

AGENCE FRANÇAISE DE DÉVELOPPEMENT (AFD) – AA (S&P) / AA (FITCH)

EUR 500M 0.5% 7-YEAR CLIMATE BENCHMARK BOND – 10TH SEPTEMBER 2018



AFD Climate Bond
0.5% 31-October-25

EUR 500,000,000

Joint Bookrunner

FRANCE 10/09/18

Issuer:	AFD	Notional:	EUR 500 million
Ratings:	AA (stable, S&P) / AA (stable, Fitch)	Coupon:	0.5%
Issue type:	7-year Climate bond issue	Maturity:	31 st October 2025
Launch Date:	10 th September 2018	Re-offer price / yield:	99.756% / 0.535%
Bookrunners:	BNPP, CACIB, HSBC, NATIXIS, SGCIB	Reoffer spread:	Interp. FRTR 05-2025 & FRTR 11-2025+26bps

USE OF PROCEEDS

Future & existing projects (since 2011), in:

- **Mitigation:** projects with GHG reduction greater than 10ktCO₂ eq. /year – through direct investments or intermediated credit lines
- **Adaptation:** projects reducing the vulnerability of assets, people and ecosystems to climate change
- **Mixed projects:** projects reducing GHG emissions and increasing resilience to climate change

SELECTION & EVALUATION

- First selection in accordance with AFD's internal assessment procedure. Selected projects are then submitted for review to dedicated Committees, before final submission to the AFD Board

MANAGEMENT OF PROCEEDS

- Pool of Climate Bonds is backed to the portfolio of Climate assets
- Proceeds will be allocated within 6 months after issuance
- AFD commits to maintain the amount of Climate Bonds at 75% of the size of the Climate assets pool

REPORTING

- Annual reporting on:
 - Allocation, number of projects, profile of the pool
 - GHG emissions reduced / avoided (Mitigation), output measures, aggregated level

EXTERNAL REVIEW

- Second Opinion from **CICERO (medium green)** on the Framework
- Assurance from external auditor

Key features of the transaction:

- On Monday 10th of September, AFD, rated AA (S&P) / AA (Fitch) successfully launched a new EUR 500 million 7-year Climate Benchmark transaction due on 31st October 2025.
- This represents AFD's second euro benchmark transaction this year and the second one under AFD's Climate Bond Framework. The reporting for their Climate Bond issue in 2017 was published last July.
- AFD, who is a member of the Green Bond Principles, underlines with this issuance its key role in supporting the development of climate finance as a whole. AFD is committed to support the development of the green bond market by channeling financial flows and investments.

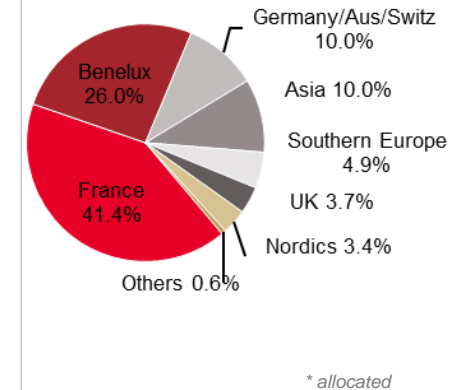
Outcome:

- Pricing evolution:
 - Guidance: Interp. FRTR 05/25 & 11/25 +27bps area
 - Final Pricing: Interp. FRTR 05/25 & 11/25 +26bp
- The transaction was characterized by strong demand from a broad range of top quality accounts, particularly real money accounts, by a well-balanced geographical distribution, and the participation of around 50 investors.

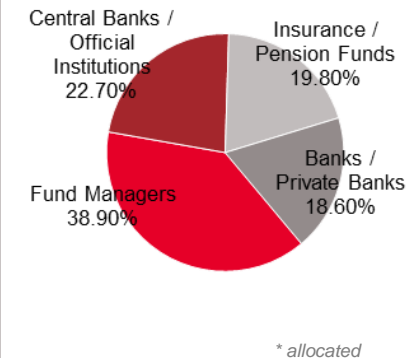
Bookbuilding / Spread discovery:

- A roadshow was organized in Paris and in the Netherlands followed by a Global Investor Call from 5th to 7th September 2018.
- The day following the roadshow, books officially opened at 9:00am CET on Monday 10th of September, with a price guidance of interpolated OAT +27bps area and a size of EUR 500M no grow.
- Interests exceeded EUR 550M (excluding joint lead managers' orders) after 2 hours and half of bookbuilding.
- The positive momentum continued and books were spotted over EUR 675M (excluding joint lead managers' orders) at 1:00pm CET, at which time the spread was tightened and set at interpolated OAT +26bps. Books finally closed at 1:15pm CET.

Distribution by Geography*



Distribution by Investor Type*



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