

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

EUR 1 BILLION 1.500% LONG 15-YEAR BENCHMARK BOND – 11TH OCTOBER 2018



AFD
1.500% 31-October-2034

EUR 1,000,000,000

Joint Bookrunner
France 11/10/2018

Issuer: AFD	Launch Date: 11 th October 2018
Rating: AA/AA (S&P Stable/Fitch Stable)	Maturity: 31 st October 2034
Notional: EUR 1 Billion	Re-offer spread: Interp. FRTR 05/34 & 05/36 + 30bp
Coupon: 1.500%	Re-offer Price/ yield: 98.916% / 1.577%
Type: 16-year fixed rate note	Bookrunners: BofAML/Commerz/DB/GSI/SGCIB

Key features

- Agence Française de Développement, rated AA (stable) (S&P) / AA (stable) (Fitch), successfully priced a new EUR 1 billion 16-year EUR benchmark due 31 October 2034.
- The new 16-year issue marks AFD's third EUR benchmark transaction this year, following the EUR 1.4 billion 10-year EUR benchmark priced in January and the EUR 500mm 7yr Climate bond priced in September and extends the AFD's EUR curve by 2 years from the old 15yr.
- The maturity of October 2034 was selected on the back of investor feedback and also in order to satisfy the important 1.5% yield target for many key target investors.

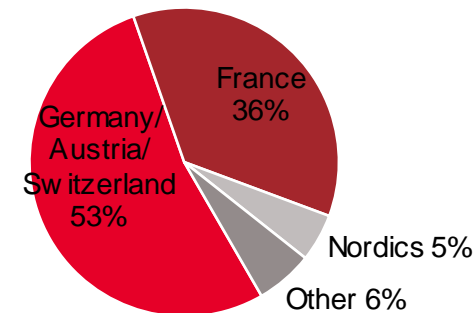
Outcome

- Pricing evolution:
 - Guidance: Interpolated OAT+30bp area (interpolation between (05/34 & 05/36)
 - Final Pricing : Interpolated OAT+30bp (interpolation between (05/34 & 05/36)
- Demand was of very high quality with strong support from the Insurance community who took up over 58% of the allocation. The transaction also attracted complimentary demand from Fund Managers and Bank Treasuries.
- The diversified orderbook witnessed interest from over 40 investors, international investors taking up 64% of the book led by interest from Germany. French accounts accounted for 36% of the allocations.

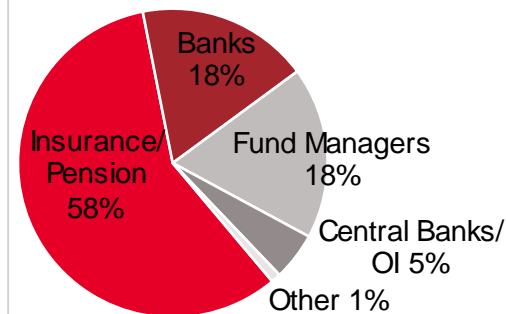
Bookbuilding and spread discovery

- The mandate for a new 16yr EUR benchmark transaction was announced to the market on Wednesday 10th October at 13.10pm London, with the deal expected to launch in the near future, subject to market conditions.
- Prevailing market conditions proved to be volatile over the course of the afternoon session and into the following day. After careful monitoring of the market over the course of the open, AFD and the JLMs were able to identify the appropriate window and went ahead with the transaction.
- Books were officially opened at 8:40am London on Thursday 11th October with a price guidance of interpolated FRTR + 30bps area.
- The deal attracted strong investor interest from the outset, particularly from the international investor community, with books reaching in excess of €1bn (incl. €250mm JLM interest) by 10.00am London.
- The issuer decided to set the spread at interpolated OAT+30bps in line with guidance, leading to a final order book which was in excess of €1bn (excl. JLM interest) by 11.30am London – at the times of books closing.
- On the back of extremely high quality demand, AFD was able to comfortably size a €1bn transaction. The deal was priced at 1.36pm London at a reoffer price of 98.916% and a reoffer yield of 1.577%.

Distribution by Geography*



Distribution by Investor Type*



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