



On Wednesday April 8th, the Agence Française de Développement (AFD) issued its second EUR benchmark for the funding year 2020 with a new EUR 1.5bn benchmark transaction at OAT + 42 bps.

This issuance will contribute to AFD Group commitment to provide support to the global fight against COVID-19. The group is working on a significant response aimed at limiting any health-related or economic and social damage in the countries where it operates via immediate support that could be provided to the health systems of the most fragile states and, beyond that, the counter-cyclical responses that will be needed to minimize the resulting economic shock.

AFD Group is implementing a number of dedicated measures in response to the COVID-19 pandemic including, but not limited to, budget support to developing countries, emergency credit lines to local financial institutions in order to support SMEs lending activity and to better support states efforts related to healthcare, social and economic measures in front of the global crisis, while keeping a robust risk management.

Reflecting France's commitment to international solidarity and cooperation, AFD Group remains mobilized in line with France's determination to promote development assistance and the fulfillment of the Sustainable Development Goals (SDGs).

The new mandate was announced the day prior to issuing on Tuesday April 7th at 14:00 CET for a new € 10-year benchmark. Books opened the next morning at 9:34 CET in a more challenging market environment following failed EU talks to jointly respond to the pandemic, the transaction went out with a guidance at OAT +42 bps area.

The first update was provided to markets at 11:01 CET with books in excess of EUR 1bn (including 65mn JLM interest). Shortly following the first update, at 11:42 CET, the spread was set at guidance of OAT +42 bps, with orderbook in excess of EUR 1.2 bn (incl. 65mn JLM interest) and closing in an hour. This gave the final push to investors allowing the orderbook to jump to EUR 1.7bn (incl. 65mn JLM interest) before closing.

The deal was highly concentrated amongst top tier accounts. The allocation by investor type being as follows : Banks (41%), Central Banks/ Official Institutions (41%), Asset Managers (11%), Insurance/ Pension Funds (5%) and Other (2%).

This transaction was quite visible in terms of its international demand leading the trade. The granularity resulted in the allocation by geographical region being as follows: Asia (30%), France (23%), Germany/ Austria/ Switzerland (23%), North America (10%), Benelux (6%), Italy (3%), UK (3%) and Other Europe (2%).



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Thibaut Makarovsky, Head of funding and market operations

« The 10 year maturity is a flagship tenor in the funding of AFD, as it appeals to a wide investor base. Despite volatility and uncertainties currently impacting the market, we have considered investors' demand as solid enough to execute a significative transaction.

This new issue will support AFD's commitment to mitigate the impacts of COVID-19 in the areas where the Group is active, stressing AFD's ability to quickly offer support to developing countries.

Investors' interest for this transaction was strong from the get-go, the quality and diversity of the final orderbook stresses investors' appetite for the AFD signature as well as our ability to execute larger-sized transactions to support the growth of the Group's activity."

Details of the transaction

Issue Size	EUR 1.5 billion
Payment Date	17/04/2020
Maturity Date	25/05/2030
Coupon	0.5% annual Act/Act ICMA
Re-offer Price	98.828%
Re-offer Yield	0.620%
Re-offer Spread vs OAT	FRTR interpolated curve + 42 bps
Lead Managers	BNP Paribas, Crédit Agricole CIB, Goldman Sachs International, J.P. Morgan, Natixis, Société Générale

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