



14th January 2021

Agence Française de Développement launches US\$ 2 billion 0.625% RegS Benchmark due 22 January 2026

On Thursday 14th January 2021, the Agence Française de Développement (AFD), rated AA (S&P) / AA (Fitch) priced a new US\$ 2 billion 5-year Reg S Benchmark transaction due 22nd January 2026. This transaction was a true success with AFD gathering its largest orderbook on a US\$ transaction.

This is AFD's first syndicated benchmark transaction of the year with a strong return to the 5-year tenor in US\$.

The transaction was announced at 12:45pm CET (Paris time) on Wednesday 13th January, with initial price thoughts released at Mid-Swaps + 20bps area. Despite the busy market in USD, the transaction met strong interest from the outset with a wide and diverse range of quality investors registering their interest before the opening on Thursday,

Indications of Interest were in excess of US\$ 1.9 billion (including US\$ 250 million Joint-Lead Managers orders) when the books officially opened on Thursday morning, shortly before 09:15am CET, with a guidance reaffirmed at Mid-Swaps + 20bps area.

The strong momentum continued and by 11:20am CET investor demand surpassed the US\$ 3 billion mark (including US\$ 250 million Joint-Lead Managers interest), allowing AFD to set the spread at Mid-Swaps + 19bps.

Despite the tightening, investors kept on coming and increased their orders. Final terms were announced at 01:30pm CET with the size set at US\$ 2 billion thanks to an orderbook in excess of US\$ 3.5 billion (including US\$ 250 million Joint-Lead Managers interest).

The transaction priced at 04:50pm CET with a coupon of 0.625%, a re-offer yield of 0.737% s.a, equivalent to a spread of + 26.6bps vs UST 0.375% December 2025.

The distribution by investor type and geography was as follows: 50% with central banks and official institutions, 35% with banks and 15% of the bonds were placed with fund managers, insurers and others. In terms of geographic distribution, 50% were placed in Europe, 21% went into Asia, 20% in the Americas and 9% in the Middle-East and Africa.

Thibaut Makarovsky, Head of funding and market operations

"SSA issuers have benefitted from great new issue conditions on the debt primary markets since the start of the year, both in EUR and in USD. As such, we have decided to begin our 2021 funding program with a return to the USD market on the 5-year tenor, which we last explored back in 2015 – ever since that date, our USD issues have been limited to a 3-year tenor.

Investors seem to have welcomed our choice of tenor and we thank them for that. We signed a new record for the largest orderbook ever reached by AFD on a USD issuance, with combined orders exceeding the US\$ 3.5 billion mark, coming from a pool of more than 100 very diverse investors. This has enabled us to reach our targeted size of US\$ 2 billion.

This new transaction showcases once more the attractiveness of the AFD name to investors. The size and tenor of this new issue have allowed us to further lengthen our USD curve, while also increasing its liquidity. A great success to begin 2021!"



Comments from the bookrunners

"AFD's return on the 5-year dollar format has been a great success and ideally launches their funding programme for 2021, representing a smart diversification play in terms of tenor and currency on which many high quality accounts were particularly axed. We feel humbled by their sense of timing and delighted to have been able to contribute to such a successful outcome."

François Villemain, Managing Director, Head of DCM France & Belux, Barclays

"What a start to the year for AFD – Many congratulations to the AFD team on a truly successful US\$ 2bn 5-year benchmark! Very pleasing to see all the efforts made over the years materialising through a growing investor base, which resulted in AFD achieving their largest ever 5-year USD benchmark. It certainly bodes well for the remainder of the 2021 funding programme."

François Planque, Public Sector Origination, Bank of America

"With a very successful US\$ 2bn 5-year transaction, AFD further extends and adds liquidity to its existing USD curve. The trade represents the largest 5-year US\$ issuance from AFD and their largest-ever US\$ order book, confirming AFD's status as one of the most active and sizeable French issuers in the SSA benchmark markets. J.P. Morgan is proud to be a Joint Lead Manager on this transaction."

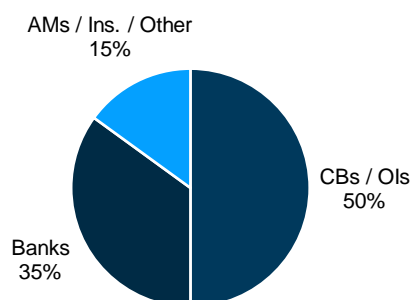
Amélie Darrort, Executive Director, Head of French SSA DCM, JP Morgan

Transaction Summary:

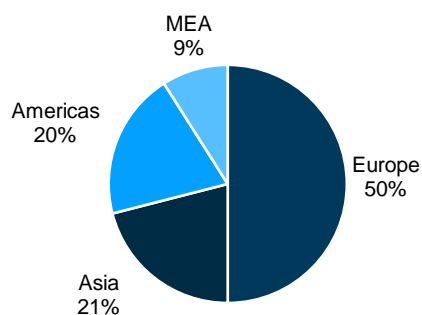
Issuer:	AFD (Agence Française de Développement)
Issuer ratings:	AA/AA (Stable/Negative) S&P/Fitch
Format:	Dematerialized RegS, Bearer
Amount:	US\$ 2 billion
Settlement date:	22-Jan-2021
Maturity date:	22-Jan-2026
Issue price:	99.446 %
Coupon:	0.625%, Annual, 30/360
Issue yield:	0.737% (S/A) / 0.738% (Ann)
Spread:	Mid-swaps + 19 bps / UST 0.375% December 2025 + 26.6bps
Denomination:	USD 200,000 / USD 200,000
Listing:	Euronext Paris, French Law
Joint-Lead Managers:	Barclays / BofA / BNPP / HSBC / JPM (B&D/DM)
ISIN:	FR0014001L06

Distribution statistics:

By investor type:



By investor region:



Contact information

_AFD_Funding@afd.fr
Agence Française de Développement
5, rue Roland Barthes
75598 PARIS CEDEX 12
France
<http://www.afd.fr>