



## 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** 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 2019:



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

**5 EUR benchmarks already issued: 2022, 2023, 2024, 2026 and 2028.**

**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 of EUR 800M for 2019 : public transactions and private placements.**



## AGENCE FRANCE LOCALE

*The French Local Government  
Funding Agency*

Tour Oxygène  
10-12 Bd Vivier Merle  
69003 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

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