

Unédic

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EUR1bn tap of May 33 benchmark

PRESS RELEASE – 22nd May 2019

Unédic, the French unemployment insurance rated Aa2/AA by Moody's and Fitch, priced on Wednesday 22nd May a EUR1bn tap of its May 33 benchmark. The tap was priced at OAT+13bps and brought the total size of the bond to EUR2bn. This transaction benefits from an unconditional and irrevocable first demand guarantee from the Republic of France. This transaction was led by Crédit Agricole, Citi, Deutsche Bank and Société Générale

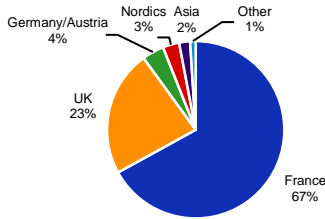
This is the second transaction of Unédic this year following the publication of the Order (*arrêté*) of the minister for Economy and Finance in April 2019 which allows the issuer to use the second part of the guarantee for EUR1bn

Execution highlights

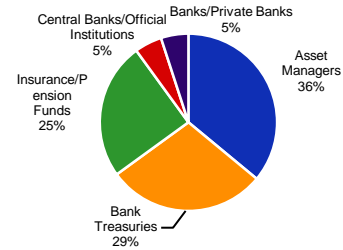
- On Tuesday 21st May at 13.40 CET, the mandate for a EUR1bn tap (no grow) of the May 33 was announced
- Formal guidance was released the following morning at OAT+14 area as the bond was trading at ~12bps vs interpolated OAT (bid side)
- Investor demand was very strong and the book was in excess of EUR1bn after an hour. The guidance remained unchanged at the time
- The orderbook continued to grow and reached EUR1.6bn (including 50m of JLM interest) around 11 CET. The spread was then set at OAT+13bps
- The book closed shortly after in excess of EUR1.9bn (including 50m JLM) with tickets coming from 49 different investors
- Final level of 13bps implies a NIP of ~1bp which shows the strength of the signature

Summary of distribution

Distribution by geography



Distribution by type of investors



Source: allocations validated with the issuer

Summary of terms and conditions

Issuer	Unédic
Type of notes	EMTN
Guarantee	Explicit, Unconditional & Irrevocable Guarantee of the Republic of France
Rating	Aa2(pos)/AA(st) (Moody's/ Fitch)
Tap amount	EUR1bn
New outstanding amount	EUR2bn
Pricing date	22nd May 2019
Settlement date	29th May 2019
Maturity date	25th May 2033
Coupon	1.25% (full coupon on 25/05/2020; 4 days of accrued)
Reference Benchmark	Interp. FRTR 1.5% 05/31 and FRTR 1.25% 05/34 (mid level)
Re-offer Spread vs Benchmark	+13bps (equivalent to MS+5.25bps)
Re-offer yield	0.786 %
Re-offer price	106.124 %
Temporary ISIN	FR0013422201, fungible after 40 days with FR0013336492
JLM	Crédit Agricole, Citi, Deutsche Bank, Société Générale

Background

Created in 1958, Unédic is an association in charge of managing the compulsory unemployment insurance system in France and has a strategic role within the French welfare system. It was set up in accordance with the law of 1st July 1901 and was created for an indefinite period

The unemployment insurance is equally and jointly managed by the Social Partners (i.e. the trade unions and employers' organisations) and the State shares responsibility with Social Partners in managing the French Unemployment insurance system. Once an agreement is reached, Unédic establishes new application rules for the French Unemployment insurance system. The mandate of Unédic is conferred, defined and organized by law