

10th January 2024

Agence Française de Développement successfully priced a new 3.000% €2 billion benchmark due 17th January 2034

On Wednesday 10th January, Agence Française de Développement (AFD), rated AA /AA- (S&P / Fitch), issued its first benchmark of the year, a €2 billion 10-year benchmark due on the 17th January 2034 which offers a spread of 42bps over the interpolated OAT curve.

With a stable and supportive market backdrop, the transaction was announced at 11:30 CET on Tuesday 9th January 2024. Books opened the following morning at 09:00 CET with initial price guidance of interpolated OATs+44bps area.

Despite a very busy week in primary markets, momentum for the transaction was strong from the outset, and at 11:35 CET, books reached in excess of €4.5bn (incl. €225mn of JLM Interest). At this point, the final spread was set at interpolated OATs+42bps, two basis points inside initial price guidance.

The orderbook continued to grow and closed at 12:00 CET north of €6.8bn (incl. €225mn of JLM Interest), which allowed AFD to fix the size at €2bn, representing an oversubscription rate of 3.4x.

In terms of allocations, the transaction was well supported by high-quality, and geographically diverse investor demand. Fund managers represented the largest pool of demand, accounting for 35% of final allocations followed by banks with 23%, central banks and official institutions with 22%, insurance and pension funds with 17% and others taking the final 4%.

By geography, the domestic French market represented the largest share of allocations with 20% followed by Germany, Austria and Switzerland with 18%, UK with 13%, Nordics with 13%, Southern Europe with 13%, Asia with 10%, Benelux with 7%, Middle East with 3% and others taking the final 4%.

Thibaut Makarovsky, Head of Funding and Market Operations at AFD: “We were thrilled to begin the funding programme for 2024 with such a successful transaction in the 10yr part of the curve. We are delighted by the support from the investor community in this new issue, especially amidst a very busy primary market in SSA since the start of the year. We will communicate our funding needs for 2024 at the end of January.”

Details of the transaction

Issuer	Agence Française de Développement
Ratings	AA Negative outlook (S&P) / AA- Stable outlook (Fitch)
Size of the transaction	€2,000,000,000
Pricing Date	10 th January 2024
Settlement date	17 th January 2024
Maturity Date	17 th January 2034
Reoffer Price	98.974%

Coupon	3.000%
Reoffer Yield	3.121%
Reoffer Spread	+42bps
Reference OATs	FRTR 3.500% 11/25/33 (106.93 / 2.690%) and FRTR 1.250% 05/25/34 (86.81 / 2.727%)
Listing	Euronext Paris
Governing Law	French
ISIN	FR001400N7K2
Joint Lead Managers	BofA Securities, BNP Paribas, Goldman Sachs Bank Europe SE, J.P. Morgan Chase, Societe Generale
Use of Proceeds	General Corporate Purposes

