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Huge success for AFL's first bond issue in a currency outside the euro zone

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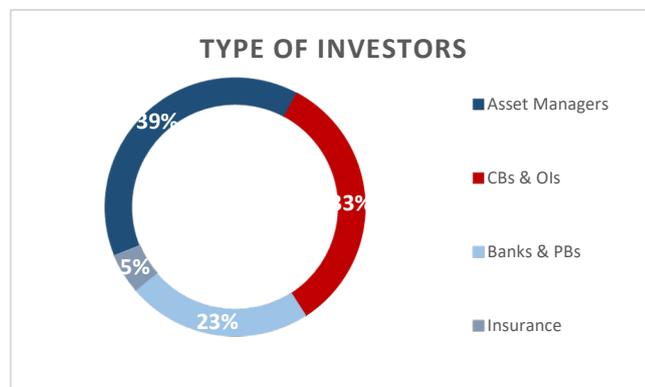
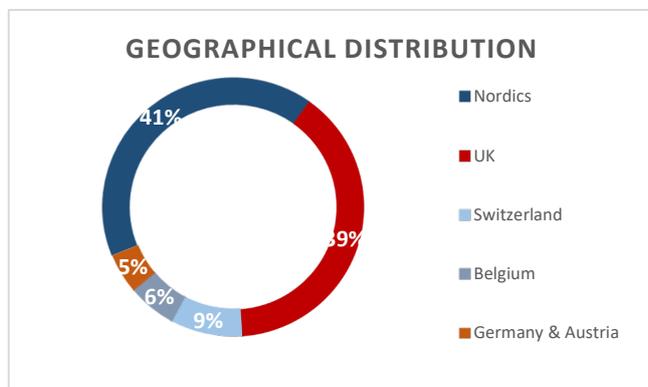
In January 2022, AFL, the bank of French Local Authorities, raised £250 million on the financial markets by launching a new bond issue. The success of this benchmark issue, the first in a non-euro currency, confirms AFL’s momentum and serves as a testament to the investors’ appreciation of AFL’s credit quality. It also attests the relevance of AFL’s model, which is based on pooling together Local authorities’ investments needs.

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

On Monday, January 31st, AFL issued its second public bond of the year, raising £250 million. This public benchmark issue, the ninth since the creation of AFL is particularly important as it is the first to be denominated in a non-EU currency. It was well-received by investors with a diversified book in excess of £440 million, and nearly 20 accounts from various sources. AFL hedges against Euro its currency risk associated with transactions denominated in foreign currencies.

The placement of the transaction was at a maturity of three years, with a spread of 47 basis points over the UKT curve. The strong demand for the issue allowed the rate to be lowered by 2 basis points during the transaction.

Investors diversification by geography and investor type:



Loans to finance Local Authorities' environmental and social investments

These £250 million will enable AFL to continue to finance investments made by its member Local Authorities community: education, health, mobility, digital deployment, urban renewal, culture, sport... “Our objective is to offer our member the most competitive lending rates to finance their investment needs. The success of this issue in a currency outside the euro zone demonstrates investor confidence in our model and in French Local Authorities”, 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. The base prospectus received AMF approval on June 8, 2021, and an adding on October 4th, 2021.

Size: 250 M€.

Nominal amount of each bond: €100 000

Settlement date: February 7, 2022

Maturity date: June 20, 2025 (3 years)

Coupon: 1,375%

Spread: UKT + 47 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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