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Success for the first sustainable HQLA 1 benchmark issue by AFL : €500 million with a short 8-year maturity

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On Tuesday October 29th 2024, AFL, the French local authorities' bank, launched its second benchmark euro bond of the year : a €500 million sustainable bond issue with a maturity of 8 years.

The 2.8 times oversubscription is a demonstration of the confidence of the investor community in the value of AFL issues.

AFL's first sustainable HQLA 1 benchmark issue

With the classification of securities issued by AFL as HQLA level 1, this benchmark issue attracted a great deal of interest from investors. The final orderbook reached 1.4 billion euros, i.e. 2.8 times oversubscription.

The sustainable issue, announced with an initial margin of 26 basis points above the French Government curve (Obligation Assimilables au Trésor - OAT), was finally tightened by 2 basis points during the execution of the transaction, resulting in a final level of OAT+24 basis points.

"Another successful issue that confirms the importance of our sustainable bond issuance program. We are proud to note that the quality of our framework enables us to grant sustainable financing to all our member local authorities, for their qualifying investments, whatever their size or engineering resources", confirms Yves Millardet, Chairman of the AFL Management Board.

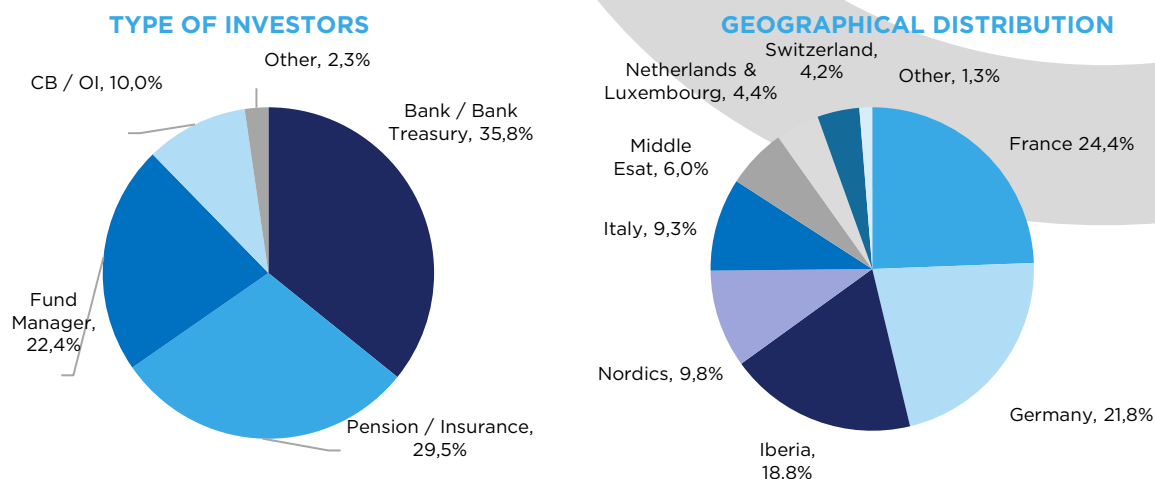
Investors Interest in AFL's Signature

In terms of allocation, banks & bank treasuries took 35.8% of the transaction, followed by the pension fund & insurance community taking 29.5%. The deal was strongly supported by European accounts representing the majority of allocations. Accounts in France took the largest share of allocations at 24.4%, followed by Germany (21.8%), Iberia (18.8%), the Nordics (9.8%) and Italy (9.3%).

The HQLA 1 qualification of AFL's debt is attracting new investors, including bank treasuries and HQLA portfolio managers.



Investors diversification by geography and type



“This deal reflects the increasing investor appetite of the debt transactions that AFL has been issuing furthermore with the qualification of HQLA level 1 that contributes to strengthen the relevance of our model: issuing at the best possible level in order to grant loans to our local authorities members, on the most attractive terms”, explains Thiébaud Julin, AFL's Chief Financial Officer.

Terms of the transaction:

Issuer: Agence France Locale
Rating: AA- Stable outlook (S&P) / AA- Negative outlook (Fitch)
Format: RegS, Bearer, Dematerialised Notes
Size: €500 million
Settlement Date: November 6th, 2024
Maturity Date: August 20th, 2032 (Short 8-year)
Coupon: 3.000% Annual
Spread: 24 bps above OAT
Yield: 3.109%
Listing: 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 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.

