



## STATUTES AND MISSION

Licensed in 2015

Authorised by the banking law dated 26 July of 2013 and incorporated on 17 December 2013, Agence France Locale (AFL) was granted a banking licence as a specialist credit institution on 12 January 2015

100% owned by Local authorities

AFL is 100%-owned by French Local Authorities and aims to provide cost effective funding for their members. This is achieved by accessing the capital markets to raise financing for the Authorities' combined requirements.

LGFA model

This model has already proved successful in various Northern European countries (Local Government Funding Authorities - LGFAs).



## ASSET CREDIT QUALITY



Only French Local authorities (including local governments, groupings and public local entities) are allowed to join AFL by law:

- They may only borrow funds in order to finance their investments.
- All capital repayments must come from their own resources
- They cannot vote or run a budget deficit.
- They cannot go bankrupt or undergo liquidation proceedings.



AFL only provides vanilla loans to its members: structured products are prohibited.



## GUARANTEE STRUCTURE

Unconditional, explicit, joint and several

Financial creditors benefit from a dual first call guarantee system

**Members Guarantee:** independent and individual first call guarantee undertakings made by each member : Each member local authority acts as debt guarantor up to the amount of its outstanding borrowings (principal, interest and incidentals) received from AFL. Members that are called by debt holders have an immediate recourse to the other members so as to ensure a solidarity among all members.

**ST Guarantee :** independent first call guarantee undertaking provided by Société Territoriale (ST) :

- In the event of the ST Guarantee being called, Société Territoriale may call on the Members' Guarantee.
- In addition : AFL itself can also call on the Members' Guarantee as a preventive measure to avoid any due date payment default by AFL.



## STRUCTURE AND GOVERNANCE

By law, the Agence France Locale Group governance is based on a dual structure:

- Agence France Locale - ST: fully-owned by member local authorities, it is the holding company which sets the strategic guidelines, appoints the directors of AFL and manages the guarantee mechanism.
- AFL (Aa3 (Stable) by Moody's and AA- (Stable) by Standard & Poor's): a credit institution which raises funds in capital markets and distributes vanilla amortizing loans to local authorities.

Any financially sound French Local Authority may join AFL. Every new member has to subscribe to the capital of Agence France Locale – ST and pays in a contribution based on its total outstanding debt at the date of joining.



## OPERATIONAL ACTIVITIES

Some key facts and figures as of October 2020:



Size of the balance sheet



Size of the portfolio loan



French Local Authority members



Market share with our members

The only credit institution exclusively dedicated to financing French Local Authorities



## FUNDING

2 debt issuance programmes run by AFL:



A multicurrency EMTN programme



A short term ECP programme

6 EUR benchmarks already issued: 2022, 2023, 2024, 2026, 2027 and 2028 (1<sup>st</sup> AFL's bond to reach the size of EUR 1Bn).

Aa3 (Stable) by Moody's and AA- (Stable) by Standard & Poor's, LCR2A, 20% RW and PSPP (ECB's Public Securities Purchase Program) eligible.

A medium to long term funding programme up to EUR 1.2Bn for 2020 : public transactions and private placements.

A dedicated sustainability bond programme.



## SUSTAINABILITY BOND

Central item of AFL's sustainability strategy – Details:

- Eligible assets selected from AFL credit lines – belonging to 3 main categories, aligned with Local governments respective missions – categories mapped with UN SDGs
- Access to essential and basic social services
- Energy and ecological transition
- Sustainable infrastructures, territorial cohesion
- Enhanced internal governance (allocation, reporting)
- Positive SPO by Vigeo Eiris



## AGENCE FRANCE LOCALE

The French Local Government Funding Agency

112 Rue Garibaldi  
69006 Lyon - France

More info:  
[www.agence-france-locale.fr](http://www.agence-france-locale.fr)  
AFLBNK Govt <GO>

## GUARANTEE STRUCTURE

Unconditional, explicit, joint and several guarantee given by the French local authority members

## FINANCIAL RATINGS

Aa3 (stable) / P-1 (Moody's)  
AA- (stable) / A-1+ (Standard & Poor's)

## EXECUTIVE BOARD AND FUNDING TEAM

**Yves Millardet**  
Chairman of the Executive Board  
[yves.millardet@agence-france-locale.fr](mailto:yves.millardet@agence-france-locale.fr)

**Thiébaud Julin**  
Chief Financial Officer, member of the Executive Board  
[thiebaut.julin@agence-france-locale.fr](mailto:thiebaut.julin@agence-france-locale.fr)

**Romain Netter**  
Executive Director  
Medium and long term funding  
[romain.netter@agence-france-locale.fr](mailto:romain.netter@agence-france-locale.fr)

**Maëlien Borel**  
Funding Officer  
Medium and long term funding  
[maelien.borel@agence-france-locale.fr](mailto:maelien.borel@agence-france-locale.fr)

**Jérôme Besset**  
Executive Director  
Sustainability Bond  
Structuring & management  
[jerome.besset@agence-france-locale.fr](mailto:jerome.besset@agence-france-locale.fr)