



21<sup>st</sup> April 2020

## Agence Française de Développement launches US\$ 2 billion 0.750% RegS Benchmark due 28 April 2023

On Tuesday 21<sup>st</sup> April 2020, the Agence Française de Développement (AFD), rated AA (S&P) / AA (Fitch) launched a US\$ 2 billion 3-year Reg S Benchmark transaction due 28th April 2023. This is AFD's first US\$ benchmark of the year but second COVID-19 related issuance, following their EUR 1.5bn 10-year benchmark at the beginning of April.

This issuance will contribute to AFD Group's 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 in order 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 Proceeds of the Bonds will be allocated within AFD Group ordinary capital resources and will not be earmarked to specific activities.

The 3-year US\$ transaction was announced at 13:00 London time on Monday 20th April, with initial price thoughts of Mid-Swaps + 40bp area. The transaction met strong interest from the outset. A wide range of investors, including Central Banks, Official Institutions and Fund Managers, registered their interest before London close, despite a fairly busy market with primary issuance of Supranational and Agencies in US\$ and EUR.

Indications of Interest were in excess of US\$ 1.2 billion (excluding Joint-Lead Managers interest) when order books officially opened the following morning, shortly before 08:00 London time, with initial price guidance of Mid-Swaps + 40bps area.

Despite a weaker tone in the market resulting from overnight volatility in oil prices, the momentum in the book continued throughout the European morning, with orders in excess of US\$ 2 billion around 10:20 London time. At this time, the final spread was set at Mid-Swaps + 40bp allowing the issuer to confirm further interest from Asia and Europe. Shortly after, books were in excess of US\$ 2.6bn and the size of the transaction was set at US\$ 2 billion and launched at 11:40 London time.

The transaction priced at 14:51 London time with a coupon of 0.75% a, a re-offer yield of 0.768% s.a, equivalent to a spread of + 53.9 bp vs UST 0.250% April 2023.

The distribution by investor type and geography was as follows: 73% with central banks and official institutions, 17% of the bonds were placed with fund managers, 9 % with Banks and 1 % with Others. In terms of geographic distribution, 37% went into Asia, 36% was placed in EMEA and 27% in the Americas.



## Thibaut Makarovsky, Head of funding and market operations

" For several days, the market conditions and investors demand were forming a solid environment for USD transactions. This is why we decided to move forward with our annual USD benchmark issue, with a 3-year maturity, announced on Monday April 20<sup>th</sup> to investors. AFD being then the first French agency that issues a USD public transaction since the lockdown.

This new issue, as our 10-year EUR benchmark two weeks ago, 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, we have seen very solid IOI's and lead orders in the book before the opening. The quality and diversity of the final demand, with above 60 orders for an amount of USD 2.451bn, outline investors' appetite for the AFD signature as well as our ability to execute large transactions, even in current environment. Indeed the size of USD 2bn is a limit for AFD, a record reached once only previously, in 2019."

### Transaction Summary:

**Issuer:** AFD (Agence Française de Développement)

**Issuer ratings:** AA Stable outlook (S&P) / AA Stable outlook (Fitch)

**Format:** RegS

**Amount:** US\$ 2 billion

**Settlement date:** 28 April 2020

**Maturity date:** 28 April 2023

**Issue price:** 99.942 %

**Coupon:** 0.75% Annual

**Issue yield:** 0.768% Semi-Annual

**Spread:** Mid-swaps + 40 bp / UST 0.250% due April 2023 + 53.9 bp

**Denomination:** USD 200,000 / USD 200,000

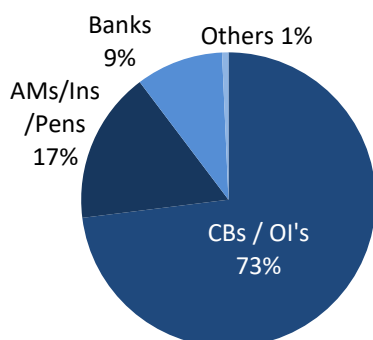
**Listing:** Euronext Paris

**Joint-Lead Managers:** Barclays, BNP Paribas, BofA Securities, Citi, Daiwa Capital Markets

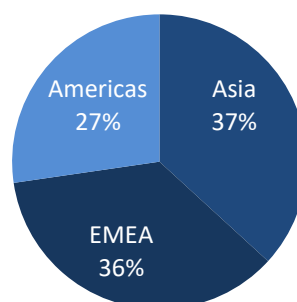
**ISIN:** FR0013509890

### 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>

