



Half-year financial report

30 June 2025

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The abbreviation €K signifies thousands of euros, €M signifies millions of euros and €bn signifies billions of euros.

A. Management report

1. AFD Group activities

Approvals

The total amount of approvals (excluding Proparco refinancing and sub-participations) at 30 June 2025 amounted to €3,705M, compared with €2,282M at 30 June 2024, an increase of +€1,423M (+62%). This change was mainly due to a +€892M (+90%) increase in AFD's current activities in foreign states, from €997M in June 2024 to €1,889M this year, as well as activities in the French Overseas Departments and Collectivities, +€533M (+264%).

Activities in foreign countries

On its own behalf

The AFD's own-account activities in foreign countries (excluding Proparco refinancing and sub-participations) amounted to €1,635M, compared to €835M last year, a marked increase of +€800M (+96%). This increase was mainly due to loan approvals, mainly on sovereign loans +€674M (+187%) and non-sovereign loans +€178M (+141%). Grant awards were down compared to last year by -€109M (-38%), from €289M in June 2024 to €179M in June 2025.

On behalf of third parties

Approvals for activities on behalf of third parties increased by +€92M (+57%), from €162M in June 2024 to €254M at the end of June 2025. Activities on behalf of the French State, and more specifically debt conversions (including C2D), were up sharply, by +€35M (+105%), from €33M at 30 June 2024 to €67M at 30 June 2025.

Activities in the French Overseas Departments and Collectivities

On its own behalf

Own-account approvals in the French Overseas Departments and Collectivities amounted to €175M at 30 June 2025, compared to €202M at 30 June 2024, down -€26M (-13%). This decrease was mainly due to loans to the private sector at market conditions of -€30M (-52%), and to a lesser extent to a decrease in grants of -€4M (-38%) as well as loans to the public sector at market conditions amounting to -€8M (-14%). Subsidised loans to the public sector increased by +€15M (+22%).

Loans guaranteed by the French State

Activities guaranteed by the State in the French Overseas Departments and Collectivities amounted to €560M at the end of June 2025. This related to granting a State-guaranteed loan to New Caledonia in the amount of €560M.

Proparco's activity

Proparco's approvals in foreign countries (including Fisea and Trade Finance) amounted to €1,081M at the end of June 2025, down -€3M (-0.2%) compared to the same period in 2024 (€1,084M).

Disbursements

The Group's payments (excluding Proparco refinancing and sub-participations) amounted to €4,211M at 30 June 2025, compared with €2,879M at 30 June 2024, up +€1,333M (+46%), mainly as a result of AFD's +€401M (+18%) disbursements in foreign states, from €2,243M in June 2024 to €2,644M this year, as well as its activities in the French Overseas Departments and Collectivities, which were up +€570M (+277%).

Activities in foreign countries

On its own behalf

With regard to current own-account activities in foreign countries (excluding Proparco refinancing and sub-participations), total disbursements stood at €2,377M at 30 June 2025, compared with €1,912M at 30 June 2024, a €465M increase (+24%). This change was mainly related to disbursements on sovereign loans amounting to +€233M (+22%) as well as on non-sovereign loans in the amount of +€56 M (+15%). Grant disbursements also increased by +€162M (+35%), from €459M in June 2024 to €621M in June 2025.

On behalf of third parties

Disbursements for activities on behalf of third parties were down -€64M (-19%), from €331M in June 2024 to €267M in June 2025. This decrease was mainly due to disbursements on Global Budgetary Support (GBS) for -€98M (-93%), from €105M at the end of June 2024 to €8M at the end of June 2025.

Activities in the French Overseas Departments and Collectivities

On its own behalf

AFD's disbursements in the French Overseas Departments and Collectivities amounted to €216M at 30 June 2025, compared with €206M at 30 June 2024, up +€10M (+5%). This change was mainly due to loans to the public sector for +€71M (+70%), offset by a decrease in loans to the private sector at market conditions in the amount of -€57M (-60%).

Loans guaranteed by the French State

Like approvals, activities guaranteed by the State in the French Overseas Departments and Collectivities posted an increase of €560M related to the payment of the State-guaranteed loan to New Caledonia of €560M.

Proparco's activity

Proparco's disbursements in foreign countries (including Fisea) amounted to €791M, up +€361M (+84%) compared to the same period in 2024 (€430M). This change was mainly explained by the +€297M increase in loan disbursements (+89%).

2. Recent changes and outlook

2.1. Crises in several countries

Ukraine crisis

On an operational level, AFD actively sought out opportunities in 2024, which enabled it to grant initial transactions as of 2024 and prepare future projects starting in 2025, favouring a "Team France" and "Team Europe" approach.

To date, three initial transactions have been granted for a total amount of €15M to provide support for the municipalities of Lviv, Odessa and Kryvyi Rih, respectively in the mobility, health and water and sanitation sectors.

At the same time, AFD has mobilised significant guarantees and grants from the European Union's Ukraine Facility to back the roll-out of its loan activity as of 2025, either through direct financing to major Ukrainian municipalities or through financing intermediated by Ukrainian public banks targeting smaller municipalities. This dual approach will make it possible to cover a wide geographical area, as well as a variety of sectors (health, mobility, water and sanitation, social housing, urban development, energy).

Expertise France has a long-standing presence in Ukraine, notably through bilateral technical cooperation programmes, twinning projects and ongoing intervention in the justice sector via the European PRAVO-Justice programme.

In the context of Russian invasion and Ukraine's candidacy for accession to the European Union, Expertise France has considerably strengthened its activities in the country. The Ministry of Europe and Foreign Affairs has entrusted Expertise France with €14.5M to position French technical cooperation in response to the short-, medium- and long-term needs of Ukraine (mAIDan programme).

The agency focuses its intervention on two strategic areas: support for resilience and reconstruction; and support for European integration. In 2025, Expertise France's portfolio includes 15 national projects and 3 regional projects for a total amount of more than €60M spread over seven sectors: (i) health and social protection, (ii) rule of law and justice, (iii) local governance and decentralisation, (iv) innovation and support for the private sector, (v) economic and financial governance, (vi) defence and security, (vii) sustainable development.

Expertise France now has 60 people in Ukraine and the agency will also deploy a dozen international technical experts to support Ukrainian institutions.

Proparco is also fully committed to backing the Ukrainian private sector, with several projects planned to provide support for the local financial sector, trade, businesses (notably in the renewable energy and agri-food sectors) and investment funds that provide the capital needed to restart business activity or nurture the champions of tomorrow, as exemplified by the two transactions carried out with Horizon Capital. In order to back the deployment of its financing in Ukraine and to set up appropriate derisking schemes, Proparco has also secured guarantee budgets from the European Union's Ukraine Facility.

Middle East crisis

Palestine

AFD Group, present in Palestine since 1999, has the Palestinian Authority (PA), municipalities, NGOs and the private sector (banks and companies) as traditional partners. Despite the ongoing war, the Group has not stopped its activities. Projects under appraisal and implementation are continuing, with the exception of an agricultural irrigation project in the Gaza Strip, the site of which has been made inaccessible.

In the short term, AFD Group is participating in the response to the crisis, through a humanitarian-development nexus approach. A maternal and child healthcare project in Gaza has been implemented by UNICEF¹, WHO² and UNFPA³, in coordination with the Palestinian Ministry of Health. In June 2025, however, this project faced difficulties in bringing in humanitarian aid, medicines and teams. Also in terms of health, at the end of 2024, AFD launched support for St Joseph's Hospital in Jerusalem (maternity and intensive care), through cofunding with the Qatar Fund for Development.

AFD Group also continues to support the delivery of basic services and the strengthening of the Palestinian public administration. AFD has financed several projects in the water and sanitation sector, and is developing a new institutional support programme for the Palestinian Water Authority for 2025. Expertise France provides support for the Institute of Public Finances, which has been in charge of steering reforms to improve the transparency and efficiency of public spending since May 2024. In June 2024, AFD, alongside other donors, granted new financing to the Municipal Development Programme (€10M), which allows municipalities to continue to deliver essential services in a context of massive budget deficit. This programme includes a component for Gaza, which will be implemented when political and security conditions so allow it. AFD also provides support for village councils in zone C⁴, notably in the Jordan Valley, for their agricultural and community activities.

In addition, AFD Group continues to support the financial sector. AFD and Proparco have backed the financial sector for more than 20 years. In 2025, Proparco increased its stake in the share capital of Bank of Palestine, after granting it an emergency credit line in 2024, alongside the IFC⁵.

Lastly, AFD co-finances civil society projects through its mechanism dedicated to civil society organisation initiatives (I-CSO mechanism). In 2024 and 2025, a French organisation (Médecins du Monde) and a Palestinian organisation (NGO Development Center) obtained funding for projects in the fields of health and the fight against violence against women.

In addition to this backing via the I-OSC scheme, a programme specifically supports the provision of services of the CSOs of East Jerusalem (AJIR) in favour of vulnerable populations and the preservation of the Palestinian identity.

In the medium term, AFD will contribute to France's efforts to support post-conflict reconstruction, in the sectors where its added value is the highest: water and sanitation, human capital, municipal development, the private sector, civil society.

¹ United Nations Children's Fund.

² World Health Organization.

³ United Nations Population Fund.

⁴ An administrative division of the West Bank, in Palestine, under Israeli occupation .

⁵ International Finance Corporation.

Lebanon

With more than 4,000 victims, over 16,000 injured, nearly 100,000 homes destroyed or damaged and 1.2 million displaced, the conflict between Hezbollah and Israel particularly weakened the country. The fragile ceasefire of 27 January 2025 and its multiple violations plunge the region into uncertainty.

Since 2019, Lebanon has been going through a major economic and financial crisis, resulting in the impoverishment of a large part of the population, a collapse of basic services, and a sharp decline in its human development index. The persistent political deadlocks leave little hope of concluding an agreement with the IMF in the near future, which is necessary to end the crisis, although the investiture of President Joseph Aoun on 9 January 2025 and the appointment of Prime Minister Nawaf Salam on 14 January 2025 bring new hope to the country.

As a development agency, AFD is trying to back the country in coping with shocks and in re-establishing a contract of trust between the State and its citizens. The Agency's interventions combine meeting short-term needs and preparing for the future, while maintaining flexibility to respond to possible future crises.

The 2020-2025 Lebanon Country Strategy had integrated the chronicity of crises and the risks of tipping over into major crisis scenarios. The vast majority of AFD's portfolio in Lebanon is therefore composed of crisis and conflict prevention/response projects (Minka). Minka procedures provide the flexibility to adapt projects to changing contexts.

AFD is committed to preserving what can be preserved from the gains made over the years (e.g. support for hospitals, reform and recovery of the water sector), to avoid the collapse of these services and to anticipate the recovery phase.

AFD's action in Lebanon over the next few years will be developed i) in support of the government reform programme (see loan); ii) in support of the reconstruction/recovery of the country, notably in southern Lebanon (209 programming in 2025); iii) by leveraging delegated funds and co-financing; (iv) as part of its regional approach to crises in the Middle East.

Syria

Syria is entering a major transition phase after the fall of the regime of Bashar al-Assad in December 2024, ending more than 50 years of domination. Interim President Ahmed al-Sharaa was elected as president by the transitional government on 29 January 2025, marking a turning point in Syrian politics. The latter quickly initiated a national dialogue in Damascus in February, aimed at establishing a new constitution and promoting national reconciliation.

The situation remains critical, according to the United Nations Development Programme (UNDP), Syria could take up to 55 years to return to its pre-war GDP level at the current rate of growth, due to massive destruction of infrastructure and widespread poverty. Indeed, more than 90% of Syrians live below the poverty line, and an estimated 13 million people are in need of humanitarian assistance, according to Human Rights Watch's 2025 report.

Despite these challenges, the international community, including the European Union, has expressed support for the Syrian transition, although concerns remain about the protection of minorities and the inclusiveness of the political process.

After an initial phase of French intervention logically falling within the field of humanitarian aid with projects backed by the CDCS⁷, AFD could thus intervene, through a humanitarian-development nexus approach, in partnership with actors ready to intervene rapidly in Syria, such as the Aga Khan Foundation or the ICRC⁸. In March 2025, at the request of the French Ministry of Foreign Affairs, a joint exploratory mission was led by the CDCS, AFD and Expertise France. The mission was able to conduct high-level

⁷ MEAE Crisis and Support Centre.

⁸ International Committee of the Red Cross.

meetings with four ministries, the Syrian central bank and with Syrian civil society. The following sectors were discussed during this mission: Agriculture, possibility of mobilising Proparco and Expertise France; Water and sanitation; Health; Expertise France and the Banque de France have identified support for the Syrian Central Bank.

Crisis in New Caledonia

Since 13 May 2024, the Nouméa agglomeration, and then gradually the entire New Caledonian territory, have been the scene of serious riots initiated by a radicalised branch of the independence movement in reaction to the plan to thaw the electorate. These events caused a major economic and social shock: a 15% contraction in GDP, destruction estimated at €2bn, more than 11,600 jobs lost and a climate of community tensions. To this crisis has been added political instability, marked by the fall of the Mapou government in December 2024 and the establishment of a transitional government before the provincial elections now scheduled for the end of 2025.

Since the start of the crisis, AFD has been fully mobilised, alongside the State and other players involved in the region, to respond to the emergency and the challenges that await New Caledonia in the coming years.

A reinforced monitoring unit was immediately set up to ensure the safety of AFD employees and support them throughout the crisis. The Agency actively contributed to stabilisation and recovery efforts, notably through the implementation of a moratorium on loans in the portfolio (€41M carried forward) and the reinforcement of SOGEFOM's activity in order to back the private sector. The Agency also made available an employee in charge of promoting AFD's experience in public finances and structural reforms to a task force mobilised by Bercy in order to identify highly operational responses that are quick to implement.

AFD is implementing, on behalf of the French State, a State-guaranteed loan (SGL) in the amount of €1bn to provide support to New Caledonia pending the results of the structural reforms needed to revive the economy and restore social cohesion. At the end of March 2025, the Agency signed an agreement with the French State and the government of New Caledonia for the first component of the State-guaranteed loan for an amount of €560M. The entire loan was disbursed in April, mainly to repay the French State's advances made in 2024, and to meet an immediate cash need. The second component (€440M) will be examined by the end of 2025 following the ongoing negotiations between the French State and New Caledonia, as the French State wishes to make its financial support for the territory conditional on commitments to reforms.

Beyond the SGL, AFD is providing support for the recovery and reconstruction of the region through its business plan: support for structural reforms by financing technical assistance (health, employment and housing), applying for European funding via the NDICI's¹¹ rapid action pillar, reviewing the financing of the largest renewable energy storage battery, and reviewing a new €150M multi-tranche facility (MTF) at the Banque Calédonienne d'Investissement (BCI) to integrate climate and biodiversity issues. Technical support was reinforced through to the Overseas development fund (FOM), while closer monitoring was set up at SIC to provide support for social housing and social ties in the most affected neighbourhoods. AFD is also continuing to provide funding to local authorities that request it and that demonstrate their sound management of the crisis, by offering them loans with deferred repayment.

Crisis in Mayotte

In December 2024, Cyclone Chido devastated the Mayotte archipelago, causing major damage estimated at between €3bn and €3.5bn, and adding to an already structurally fragile situation (high demographic pressure, social tensions, precarious housing, etc.). In response, the French State has set up an interministerial reconstruction mission, enacted an emergency law for Mayotte (February 2025), and prepared a programming bill for the reconstruction of Mayotte. This programming law (adopted by

¹¹ The NDICI is the European Union's main financing instrument for external cooperation.

Parliament on 10 July 2025) includes €4bn in public investment over six years, and enshrines social convergence in law for the first time, while reinforcing economic and social development, as well as the fight against immigration and insecurity.

AFD immediately became part of the French State's response to the disaster caused by Cyclone Chido. Through the redirection of funds from the Overseas development fund (FOM), the Agency participated in the diagnosis of the damage to the tune of €163K and positioned itself as a partner of local authorities in reconstruction through the reallocation of €510K dedicated to backing municipalities in the preparation of reconstruction projects. At the same time, the Mamoudzou branch maintains a regular dialogue with Banque des Territoires in order to coordinate their respective interventions.

This system was reinforced in June 2025, at the COPIL FOM meeting devoted to Mayotte, during which five new projects related to the reconstruction of Mayotte were approved for a total amount of €1.1M. These projects relate to the adaptation of the coastline and the prevention of the risk of flooding, the establishment of a local training sector for sustainable building trades, the urban renewal of the La Vigie district, the development of the Mamoudzou seafront, and the programming of the renovation of sports facilities. AFD has also undertaken to monitor the implementation of the post-Chido framework agreement launched by the Mayotte agency to back public actors in the reconstruction of the archipelago (€500K) and to consider a second one according to needs. In addition, a technical assistance office was opened to provide support for school reconstruction, with the backing of Expertise France.

In addition to this funding, the Agency is gradually adapting its portfolio, although it is still difficult to establish an overall assessment and to have a clear outlook of the situation of local authorities, their ability to meet the next deadlines and the status of the projects financed. To date, a simplified method has been adopted for extending the maturities of long-term loans until the end of 2026, while the exceptional extension of the duration of grant pre-financing to seven years has been made possible. With human and technical operational support on the ground, a provisional programme for 2025 approaching €100M will aim to back economic recovery and reconstruction, while continuing to finance local authority investments.

2.2. Refinancing and liquidity

The first quarter saw a significant number of transactions on the markets, with significant volumes borrowed from January onwards, similar to previous years. Activity was strong throughout the half-year, surpassing previous years in terms of issue volumes for AFD.

After the start of the year, the pressure on France's credit quality eased after the budget was passed, and greater attention was placed on geopolitical tensions as well as the increase in spending by Germany. Trump's announcements and the resulting trade war further diverted market attention away from France, while volatility intensified, sometimes complicating access to markets.

AFD's bond issues totalled €6,423M in the first half of 2025.

AFD has also undertaken:

- Five public issues, including three in euros, one in pound sterling and one in US dollars.

Maturity	Currency	Nominal in currency	EUR equivalent
20/01/2035	EUR	2,000,000,000	2,000,000,000
03/04/2040	EUR	1,000,000,000	1,000,000,000
30/09/2030	EUR	1,500,000,000	1,500,000,000
16/01/2030	USD	1,000,000,000	970,873,786
22/10/2028	GBP	300,000,000	358,980,495

- Five tap issues of existing tranches without opening an order book, including two in euros and three in US dollars.

Maturity	Currency	Nominal in currency	EUR equivalent
25/05/2036	EUR	100,000,000	100,000,000
02/03/2037	EUR	150,000,000	150,000,000
16/01/2030	USD	100,000,000	92,412,901
16/01/2030	USD	100,000,000	91,911,765
16/01/2030	USD	60,000,000	54,073,540

- Three private placements, including two in Turkish lira and one in Australian dollars.

Maturity	Currency	Nominal in currency	EUR equivalent
27/02/2040	AUD	40,000,000	24,345,709
15/07/2026	TRY	1,500,000,000	40,760,870
06/03/2028	TRY	1,500,000,000	39,215,686

The stressed liquidity indicator, expressed in number of months, shows the Group's survival horizon. It ensures that AFD can cope with a market closure for at least four months, while ensuring the continuity of its activities in a context of crisis, whether brief and acute or longer and more intense. During this financial year, the Group covered its needs by mobilising its cash investment vehicles, including the liquidity buffer, by monetising and/or liquidating them. Rolling forecast business needs were included, plus stress factors.

The risk appetite framework stipulates that this indicator must be maintained at a level above four months, with the preventive alert threshold set at four months and the tolerance threshold at three months. During the first half of 2025, this threshold was not exceeded. This indicator is calculated on a bimonthly basis. At 4 July 2025, its value was 5.60 months.

2.3. Financial results

The financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), show net income – Group share of €154M at 30 June 2025, compared to €231M at 30 June 2024. This decrease was mainly due to the stability of net banking income over the period (€533M compared with €538M in June 2024) combined with a deterioration in the cost of risk amounting to -€52M from one financial year to the other (a net provision of -€28M at 30 June 2025 compared to a net reversal of +€24M at 30 June 2024) and an increase in overheads amounting €22M (€347M at 30 June 2025 versus €325M at 30 June 2024).

2.4. Capital adequacy ratio and regulatory changes

AFD meets the minimum equity requirements in terms of solvency. The capital adequacy ratio stood at 15.98% at 30 June 2025, up from that at 31 December 2024 (15.26%). This increase was related, on the one hand, to the reinforcement of its equity through the consolidated income for the second half of the 2024 financial year, as well as the decrease in exposures following the depreciation of the US dollar against the euro, and, on the other, to the implementation of the CRR3 rules which came into force on 9 July 2024 and have been applicable since 1 January 2025.

2.5. Operational outlook

AFD Group's 2025 activity is aligned with the guidelines of the CICID¹² of 18 July 2023 and the CPPI¹³ of April 2025, which redefined the main guidelines for solidarity-based and sustainable investment policy and international partnerships. The Contract of Objectives and Means (COM) could not be finalised in 2024, due to the sharp decrease in budgetary resources. Discussions are ongoing. This COM is based on 24 indicators, including 10 major political objectives, and one geographic priority: Least Developed Countries (LDCs)/vulnerable countries¹⁴. The targets of these objectives are currently being defined, with regard to the resources allocated.

In this constrained budgetary context, AFD Group's budgetary resources decreased significantly. For the 110 programme, the amount notified in subsidies for 2025 amounted to €820M, down 24% compared to 2024 (€1,080M). The impact on the volume of subsidised loans will be significant in a context of interest rates that remain high, but will be partially offset by more dynamic non-subsidised business than in 2024. Grant resources (110 and 209, including C2D and NGOs) decreased sharply to €745M following the budget cuts made as part of the 2025 finance bill. The decrease in resources could have an impact of around -€1bn in business (excluding the New Caledonia SGL).

In 2025, AFD Group transitioned from disbursement-based management to signature-based management, while maintaining a close monitoring of approvals. The Group's signature target remained stable at €11.4bn with an execution rate of 45% at mid-year. On the other hand, the target for disbursements was revised upwards, now reaching €9bn, including €1.7bn for Proparco. The disbursement execution rate was 40% at the end of June 2025.

¹² Interministerial Committee for International Co-operation and Development.

¹³ Presidential Council for International Partnerships

¹⁴ Least Developed Countries

3. Risk factors

AFD Group's total own-account exposure (balance sheet and off-balance sheet) amounted to €91.1bn, up €1.7bn (+2%) compared to 31 December 2024. This increase was mainly driven by the increase in cash business +€1.7bn, and by that of sovereign loans, which increased by +€0.5bn.

AFD Group's exposure at 30 June 2025 on the Debt scope (loans, guarantees and other securities) amounted to €75.3bn, up slightly by 0.1% compared to 31 December 2024.

AFD Group's exposure on loans amounted to €73.0bn (79% of total exposures): €45.7bn in AFD sovereign loans (+1% since the end of 2024), €23.0bn in non-sovereign AFD loans (stable) and €4.3bn in Proparco loans (-10%).

The Group's overall rate of non-performing loans improved: it fell to 5.4% versus 5.6% at the end of 2024. The Group's rate of non-performing sovereign loans fell to 6.5%, i.e. -0.1%, compared to 31 December 2024.

The rate of non-performing loans issued by Proparco and under AFD equity investments stood at 5.6%, compared with 5.9% at the end of December 2024, mainly due to the decrease in Proparco's non-performing loans.

The Group's non-performing loans (on loans, bonds and guarantees, including State-guaranteed loans) amounted to €2,998M, down €108M over the half, with the following trends for each segment:

- -€49M for AFD sovereigns amounted to €2,008M;
- -€20M for AFD non-sovereigns (excluding AFD's sub-participations) amounted to €596M;
- -€39M for Proparco non-sovereigns and AFD sub-participations at €372M;
- And stable non-performing loans at €22M for Sogefom.

The Group's consolidated cost of risk at 30 June 2025 corresponded to a -€27.5M provision, including a €3M reversal on sound and sensitive exposures (stages 1 and 2), a -€24.6M provision on non-performing exposures (stage 3), -€7.1M in write-offs on bad loans and recoveries on amortised loans, and +€1.2M in reversals of other provisions.

The balance of the reserve account for sovereign risk was €1,561M compared to €1,505M at 31 December 2024.

B. Consolidated financial statements in accordance with IFRS accounting standards adopted by the European Union

Overview

Agence Française de Développement (AFD) is a public industrial and commercial institution tasked with financing development assistance, registered with the Paris registry on 17 July 1998. AFD's share capital amounts to €4,718M at 30 June 2025.

Address of registered office: 5, rue Roland-Barthes – 75598 Paris Cedex 12 – France

Listed on the Paris Trade and Companies Register under number 775 665 599.

These consolidated financial statements are presented in thousands of euros.

Balance sheet at 30 June 2025

Assets

<i>In thousands of euros</i>	Notes	30 Jun 25	31 Dec 24	Change
Cash, due from central banks		1,529,779	863,504	666,274
Financial assets at fair value through profit or loss	1	3,868,930	4,739,783	(870,853)
Hedging derivatives	2	2,586,028	3,341,422	(755,394)
Financial assets at fair value through other comprehensive income	3	3,434,606	2,273,869	1,160,737
Debt securities at amortised cost	5	4,031,971	3,148,432	883,539
Financial assets at amortised cost		53,009,695	53,772,227	(762,531)
Loans and receivables due from credit institutions and equivalent at amortised cost	5	12,637,006	13,303,340	(666,334)
<i>On-demand</i>		932,054	1,213,880	(281,826)
<i>At maturity</i>		11,704,952	12,089,460	(384,508)
Loans and receivables due from customers at amortised cost	5	40,372,689	40,468,886	(96,198)
<i>Other loans to customers</i>		40,372,689	40,468,886	(96,198)
<i>Of which calibration of the reserve account</i>		(1,047,780)	(930,187)	(117,592)
Revaluation differences on interest rate-hedged portfolio		14,045	45,209	(31,164)
Current tax assets		8,398	5,966	2,432
Deferred tax assets		27,419	27,513	(93)
Accruals and other miscellaneous assets	7	3,466,979	2,907,962	559,017
<i>Accruals</i>		96,148	53,516	42,632
<i>Other assets</i>		3,370,831	2,854,445	516,386
Equity stakes in companies accounted for by the equity method	20	158,014	160,320	(2,305)
Fixed assets property, plant and equipment	8	902,952	858,161	44,791
Intangible assets	8	190,124	182,597	7,527
TOTAL ASSETS		73,228,942	72,326,964	901,978

Liabilities

<i>In thousands of euros</i>	Notes	30 Jun 25	31 Dec 24	Change
Financial liabilities at fair value through profit or loss	1	95,270	481,623	(386,353)
Hedging derivatives	2	4,159,400	3,662,740	496,660
Financial liabilities at amortised cost		54,396,791	53,477,032	919,759
<i>Debt securities in issue at amortised cost</i>	9	54,362,989	53,465,351	897,639
<i>Interbank market securities</i>		2,012,968	809,211	1,203,757
<i>Bonds</i>		52,350,022	52,656,140	(306,118)
<i>Debts to credit institutions and equivalent at amortised cost</i>	9	32,210	9,556	22,654
<i>On-demand</i>		21,648	9,016	12,633
<i>At maturity</i>		10,561	540	10,021
<i>Debts to customers at amortised cost</i>	9	1,592	2,125	(533)
Current tax liabilities		7,470	14,441	(6,971)
Deferred tax liabilities		10,855	13,872	(3,017)
Accruals and other miscellaneous liabilities	7	3,044,424	3,330,294	(285,870)
<i>Allocated public funds</i>		94,813	87,110	7,704
<i>Other liabilities</i>		2,949,610	3,243,184	(293,574)
Provisions	10	803,953	882,354	(78,401)
<i>Of which calibration of the reserve account</i>		333,431	285,324	48,107
Subordinated debt	11	987,897	842,617	145,280
TOTAL DEBTS		63,506,058	62,704,972	801,085
Equity Group share	(Tab 1)	9,531,780	9,422,346	109,433
<i>Provisions and related retained earnings</i>		5,177,999	5,177,999	-
<i>Consolidated retained earnings and other</i>		4,068,114	3,786,818	281,296
<i>Gains and losses recognised in other comprehensive income</i>		131,493	113,918	17,575
<i>Earnings for the period</i>		154,174	343,612	(189,438)
Non-controlling interests	(Tab 1)	191,105	199,646	(8,541)
Total equity		9,722,885	9,621,992	100,893
TOTAL LIABILITIES		73,228,942	72,326,964	901,978

Income statement at 30 June 2025

<i>In thousands of euros</i>	Notes	30 Jun 25	30 Jun 24	Change
Interest and related income	13	2,257,072	2,518,970	(261,899)
Transactions with credit institutions		885,543	1,141,278	(255,736)
Transactions with customers		622,154	663,732	(41,578)
Bonds and other fixed-income securities		99,391	98,890	501
Other interest and related income		649,984	615,070	34,914
Interest and related expenses	13	(2,028,870)	(2,256,990)	228,119
Transactions with credit institutions		(541,292)	(572,225)	30,933
Transactions with customers		(310)	(220)	(90)
Bonds and other fixed-income securities		(609,197)	(548,090)	(61,108)
Other interest and related expenses		(878,072)	(1,136,455)	258,383
Commissions (income)	14	67,171	52,817	14,354
Commissions (expenses)	14	(756)	(1,388)	632
Net gains or losses on financial instruments at fair value through profit or loss, net of foreign currency impact	15	47,854	(15,276)	63,130
Net gains or losses on financial assets recognised at fair value through other comprehensive income	16	18,983	29,310	(10,327)
Income from other activities	17	418,398	412,332	6,066
Expenses on other activities	17	(247,064)	(202,215)	(44,849)
NET BANKING INCOME		532,787	537,561	(4,773)
Overheads	18	(314,497)	(296,098)	(18,400)
<i>Salary and employee benefit expenses</i>		(227,156)	(208,134)	(19,022)
<i>Other administrative expenses</i>		(87,341)	(87,964)	622
Provisions for amortisation of intangible assets and depreciation of property, plant and equipment	8	(32,842)	(28,705)	(4,137)
GROSS OPERATING INCOME		185,448	212,758	(27,310)
Cost of credit risk	19	(27,454)	23,599	(51,053)
OPERATING INCOME		157,994	236,357	(78,363)
Share of earnings from companies accounted for by the equity method	20	(842)	445	(1,287)
Net gains or losses on other assets		(767)	135	(902)
PRE-TAX INCOME		156,385	236,937	(80,552)
Corporate tax	21	(7,874)	(653)	(7,221)
NET INCOME		148,511	236,284	(87,773)
Non-controlling interests		(5,662)	5,289	(10,952)
NET INCOME - GROUP SHARE		154,174	230,995	(76,821)

Net income, gains and losses recognised directly in other comprehensive income at 30 June 2025

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24	31 Dec 24
Net income	148,511	236,284	362,745
Net gains and losses directly recognised in other comprehensive income to be recycled in profit or loss:	51,527	(12,733)	(25,336)
Net gains or losses on debt securities recognised in other comprehensive income to be recycled in profit or loss	51,527	(12,733)	(25,336)
Net gains and losses directly recognised in other comprehensive income not to be recycled in profit or loss:	(40,968)	(5,448)	29,584
Actuarial gains and losses on retirement benefits	10,658	-	8,389
Net gains and losses on equity instruments recognised in other comprehensive income not to be recycled in profit or loss	(51,626)	(5,448)	21,194
Total gains and losses recognised directly in other comprehensive income	10,559	(18,181)	4,247
Net income and gains and losses recognised directly in other comprehensive income	159,071	218,103	366,992
of which Group share	171,749	211,409	343,485
of which non-controlling interests	(12,678)	6,694	23,507

Statement of changes in equity from 1 January 2024 to 30 June 2025

<i>In thousands of euros</i>	Provisions	Funding reserves	Consolidated reserves	Income for the financial year	Unrealised or deferred gains or losses	Equity – Group share	Equity – Non-controlling interests	Total consolidated equity
Equity at 1 January 2024	4,567,999	460,000	3,476,966	371,271	114,044	8,990,281	164,905	9,155,186
Share of 2023 income allocated to retained earnings	-	-	371,271	(371,271)	-	-	-	-
Dividends paid	-	-	(65,075)	-	-	(65,075)	-	(65,075)
Other changes	-	-	770	-	-	770	(2,464)	(1,694)
Changes related to put options	-	-	2,460	-	-	2,460	21,493	23,953
AFD capital increase	150,000	-	-	-	-	150,000	-	150,000
Change in scope	-	-	425	-	-	425	(7,795)	(7,370)
2024 net income	-	-	-	343,612	-	343,612	19,133	362,745
Gains and losses recognised directly in other comprehensive income in 2024	-	-	-	-	(127)	(127)	4,374	4,247
Equity at 31 December 2024	4,717,999	460,000	3,786,818	343,612	113,917	9,422,346	199,646	9,621,992
Share of 2024 income allocated to retained earnings	-	-	343,612	(343,612)	-	-	-	-
Dividends paid	-	-	(54,013)	-	-	(54,013)	-	(54,013)
Other changes	-	-	(2,530)	-	-	(2,530)	(1,667)	(4,197)
Changes related to put options	-	-	(5,772)	-	-	(5,772)	5,804	32
AFD capital increase	-	-	-	-	-	-	-	-
Income for the first half of 2025	-	-	-	154,174	-	154,174	(5,662)	148,511
Gains and losses recognised directly in other comprehensive income for the first half of 2025	-	-	-	-	17,575	17,575	(7,016)	10,560
Equity at 30 June 2025	4,717,999	460,000	4,068,114	154,174	131,493	9,531,780	191,105	9,722,885

Cash flow statement at 30 June 2025

<i>In thousands of euros</i>	30 Jun 25	31 Dec 24
Pre-tax income (A)	156,385	378,144
Net depreciation/amortisation expenses on property, plant and equipment and intangible assets	28,635	56,109
Net depreciation/amortisation provisions on fixed assets related to the application of IFRS 16	8,920	17,919
Provisions net of other provisions (including technical insurance provisions)	59,591	67,872
Share of earnings from companies accounted for by the equity method	842	1,370
Net loss/(net gain) on investment activities	(42,098)	(47,362)
Net loss/(net gain) on financing activities	20,535	188,624
Other items	(77,951)	187,457
Total non-cash items included in net pre-tax income and other items (B)	(1,526)	471,989
Cash received from credit institutions and equivalent	581,525	(888,261)
Cash received from customers	(40,717)	(2,575,698)
Cash flows from other operations affecting other financial assets or liabilities	(786,422)	(878,107)
Cash flows from operations affecting non-financial assets or liabilities	(729,481)	1,346,136
Taxes paid	(9,343)	(14,298)
= Net increase (decrease) in cash-related assets and liabilities from operating activities (C)	(984,439)	(3,010,229)
Net cash flows from operating activities (A+B+C)	(829,580)	(2,160,097)
Cash flows from financial assets and equity investments ⁽¹⁾	5,586	(314,375)
Cash flows from property, plant and equipment and intangible assets	(88,469)	(325,311)
Net cash flows from investment activities	(82,883)	(639,687)
Cash flows related to the application of IFRS 16	(5,214)	(9,805)
Cash flows from shareholders ⁽²⁾	141,440	173,063
Cash flows to shareholders ⁽³⁾	(44,412)	(50,952)
Other net cash flows from financing activities ⁽⁴⁾	1,192,999	1,843,744
Net cash flows from financing activities	1,284,812	1,956,051
Net increase/(decrease) in cash and cash equivalents	372,350	(843,733)
Opening balance of cash and cash equivalents	2,066,243	2,909,976
Net balance of cash accounts and accounts with central banks ⁽⁵⁾	863,504	2,497,287
Net balance of on-demand loans and deposits from credit institutions and customers ⁽⁶⁾	1,202,739	412,689
Ending balance of cash and cash equivalents	2,438,593	2,066,243
Net balance of cash accounts and accounts with central banks	1,529,779	863,504
Net balance of on-demand loans and deposits from credit institutions and customers	908,814	1,202,739
Change in cash and cash equivalents	372,350	(843,733)

(1) Cash flows from financial assets and equity investments mainly come from the equity investment activity of the Proparco subsidiary and correspond to the flows during the period between acquisitions, disposals and fund raising.

(2) Cash flows from shareholders correspond to RCS issues.

(3) Cash flows to shareholders correspond to the dividends paid by AFD to the French State and to non-controlling shareholders by the Proparco subsidiary.

(4) Other net cash flows from financing activities correspond to market borrowings carried out by AFD to meet the growth in its operating activity.

(5) Composed of the net balance of "Cash accounts and accounts with central banks" as it appears in the Group's consolidated balance sheet.

(6) Net balance of "On-demand receivables and payables from/to credit institutions".

C. Notes to the consolidated financial statements

1. Significant events at 30 June 2025

1.1. Financing of the Group's activity

To finance the growth of its own-account activities, AFD issued five public bonds and three private placements in the first half of 2025, as well as five tap issues, for a total amount of €6.423bn.

1.2. Appropriation of income for the 2024 financial year

Pursuant to Article 79 of the 2001 amending Finance Bill No. 2001-1276 of 28 December 2001, the amount of the dividend paid by AFD to the French State is set by ministerial decree.

The Board of Directors approved the 2024 financial statements on 24 April 2025.

The French Minister of the Economy and Finance set the 2024 dividend to be paid by AFD to the French State. It amounted to €54M, i.e. 20% of AFD's corporate income (€270M at 31 December 2024), and was paid out after publication in the Official Journal.

This proposal was made enforceable by the order of the Minister of the Economy, Finance and Industrial and Digital Sovereignty, responsible for public accounts, published on 30 April 2025.

The balance of income after payment of the dividend, i.e. €216M, was allocated to reserves.

1.3. Tax audit

As part of a tax audit carried out by the administration between 14 February and 29 November 2024, a €5M provision was recorded in respect of payroll tax for the 2021 financial year. At the end of an appeal procedure initiated by the AFD, it was successful. As a result, the provision initially established was reversed in full.

2. Accounting standards applicable to Agence Française de Développement

2.1. Application of accounting standards adopted by the European Union

The financial statements given in this document include the summary financial statements and the notes to the financial statements. They are presented according to recommendation No. 2022-01 of 8 April 2022 on the format of consolidated financial statements of banking sector institutions prepared in accordance with international accounting standards.

The consolidated financial statements of AFD Group at 30 June 2025 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The content of these financial statements complies with IAS 34 on interim financial information, which provides for the publication of condensed half-year financial statements.

The accounting standards applied in the preparation of AFD's financial statements at 30 June 2025 are described in Section 3.2.

2.2. IASB and IFRIC texts adopted by the European Union and applied at 1 January 2025

The standards and interpretations used in the financial statements at 30 June 2025 were supplemented by the provisions of IFRS as adopted by the European Union and with mandatory application for the first time during this period. They relate to:

Standards applicable for the current financial year	Provisional date of application
Amendments to IAS 21 "Non-Convertibility"	1 January 2025

2.3. IASB and IFRIC texts adopted by the European Union or in the process of being adopted, but not yet applicable

The IASB has published standards and amendments, not all of which had been adopted by the European Union at 30 June 2025. They will come into force on a mandatory basis for financial years beginning on or after 1 January 2026 at the earliest, or their adoption by the European Union. They were therefore not applied by the Group at 30 June 2025.

Standards applicable to future financial years	Provisional date of application
Amendments to IFRS 9 and IFRS 7 "Changes in the classification and appraisal of financial instruments"	1 January 2026
Amendments to IFRS 9 "Contracts referencing electricity dependent on natural factors"	1 January 2026
IFRS 18 "Presentation and Disclosures in Financial Statements"	1 January 2027
IFRS 19 "Subsidiaries with no public disclosure obligation: Disclosures"	1 January 2027

3. Principles for the preparation of the consolidated financial statements of AFD Group at 30 June 2025

3.1. Consolidation scope and methods

3.1.1. Scope of consolidation

Agence Française de Développement's consolidated financial statements cover all fully-controlled enterprises, joint ventures and companies on which the Institution exerts a significant influence.

The following are not included in the consolidation scope:

- companies of no real significance;
- foreign companies in which AFD holds a minority interest and does not exercise significant influence due to the companies being either fully or partially State-owned.

Significant assumptions and judgments applied to determine the consolidation scope in accordance with IFRS 10-11-12:

The elements used to draw a conclusion on whether AFD exercises control or influence over the entities in which it invests are many. Accordingly, the Group determines its ability to exercise influence over the management of another entity by taking due consideration of the entity's structure, shareholders, arrangements and the participation of AFD and its subsidiaries in decision-making bodies.

Moreover, materiality with regard to Group accounts is also subject to analysis.

<i>In percentage of ownership</i>	30 Jun 25	31 Dec 24
Fully consolidated companies		
Soderag	100.00	100.00
Proparco	85.21	85.21
Sogefom	58.69	58.69
Fisea	100.00	100.00
Expertise France	100.00	100.00
Companies accounted for by the equity method		
Société Immobilière de Nouvelle Calédonie	50.00	50.00
Banque Socredo	35.00	35.00

Non-controlling interests:

Non-controlling interests are immaterial with regard to the Group's financial statements, either separately or cumulatively.

<i>In thousands of euros</i>	30 Jun 25			31 Dec 24		
	% of control and vote held by non-controlling interests	Share of net income	Share of equity (including income)	% of control and vote held by non-controlling interests	Share of net income	Share of equity (including income)
Proparco	14.79%	(6,552)	185,766	14.79%	18,868	195,196
Other subsidiaries		889	5,339		265	4,450
Total non-controlling interests		(5,662)	191,105		19,133	199,646
Total Group share		154,174	9,531,780		343,612	9,422,346

Interests in joint arrangements and associates have a negligible impact on the financial statements of AFD Group.

3.1.2. Consolidation principles and methods

The following consolidation methods are used:

Full consolidation

This method applies to subsidiaries over which AFD has exclusive control. Such exclusive control is determined by the power to govern the financial and operating policies of the subsidiary. The Group controls an entity when the following three conditions are met:

- The Group has power over the entity (ability to direct its relevant activities, i.e. those that have a significant impact on the entity's returns), through the holding of voting rights or other rights; and
- The Group is exposed or has rights to variable returns as a result of its ties with the entity; and
- The Group has the ability to exercise its power over the entity in such a way as to affect the amount of returns it obtains.

The consolidation method consists of incorporating all the financial statements item by item, with recognition of the rights of "minority shareholders". The same process is used for income statements.

The following four companies are consolidated:

- Société de promotion et de participation pour la coopération économique (Proparco), was created in 1977.
Proparco's status change from a credit institution to a finance company became effective on 25 May 2016 on receipt of notification from the ECB.
At 30 June 2025, the company's share capital totalled €1,353M and AFD's equity investment was 85.21%.
- Société de développement régional Antilles-Guyane (Soderag), of which AFD took control in 1995 at the behest of the French State, was liquidated in 1998 after it lost its licence to operate as a credit institution.
At 30 June 2025, this company's share capital amounted to €111.9M. It is 100% owned by AFD.
- The Société de gestion de fonds de garantie Outre-mer (Sogefom), whose shares AFD purchased, and which were held by the Institut d'émission d'Outre-mer (IEOM), on 12 August 2003, following the request from the Minister for the Economy, Finance and Industry and the Minister for French Overseas Departments and Collectivities.
At 30 June 2025, this company's share capital amounted to €1.1M. It is 58.69% owned by AFD.
- The Fonds d'investissement et de soutien aux entreprises en Afrique (Fisea) was created in April 2009. This simplified joint stock company (société anonyme par actions simplifiée) with a share capital of €380.0M is wholly-owned by AFD. Fisea is managed by Proparco.
- Expertise France, of which AFD took control on 1 January 2022 following the publication of the AFD/Expertise France strategic project for an extended group to serve France's development policy. This simplified joint stock company (société anonyme par actions simplifiée) with a share capital of €829K is wholly-owned by AFD.

Equity method

Companies over which AFD Group has significant influence are accounted for by the equity method. Significant influence means the power to participate in the financial and operating policy decisions of the subsidiary but without having control or joint control over them. It is usually evidenced by (i) representation on the executive or supervisory bodies, (ii) participation in policy-making processes, or (iii) material transactions between the companies. At 30 June 2025, this method was used for two companies in which AFD directly or indirectly holds an equity investment of between 20% and 50% and over which significant influence may be proven: Société immobilière de Nouvelle Calédonie (SIC) and Socredo.

The consolidation method consists of measuring the equity investment by using the company's net position and calculating the share of its income restated for reciprocal transactions according to the equity investment held in its share capital.

Comments on other companies

AFD also has equity investments in a number of companies over whose management it has no significant influence. Through their equity investments, either directly or through investment funds, and through their lending activities, AFD Group subsidiaries aim to contribute to the economic and social development of disadvantaged regions. In no case will the acquisition of control of the entities be pursued. These companies are not consolidated, either globally or using the equity method, with regard to the normative analyses carried out by the Group on the notion of control and materiality. They are recorded under "Financial assets at fair value through profit or loss" or "Financial assets at fair value through other comprehensive income".

3.1.3. Restatement of transactions

Balance sheet balances and transactions, income and expenses resulting from intra-group transactions are eliminated in the preparation of the consolidated financial statements from the date of acquisition of control. Gains arising from transactions with equity-accounted companies are eliminated by offsetting equity method investments to the extent of the Group's interest in the entity. Losses are eliminated in the same manner but only when they do not represent an impairment loss.

3.1.4. Business combinations

Business combinations are accounted for using the acquisition method, in accordance with IFRS 3 revised.

The consideration paid is determined at the fair value, on the acquisition date, of the assets delivered, the liabilities incurred and the equity instruments issued in exchange for control of the acquired company.

Any earnouts are included in the acquisition cost at their estimated fair value on the acquisition date and revalued at each closing date, with subsequent adjustments recorded in profit or loss if the earnout meets the definition of a debt security.

The identifiable assets, liabilities and contingent liabilities of acquired entities are recorded at their fair value on the acquisition date.

Contingent liabilities of the acquired entity are only recognised in the consolidated balance sheet if they are representative of a present obligation at the date of the business combination and their fair value can be reliably estimated.

The costs directly attributable to the business combination constitute a separate transaction and are recorded in profit or loss.

Goodwill corresponds to the difference between (i) the acquisition cost of the entity, non-controlling interests and the fair value of the share previously held, and (ii) the revalued net asset. If it is positive, it is recorded as an asset in the consolidated balance sheet under "Goodwill"; in the event of a negative difference, it is immediately taken to profit or loss.

As goodwill is not taxable, no deferred taxes calculation is made.

The analyses required for the initial assessment of these items and any amendments thereto can be made within a period of 12 months from the acquisition date.

Goodwill is recorded in the balance sheet at its historical cost in the reference currency of the acquired subsidiary and translated on the basis of the official exchange rate at the closing date.

It is regularly reviewed by the Group and tested for impairment at least once a year and whenever there is an indication of impairment.

When the recoverable value of the underlying asset, defined as the higher of the market value and the value in use of the entity concerned, is lower than its carrying amount, an irreversible impairment of goodwill is recorded in profit or loss.

The carrying amount of goodwill from associates is included in the equity-accounted value.

3.2. Accounting policies and principles

AFD's consolidated financial statements are prepared using accounting policies applied consistently across all of the periods presented in the consolidated financial statements and applicable in line with the Group's principles by entities consolidated by AFD.

The main appraisal and presentation rules used in preparing the financial statements of Agence Française de Développement at 30 June 2025 are described below.

3.2.1. Conversion of foreign currency transactions

The financial statements are denominated in euros, AFD's functional currency.

Monetary assets and liabilities denominated in foreign currencies are converted into the Group's accounting currency (euros) at the closing rates. Foreign exchange differences are recognised in the income statement.

Non-monetary assets and liabilities in foreign currencies may be recorded at historic cost or fair value. Non-monetary assets denominated in foreign currencies are, in the first case, converted at the exchange rate on the date of the initial transaction or, in the second case, at the rate applicable on the date on which fair value was determined. Foreign exchange differences relating to non-monetary assets denominated in foreign currencies and recognised at fair value are recognised in profit or loss when the asset is classified as "financial assets at fair value through profit or loss" and in other comprehensive income when the asset is classified as "financial assets at fair value through other comprehensive income".

3.2.2. Use of estimates

Some items recognised in the consolidated financial statements in accordance with the accounting policies and principles involve the use of estimates made on the basis of available information. These estimates are mainly used for the fair value measurement of financial instruments, impairments and provisions.

The use of estimates notably concerns:

- The assessment of losses expected at 12 months or maturity in application of the second section of IFRS 9;
- Provisions recognised as balance sheet liabilities (provisions for employee benefits obligations, litigation, etc.);
- Some financial instruments that are valued using complex mathematical models or by discounting probable future cash flows.

3.2.3. Financial instruments

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset of one entity and a financial liability or an equity instrument of another entity.

Financial assets and liabilities are recognised in the financial statements in accordance with the provisions of IFRS 9 as adopted by the European Union.

Accordingly, financial assets are classified at amortised cost, at fair value through other comprehensive income or at fair value through profit and loss, depending on the contractual characteristics of the

instruments and the business model at the time of initial recognition. Financial liabilities are classified at amortised cost or at fair value through profit and loss.

AFD Group continues to apply the provisions of IAS 39 on hedging while awaiting the future provisions on macro-hedges.

Financial assets

Classification and measurement of financial assets

Upon initial recognition, financial assets are measured at their fair value as defined in IFRS 13 and are classified in the Group's balance sheet in one of three categories (amortised cost, fair value through other comprehensive income or fair value through profit and loss), as defined in IFRS 9. Purchases/sales of financial assets are recognised at the completion date. The accounting classification defines the way in which the financial assets are subsequently measured.

This classification depends on the characteristics of their contractual flows and the way in which the entity manages its financial instruments (business model).

The contractual characteristics ("Solely Payments of Principal & Interests" or "SPPI" test)

Contractual cash flows which fall into the "Solely payments of principal & interests" category are likened to a basic loan agreement for which interest is paid essentially in consideration of the time value of the money and the credit risk.

The interest may also however contain consideration for other risks (liquidity risk, for example) and charges (admin charges, for instance) for holding the financial asset for a certain period. The interest may include a margin which is in keeping with a basic loan agreement.

However, when the contractual arrangements expose the contractual cash flows to risks or volatility which are not commensurate with a basic loan agreement, for example exposure to variations in the price of equities or goods, the contractual cash flows are not solely payments of principal and interests and the contract is therefore recognised at fair value through profit and loss.

The management model

The management model defines how the instruments used to generate cash flows are managed.

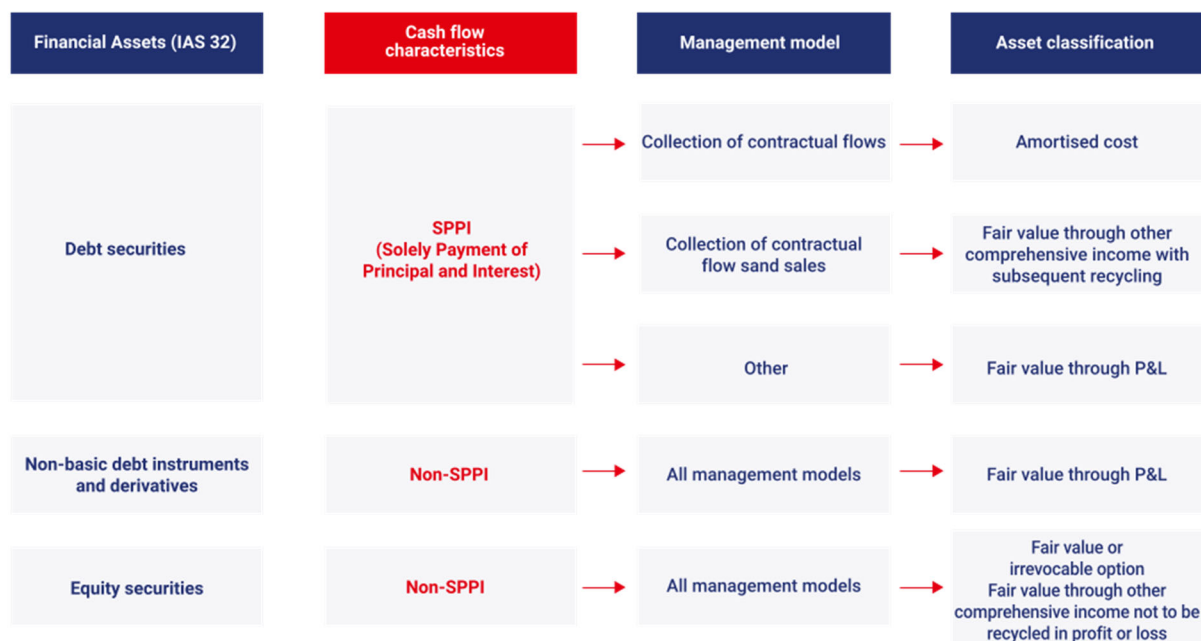
The management model is identified at portfolio level, and not instrument by instrument, primarily by analysing and observing:

- The performance reports submitted to the Group's Executive Management;
- The compensation policy for portfolio managers;
- Completed and anticipated asset sales (size, frequency, etc.).

Based on the criteria observed, the three management models for the classification and measurement of financial assets are:

- The collection only model for contractual cash flows of financial assets;
- The model based on the collection of contractual cash flows and the sale of financial assets;
- And any other model, notably the transfer only model.

The recognition method for financial assets resulting from the analysis of the contractual clauses and the qualification of the management model is presented in the diagram below:



a) Debt securities at amortised cost

Debt securities are classified at amortised cost if the following two criteria are met: the contractual cash flows only constitute payments of the principal and interest on the principal and the management model is qualified as collection only. This category of financial assets includes:

- Loans and receivables

Loans and receivables are initially booked at market value plus transaction costs. In general, this is the amount originally paid (including related loans). After initial recognition, loans and receivables are measured at amortised cost based on the effective interest rate.

In accordance with IFRS 9, loans and receivables are impaired upon initial recognition, on the basis of a collective provisioning. They may also be subject to individual impairment, if there is a default event occurring after the loan was put in place, which has an impact on the estimated future cash flows of the assets and thus, likely to generate a measurable loss. These impairments are determined by comparing discounted cash flows to carrying amount.

- Securities at amortised cost

This category includes debt securities whose contractual characteristics are SPPI and for which the management model is qualified as “collection”.

They are recognised initially at market value plus transaction costs and then at amortised cost using the effective interest rate method, which includes the amortisation of premiums and discounts. Interest accrued on coupons that are not yet due are included at their balance sheet value under IFRS.

These financial assets are subject to impairment under the conditions described in the paragraph below “Impairment of financial assets at amortised cost and at fair value through other comprehensive income”.

b) Debt securities at fair value through other comprehensive income

Debt securities are classified at fair value through other comprehensive income if the following two criteria are met: the contractual cash flows are solely comprised of payments on principal and interest on the principal and the management model is qualified as “collection and sale”.

This category essentially corresponds to fixed income and fixed maturity securities that AFD may have to sell at any time, particularly securities held as part of its asset/liability management.

These financial assets are initially measured at their fair value plus transaction costs. They are subsequently measured at fair value and changes in fair value are recorded in other comprehensive income that may be recycled. They are also subject to a calculation of expected credit risk losses on the same terms as those applicable to debt securities at amortised cost (Note 5 “Financial instruments at amortised cost”).

Interest is recorded as income using the effective interest rate method.

Upon disposal, changes in value previously recognised in other comprehensive income will be transferred to the income statement.

c) Debt securities at fair value through profit and loss

This category includes debt securities that do not comply with the SPPI criteria:

- Equity investment in funds and direct securities with put options and other debt securities (e.g. UCITS, etc.)

The characteristics of the contractual flows are such that these do not pass the SPPI test, therefore they cannot be measured at amortised cost.

In line with its procedures, AFD classifies its financial assets using two primary criteria: assets listed on a market and unlisted assets.

Listed assets are divided into two subgroups, those listed on an “active” market, an attribute that is appraised according to objective criteria, or those listed on an inactive market. Assets listed on an “active” market are automatically classified as fair value level 1 according to IFRS 13. Assets listed on an “inactive” market are classified as fair value level 2 or 3, depending on the valuation method used. When there are direct or indirect observable data used for the valuation, the asset is classified as fair value level 2 according to IFRS 13.

When there are no such data or those data are not “observable” (isolated observation, without recurrence), the asset is classified as fair value level 3, just like the unlisted assets. All unlisted assets are classified as fair value level 3 and are evaluated primarily using two methods, the proportionate share of the re-evaluated net asset based on the latest financial statements transmitted by the concerned entities (< six months) and the historic cost for AFD’s real estate subsidiaries.

Valuations are reviewed every six months. In the event of any changes to the parameters that could be cause for changes to the fair value classification level, the Group Risk Department decides to propose the change in classification that is subject to approval by the Group Risk Management Committee.

- Loans

Some loan agreements have an early repayment clause, the contractual amount of which corresponds to a settlement equal to the cost of unwinding an associated hedge swap. The early repayment flows of these loans are considered to be non-SPPI if they do not purely reflect the effect of changes in the reference interest rates.

As a result, AFD Group has identified a loan portfolio which is measured at fair value through profit and loss. The loans are therefore subjected to a valuation exercise based on the methodology for discounting future flows, with a discount rate specific to each loan.

- Foreign exchange or interest rate derivatives used in economic hedging

These are derivatives that do not meet the definition of hedge accounting under IAS 39. These assets and liabilities are measured at fair value in the income statement. The change in fair value is recorded in the income statement under “net gains and losses on financial instruments at fair value”. The fair value of the foreign exchange derivatives entered into by AFD frequently includes a hedge of the future margin on loans denominated in foreign currencies. The foreign exchange income from related assets recognised in income or expenses on other activities partially offsets this impact. The amount initially recorded on the balance sheet for a derivative measured at fair value is equal to the consideration given

or received, e.g. the premium on an option or commission received. Subsequent valuations are generally calculated based on discounted future cash flows using a zero-coupon curve.

Finally, the last items to be included under this heading are assets and liabilities designated at fair value through profit and loss and the impacts stemming from credit risk (Credit Valuation Adjustment/Debit Valuation Adjustment).

d) Equity instruments

In principle, equity instruments are recognised at fair value through profit and loss. However, there is the option to designate equity instruments at fair value through other comprehensive income not to be recycled on profit or loss. This choice is made on a case-by-case basis for each instrument and is irrevocable.

When the option to designate an equity instrument at fair value through other comprehensive income is chosen:

- Only the dividends that do not represent the recovery of part of the cost of the investment are recognised in the income statement under “Net gains or losses on financial assets at fair value through other comprehensive income”;
- Changes in the fair value of the instrument are only recognised in other comprehensive income and are not subsequently transferred to profit or loss. Consequently, if the investment is sold, no profits or losses are recognised in the income statement, and the gains and losses are reclassified in consolidated reserves.

The IFRS 9 general approach of impairment, does not apply to equity instruments.

e) Reclassification of financial assets

The reclassification of financial assets takes place only in exceptional cases brought about by a change in business model.

A change in the management model for financial assets involves changes in the way the activity is managed operationally, systems, etc. (acquisition of a business, end of a business, etc.) with the accounting consequence of a reclassification of all financial assets in the portfolio when the new management model is effective.

Financial liabilities

The categories of financial liabilities have not been modified by IFRS 9, and are consequently classified in two accounting categories:

- Financial liabilities at fair value through profit and loss by nature or by option are assessed at fair value, and changes in fair value are recognised in the income statement;
- Financial liabilities at amortised cost are initially measured at fair value and subsequently at amortised cost according to the effective interest rate method – there is no change in the amortised cost method compared to IFRS 9.

Financial liabilities measured at fair value through profit or loss under the fair value option are measured at fair value through profit or loss for changes in fair value, with the effect of remeasuring own credit risk to be recognised directly in non-recyclable other comprehensive income.

It is still necessary to separate embedded derivatives from financial liabilities, where applicable.

Financial liabilities within AFD Group (excluding derivatives) are measured at amortised cost and correspond to:

- Debt securities in issue which are first recognised at fair value less transaction costs and then measured at amortised cost using the effective interest rate method. Call premiums (difference between the redemption price and par value of securities) and positive or negative share premiums (difference between the issue price and par value of securities) are spread over the maturity of the borrowings using an actuarial method.
- Subordinated debt: In 1998, an agreement was reached with the French State whereby part of AFD's debt to the French Treasury, corresponding to drawdowns between 1 January 1990 and 31 December 1997, was converted into subordinated debt. This agreement also provides for the general rescheduling of the debt's repayment period over 20 years with a ten-year grace period, with any new tranche of borrowings after 1 January 1998 recognised as subordinated debt (with a repayment period scheduled over 30 years and a ten-year grace period).
- In accordance with riders No. 1 of 19 March 2015 and No. 2 of 24 May 2016, on the initiative of the French State and as per the third stage of additional financing of €280.0M, there was a drawdown of €160.0M on this last tranche of RCS (Resources with special conditions) in September 2017. The drawdown of the balance of €120M took place in September 2018, thereby reaching the €840M total for the 2015-2018 period.

In 2025, AFD received €145M in resources with special conditions.

Derecognition of financial assets and liabilities

AFD Group derecognises all or part of a financial asset when:

- The contractual rights to the cash flows linked to the asset expire; or
- AFD transfers the contractual rights to receive the cash flows from the financial asset, and transfers almost all the risks and benefits of the ownership of this asset; or
- AFD retains the contractual rights to receive the cash flows from the financial asset, but bears the contractual obligation to pay these cash flows to one or several entities.

When derecognising a financial asset in its entirety, the difference between the carrying amount of that asset and the amount of consideration received should be recognised in the income statement among the gains or losses on disposal corresponding to the financial asset transferred.

AFD Group derecognises a financial liability if and only if it has expired, i.e. when the obligation stipulated in the contract has legally expired, lapsed, been cancelled, or reached expiry.

When derecognising a financial liability in its entirety, the difference between the carrying amount of that liability and the consideration paid must be recognised in the income statement as an adjustment to the interest expense account corresponding to the derecognised financial liability.

Financial hedging derivatives

AFD Group has decided not to apply the third phase of IFRS 9 on "hedge accounting", since AFD applies fair value hedge accounting as defined in IAS 39. This involves a hedge of the exposure to changes in fair value of an asset or liability recognised on the balance sheet. Changes in the fair value stemming from the hedged risk are recorded in the income statement under "Net gains and losses on financial instruments at fair value through profit or loss", alongside the change in the fair value of the hedging instruments.

Interest-rate swaps and cross-currency swaps (fixed and variable rates) are used by AFD to shield it from interest and foreign exchange risk.

Hedge accounting is applicable if the effectiveness of the hedging relationship is proven and if the correlation between the effective changes in value of the item hedged and the hedging instrument is between 80% and 125%.

The revaluation of the hedged item is booked either in accordance with the classification of the hedged item, in the case of a hedging relationship covering an identified asset or liability, or under “Revaluation adjustments on portfolios hedged against interest rate risk” in the case of a portfolio hedging relationship.

If the hedge does not meet the effectiveness requirements of IAS 39, the hedging derivatives are transferred to “Financial assets at fair value through profit or loss” or to “Financial liabilities at fair value through profit or loss” and recorded in accordance with the principles applicable to this category.

As for non-zero value swaps involved in a fair value hedge, the accumulated total of changes in fair value of the hedged component that are not zero is spread out over the remaining term of hedged items.

Impairment of financial assets at amortised cost and at fair value through other comprehensive income

In accordance with IFRS 9, the impairment model for credit risk is based on the expected credit losses (ECL). Impairments are recognised on debt securities measured at amortised cost or fair value through other comprehensive income to be recycled in profit or loss that can be recycled, as well as on loan commitments and financial guarantee contracts that are not recognised at fair value.

General principle

AFD Group classifies financial assets into three separate categories (also called “stages”) according to the change, from the origin, of the credit risk associated with the asset. The method used to calculate the provision differs according to which of the three stages an asset belongs to.

These are defined as follows:

- Stage 1 is for “performing” assets, for which the counterparty risk has not increased since they were granted. The provision calculation is based on the expected loss within the following 12 months;
- Stage 2 groups together performing assets for which a significant increase in credit risk has been observed since initial recognition. The method of calculating the provision is statistically based on expected loss at maturity;
- Stage 3 is for assets for which there is an objective impairment indicator (identical to the notion of default currently used by the Group to assess the existence of objective evidence of impairment). The method of calculating the provision is based on expected loss at maturity, as determined by an expert.

Concept of default

The transfer to stage 3 (which meets the definition of “incurred loss” under IAS 39) is linked to the notion of default which is not explicitly defined by the standard. The standard associates the rebuttable presumption of 90 days past due with this concept. It states that the definition used must be consistent with the entity’s credit risk management policy and must include qualitative indicators (i.e. breach of covenant).

Thus, for AFD Group, “stage 3” under IFRS 9 is characterised by the combination of the following criteria:

- Definition of a non-performing third party according to AFD Group;
- Use of the default contagion principle.

Third parties with arrears of over 90 days (including local authorities), or a proven credit risk (financial difficulties, financial restructuring, etc.) are downgraded to “non-performing” and the non-performing contagion character is applied to all financing for the third party concerned.

The definition of default is aligned with that of the Basel framework, based on a rebuttable presumption that the status of default is applied after no more than 90 days of non-payment. This definition takes into account the EBA guidelines of 28 September 2016, in particular with regard to applicable thresholds in the event of non-payment, and probationary periods.

Significant increase in credit risk

The significant increase in credit risk can be measured individually or collectively. The Group examines all the information at its disposal (internal and external, including historic data, information about the current economic climate, reliable forecasts about future events and economic conditions).

The impairment model is based on the expected loss, which must reflect the best information available at the closing date, adopting a forward looking approach.

The internal ratings calibrated by AFD are by nature forward-looking, taking into account:

- Forward-looking elements on the counterparty's credit quality: anticipation of adverse medium-term changes in the counterparty's position;
- Country risk and shareholder support.

To measure the significant increase in credit risk of a financial asset since its entry into the balance sheet, which involves it moving from stage 1 to stage 2 and then to stage 3, the Group has created a methodological framework which sets out the rules for measuring the deterioration of the credit risk category. The methodology selected is based on a combination of several criteria, including internal ratings, inclusion on a watchlist and the refutable presumption of significant deterioration because of monies outstanding for more than 30 days.

According to this standard, if the risk for a particular financial instrument is deemed to be low at the closing date (a financial instrument with a very good rating, for example), then it can be assumed that the credit risk has not increased significantly since its initial recognition. This arrangement has been applied for debt securities recognised at fair value through other comprehensive income that may be recycled and at amortised cost. For the purposes of stage 1 and 2 classification, counterparties with a very good rating are automatically classified as stage 1.

Measuring expected credit losses (ECL)

Expected credit losses are estimated as the discounted amount of credit losses weighted by the probability of default over the next 12 months or over the asset's lifetime, depending on the stage.

Based on the specificities of AFD Group's portfolio, work was carried out to define the methodological choices for calculating expected credit losses for all of the Group's assets eligible for recognition at amortised cost or at fair value through other comprehensive income, in line with stage 1 of IFRS 9. The Group's chosen calculation method was thus based on internal data and concepts, and also adaptations of external restated transition matrices.

Calculation of the expected credit losses (ECLs) is based on three key parameters: probability of default (PD), loss given default (LGD) and exposure at default (EAD), bearing in mind the amortisation profiles.

In addition, IFRS 9 parameters now take into account the economic environment expected over the projection horizon (forward-looking). AFD Group takes forward-looking information into account when measuring expected credit losses.

The adjustment of parameters to the economic environment is based on the upward modulation of provisions according to macroeconomic projections to define groups of countries (i.e. list of non-sovereign counterparties in the portfolio in these countries). The main criteria used are:

- the IMF's GDP growth outlook;
- the outlook of rating agencies;
- the degree of debt sustainability published by the World Bank.

The cross-referencing of these three indicators (with weightings for each indicator value) leads to the definition of a list of countries which is submitted for expert review at Group level.

Once the list has been validated by the various stakeholders, the geographies are then classified according to the expected economic context (very deteriorated, deteriorated, stable, favourable, very favourable).

These expectations are taken into account in collective provisions using multipliers intended to add a buffer of additional provisions in regions where the economic environment is deemed to be deteriorated in the short term.

Probability of default (PD)

The probability of default on a loan can be estimated over a given time span. This probability is modelled:

- From risk segmentation criteria;
- Over a 12-month time period (noted PD 12 months) for the calculation of the expected losses for assets in stage 1; and
- Over the entire duration of loan repayments for stage 2 assets (known as the PD maturity curve, or lifetime PD).

The PD matrix for non-sovereign loans is supplemented in order to favour internal data when available (portfolio with a non-investment grade rating).

Loss given default (LGD)

Loss given default (LGD) is modelled for assets in all three stages. AFD Group has taken into account the collateral valuation in the LGD modelling.

In order to take into account AFD's business model and its recovery capacity, AFD Group relies on the observation of recovery on historical files that have been resolved (i.e. with extinction of the position after repayment and/or transfer to losses).

Exposure at default (EAD)

Exposure at default reflects the amount of debt outstanding at the time of default and thus takes future cash flows and forward looking factors into account. As such, the EAD takes into account:

- The contractual amortisation of the principal;
- Elements of drawdowns of lines recognised off-balance sheet;
- Any early repayments.

Financial asset restructuring

Restructuring for the borrower's financial difficulties results in a change to the terms of the initial contract to allow the borrower to contend with the financial difficulties it is having. If the restructuring does not result in derecognition of the assets and the changes in terms are such that the present value of these new expected future flows at the original effective interest rate of the asset is lower than its carrying amount, a discount must be recognised under "Cost of credit risk" to bring the carrying amount back to the new present value.

Impairment of sovereign outstandings

The agreement "on the reserve account" on 8 June 2015 between AFD and the French State for an indefinite term, determines the mechanism for creating provisions for hedging the sovereign risk and the principles for using the provisions recognised thereby.

This reserve account is intended to (i) fund the provisions that AFD would have to recognise in case a sovereign borrower defaults, (ii) serve normal unpaid interest, and (iii) more generally, help compensate AFD in the event of debt cancellation for sovereign loans.

The balance of this account cannot be less than the amount required by banking regulations. This lower regulatory limit is calculated line by line in accordance with IFRS 9 based on expected loss estimates for the entire sovereign loan portfolio.

Thus, the balance of the reserve account corresponds to impairments on sovereign outstandings and financing commitments on sovereign outstandings.

From an accounting standpoint, sovereign outstandings are presented net of impairment losses.

Provisions for financing commitments for sovereign outstandings are presented as liabilities.

Gains or losses on financial instruments

Gains or losses on financial instruments at fair value through profit or loss

Income from financial instruments recognised at fair value through profit and loss is recognised under this heading, and mainly includes:

- Dividends, other revenue and gains and losses realised;
- Changes in fair value;
- The impact of hedge accounting.

Gains or losses on financial instruments at fair value through other comprehensive income

Income from financial instruments recognised at fair value through other comprehensive income is recognised under this heading, and includes:

- Dividends and other revenue;
- Gains and losses realised on financial assets at fair value through other comprehensive income that may be recycled.

3.2.4. Commitments to buy non-controlling interests

In 2020 and again in 2023 during the Proparco capital increase, the Group made commitments to buy back the equity investments of Proparco's minority shareholders.

The strike price is defined contractually depending on the restated net asset value on the exercise date.

In the half-year financial statements at 20255, these commitments reflect a debt of €103M to the minority shareholders of Proparco, with a corresponding entry of a decrease in "non-controlling interests" of €109M and an increase in "Consolidated reserves – Group Share" of €6M. The closure of the put window granted in 2020 is scheduled for 2030 and the one related to the put granted in 2023 is scheduled for 2033.

3.2.5. Fixed assets

Fixed assets appearing on AFD's balance sheet include property, plant and equipment and intangible assets. Fixed assets are recorded at their acquisition cost plus directly similar expenses.

If a fixed asset consists of a number of items that may be regularly replaced and have different useful lives, each item is booked separately according to its own depreciation table. This item-by-item approach has been used for the building of the registered office. Depreciation and amortisation periods have been estimated on the basis of each item's useful life.

Title	Depreciation period
1. Land	Non-depreciable
2. Structural systems	40 years
3. Building envelope	20 years
4. Technical building services, fixtures and fittings	15 years
5. Sundry fittings	10 years

Other property, plant and equipment are depreciated using the straight-line method:

- Office buildings in the French Overseas Departments and Collectivities are depreciated over 15 years;
- Residential buildings are depreciated over 15 years;
- Fixtures, fittings and furnishings are depreciated over 5 or 10 years;

- Equipment and vehicles are depreciated over 2 to 5 years.

For intangible assets, software is amortised over a period of 8 years for management software and 2 years for office automation tools.

Depreciation and amortisation are calculated using the straight-line method, according to the expected useful period of the asset; its residual value is deducted from the depreciable base. At each closing date, fixed assets are measured at their amortised cost (cost minus total amortisation and any loss of value). When applicable, the useful lives and residual values are adjusted in the accounts.

Leases

Leases, as defined by IFRS 16 “Leases”, are recorded in the balance sheet, leading to the recognition of:

- An asset which corresponds to the right of use of the leased asset over the lease duration;
- A debt in respect of the payment obligation.

Measuring the right of use in leases

At the date on which a lease comes into effect, the right of use is measured at its cost and includes:

- The initial lease debt, to which is added, if applicable, advance payments made to the lessor, net of any benefits received from the lessor;
- If applicable, the initial direct costs incurred by the lessee in signing the lease. These are costs that would not have been incurred if the contract had not been signed;
- The estimated costs to rehabilitate and dismantle the rented asset according to the lease terms.

After the initial recognition of the lease, the right of use is measured according to the cost method, involving the recognition of linear depreciation and impairment in accordance with the provisions of IFRS 16 (the depreciation method reflecting the way in which the future economic benefits will be consumed).

Measuring the right of use of the assets

On the date a lease takes effect, the lease debt is recognised for an amount equal to the discounted value of the rent over the lease period. The amounts taken into account in respect of rent when measuring the debt are:

- The fixed lease payments less incentive benefits received from the lessor;
- The variable lease payments based on an index or rate;
- The payments to be made by the lessee in respect of a residual value guarantee;
- The price paid to exercise a purchase option that the lessee is reasonably certain to exercise;
- The penalties to be paid in the event of the exercise of a cancellation option or the non-renewal of the lease.

The leases signed by AFD Group do not include a guaranteed value clause for rented assets.

The change in the debt related to the lease involves:

- An increase up to the interest rate expenses set by applying the discount rate to the debt;
- And a reduction in fixed lease payments.

The financial expenses for the period relating to the lease debt are recorded under “Interest and similar expenses on transactions with credit institutions”.

In the income statement, the depreciation charge for the right of use of the asset and the finance expense relating to the interest on the lease liability partly replace the operating expense previously recognised for lease payments, but are presented under two different headings (depreciation charge

under depreciation and amortisation, interest expense under other interest and related expenses, and the lease payment under other administrative expenses).

The lease debt is estimated again in the following situations:

- Review of the lease period;
- Modification related to the assessment of the reasonably certain exercise of an option (or not);
- New estimate related to the guarantees of residual value;
- Review of the rates or indexes on which the rent is based.

3.2.6. Provisions

Provisions on undisbursed sovereign financing commitments

The agreement “on the reserve account” on 8 June 2015 between AFD and the French State for an indefinite term, determines the mechanism for creating provisions for hedging the sovereign risk and the principles for using the provisions recognised thereby.

This reserve account is intended to (i) fund the provisions that AFD would have to recognise in case a sovereign borrower defaults, (ii) serve normal unpaid interest, and (iii) more generally, help compensate AFD in the event of debt cancellation for sovereign loans.

The balance of this account cannot be less than the amount required to establish collective provisions on performing or restructured loans. This calibration is calculated using estimated losses expected across the sovereign loan portfolio (losses at one year, losses at termination, regulatory requirements on provisions or any other data available to AFD that can be used to anticipate the sovereign loan portfolio’s risk profile).

Non-disbursed non-performing sovereign commitments are provisioned. Furthermore, this depreciation is neutralised by deduction from the reserve account.

Provisions on financing and guarantee commitments

Financing and guarantee commitments that are not recognised at fair value through profit and loss and that do not correspond to derivatives are subject to provisions according to the principles defined by IFRS 9.

Provisions for subsidiary risk

As part of the liquidation of Soderag, AFD, as liquidator, sold Soderag’s loan portfolio to the three departmental credit companies of the Antilles-Guyane region of which it was the reference shareholder (Sodega in Guadeloupe, Sodema in Martinique and Sofideg in French Guiana). AFD granted cash lines to each of the three subsidiaries for the purchase of these portfolios and, at the same time, guaranteed its subsidiaries on the underlying loans, thereby sub-participating in risks and cash (protocols signed with each of the subsidiaries in October 1998).

The provisions relating to these transactions are provisions for liabilities insofar as they cover the risks related to the guarantees given.

Provision for employee benefits – Post-employment benefits

Defined benefit plans

Retirement and early retirement commitments

Immediate retirement and early retirement commitments are all transferred to an external insurance company.

Deferred retirement and early retirement commitments are kept by AFD and covered by specific insurance policies. They are valued in accordance with the provisions of contracts signed by AFD and the insurer.

At 30 June 2025, the discount rate was 2.70% compared to 2.75% at 31 December 2024.

Retirement bonuses and the financing of the health insurance plan

AFD pays retirement bonuses (IFC) to its employees. It also contributes to the cost of its retired employees' health insurance plans.

At 30 June 2025, the discount rate observed was 4.0% (compared to 3.6% in 2024).

<i>in thousands of euros</i>	Rate of 3.60%	Rate of 4%	Difference (€)	Difference (%)
IFC (retirement bonus) mechanism	18,791	17,935	(856)	(5%)
Service award mechanism	1,328	1,292	(36)	(3%)
Retiree health insurance mechanism	111,612	103,080	(8,531)	(8%)
Expatriate employees healthcare expenses mechanism	15,019	13,748	(1,271)	(9%)
Total	146,749	136,055	(10,694)	(7%)

3.2.7. Deferred tax

To produce the consolidated financial statements, deferred tax was calculated on a per-company basis while adhering to the rule of symmetry and using the comprehensive liability method. This method was applied to temporary differences between the carrying amount of assets and liabilities and their tax base.

AFD Group recognises deferred tax mainly over the costs and expenses on the unrealised gains and losses of the equity securities held by Proparco and Fisea, impairment recognised by Proparco on loans at amortised cost and on unrealised gains and losses on loans recognised at fair value through profit and loss by applying the current rates.

3.2.8. Segment information

In application of IFRS 8 "Operating Segments", AFD has identified and reported on a single operating segment for its lending and grant activity, based on the information provided internally to the Chief Executive Officer (CEO), who is AFD's chief operational decision-maker.

This lending and grant activity is the Group's main activity, falling within the scope of its public service role of financing development assistance.

With regard to AFD Group's activity, which is mainly carried out outside mainland France, the NBI in France is not significant.

3.2.9. Principles of the cash flow statement

The cash flow statement analyses changes in the cash position resulting from operating, investment and financing transactions from one financial year to the next.

Agence Française de Développement's cash flow statement is presented in accordance with ANC Recommendation No. 2017-02 respecting the format of summary statements for institutions in the banking sector drawn up in accordance with international accounting standards.

It is prepared using the indirect method, with net income for the financial year restated for non-monetary items: provisions for the depreciation of property, plant and equipment and the amortisation of intangible assets, net allocations to provisions and other changes not involving cash disbursement, such as accrued liabilities and income.

Cash flows arising from operating, investment and financing transactions are calculated as the difference between items in the accounts for the preceding and current financial years.

Cash flow includes cash funds and on-demand deposits held at the Banque de France and with credit institutions.

3.3. Notes to the financial statements at 30 June 2025

3.3.1. Notes to the balance sheet

Note 1 – Financial assets and liabilities at fair value through profit or loss

<i>In thousands of euros</i>	Notes	30 Jun 25			31 Dec 24		
		Assets	Liabilities	Notional / Outstandings	Assets	Liabilities	Notional / Outstandings
Interest rate derivatives		3,226	27	890,207	2,261	53	147,610
Foreign exchange derivatives		217,075	84,382	4,276,423	5,653	418,280	4,818,727
Hedging derivatives of non-SPPI loans/securities		60,327	10,602	761,726	25,886	63,044	986,768
Loans and securities that do not meet SPPI criteria	1.2	3,588,266	-	3,356,313	4,705,926	-	4,616,075
CVA/DVA/FVA		36	258	-	57	246	-
Total		3,868,930	95,270	9,284,669	4,739,783	481,623	10,569,179

Note 1.1 – Foreign exchange and interest rate derivatives

Foreign exchange and interest rate derivatives are measured at fair value through profit and loss and are therefore treated as financial assets held for trading.

Under IFRS, a derivative is always presumed to be held for trading, unless there is documented evidence of the hedging intention and the derivative is eligible for hedge accounting. At AFD, this category covers the hedging instruments not eligible for hedge accounting or so-called “natural” exchange rate hedging.

Note 1.2 – Loans and securities that do not meet SPPI criteria

<i>In thousands of euros</i>	Notes	30 Jun 25	Notional / Outstandings	31 Dec 24	Notional / Outstandings
Loans to credit institutions	1.2.1	422,021	285,486	544,978	555,944
Performing loans		421,710	283,439	544,647	553,804
Non-performing loans		312	2,047	331	2,141
Loans to customers	1.2.1	624,617	626,907	607,527	680,228
Performing loans		606,148	562,594	586,049	604,611
Non-performing loans		18,469	64,314	21,478	75,617
Securities		2,541,628	2,443,920	3,553,421	3,379,902
Bonds and other fixed-income securities	1.2.2	32,132	43,105	36,861	50,442
UC ITS		772,431	698,206	1,638,364	1,555,111
Equity investments and other long-term securities	1.2.3	1,737,065	1,702,609	1,878,196	1,774,349
<i>of which equity investments held in investment funds</i>		1,522,250	1,320,588	1,675,903	1,639,106
<i>of which equity investments held directly with a put option</i>		214,815	382,021	202,294	135,243
Total		3,588,266	3,356,313	4,705,926	4,616,075

Note 1.2.1 – Loans that do not meet SPPI criteria

Loan agreements may have an early repayment clause, the contractual amount of which corresponds to a settlement equal to the cost of unwinding an associated hedge swap. Loan contracts may also include a compensation clause indexed to the borrower’s performance. The flows of these loans are not considered as SPPI as they do not only reflect the effect of changes in the benchmark interest rate.

As a result, AFD Group has identified a loan portfolio which is measured at fair value through profit and loss. The loans are therefore subjected to a valuation exercise based on the methodology for discounting future flows, with a discount rate specific to each loan in accordance with the accounting rules applied by the Group.

Note 1.2.2 – Bonds and other long-term securities

Convertible bonds are debt securities for which the contractual flows do not meet SPPI characteristics due to the nature of the flows exchanged, and are consequently assessed at fair value through profit and loss.

Note 1.2.3 – Equity investments

AFD Group aims to encourage private investment in developing countries, mainly via its subsidiaries Proparco and Fisea (Investment and Support Fund for Businesses in Africa). It acts primarily through investments in investment funds, as this activity enables it to increase the impact of its financing by supporting a large number of companies doing business in multiple sectors, thus promoting economic growth and the creation of job-creating businesses.

AFD Group also holds direct equity investments with put options for operational purposes.

The contractual flows of these financial assets are not SPPI and are therefore measured at fair value through profit and loss.

Note 1.3 – Equity instruments at fair value through profit and loss

Equity instruments measured at fair value through profit and loss correspond to investments held by AFD for which the classification at fair value through other comprehensive income which may not be recycled has not been selected.

The Group has opted for a classification at fair value through other comprehensive income which may not be recycled for its portfolio of direct equity investments without put options, which make up the majority of the Group's equity instruments.

Note 2 – Financial hedging derivatives

Note 2.1 – Fair value hedging instruments

<i>In thousands of euros</i>	30 Jun 25			31 Dec 24		
	Carrying amounts			Carrying amounts		
	Assets	Liabilities	Notional	Assets	Liabilities	Notional
Fair value hedging						
Interest rate derivatives	1,962,645	3,186,879	68,356,561	2,167,792	3,215,969	64,901,275
Interest rate and foreign exchange derivatives (cross-currency swaps)	623,383	972,521	18,428,917	1,173,631	446,771	20,612,415
Total	2,586,028	4,159,400	86,785,478	3,341,422	3,662,740	85,513,690

Note 2.2 – Analysis by residual maturity (notional)

The breakdown of the notional amount of hedging derivatives is presented by residual contractual maturity.

<i>In thousands of euros</i>	Less than	From 3 months	From 1 year to	More than	30 Jun 25
	3 months	to 1 year	5 years	5 years	
Fair value hedging					
Interest rate derivatives	222,776	2,439,008	18,732,059	46,962,718	68,356,561
Interest rate and foreign exchange derivatives (cross-currency swaps)	88,006	5,697,931	8,496,750	4,146,231	18,428,917
Total	310,782	8,136,939	27,228,808	51,108,948	86,785,478
<i>In thousands of euros</i>	Less than	From 3 months	From 1 year to	More than	31 Dec 24
	3 months	to 1 year	5 years	5 years	
Fair value hedging					
Interest rate derivatives	1,914,853	1,886,267	16,097,576	45,002,579	64,901,275
Interest rate and foreign exchange derivatives (cross-currency swaps)	1,869,223	2,386,251	11,600,215	4,756,726	20,612,415
Total	3,784,077	4,272,518	27,697,791	49,759,304	85,513,690

Note 2.3 – Hedged items

<i>In thousands of euros</i>	30 Jun 25					Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
	Current hedges		Expired hedges		Accrued remeasurements of fair value	
	Carrying amounts	Of which accrued remeasurements of fair value hedges	Of which accrued remeasurements of fair value hedges remaining	Of which accrued remeasurements of fair value		
Interest rate derivatives	21,318,373	(1,397,652)	-	-	3,317	(161,795)
Loans and receivables due from credit institutions at amortised cost	978,566	(65,041)	-	-	(14)	1,442
Loans and receivables due from customers at amortised cost	18,083,789	(1,301,108)	-	-	1,941	(150,301)
Financial assets at fair value through other comprehensive income	2,256,019	(31,504)	-	-	1,390	(12,936)
Interest rate derivatives (currency swaps)	4,489,704	(372,709)	-	-	(2,889)	(462,836)
Loans and receivables due from credit institutions at amortised cost	535,148	(26,537)	-	-	(1,248)	(47,984)
Loans and receivables due from customers at amortised cost	3,954,556	(300,363)	-	-	(2,054)	(368,630)
Financial assets at fair value through other comprehensive income	-	(45,809)	-	-	413	(46,222)
Other	-	(47,513)	-	-	-	(47,513)
Total fair value hedging of assets	25,808,077	(1,817,873)	-	-	428	(672,144)
Interest rate derivatives	(37,863,659)	2,003,126	(17,188)	-	5,068	96,616
Debt securities in issue at amortised cost	(37,863,659)	2,003,126	(17,188)	-	5,068	96,616
Interest rate derivatives (currency swaps)	(12,518,258)	842,547	-	-	(190,329)	1,552,821
Debt securities in issue at amortised cost	(12,518,258)	842,547	-	-	(190,329)	1,552,821
Total fair value hedging of liabilities	(50,381,917)	2,845,673	(17,188)	-	(185,260)	1,649,437

<i>In thousands of euros</i>	31 Dec 24					Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
	Current hedges		Expired hedges		Accrued remeasurements of fair value	
	Carrying amounts	Of which accrued remeasurements of fair value hedges	Of which accrued remeasurements of fair value hedges remaining	Of which accrued remeasurements of fair value		
Interest rate derivatives	20,218,549	(1,225,157)	-	-	(14,229)	430,304
Loans and receivables due from credit institutions at amortised cost	1,102,494	(66,483)	-	-	(158)	27,617
Loans and receivables due from customers at amortised cost	17,046,183	(1,149,540)	-	-	(500)	380,846
Financial assets at fair value through other comprehensive income	2,069,872	(9,134)	-	-	(13,572)	21,840
Interest rate derivatives (currency swaps)	5,560,266	84,153	-	-	7,888	219,610
Loans and receivables due from credit institutions at amortised cost	690,853	21,178	-	-	(3,084)	39,403
Loans and receivables due from customers at amortised cost	4,869,413	62,975	-	-	10,971	179,381
Financial assets at fair value through other comprehensive income	-	826	-	-	-	826
Total fair value hedging of assets	25,778,815	(1,141,004)	-	-	(6,342)	649,914
Interest rate derivatives	(35,549,375)	1,915,460	(198)	-	(2,669)	(839,551)
Debt securities in issue at amortised cost	(35,549,375)	1,915,460	(198)	-	(2,669)	(839,551)
Interest rate derivatives (currency swaps)	(14,526,099)	(723,311)	-	-	58,608	(948,333)
Debt securities in issue at amortised cost	(14,526,099)	(723,311)	-	-	58,608	(948,333)
Total fair value hedging of liabilities	(50,075,474)	1,192,149	(198)	-	55,939	(1,787,884)

Note 2.4 – Income resulting from hedge accounting

<i>In thousands of euros</i>	30 Jun 25			31 Dec 24		
	Net income			Net income		
	(Income of hedge accounting)			(Income of hedge accounting)		
	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge
Interest rate derivatives	75,531	(65,179)	10,352	434,754	(409,247)	25,507
Interest rate and foreign exchange derivatives (cross-currency swaps)	(1,015,985)	1,089,985	74,000	731,803	(728,723)	3,080
Other	-	(47,513)	(47,513)	-	-	-
Total	(940,454)	977,293	36,840	1,166,557	(1,137,970)	28,587

Note 3 – Financial assets at fair value through other comprehensive income

<i>In thousands of euros</i>	30 Jun 25		31 Dec 24	
	Carrying amounts	Change in fair value over the period	Carrying amounts	Change in fair value over the period
Debt securities recognised at fair value through equity to be recycled in profit or loss	2,622,660	51,527	1,422,216	(25,336)
Government paper and equivalent	1,989,453	3,392	1,144,909	(18,164)
Bonds and other securities	633,207	48,135	277,307	(7,172)
Equity instruments recorded at fair value through equity	811,946	(51,626)	851,653	21,194
Unconsolidated equity investments	811,946	(51,626)	851,653	21,194
Total	3,434,606	(99)	2,273,869	(4,142)

Note 4 – Financial assets and liabilities at fair value measured according to the level of fair value

<i>In thousands of euros</i>	30 Jun 25				31 Dec 24			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets/Liabilities								
Equity instruments at fair value through profit and loss	-	-	1,737,065	1,737,065	-	-	1,878,196	1,878,196
Debt securities that do not meet SPPI criteria	772,431	-	1,078,770	1,851,201	1,638,364	-	1,189,366	2,827,730
Financial assets recorded through equity	2,622,660	-	811,946	3,434,606	1,422,216	-	851,653	2,273,869
Hedging derivatives (Assets)	-	2,586,028	-	2,586,028	-	3,341,422	-	3,341,422
Financial liabilities at fair value through profit or loss	-	90,875	4,395	95,270	-	476,042	5,581	481,623
Hedging derivatives (Liabilities)	-	4,159,400	-	4,159,400	-	3,662,740	-	3,662,740
Derivatives	-	274,020	6,644	280,664	-	27,020	6,837	33,856

Sensitivity of the fair value of level 3 instruments

The category of instruments measured at level 3 fair value mainly comprises equity securities.

Valuations using market parameters are very limited within the Group. Sensitivity calculations are therefore not applicable without material sensitivity.

Note 5 – Financial assets measured at amortised cost

<i>In thousands of euros</i>	Notes	30 Jun 25		31 Dec 24	
		On-demand	At maturity	On-demand	At maturity
Debt securities	5.1	-	4,031,971	-	3,148,432
Loans and receivables due from credit institutions	5.2	932,054	11,704,952	1,213,880	12,089,460
Loans and receivables due from customers	5.2	-	40,372,689	-	40,468,886
Total		932,054	56,109,612	1,213,880	55,706,778

Note 5.1 – Loans and receivables due from customers

<i>In thousands of euros</i>	30 Jun 25		31 Dec 24	
	On-demand	At maturity	On-demand	At maturity
Government paper and equivalent	-	390,412	-	403,641
Bonds and other securities	-	3,657,784	-	2,765,293
Total	-	4,048,195	-	3,168,934
Impairment	-	(16,224)	-	(20,502)
Total	-	4,031,971	-	3,148,432

Note 5.2 – Loans and receivables due from credit institutions and customers at amortised cost

<i>In thousands of euros</i>	30 Jun 25		31 Dec 24	
	On-demand	At maturity	On-demand	At maturity
Loans to credit institutions at amortised cost	-	9,185,950	-	9,375,959
Performing loans	-	9,037,994	-	9,213,297
Non-performing loans	-	147,956	-	162,662
Impairment	-	(122,965)	-	(146,998)
Related loans receivable	-	67,338	-	82,990
Valuation adjustments of loans hedged by forward financial instruments	-	(53,889)	-	(83,973)
Subtotal	-	9,076,434	-	9,227,978
Loans to customers at amortised cost	-	43,414,906	-	43,367,624
Performing loans	-	40,609,416	-	40,456,346
Non-performing loans	-	2,805,490	-	2,911,278
Impairment	-	(1,753,467)	-	(1,580,876)
Related loans receivable	-	162,581	-	164,133
Valuation adjustments of loans hedged by forward financial instruments	-	(1,451,331)	-	(1,481,994)
Subtotal	-	40,372,689	-	40,468,886
Total loans	-	49,449,123	-	49,696,865
Other receivables	-	-	-	-
Deposits (available cash) at credit institutions	932,054	2,590,864	1,213,880	2,828,875
Related loans receivable	-	37,653	-	32,606
Total other receivables	932,054	2,628,517	1,213,880	2,861,482
Total loans and other receivables	932,054	52,077,641	1,213,880	52,558,346

Note 6 – Asset impairment

<i>In thousands of euros</i>	31 Dec 24	Provisions	Reversals	Foreign exchange and other items	30 Jun 25
Credit institutions	(146,998)	(3,677)	24,568	3,142	(122,965)
of which stage 1	(36,653)	(2,833)	4,074	-	(35,412)
of which stage 2	(44,810)	(780)	10,010	-	(35,580)
of which stage 3	(65,534)	(64)	10,484	3,142	(51,973)
Credit to customers	(1,580,876)	(250,594)	62,869	15,134	(1,753,467)
of which calibration of the reserve account	(930,187)	(125,943)	8,352	-	(1,047,779)
of which stage 1	(112,886)	(2,240)	11,236	-	(103,891)
of which stage 2	(406,212)	(124,821)	8,264	-	(522,769)
of which stage 3	(1,061,778)	(123,533)	43,370	15,134	(1,126,807)
Bonds and other securities	(20,502)	(548)	4,222	603	(16,224)
of which stage 1	(6,907)	(108)	1,782	-	(5,234)
of which stage 2	-	-	-	-	-
of which stage 3	(13,594)	(439)	2,440	603	(10,991)
Other receivables	(13,133)	-	-	1,072	(12,061)
Total	(1,761,508)	(254,819)	91,659	19,952	(1,904,717)

Note 7 – Accruals and miscellaneous assets/liabilities

<i>In thousands of euros</i>	30 Jun 25		31 Dec 24	
	Assets	Liabilities	Assets	Liabilities
Guarantees against collateral	2,198,579	395,291	1,651,850	468,011
Allocated public funds		94,813	-	87,110
Other assets and liabilities	1,268,401	2,193,374	1,256,112	2,303,476
Accounts payable, French State		360,946	-	471,697
Total accruals and other miscellaneous assets/liabilities	3,466,979	3,044,424	2,907,962	3,330,294

Note 8 – Property, plant and equipment and intangible assets**Note 8.1 – Change in fixed assets**

<i>In thousands of euros</i>	Fixed assets property, plant and equipment				30 Jun 25	31 Dec 24
	Land & development	Buildings & development	Other	Intangible assets		
Gross value						
At 1 January	89,601	901,428	93,509	335,400	1,419,939	1,097,945
Purchases	-	57,578	7,887	51,170	116,634	363,599
Disposals/retirements	-	(193)	(3,766)	(21,331)	(25,290)	(44,202)
Other items	-	(50)	402	(6,271)	(5,919)	2,597
At the end of the period	89,601	958,763	98,032	358,968	1,505,364	1,419,939
Depreciation/amortisation						
At 1 January	(4,259)	(185,185)	(72,033)	(152,803)	(414,280)	(368,841)
Provisions	(66)	(4,879)	(2,993)	(16,069)	(24,007)	(49,224)
Reversals	-	-	481	29	510	3,785
Other items	-	-	-	-	-	-
At the end of the period	(4,325)	(190,064)	(74,545)	(168,843)	(437,777)	(414,280)
Net value	85,277	768,699	23,487	190,124	1,067,587	1,005,659

Note 8.2 – Right of use

<i>In thousands of euros</i>	Registered office	Offices	30 Jun 25	31 Dec 24
	Gross value			
At 1 January	110,489	16,592	127,081	113,468
New contract	-	-	-	-
Modification of contract	-	-	-	-
Other items	(690)	-	(690)	13,613
At the end of the period	109,799	16,592	126,391	127,081
Depreciation/amortisation				
	(87,303)	(13,599)	(100,902)	(91,982)
Net value	22,496	2,993	25,489	35,099

Note 9 – Financial liabilities measured at amortised cost**Debts to credit institutions and customers and debt securities in issue at amortised cost**

<i>In thousands of euros</i>	30 Jun 25	31 Dec 24
Debts to credit institutions at amortised cost		
On-demand debts	21,648	9,016
Debts at maturity	10,561	540
Total debts to credit institutions	32,210	9,556
Debts to customers at amortised cost	1,592	2,125
Total debts to customers	1,592	2,125
Debt securities in issue at amortised cost		
Interbank market securities	2,012,968	809,211
Bonds	53,806,779	53,970,506
Related debts	504,451	717,494
Valuation adjustments of debt securities in issue hedged by derivatives	(1,961,209)	(2,031,860)
Total debts securities in issue	54,362,989	53,465,351

Maturity of debt securities in issue at amortised cost

<i>In thousands of euros</i>	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	30 Jun 25
Maturity of debt securities in issue					
Bonds	82,725	6,990,428	21,266,695	24,010,173	52,350,022
Interbank market securities	1,363,492	649,475	-	-	2,012,968
Total	1,446,217	7,639,903	21,266,695	24,010,173	54,362,989

<i>In thousands of euros</i>	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31 Dec 24
Maturity of debt securities in issue					
Bonds	3,511,179	4,021,111	23,709,486	21,414,363	52,656,140
Interbank market securities	683,635	125,576	-	-	809,211
Total	4,194,814	4,146,687	23,709,486	21,414,363	53,465,351

Debt securities in issue by currency

<i>In thousands of euros</i>	EUR	USD	GBP	JPY	CHF	AUD	CNH	DOP	TRY	30 Jun 25
Debt securities in issue by currency										
Bonds	39,680,502	10,525,670	1,362,514	85,650	107,861	238,377	180,004	20,799	148,644	52,350,022
Interbank market securities	2,012,968	-	-	-	-	-	-	-	-	2,012,968
Total	41,693,470	10,525,670	1,362,514	85,650	107,861	238,377	180,004	20,799	148,644	54,362,989

<i>In thousands of euros</i>	EUR	USD	GBP	JPY	CHF	AUD	CNH	DOP	TRY	31 Dec 24
Debt securities in issue by currency										
Bonds	37,573,131	12,315,515	1,707,644	89,188	322,519	229,306	202,492	27,268	189,077	52,656,140
Interbank market securities	706,805	72,186	30,219	-	-	-	-	-	-	809,211
Total	38,279,937	12,387,701	1,737,863	89,188	322,519	229,306	202,492	27,268	189,077	53,465,351

Note 10 – Provisions

<i>In thousands of euros</i>	31 Dec 24	Provisions	Reversals	Other items	30 Jun 25
Included in the cost of risk					
French Overseas Department subsidiary risks	17,197	169	(499)	-	16,867
Other provisions for risk (*)	124,710	23,253	(27,241)	(5,060)	115,662
of which stage 1	27,939	3,140	(3,748)	-	27,331
of which stage 2	53,115	8,035	(6,579)	-	54,571
of which stage 3	43,656	12,078	(16,915)	(5,060)	33,760
Excluded from the cost of risk					
Provision for expenses – Sovereign loans	574,800	105,278	(168,300)	1,280	513,059
<i>of which calibration of the reserve account</i>	285,324	48,190	(82)	-	333,432
Salary and employee benefit expenses	136,385	19	(11,339)	-	125,066
Provision for risks and expenses (*)	29,261	696	(1,717)	5,060	33,299
Total	882,353	129,415	(209,095)	1,280	803,953

(*) *Reclassification at SODERAG of provisions for general risks (€4,887K) and for legal costs (€172K) as provisions for risks and expenses excluded from the cost of risk.*

Note 11 – Subordinated debt

<i>In thousands of euros</i>	30 Jun 25	31 Dec 24
Fixed-term subordinated debt	-	-
Open-ended subordinated debt	985,006	840,006
Other	2,891	2,611
Total	987,897	842,617

Note 12 – Fair value of assets and liabilities at amortised cost

<i>In thousands of euros</i>	30 Jun 25		31 Dec 24	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Assets/Liabilities at amortised cost				
Debt securities at amortised cost	4,031,971	4,004,966	3,148,432	3,111,967
Financial assets at amortised cost	53,009,695	50,879,705	53,772,227	52,245,580
Financial liabilities at amortised cost	54,396,791	53,499,568	53,477,032	52,628,410
Subordinated debt	987,897	987,897	842,617	842,617

3.3.2. Notes to the income statement

Note 13 – Income and expenses by accounting category

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24
From financial assets measured at amortised cost	882,108	973,332
Cash and demand accounts with central banks	48,407	69,948
Loans and receivables	831,181	900,444
Transactions with credit institutions	220,572	251,941
Transactions with customers	610,609	648,503
Debt securities	2,520	2,939
From financial assets at fair value through equity	96,870	95,951
Debt securities	96,870	95,951
From financial assets at fair value through profit or loss	26,991	37,497
Loans and receivables	26,991	37,497
Transactions with credit institutions	15,445	22,268
Transactions with customers	11,546	15,229
Interest accrued and due on hedging instruments	1,251,103	1,412,191
of which transactions with credit institutions	601,119	797,120
of which other interest and related income	649,984	615,070
Total interest income	2,257,073	2,518,970
From financial liabilities measured at amortised cost	(609,864)	(548,815)
Financial liabilities measured at amortised cost	(609,864)	(548,815)
Interest accrued and due on hedging instruments	(1,418,879)	(1,702,538)
Other interest and similar expenses	(128)	(5,636)
Total interest expenses	(2,028,870)	(2,256,990)

Note 14 – Net commissions

<i>In thousands of euros</i>	30 Jun 25			30 Jun 24		
	Income	Expenses	Net	Income	Expenses	Net
Commissions on commitments	-	(267)	(267)	-	-	-
Monitoring and investment commissions	4,963	(103)	4,860	2,308	(1,040)	4,584
Analysis commissions	14,312	-	14,312	7,861	-	7,861
Commissions on grants and subsidies	46,846	-	46,846	39,217	-	39,217
Miscellaneous commissions	1,051	(386)	664	3,432	(348)	(233)
Total	67,171	(756)	66,415	52,817	(1,388)	51,429

Note 15 – Gains or losses on financial instruments at fair value through profit or loss

<i>In thousands of euros</i>	30 Jun 25		30 Jun 24	
	Gains and losses on financial instruments at fair value through profit and loss	of which foreign currency impact on derivatives	Gains and losses on financial instruments at fair value through profit and loss	of which foreign currency impact on derivatives
Financial assets and liabilities at fair value through profit or loss	(49,819)	(3,436)	12,010	6,428
Income from financial instruments at fair value through profit and loss	25,071	-	16,788	-
Unrealised or realised gains or losses on debt securities that do not meet SPPI criteria	(98,679)	-	5,177	-
Hedging of loans at fair value through profit or loss	23,789	(3,436)	(9,956)	6,428
Income resulting from hedge accounting	36,840	10,186	2,944	22,645
Change in fair value of hedging derivatives	(987,967)	10,570	49,965	22,754
Change in fair value of the hedged item	1,024,806	(384)	(47,021)	(109)
Natural hedging/Trading	60,865	(480,882)	(30,185)	71,388
CVA/DVA/FVA	(33)	-	(46)	-
Total	47,854	(474,131)	(15,276)	100,461

Note 16 – Net gains or losses on financial assets recognised at fair value through other comprehensive income

<i>In thousands of euros</i>	30 Jun 25	31 Dec 24
Dividends received on equity instruments recognised at fair value through equity not to be recycled in profit or loss	18,732	2,097
Gains or losses on equity instruments recognised at fair value through equity not to be recycled in profit or loss	-	-
Gains or losses on debt securities recognised at fair value through equity to be recycled in profit or loss	251	27,214
Net gains or losses on financial assets recognised in other comprehensive income	18,983	29,310

Note 17 – Income and expenses from other activities

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24
Subsidies	171,885	151,344
Other income ⁽¹⁾	246,513	260,988
Total other income from other activities	418,398	412,332
Other expenses ⁽¹⁾	(247,064)	(202,215)
Total other expenses from other activities	(247,064)	(202,215)

(1) Other income and expenses mainly relate to the Expertise France activity.

Subsidies on loans and borrowings are paid by the French State to reduce the financing cost or to reduce lending costs for borrowers.

Note 18 – Overheads

Salary and employee benefit expenses

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24
Salary and employee benefit expenses		
Wages and bonuses	(147,435)	(127,943)
Social security expenses	(60,309)	(55,818)
Profit sharing	(7,119)	(7,333)
Taxes and similar payments on compensation	(13,851)	(17,152)
Provisions/reversal of provisions	1,559	17
Rebilling banks' staff		95
Total	(227,156)	(208,134)

Other administrative expenses

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24
Other administrative expenses		
Taxes	(12,479)	(11,192)
<i>of which application of IFRIC 21</i>	<i>(6,285)</i>	<i>(4,736)</i>
Outside services	(73,397)	(77,468)
Rebilled expenses	(1,466)	697
Total	(87,341)	(87,964)

Note 19 – Cost of credit risk

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24
Impairments on performing (stage 1) or deteriorated (stage 2) assets	3,049	50,254
Stage 1: losses assessed at the amount of expected credit losses for the coming 12 months	4,217	(7,819)
Debt securities recorded at amortised cost	3,559	(5,590)
Signature commitments	658	(2,228)
Stage 2: losses assessed at the amount of expected credit losses for the lifetime	(1,168)	58,072
Debt securities recorded at amortised cost	338	36,817
Signature commitments	(1,506)	21,255
Impairments of impaired assets (stage 3)	(23,405)	(25,659)
Stage 3: impaired assets	(24,640)	(28,702)
Debt securities recorded at amortised cost	(28,199)	(27,250)
Signature commitments	3,559	(1,452)
Other provisions for risk	1,235	3,043
Net reversals of impairments and provisions	(20,356)	24,594
Losses on loans and bad loans	(7,762)	(1,171)
Discounts on restructured loans	153	176
Recovery of loans and receivables	511	-
Cost of risk	(27,454)	23,599

Note 20 – Equity-accounted items

<i>Impact (in thousands of euros)</i>	30 Jun 25		31 Dec 24		30 Jun 24	
	Balance sheet	Income	Balance sheet	Income	Balance sheet	Income
SIC	30,680	(3,449)	34,643	(6,112)	38,071	(2,685)
Socredo	127,335	2,607	125,677	4,742	124,065	3,129
Total	158,014	(842)	160,320	(1,370)	162,135	445

Note 21 – Corporate tax

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24
Corporate tax	(7,874)	(653)
Taxes due	(9,343)	(2,045)
Deferred taxes	1,470	1,392

Underlying tax position

<i>In thousands of euros</i>	30 Jun 25	30 Jun 24
Net income	148,511	236,284
Corporate tax	(7,874)	(653)
Pre-tax income	156,385	236,937
Total theoretical income tax expense (A)	14,717	(7,647)
Total matching items (B)	(22,590)	6,994
Net recorded tax expense (A) + (B)	(7,874)	(653)

Deferred taxes are estimated on the basis of the following assumptions:

- Deferred taxes based on Impairments have been estimated on the basis of the rate of 25.83%;
- Deferred taxes based on the unrealised gains or losses on loans and convertible bonds was estimated on the basis of the rate of 25.83%. The same rate is used over costs and expenses on the unrealised gains and losses of the equity investments.

Note 22 – Financing and guarantee commitments

Financing commitments given are the amounts to be disbursed under lending agreements with customers or credit institutions.

<i>In thousands of euros</i>	30 Jun 25	31 Dec 24
Commitments received		
Guarantee commitments received from the French State on loans	5,510,425	5,084,284
Guarantee commitments received from credit institutions	209,459	431,456
<i>as part of the Group's credit activity</i>	209,459	431,456
Commitments given		
Financing commitments made to credit institutions	2,353,248	2,588,677
Financing commitments made to customers	17,086,962	16,758,075
Guarantee commitments made to credit institutions	382,523	452,268
Guarantee commitments made to customers	1,078,867	1,058,367

The commitment amount is lower than the figure stated in AFD's parent company financial statements because the transactions on behalf of third parties on behalf of the French State) are not included in the Group's consolidated financial statements.

3.4. Risk information

Concentration of credit risk

Financial loans at amortised cost

Non-sovereign

In thousands of euros	30 Jun 25				31 Dec 24			
	Performing assets			assets	Performing assets			assets
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating				Total				Total
from AAA to BBB- (Investment)	6,820,985	1,031,594	-	7,852,579	8,298,773	534,234	-	8,833,007
from BB+ to CCC (Speculative)	7,511,867	4,642,628	-	12,154,495	7,065,450	4,189,944	-	11,255,394
Not applicable ⁽¹⁾	145	40	-	184	584,961	-	-	584,961
Doubtful	-	-	878,831	878,831	-	-	894,001	894,001
Total	14,332,996	5,674,262	878,831	20,886,090	15,949,184	4,724,178	894,001	21,567,362

(1) Unused assets relate to budgets granted pending allocation to a final beneficiary.

Sovereign

In thousands of euros	30 Jun 25				31 Dec 24			
	Performing assets			assets	Performing assets			assets
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating				Total				Total
from AAA to BBB- (RC1 to RC2)	9,305,728	107,022	19,450	9,432,200	9,178,229	113,255	21,394	9,312,878
from BB+ to CCC (RC3, RC4, RC5)	15,285,773	4,134,847	407,397	19,828,017	16,507,921	3,304,314	457,352	20,269,587
Not applicable ⁽¹⁾	-	-	-	-	-	-	-	-
Doubtful (RC6)	-	-	1,590,353	1,590,353	-	-	1,587,426	1,587,426
Total	24,591,501	4,241,869	2,017,200	30,850,569	25,686,150	3,417,569	2,066,172	31,169,891

(1) Unused assets relate to budgets granted pending allocation to a final beneficiary.

Securities at fair value through other comprehensive income that may be recycled or at amortised cost

In thousands of euros	30 Jun 25				31 Dec 24			
	Performing assets			assets	Performing assets			assets
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating				Total				Total
from AAA to BBB- (Investment)	6,187,054	-	-	6,187,054	4,069,852	-	-	4,069,852
from BB+ to CCC (Speculative)	573,384	5,748	-	579,131	557,170	6,785	-	563,955
Not applicable ⁽¹⁾	-	-	-	-	-	-	-	-
Doubtful	-	-	558	558	-	-	950	950
Total	6,760,437	5,748	558	6,766,743	4,627,021	6,785	950	4,634,757

Financing commitments

Non-sovereign

In thousands of euros	30 Jun 25				31 Dec 24			
	Performing assets			Doubtful assets	Performing assets			Doubtful assets
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating				Total				Total
from AAA to BBB- (Investment)	1,624,348	6,000	-	1,630,348	1,490,465	2,200	-	1,492,665
from BB+ to CCC (Speculative)	2,799,608	207,718	-	3,007,326	3,000,747	256,824	-	3,257,571
Not applicable ⁽¹⁾	112,408	-	-	112,408	112,408	-	-	112,408
Doubtful	-	-	117,870	117,870	-	-	136,723	136,723
Total	4,536,363	213,718	117,870	4,867,951	4,603,620	259,024	136,723	4,999,367

(1) Unused assets relate to budgets granted pending allocation to a final beneficiary.

Sovereign

In thousands of euros	30 Jun 25				31 Dec 24			
	Performing assets			Doubtful assets	Performing assets			Doubtful assets
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating				Total				Total
from AAA to BBB- (RC1, RC2)	2,852,640	-	-	2,852,640	3,043,230	-	-	3,043,230
from BB+ to CCC (RC3, RC4, RC5)	9,076,474	1,906,793	95,000	11,078,266	9,083,472	1,211,653	95,000	10,390,125
Not applicable ⁽¹⁾	-	-	-	-	-	-	-	-
Doubtful (RC6)	-	-	525,527	525,527	-	-	561,681	561,681
Total	11,929,113	1,906,793	620,527	14,456,433	12,126,702	1,211,653	656,681	13,995,036

(1) Unused assets relate to budgets granted pending allocation to a final beneficiary.

Guarantee commitments

<i>In thousands of euros</i>	30 Jun 25				31 Dec 24			
	Performing assets		assets		Performing assets		assets	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	9,092	-	-	9,092	10,651	-	-	10,651
from BB+ to CCC (Speculative)	850,645	500,696	-	1,351,341	898,548	497,095	-	1,395,643
Not applicable	-	-	-	-	-	-	-	-
Doubtful	-	-	59,420	59,420	-	-	61,290	61,290
Total	859,737	500,696	59,420	1,419,853	909,199	497,095	61,290	1,467,584

Exposure to credit risk: change in the carrying amounts and value adjustments for losses over the period

Value adjustments for losses correspond to impairment on assets and provisions on off-balance sheet commitments recognised in net income (“Cost of risk”) in respect of the credit risk.

<i>In thousands of euros</i>	Stage 1	Stage 2	Stage 3	Total
Total provisions at 31/12/2024	202,229	567,010	1,332,578	2,101,816
of which Provisions at 31/12/2024 Activity + Parameters + Exceptional Provisions	100,827	289,606	495,872	886,305
New signatures	9,282	6,408	-	15,690
Extinct exposures	(2,551)	(2,563)	(3,006)	(8,120)
Change in exposure or rating	(10,951)	(22,561)	44,809	11,297
Stage change	(7,019)	15,861	984	9,826
Other (including IFRS restatements, Sogefom)	299	9	(22,557)	(22,249)
IFRS restatement	-	-	8,447	8,447
Total change in operating provisions	(10,940)	(2,846)		(13,785)
Total change in IFRS 9 parameter updates	2,900	729	-	3,630
Total change in provisions (FWL, Ariz)	5,201	3,296	-	8,497
Provisions at 30/06/2025 Activity + Parameters + Exceptional Provisions	97,988	290,786	524,549	913,323
Calibration of the reserve account	92,968	427,041	861,202	1,381,211
Total provisions at 30/06/2025	190,956	717,827	1,385,751	2,294,534

3.5. Additional information

None at this stage.

3.5.1. Significant events since 30 June 2025

No significant event having an impact on the company’s financial position occurred after the reporting period ended 30 June 2025.

D. Statutory Auditors' report on the 2025 half-year financial information

AGENCE FRANÇAISE DE DÉVELOPPEMENT

For the six-month period ended 30 June 2025

This is a free translation into English of the statutory auditors' review report on the 2025 half-year financial information issued in French language and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Board of Directors of Agence Française de Développement,

In compliance with the assignment entrusted to us by your board of directors and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code (Code monétaire et financier), we hereby report to you on:

- the review of the accompanying condensed interim consolidated financial statements of Agence Française de Développement, for the six-month period ended June 30, 2025;
- the verification of the information presented in the interim management report.

These condensed interim consolidated financial statements are the responsibility of the Chief Executive Officer. Our role is to express a conclusion on these financial statements based on our review.

I- Conclusion on the Financial Statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries primarily with persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, the standard of IFRSs as adopted by the European union applicable to interim financial information.

II- Specific verification

We have also verified the information presented in the interim management report on the condensed interim consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed interim consolidated financial statements.

Paris and Paris La Défense, September 23, 2025,

The Statutory Auditors,
French original signed by

KPMG S.A.
Represented by Valéry FOUSSE
Partner

BDO Paris
Represented by Benjamin IZARIE
Partner

E. Person responsible for the half-year financial report

Name and position

Mr Bertrand Walckenaer: Chief Operating Officer (COO)

Certification of the person responsible

I certify, to the best of my knowledge, that the condensed financial statements for the past half-year are drawn up in accordance with the body of applicable accounting standards, and give a true and fair view of the assets and liabilities, financial position and profits or losses of the issuer and all the subsidiaries included in the scope of consolidation. The half-year management report featured on page 4 faithfully presents the significant events having occurred in the first half of the financial year and their impact on the financial statements, and describes the primary risks and uncertainties for the second half of the financial year.

Paris, 23 September 2025

Chief Operating Officer (COO)

Bertrand Walckenaer