La banque des collectivités locales

Press Release
2 september 2026

AFL attracts strong investor interest in new EUR Sustainability Bond

A EUR 500m 8-year Sustainability Bond benchmark

AFL, the public bank by and for local authorities, has successfully priced its first Euro Sustainability bond following the publication of its updated Green, Social and Sustainability Bond Framework in June 2026. The transaction totals EUR 500 million maturing on 20 March 2035.

This transaction supports the bank's sustainability strategy, aimed at supporting local authorities in their environmental and social objectives, whilst continuing to broaden and develop its investor base.

Transaction Characteristics

- **Issuer**: Agence France Locale (AFL)
- **Status**: Public development credit institution
- **Ratings**: A+ / A+ (outlook stable) S&P / Fitch
- **Format**: Fixed Rate Senior Unsecured Notes, RegS, Dematerialised Bearer form, Sustainability Bond
- **Size**: EUR 500 million
- **Maturity**: 20 March 2035 (8 years)
- **Reoffer Spread**: OAT (mid) + 16 basis points
- **Joint Lead Managers**: Credit Agricole CIB, Deutsche Bank, NatWest, Nomura and Nordea

Strong Investor Interest for Sustainability Bond

Order book for the 8-year Sustainable Bond opened on Friday 21st August with a guidance spread of interpolated OAT+20bps area. The fixed-rate senior unsecured bond attracted strong investor demand from the outset, with the order book reaching over EUR 3bn (including EUR 175m of Joint Lead Managers' interest) by the first update, allowing the spread to be revised to OAT+17a (+/-1 WPIR). The book grew further to EUR 3.3bn (including EUR 175m JLM interest), enabling AFL to set the spread of the transaction at OAT+16 basis points, representing a relatively

Press Contact
Justine GUIGUES – Press Relations Officer
justine.guigues@afl-banque.fr – 06 74 94 29 66

rare 4-basis-point tightening from the initial guidance. The final order book closed at over 3.5bn (of which EUR 175m of Joint Lead Managers' interest).

"*This spread marks a new record for AFL, representing the tightest new issue spread achieved by the bank since its inception for a syndicated euro-denominated transaction and evidencing continued growth in investor support for the AFL credit. The transaction generated AFL's second-largest order book to date and its largest-ever order book for a Sustainability Bond issuance, underscoring strong investor appetite for AFL.",* explains Maëlien Borel, Medium and Long Term Funding & Head of Hedging.

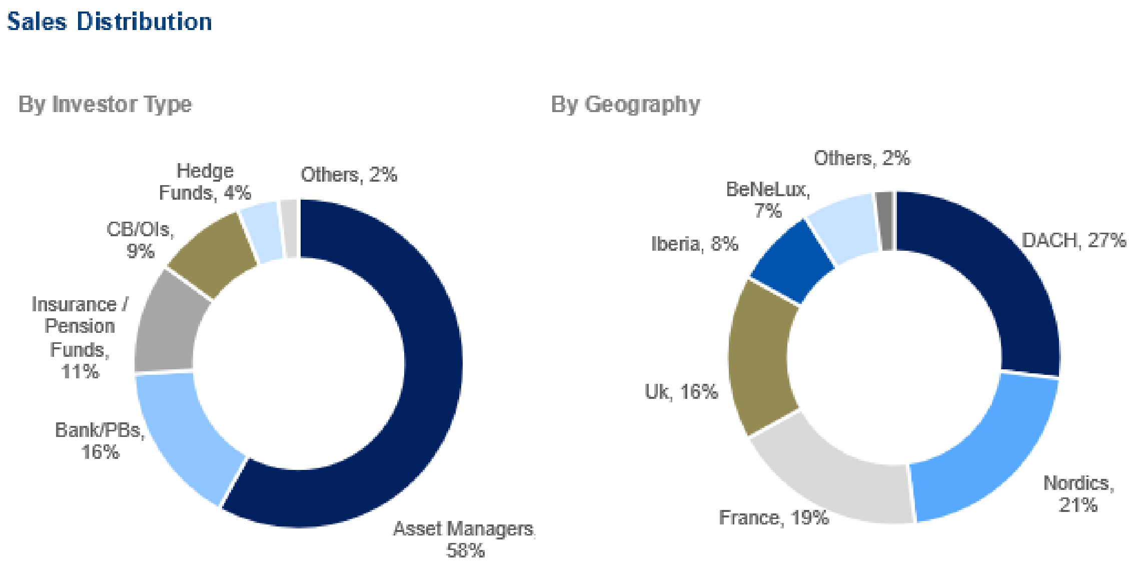
The deal priced with a re-offer yield of 4.075% and a spread of +16bps over interpolated OATs.

A Diversified Investor Base

The transaction achieved broad investor participation, reflecting the growing recognition of AFL's credit profile among fixed-income investors.

Allocations were primarily made to long-term investors, with asset managers accounting for the majority (58%), Banks (16%), Insurance Companies/ Pension Funds (11%) and Central Banks / Official Institutions accounts for 9%.

Geographically, the transaction saw diverse participation across the European investor base strong with the DACH region accounting for 27%, Nordic investors 21%, domestic investors 19% and the UK taking 16%.



Source: Joint Bookrunners

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A Strategic Component in AFL's Long-Term Funding Strategy, Supporting Local Public Investment

This Sustainability Bond forms part of AFL's long-term funding strategy in the capital markets, with Green, Social, and Sustainability Bonds a core component of AFL's toolbox.

The transaction is the first in Sustainable format this year and follows an ICMA Principles aligned framework. The framework is accompanied by a Second Party Opinion from EthiFinance.

Eligible assets focus on 3 areas corresponding to Local governments missions, which translate into UN SDGs:

- Energy and ecological transition
- Sustainable infrastructures, territorial cohesion
- Access to essential and basic social services

Documentation

- Framework: View the ESG issuance framework
- SPO EthiFinance: View the Second Party Opinion

About AFL, the public bank by and for local authorities

The only French bank to be 100% owned by local authorities, AFL benefits from a unique and innovative business model; that of a bank created by and for local authorities. By becoming shareholders in AFL, local authorities access quick and personalised financing for their local investments, all while signing up to a sustainable and responsible way of working. For these authorities, it provides the freedom to invest, while maintaining a well-controlled management of their finances. Since the start of its activities in 2015, AFL has already provided more than 12 billion euros in financing, 2 billion of which in 2025, and now totals 1300 shareholders.

More information : www.agence-france-locale.fr/en/

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