



EDITORIAL

The invasion of Ukraine by Russia on February 24, 2022 significantly modified the economic and financial environment in Europe and around the world. After the Covid-19 health crisis, this war situation at the gates of the European Union had multiple and profound consequences at the political, social, economic and financial levels. The interruption of trade in commodities inevitably led to a significant increase in prices and especially in energy prices.

In this context, French local authorities have multiple transitions to lead: economic to face increase in energy prices, energetic to find new responses to climate change, as well as demographic, social or digital transitions.



As a responsible financing tool for local authorities, AFL channels the savings of investors operating on the financial markets towards the financing of the investment of French authorities. In line with the social and environmental commitments of its shareholder members. AFL chose to formalize its overall contribution to sustainable development goals and make it better known by committing to an ESG approach. This approach relies on three levels: to reaffirm AFL identity and specificities in the local authority funding landscape by adopting a corporate purpose, values and deepening governance and transparency towards stakeholders; to strengthen AFL commitments as a company (homeworking, soft mobility, professional disconnection, gender equality, electronic signature of documents, etc.) and to provide French local authorities with sustainable resources.

To this end, AFL set up a sustainability bond issuance program in 2020. Sustainable bonds are offered to sustainable investors or investors with sustainable investment portfolios or simply anxious to allocate their savings to investments serving the transition to a sustainable world. The issuance of sustainable bonds therefore contributes to disseminating the principles of sustainable finance.

On July 9, 2020, AFL carried out its first sustainable bond issue, in the amount of €500 million with a maturity of seven years.

On January 18, 2022, AFL carried out a new sustainable bond issue of the same size and also with a maturity of seven years. These two issues, 18 months apart, were a resounding success with the investor community, who appreciated the quality and transparency of the framework that AFL has established.

Assessed by Vigéo Eiris (now Moody's Investors Service), our framework encompasses two majors advantages: it allows all types of local authorities, including small municipalities to access to sustainable financing and it prevents local authorities from many operational and administrative complexity (structuring a framework, providing reports and details on projects).

Local authorities are fully devoted to making ecological transition progress. They are committed to having the bank they have created fully capable of providing them with sustainable means to meet this challenge.







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ESG at the very heart of AFL model

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AFL: THE FRENCH LOCAL GOVERNMENT FUNDING AGENCY



Public Development
Bank dedicated to
the funding of French
local authorities



Local authorities: only shareholders, only borrowers, only guarantors.



Authorized by the banking law dated **26 July 2013**



The mission of AFL is to embody a responsible finance to strengthen the local sector's empowerment so as to better deliver the present and future needs of its inhabitants.





KEY FIGURES (AS AT 31 DEC 2022)

MOODY'S
INVESTORS SERVICE

Aa3 (Stable) / P-1

S&P Global

Ratings

AA-(Stable) / A-1 +

→€ BILLION

Raised by AFL on bond market since 2015

EIS BILLION

Raised by AFL on bond market in 2022

599

Member local authorities

58%

Of French inhabitants live in a AFL member local authorities

23 %

Share of AFL member local authorities' debt among French public local debt +€7 BILLION

Loaned to local authorities since 2015

ATH LARGEST LENDER

To French local authorities (source: Finance Active 2021)

E J.A.
BILLION

Of loans granted to members in 2022

70%

Share of loans' consultations in which AFL was selected in 2022





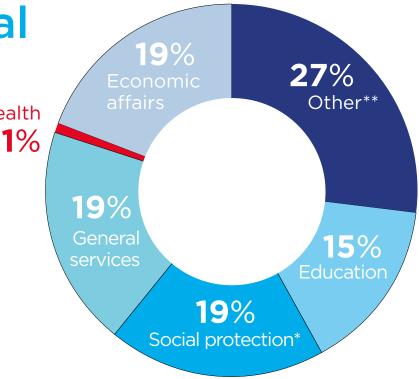
FRENCH LOCAL AUTHORITIES : KEY ACTORS IN ECOLOGICAL TRANSITION

% of subnational government expenditure

Health

The main categories of French Public Local Authorities investment expenditures are:

- economic affairs and transport
- social protection (mainly the municipalities and the departments)
- public services and education



- * Social protection expenditure includes both capital and operating expenditure.
- ** Other: housing and community amenities; security and public order; recreation, culture and religion; environmental protection.

Source: OECD (2018), Subnational governments in OECD Countries: Key Data

75%

of leverage to success ecological transition belong to local authorities (according to french low carbon strategy, March 2020)

50%

of french greenhouse gas emissions are directly or indirectly linked to local authorities investments (according to ADEME)

€7 TO 9 BILLION

have to be invested every year by French central government by 2023 to fulfill climate national commitments



AFL'S BUSINESS MODEL IS AT THE VERY HEART OF SUSTAINABLE FINANCE

AFL chose to formalize its overall contribution to sustainable development goals and make it better known by committing to an ESG approach.



A UNIQUE GOVERNANCE : TRANSPARENCY & INDEPENDENCE

A dual company governance to prevent conflicts of interests :

- Local authorities are the only shareholders of the financial company;
- A credit institution governed by independent banking experts.



expertise transparency solidarity

ESG Commitments



A COMMITMENT TO FINANCE A SUSTAINABLE DEVELOPMENT : FROM FUNDING TO LOANING

- A funding strategy that encourages a diversity of debt instruments and of the investor base :
- A conservative liquidity policy with a commitment to build a sufficient liquidity reserve to maintain operationnal activities for a period of twelve months;
- A loaning activity 100% dedicated to local authorities projects; AFL participates in the financing of local authories' investments in social and environmental areas.
- AFL is committed to offer similar loan pricing for same internal scoring.



A RESPONSIBILITY AS A COMPANY TO DEPLOY A POSITIVE IMPACT

- As a partner of national bodies of elected representatives for many years, AFL signed and deployed several important partnerships (ADEME, Comité 21, ANCT...)
- AFL strengthened its expertise at the service of local authorities (publication of studies, financial data, development of training courses...)
- AFL also takes various commitments to reduce environmental footprints and promote social well-being.

CORPORATE RESPONSIBILITY





GOVERNANCE DIVERSITY

- Gender representation:
 - Gender diversity in the Supervisory Board and the Executive Board
 - Greater degree of gender mix at all corporate level
- Representation of all categories of local governments to the Board of Directors of AFL-ST
- 7 independent directors out of
 13 at the Supervisory Board



DISTRIBUTION OF ECONOMIC VALUE

- AFL Group does not pursue an objective of shareholder value maximization
- Value is directed towards all stakeholders :
 - Borrowers with competitive loan pricing
 - Investors with regular, predictable bond issuance
 - Annual profits added to retained earnings to build up the capital base with a pay out ratio set at a maximum of 5% retained earnings



ENVIRONMENTAL COMMITMENTS

- AFL is committed to **digitize its business processes** (around 25% of loan agreements are signed electronically, more than 2000 users of the banking portal...)
- As a company of 32
 employees, AFL manages to
 control its environmental
 impact and greenhouse
 emissions. Each year, AFL goes
 further in its commitments
 to limit its carbon footprint
 and improve its societal
 involvement



SOCIAL POLICIES

- AFL is committed to ensuring the well being of employees (100% of eligible employees have signed the remote working charter, publication of a charter on the right to disconnect, organization of an awareness-raising session on the prevention of psychological risks for all staff)
- AFL develops a policy of integration and internal promotion
- AFL applies an antidiscrimination policy and promotes the integration of people with disabilities





A SECOND SUSTAINABLE BOND AS PART OF AFL'S FUNDING PROGRAMME

AFL's funding programme

A dedicated Sustainable Bond programme to refinance eligible loans granted to French Local Authorities.

Long term commitment to issue at least a sustainability bond every two years



EMTN PROGRAMME

- A multicurrency €10Bn EMTN
 programme that allows to issue
 medium to long term notes in various
 currencies in the form of public or
 private placement transactions.
 - Long term commitment to issue at least one Euro denominated benchmark per year.
- €1.5Bn of medium and long term funding in 2022 :
- Euro denominated listed benchmark
- Opportunistic multicurrency private placements
- Taps of existing Euro bonds
- Other currency public transactions





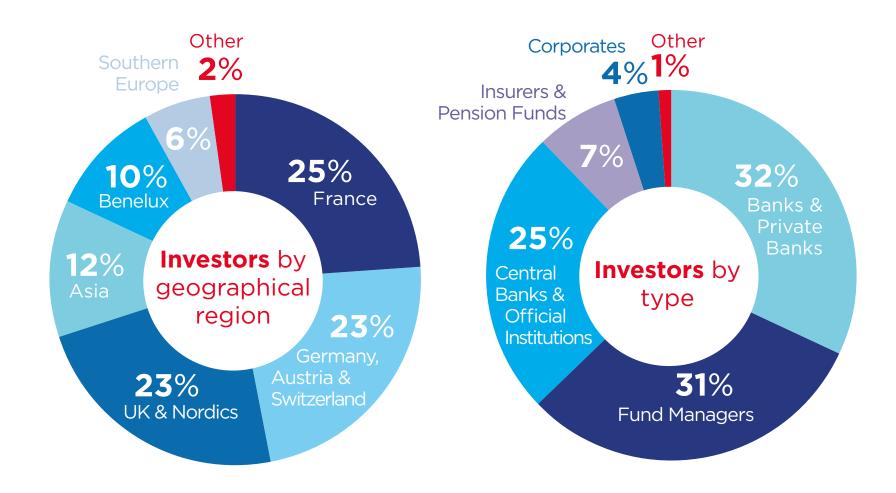
ECP PROGRAMME

- A short term €1Bn ECP programme :
- Issuance in various currencies (such as EUR, GBP, USD...) for maturities up to 1 year.
- STEP registered (eligible as collateral for open market operations of the ECB).
- Up to €500Mn of short-term funding in 2022 in the form of ECP transactions.



AFL FUINE... (AS AT 31 DEC 2022) AFL FUNDING STRATEGY: MAIN FACTS

	March 2023	June 2024	June 2025	June 2026	Sept 2027	June 2028	March 2029	March 2031	Dec 2031
Outstanding Amount (in €M)	750	820	340	600	500	1000	500	1000	500
Coupon	0.25%	0.50%	1.375%	0.125%	0.00%	1.125%	0.20%	0.00%	3.25%



BENCHMARKS

under EMTN programme have been launched by AFL



raised by AFL on bond market since 2015

INVESTORS

have been participating in AFL's transactions since the beginning

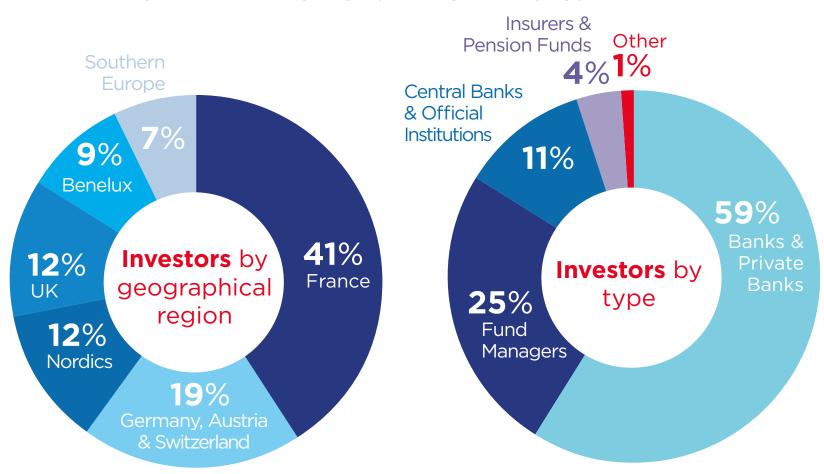
SUSTAINABILITY BOND ISSUE

(JULY 2020)

It is in this context that, on July 13, 2020, AFL carried out its first issue of sustainability bonds in the amount of €500 million, contributing significantly to the total resources raised on the bond market in 2020, the amount of which reached €1,130 million, bringing the outstanding debt to €5,296 million under IFRS.

In addition, this issue of sustainable bonds, which attracted a significant number of new investors, is an important step in AFL's issuance strategy and its positioning as a public player committed to responsible market finance.

The graphs below show the distribution of the September 2027 sustainability bond issue: geographically and by type of investor:



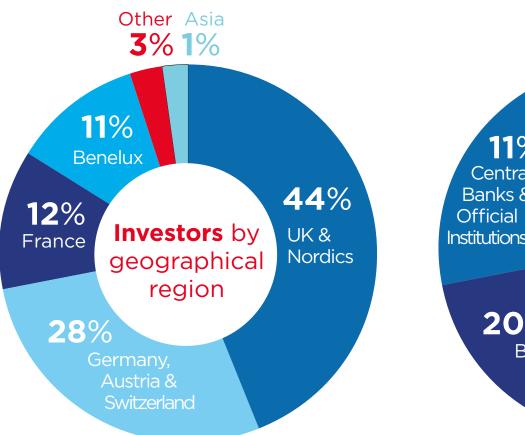
SUSTAINABILITY BOND ISSUE

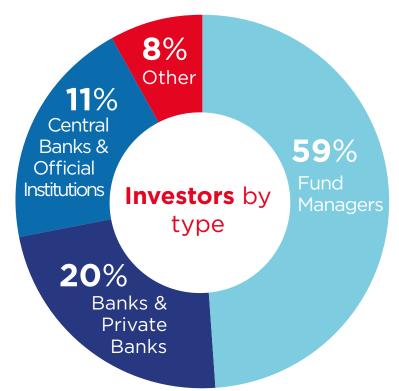
(JANUARY 2022)

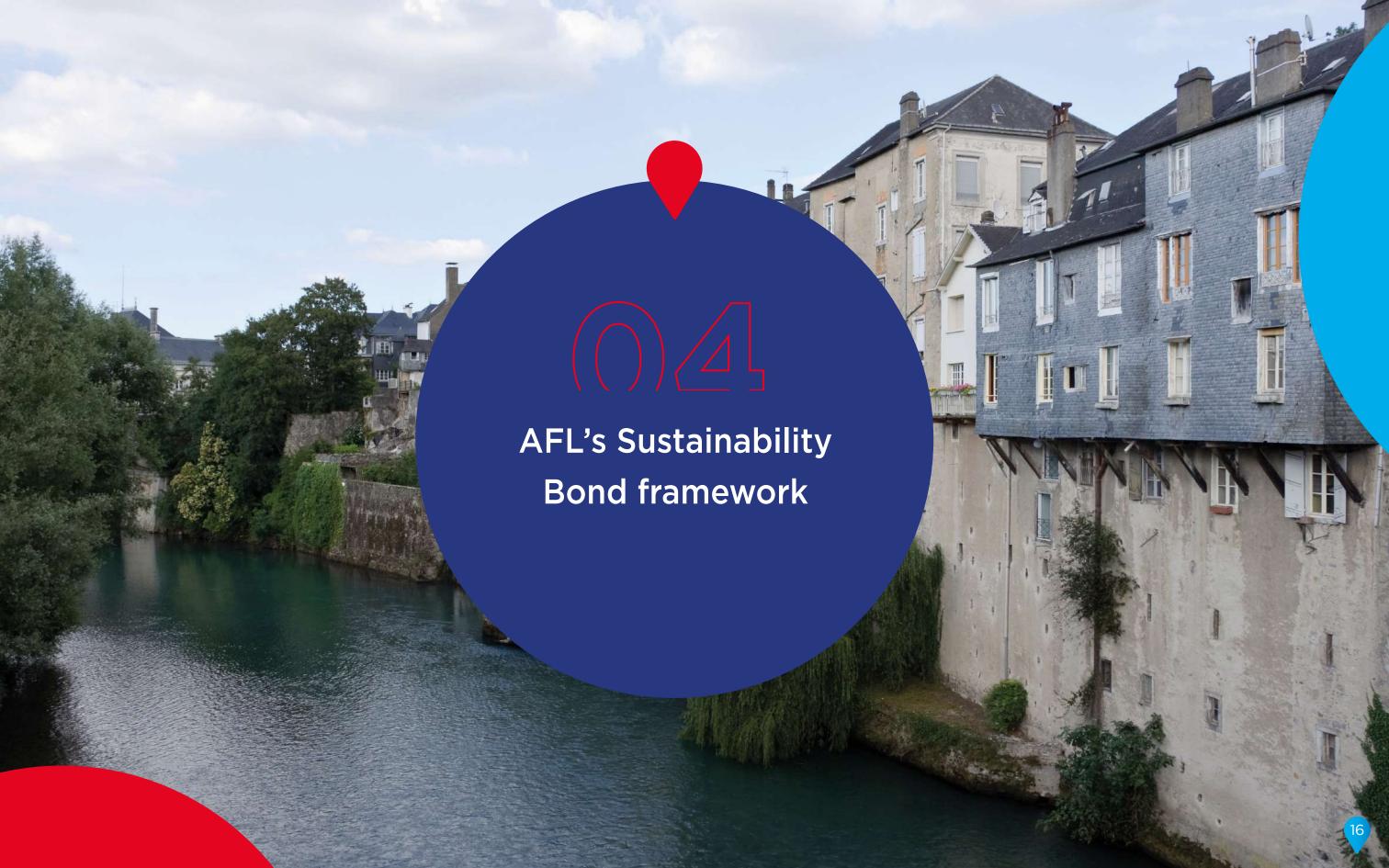
E500 million by launching its second sustainability bond issue with a 7-year maturity. This eighth public benchmark issue since the creation of AFL was very well-received with a diversified order book in excess of €2,2 billion and 75 accounts from various sources. This is a new demonstration of the quality of the sustainability bond framework that AFL established in 2020.

It has allowed to refinance a total of € 1 billion of sustainable investments for all its member local authorities.

The graphs below show the distribution of the March 2029 sustainability bond issue: geographically and by type of investor:









HISTORY OF THE SUSTAINABILITY BOND PROGRAM

- To formalize and make public its overall contribution to sustainable development goals, AFL launched a project to issue Sustainability Bonds in 2019. This project makes it possible to contribute to the financing of sustainable development to which French local authorities are very committed while meeting a strong demand from investors in terms of the transparency of the assets that are financed by AFL.
- This project led to the establishment, in January 2020, of a Sustainable Bond framework, in accordance with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines of 2018 developed and promoted by the International Capital Market Association (ICMA).
- This plan was reviewed by Vigéo Eiris (now called Moody's Investors Services), the social and environmental rating agency, which on January 9, 2020 issued a reasonable assurance rating (the highest level of assurance) for AFL's commitments and the contribution of the Framework Document to sustainable development and a moderate assurance rating (the secondhighest level of assurance) for 2 of the 10 eligible categories ("Prevention and reduction of pollution" and "Accessible and sustainable infrastructures").





SUSTAINABILITY BONDS CATEGORIES REFLECTING LOCAL AUTHORITIES MAIN AREAS OF INTERVENTION

MAIN AREAS OF INTERVENTION



Access to essential & basic social services

- Encouraging access to education and culture by providing access to educational, sport, leisure and cultural facilities
- Supporting development of economic activity with the aim of promoting and retaining employment in underserved areas
- Supporting the access to essential health services
- Fostering social inclusion by providing equal access to essential services for vulnerable populations

CONTRIBUTION TO UN SDGs















Energy & ecological transition

 Contributing to energy transition and environmental sustainability by promoting a low-carbon and more climate resilient economy (low-carbon public transportation, renewable energies, etc.) and pollution prevention & control











Sustainable infrastructure, development of cities & territorial cohesion

- Promoting the development of the territories, urban transformations, reduction of the territorial divide, infrastructure development and public essential services
- Priority given to underserved areas









Underserved Local Authority is defined as any Local Authority which is ranked within the bottom third based on an internal scoring which is derived from the following public data and statistics: Rate of unemployment, Share of long-term unemployment, Share of population leaving in priority neighborhood, Poverty rate

ELIGIBLE ASSETS FOR USE OF PROCEEDS

	ELIGIBLE	CATEGORIES	TARGET POPULATION	EXAMPLES OF ELIGIBLE EXPENDITURES/INVESTMENTS	SUSTAINABLE DEVELOPMENT GALS
		Education & Culture	All population of the targeted Local Authorities	 Construction of new schools, campus, student housing Financing public libraries, archives and museums 	4 INCLIN
	Access to essential &	Employment	Underserved Local Authorities	 Financing to SMEs, initiatives promoting the attractiveness of territories, professional transition trainings 	8 SECTION WAS AND 9 MACHINI-MONODIAN 10 MENDELLINES (\$\frac{1}{4}\)
	basic social services	Access to essential health services	All population of the targeted Local Authorities	Financing the construction, development, maintenance or renovation of healthcare facilities, medical equipment	3 DOOD HAADIN AND WILL SEND
		Social inclusion	Vulnerable population groups	 Construction of facilities aimed at providing specialized assistance for elderly people Financing nurseries and kindergartens 	1 NO NEPOSITE 10 NEPOSITE (章)
	Energy &	Low-carbon public transportation	All population of the targeted Local Authorities	• Financing the construction, equipping, or maintenance of low-carbon public transportation facilities, such as any new rail facilities for public use, multimodal links or cycleways	9 ALLEGIT, AMODITAL 11 SETTIMABLE LITET ACCORDANTE
	ecological transition	Pollution Prevention & Control	All population of the targeted Local Authorities	 Financing public waste management facilities for waste reduction/recycling Financing prevention and awareness initiatives for waste reduction/recycling 	11 MECHANICATION 12 GROWNING CONTROLLER CONT
		Renewable Energy	All population of the targeted Local Authorities	 Financing the construction, equipping, or maintenance of renewable energy infrastructure (including wind and solar energy) 	7 OUR WHITE ON THE PROPERTY OF
	Sustainable infrastructure,	Sustainable water and wastewater management	All population of the targeted Local Authorities	 Financing water network construction, maintenance and upgrade Financing wastewater treatment plants, such as sewage networks, wastewater treatment plants, on-site sanitation facilities 	6 ICLIAN MATER MAGE SHATISTICH
	development of cities &	Affordable Housing	Social housing organisations, beneficiaries of rental assistance support schemeses	 Financing social housing, subsidies to social housing organisations, financial-aid programs to support tenants 	11 METANAS CITAS AND COMPANIONS
	territorial cohesion	Affordable & sustainable infrastructure	Underserved Local Authorities	 Financing the renovation, upgrade, safety of existing public buildings and public infrastructure. Financing public lighting. Financing facilities supporting rural development. 	9 MIDER MONTHS 10 SEQUEDES 11 MEDINAMENT ABOUTHMENT 12 MEDINAMENT 13 MEDINAMENT 14 MEDINAMENT 15 MEDINAMENT 16 MEDINAMENT 17 MEDINAMENT 18 MEDINAM

Underserved Local Authority is defined as any Local Authority which is ranked within the bottom third based on an internal scoring which is derived from the following public data and statistics: Rate of unemployment, Share of long-term unemployment, Share of population leaving in priority neighborhood, Poverty rate



ELIGIBILITY EVALUATION & PROCEEDS ALLOCATION

The Process for eligibility evaluation and selection ensures that the proceeds of AFL Sustainability Bonds are allocated to finance or refinance eligible expenditures that meet the criteria and objectives set out in the Framework.

DATA COLLECTION

Collect the relevant date to perform the analysis

- Official Budget frames analysis
 if need be, update of the eligibility matrix set by AFL.
- Annual budget data
 extraction (official opendata
 made available by French
 Treasury) and integration in
 AFL dedicated IT tool Only
 investment expenditures are
 considered; all the current/
 operational expenditures of the
 Local Authority are excluded
 from the scope of analysis
 (as AFL's loan can only be
 used to finance investments
 according to the Budgetary
 Golden Rule).
- Analysis and exclusion of unrelevant data (e.g. Local authorities not respecting the official budget frame – circa 2% excluded in AFL portfolio).

ELIGIBILITY ANALYSIS

Estimate the share of eligible expenditures within each Local Authority's budget

Core approach:

- Screen all the loans granted in a given year to Local Authorities, the corresponding year's annual Budget for the considered Local Authority and identify Eligible expenditures regarding the Eligibility Criteria set out in AFL's Sustainability Bond Framework - calculate the share of eligible expenditures within the overall investment budget of the Local Authority.
- Identify Underserved Local Authorities defined as any Local Authority which is ranked
 within the bottom third based on an internal
 scoring which is derived from public data and
 statistics For these specific entities, additional
 expenditures are considered eligible.
- The defined eligibility percentage is applied to the loans granted in the considered year by AFL to the corresponding Local Authority.
- Sum all the eligible loans to compute the amount to the overall portfolio of eligible loans likely to be allocated to AFL's Sustainability Bonds.

Exclusions from eligible portfolio:

- Expenditures out of the defined lookback period.
- Eligible expenditures already refinanced through Local Authorities' direct access to sustainable finance
- Sustainable Bonds (dedicated exhaustive analysis made by banking counterparts), sustainable loans (expert-based analysis- made by AFL commercial teams)...
- Expenditures identified through AFL controversies analysis framework - led by AFL Sustainability
 Bond Committee - NB: no exclusion to date.

ALLOCATION

Select within the eligible portfolio the expenditures allocated to the Bond.

- Scoring methodology based on the following criteria: loan origination year, loan duration, balance between Framework categories, balance between geographical location.
- Allocation decided by AFL
 Sustainability Bond Committee
 based on the scoring
 methodology.



REPORTING ON USE OF PROCEEDS: KEY FACTS & GOVERNANCE

KEY FACTS

Reporting commitments as per AFL's SB Framework

ALLOCATION

- Total funds distributed per AFL's
 - (i) main areas of intervention and
 - (ii) Eligible categories
- Total funds used for refinancing or allocated to new loans
- Amount of unallocated proceeds (if any)

IMPACT

- Number, type, and geographical distribution of financed local authorities
- Contribution of the proceeds to the relevant UN Sustainable Development Goals (SDGs)



GOVERNANCE

3rd quarter



 Availability of public data related to FY2021 - Extraction and formatting

July



2nd anniversary of AFL's SB#1

4th quarter



- Eligibility analyse process
- Allocation process

December



- Validation of eligibility and allocation by the relevant governance - AFL Sustainability Bond Committee
- Formatting of the report
- Validation of the report by the relevant governance - AFL's Sustainability Bond Committee

January 2023

- External review by KPMG
- 1st anniversary of AFL's SB#2
- Publication of AFL's SB common report (incl. 2nd rep. for SB#1 and 1st rep. for SB#2)



ALLOCATION REPORTING COVERAGE



Allocation coverage

Proceeds Total Amount



Amount used for refinancing

____100% ____ 500 000 000€

Amout used for new loans

0%

O€



Proceeds Total Amount



Amount used for refinancing

100%

500 000 000€

Amout used for new loans

0%

O€



ALLOCATION REPORTING FRAMEWORK ALIGNMENT

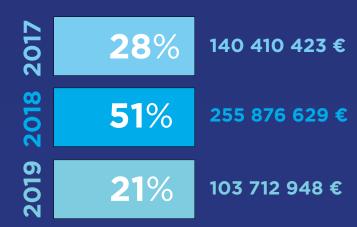
Funds distributed per Eligible categories

Framework categories	Allocation (in €)	Share
Access to essential and basic social services	287 612 023	57,5%
Education & Culture	242 345 597	48,5%
Employment	27 648 285	5,5%
Access to essential health services	2 578 923	0,5%
Social inclusion	15 039 218	3,0%
Energy and ecological transition	38 254 166	7,7%
Low-carbon public transportation	11 218 362	2,2%
Pollution Prevention & Control	27 005 324	5,4%
Renewable Energy	30 480	0,0%
Sustainable Infrastructure, development of cities and territorial cohesion	174 133 811	34,8%
Sustainable water and wastewater management	26 632 808	5,3%
Affordable Housing	64 778 217	13%
Affordable and sustainable infrastructure	82 722 785	16,5%
Total	500 000 000	100%

 Funds allocated to all the AFL's Sustainability Bond Framework categories and subcategories, genuinely representing the typical investment scope of French local governments.



Reference year of loan origination



TOTAL: 500 000 000 €

 Aligned with AFL's Sustainability Bond Framework, Funds allocated to refinance eligible assets in a lookback period of 3 years to the issuance year.

IMPACT REPORTING

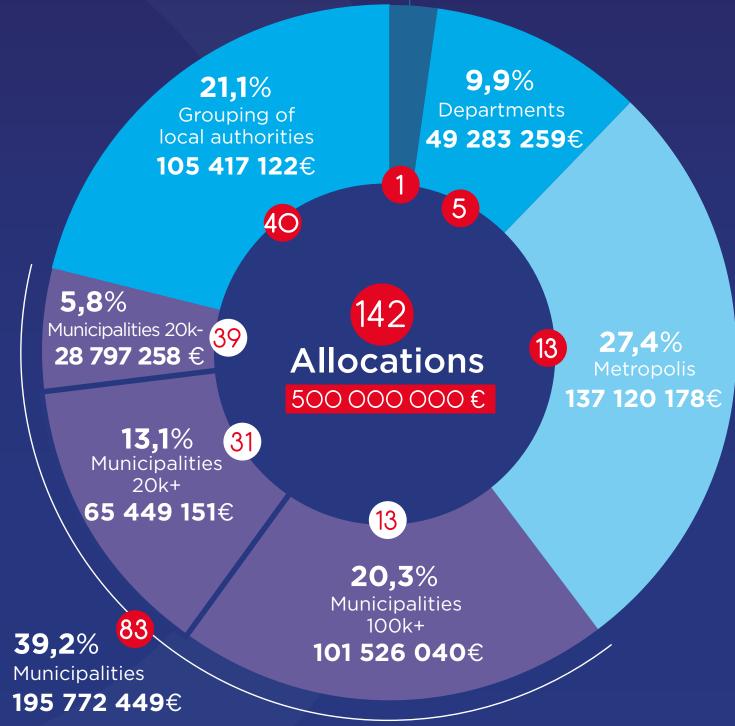
LOCAL AUTHORITIES TYPOLOGIES

2,5% 12 406 994€

Regions

Allocation by local government typologies

- Funds allocated to refinance loans granted to all the French local governments typologies and size, genuinely representing the spectrum of AFL's borrowers.
- 1 number of entities



INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL'S SUSTAINABILITY BOND



Energy renovation of secondary schools and buildings

FRAMEWORK CATEGORY:

ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES

Education and culture





PROJECT:

Construction of elementary school Jean Zay

FRAMEWORK CATEGORY:

ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES

Education and culture





IMPACT REPORTING GEOGRAPHICAL DISTRIBUTION







13 350 839€

2,7%

8

28 445 390€ 5,7%

10

42 641 068€

8,5%

3

1834 773€

0,4%

24

40 959 422€

13

100 184 522€ 20%

3

12 984 795€

8,2%

8

20 163 811€

Geographical distribution of allocation

Total Amount

500000000€

- Funds allocated to refinance loans granted in all of the French local territories (here represented by administrative regions), genuinely representing the geographical spectrum of AFL borrowers.
- 1 number of entities



3,9%

INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL'S SUSTAINABILITY BOND



waste treatment equipment to limit non-recovered waste

ENVIRONMENTAL AND ECOLOGICAL TRANSITION Pollution prevention and control







LOCAL

Construction of multifunctional equipment for cultural, sporting and economic purposes:
the Jeu de Paume..

FRAMEWORK CATEGORY:

ACCESS TO ESSENTIAL AND BASIC

SOCIAL SERVICES

Education and culture





IMPACT REPORTING UNDERSERVED AREAS



Total (in €)

Underserved

Allocation in underserved areas*

 Funds allocated to refinance loans mainly granted to local governments located in Underserved areas (as per AFL's assessment methodology)

^{*} As per AFL's assessment methodology p.20

	types	areas (in €)		areas (in €)		rotar (iii 0)
	Regions	12 406 994	100%			12 406 994
	Departments	30 810 655	63%	18 472 603	37%	49 283 259
	Metropolis	66 116 572	48%	71 003 605	52%	137 120 178
	Grouping of local authorities	59 646 870	57%	45 770 251	43%	105 417 122
s r	Municipalities	26 038 177	13%	169 734 272	87%	195 772 449
	Municipalities 100k+		0%	101 526 040	100%	101 526 040
	Municipalities 20k+	11 964 676	18%	53 484 474	82%	65 449 151
	Municipalities 20k-	14 073 501	49%	14 723 757	51%	28 797 258
	Total	195 019 269	39%	304 980 731	61%	500 000 000

Non classified

Local governements

General vs conditionnal allocation

Conditional eligible categories
 (only eligible for underserved areas)
 represent 25% of the overall amount
 of funds allocated

(in €)	Full eligible categories	Conditional eligible categories		IULAI		Total	
Non classified areas Underserved areas	195 019 269 194 609 661	39% 39%	110 371 071	22%	195 019 269 304 980 731	39% 61%	
Total	389 628 929	78%	110 371 071	22%	500 000 000	100%	

INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL'S SUSTAINABILITY BOND

LOCAL

AUTHORITY:
COMMUNITY OF
TERRITOIRE DE LA CÔTE
OUEST

LOCATION:
REUNION (OVERSEAS TERRITORIES)
TYPE:
GROUPING OF LOCAL
AUTHORITIES

PROJECT:

Ecological transition contract with the State. TCO is the first ultramarine, island and tropical ecocity

FRAMEWORK CATEGORY:

ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES

Employment









FRAMEWORK CATEGORY:
ACCESS TO ESSENTIAL AND BASIC

La Grande Borne

Access to essential health services

SOCIAL SERVICES





IMPACT REPORTING

NUMBER OF INHABITANTS IMPACTED



Number of inhabitants impacted in main entities

Number of inhabitants impacted in municipalities and groupings of municipalities

Geographic location
Auvergne - Rhône-Alpes
Bourgogne Franche-Comté
Bretagne
Centre Val de Loire
Grand Est
Hauts de France
lle de France
Normandie
Nouvelle Aquitaine
Occitanie
Oversee territories
Pays de la Loire
Sud
Total

Regions	Departments	Metropolis
		845 000
	550 000	
		210 000
	184 000	380 000
	530 000	570 000
	1 470 000	
		490 000
		810 000
		800 000
		670 000
		1 900 000
3 870 000	2 734 000	6 675 000

NB: no sum computing by localisation as double counting may occur (e.g. in case of allocation to both a department and its regions - being 2 separate legal entities)

Metropolis	Grouping of local authorities	Municipalities 100k+	Municipalities 20k+	Municipalities 20k-	Total
845 000	52 688	160 625	29 024	9 215	1 096 552
	97 498			16 202	113 700
210 000	66 677		20 852	7 539	305 068
	108 556	138 616		17 212	264 384
380 000	32 066	118 253		8 428	538 747
570 000	95 851			8 688	674 539
	516 667		45 910	10 640	573 216
490 000	38 396		51 709		580 105
810 000	162 785		25 829	9 665	1 008 279
800 000	48 699	484 809		6 268	1 339 776
	213 364		33 374		246 738
670 000	65 556		49 737	8 189	793 481
1 900 000	66 207		20 730	9 420	1 996 356
6 675 000	1 565 008	902 303	277 164	111 466	9 530 939

NB: double counting avoiding by excluding inhabitants counting of municipalities when their related Metropolis or grouping is already allocated.

INVESTMENTS OF LOCAL AUTHORITIES
ALLOCATED IN AFL'S SUSTAINABILITY BOND



FRAMEWORK CATEGORY:

Simone Veil

ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES

Education and culture





FRAMEWORK CATEGORY:

Creation of new classes

in kindergarten,

construction of a nursery

ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES

Social inclusion



IMPACT REPORTING

CONTRIBUTION TO UN SDGS

Contribution of the proceeds to the relevant UN Sustainable Development Goals (SDGs)

1,5% 0,5%

48,5%

5,3%

1,8%

8,5%

8,9%

22,3%

2,7%

NO POVERTY

7 519 609 €

3 GOOD HEALTH
AND WELL-BEING

2 578 923 €



242 345 597 €



26 632 808 €



30 480 €



9 216 095 €



42 399 538 €



44 309 966 €



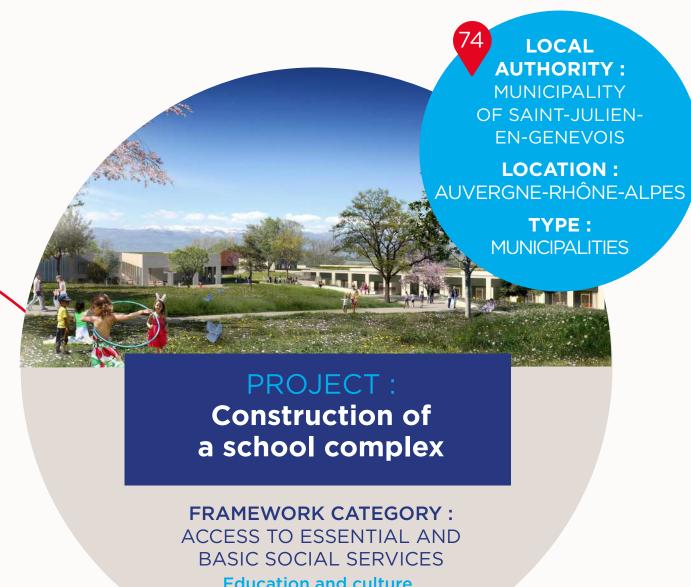
111 464 322 €



13 502 662 €



INVESTMENTS OF LOCAL AUTHORITIES ALLOCATED IN AFL'S SUSTAINABILITY BOND



Education and culture





ALLOCATION REPORTING COVERAGE



Allocation coverage

Proceeds Total Amount



Amount used for refinancing

____100% ____ 500 000 000€

Amout used for new loans

0%

O€



Proceeds Total Amount



Amount used for refinancing

100%

500 000 000€

Amout used for new loans

0%

D€



ALLOCATION REPORTING FRAMEWORK ALIGNMENT

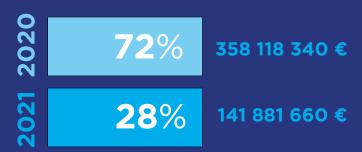
Funds distributed per Eligible categories

Framework categories	Allocation (in €)	Share
Access to essential and basic social services	277 286 263	55,5%
Education & Culture	236 911 173	47,4%
Employment	14 026 387	2,8%
Access to essential health services	1 625 876	0,3%
Social inclusion	24 722 826	4,9%
Energy and ecological transition	80 499 844	16,1%
Low-carbon public transportation	29 891 533	6,0%
Pollution Prevention & Control	50 581 778	10,1%
Renewable Energy	26 533	0,0%
Sustainable Infrastructure, development of cities and territorial cohesion	142 213 893	28,4%
Sustainable water and wastewater management	24 502 408	4,9%
Affordable Housing	45 369 247	9,1%
Affordable and sustainable infrastructure	72 342 239	14,5%
Total	500 000 000	100%

Funds allocated to all the AFL's Sustainability Bond Framework categories and subcategories, genuinely representing the typical investment scope of French local governments.



Reference year of loan origination



TOTAL: 500 000 000 €

 Aligned with AFL's Sustainability Bond Framework, Funds allocated to refinance eligible assets in a lookback period of 3 years to the issuance year.

IMPACT REPORTING LOCAL AUTHOTITIES TYPOLOGIES

5,5% Local authorities groupings 27 478 279€

8,8%

Regions 43 997 863€

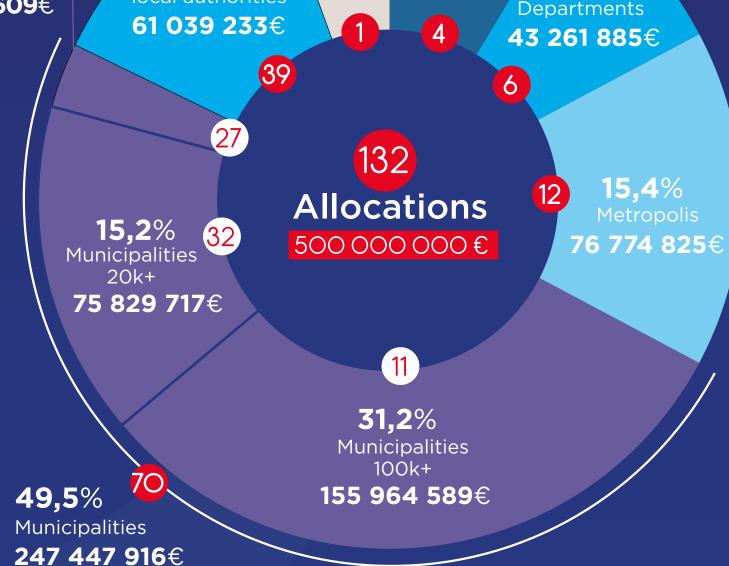


12,2% Grouping of local authorities 61 039 233€

8,7% **Departments**

Allocation by local government typologies

- Funds allocated to refinance loans granted to all the French local governments typologies and size, genuinely representing the spectrum of AFL's borrowers.
- number of entities



GRC AN HC

LOCAL AUTHORITY:

LOCAL AUTHORITY
GROUPING OF TREATMENT
AND VALORISATION OF
HOUSEHOLD WASTE OF
REUNION ISLAND

LOCATION: OVERSEE TERRITORIES

TYPE:

LOCAL AUTHORITIES GROUPING

PROJECT:

Construction of RUN'EVA household waste recycling centre covering the Reunion island needs

FRAMEWORK CATEGORY:
ENVIRONMENTAL AND

ECOLOGICAL TRANSITION

Pollution Prevention & Control







Modernization of rail lines and purchase of new rolling stock

FRAMEWORK CATEGORY:
ENVIRONMENTAL AND
ECOLOGICAL TRANSITION

Low-carbon public transportation







IMPACT REPORTING

GEOGRAPHICAL DISTRIBUTION



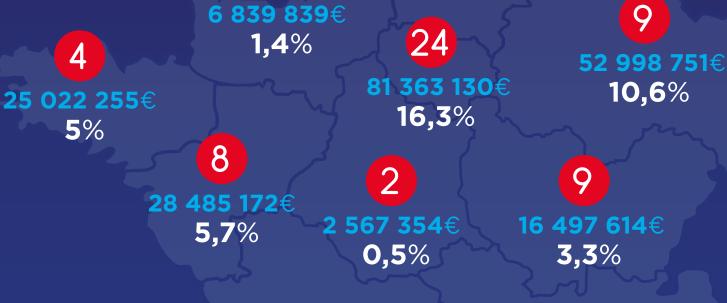


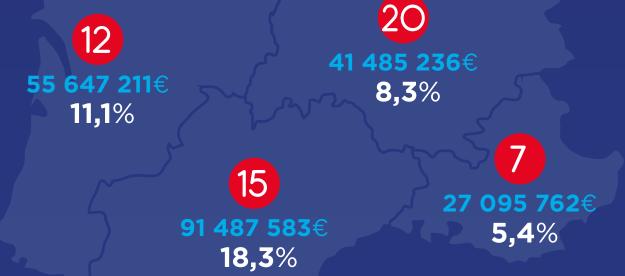
Geographical distribution of allocation

Total Amount

500000000

- Funds allocated to refinance loans granted in all of the French local territories (here represented by administrative regions), genuinely representing the geographical spectrum of AFL borrowers.
- 1 number of entities







PROJECT:

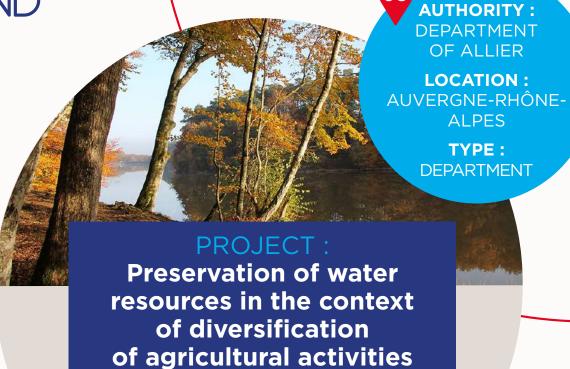
Global rehabilitation of Le Galinet secondary school in Blain

FRAMEWORK CATEGORY:

ACCESS TO ESSENTIAL AND BASIC SOCIAL SERVICES

Education and culture





LOCAL

FRAMEWORK CATEGORY:

SUSTAINABLE INFRASTRUCTURE, DEVELOPMENT OF CITIES AND TERRITORIAL COHESION

Sustainable water and wastewater management



IMPACT REPORTING UNDERSERVED AREAS



Allocation in underserved areas*

 Funds allocated to refinance loans mainly granted to local governments located in Underserved areas (as per AFL's assessment methodology)

General vs conditionnal allocation

Conditional eligible categories
 (only eligible for underserved areas)
 represent 25% of the overall amount
 of funds allocated

Local governements types	Non classified areas (in €)		Underserved areas (in €)		Total (in €)
Regions	43 997 863	100%	0	0%	43 997 863
Departments	18 765 389	43%	24 496 496	57%	43 261 885
Metropolis	47 647 781	62%	29 127 044	38%	76 774 825
Grouping of local authorities	55 439 498	91%	5 599 736	9%	61 039 233
Local authorities groupings	27 478 279	100%	0	0%	27 478 279
Municipalities	18 250 059	7%	229 197 857	93%	247 447 916
Municipalities 100k+	О	0%	155 964 589	100%	155 964 589
Municipalities 20k+	6 717 095	9%	69 112 622	91%	75 829 717
Municipalities 20k-	11 532 963	74%	4 120 646	26%	15 653 609
Total	211 578 868	42%	288 421 132	58%	500 000 000

(in €)	Full eligible categories	Conditional eligible categories		e	Total	
Non classified areas Underserved areas	211 578 868 202 052 506	42% 40%	86 368 626	17%	211 578 868 288 421 132	42% 58%
Total	413 631 374	83%	86 368 626	17%	500 000 000	100%

^{*} As per AFL's assessment methodology p.20



FRAMEWORK CATEGORY:

renewal districts

SUSTAINABLE INFRASTRUCTURE,
DEVELOPMENT OF CITIES AND
TERRITORIAL COHESION

Affordable Housing





FRAMEWORK CATEGORY:
ENVIRONMENTAL AND
ECOLOGICAL TRANSITION

the Bordeaux Surcouf

waste recycling center

Pollution Prevention & Control







IMPACT REPORTING

NUMBER OF INHABITANTS IMPACTED



Number of inhabitants impacted in main entities

Number of inhabitants impacted in municipalities and groupings of municipalities

Geographic location
Auvergne - Rhône-Alpes
Bourgogne Franche-Comté
Bretagne
Centre Val de Loire
Grand Est
Hauts de France
lle de France
Normandie
Nouvelle Aquitaine
Occitanie
Oversee territories
Pays de la Loire
Sud
Total

Regions	Departments	Metropolis
	360 000	845 000
	550 000	
		335 000
		380 000
	530 000	680 000
	1 470 000	
		490 000
		810 000
		800 000
	1 430 000	670 000
18 252 000	4 340 000	5 010 000

NB: no sum computing by localisation as double counting may occur (e.g. in case of allocation to both a department and its regions - being 2 separate legal entities)

Metropolis	Grouping of local authorities	Municipalities 100k+	Municipalities 200k+	Municipalities 200k-	Total
845 000	69 239	160 240		9 493	1 083 972
	63 513			11 560	75 073
335 000	66 677			8 368	410 045
	108 556			3 761	112 317
380 000	36 023	118 253		9 122	543 398
680 000	93 389		42 341	9 183	824 913
	465 000		40 564	10 268	515 832
490 000	52 462		51 694	5 069	599 225
810 000	162 785		25 850	7 719	1 006 353
800 000	43 965			7 715	851 680
	172 439		33 204		205 643
670 000	65 556		49 997	11 381	796 934
	66 207		44 059	8 848	119 114
5 010 000	1 465 808	278 493	287 709	102 487	7 144 497

NB: double counting avoiding by excluding inhabitants counting of municipalities when their related Metropolis or grouping is already allocated.



FRAMEWORK CATEGORY:

SUSTAINABLE INFRASTRUCTURE, DEVELOPMENT OF CITIES AND TERRITORIAL COHESION

Affordable and sustainable infrastructure









FRAMEWORK CATEGORY:
ACCESS TO ESSENTIAL AND
BASIC SOCIAL SERVICES

Education and culture



IMPACT REPORTING

CONTRIBUTION TO UN SDGS

Contribution of the proceeds to the relevant UN Sustainable Development Goals (SDGs)

2,5% 0,3%

47,5%

4,9%

0,9%

8,7%

8,2%

5,1%

erty *******

12 361 413 €

3 GOOD HEALTH
AND WELL-BEING

1 625 876 €



236 911 173 €



24 502 408 €



26 533 €



4 675 462 €



43 735 309 €



41 150 955 €

21,9%

IND COMMUNITIES

109 719 982 €



25 290 889 €





Construction of a greenway to promote cycling

FRAMEWORK CATEGORY:
ENVIRONMENTAL AND
ECOLOGICAL TRANSITION

Low-carbon public transportation







AUTHORITY:

AGGLOMERATION

COMMUNITY OF PAYS

DE SAINT-OMER

LOCATION:HAUTS-DE-FRANCE

TYPE:

GROUPING OF LOCAL
AUTHORITIES

PROJECT:

Revegetation and tree planting work to create a cool island in the Montaigne schoolyard

FRAMEWORK CATEGORY:

SUSTAINABLE INFRASTRUCTURE, DEVELOPMENT OF CITIES AND TERRITORIAL COHESION

Affordable and sustainable infrastructure











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Agence France Locale (AFL)

Limited assurance report by one of the statutory auditors on selected informations published in the Sustainable Bond Allocation Report as of December 31, 2021, related to the Sustainable Bond issuances by Agence France Locale in July 2020 and January 2022

This is a free English translation of the Assurance Report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Agence France Locale (AFL)

112, rue Garibaldi 69006, Lyon This report contains 5 pages



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To the President of Agence France Locale,

In our capacity as statutory auditor, and appointed, as external reviewer of the Sustainable Bond Allocation Report (the "Report") of Agence France Locale (the "Company"), and in accordance with your request, we have undertaken a limited assurance engagement on the following information detailed in the Report ("the Informations"), available on the company website¹:

- the allocation, as of December 31, 2021 of funds raised by Agence France Locale, through the Sustainable Bonds issued in July 2020 and January 2022 ("the Issuing") contained in the Sustainable Bond Allocation Report;
- the loans refinanced by the Issuing and identified as eligible by the Company ("Refinanced loans").

The Information has been prepared in the context of the "Sustainability Bond Framework" (the "Framework") defined by the Company.

Our Limited Assurance Conclusion

Based on the procedures we have performed as described under the section "Summary of the work we performed as the basis for our assurance conclusion" and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Information is not prepared, in all material respects, in accordance with the Framework (see below under "Understanding how Agence France Locale has prepared the Information").

Understanding how Agence France Locale has Prepared the Informations

The absence of a commonly used generally accepted reporting framework or a significant body of established practice on which to draw to evaluate and measure sustainability information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time.

¹ http://www.agence-france-locale.fr/sustainability-bonds



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January 31, 2023

Consequently, the Informations needs to be read and understood together with the Sustainability Bond Framework.

Agence France Locale responsibilities

Management of Agence France Locale are responsible for:

- Selecting or establishing suitable criteria for preparing the Informations;
- Selecting the **Refinanced loans** regarding the eligible criteria:
- Preparation of the Informations in compliance with the Issuing, the Framework.
- Designing, implementing and maintaining internal control over information relevant to the preparation of the Informations that is free from material misstatement, whether due to fraud or error.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Informations is free from material misstatement, whether due to fraud or error;
- Forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our conclusion to the Directors of Agence France Locale.

As we are engaged to form an independent conclusion on the Informations as prepared by management, we are not permitted to be involved in the preparation of the Informations as doing so may compromise our independence.

However, we have no responsibility for:

- Challenging the eligibility criteria as defined in the Framework, and, in particular, we give no interpretation on the final terms of this Framework;
- Forming an opinion on the effective use of the funds allocated to the Refinanced loans after such funds have been allocated.

Professional Standards Applied

We performed a limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.



Limited assurance report by one of the statutory auditors on selected informations published in the Sustainable Bond Allocation Report as of December 31, 2021, related to the Sustainable Bond issuances by Agence France Locale in July 2020 and January 2022

January 31, 2023

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants.

In addition, our firm applies International Standard on Quality Control 1 and accordingly we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, professional standards and French professional guidance.

Our work was carried out by an independent and multidisciplinary team with experience in sustainability reporting and assurance.

Summary of the work we performed as the basis for our assurance conclusion

We used our professional judgement to select procedures for our limited assurance engagement, and to assess the risk of material misstatement in the Informations, whether due to fraud or error.

To assess this risk, we took into account the Company's internal controls on the preparation of the Informations in order to design appropriate assurance procedures, and not to express a conclusion as to the effectiveness of the Company's internal control system.

We conducted several interviews with the persons responsible for preparing the Informations, with those in charge of collecting the information and, where appropriate, with those responsible for internal control and risk management procedures.

Our work entailed:

- identify the persons responsible for the collect of information regarding the Report Informations within the Company and, if applicable, for internal control and risk management procedures;
- assessing the robustness of the reporting procedures in terms of relevance, completeness, reliability, neutrality and understandability;
- verify the existence of internal control and risk management procedures implemented by the entity;
- verify the consistency of the published information presented in the Report with the accounting records and underlying data;
- review the processes used for data collection, aggregation, processing, monitoring and control, in particular the procedures relating to the allocation of funds as of December 31, 2021;
- On the basis of a representative sample of projects, namely Refinanced loans:
 - verify the eligibility of these projects with regard to the eligibility criteria defined in the Framework;



Agence France Locale (AFL)

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January 31, 2023

- verify the concordance of the amounts of the projects as of December 31, 2021, with the accounts and the data underlying the accounts.
- verify that the amount of funds allocated to projects is less than or equal to the amount of these projects as of December 31, 2021.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

This report has been prepared within the context described above and may not be used, distributed or referred to for any other purpose.

Paris La Défense, January 31 2023 KPMG S.A.

Brice Javaux
Partner
ESG Center of Excellence

Xavier de Coninck
Partner



YOUR CONTACTS AT AFL



Jérôme BESSETExecutive Director
Sustainable Bond structuring
and management



Romain NETTER

Executive Director

Medium and Long-Term Funding



Yves MILLARDETChairman of the Executive Board



Lucille SIMONExecutive Director
Head of Communication



Thiebaut JULINChief Financial Officer and
Member of the Executive board



Maelien BORELFunding officer - Medium and Long-Term Funding



