

AFL carried a 250M£ bond issue

Last week, AFL, the bank of French Local Authorities raised £250 million on the financial markets by launching a new Sterling denominated bond issue. The success of this transaction, the second in a non-euro currency this year, confirms AFL’s funding strategy to diversify its investor base but also to take advantage of attractive conditions outside the EUR market to optimize its funding cost.

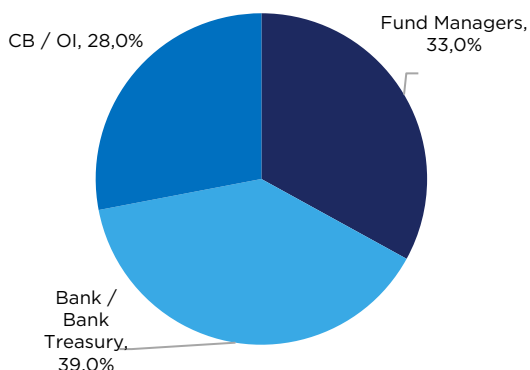
AFL’s second public issue in 2024 in a currency outside the euro zone

On Tuesday 28th May, AFL issued its third public bond of the year, raising £250 million. This public benchmark issue is the second to be denominated on the sterling market. It was carried out with success with nearly 15 accounts from various sources. AFL hedges against Euro its currency risk associated with transactions denominated in foreign currencies.

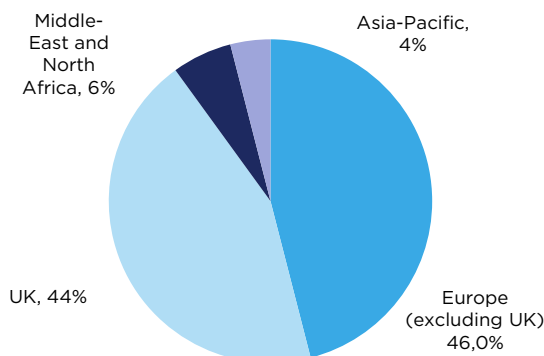
The maturity of the transaction is 3 years and the spread 42 basis points over the MS Sonia.

Investors diversification by geography and investor type:

TYPE OF INVESTORS



GEOGRAPHICAL DISTRIBUTION



Press contact

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Loans to finance Local Authorities' environmental and social investments

These GBP 250m will enable AFL to continue to finance investments made by its member Local Authorities areas such as education, health, mobility, digital deployment, urban renewal, culture, sport... “Our objective is to provide cost efficient resources in any circumstances to our members to finance their investment needs” adds Thiébaud Julin, AFL’s Chief Financial Officer.

Terms of the transaction

Issuer: Agence France Locale

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

Format: EMTN Program.

Size: 250 M€.

Nominal amount of each bond: £200 000

Settlement date: June 4, 2024

Maturity date: July 20, 2027 (3 years)

Coupon: 4,75%

Spread: MS Sonia + 42 bps.

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.

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