

Huge success for AFL second sustainable bond issue

In January 2022, AFL, the bank of the French Local Authorities, raised €500 million on the financial markets by launching its second sustainable bond issue. 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, since AFL already raised €500 million in July 2020 through a sustainable bond issue.

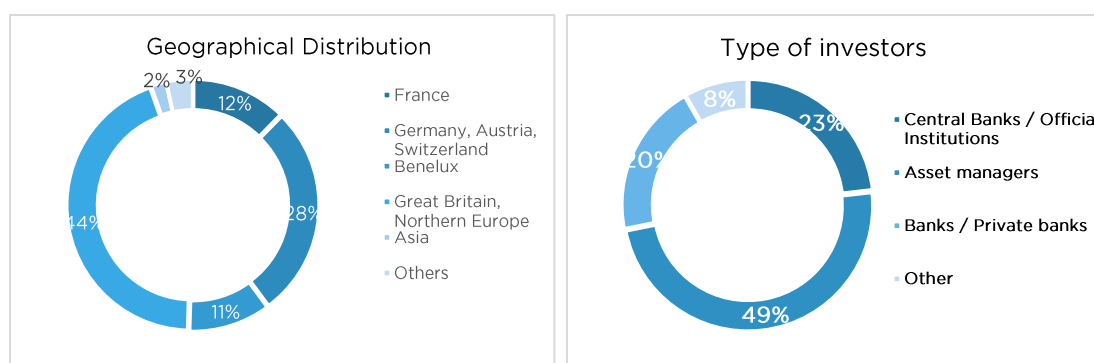
An unprecedented success for AFL

This Thursday, January 13th, AFL successfully raised €500 million through its second sustainability bond 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.

The transaction was executed at a margin of 25 basis points above the Government bond curve (Obligations assimilables du Trésor – OATs)

This operation was carried out with the participation of three international banks: CACIB, HSBC and TD Securities. "This bond issue is an unprecedented success for AFL and French local authorities. With 72% of investors identified as 'sustainable', we are very proud to demonstrate that once again, the investors recognized the quality and innovation of our framework", 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

These €500 million will enable AFL to fund or refund investments in environmental and social projects of its member community. “Local Authorities, whatever their size, have a great role to play by unfolding locally the central government recovery plan initiated after the crisis, through social and environmental investments. AFL, the bank for Local Authorities, is firmly in line with this dynamic and embodies the sustainable finance tool that its members are promoting”, 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 8, 2021, and an adding on October 4th, 2021.

Size: €500 million

Nominal amount of each bond: €100 000

Settlement date: January 20, 2022

Maturity date: March 20, 2029 (7 years)

Coupon: 0,20%

Spread: OAT + 25bps

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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