
Third benchmark bond issue for AFL in 2022

On November 7th, AFL, the bank of French Local Authorities, successfully raised €500 million on the financial markets in a highly volatile environment. This new syndicated issue is AFL's third benchmark transaction this year, following the €500 million 7-year sustainable issue in January and the £250 million 3-year transaction in February.

The order book, in excess of €1.7 billion, demonstrates the confidence of investors in the bank of local authorities, and confirms the success of its model aiming at pooling together financial needs of its members.

New benchmark transaction for AFL

On Monday, November 7th, AFL issued its third public bond of the year, a new €500 million issue with a 9-year maturity. Despite very volatile market conditions over the last few weeks, illustrated by significant movements in the swap spreads and the Government bond curve (OAT, Obligations Assimilables du Trésor), AFL successfully issued this new bond, with demand exceeding EUR 1.7 billion, an oversubscription of 3.2 times the offered amount.

After announcing an initial margin of 70 basis points above the OAT curve, AFL managed to narrow its margin by 3 basis points during the execution of the transaction, for a final level of OAT+67 basis points.

"AFL chose to fully make its balance sheet floating versus Euribor. Therefore, we immediately hedged this issue at a very competitive level (MS + 25 bps)," confirmed Thiébaud Julin, AFL's Chief Financial Officer. "This issue completes AFL's 2022 borrowing program for a total amount of €1.4 billion, giving the bank a significant liquidity reserve and enabling it to meet the financing needs of its member local authorities under all circumstances."

Investor interest in AFL's signature

In terms of allocations, the significant presence of Central Banks and official institutions (40%) is to be highlighted. Geographically, Asia is the most significant territory representing 30% of allocations and illustrating the credibility of French local authorities on this continent.



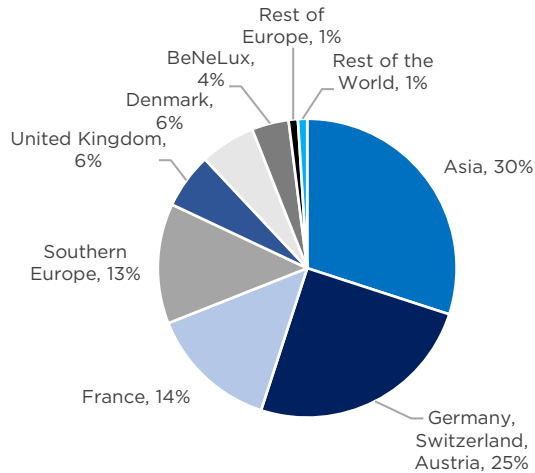
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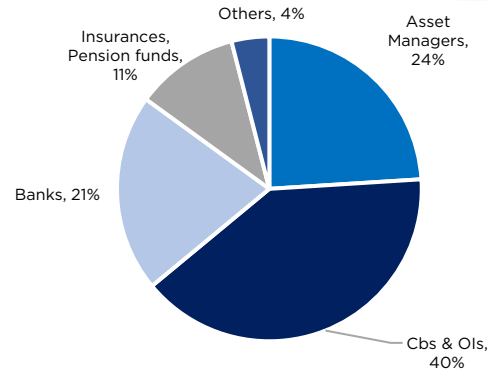
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Investors diversification by geography and investor type

GEOGRAPHICAL DISTRIBUTION



TYPE OF INVESTORS



Loans to finance Local Authorities investments

The €500 million raised will enable AFL to finance all the investments made by its member local authorities in this period of inflation and energy crisis, during which the needs are significant. "Our only objective is to be able to offer our local authorities members loans on the most competitive terms possible, in this time when interest rates are particularly volatile," confirms Laurence Leydier, Director of Membership and Credit.

Terms of the transaction:

Issuer: Agence France Locale

Rating: Aa3 stable outlook (Moody's) / AA- stable outlook (S&P)

Format: EMTN Prospectus. The base prospectus received AMF approval on June 23, 2022.

Size: €250 M

Nominal amount of each bond: €100 000

Settlement Date: November 15, 2022

Maturity Date: December 9, 2031 (9 years)

Coupon: 3,25 %

Spread: 67 bps above November 2031 OAT and May 2032 OAT interpolations / 25 bp against Mid Swap (MS)

Yield: 3,334%

Cotation : 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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