains Thiébaud Julin, AFL’s Chief Financial Officer.

“As we float the balance sheet, the bond was hedged against Euribor 3 months at a competitive level of Mid Swap + 61bps” confirms Romain Netter, Executive director, medium and long-term funding. “This bond issue is an important step in AFL’s 2024 funding program, which amounts to €2.5 billion. Its aim is to meet the growing credit needs of its member communities.”

### Investor Interest in AFL’s Signature

In terms of allocations, the significant presence of fund managers (54%) is notable for this inaugural long-dated transaction. Geographically, Europe is the most represented region, with Germany/Austria/Switzerland, the United Kingdom and Southern Europe accounting for 62% of allocations, illustrating European investors’ appetite for the credit quality of French local authorities.



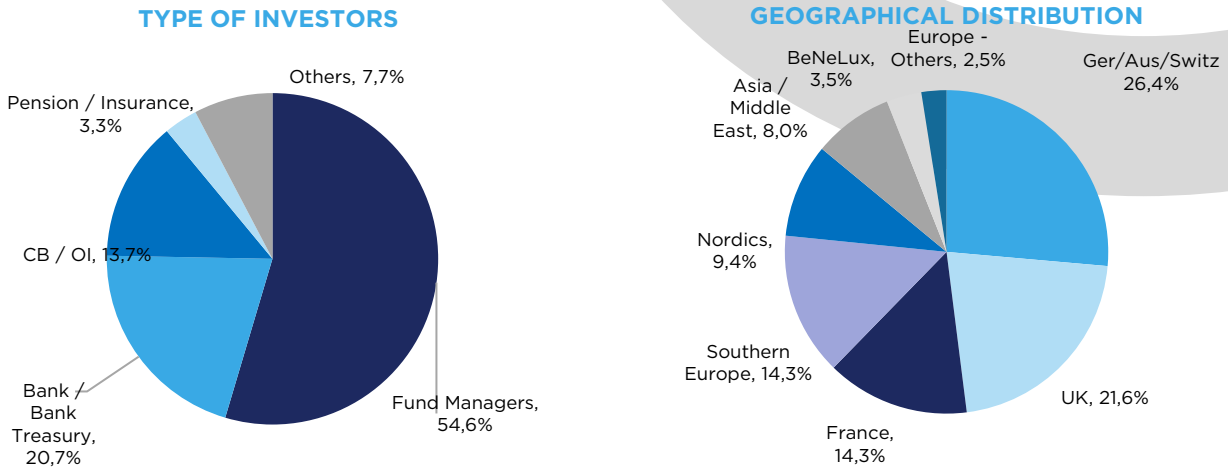
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#### Press contact

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## Investors diversification by geography and investor type



## Loans to Finance Local Authorities' Investments

This transaction will enable AFL to finance investments made by its member local authorities in 2024, in a context of price tensions. "Our objective is to be able to offer our member local authorities loans on the most competitive terms possible, especially at a time when the need for investment is acute and interest rates continue to fluctuate.", confirms Laurence Leydier, Director of Membership and Credit.

### Terms of the transaction:

**Issuer:** Agence France Locale  
**Rating:** Aa3 /AA- (Moody's stable / S&P stable)  
**Format:** RegS, Bearer, Dematerialised Notes  
**Size:** €750 million  
**Settlement Date:** January 18<sup>th</sup>, 2024  
**Maturity Date:** March 20<sup>th</sup>, 2034 (10-year)  
**Coupon:** 3.125% Annual  
**Spread:** 49 bps above OAT  
**Yield:** 3.213%  
**Listing:** Euronext Paris

### 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



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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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