



**Webinar  
Transparency and  
communications**

**28 June 2016**



MINISTÈRE  
DES FINANCES  
ET DES COMPTES  
PUBLICS

MINISTÈRE  
DE L'ÉCONOMIE,  
DE L'INDUSTRIE  
ET DU NUMÉRIQUE

## **Executive Summary**

## **Background**

AFT's organization

Mandate and external communication

Characteristics of debt portfolio

## **Transparency and release of information**

General objective of the communication function

Documents published and databases

Type of information communicated

## **Interaction with investors and other stakeholders**

Auctions communication process

Key events with investors, press and other stakeholders

Interaction with investors during roadshows

Coordination with the communication and the office of the Minister of Finance

Fairness of information and more transparency over the last few years



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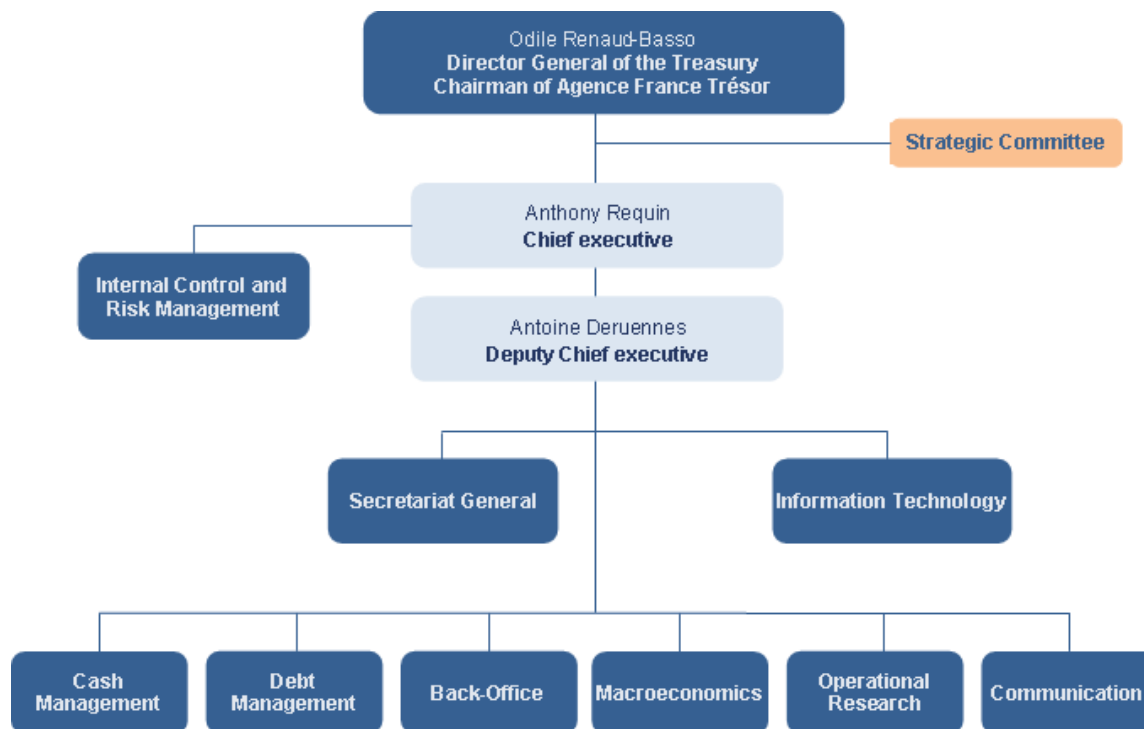
Key events with investors, press and other stakeholders

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Fairness of information and more transparency over the last few years

- An agency of the French Treasury within the Ministry of Finance
- Responsible for the central government cash and debt management
- A 40-people team



*The Strategic Committee advises AFT on the main guidelines and practices of the French issuance policy and cash management*

### Chairman

Mr. Jacques de LAROSIÈRE

### Members of the Strategic Committee

Mr. Marc-Antoine AUTHEMAN  
(Euroclear)  
Mr. Günther BRAÜNIG (KfW)  
Ms. Satu HUBER (Local Tapiola  
Pension)  
Mr. Assaad J. JABRE (Ecobank)  
Mr. René KARSENTI (ICMA)  
Mr. Chow Kiat LIM (GIC)  
Mr. Dino KOS (CLS)  
Mr. Bertrand de MAZIERES (EIB)  
Mr. Yong YIN (SAFE)

## Communication mandate for press

Agence France Trésor, which is part of Directorate General of the Treasury, has an internal charter that defines rules in terms of external communication. Relationships with journalists is the exclusive duty of the Chief executive and the Head of communication. In practice, regarding journalists requests for “on the record” interviews and written reports, whatever the media, both serve as an interface with the Minister’s office. Only AFT’s Chief executive can be quoted.

## Organisational structure for external communication with stakeholders

Chief executive					
Deputy Chief executive					
Communication	Cash management	Debt management	Operational research	Macroeconomics	Internal control and risk management
1 head	1 head	2 co-heads	1 head	1 chief economist	2 co-heads
1 communication officer 1 webmaster	5 treasurers	3 market operators		1 economist	
Press, medias, investors, rating agencies, Parliament, citizens	Parliament	Primary dealers, investors, international institutions	Primary dealers, investors, international institutions	Primary dealers, investors, rating agencies	Court of Auditors (Cour des Comptes), external auditor

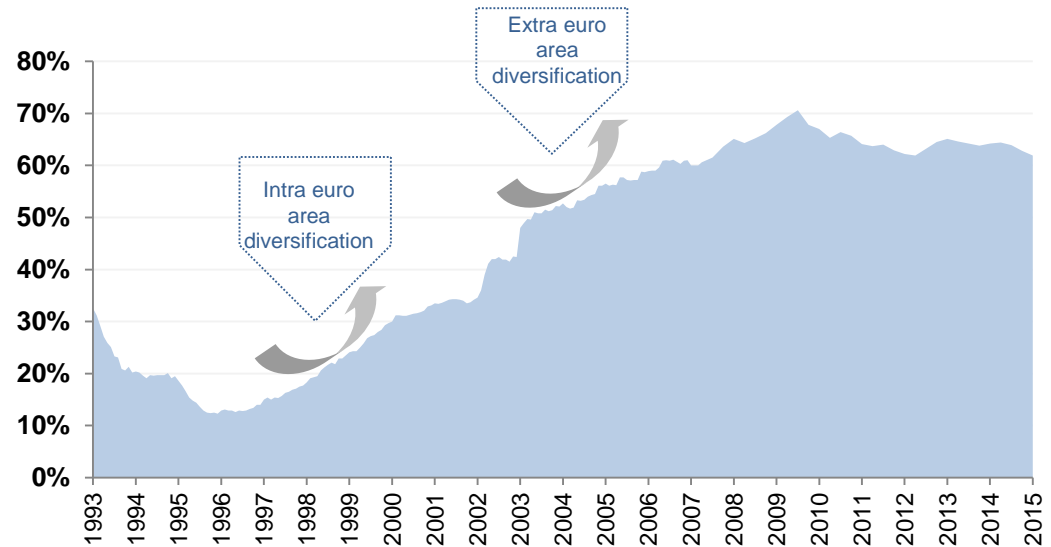
## Roadshows

### Rotation system with teams of two persons:

Chief executive, Deputy Chief executive or Chief economist with one of the co-head of debt management or with the rates strategist (operational research) and more occasionally an experienced market operator.

- An euro denominated sovereign issuer
- No issuance in foreign currencies
- A high average maturity of debt (7.3 years)
- 18 Primary Dealers (SVT)

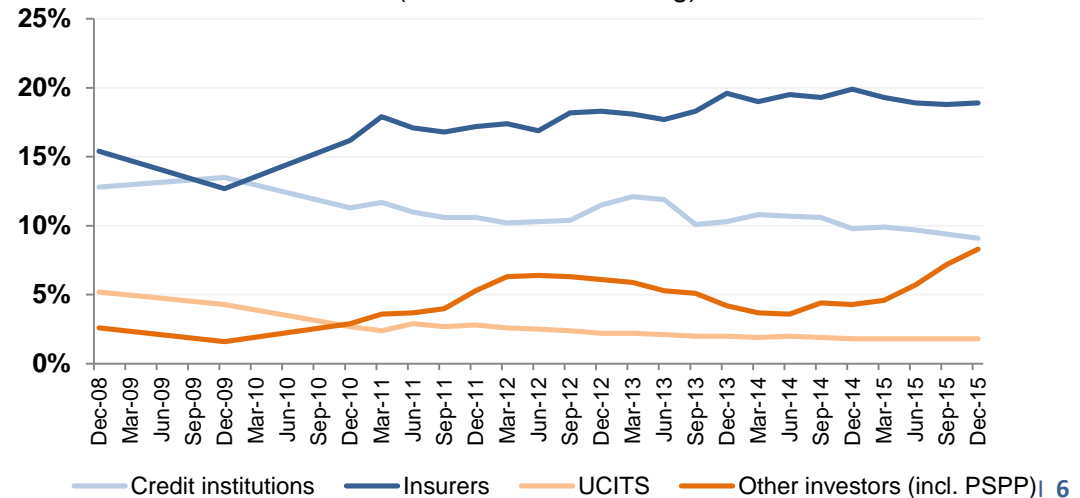
### Evolution of the holding of central government debt by non-French investors



As of Q1 2016, French investors accounted for 38.7% of the holders of the French debt:

- Insurance companies: 18.4%
- Credit institutions: 9.2%
- UCITS: 1.6%
- Other (incl. PSPP): 9.5%

### Holding of central government debt by residents (as a % of outstanding)





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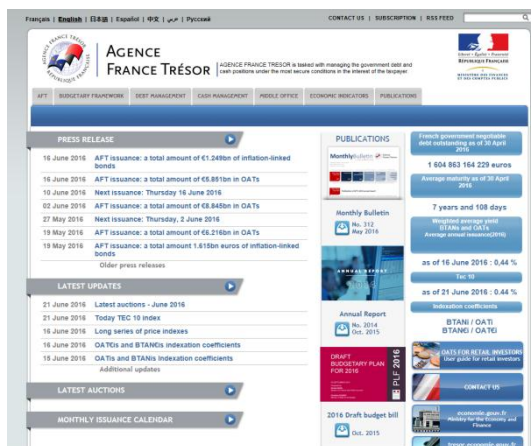
Coordination with the communication and the office of the Minister of Finance

Fairness of information and more transparency over the last few years

- Inform investors about OAT auctions calendar and results on the specialised agencies' screens.
- Reporting AFT's work and assignments specifically to the financial community and the medias.
- Monitoring, gathering and disseminating AFT's information on various means of communication.
- Participate to events to promote AFT as the French State cash and debt management agency and the French sovereign bond debt.
- Answer the questions arising from the public (individual investors, individuals, academics, students and schools) through the contact form on the AFT's website.
- Answer the questions from non-targeted audience: other stakeholders such as the Finance committee of the National Assembly, the Court of Auditors, the rating agencies or international institutions (ie. IMF Article IV; OECD report, EC European semester...)



- Documents are published on website (<http://www.aft.gouv.fr/>) and by email:
  - OAT auction results by email (twice a month: first and third Thursday of each month)
  - Monthly bulletin on our website with an email alert (once a month)
  - Annual report on our website (once a year)
  - News on current activities of AFT (once a year or occasionally)



- Annual report and monthly bulletin in 7 languages (Arab, Chinese, English, French, Japanese, Russian and Spanish). The choice of multi-languages relies on the fact that French debt's investor base is international-based and diversified.
- People can subscribe to AFT's news and receive them by email.

- **Annual report:**
  - Annual performance of the State Debt and Cash Management.
  - Trading account: records of all transactions linked to the management of the government's negotiable debt and cash holdings and statistics about negotiable government debt, medium- and long-term debt, government borrowing, short-term debt.
- **Monthly bulletin and website:**
  - General debt-related data, (auction schedule, debt detention, outstanding...).
  - Secondary market data (yield curve for French government securities, total stripping and reconstitution).
  - Negotiable government debt data (details of short-, medium- and long-term debt at the end of month).
  - French economy and international comparisons (economic indicators, government budget position, general government debt...).
- The type of information provided has not fundamentally changed, with some exceptions ie. AFT non-longer includes detailed information on AFT's IT organisational structure, neither names of staff on the organisation chart for security reasons since the occurrence of terrorist attacks and the multiplication of hacker attacks in the public or financial community.



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Regularity and transparency are two pillars of Agence France Trésor's principles, in particular in terms of its auctions communication process. These principles are appreciated by investors.

- **Auction calendars:**

- Yearly auctions calendars on Reuters, Bloomberg and AFT's Website for BTFs, long- and medium-term debt OATs and index linked debts with auction dates, settlement date, optional dates.
- Quarterly and monthly auction calendars on AFT's website for BTFs, long- and medium-term debt OATs and index linked debts with auction dates, settlement date, optional dates.

- **Auction announcements:**

- **BTFs** : AFT announces one business day prior to auction the exact amount of the securities to be issued, in accordance with the quarterly calendar for BTFs.
- **OATs and index-linked debt securities** : AFT announces four days prior to auction the securities concerned and an upper and lower limit.

- **The running of auctions:**

- **BTFs** : Each Monday at 2.50pm; settlement the following Wednesday
- **Long- and medium-term debt** : Each 1<sup>st</sup> working Thursday of the month at 10.50am; settlement the following Monday
- **Medium-term and index-linked debt** : Each 3<sup>rd</sup> working Thursday of the month at 10.50am for auctions of medium- and long-term OATs, and 11.50am for auctions of inflation-indexed securities; settlement the following Monday

- **Release of auctions' results:**

Once auctions are run, results are immediately announced to the bidders and displayed on the specialised agencies' screens (Reuters, Bloomberg) and few minutes later on AFT's website.

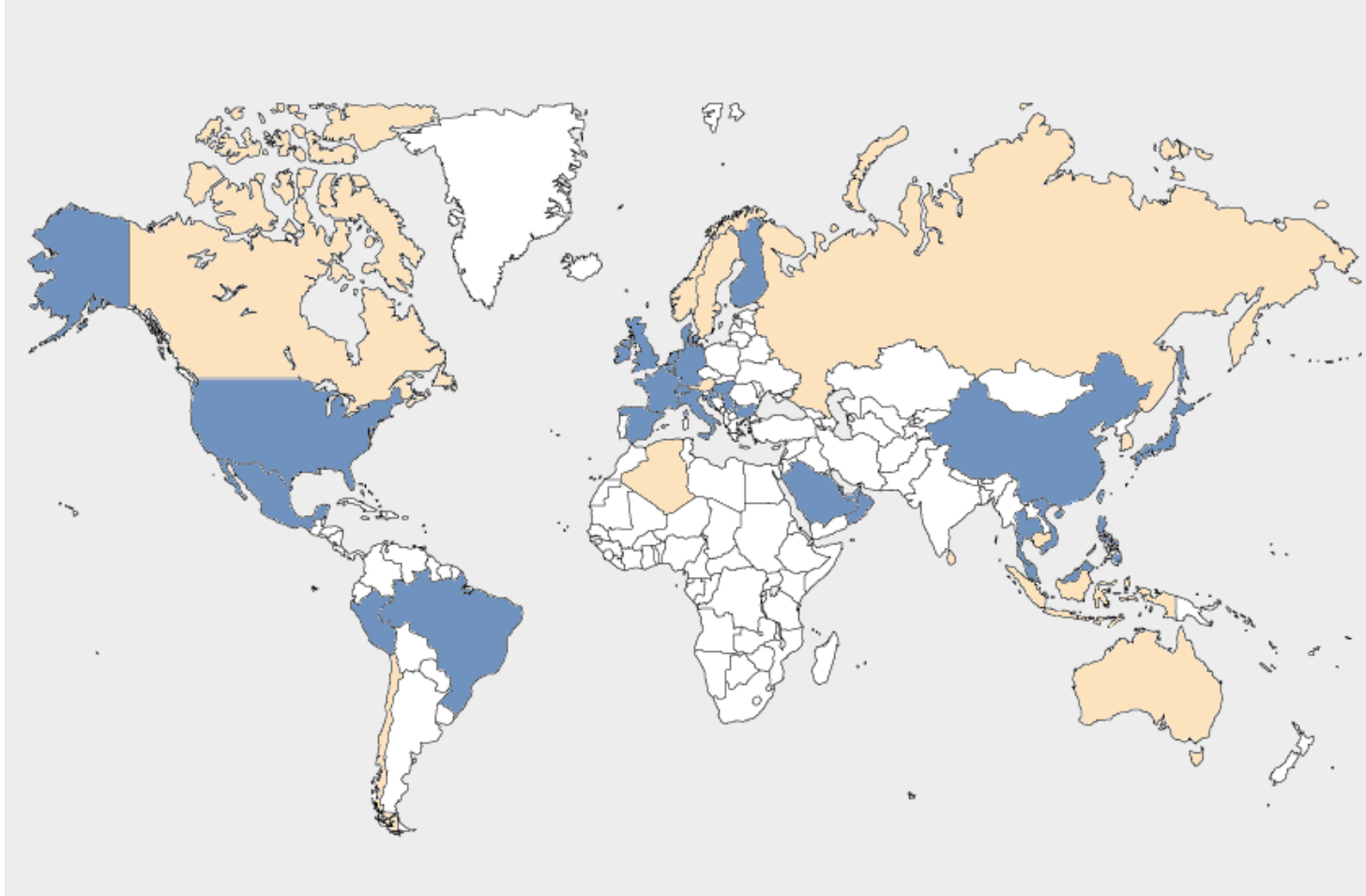
- **Key events for press and investors:**
  - **End-September:** French State Funding Plan for the year Y+1.
    - ➔ Press release on website, Bloomberg, Reuters, press meeting, economics meetings.
  - **Mid-December:** Indicative Funding Programme for the year Y+1.
    - ➔ Press release on website, Bloomberg, Reuters, press meeting, economics meetings and conference call with investors.
- **In the course of the year, regular events for investors, DMO, Government entities with potentially presence of the medias:**
  - Seminars, panels, conferences. ie. World bank Government Borrowers Forum, IMF Public debt Management Forum, Central banks Seminar (primary dealers), Euromoney conferences, International banking conference, European Government Bond Conference (AFME), PSIF Meetings (ICMA), ESDM Meeting.
  - World bank Government Borrowers Forums (May 3-4 2016) co-organised by AFT and hosted by France.
  - IMF Public debt Management Forum (June 26-27,2014) co-organised by AFT and hosted by France.
- **Exceptional educational events for the public:**
  - European Heritage Days (September 19-20, 2015).
  - Occasional educational TV & press reports during a T-bills auction for French medias, with the presence of the Ministry of finance and public accounts.
- **National assembly**

Few public auditions of the Chief Executive on demand (no agenda) as part of different reports led by the Parliament.

Regular meetings with the Court of Auditors as part of the preparation of the certification of the French State's accounts.
- **Ratings agencies**

Regular meetings with rating agencies as part of the credit quality's assessment of France (every 3-4 months by agencies regulated by ESMA, once a year for other rating agencies).

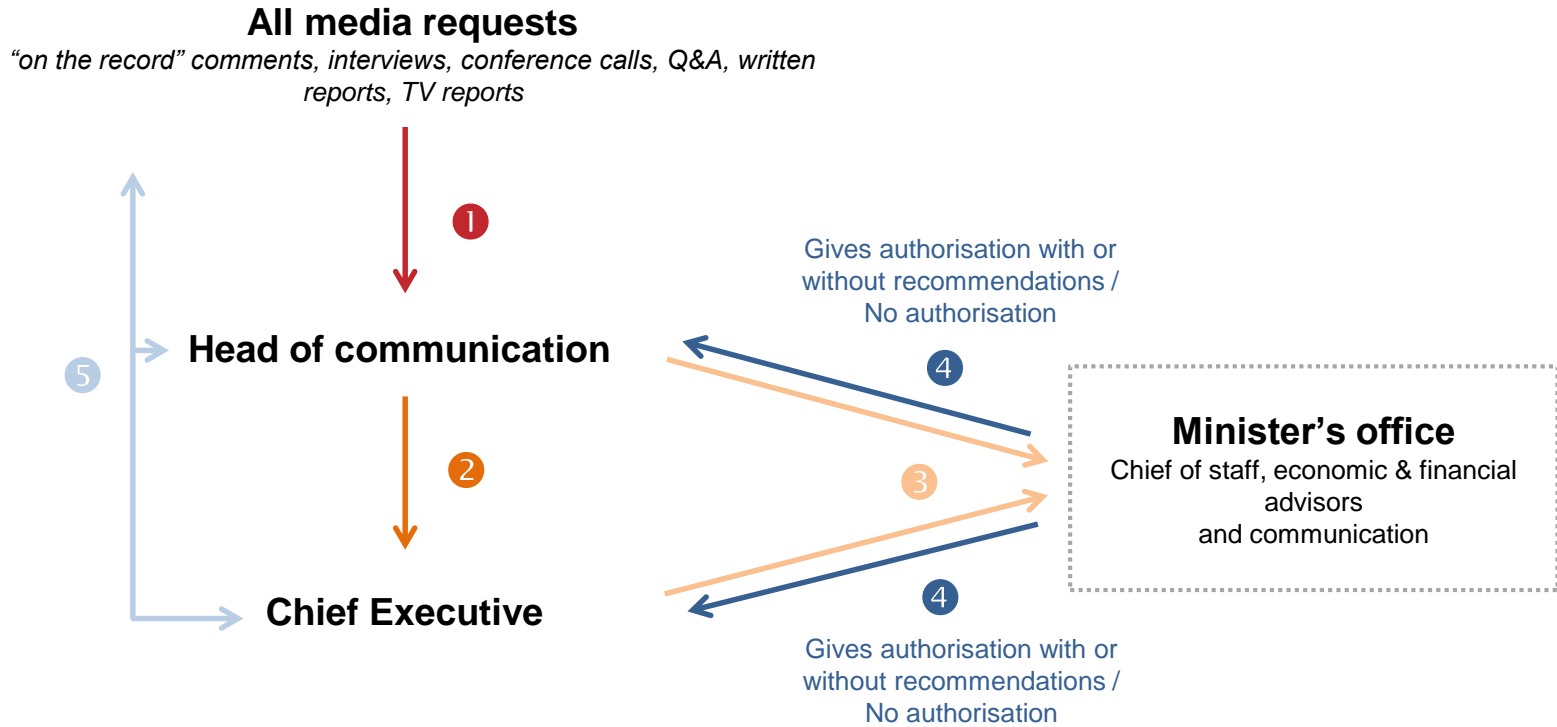
- **322** investors met in 2015 (vs. 260 in 2014)



Key:

Countries visited

Home countries of investors met outside country visits



AFT is committed to its transparency principle and gives the same information during roadshows to all investors whoever they are (banks, asset managers, insurers, central banks or sovereign wealth funds). All AFT's presentations are constantly updated (technical features of the French debt, French economy fundamentals, public finance policy).

Some unaudited data, not published on AFT's website, need to stay confidential with disclaimers and can not be used without AFT consent (ie. European harmonised report from Primary Dealers - only secondary market flows).

Across the years, the demand for information on the French State cash and debt management has increased, leaning AFT to be more transparent to answer the public and the financial community growing interest.

- **Webinar of the World Bank 28 June 2016**
- World bank Government Borrowers Forums (May 3-4 2016) co-organised by AFT and hosted by France
- European Heritage Days (September 19-20, 2015)
- IMF Public debt Management Forum (June 26-27,2014) co-organised by AFT and hosted by France
- 10 Reports TV during T-Bills auctions since September 2011
- Cooperations are frequent with other countries.

*Advice: a communication team should count at least 4 to 7 persons. Investors relations need also a full team completely dedicated to this mission.*

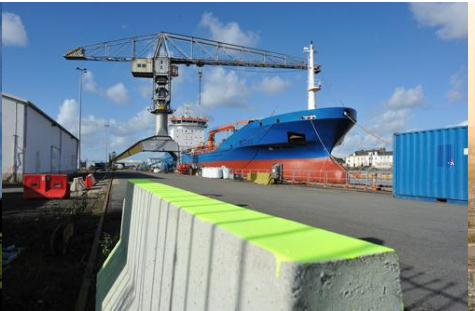




 [www.aft.gouv.fr](http://www.aft.gouv.fr)

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