

Agence France Locale Successfully Launched Its Inaugural 10-year CHF 110 million Bond

On Thursday April 25th 2024, AFL, the French local authorities' bank, launched its inaugural CHF syndicated bond, a 10-year CHF 110 million bond issue, following a successful Global Investor Call where AFL received strong investor feedback.

Inaugural Transaction for AFL

On Tuesday 23rd with a supportive backdrop, AFL announced to the market they would be issuing their inaugural CHF bond with a 10-year tenor and will be hosting a Global Investor Call (GIC) in the afternoon. The GIC received strong reception from investors with positive feedback signalling that they were eager to see a new name tapping in the CHF market after a busy month in the SSA CHF market.

On Thursday 25th, following a successful GIC, AFL executed its inaugural CHF bond, a new CHF 110 million issue with a 10-year maturity. Despite a busy market backdrop with competing supply, AFL successfully issued this inaugural bond marking their debut in the CHF bond market.

During execution, AFL opened books with initial guidance at 25 basis points above the SARON mid swap curve with a minimum size of CHF 100 million. As the orderbook grew in size, AFL announced they would set the spread to 25 basis points over SARON mid swaps, enabling them to set a size over the minimum and issue CHF 110 million.

“This first bond issue in Swiss francs attests AFL’s ability to diversify its sources of liquidity and the confidence of 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 + 52bps” 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 local governments.”

Investor Interest in AFL’s Signature

In terms of allocations, there were twenty accounts which participated, with the significant presence of asset managers (64%), followed by bank treasuries (22%), insurance (6%), pension funds (6%) and private banks (2%).

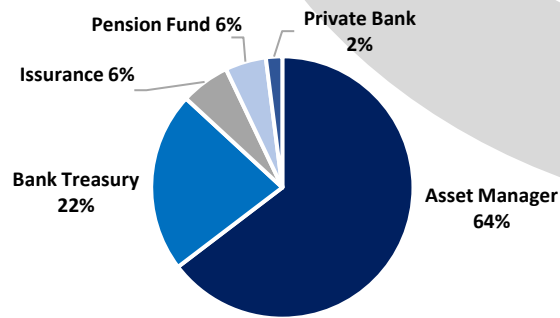


Press contact

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Investor diversification by investor type:



Terms of the transaction:

Issuer: Agence France Locale

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

Format: Dematerialised Bearer Notes

Size: CHF 110 million

Settlement Date: 21 May 2024 (T+20)

Maturity Date: 20 April 2034 (10-year)

Coupon: 1.4778% p.a. (30/360), Short first coupon on 20 April 2025

Spread: 25 bps above SARON MS

Yield: 1.4778%

Listing: SIX Swiss Exchange

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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