

CMD Portal Awards 2025: AFL wins 'Most Improved Bond Issuer' award

AFL, the French local government funding agency, is rewarded for the second time by CMD Portal – a network of more than 35,000 bond market experts – and wins the “Most Improved Bond Issuer” prize, the most efficient bond issuer. This distinction reflects the bank’s proven ability to place its debt with a growing and diversified investor base across multiple currencies. Now well established as frequent bond issuer, AFL is on its way to become a significant borrower in the capital markets, offering investors the only diversified exposure to the French local public sector.

A funding program in full expansion for 10 years

Created 10 years ago by and for the French local authorities, AFL’s mission is to facilitate access to financing and is among the leading lenders to local governments.

Since its creation, the bank has been able to maintain its financial strength while expanding its operations. It has doubled its financing program, diversified its issuance currencies, and increased the frequency of both private placements and benchmark transactions with the objective to improve liquidity for investors. AFL’s bond issues are now located nearly on the entire Euro curve, which allows it to broaden its access to the market.

Ten years after the beginning of its activities, AFL’s balance sheet stands at nearly €11 billion, reflecting the dynamic growth in loan production granted to local authorities since its first bond issue in 2015.

Issuance of new products and expansion into new international markets

Since 2023, AFL has had the ability to issue callable bonds. On this segment, the bank has already and successfully completed six transactions of this type in 2024, with an average size of €37 million, totaling €221 million.

In April 2024, AFL entered the public Swiss Franc (CHF) market with an inaugural transaction of CHF 110 million. This strategic bond issuance broadened AFL’s already diverse investor base, which now spans France, Germany, Austria, Switzerland, the Benelux, the UK, Northern Europe, and Asia.

The institution now has a base of more than 300 international investors, including banks, private banks, fund managers, insurance companies, pension funds, and a growing number of central banks and official institutions.

Lastly, in December 2024, AFL issued €50 million of subordinated debt securities, with the aim of enabling it to deploy its business plan while strengthening its equity base.



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2024 constitutes a pivotal year for AFL in two respects:

- AFL was able to maintain its AA- rating when S&P downgraded France's sovereign rating from AA to AA- in May 2024, leading the bank to now share the same as the French central government. AFL has thus strengthened its position compared to other public sector banking institutions.
- Additionally, the HQLA 1 qualification granted by the ACPR in respect of for AFL's debt on June 21, 2024, following the change in the risk weighting of French local authorities to 0%, has contributed to significantly enhancing the eligibility of AFL's debt securities in the portfolios of investors, particularly banks.

Key Takeaways:

€11 billion in loans granted over the past 10 years
3rd largest lender to French local authorities
Recognized as a public development bank in 2021
HQLA 1 since June 2024
AA-/AA- (S&P/Fitch)
Same credit rating as the French government

About AFL

"The Company's mission is to embody a responsible finance to strengthen the local world's empowerment so as to better deliver the present and future needs of its inhabitants."

By creating our bank, the first one that we own and manage, we, French local authorities, have decided to act to deepen decentralization. Our bank, Agence France Locale (AFL), is not a financial institution similar to any other. Created by and for local authorities, it aims to strengthen our freedom, our ability to develop projects and our responsibility as local public actors. Its culture of prudence spares us from the dangers of complexity and its governance from downward slides of conflicts of interest. The main objective is to provide local world with an access to cost-efficient resources, under total transparency. The principles of solidarity and equity drive us. We are convinced that together we go further. We decided that our institution would be agile, addressing all types of local authorities, from the largest regions to the smallest municipalities. We see profit as a means to maximize public spending, not as an end goal. Through AFL, we support a local world committed to take up social, economic, and environmental challenges. AFL strengthens our empowerment: to carry out projects in our territories, today and tomorrow, to the benefits of the inhabitants. We are proud to have a bank whose development is like us, even more responsible and sustainable. We are Agence France Locale.



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