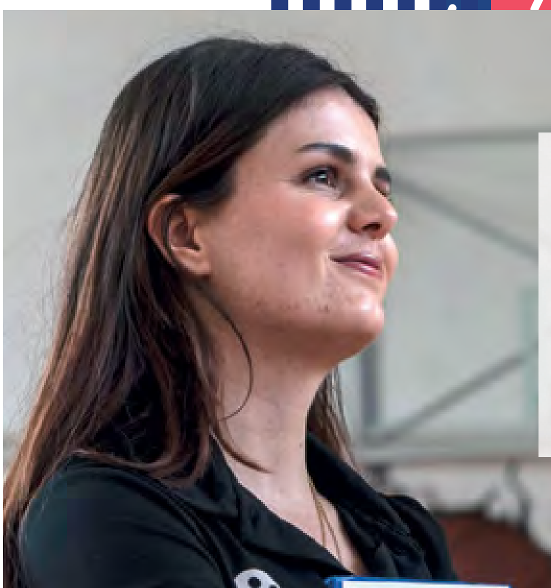
RÉPUBLIQUE
FRANÇAISE
Liberté
Égalité
Fraternité

AFD
GROUPE



UNIVERSAL REGISTRATION DOCUMENT 2024

Contents

2024
Universal Registration Document

This is a translation into English of the Universal Registration Document of the Company issued in French and it is available on the website of the Issuer. This Universal Registration Document was filed on 25 April 2025 with the AMF in its capacity as the competent authority under EU Regulation 2017/1129, without prior approval pursuant to Article 9 of said Regulation.

The Universal Registration Document may be used for the purpose of an offer to the public of securities or admission of securities to trading on a regulated market, if supplemented by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document.

The resulting documents are approved as a whole by the AMF in accordance with Regulation (EU) 2017/1129.

This Document is a reproduction of the official version of the Universal Registration Document prepared in accordance with the European Single Electronic Format (ESEF) and filed with the AMF, available on the websites of the Company and the AMF.

Message
FROM THE CEO

Rémy Rioux
Chief Executive Officer of the AFD Group

Amid the geopolitical, economic, environmental and financial uncertainties of today's world, we need to stay the course towards international solidarity, as defined in 2015 in the United Nations 2030 Agenda and the Sustainable Development Goals (SDGs). Working towards prosperity that is more equitably shared and for a world that is safer, more united and better equipped to face the challenges of global warming and the collapse of biodiversity: this was the message reaffirmed by the President of the Republic at the French Presidential Council for International Partnerships (CPPI), held on 4 April 2025. The AFD Group's mission, alongside its subsidiaries Proparco and Expertise France, is to finance and share the innovations that are emerging around the world, and to link the interests of the French people with those of our partners, with a view to building mutual interests.

By investing €13 billion in 2024, the AFD Group has contributed to providing concrete responses, demonstrating its effectiveness and impact in all circumstances, and cultivating a partnership approach.

To achieve its goals, the AFD Group relies on a robust financial model. Against a backdrop of strict control of public spending, the AFD Group has fully played its role as a public bank leveraging significant resources. With €1 from the French taxpayer, AFD is able to invest and mobilise €12. With almost €2 billion in budgetary credits allocated by the State last year, the AFD Group managed to increase its financing sixfold, by issuing bonds on the financial markets, to which can be added €12 billion in public and private, joint and parallel co-financing. The Group's business model generated consolidated net income of €344 million and a capital adequacy ratio of 15.26%.

This business model makes it possible to achieve significant development impacts. Our business plan is built by targeting operations according to their impact intensity, and the Group ensures that these results are measured over time. For example, twenty projects carried out in 2024 with a €300 million budget improved access to healthcare for 15 million people around the world. In accordance with France's feminist diplomacy strategy, over 50% of the Group's commitments have an impact on the promotion of gender equality. We are also investing in the preservation of global public goods, by meeting 85% of France's climate finance target, i.e. €7.7 billion in 2024, but also by dedicating more than €1 billion to the protection of biodiversity. This commitment to serving the planet is being developed with our partners by taking into account fairness in the transition, as illustrated by the signature of a 100% climate and 100% social loan to South Africa for €400 million, the largest financial transaction in AFD's history. Geographically, we remain alongside our overseas territories in New Caledonia and Mayotte, but we are also working with our European neighbours, in Ukraine, where we plan to invest €400 million from now until 2027. Africa remains the Group's geographical priority, year on year, representing 40% of our business.

This evidence of the impact of solidarity and sustainable investments is based on our sustainable development analysis and advice system, which is applied to all projects financed by AFD and which inspires our counterparts. The Group's financing is based on these impacts, as defined in our sustainable bond framework: in 2024, 55% of our bond issues were aligned with the SDGs, thus addressing the markets' appetite for sustainable finance of high quality and integrity. I would like to pay tribute to all the Group's employees for their commitment to sustainable development, and in particular to our front office team, which won the "best agency funding team" award on behalf of AFD at the Global Capital Bond Awards 2024. It is a goal that we are also pursuing through the adoption, in 2024, of a new monitoring and evaluation policy for the AFD Group, to ensure that evaluations are more influential and useful, better articulated in a project appraisal-monitoring-evaluation continuum, carried out through partnerships, "on the side of others" and "tailor-made". Over 50% of projects completed were assessed independently this year. Lastly, we are pursuing this goal by measuring the impact of our investments on the seventeen SDGs. At the end of the year, our group signed the Operating Principles for Impact Management (OPIM), alongside financial institutions, asset managers and public development banks investing for impact, and we proposed a new framework for transformational finance.

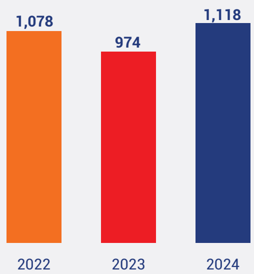
The mobilisation of all development finance players is essential in order to maximize impacts and accelerate transformations. The AFD Group plays a role as a mobilisation platform within the European and global financial architecture, with all public development banks around the world. The fifth summit of the Finance in Common movement (FiCS) was held in Cape Town last February, at the same time as the first meeting of G20 Finance Ministers and Central Bank Governors, chaired by South Africa, and conveyed its message of a multilateralism based on concrete solutions for shared prosperity. Marking the 10th anniversary of the SDGs and the Paris Climate Agreement, 2025 is a key year with the Fourth International Conference on Financing for Development in Seville, Spain, COP 30 in Belém, Brazil, and the United Nations Social Summit. The AFD Group is at the service of the entire Équipe France and Team Europe, favouring cooperation and international partnerships rather than adopting inward-looking approaches.

Overall, AFD's effectiveness is recognised by the French population, who have a positive opinion on the effectiveness of France's investments abroad. This was confirmed by a study carried out in April 2024, by Harris Interactive, on the commitment of Europeans to international solidarity and sustainable development. According to this survey, over 70% of French people consider the AFD Group's actions to be effective, both for the recipient country but also for France. Because the financing granted by the AFD Group creates value and jobs in France. Over 50% of the contracts financed have been won by French companies, which benefit from around €3 billion in economic spin-offs every year. The international solidarity sector represents 40,000 jobs, making it possible to disseminate French expertise and *savoir-faire* throughout the world.

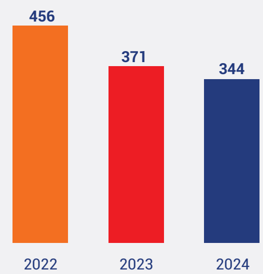
Our key figures

AFD Group - IFRS (€M)

Net Banking Income

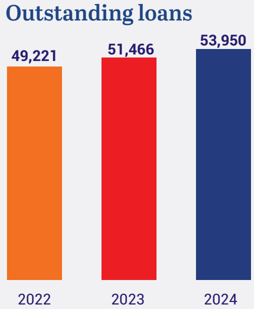


Net income

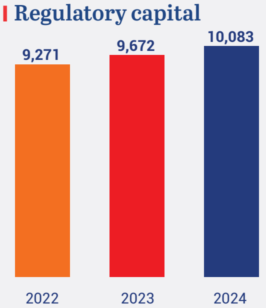


AFD more than complies with the banking ratios

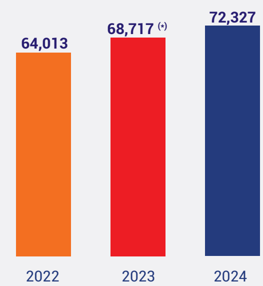
Outstanding loans



Regulatory capital

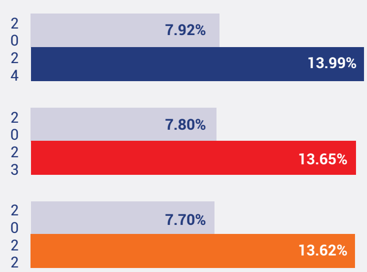


Balance sheet total



(*) *Including the methodological change in the accounting treatment of the reserve account (-€812M)*

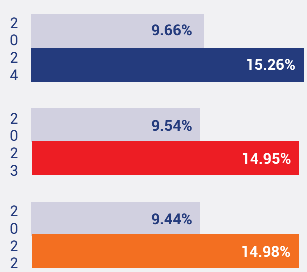
CET1 ratio



Minimum regulatory levels

* *Including countercyclical buffer*

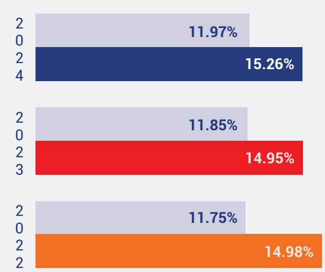
T1 ratio



Minimum regulatory levels

* *Including countercyclical buffer*

Capital adequacy ratio



Minimum regulatory levels

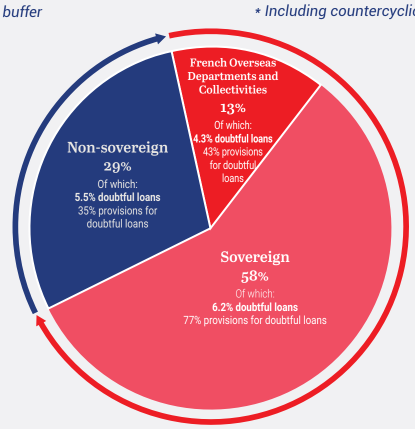
* *Including countercyclical buffer*

Performing assets

Total outstanding loans at 31 December 2024

€54bn

Doubtful loans: 5.6%



AFD GROUP: A HIGH-PERFORMANCE MODEL FOR IMPLEMENTING FRANCE'S DEVELOPMENT POLICY

SOURCES of financing

LOANS

FINANCIAL MARKETS

DIVIDENDS PAID TO THE STATE
€54 M

GRANTS

STATE BUDGET
FR
€2.1 BN

EUROPE AND OTHER DONORS
EU
€731 M

OTHER ACTIVITIES

Committed AMOUNTS

AFD GROUPE

NET INCOME:
€343.6 M

CO-FINANCING
€12 BN

GROUP COMMITMENTS
€13 BN

10.2 BILLION EUROS

OF WHICH
PROPARCO
€1.7 BN

1.2 BILLION EUROS

1.6 BILLION EUROS

OF WHICH
EQUITY INVESTMENTS
€384 M

DELEGATED FUNDS
€730 M

GUARANTEES
€506 M

Real OUTCOMES & IMPACTS*

Impacts per Responsible and Sustainable Investment Priorities

SUSTAINABLE INFRASTRUCTURE

11 M RESIDENTS
benefited from an improved quality of life

1 M PEOPLE
have improved access to transportation

1 M PEOPLE
have access to safe drinking water or sanitation services

HUMAN DEVELOPMENT

380,000 PEOPLE
have access to education and vocational training

7 M PEOPLE
have better access to healthcare

ECONOMY AND SDG FINANCE

96,000 FAMILY FARMS
have improved economic performance

53,000 PEOPLE
have improved access to local financial services

(*) Projects completed in 2024

The AFD Group's 2025-2030 strategy

Conceived over six years and guiding the Group's actions until 2030, the AFD Group's new strategy, with Proparco and Expertise France, consolidates the results and achievements of the previous strategy1. It serves the development policy set by the French authorities. It serves the guidelines set by the Programming Law on Solidarity-based Development and the Fight against Global Inequalities of 4 August 2021, and by the Presidential Development Council (CPD), the Interministerial Committee for International Cooperation and Development (CICID) and the Interministerial Committee for the French Overseas Departments and Collectivities (CIOM) in 2023.

The AFD Group's mandate was redefined around a dual agenda of combating poverty and inequality and preserving shared goods, promoting solidarity and sustainable investments beyond our borders, both in the least developed and most vulnerable countries, in middle-income countries and in the French Overseas Departments and Collectivities. The AFD Group must exercise dual mandate in a context marked by two opposing and simultaneous trends: tensions and growing geopolitical rivalries, at a time when the world shares and learns to collectively manage shared and existential challenges. The Group's mission is to forge positive links between France and those who wish to cooperate with it.

4 strategic commitments

KEEPING THE GROUP'S PROMISE

- The AFD-Proparco-EF offering, which is complete and attractive, and responds to the needs of our customers and partners, for greater impact
- Coordinated action, through Équipe France and Team Europe (#TeamEurope), and with all the development banks of the world (IDFC & FiCS) for greater mobilization, towards a European and a Souths community
- Improved responsibility, accountability, visibility
- Innovation, anticipation, foresight
- Group integration: strategic (Group POS, COM and CIP), organisational (Group DR) and single Group head office in Austerlitz

ON THE SIDE OF OTHERS

A position of attention, of respect, of listening to the local needs, constraints, cultures, knowledge and talent of countries and our customers and partners, by strengthening our geographical intelligence according to three mandates:

1 • Providing support for sustainable and inclusive economic and social development in the most vulnerable countries

2 • Providing support for a just transition in middle-income and emerging countries

3 • Providing support for the sustainable development of the French Overseas Departments and Collectivities and their regional integration

And actions adapted to large geopolitical groups:

- Taking action for the new partnership between Africa, Europe and France
- Providing support for the countries of the European political community in their convergence processes
- Taking action at the Indo-Pacific level around common challenges
- Contributing to a solidarity investment pact between Latin America and Europe

100% SDG

The alignment with the SDGs aims to achieve a strong sustainability of development models, by committing to do no harm, maximize transformational impacts, and increase synergies among:

- Three strategic priorities (Planet; Social link; Citizens, Institutions, Democracies)
- Three solidarity and sustainable investment priorities, for enhanced impacts and a quality sectoral offering:

— Sustainable infrastructure
— Economy and finance SDGs
— Human development and social progress

According to four levels of action: projects, players, country trajectories, and international systems

MOBILIZATION PLATFORM

The Group will step up its action and mobilize the forces of change to achieve the SDGs, in France, Europe and internationally, through three priority and complementary channels:

- Financial mobilization, to increase and qualitatively redirect additional resources
- Citizen and partnership mobilization, because the commitment of the nation's forces, whether civil society, young people, opinion leaders and citizens themselves, remains an under-used action lever among development institutions
- Mobilization of knowledge, technology and expertise

— French (Expertise France, French public institutions, private sector)

— local: AFD as a learner and as a broker of knowledge and innovations

1. The AFD Group's 2018-2022 strategy:
100% of financing aligned with the Paris Agreement and growth in the Group's climate finance / 100% social link: growing commitment to gender equality and social sectors / The Group's inceasing involvement in terms of crises and fragilities, with the launch of the Minka Initiative, which addresses the most vulnerable populations in conflict situations, and the commitment of nearly €1bn in response to crises in the four regional basins of the Sahel, Lake Chad, CAR and the Middle East / The priority given to non-sovereign players (50% of the Group's activity, and Proparco as the single entry point for direct private sector financing activities) / The partnership reflex and the deployment of a strong dynamic, with French (CSOs, the private sector, local authorities), European (Team Europe, Commission) and international players.

The Group's 3 cross-functional priorities

PLANET: reconciling climate, nature and development

As the first public development bank to align itself with the Paris Agreement, in 2017, the AFD Group now intends to have the same level of standards in terms of climate and nature and to continuously enhance its goals for the planet.

This will involve three markers:

- increasing its share of financing dedicated to projects with transformational value;
- aiming for alignment with the Global Biodiversity Framework (CMB) adopted at COP15;
- better integrating the challenges of the just transition and of vulnerabilities.

SOCIAL LINK for equality and inclusion

The Group will direct its financing and technical expertise to back the development of fairer and more inclusive societies.

Carried out across all operations, this focus will be based on two cross-functional objectives:

- reducing multidimensional inequalities and promoting inclusion;
- promoting gender equality through a transformative feminist approach.

CITIZENS, INSTITUTIONS, DEMOCRACIES

The Group will include support for "democratic dynamics" to a greater extent in its intervention strategies, taking into account the local political and institutional context

The Group will take action on three levels:

- providing support for citizen participation and organization initiatives
- providing support for public institutions (ministries, agencies, local authorities, etc.) to improve the efficiency and transparency of public action in the delivery of services to users and citizens;
- contributing to reinforcing the rule of law and democratic fundamentals, notably in civil society.

Key figures on the Group

AN ACTIVE GROUP in
180 countries
11 overseas territories

+4,500
employees in Paris and in the network

300 international technical experts and
1,500 Expertise France experts and contributors

EACH YEAR

€13bn
in financing approvals

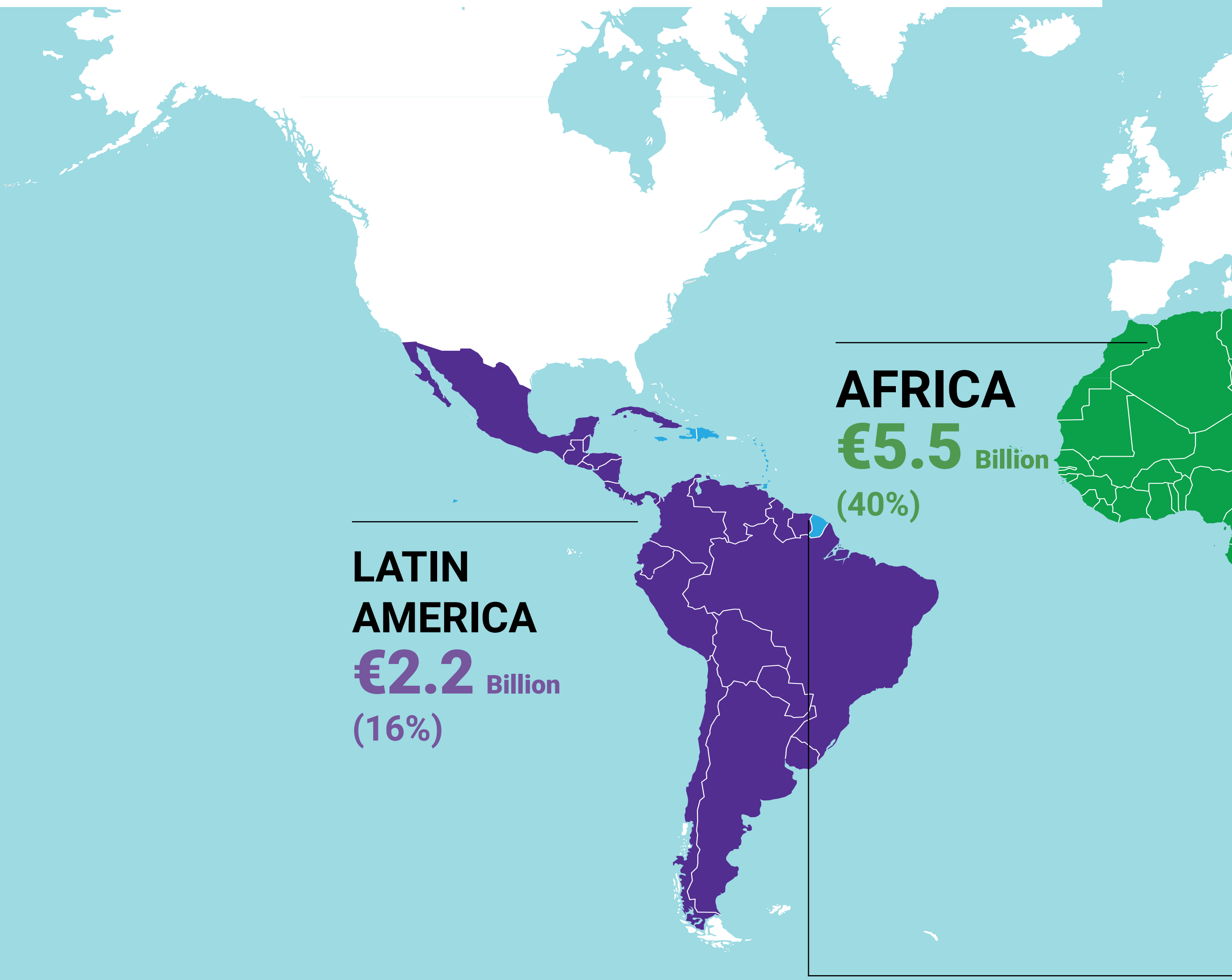
+1,000
new projects

127
major French public and private partners

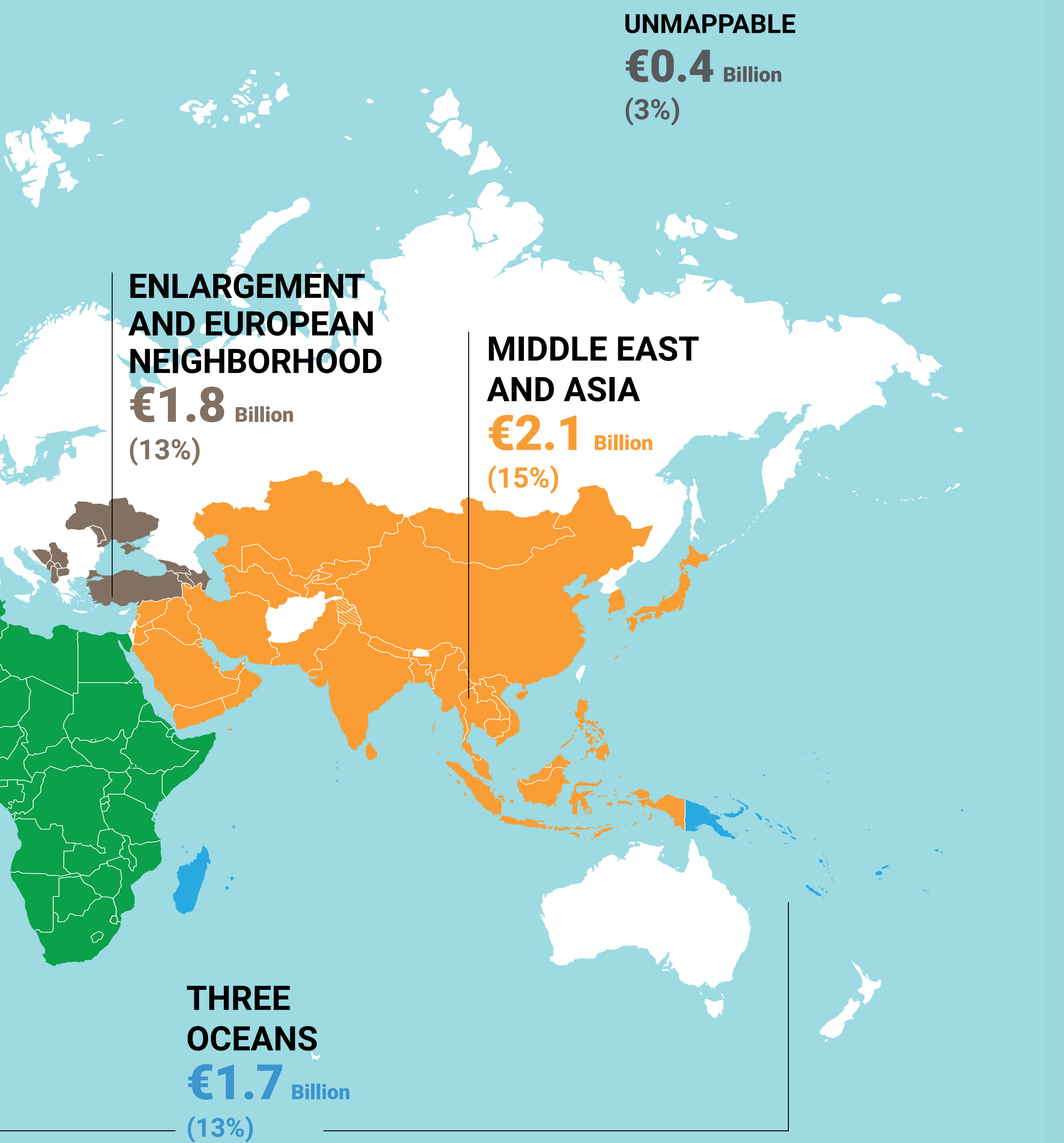
90
international co-financiers

7,000 CSOs
involved in Group projects

Geographical distribution of new financing authorizations in 2024



Total including €13 BN in authorizations for AFD and Proparco, and €0.8 BN in signatures for Expertise France.


UNMAPPABLE
€0.4 Billion
(3%)
ENLARGEMENT AND EUROPEAN NEIGHBORHOOD
€1.8 Billion
(13%)
MIDDLE EAST AND ASIA
€2.1 Billion
(15%)
THREE OCEANS
€1.7 Billion
(13%)

Methodology and glossary

Figures

Due to rounding, the tables' column totals may differ slightly from the sum of the lines composing them. The abbreviation €K signifies thousands of euros, €M signifies millions of euros and €bn signifies billions of euros. Commitments are presented net of cancellations during the year. For loans and grants, data in foreign currencies have been converted into euros for payments at the end of the month of disbursement, using the exchange rate at the date when the commitment was approved and the closing price (31 December) for outstandings. For borrowings, the year's issues were converted to the closing exchange rate.

Scope

Except for the tables in Sections 1.6.3 and 9.10 which present all of the activities carried out by AFD on its own behalf and on behalf of third parties, all other data included in this document covers the same scope as that used to prepare financial statements established according to international accounting standards – in other words, only activities on AFD's own behalf.

Glossaire

TA:	Technical assistance
ACPR:	French Prudential Supervisory and ResolutionAuthority
GBS:	Global Budget Support
AFD:	*Agence Française de Développement*
ODA:	Official Development Assistance
ARIZ:	*Assurance pour le risque de financement de l'investissement privé* (Insurance for private investment financing risk in AFD's areas of operation)
ECB:	European Central Bank
PIB:	Public Investment Bank
C2D:	Debt Reduction-Development Contracts
CSEC:	Central Social and Economic Committee
Campus:	Formerly Cefeb (Center for Financial, Economic and Banking Studies)économiques et bancaires)
CICID:	Interministerial Committee for International Co-operation and Development
CMF:	French Monetary and Financial Code
COM:	Contractual targets and resources
SSC:	Strategic Steering Committee
SEC:	Social and Economic Committee. It replaces the elected employee representatives in the company. It brings together all the employee representative bodies (IRP), employee representatives (DP), works council (CE) and Health, Safety and Working Conditions Committee (CHSCT).
DFID:	Department for International Development
DOM:	*Département d'Outre-mer* (French Overseas Department)
EPIC:	*Établissement public industriel et commercial* (Industrial and commercial public undertaking)
FEXTE:	*Fonds d'expertise technique et d'échanges d'expériences* (Technical expertise and experience fund)
FFEM:	*Fonds français pour l'environnement mondial* (French Global Environment Fund)
Fisea :	*Fonds d'investissement et de soutien aux entreprises en Afrique* (Investment and Support Fund for Businesses in Africa)
PRGF:	Poverty Reduction and Growth Facility
FSD:	*Fonds de solidarité pour le développement* (Solidarity Fund for Development)
FSP:	*Fonds de solidarité prioritaire* (Priority Solidarity Fund)
IDFC:	International Development Finance Club
MEAE:	*Ministère de l'Europe et des Affaires étrangères* (French Ministry of Europe and Foreign Affairs)
MAE:	*Ministère des Affaires étrangères* (French Ministry of Foreign Affairs) – Former title
MINEFI:	*Ministère de l'Économie et des Finances* (French Ministry of the Economy and Finance)
NAO:	*Négociation annuelle obligatoire* (Mandatory Annual Negotiations)
SDG:	Sustainable Development Goals
NGO:	Non-Governmental Organisation
OSEO:	Development Bank for Small and Medium-sized Enterprises
DC:	Developing countries
PEE :	*Plan d'épargne entreprise* (Employee Savings Plan)
LDC:	Least Developed Countries
POS:	Strategic Orientation Plan
HIPC:	Heavily-indebted poor countries
MIC:	Middle-income countries
RCS:	*Ressources à conditions spéciales* (Resources with speciall conditions)
FTT:	Financial Transaction Tax
PSZ:	Priority Solidarity Zone (PSZ)

1

Activities of the Agence Française de Développement Group in 2024

1.1 General information

1.1.1 Legal status

Registered office

Agence Française de Développement

5, rue Roland-Barthes
75598 Paris Cedex 12
France

Tel.: 01 53 44 31 31

Legal form

Agence Française de Développement (hereinafter referred to as "AFD") is an *établissement public de l'État à caractère industriel et commercial* (public industrial and commercial establishment with legal personality and financial autonomy [EPIC]). AFD is a financing company that exercises an ongoing public interest mission within the meaning of Article L.511-104 of the CMF. Its bylaws are defined in Articles L.515-13 and R.515-5 to R.515-25 of the French Monetary and Financial Code (CMF). AFD is managed by a Chief Executive Officer (CEO) who is appointed by Decree for a three-year term (Article R.515-16 of the CMF) and a Board of Directors in its areas of responsibility (Articles R.515-17 to R.515-19 of the CMF). The Strategic Steering Committee (SSC), an AFD body made up of State representatives on the Board of Directors and chaired by the Secretary of State to the Minister for Europe and Foreign Affairs, with responsibility for the French-speaking world and international partnerships (Article R. 515-7 of the CMF and Decree no. 2024-992 of 7 November 2024), is notably responsible for strengthening the link between the political guidelines for Official Development Assistance (ODA) decided by the Interministerial Committee for International Cooperation and Development (CICID) and their operational implementation by AFD. The SSC coordinates the State's preparation of the contractual targets and resources binding the Agency to the State, and monitors their implementation. It prepares, prior to their presentation to the Board of Directors, the guidelines set by the French State for the Agency pursuant to the decisions made by CICID (Article R.515-7 of the CMF).

ACPR Supervision

AFD, as a financing company, comes under the direct supervision of the French Prudential Supervisory and Resolution Authority (ACPR).

The issuer's governing law

AFD is subject to French law.

Date of creation and duration

AFD was created by Order No. 21 of 2 December 1941 establishing the Caisse Centrale de la France Libre, for an indefinite period.

Statutory purpose

In accordance with the provisions of Article L.515-13 and R.515-5 of the CMF, AFD exercises an ongoing public interest mission within the meaning of Article L.511-104 of the CMF. It may carry out the banking tasks related to this mission. Pursuant to the provisions of Article R. 515-6 of the CMF, AFD's mission is to carry out all types of financial transactions with a view to contributing to the implementation of the State's development aid policy abroad and to the development of the French Overseas Departments and Collectivities and New Caledonia. To this end, AFD finances environmentally friendly development operations and may conduct other activities and services linked to its role. In particular, AFD is responsible for directly or indirectly providing technical expertise to its beneficiaries.

Trade and companies registration

RCS Paris B 775 665 599.

Consultation of legal documents

At the registered office – 5, rue Roland-Barthes – 75598 Paris Cedex 12.

Financial year

From 1 January to 31 December.

Documents available to the public

During the period of their validity, the following documents (or copies of these documents) may, where applicable, be consulted on a physical medium at AFD's head office or on its website (www.afd.fr):

a. AFD's current memorandum of association, amending decrees and bylaws;

b. Universal Registration Documents, reference documents;

c. the annual financial statements, the consolidated financial statements, the half-year reports, the statutory auditors' reports on the annual financial statements, the statutory auditors' reports on the consolidated financial statements.

1.1.2 General information about AFD's share capital

AFD's funding amounted to €4,717,998,856 in 2024. In accordance with the provisions of Article R.515-15 of the CMF, this allocation may be increased by incorporation of reserves upon deliberation of the Board of Directors approved by decree of the Minister of the Economy and Finance. It may also be increased through the allocation of public funds in accordance with current laws and regulations.

1.1.3 Dividends

Pursuant to Article 79 of the amending Finance Law No. 2001-1276 of 28 December 2001 (amended by Article 88 of the amending Finance Law for 2003 No. 2003-1312 of 30 December 2003), a dividend may be paid to the French State. The dividend is deducted as a priority from the distributable profit for the financial year, under the meaning of Article L.232-11 of the French Commercial Code. It may be deducted from the available reserves.

The capital allocations received by AFD do not give rise to compensation.

After examining AFD's financial position and ascertaining the existence of distributable amounts, on the basis of the report of the Board of Directors, the Minister for the Economy and the Minister responsible for the budget set by decree the dividend paid to the State.

1.2 The AFD Group's strategy

The Group's strategy is described on pages 6 and 7.

1.3 AFD operations

1.3.1 Overview

Main missions

AFD is responsible for financing international development projects and programmes within the strategic framework defined by the Interministerial Committee for International Co-operation and Development (CICID). The framework agreement of 20 July 2021 signed between the French State and AFD defines the latter's role and public service missions as well as the financial relations between them. AFD is also responsible for financing development in the French Overseas Departments and Collectivities and in New Caledonia.

Under its bylaws, AFD may also carry out other activities and provide services related to its mission:

- it is responsible for directly or indirectly providing technical expertise to its beneficiaries (Article R.515-6 of the CMF);
- in addition to its operations on its own behalf, it is authorised to carry out a certain number of operations on behalf of third parties:
  - as such, it may represent financing companies, other French or international credit institutions, the European Union, foreign States or international organisations and institutions (Article R.515-13 of the CMF),
  - it is also authorised to manage public and private funds in the context of operations financed by the European Union, by international institutions or organisations, by public authorities, by foreign States, by credit institutions and development banks and by public or private legal entities, governed by French or foreign law. It may also entrust the management of public or private funds to the same entities under specific agreements (Article 10, paragraph II of Programming Law No. 2021-1031 of 4 August 2021 on solidarity-based development and the fight against global inequalities),
  - AFD also manages operations financed by the French State's budget on behalf and at the risk of the latter (Article R.515-12 of the CMF);
- it has the task of managing the annual loan portfolio delegated by the State for financing projects proposed by NGOs and ensuring project design and evaluation (Article R.515-11 of the CMF);
- AFD is increasingly focused on its intellectual production, in other words, discussion, production, capitalisation and research relating to development aid and sustainable development issues;
- lastly, AFD, provides training and further education for top-level managers in the foreign countries and the French Overseas Departments and Collectivities in its area of operation *via* the Development Campus (formerly CEFEB: Centre for Financial, Economic and Banking Studies), which it founded in 1961.

Contractual targets and resources

The purpose of the contractual targets and resources (COM) agreed between the French government and AFD is to define AFD's objectives and schedule its resources. They cover all of the AFD Group's activities, and set the guidelines for them, in foreign countries and the French Overseas Departments and Collectivities, while considering targets and characteristics unique to each type of intervention. It also covers the coordination of intellectual production, communication, support and advisory activities for the State and the policy for AFD partners.

1.3.2 AFD's proprietary activities

The following types of financing are available:

1.3.2.1 In foreign countries

Current activities

- **Grants**

  Priority operations in priority poor countries financed by MEAE budget resources (Programme 209), DGT (Programme 110) and by the share of the Financial Transaction Tax (FTT) directly allocated to AFD in 2017 and 2018. Grants are broken down into (i) financing project aid, (ii) advance research funds or supporting projects, (iii) equity investments in partnerships and facilities.

- **Loans**
  - The non-sovereign pricing grid includes subsidised products with different subsidy levels depending on the country category defined by the DAC [(1)]. This subsidy is funded by State budgets. The structure also includes a market-rate product that is entirely unsubsidised.
  - The sovereign pricing structure includes concessional products obtained due to direct subsidisation and/or use of RCSs from the French Treasury. The level of subsidisation varies according to country and project;

- **Guarantees**

  Guarantee activity in foreign countries entails, on the one hand, commitments made directly by AFD to cover such operations as borrowings, issue subscriptions or cash facilities and, on the other hand, guarantee commitments through Ariz, its guarantee facility. This facility guarantees private-sector outstandings through local banks that request it. Ariz is open to all of AFD's areas of operation in accordance with the geographical objectives set in its contractual targets and resources. Ariz offers two standard individual guarantee and portfolio guarantee products and additional innovative products such as a capital guarantee.

Mandate-specific operations

These include overall budgetary aid (GBS) from the Treasury (Programme 110) provided in the form of grants, mainly in the least developed countries (LDCs) as well as the use of grants financed by the C2D mechanism (multi-year debt reduction and development contract).

1.3.2.2 In French Overseas Departments and Collectivities

Since 2019, all the financial tools available to AFD under Action 9 of budget programme 123 of the Ministry for French Overseas Departments and Collectivities (grants and loan subsidies) have been part of the sustainable trajectory pursued by the Ministry, in line with the Sustainable Development Goals (SDGs).

AFD's overseas activities are mainly carried out *via* loans (subsidised and non-subsidised), grants and guarantees. They aim to contribute to the development of overseas territories and to integration in their regional environment.

- **Loans**
  - Financing public-sector investment in a spirit of partnership, especially thanks to the support given to local authorities for defining and implementing their development strategies. This activity takes the form of subsidised loans to the public sector (local authorities, EPCIs, public institutions, non-profit groups) or in the form of non-subsidised loans. AFD's loan outstandings in the French Overseas Departments and Collectivities amounted to €6.9bn, which positions AFD as a major financial partner of the overseas public sector;
  - In addition, AFD can grant short-term loans to public authorities, to pre-finance subsidies from the EU, the State or from higher local authorities;
  - Financing of the private sector through direct lending to companies at market rates, in a spirit of complementarity with the banking sector, and consistent with the climate commitments of the AFD Group and the SDGs;
  - AFD also supports the development of micro-credit institutions in the French Overseas Departments and Collectivities by contributing to their refinancing.
- **Grants**
  - In addition to its loan activity, AFD implements consulting and support actions for the overseas public sector. The Agency thus works with public players on capacity building for their investment operations;
  - In 2024, the French Overseas Departments and Collectivities Fund (FOM), created at the end of 2019 by the Ministry of Overseas Departments and Collectivities and managed by AFD, made it possible to mobilise grants to support engineering from overseas public players, with resources increasing compared to previous years. Moreover, technical assistance continued with the COROM contracts (recovery contract in the French Overseas Departments and Collectivities), intended to provide technical and financial support to overseas local authorities, in exchange for strict commitments from local authorities. This Corom support was also extended to 12 new municipalities for the 2024-2026 period.
- **Guarantees**
  - AFD also carries out a significant medium to long-term bank loan guarantee activity for small and medium businesses in the French Pacific collectivities through Sogefom, in which it is the majority shareholder;

1) *Scoring system according to the ranking established by the OECD (DAC markers).*

- It manages the FOGAP (Guarantee Fund for Agriculture, Fisheries, Aquaculture and Forestry sectors) created in 2010 by the French State and entrusted to AFD;
- The FGSPM (Saint-Pierre-et-Miquelon Guarantee Funds) and the Mayotte Guarantee Fund, for the General Economy section (FGM-EG), are run on a run-off basis due to the deployment of Bpifrance "guaranteed" products in these regions. AFD is responsible for its management.

- **Management or service mandates in the French Overseas Departments and Collectivities.**
  - AFD has a stake on its own behalf in the share capital of Société Immobilière de Nouvelle Calédonie (SIC).

1.3.2.3 Intellectual production

AFD ensures that the projects it finances integrate the development issues of the future. Through its research and development, AFD helps to construct the future sustainable development models and orientations. AFD relies on intellectual production through modelling, studies and assessments, the management of a network of experts and the publication of its research work to increase the added value of its operations. Through its experimentation processes, it also promotes research into new practices. All these activities are part of AFD's strategic and operational orientations. They are carried out in partnership with French and international research centers, with a focus on the use and promotion of expertise of Southern countries.

1.3.2.4 Promotion of knowledge on sustainable development

Based in Marseille and Paris, the AFD Group Campus (formerly Cefeb) aims to design, develop and deploy innovative educational pathways and educational resources (training cycles, seminars, capsules, MOOCs, etc.) and to lead learning communities, for the benefit of AFD Group employees and stakeholders who contribute to the transitions towards the Sustainable Development Goals (SDGs) in the countries where AFD operates. The aim of the AFD Group Campus training sessions is to jointly develop new forms of understanding and share the knowledge, know-how and interpersonal skills necessary to become committed and creative change professionals in the service of transitions.

1.3.3 AFD activities under a specific mandate

AFD's bylaws provide for cases in which AFD acts on behalf of third parties. In accordance with Article R.515-12 of the CMF, AFD manages the specific operations financed by the French State's budget on the State's behalf and at its risk. The terms of these operations are set out in agreements with the appropriate ministries. These are either (i) framework agreements governing terms for AFD's implementation of a project category, or (ii) individual temporary agreements setting terms for the implementation of a specific project.

Moreover, pursuant to Article 10, paragraph II of Programming Law No. 2021-1031 of 4 August 2021 on solidarity-based development and the fight against global inequalities, AFD is authorised to carry out activities on behalf of other third parties (European Union, international institutions or organisations, foreign States but also for any public authority, any credit institution, development banks or public or private institutions and generally for public or private legal entities, governed by French or foreign law). To this end, it has been entrusted with managing loans delegated by the European Commission or other financial stakeholders (the UK's DFID, the Monegasque Cooperation, etc.).

In accordance with international accounting rules, these activities are excluded from the consolidated balance sheet, they are made at the request of third parties. AFD's compensation for this type of activity is decided on a case-by-case basis as set out by the agreement and is intended to cover AFD's costs.

1.3.4 AFD's areas of operation (see Appendix 1)

The geographical areas in which AFD is authorised to operate are listed in Appendix 1, with the understanding that its operating mandate (forms of intervention, sectors, etc.) differs according to the country.

1.3.5 Information about any restrictions on the use of capital that have materially affected, or could materially affect, directly or indirectly, the issuer's operations

The restrictions on the use of capital that could materially affect the issuer's operations are limited to:

- equity investments made by AFD: these are transactions subject to State approval by an interministerial decree under the conditions set by Decree No. 53-707 of 9 August 1953 on the State's control of national companies;
- lending granted by AFD outside of its geographic scope of operations defined by Article R.515-9 of the French Monetary and Financial Code: these transactions require State authorisation under the conditions set by the aforesaid Article R.515-9 of the French Monetary and Financial Code.

1.4 Own-account activities

AFD's lending and grant activities are financed by different kinds of resources.

For its own-account activities, AFD uses three main types of financing:

Budgetary resources

- Funds for foreign country and French Overseas Departments and Collectivities loan subsidies (€290M of credit appropriations drawn in 2024 [(1)]);
- Grants received from the State for project grant, French Overseas Departments and Collectivities and NGO activities (€779M of credit appropriations drawn in 2024 [(2)]).

Loans from the State (special condition resource)

Up to 2017 inclusive, AFD contracted loans with the State for a period of 30 years, including 10 years deferred at 0.25%. Apart from the liquidity that they provide and their eligibility for Tier 2 of the regulatory capital, these resources contribute to subsidising the outstandings that justify the use of State rates: the financial advantage in comparison with market resources is thus measured and injected into operations making use of subsidies.

In 2024, AFD received €150M in special condition resource (RCS) in the first half of 2024. The funds were repaid to the French State in advance in the second half of 2024 in order to allow AFD's capital increase in the same amount.

Market borrowings

AFD's bond issues totalled €7,966M in the 2024 financial year.

AFD issued five bonds, including one tap issue, in the form of public issues on the euro, sterling and US dollar markets for a total amount of €6,446M:

- £350M at 3.5 years (equivalent to €407M);
- €2,000M at 10 years;
- $2,000M at 5 years (equivalent to €1,843M) in SDG bond format;
- $2,000M at 2.8 years (equivalent to €1,797M) in SDG bond format;
- €400M at 10.2 years *via* a tap issue.

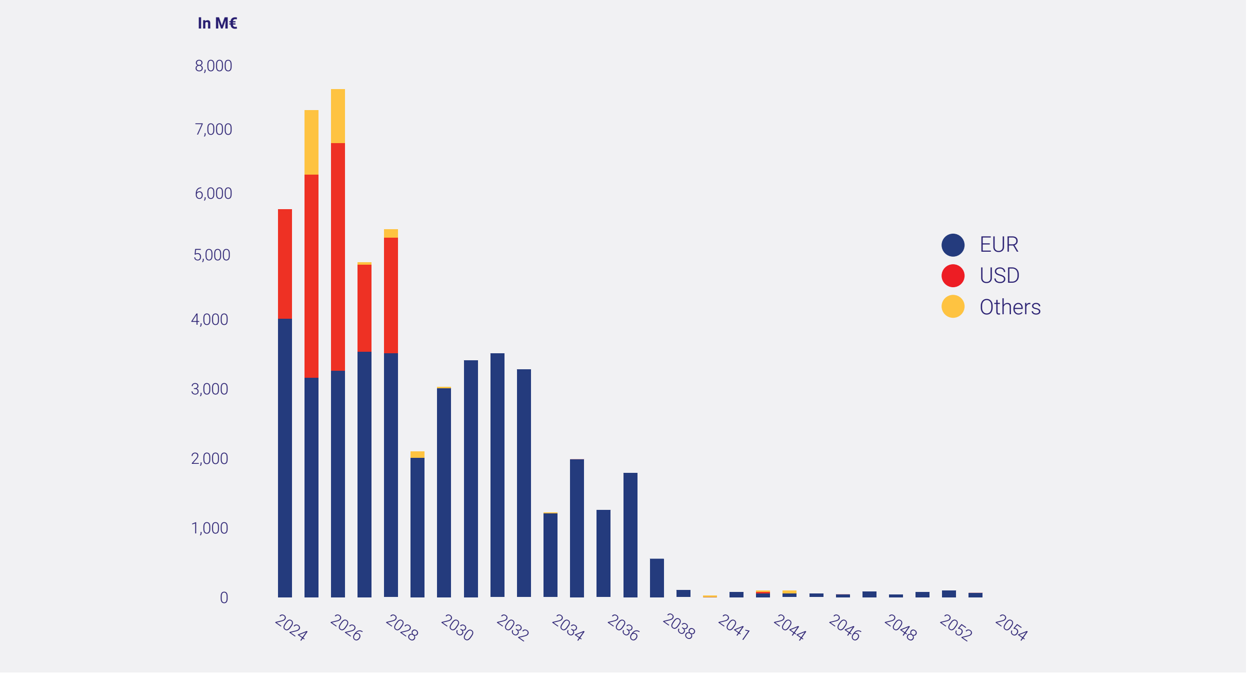
AFD has also undertaken:

- eight tap issues without the order book being opened for an amount of €1,290M, of which €790M in SDG bond format;
- five private placements in euros, Dominican pesos, Turkish lira and Australian dollars for a total of €230M.

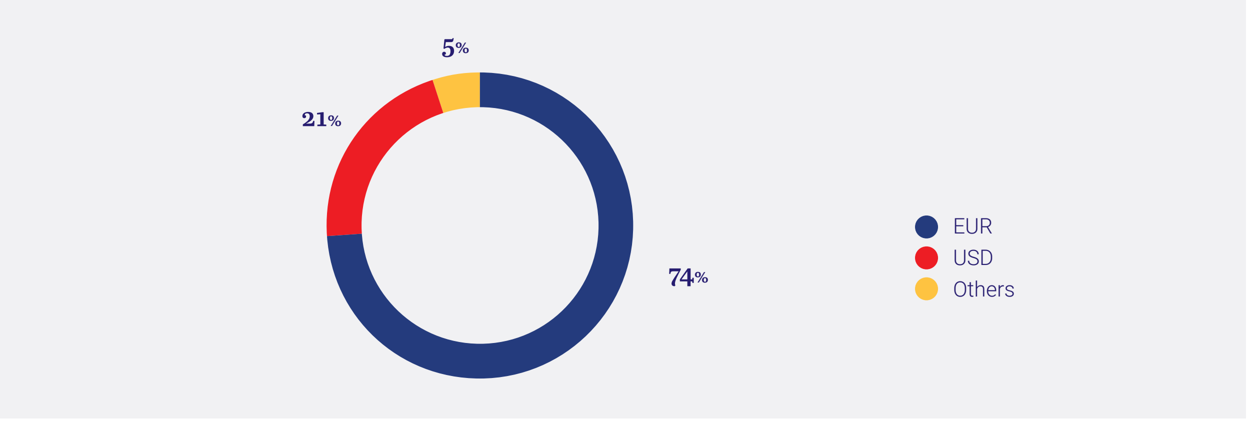
Taking into account the issues completed in 2024, the nominal stock of AFD's market debt at the end of 2024 reached a volume of €54.8bn at the corporate level and €53.5bn at the consolidated level.

1) Excluding RCS.
2) Subsidies excluding DGT.

The breakdown by maturity date is as follows

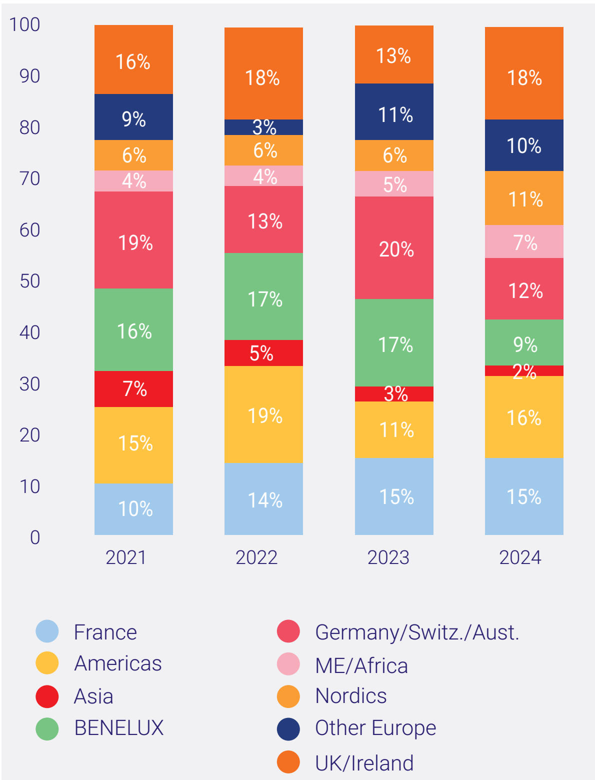


The outstanding debt stock at end-2024 is mainly denominated in euros



To meet its growing financing requirements, AFD ensures that it constantly maintains and expands its investor base which guarantees secure access to cash resources and competitive prices. The investor base by geographic area and type of "public" operation (1) breaks down as follows:

Geographical area



Type of operation

1) *So-called "public" operations generally meet three main criteria: (i) they are publicised widely to target domestic and international investors, (ii) an order book is held to collate investor subscriptions and (iii) there is a minimum amount to meet the benchmark size (equal to or greater than €500M or $500M for fixed-rate loans).*

1

1.5 AFD Group

1.5.1 Scope of consolidation

As part of its mission to finance development, AFD holds equity investments in companies or organisations in the geographic areas in which it is active, *i.e.* foreign countries and the French Overseas Departments and Collectivities. The percentages of ownership and of voting rights shown below represent both direct and indirect investments.

AFD Group – Scope of consolidation at 31 December 2024

	Countries	Method	Percentage of ownership 31/12/2024	Percentage of ownership 31/12/2023	Percentage of control 31/12/2024	Percentage of control 31/12/2023
Mainland France						
Proparco	France	FC	85.21	84.79	85.21	84.79
Sogefom – AFD share	France	FC	58.69	60.00	58.69	58.69
Sogefom – Socredo share	France	FC	-	-	1.31	1.31
Fisea	France	FC	100.00	100.00	100.00	100.00
Expertise France	France	FC	100.00	100.00	100.00	100.00
French Overseas Departments and Collectivities						
Soderag	France – Guadeloupe	FC	100.00	100.00	100.00	100.00
SIC	France – New Caledonia	EQ	50.00	50.00	50.00	50.00
Socredo	France – Polynesia	EQ	35.00	35.00	35.00	35.00

AFD Group – Scope of consolidation at 31 December 2024. FC: Full consolidation – EQ: Equity method.

Details of the consolidation scope are presented in Note 6.2.3.1.1 to the consolidated financial statements.

1.5.2 Information about subsidiaries

The information below (company data in accordance with French accounting standards) sets out the principal data relating to the subsidiaries which are fully consolidated into the financial statements of AFD.

Proparco (Société de promotion et de participation pour la coopération économique)

Purpose:	To promote development projects, acquire equity investments and grant loans in the regions in which AFD is mandated to operate
Legal form:	Public limited company (financial company)
Registered office:	151, rue Saint-Honoré, 75001 Paris
Share capital:	€1,353,513,248 (excluding issue premium)
AFD's stake:	85.21%
Other shareholders:	French credit institutions (91.39%), international financial institutions (7.07%), private investors (1%), ethical foundations and funds (0.53%)
Balance sheet total:	€8,723M
Net position:	€1,726M
Equity investments:	€1,795M (gross outstandings)
Gross outstanding loans:	€6,048M
Net banking income:	€197M

Expertise France

Purpose:	French technical assistance and public international expertise abroad on bilateral and multilateral financing.
Legal form:	Simplified joint stock company (*société anonyme par actions simplifiée*)
Registered office:	40, boulevard de Port-Royal, 75005 Paris
Share capital:	€828,933
AFD's stake:	100.00%
Other shareholders:	None
Balance sheet total:	€1,176M
Net position:	€11M
Net income:	€6M

Sogefom (Société de Gestion des fonds de garanties d'Outre-mer)

Purpose:	To provide a partial guarantee for financing operations undertaken by credit institutions operating in the French Overseas Departments and Collectivities and having subscribed to a portion of its share capital or having received approval from its Board
Legal form:	Public limited company
Registered office:	5, rue Roland-Barthes, 75012 Paris
Share capital:	€1,102,208
AFD's stake:	60% (including 1.32% through Socredo)
Other shareholders:	Nine credit institutions (40.00%) including Banque de Nouvelle-Calédonie (7.51%) and Banque de Polynésie (7.51%)
Balance sheet total:	€101M
Net position:	€11M (excluding FRBG)
Net banking income:	€6.6M

Soderag (Société de développement régional Antilles-Guyane)

Purpose:	To grant loans and acquire equity investments in order to promote development in the Antilles – French Guiana region
Legal form:	Public limited company in liquidation (in voluntary liquidation since 17/7/1998 – SDR)
Registered office:	Fort-de-France (Martinique)
Share capital:	€111,923,132
AFD's stake:	100.00%
Other shareholders:	None
Balance sheet total:	€7.4M
Net position:	-€8M (excluding FRBG)
Gross outstanding loans:	NS
Net banking income:	€0.1M

Fisea (Fonds d'investissement et de soutien aux entreprises en Afrique)

Purpose:	To promote the growth of African SMEs
Legal form:	Simplified joint stock company (*société anonyme par actions simplifiée*)
Registered office:	5, rue Roland-Barthes, 75012 Paris
Share capital:	€380,000,000
AFD's stake:	100.00%
Other shareholders:	None
Balance sheet total:	€237M
Net position:	€228M
Gross outstanding loans:	NS
Equity investments:	€219M (amount net of impairments)
Net income:	-€15M

1.5.3 Presentation of subsidiaries

1.5.3.1 Proparco

Proparco is a development financial institution.

At the end of December 2024, Proparco's share capital stood at €1,353,513,248 and was distributed between AFD for 85.21% and private shareholders for 14.79% (including 6.2% for French financial institutions, 7.1% for international financial institutions, 1% for investors and 0.5% for ethical funds and foundations).

Proparco is Group's only player in private sector activities. Its mission is to work with the private sector to promote sustainable and inclusive growth models with a low carbon footprint in developing and emerging countries. Proparco plays a role in achieving sustainable development goals (SDGs). Its sector-focused strategy, adapted to match each country's level of development, is focused on the productive sector, banking intermediation and financial systems, infrastructure, energy, health, education and private equity. Proparco's areas of operation now include all developing countries as defined by the Organisation for Economic Co-operation and Development's (OECD's), Development Assistance Committee (DAC [1]) and covers a geographic area extending from the major emerging countries to the poorest countries, especially in Africa where countries must meet high corporate social responsibility (CSR), and impact requirements. Proparco offers a complete range of financial instruments to meet the specific needs of private investors in developing countries: loans, quasi-equity, equity and guarantees.

1.5.3.2 Expertise France

Expertise France is the French interministerial agency for international technical cooperation, under the dual supervision of the Ministry for Europe and Foreign Affairs and the Ministry of the Economy, Finance and Industry. Expertise France carries out a public service mission by contributing to the promotion of technical assistance and French public international expertise abroad, with bilateral and multilateral financing. It operates within the framework of France's foreign policy on development cooperation, influence and economic diplomacy, in conjunction with the ministries and organisations concerned by the provision or secondment of public experts and in the framework of the strategic orientations defined by the French State.

Working closely with French public institutions but also with the European Union, of which it is the second largest agency, Expertise France responds to the request of partner countries wishing to improve the quality of their public policies. To this end, Expertise France designs and implements national or regional projects in the main areas of public action: the planet, democratic institutions and citizenship, the fight against inequality, economic and social development, international stability and crisis and conflict prevention. It mobilises technical French, European and international expertise, both public and private, in support of its projects and its partners, by promoting dialogue among peers. In addition to the project activity, Expertise France also manages the system of international technical experts who are positioned in international administrations and organisations. Present on five continents, Expertise France thus contributes to forging a lasting partnership among players in an international community committed to building a shared world.

1.5.3.3 Fisea

The subscribed capital of FISEA SASU (i.e. combining the two "historical" FISEA and FISEA+ initiatives) amounted to €380M at the end of December 2024 following the €30M capital increase carried out in December 2024.

The "historical" FISEA initiative is fully committed and all approved amounts have been subscribed.

Launched in 2021, the Fisea+ initiative approved 7 financing projects (including a top-up) in 2024 for €56M and 2 delegated technical assistance projects totalling €1.4M for two investment funds.

In 2024 Fisea+ made four new signatures as well as two additional signatures (signatures in two times for existing projects) for a total amount of €26M, bringing the amount signed to date to approximately €138M, i.e. 65% of the 7-year investment objective (€210M). These projects involve five general investment funds and one educational institution.

Disbursements for the two vehicles ("historical" FISEA initiatives and Fisea+) amounted to €21M (compared to €31M in 2023).

1.5.3.4 Soderag

The Regional Development Company of the Antilles-French Guiana (Soderag) is a regional development company in which AFD took control in 1995 at the State's request. The losses and poor outlook led to the company's liquidation in July 1998. AFD acts as Soderag's out-of-court liquidator and carries out transactions relating to the Company's liabilities and assets. Outstanding cash advances by AFD to Soderag amount to €8M and are fully written down in AFD's parent company financial statements. In March 2023, a capital increase by incorporation of AFD receivables took place, bringing the capital from €5M to €112M. The portfolio of assets comprises six equity investments, one of which is currently being sold, before the liquidation of Soderag can be completed.

1.5.3.5 Sogefom

Sogefom (French Overseas Guarantee Fund Management Company) manages guarantee funds in the French Pacific Collectivities, providing partial guarantees for financing operations undertaken by credit institutions in this zone. In particular, its aim is to support small and very small businesses (SMEs and VSEs) in a range of economic sectors. AFD manages Sogefom within the framework of a regulated agreement.

1) Scoring system according to the ranking established by the OECD (DAC markers).

The sustained level of activity seen for several years (€48.2M in 2022 and €43.7M in 2023) increased significantly in 2024 with a record production of €84.5M, mainly due to the strong appetite of New Caledonian banks for the “Reconstruction” guarantee put in place in this territory following the events of May 2024. In 2024, production in New Caledonia amounted to €58.9M (+378% compared to 2023), and is more than double that of French Polynesia, at €25.5M (-18.8% compared to 2023).

Gross consolidated outstandings for guarantees at 31 December 2024 amounted to €190.1M, compared to €135.6M at the end of 2023, *i.e.* a 40% increase. These outstandings break down as follows: 50.37% in French Polynesia (2,158 guarantees), 49.60% in New Caledonia (1,419 guarantees) and 0.03% in Wallis and Futuna (1 guarantee).

1.5.3.6 Banque Socredo

Socredo (50% French Polynesia, 35% AFD and 15% BRED), a French mixed economy public limited company (*société anonyme d’économie mixte* – law of 1946) with share capital of €184.4M, approved as a bank since 1984, is a major player in the financing of the Polynesian economy. Its activities extend to every sector of the economy and, more particularly, to several key sectors such as housing, the marine sector and tourism.

Socredo is the leading bank in Papeete, with a 42.7% market share across all types of lending and a 39.1% share of deposit-taking. It differs from the two competing banks in the market (Banque de Polynésie and Banque de Tahiti, subsidiaries of Société Générale and Groupe BPCE, respectively) as a result of its presence throughout the country, as well as its unique positioning in inclusive banking and green finance. In December 2023, Socredo placed sustainable development at the heart of its new strategy for 2024-2028.

In addition to its banking activity, Socredo has three main subsidiaries: OSB (electronic banking, checks and desktop publishing), Ofina (acquisition of flows and issuance of the American Express card for the French Pacific) and OCA (call centres). It also holds OCI (management of equity investments and venture capital) and Ofimmo (private social housing).

At 31 December 2024, Socredo employed 517 people. The projected financial closing as at the end of 2024 shows a total balance sheet of €3.5bn, slightly higher than in 2023 (€3.4bn). It mainly consists of customer receivables for €2.6bn (compared with €2.5bn in 2023) and deposit liabilities of €2.52bn (compared with €2.49bn in 2023). In 2024, the bank generated net banking income (NBI) of €94.3M and net income of €13,6M, compared with €95M and €14.5M, respectively, in 2023. All regulatory ratios are satisfactory.

AFD is actively involved in the governance of Socredo with three out of its ten directors.

1.5.3.7 Société Immobilière de Nouvelle-Calédonie (SIC)

SIC (Société Immobilière de Nouvelle-Calédonie) was created in 1988 when SICNC (Société immobilière et de crédit de Nouvelle-Calédonie) was split into two separate companies: BCI (Banque calédonienne d'investissement) and SIC (Société immobilière et de crédit de Nouvelle-Calédonie). Its mission is to contribute to social cohesion and the fight against inequalities and exclusion, by offering housing solutions adapted to populations with the most modest means.

AFD holds 50% of SIC's capital, alongside the New Caledonia local authority. SIC manages a portfolio of approximately 11,000 housing units in which over 45 000 Caledonians live (1 out of 6 Caledonians at the regional level).

Following the riots of 2024, which caused a marked increase in unpaid bills and commercial vacancies for social landlords (linked in particular to the departure of tenants from their homes), as well as other external parameters (indexation of a large part of its debt on Livret A savings accounts and inflation in the territory not offset by the rent revision index), the balance of the SIC was significantly downgraded. The company’s income moved from -€6.8M in 2023 to -€12.2M in 2024.

In the short term, AFD is providing support for SIC in re-profiling its long-term debt with Banque des Territoires and, in January 2024, granted it a €20M cash line to cope with these financial constraints.

In the longer term, structural reforms of the financing of social housing are necessary to ensure the balance of social housing operators, and AFD can assist the government of New Caledonia in its approach (reform of 2% on housing, creation of an unpaid housing guarantee fund, indexation of rents to inflation, inclusion of the housing sector in the future SGL, etc.).

1.6 Activities of the Agence Française de Développement Group in 2024

1.6.1 International economic context

- **Despite a geopolitical and geoeconomic environment that remains uncertain, global economic growth could, according to the latest IMF projections (January 2025), remain stable at around 3.3% over the 2023-2026 period**. The distinct trajectory of advanced economies (AEs) and emerging and developing countries (EDCs) is also relatively stable over this period, with a growth rate for the former expected at 1.7% in 2024 and 1.9% in 2025, while the latter should experience growth of 4.2% in 2024 and 2025. This stability must not mask two risk factors: **vulnerability to perennially possible external shocks** (notably conflicts, protectionist measures or inadequate policy mix, regional hazards), and the long-term slowdown trend. In this regard, the WEO [1] of October 2024 continued to project global economic growth that would increase to **3.1% by 2029 compared to an average of 3.8% between 2000 and 2019**. The April WEO even stressed that in the absence of structural reforms, global growth could reach only 2.8% in 2030, an unprecedented level (excluding crises). On a more positive level, **disinflation** continued relatively evenly across the various regions and enabled a cycle of lowering key rates, **notably in Europe and the United States**, to provide support for growth. **However, obstacles may continue to arise** locally, whether in terms of the fight against inflation (we are thinking in particular of the American policies that will be implemented by the new Trump administration), of **monetary policy** (United States, Brazil) or of **sovereign spreads** (United States, Latin American and South-East Asian economies) in response to the US fiscal stimulus. Moreover, these obstacles always aggregate with the possibility of **geopolitical and climate shocks**.
- In 2024, **the United States and the EU continued their respective growth trajectories, at significantly different levels**: 2.8% growth projected for the former (after 2.9% in 2023) compared to 0.8% for the latter (0.4% in 2023), contributing to maintaining the gap. EDCs slowed down slightly in 2024, with an average growth rate of 4.2%, after 4.4% in 2023. **Asia**, while somewhat losing momentum, remains the Group's driving force at 5.2% (5.7% in 2023). Notably, **China** finally crossed below the 5% mark (4.8% in 2024 *vs.* 5.2% in 2023), like **India**, which crossed below the 7% mark (6.5% estimated for the 2024 fiscal year), interrupting a decade of over 7% growth on average (excluding 2020). In **sub-Saharan Africa**, activity grew by 3.7% in 2024 (3.6% in 2023), helped by a **South African economy** undergoing a very gradual recovery, like that of **Nigeria**. **Latin America**, thanks to a solid performance in **Brazil** (3.7% estimated in 2024) and an initial recovery in **Colombia** (1.6% compared to 0.6% in 2023, according to the WEO of October 2024) maintained a stable regional average (2.4%). It is **Mexico**, where growth halved to 1.8% in 2024, which negatively impacted the region. The **Argentinian** recession may have come to an end in 2024 (-2.8%). **The Middle East, North Africa and Central Asia region** is one of the few to grow slightly (2.4% after 2% in 2023), mainly driven by the partial recovery in **Pakistan** (2.5% forecasted in 2024 after a year of recession) and some oil-based economies. Nevertheless, the region remains fragile, with **Turkey** (2.8%) and **Egypt** (2.4%) losing momentum. **Tunisia** once again posted a positive growth rate in 2024, although low (1.6% according to the WEO of October 2024) after a year in suspension in 2023, while **Lebanon** continued to sink into a protean crisis (no data for 2024).
- **In 2025**, despite a continuing average trend (4.2%), it is within the EDCs that the trajectories are likely to differ: **Asia**, which is heavily dependent on **China** (4.6%), and **India** (6.5%) are likely to see their activity continue to grow at over 5% (5.1% according to the IMF in January 2025), a level that remains higher than all the other regions. **Latin America** is expected to grow at half that level (around 2.5%), with contrasting dynamics: slowdown in **Brazil** (2.2%) and **Mexico** (1.4%), exposed to risks caused by the return of Donald Trump to the White House, in parallel with an expected recovery in **Argentina** (5%) and **Colombia** (2.5%). **Sub-Saharan Africa** could experience a favourable growth momentum of 4.2% in 2025, in particular if **South Africa** continues its recovery (1.5% expected). In the absence of a major shock, **Nigeria** and **Kenya** should remain within the current growth rates of 3.2% and 5%, respectively. **The Middle East, Central Asia and North Africa region** could, in the absence of widespread or generalised conflicts, experience a significant rebound to 3.6%, driven notably by **Egypt** (3.6%), **Iraq** (4.1%) or the continued gradual recovery of **Pakistan** (3%).
- **Since the start of 2024, the gradual absorption of imbalances in value chains, labour markets and commodities markets has contributed to bringing inflation rates closer to the targets pursued by central banks, but also among the various regions**. **Disinflation generally continued**, although it showed signs of slowing down during the first half of the year. The persistence of core inflation is mainly related to services. Conversely, **the change in the prices of basic goods (excluding food and energy) was practically zero**. In the medium term, recent increases in freight costs, particularly for routes with China, are once again exerting upward pressure, which however have been mitigated until now by the decline in the prices of exports from China. Nominal wage increases should be absorbed by

1) *Word Economic Outlook.*

productivity gains and corporate profit margins, subject to the absence of another major shock.

- With regard to **monetary policy**, the easing cycle was triggered in the **euro zone** in June 2024 and then in the **United States** in September. In the euro zone, a 100 basis point cut in key rates was made in 2024 and an additional 50 bps are expected in 2025, which would bring the key rate to 2.5% by June 2025. In the **United States**, the Fed has also reduced its interest rates by 100 bps since September. Before the election of Donald Trump, the federal funds rate was projected to reach its long-term equilibrium of 2.9% in the third quarter of 2026. However, the trajectory foreseen by the Fed for 2025 will perhaps be made more chaotic by the second-round effects of the **policies implemented by Donald Trump in terms of budget deficit, customs duties and immigration, which could prove inflationary, forcing the Fed to slow down its downward cycle**. This could result in the positioning of the central banks of emerging economies, which should then guard against a drying up of dollar flows, in particular in Latin America (**Brazil, Mexico, Colombia**) and Asia (**Cambodia, the Philippines, Vietnam**), regardless of local inflation diagnoses. Moreover, according to the IMF, the last decade has seen an **intensification of interest rate contagion effects from advanced countries to emerging countries**. This is how **changes in the term premium** [(1)] on US 10-year bonds are the source of an increasing share of the changes in term premiums of domestic 10-year bonds in emerging countries, in particular in the Middle East, Africa and Latin America.
- Combined, the recent drop in key rates and the increase in term premiums have so far led to a relative stability in real financing costs since mid-2023, both sovereign and private, in advanced economies as well as in emerging and developing countries. **A factor that is unfavourable to the revival of growth, this maintenance of real rates reflects the high level of uncertainty and reinforces vulnerabilities to shocks**.
- Indeed, the **sources of financial volatility persist**: share of **outstandings of non-banking financial institutions** (less regulated) which represent approximately 47% of global financial assets, **deflation of central bank balance sheets**, and an observed volatility index that currently remains uncorrelated at the level of estimated uncertainty, which raises questions on the level of **asset valuations** such as those of the mini-crash of the Japanese stock market on 12 August (-12% in one day for the Nikkei index).
- The **Chinese economy** is slowing down very gradually, following a 2023 that marked a clear post-Covid recovery of 5.2%. The expected sequence is now 4.8% in 2024 and 4.6% in 2025. The authorities are mobilising fiscal and monetary levers to try to offset cyclical constraints (mainly the **over-indebtedness of local authorities** and the real estate crisis) and structural constraints (population decrease since 2022, in parallel with **ageing**, which is leading to an accelerated decrease in the working population, as well as a **slowdown in labour productivity gains** and the **decline in capital productivity**) as well as exogenous factors (geo-economic rivalries, climate events). At this stage, however, the measures have not generated a significant rebound, **in the absence of more structural reforms** that would make it possible to further transform the growth model around services and domestic consumption. While the retirement age has been postponed, a reform of social protection (and, no doubt, an increase in taxation) seems a step that the authorities do not wish to take for the moment. **Control of freedom and control of information** (including financial information) also undermines economic initiatives. However, the e**conomy remains robust and highly competitive** in certain key sectors and the centralisation of decisions has, for example, made it possible to quickly redirect lending from real estate to industry.
- **Over the next 12 months, the main risk factors** remain essentially the same as those at the end of 2023, even if their relative weighting has changed. American and European **monetary policies** are on track to win the fight against inflation, which opens the door to a neutral policy by mid-2025 in Europe and by mid-2026 in the United States. However, the measures that the future US President will take, coupled with the inertia already perceptible in certain inflation compartments, could change the outcome of the central scenario. A resumption of inflation in the United States, for budgetary, customs or immigration-related reasons, could mean a slowdown or a pause in monetary easing, which would have immediate repercussions on the financing conditions of emerging countries, even those locally immune to inflation. **In particular, it should be noted that the IMF's central scenario for the US deficit is of around 6% in 2029 (before the election of Trump) with public debt at 131.7% of GDP**. It cannot be ruled out that this trend (or an increase thereto) has consequences on the financing rates of EDCs. **The financial markets remain the second source of risk**, whether through **peaks in volatility**, as in August, or **failure to regulate** certain sub-funds. Overall, financial assets are currently valued at historically high levels, which do not seem to reflect the current financial, economic and geopolitical uncertainties. **The subject of sovereign debt** also remains central, although less systemic, and will be particularly critical for certain regions (Africa notably). **Conflicts (Ukraine, Middle East)** obviously remain risk factors, although they are difficult to quantify, and even if 2025 could also be the year in which the crisis begins to end in either case. On the other hand, **other conflicts, less regional and more geo-economic**, could take over and affect

1) *The term premium differs from the risk premium: the term premium is the remuneration required by an investor to hold a financial asset over the long term rather than the short term, while the risk premium is the additional remuneration that an investor requires to invest in a risky asset rather than a risk-free asset.*

growth through a slowdown in trade and investment, notably due to the fact that the American and Chinese economies, together, now account for 43% of Global GDP. Lastly, the **Chinese real estate crisis, which is about to turn into a deeper challenge to the growth model**, continues to cause great uncertainty in many emerging economies, which are integrated in the Chinese value chains or which export raw materials to China, a market-maker in agricultural products, minerals and even hydrocarbons. On the other hand, these risk factors are accompanied by a last one whose materialization is proven but the magnitude of which remains uncertain: the **acceleration and intensification of climate disasters**.

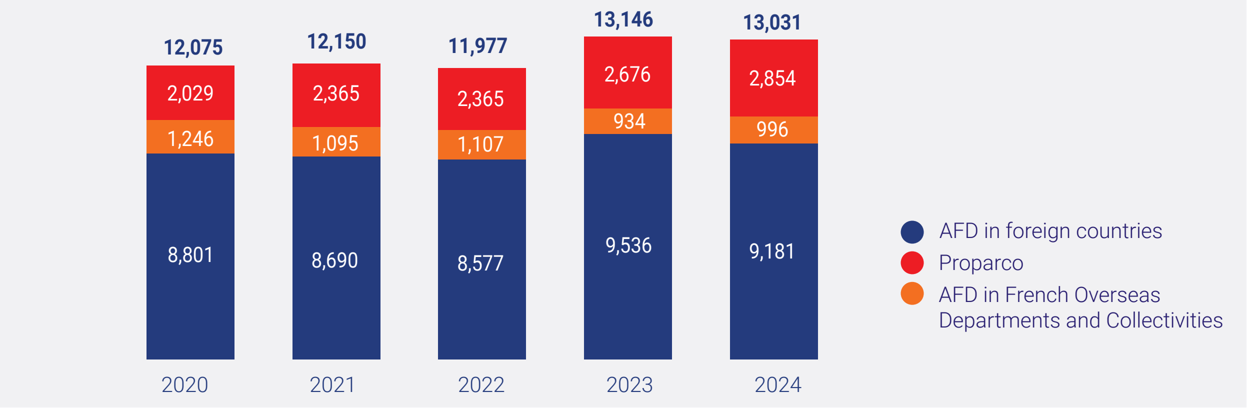
1.6.2 Information about offices and activities at 31 December 2024

The table below lists all Group companies, whether consolidated fully or using the equity method.

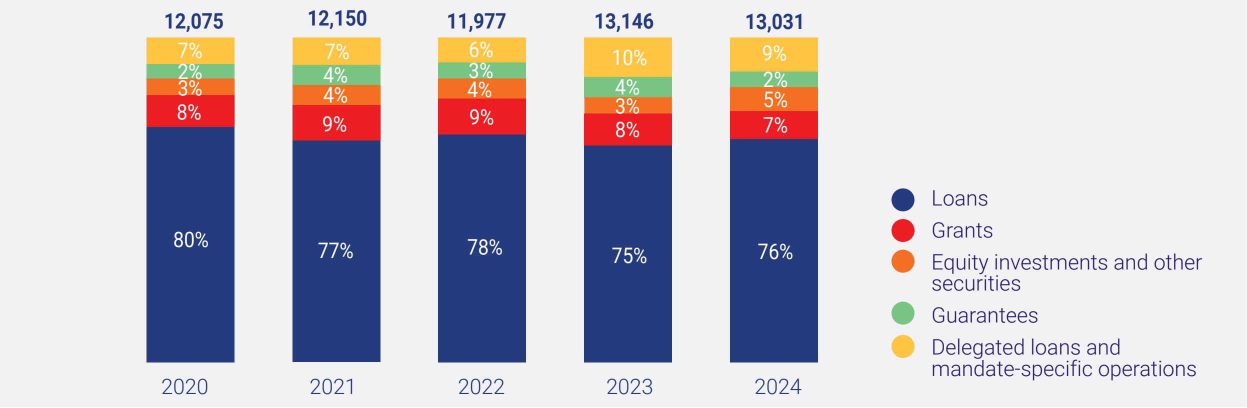
Offices by country	Activities
France	
AFD – Agence Française de Développement	Financial institution
Fisea – Fonds d'investissement et de soutien aux entreprises en Afrique	Investment funds
Proparco – Société de promotion et de participation pour la coopération économique	Financial institution
Soderag – Société de développement régional Antilles-Guyane	Guarantee fund
Sogefom – French Overseas Guarantee Fund Management Company	Guarantee fund
Expertise France – French technical assistance and public international expertise abroad on bilateral and multilateral financing	Expertise operator
New Caledonia	
SIC – Société immobilière de Nouvelle-Calédonie	Real estate company
French Polynesia	
Banque Socredo	Bank

1.6.3 AFD Group activities

AFD Group financing approvals in foreign countries and in the French Overseas Departments and Collectivities



AFD Group financing approvals by type of financing



Financing data includes all AFD and Proparco activities. Data relating to Expertise France's activity are presented separately.

The AFD Group's overall activity amounted to €13bn in commitment approvals in 2024, stable compared to 2023 (€13.1bn) with some variations:

- a €300M decrease in approvals on the AFD scope (excluding Proparco sub-holdings), marked by:
  - a decrease in foreign countries, which is notably explained by a reduction in grants (-€108M), the volume of C2Ds [1] (-€335M) and equity investments (-€200M), and by an increase in loans (+€115M) and delegated loans (+€178M),
  - a slight increase in the French Overseas Departments and Collectivities, of €66M, coming almost exclusively from guarantees (+€53M).
- the increase in approvals on the Proparco scope (€178M) was largely due to bond activities (+€251M), equity investments (+€110M) and Fisea (+€35). The guarantee activity, for its part, was down (-€228M).

1) *Debt reduction and development contract.*

1.6.3.1 AFD's activities in foreign States

1

AFD approvals – foreign countries

In millions of euros	Amount approved for 2024	Amount approved for 2023	Change
AFD Foreign countries			
Current activities	**8,807**	**9,056**	**- 249**
Grants	751	850	- 99
Sovereign concessional loans	5,253	5,249	5
Non-sovereign concessional loans	874	661	214
Non-sovereign non-concessional loans	1,750	1,739	11
• of which NCLs declarable in ODA	1,191	1,282	- 91
• of which AFD sub-participation loans to Proparco	559	447	112
Funding for NGOs	154	161	- 8
Equity investments	-	200	- 200
Guarantees	25	196	- 171
• of which AFD sub-participation loans to Proparco	25	193	- 168
Mandate-specific operations	**230**	**571**	**- 341**
GBS	68	71	- 3
C2D	145	480	- 335
FFEM	17	20	- 3
Specific activities using resources from other financial stakeholders	**727**	**549**	**178**
Loans delegated by other financial stakeholders – EE	638	525	113
Green/Climate Fund	89	24	65
Total AFD Foreign countries	**9,765**	**10,176**	**- 412**
• of which sub-participations granted to Proparco	584	640	- 56
TOTAL AFD EXCLUDING SUB-INVESTMENTS	**9,181**	**9,536**	**- 355**

Current activities

Loans this year amounted to €7.88bn compared to €7.65bn in 2023.

In 2024, the year was marked by an increase in non-sovereign business (+€225M, or +9%), mainly driven by non-sovereign, non-concessional loans (+€214M). Sovereign activity was stable at €5.25bn.

Total grant approvals amounted to €751M at the end of 2024, down compared with 2023 (-€99M), due to a reduction in budgetetary resources.

Activity on specific mandates was down sharply compared to the previous year: approvals amounted to €230M compared with €571M in 2023. This decrease is mainly due to the run-off management of C2Ds (-€335M).

Activities using resources from other financial stakeholders

These activities were up, to €727M, *i.e.* an €178M increase (+32%) compared to 2023. This growth was mainly due to the deployment by AFD of the Green Climate Fund programmes (+€65M, mainly on delegated loans), and the continued mobilisation of AFD as partner agent of the Global Education Partnership (+€50M). These two vertical funds currently contribute to the largest mobilisation, outside the EU, of external resources by AFD. In addition, in 2024, an exceptional €92M grant was made on funds obtained from USAID in 2018. This gap between receipt of funds and their granting was known in advance, as the project (desalination in Jordan) required numerous studies and preparatory work.

Total volume of approvals, disbursements, undisbursed balances and outstandings [1]

The change in AFD's current activities in foreign countries over the last two years can be broken down as follows for the four types of financing:

1) *Including sub-investments. Excluding grants on behalf of third parties and transactions on behalf of the State.*

In millions of euros	2024	2023	Difference 2024/2023 €M	Difference 2024/2023 in %
Loans				
Approvals	7,878	7,649	230	3.0%
Disbursements	5,352	4,979	373	7.5%
Undisbursed balance at 31/12	25,478	24,272	1,206	5.0%
Outstandings at 31/12	42,841	39,729	3,112	7.8%
Grants				
Approvals	905	1,011	- 107	- 10.6%
Disbursements	844	834	10	1.2%
Undisbursed balance at 31/12	3,357	3,352	5	0.1%
Outstandings at 31/12	23	24	- 1	- 2.2%
Guarantees				
Approvals	25	196	- 171	- 87.4%
Outstandings	200	207	- 7	- 3.2%
Equity investments				
Approvals	-	200	- 200	- 100.0%
Disbursements	77	20	57	286.9%
TOTALS				
Approvals	8,807	9,056	- 249	- 2.7%
Disbursements	6,274	5,833	440	7.5%
Undisbursed balance at 31/12(*)	28,835	27,624	1,211	4.4%
Outstandings at 31/12	43,065	39,961	3,104	7.8%

** Signed and unsigned.*

Approvals of current activities in foreign countries amounted to €8.8bn in 2024 compared to €9.1bn in 2023.

Disbursements amounted to €6.3bn, up compared to 2023 (€5.8bn), thanks to a better level of sovereign loan disbursements.

In 2024, 41% of the payments were for projects granted in 2024 and 2023 (12% and 29%, respectively), and 20% by the grants in 2022 and 2021 (10% for each vintage).

A breakdown of the activity by region and business sector is presented in Sections 1.6.4 and 1.6.5 For a breakdown of approvals and disbursements by type of financing, see Appendix 6.

1.6.3.2 AFD activities in the French Overseas Departments and Collectivities

In 2024, AFD continued to support actors in the French Overseas Departments and Collectivities to implement their sustainable development projects.

Commitment approvals (loans, guarantees and grants) in the French Overseas Departments and Collectivities amounted to €996M in 2024, a 7% increase compared to the previous year. Business on specific Sogefom and FOGAP mandates amounted to €86M (compared to €44M in 2023). This increase was due to Sogefom's production, which amounted to €85M in 2024, a marked increase linked to the support provided by the aid system for the Caledonian economy. In 2024, a significant portion of overseas activities once again related to the financing of the public sector, in an economic context generally deteriorated across all regions (with the exception of French Polynesia) and marked by the political instability that prevailed in France, but also by factors specific to the French Overseas Departments and Collectivities: repercussions of social movements in Mayotte and Martinique, institutional crisis in New Caledonia, Cyclone Chido in Mayotte. Commitment approvals (loans and grants) to the public sector thus amounted to €758M. Loans to the overseas public sector, which account for more than 80% of own-account loans, increased by 16% compared to the previous year, in order to support local authorities facing persistent financial difficulties. They are based principally on subsidised loans (nearly 75%) to provide financing at preferential rates for investment projects with a strong social and environmental impact in the regions. In 2024, AFD rolled out the FTM ("*facilité multi-tranche*" or multi-tranche facility) tool for the first time in the French Overseas Departments and Collectivities, with overseas public sector players in three regions: the local authorities of Martinique and French Guiana, as well as the Reunion Island department and region, to partially finance the multi-year investments of these players over the next three years (2024 to 2027), *i.e.* a total amount of €155M for the first tranches in 2024. This tool aims to structure a public policy dialogue with partner local authorities in order to support them in virtuous trajectories, whether ecological or social.

Loans, provisions and guarantees given on its own behalf, by product

	Approvals		Difference 2024/2023	
In millions of euros	**2024**	**2023**	**€M**	**in %**
Current activities	**992**	**934**	**58**	**6%**
Loans	**876**	**875**	**1**	**0%**
Public sector	*738*	*638*	*100*	*16%*
Subsidised loans	*550*	*343*	*207*	*60%*
Non-subsidised loans	*188*	*295*	*- 107*	*- 36%*
Private sector	*138*	*237*	*- 99*	*- 42%*
Banks	*75*	*175*	*- 100*	*- 57%*
Companies	*63*	*62*	*1*	*2%*
Grants	**20**	**15**	**5**	**33%**
Public sector guarantees	**10**	**-**	**-**	**-**
Private sector guarantees (Sogefom, Sogap)	**86**	**44**	**42**	**95%**
Loans delegated to other lessors	**4**	**-**	**-**	**-**
TOTAL	**996**	**934**	**62**	**7%**

Non-subsidized loans amounted to €188M, and mainly involved pre-financing of European and State grants to the public sector.

Lastly, AFD is continuing to support and accelerate public sector engineering, thanks to the renewal and increased resources of the French Overseas Departments and Collectivities Fund (FOM). Created by the Ministry of French Overseas Departments and Collectivities at the end of 2019, it provides subsidies intended to strengthen the capacities of public contracting authorities. In accordance with the guidelines of the Interministerial Committee for the French Overseas Departments and Collectivities (CIOM) of July 2023, one of the measures of which aims to strengthen engineering in the French Overseas Departments and Collectivities, the FOM was endowed with additional resources for 2024 (€17M, compared with €10M in 2023).

The FOM's interventions have mainly targeted engineering support for public contracting authorities in order to reinforce their basic capacities and facilitate the initiation of their investment projects. In 2024, 43 projects were backed and nearly twenty technical assistants were deployed to serve overseas authorities via the FOM.

Moreover, AFD continues to implement the "technical assistance" component of the French Overseas Departments and Collectivities Recovery Contracts (COROM), launched in 2021 following the report by parliamentarians Georges Patient and Jean-René Cazeneuve, to increase support for local authorities in the most difficulty. Following the success of the system, a new €4.9M budget was entrusted to AFD in 2024 by the Ministry of Overseas Departments and Collectivities for use over the 2024-2026 period. It is also worth noting the continuation of Expertise France's mandate in the French Overseas Departments and Collectivities, initiated in 2023 for an experimental three-year period. Expertise France is responsible for recruiting technical assistants for players in the overseas territories.

Private sector business in 2024 amounted to €138M in market-conditional direct loans and €86M in guarantees (Sogefom and Fogap). This level of business is satisfactory with projects dedicated to the energy transition, support for the financial sector, and significant support for entrepreneurship and VSEs via Sogefom.

Total volume of approvals, disbursements and outstandings (loans on AFD's own behalf)

			Difference 2024/2023	
In millions of euros	**2024**	**2023**	**€M**	**in %**
Approvals	**996**	**934**	**62**	**7%**
• DOM	719	626	93	15%
• French Overseas Territories	277	308	-31	- 10%
O/w multi-country	56	28	28	100%
Disbursements	**561**	**963**	**- 402**	**-4 2%**
• DOM	353	623	- 270	- 43%
• French Overseas Territories	208	340	- 132	- 39%
Undisbursed balance at 31/12	**656**	**795**	**- 139**	**- 17%**
• DOM	549	429	120	28%
• French Overseas Territories	107	366	- 259	- 71%
Outstandings at 31/12	**6,937**	**7,103**	**- 166**	**- 2%**
• DOM	3,856	4,047	- 191	- 5%
• French Overseas Territories	3,047	3,020	27	1%
• TAAF	34	36	- 2	- 6%

The French Overseas Departments and Collectivities include the collectivities in the Pacific, Saint-Pierre-et-Miquelon, Saint-Martin and Saint-Barthélemy.

Breakdown by region

In millions of euros	Approvals		Difference 2024/2023	
	2024	2023	€M	in %
DOM	**719**	**626**	**93**	**15%**
Guadeloupe	154	94	60	63%
French Guiana	140	51	89	176%
Martinique	95	75	20	26%
Mayotte	69	169	- 100	- 59%
Reunion Island	210	215	- 5	- 2%
Multi-country French Overseas Departments	51	23	28	123%
French Overseas Territories	**276**	**308**	**- 32**	**- 10%**
New Caledonia	175	94	81	86%
French Polynesia	73	198	- 125	- 63%
Saint-Martin	19	13	6	50%
Wallis & Futuna	5	-	5	NS
Multi-country COM	4	4	-	NS
TOTAL	**996**	**934**	**62**	**7%**

Some French Overseas Departments and Collectivities posted a significant increase in approvals, notably French Guiana and Guadeloupe. The amount of commitments in New Caledonia also increased sharply in 2024, in view of the granting of two private sector credit lines: financing for the Caledonian Investment Bank (BCI) through three credit lines (€50M), and a renewal of the short-term credit line for SIC (€20M), in response to the economic crisis that the region is going through. The decrease in approvals in Mayotte is explained by the particularly difficult context that this region faced in 2024: an unprecedented water crisis, a social crisis and Cyclone Chido, which devastated a large part of its territory.

1.6.3.3 Proparco activities

Proparco approvals – foreign countries

In millions of euros	Amount approved for 2024	Amount approved for 2023	Difference 2024/2023
Proparco Foreign countries			
Loans	1,762	1,737	25
• of which approved AFD sub-participation loans to Proparco	524	487	37
Equity investments	327	217	110
Other investments	265	14	251
Guarantees	410	639	- 229
• of which approved AFD sub-participation loans to Proparco	25	193	- 168
• of which Trade Finance	220	206	14
Grants	32	17	15
Total Proparco Foreign countries	**2,796**	**2,624**	**173**
Fisea	**58**	**23**	**35**
Proparco – Specific activities using resources from other financial stakeholders			
Loans	-	21	- 21
Grants	-	8	- 8
Total Proparco – Specific activities using resources from other financial stakeholders	**0.4**	**30**	**- 29**
TOTAL	**2,854**	**2,677**	**177**

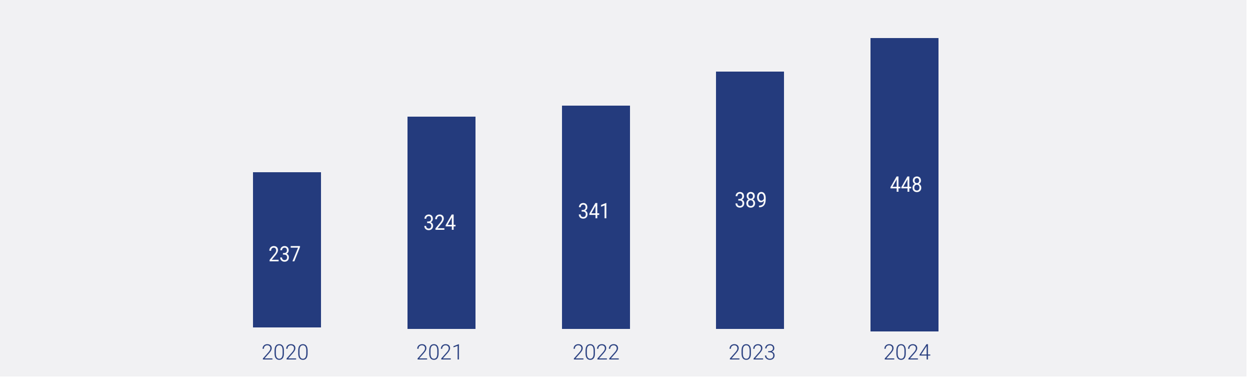
Pursuant to Proparco's 2023-2027 strategy, 2024 focused on the following priority operational objectives: Africa (including Choose Africa and Venture Capital Africa), climate, Gender 2X (reduction of gender inequalities) and Bottom 40 (financing for the benefit of the most vulnerable). Proparco is the only AFD Group private sector player, as the amended Finance Law of 30 July 2020 established the possibility for AFD to use its subsidiary Proparco to provide certain services (quasi-public).

Proparco's 2024 net approvals (excluding Fisea) amounted to €2,854M, broken down as follows:

- equity investments of €327M (€217M in 2023);
- guarantees of €410M (€639M in 2023), including €220M in trade finance;
- grants of €32M (€17M in 2023);
- transactions on loans, quasi-equity and other securities of €2,027M (€1,751M in 2023) which break down as follows:
  - loans: €1,762M:
    - of which subsidised loans: €245M (€205M in 2023),
    - of which loans backed by State grants: €15M (€28M in 2023),
    - of which AFD sub-investment loans representing €524M of these transactions in 2024 (€487M in 2023);
  - other securities: €265M (€14M in 2023).

A breakdown of the activity by region and business sector is presented in Sections 1.6.4.2 and 1.6.5.2.

1.6.3.4 Expertise France



The Expertise France (EF) business posted positive results for the fourth consecutive year. Revenue (project execution) amounted to €448M, very close to the planned budget, up 15% compared to 2023. This effort is based on well-oriented growth drivers: ramp-up of the Health Initiative following the ambitious replenishment since 2023; continued growth in the number of international technical experts; partnership with AFD, etc.

In 2024, the rebalancing among the main donors financing Expertise France's projects was confirmed. The European Union remains the leading lessor of Expertise France with 42% of the portfolio, compared to 46% in 2023. Transactions financed by French donors as well as by AFD stabilised with respective shares of 29% and 24%.

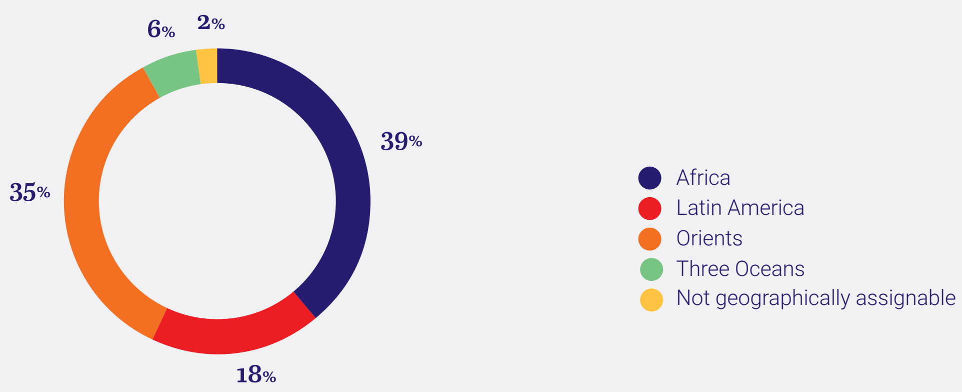
With the exception of the theme of Peace, Stability and Security, the themes covered by Expertise France grew in 2024. In particular, projects related to Sustainable Development, Human Capital and Social Development, as well as the execution of the order of International ETI Technical Experts, developed significantly in 2024.

The breakdown of revenue in 2024 confirms the alignment of the agency with the geographical priorities of French aid. The agency is committed to operational development towards new regions (Americas, Indo-Pacific region, the Balkans), but it remains highly concentrated on the African continent, to which it devotes nearly 50% of its revenue. Geographical diversification also takes place through the agency's business in Ukraine.

1.6.4 The AFD Group around the world

1.6.4.1 Geographical distribution of AFD's approvals in foreign countries (current activity)

AFD approvals presented by beneficiary country



	Loans		Grants and NGOs		Guarantees given		Equity investments		General	
In millions of euros	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Africa	2,994	2,381	463	523	-	-	-	-	3,457	2,904
Latin America	1,558	1,682	26	21	25	193	-	-	1,609	1,896
Orients	2,891	3,183	134	162	-	-	-	-	3,025	3,346
Three Oceans (foreign countries)	435	402	103	119	-	3	-	-	538	524
Not geographically assignable	-	-	*179*	*186*	-	-	-	*200*	*179*	*386*
GRAND TOTAL	**7,878**	**7,649**	**905**	**1,011**	**25**	**196**	**-**	**200**	**8,807**	**9,056**

AFD's current activity in **Africa** in 2024 was up compared to 2023; the volume of commitments amounted to €3.5bn (compared to €2.9bn the previous year). Non-sovereign activity reached a historically high level, contributing €945M to the business plan for the year (compared to €408M in 2023). While this area of activity is illustrated by the emblematic transaction for the OCP group in Morocco (€350M transformational loan to back the implementation of its decarbonisation programme), it is necessary to highlight the sectoral diversification of the players backed (financial sector, transport, municipalities and local authorities).

The increase in activities in Southern Africa is explained by the public policy loan in the amount of €400M to back the implementation of the Just Energy Transition (JET) in South Africa and by two major transactions in Angola (agriculture) and in Mozambique (railway). The business plan in North Africa was driven by the two Moroccan projects, OCP Green Hydrogen mentioned above (€350M) and Social Protection (€100M). In Central Africa, two sovereign transactions are worth highlighting: €173M in Gabon in the transport sector and €150M in Cameroon in the water and sanitation sector. Lastly, in a difficult macroeconomic context, numerous interventions in the form of budget support were provided to the affected economies (Guinea-Bissau, Mozambique, DRC, Djibouti, CAR).

In 2024, projects with climate co-benefits represented 61% of the volume granted.Equally, the year was also marked by the roll-out of the transformational agenda through numerous projects: support for museum initiatives in Guinea and Benin, budgetary funding intended to support Benin's cultural policy, support for entrepreneurship through the Choose Africa 2 initiative (in Côte d'Ivoire, Togo, Egypt and Senegal), and reinforcement of the practice of sport in Tunisia and the DRC. Several projects on the theme of migration were granted this year in Tunisia, in the Cameroon/CAR border area and in Senegal, as well as on the theme of cooperation in terms of migration policies in Senegal/Guinea/RCI. Lastly, significant activities were carried out in terms of prevention and response to crises and violent conflicts through nearly €98M in Minka financing.

The **Orients** region remained structurally exposed to three major risks, which are sources of instability: i) the persistence of crises and conflicts, ii) the reorganisation of value chains and trade flows, under the threat of protectionist temptations, and iii) the devastating effects of climate change.

Financing approved in 2024 (€3bn), down compared to 2023, primarily benefited the countries of the new Enlargement and European Neighbours Regional Directorate (45%), followed by South-East Asia (28%), South Asia (16%), Central and Eastern Asia (2%), and Middle East countries (9%). AFD’s current exposures to India, Indonesia and Turkey are close to major risk limits and are rigorously managed. On the other hand, the delinquency in Lebanon still prohibits any new debt for this country. In Sri Lanka, the agreement signed in June 2024 with the Public Creditors Committee for the treatment of debt and its bilateral implementation with France, which is to follow, paved the way for a gradual resumption of activities under the Le Maire doctrine.

AFD’s activity mainly took the form of sovereign loans (around 70% of commitments), notably with budget financing such as the €250M Climate PrPP (1) in the Philippines. Grant transactions on its own behalf (around €100M, or 4% of approvals), were mainly mobilised for the benefit of the Middle East (€64M).

84% of these new commitments contributes to the objective of combating climate change (100% Paris Agreement), a level comparable to that of the last two years.

AFD’s activity in **Latin America** in 2024 relied on a limited number of countries, due to tensions over economic and political situations and with regard to State debt and the enforcement of the sustainable debt doctrine in three of them (Argentina, Bolivia and Cuba) prohibiting new sovereign commitments in these countries. In this context, the main driving forces of the department’s activity were Brazil (for an almost record volume of commitments of €787M) and Colombia (€395M), representing respectively 49% and 25% of the region's €1.6bn in annual commitments.

In terms of regional distribution, the Brazil/Southern Cone Regional Department increased its contribution to the achievement of the business plan (€798M), while the Andean local offices lowered their trajectory at €618M; the Central America Regional Department, for its part, contributed to the amount of €191M.

In line with the relationships established with public development banks (PDBs) during the Colombian edition of FICS (Cartagena, September 2023), the proportion of credit lines granted to Latin American development banks increased to reach 46% of the department’s portfolio, with strategic partnerships signed with leading PDBs.

Following the commitments made during the presidential trip, the Amazon was the subject of a specific approach through two credit lines for federal development banks, BNDES and BASA (the federal bank of the Amazon), for a cumulative amount of €280M, accompanied by a grant of €10M (Amabio) dedicated to the bioeconomy on the programme 209, the first building blocks of the aforementioned programme.

The contribution of AFD’s activity in Latin America to the fight against climate change (€1.1bn) remained at a high level.

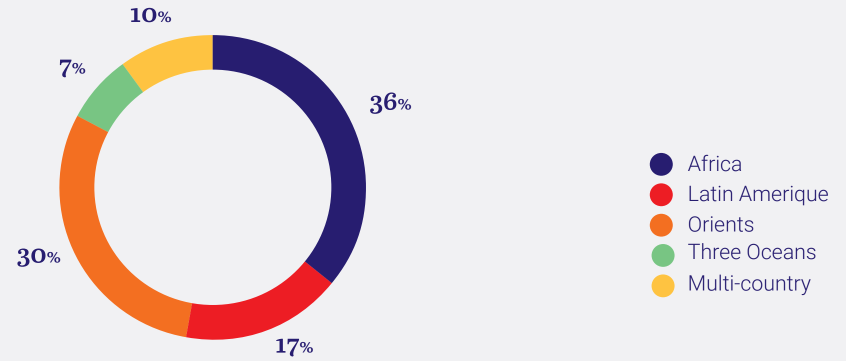
AFD’s business in the **Three Oceans in foreign States** amounted to €538M in 2024, mainly in the form of sovereign loans (€309M). The reinforcement of AFD’s interventions in the Pacific Island States took shape in 2024 with the opening of three new representations in the region: in Papua New Guinea, Fiji and Vanuatu. Two first projects were granted in Papua New Guinea: a highly concessional loan of €24M for the rehabilitation and greening of the port of Rabaul, and a grant of €8M as part of the French contribution to the “country package” for the conservation of the biodiversity of forest and marine ecosystems.

Climate co-benefits in the foreign States neighbouring the French Overseas Departments and Collectivities represented over 80% for 2024.

1) Public policy loan.

1.6.4.2 Geographical distribution of Proparco approvals

Proparco's approvals presented by beneficiary country

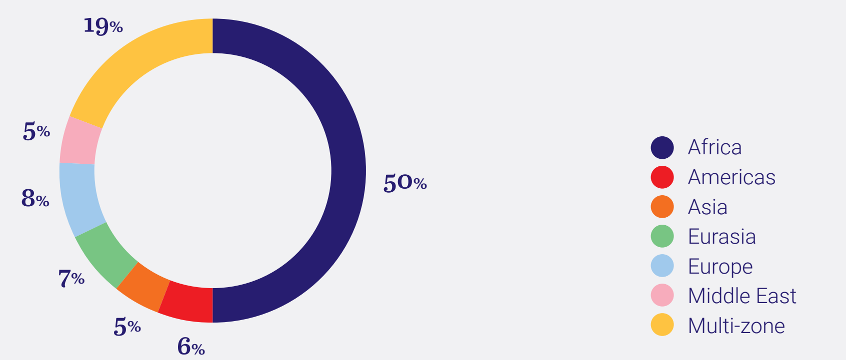


	Loans		Equity investments		Other investments		Guarantees		Grants		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Africa	586	761	117	123	63	2	238	305	6	22	1,010	1,214
Latin America	267	234	83	26	67	11	49	238	-	-	467	510
Orients	777	602	49	38	-	-	13	29	-	-	838	670
Three Oceans	132	161	-	-	-	-	49	34	25	2	206	197
Europe	-	-	-	-	-	-	-	7	-	-	-	7
Multi-country	-	-	78	30	136	-	61	25	1	1	276	56
TOTAL PROPARCO	**1,762**	**1,758**	**327**	**217**	**265**	**14**	**410**	**639**	**32**	**25**	**2,796**	**2,654**
Fisea	-	-	56	17	-	5	-	-	1	1	58	23
TOTAL	**1,762**	**1,758**	**383**	**234**	**265**	**18**	**410**	**639**	**34**	**26**	**2,854**	**2,677**

In 2024, Africa remained at the heart of Proparco's geographical mandate. Approvals on the African continent amounted to €1,010M, *i.e.* 36% of Proparco's approvals. Latin America represented €467M, the Orients €838M and the Three Oceans €206M. An amount of €276M was approved for projects impacting several countries.

39 countries (excluding multi-country) were concerned by the loan approval decisions, including Turkey (€395M), Vietnam (€215M), Côte d'Ivoire (€151M) and Guatemala (€107M).

1.6.4.3 Geographical breakdown of Expertise France revenue

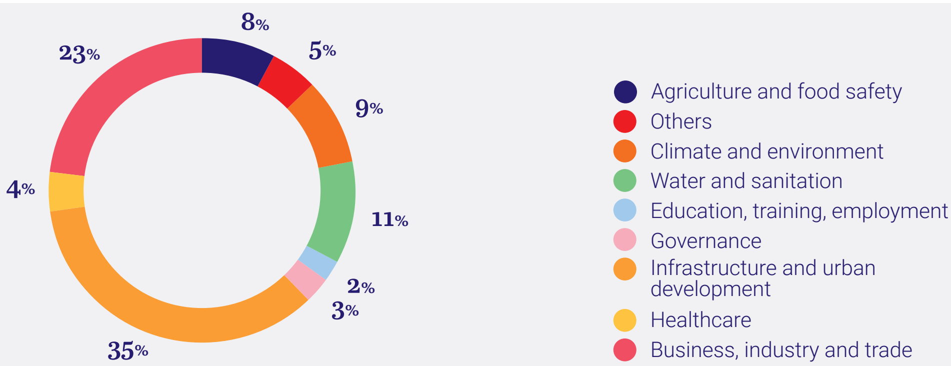


In millions of euros	2024	2023	% of the 2024 total	% of the 2023 total
Africa	223	228	50%	59%
Americas	27	20	6%	5%
Asia	21	20	5%	5%
Eurasia	32	17	7%	4%
Europe	35	35	8%	9%
Middle East	21	24	5%	6%
Multi-zone	87	46	19%	12%
TOTAL	**448**	**390**	**100%**	**100%**

The breakdown of Expertise France revenue in 2024 confirmed the very strong alignment of the agency with the geographical priorities of French aid. The agency is committed to operational development towards new regions (Americas, Indo-Pacific region, the Balkans), but it remains highly concentrated on the African continent, to which it devotes 50% of its revenue. Geographical diversification also takes place through the agency's business in Ukraine.

1.6.5 AFD Group activities by business sector

1.6.5.1 Breakdown of AFD approvals by sector of activity in foreign countries (current activity)



The 2023 and 2024 approvals including budgetary aid, guarantees given, loans, grants and equity investments in current activities are shown as follows, by branch of activity (mainly CICID sectors):

In millions of euros	2024	2023	% of the 2024 total	% of the 2023 total
Agriculture and food safety	696	404	8%	4%
Climate and environment	768	695	9%	8%
Crisis and vulnerabilities	8	28	0%	0%
Water and sanitation	957	1,634	11%	18%
Education	176	414	2%	5%
Governance	319	1,218	4%	13%
Infrastructure and urban development	3,054	2,593	35%	29%
Healthcare	378	285	4%	3%
Business, industry and trade	2,000	1,599	23%	18%
Other and multiple sectors	450	185	5%	2%
TOTAL	**8,807**	**9,056**	**100%**	**100%**

In 2024, AFD completed several key steps in the implementation of its 100% SDG strategy: (i) the finalisation of the three cross-cutting roadmaps – Planet, Social Link and Citizens – institutions that make it possible to affirm its commitment to sustainable development; (ii) the definition of a clear operational orientation towards the transformation of players (financing of transition plans) and the associated methods; (iii) inclusion and citizen participation, now anchored in the Agency's action principles.

From a financial standpoint, the cross-functional commitments were partially met, which should be a point of attention for 2025:

- the **climate** target was exceeded with more than €7.2bn committed (with a target of €6bn) and the biodiversity target was met (€1bn);
- as regards **gender**, the objective on the share of DCA2 grants [(1)] was not met (11.2% against a target of 15%), which is notably explained by a decrease in grant resources and the pressure on the trade-offs associated with their use; however, the target for DAC1 [(2)] and DAC2, all instruments, was exceeded (64% against a target of 55%), proving that the integration of gender is working;
- on the other hand, the **democratic and inclusive governance indicator** was down (58% against a target of 65%), due to large projects that do not contribute enough and the early implementation of the revised and more conservative ADD [(3)] grid.

In terms of their contribution to the Group's strategic goals, it is worth highlighting a number of emblematic projects in 2024:

- **climate and biodiversity**: BDRE4 credit line in Brazil (natural disaster risk management), bioeconomy project in Ecuador, health-sanitation project in Brazil;
- **transformation of institutions**: support for the implementation of the cultural policy in Benin (€60M);
- **citizen participation**: definition of the citizen participation methodology as part of the development of the public policy on the human right to food in Colombia (project to back the comprehensive rural reform for peace of €200M);
- **budget financing**: support for the 1st FB-PR [(4)] provided to a local authority in Morocco (€26M);
- **inequalities**: Itovia project in Madagascar (€7M); FB-PP [(5)] JET-P [(6)] RSA (€400M);
- **gender**: FSOF [(7)] gender-based violence project (€8M); ICETEX [(8)] loan in Colombia (€100M). The FSOF amounted to €35.5M in 2024, in line with the target of €35M.

Increase investment in quality sustainable infrastructure

Updated estimates for infrastructure investment needs remain very high worldwide ($6,900bn/year according to the OECD Infrastructure for a Climate-Resilient Future of April 2024) and in Africa ($402bn/year according to AfDB's Africa Economic Outlook 2024) to achieve the SDGs by 2030. These infrastructures concern energy, transport, water and sanitation but also digital technology: despite the opportunities for access to health services, education and financing related to the development of 5G, only 16% of the population of Africa has access to mobile Internet in rural areas, compared to 40% in urban areas.

In 2024, the total amount of the Group's commitments (excluding STOA) related to the "**sustainable infrastructure**" investment priority amounted to €6.4bn (excluding credit lines and dedicated public policy funding), of which 86% by AFD and 14% by Proparco.

The sectoral concentration of commitments for 2024 remained marked by energy and transport. For AFD, over 90% of these new commitments were based on transactions in four sectors (mobility and digital, energy, urban development and water-sanitation); the remaining 10% concerned three other sectors (agriculture, rural development and biodiversity, health, education). For Proparco, renewable energies accounted for more than 50% of 2024 commitments, while transport, sustainable cities and digital technology together accounted for half of the activity.

Sustainable economy and finance: tackling vulnerabilities

For the Group, building a sustainable economy and finance means ensuring that growth creates decent jobs, reduces inequalities, and generates shared and inclusive prosperity, while ensuring that the essential functions provided by nature persists over time. It is an agenda that is fully consistent with the Paris Pact for People and for the Planet (4P), in order to fight both inequalities and the effects of climate change and the destruction of natural capital.

In 2024, the International Sustainable Finance and Development Agenda continued to be marked by the growing voice of developing countries calling for an overhaul of the international financial architecture and its governance.

1) *Scoring system according to the ranking established by the OECD (DAC markers). CAD 2 - gender equality is the main objective of the project.*
2) *Scoring system according to the ranking established by the OECD (DAC markers). CAD 1 - gender equality is an important and deliberate objective of the project.*
3) *Sustainable development analysis.*
4) *Programme budget funding.*
5) *Budgetary financing of public policies.*
6) *Budgetary financing of public policies.*
7) *Support fund for feminist organisations.*
8) *Colombian Institute for Educational Credit and Technical Studies Abroad.*

Financial activity related to the sustainable economy and SDG finance amounted to €5.2bn for the AFD Group in 2024 (including €1.2bn signed for the benefit of Financial Systems). In 2024, the year was marked by:

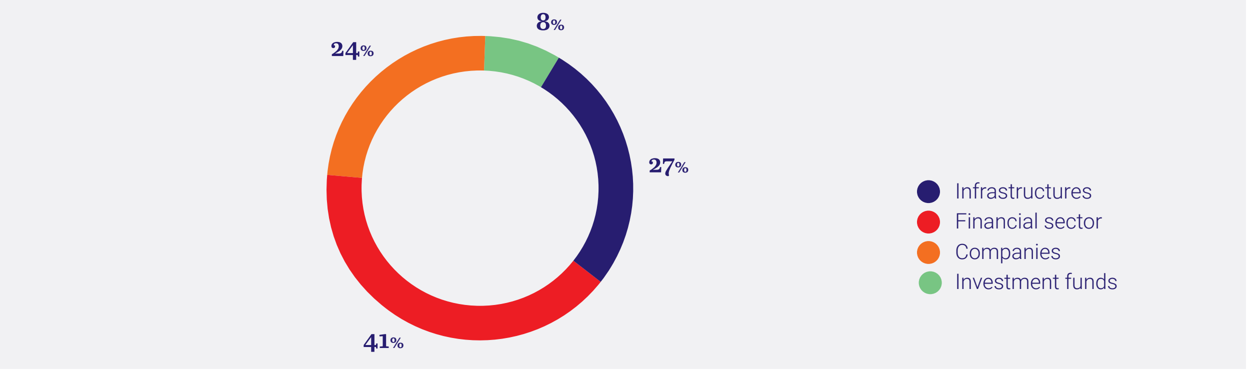
- the confirmation of the Group's systemic approach with all players in the sector;
- the overhaul of the Financial Systems sector strategy in Group format, with a focus on certain key themes (insurance, guarantees, capital markets, financial inclusion of refugees, and digital finance);
- the continuation of the reflection on the extension of financial tools;
- a dynamic partnership approach with coalitions of public banks, financial backers and our European counterparts, for a stronger leverage effect;
- the desire to develop the activity in fragile contexts, natural disasters or conflicts, with the exploration of possibilities in Ukraine and Iraq, the launch of a feasibility study on the financial inclusion of the most vulnerable, and the investment in insurance and guarantees.

Investing in human development and social progress: mobilising for a just transition

This investment priority tackles education, training, integration and decent employment policies; the reinforcement of health systems, notably health human resources, as well as access to universal health coverage and social protection; the fight against malnutrition, access to quality food and employment opportunities in rural areas. More generally, it is a question of investing in fairer and sustainable transitions by providing support for demographic, social, economic, energy and ecological transitions in order to contribute to the fight against climate change, the protection of biodiversity, the reinforcement of the social link and the reduction of gender inequalities, as well as the promotion of human rights, in particular for vulnerable populations but also for young people.

In 2024, the amount invested in **human development** amounted to €7.3bn (compared to €6.5bn in 2023), including €3.9bn for human capital backed by a request for human resources training, for an expansion of access to basic services (education, health, water and sanitation, housing), for a just transition and for support for public policy reforms on social matters (employment, social protection).

1.6.5.2 Breakdown of Proparco approvals by sector of activity



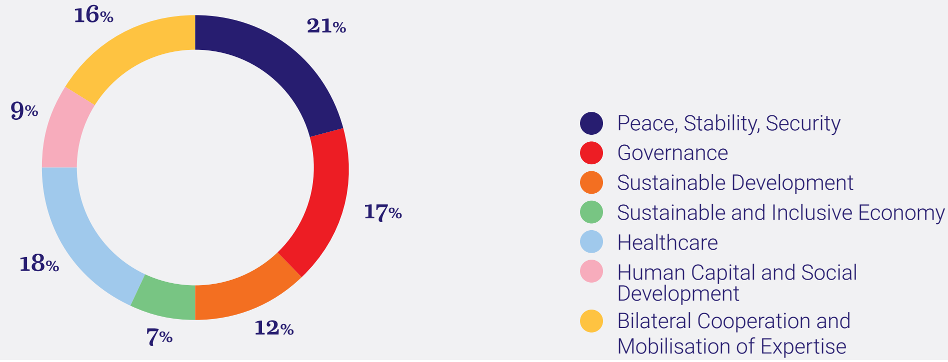
In millions of euros	2024	2023	% of the 2024 total	% of the 2023 total
Investment funds	227	121	8%	5%
Infrastructure	777	673	27%	25%
Financial sector	1,178	1,435	41%	54%
Companies	672	448	24%	17%
TOTAL	**2,854**	**2,677**	**100%**	**100%**

The financial sector was the predominant sector in Proparco's approvals in 2024. It represented 41% (€1,178M) of the total amount of approvals for the 2024 financial year, representing a €256M decrease compared to 2023 (€1,435M). The infrastructure sector increased by +15% (+€104M), consolidating its second position with €777M in approvals in 2024 (compared to €673M in 2023).

The volume of approvals in the corporate sector increased sharply, from €448M in 2023 to €672M in 2024, i.e. +50%. It represented 24% of the volume of approvals in 2024 compared to 14% at the end of 2023.

Transactions approved for investment funds amounted to €227M, up +88% compared to 2023 (+€106M), representing 9% of the volume of approvals, vs. €121M in 2023.

1.6.5.3 Breakdown of Expertise France revenue by business sector



In millions of euros	2024	2023	% of the 2024 total	% of the 2023 total
Peace, Stability, Security	95	100	21%	26%
Governance	78	67	17%	17%
Sustainable Development	53	37	12%	10%
Sustainable and Inclusive Economy	29	27	6%	7%
Healthcare	82	74	18%	19%
Human Capital and Social Development	40	30	9%	8%
Bilateral Cooperation and Mobilisation of Expertise	71	54	16%	14%
TOTAL REVENUE	**448**	**389**	**100%**	**100%**

Expertise France operates on seven main themes: Peace-Stability-Security, Sustainable and Inclusive Economies, Sustainable Development, Governance, Human Capital and Social Development, Bilateral Cooperation and Mobilisation of Expertise, Healthcare. With the exception of P2S (Peace, Stability and Security), down 6%, all themes continued on a growth trajectory compared to 2023, with particularly high growth rates for Sustainable Development (+46%), Human Capital and Social Development and Bilateral Cooperation and Mobilisation of Expertise (+29% each), and Governance (+20%). Healthcare continued to grow, driven notably by the Global Initiative programme.

1.6.6 The Partnership Approach: Working with Other for Greater Impact

To achieve its goal of being a "100% SDG" Group, AFD defines and implements its actions in the framework of multiple, concrete partnerships. The Group thus acts in concert with French partners (civil society organisations, public institutions, foundations, local authorities, companies), European and international partners (regional and multilateral banks, UN organisations, philanthropists) and local partners (civil society organisations, foundations, local authorities) in the various countries where it operates.

In 2024, it is mainly worth noting that:

At **the Finance in Common Summit (FICS)** in Cartagena in 2023, over 530 public development banks around the world highlighted the weight of their financing in the international financial architecture and committed to strengthening their alignment with the Paris Agreement to catalyse public and private financial flows in favour of the climate and the SDGs. The next FICS Summit is scheduled for February 2025 in Cape Town, at the same place and in parallel to the meeting of G20 Finance Ministers who will discuss the international architecture for development financing. It is co-organised by DBSA, AIIB and AFD. During COP29 in Baku, IDFC organised a pavilion, for the fifth consecutive year, with the programming of around thirty events involving 200 panellists and the majority of the Club’s banks and their partners.

In 2024, the Group's **mobilisation** efforts (AFD, Proparco, EF) resulted in €1,178M in activities committed from delegating partners' funds, an increase since 2023, and €12bn in resources committed by the AFD Group (AFD, Proparco) and its partners in cofinancing. Regarding AFD and Proparco, there were around €730M in grants from delegated funds this year, including 56% from the EU, and 28% from the GCF (mainly on delegated loans) and the Global Partnership for Education. These two vertical funds currently contribute to the largest mobilisation, outside the EU, of external resources by AFD. In addition, in 2024, an exceptional €92M grant was made on funds obtained by AFD from USAID in 2018. This gap between receipt of funds and their granting was known in advance, as the project (desalination in Jordan) required numerous studies and preparatory work. Regarding Expertise France, contracts signed with the European Union amounted to €448.7 million in 2024. The European partners therefore remain the AFD Group's main financial partners in terms of the mobilisation of financing delegated as grants (European Union) or cofunding (EIB, KfW).

The Group continued to strengthen its links with French and local civil society organisations. As part of the “CSO-Initiatives” system ("Initiatives OSC" or "I-OSC" in French), AFD financed 137 projects through 98 French CSOs and 17 local CSOs for a total amount of €154M (versus €163M in 2023). At the end of 2024, the portfolio of projects whose implementation is being monitored included 631 CSO projects for a total amount of €621M.

During 2024, the AFD Group (excluding EF) mobilised, all systems combined, more than €400M for CSOs. The Group organised consultations with CSOs as part of the drafting of the new AFD and CSOs 2024/2028 roadmap, and conferences on fair trade, on citizenship education and international solidarity (ECSI) in the framework of Festisol, on children, on human rights and on gender, and increased exchanges on structuring themes (climate, education, gender, biodiversity, health, sexual and reproductive health rights, youth and volunteering, HIV) and new or priority regions (Latin America, French Overseas Departments and Collectivities, the Balkans). The celebration of 15 years of the I-CSO system, with our partners, was also a highlight of the year.

At the regional level, the AFD Group reinforced its already strong links with French players (companies, Équipe France, local authorities and public institutions) in order to promote and mobilise French expertise internationally to serve Supportive and Sustainable investment.

For the French private sector and Équipe France, 2024 was marked by greater collaboration and coordination between the AFD Group and the French ecosystem, in particular through the establishment of coordination committees for the seven strategic sectors under the aegis of the Directorate General of the Treasury (sustainable cities, health, agriculture, transport, digital technology, energy transition and CCI). Other actions with Équipe France (Business France, Bpifrance, etc.) were implemented in Paris and locally to improve the mutual understanding of our financing tools and their coordination (double-stamp letter, mutual conferences, etc.). These forums are essential for understanding the existing and innovative French industrial offering that can be deployed in our areas of operation and may lead to the signing of partnership agreements, such as with SUEZ in 2024.

In addition, the relationships, already solidly established with **French public institutions**, intensified this year. A joint declaration was signed by around thirty public institutions during the AFD winter events to reaffirm the commitment of French public expertise at the service of international solidarity. In 2024, several partnership agreements were signed or renewed: with Caisse des dépôts et consignations (CDC), Institut de recherche pour le développement (IRD), Institut français (IF), Agence de la transition écologique (Ademe), the French agricultural research and international cooperation body (Cirad) as well as with Agence universitaire de la francophonie (AUF) and Senghor University during the francophonie summit.

Lastly, AFD also reinforced its support for the external actions of **French local authorities** through the Financing Facility for Local Authorities (Ficol), with €10M committed by AFD in 2024 (seven new projects).

At the European level, the European Commission, European bilateral players, the EIB and now the EBRD represent key AFD Group partners, notably in terms of cofunding. These stronger links enable AFD Group to build with the EU and its European partners (financial institutions as well as donor agencies), but also via networks (JEFIC [1], EDFI [2] or the Practitioners' Network) a genuine European aid architecture. This guarantees effectiveness, complementarity and political visibility to the “Team Europe” approach. In 2024, AFD Group mobilised nearly €82M from the European Commission: €30M in guarantees (Proparco), €160M in dry delegations, €449M for Expertise France (contracts signed), and €243M in blended European subsidies for 17 projects (these grants enabled the granting of €2.07bn in loans). In addition, AFD is actively contributing to the roll-out of the new European strategy, Global Gateway. As part of this work, 13 of the 46 Global Gateway priority projects for 2025 are projects or programmes cofunded by AFD, making the AFD Group one of the largest financiers, alongside the EIB and the EBRD. AFD also maintained the level of its cofunding commitments with the EIB and KfW, in particular by using the MRI agreement (€1.665bn) and the most recent JEFIC (€296M).

1) *JEFIC (Joint European Financiers for International Cooperation) is a network of development banks and financial institutions which AFD is chairing until July 2025.*
2) *Association of European Development Finance Institutions (EDFI).*

The year in 2024 also saw AFD actively participate in high-level European meetings (JEFIC High Level Meeting, Digital Energy Facility bootcamp, Hamburg Sustainability Conference HSC, resumption of high-level dialogue with the EIB). In addition, as part of a partnership platform, AFD contributed to the NDICI (1) mid-term review (47) and to European initiatives (EFSD+ (2) (48), Global Gateway) while positioning JEFIC, which it has chaired since July 2024, as an interlocutor of the European Commission (post-2028 Multiannual Financial Framework advocacy, Ukraine, observer in several European bodies including the Business Advisory Group of the Global Gateway initiative).

At the international level, the Group continued its cooperation with multilateral and regional development banks: renewal of the cooperation memorandum and cofunding framework agreement with the World Bank Group signed in March 2024 (AFD is the Bank's first bilateral cofunder with more than US$30bn co-financed over the last 10 years); renewal of the framework agreement with the Inter-American Development Bank; signature in December of the first framework agreement for cofunding with reciprocal delegation of tasks with the Asian Infrastructure Investment Bank (AIIB), the first of its kind between a multilateral bank and a bilateral development bank.

At the same time, the Group strengthened its operational cooperation with **the United Nations agencies**: Fida (renewal of the cooperation memorandum and the financing framework agreement in November, Undesa (linking FICS to the work of the FFD4 conference scheduled in Seville in July 2025); for IOs (UN agencies and the ICRC) AFD disbursed a total of €53.75M without and €100.75M with the retrocession of the polio loan for Pakistan to the WHO (€50M). This amount includes various collaborations deployed on 21 projects with Fida, WFP, ILO, UN-Women, UNDP, UNESCO, UNICEF, ICRC and WHO.

Moreover, the AFD Group has significantly enhanced its strategic and operational dialogue with philanthropic foundations: the Bill & Melinda Gates Foundations (implementation of the financial partnership for 2023-2026 and new delegation for Pakistan (USD $20M), as well as the Rockefeller Foundation and other newly prospected foundations in the United States, Europe and Latin America. The partnership signed by AFD on the sidelines of the NFP Summit in June 2023 with GEAPP ("Global Energy Alliance for People and Planet") initiated by three Rockefeller foundations, Ikea F. and Bezos Earth Fund, is being implemented in the field. It takes the form of operational country dialogues and financial commitments announced at the Energy Summit, organised in Tanzania in January 2025 by the World Bank and the African Development Bank, in relation to the Mission300 initiative launched by these two banks in April 2024 on access to electricity (with a view to giving access to over 300 million people in Africa by 2030). The Group is also developing its cooperation with donors in the Gulf, whether regional (Islamic Development Bank) or bilateral (Qatar, Saudi Arabia, the United Arab Emirates and Kuwait).

Since AFD's accreditation to the **Green Climate Fund (GCF)** in 2015, the Group has succeeded in mobilising around €770M in delegated financing from the GCF, leveraging over €2.7bn in investments for the climate (seven projects and programmes approved, including five adaptation projects on grants (Senegal, Morocco, Palestine, Indian Ocean) and three large-volume programmes (TFSC, PEEB Cool, E Motion) targeting several countries and financial instruments.

The partnership with the **GPE (Global Partnership for Education)** remains in force, with the renewal of mandates (Guinea) and the establishment of new mandates (DRC), while, in the Sahel, the outlook declined given the situation in Burkina Faso and Niger.

AFD and the GPE (Global Partnership for Education) continue to work together. As a partner agent of the GPE for certain countries since 2013, AFD manages the delegated funds in five countries (Senegal, Burkina Faso, Burundi, Niger, DRC), for a total cumulative amount of nearly €600M.

1.6.7 Intellectual production

1.6.7.1 Research, appraisal and publication activities

Research

In 2024, research activities were in line with the priorities of the research, innovation and knowledge strategy for the 2019-2023 period. They focused on exploring in greater detail the interactions among the various pillars of sustainable development around the notion of strong sustainability and five signature programmes: ecological transitions, macroeconomic analyses, inequalities, shared assets and the Sahel. Developing partnerships with local actors by strengthening the degree of involvement of research institutions from AFD's regions of operation as well as strengthening the link between research work and the formulation of public policies also guided the research activities conducted.

Thus, the development of methodological tools aimed at informing public policy dialogues on the sustainable development trajectories of the AFD Group's countries of operation continued. These include the GEMMES (3) and ESTEEM (4) tools for modelling the macroeconomic impacts of climate change, tools for diagnosing multidimensional inequalities or analysing fiscal impact, ESGAP or ENCA tools for assessing the issues in relation to the preservation of natural capital, and the shared assets approach. At the same time, the structuring of integrated dialogue approaches was further developed in Colombia and Vietnam, the latter country now having an active strategic dialogue memorandum, fuelled by research. In this respect, it joins Côte d'Ivoire, Morocco and Tunisia. Dialogues on the fair transition and net-zero trajectories are also taking place in South Africa, Mexico, Colombia, Senegal and Brazil. Similar exercises were conducted in 2024 in Indonesia and Rwanda, where research-informed public policy dialogues will begin in early 2025.

1) *The NDICI is the European Union's main financing instrument for external cooperation.*
2) *European Fund for Sustainable Development Plus.*
3) *General Monetary and Multisectoral Macrodynamics for the Ecological Shift*
4) *Exposure to Structural Transition in an Economic-Ecological Model.*

AFD's research on the ecological transitions (climate/biodiversity) theme focuses on an analysis of the interactions between economic development/prosperity on the one hand, and the environment on the other, with the introduction of tools for the measurement and the quantification of these interactions. The work undertaken on financial climate risks was finalised in 2024 for Colombia and Indonesia, and further developed for Ghana. With regard to adapting to climate change, the work focuses on small insular states and the development of weather and climate services with the aim of reducing the risk of natural disasters. The programme to model the nitrogen cycle in view of an agro-ecological transition in Africa provided initial analyses at the continental level and made it possible to consider country analyses for at least five regions in 2025. The biodiversity research and knowledge programme, which aims to promote the development of a pro-nature economy based on research findings, continued to be promoted and capitalised on. Work on the assessment of financial risks related to biodiversity was further developed and supplemented by a study on the use of biodiversity metrics to enable public development banks to assess the impacts and dependencies of their project portfolios on biodiversity. Methodological changes for the strong environmental sustainability indicator, ESGAP, were produced as part of studies on Vietnam, Colombia and South Africa, and the tool was adapted on an oceanic scope, the Blue ESGAP, which was launched to provide support for the reflections on ocean accounting in South East Asia. AFD continued to develop GEMMES macroeconomic models, with six existing models (Brazil, Côte d'Ivoire, Colombia, Vietnam, Tunisia and Morocco) and a model under construction in Mexico. The ESTEEM model, which analyses macro-structural vulnerabilities related to the low-carbon transition, for its part, has been deployed in five countries (Uzbekistan, Bolivia, Armenia, Cambodia and Vietnam) and will soon be deployed in Indonesia and Rwanda. It assesses the transition risk associated with the decline of the emissive sectors in terms of external revenues, budgetary revenues and income and employment.

For social cohesion/the social link and human development, work focuses on four main themes: inequalities, social protection – notably through integration into the labour market – training/employment match and demographic transition insisting on gender. This work falls within the prospect of fair transition, by studying the different aspects of sustainable structural change induced by development. The studies carried out propose recommendations on public policies. Initiatives to deepen public policy dialogue on inequalities with a fair transition approach were continued in Indonesia, Colombia, South Africa and Mexico under the Coordinated Inequalities Facility and implemented by AFD since 2017 under delegation of funds from the European Commission. This work makes it possible to better understand the issue of green jobs in the context of the energy transition. Since 2023, they have been supplemented by a series of studies aimed at exploring the "fair" dimension of the energy transition in Vietnam. In 2024, the Inequalities programme was particularly productive with the publication, in an AFD-World Bank co-edition, of a collective work on Inequalities in Africa. The work on ageing in Africa is being promoted and will be supplemented by a study on the same topic in the Balkans that was launched in 2024. The study on the match between skills and jobs in secondary cities in Côte d'Ivoire generated initial results.

On the Governance, Shared Assets and Regions theme, AFD focuses its work on several themes: (i) the sector deployment of the shared assets approach (medicine, water, oceans and biodiversity, urban and rural land, access to energy), (ii) the analysis of their economic model and relationship with States, notably in a context of fragility, but also from the perspective of a public-community partnership, (iii) the study of how public policies are made in Africa, (iv) issues of security-development, notably in the Sahel, and (v) issues in terms of governance and the implementation of environmental and climate transitions. In 2024, the Shared Assets programme focused on the implementation of three new programmes exploring the link between shared assets and citizen participation in Colombia and Brazil. Discussions on the link between the preservation of natural resources, protected areas and conflicts continued with the launch of a study on the Togo-Benin border area. Border areas will also be explored as part of a study on the aspirations of young people in Senegal and Côte d'Ivoire. Work on the concept of the resilience of small island States in French Polynesia was finalised. The question of the population's perception of adaptation issues and solutions and the contribution of serious games to building a new social contract adapted to the realities of transitions are the subject of discussions and exchanges with the academic community. A first serious game based on the GEMMES model in Colombia was developed and tested. The programme on cultural and creative industries in Africa was enhanced and supplemented by the launch of a study on the restitution of works in Benin.

Priority is given to work on Africa, with a specific focus on West Africa. The research and capacity-building programmes financed by the "*Savoirs Sahel 2*" project could, for the most part, be continued and developed through changes in the geographical scope. The themes of regional governance and local legitimacy, the resilience of agro-pastoral systems to climate constraints, the social inclusion of young people, and the delivery of public services and mediation are at the heart of the development issues addressed in this work. The capacity building activities of research institutions and think tanks in French-speaking and Sahelian Africa funded by the "Savoirs Sahel 2" programme and the PCDI (Pôle Clermontois de Développement International) actively contribute to AFD's research support activities in the South. Moreover, in addition to the publication on Inequalities in Africa, in January 2024 AFD published the fifth annual edition of the series on African economies launched in 2020, published by *Repères La Découverte*.

Finally, the research programme dedicated to public development banks as key players in achieving the sustainable development goals was further strengthened in 2024 to feed into the discussions of the Finance In Common Summit (FICS). The update of the database listing public development banks (PDBs) around the world initiated in 2019 with Peking University is continuing. It makes it possible to map the public policy objectives that its 526 PDBs pursue. In 2024, the Global Research Network on PDBs (GRN), which aims to pursue the production of original work, and to promote peer reviews, publications in peer-reviewed economic journals and the dissemination of research findings among policy makers and development bank managers, was structured. More specifically, this network is working on five themes: PDBs in the international financial architecture, private sector mobilisation, climate and biodiversity, social responsibility of PDBs, and analysis of structured data on PDBs. The work produced to date made it possible to compile, in 2024, a first book dedicated to PBDs, the "PDB Handbook" structured in 80 thematic sheets. Finally, AFD has developed the "SDG Prospector", a tool using artificial intelligence to comprehensively map the way in which BPDs integrate the SDGs into their strategic narrative. The prospector is available online for all types of users.

In 2024, AFD's research activity was also promoted at major international meetings, such as the COP biodiversity in Cali or the COP 29 in Baku. AFD's international research conference, organised every two years, was also held in December 2024 and explored the links between research and public action around four themes: financial risks related to nature, public services beyond the State, the notion of the alignment of finance, and the fair dimension of transitions. Discussions on how to structure future multi-disciplinary research programmes continued, whether in relation to sustainable finance and financing for sustainable development, industrialisation and environmental transitions, or multidimensional vulnerabilities.

The coordination of the research dynamics led by AFD involves the multiplication of exchanges with academic communities. To this end, two teacher-researchers have been identified to carry out a delegated assignment at AFD in 2025, two visiting researchers are also expected in 2025, and the selection of four new CIFRE fellows has been launched.

In support of the Agency's operations and risk management, fourteen macroeconomic analysis missions were carried out in 2024. These diagnostics focused primarily on (i) regions where AFD's exposure is significant or historical (China, Colombia, Senegal, Tanzania), (ii) regions undergoing changes or turnarounds (Iraq) and (iii) regions where a macroeconomic framework is useful for the establishment of an AFD intervention strategy, the monitoring of risks, or the ramp-up of operations (Benin, Cuba, Guinea, Madagascar, Moldova, Mozambique, Namibia, Uganda and Togo). These assignments covered 17.6% of the Group's outstanding loans in foreign countries (measured at 30 June 2024). The missions initially planned in Egypt (since 2023), Madagascar, Brazil and Mexico could not be carried out for reasons of organisation or local context and will be carried out in 2025.

Assessments

AFD conducts assessments of the projects and programmes it finances and also produces extensive evaluations of its sectoral or cross-sector strategies (set out in its intervention frameworks), on specific topics, countries and/or funding instruments. All large-scale and joint evaluations are published and the project/programme evaluation summary sheets are published on the AFD website [(1)] and the evaluation open data site [(2)] where 378 evaluated projects have been placed online. In 2024, AFD evaluated 72 projects through 52 assessments.

In 2013, AFD adopted a first assessment policy. An independent appraisal of this assessment policy was carried out and published in September 2021 [(3)]. AFD then launched a participatory process, spanning over one year and bringing together the various Group entities and the administrations concerned, to develop a new policy, now extended to the Group and which was presented to AFD's Board of Directors in March 2024. This monitoring and evaluation policy for the Group reminds us that the appraisal meets the requirements of decision support, learning and accountability. It aims to improve strategies, programmes and projects and ultimately development results through lessons learned. It contributes to the production of knowledge to inform decision-making within the Group but also contributes to the external knowledge capital by contributing to the debate on development and international solidarity issues. The appraisal contributes to AFD's responsibility to report on the interventions it finances to the French State, its partners, the various development and international solidarity players in France and abroad, as well as French citizens.

The AFD Group subscribes to the principles of the OECD's Development Assistance Committee (DAC) for the assessment of development, and the appraisal work carried out is consistent with the criteria defined by the DAC.

AFD also conducts joint assessments with the other departments responsible for evaluating France's development assistance programmes, at the Ministry of Europe and Foreign Affairs (MEAE), the Ministry of the Economy, Finance and Industrial and Digital Sovereignty (MEFSIN).

Publications

In 2024, Éditions AFD published 120 titles, more than in 2023 (91 titles): 117 titles in its own collections, two co-published with the World Bank, and one co-published with *La Découverte*. In 2024, the QDD (Question de Développement) short format collection exceeded research papers for the first time with 38 publications compared to 33 for research papers. These two collections remain the most productive. In comparison to 2023, the number of research papers decreased slightly from 39 in 2023 to 33 in 2024, while the QDD production increased considerably from 10 in 2023 to 38 in 2024. MacroDevs (publications relating to development macroeconomics) decreased, with productivity dropping from 15 in 2023 to 11 in 2024. The number of policy briefs presenting public policy recommendations decreased from 6 to 4, unlike policy papers (long format of the policy brief), the number of which increased from 3 in 2023 to 7 in 2024.

Over 1,400 downloadable titles are available in the *Éditions AFD catalogue*. These publications are disseminated externally *via* the AFD website, while part of the catalogue is also available on the CAIRN portal. Likewise, most of them are accessible and referenced on various databases such as Ideas/RePEc and Google Scholar.

The promotion of publications is based on several channels, notably the dedicated newsletter "*Études et savoirs*" (which has more than 30,000 subscribers for the French-language version and approximately 8,000 subscribers for the English-language version), the use of varied formats ("*Grandes Lignes*" podcast now available on YouTube with the number of views exceeding, on average, several tens of thousands of views; videos and motion design, computer graphics, etc.) as well as the organisation of events around publications.

1) *https://www.afd.fr/fr/page-programme-de-recherche/les-evaluations*
2) *https://opendata.afd.fr/pages/evaluations/?stage_theme=true*
3) *https://www.afd.fr/fr/ressources/evaluation-de-la-politique-devaluation-de-lafd*

1.6.7.2 The AFD campus

The new AFD Group Campus Executive Department was created on 1 January 2024, following two years of incubation. It consists of ongoing training for Group employees, and training for partners and customers. Located in Marseille and Paris, and very present in the southern regions through the partnerships that it develops with the universities and training centres in the south, the AFD Group Campus strengthens synergies among offerings, gives them consistency, and enhances them. In doing so, it provides new training courses to reinforce the skills of AFD Group employees, customers and partners, with a view to a greater collective relevance at the service of the transitions towards sustainable development.

With its 31 employees, its goal is to be a space dedicated to the development of professional skills adapted to contemporary challenges, as well as being a place 'on the side of others', where people, views and ideas meet, and a vector for cohesion at the Group.

Embodying the SOP's objectives of providing support for the transitions (100% SDG), of being "on the side of others" and of "being a group", the AFD Group Campus is the bearer of a new deal in terms of training: new in its intention (to train with a view not to reproducing but to transforming, both models and relationships); new in its content (by articulating technical skills, "21st century" human skills and systemic knowledge to address complexity and uncertainty); and new in its pedagogical methods (space for active pedagogy, collective intelligence and the development of learning communities).

Thus, 2024 was marked by the following work:

- clarifying the AFD Group Campus roadmap, which is now based on the following three strategic areas: 1) Strengthening skills and expertise in order to provide support for the transitions towards the SDGs; 2) Providing support for the renewal of the relationship with our customers and partners in the South; and 3) Backing and fostering the Group's internal cohesion;
- deploying and bringing coherence to its global offering: developing expertise around the transitions towards the SDGs, but also broadening the spectrum of skills beyond business or technical skills, by showing the unprecedented nature of the moment we are living through, its complexity, its threats, and by making people feel the urgency to react (awareness), and by showing how essential 'human' skills are at this moment (reflexivity, critical thinking, collective intelligence, emotional intelligence, creativity, listening, collaboration, etc.):
- developing its visibility and communication, with the creation of a new online portal accessible to all Group employees, partners and customers: AFD Group Campus, and the renewal of its graphic charter;
- continuing flagship courses and the deployment of new formats, training or networking, aimed at transforming models and relationships. Among the courses intended for partners and customers, the following can be highlighted:
  - on the challenges of the transitions towards the SDGs:
    - the opening and hosting of new digital training courses on the MOOC-Campus platform on "human rights", "financial risks related to nature" (in partnership with Caisse des Dépôts), "governance of public companies" (with the OECD), "female entrepreneurship" (with Expertise France), and imaginaries in relation to the ecological transition (with ADEME and the OFB). Between 2021 and 2024, the MOOC-Campus platform welcomed nearly 90,000 learners,
    - the launch of new hybrid and innovative courses designed to develop both theoretical and systemic knowledge and the ability of those involved to take action: "Towards the ecological societies of tomorrow" (with the publishing house Wildproject), "the autumn school on food security in Africa" (with the Agence universitaire de la Francophonie, the UNESCO Chair and UM6P University), and the "Djowamon" course on African museums and heritage (with the Ecole du Patrimoine Africain),
    - the appraisal of new high-impact projects, in conjunction with the Group's operational departments, such as "Think & Act locally", a university partnership with six universities in the North and South on leadership issues and new economic models; or Pass'Sport, on the training of sports professionals on the African continent, with the Sport Impact platform in Darak;
- on the challenges of relationships and organisational transformation:
  - the roll-out of new formats that focus on post-development thinking, in partnership with Académie diplomatique: educational capsules and residencies at the "Agir pour le vivante" festival in Arles, Yaoundé and Medellin,
  - the development of new partnerships, enabling us to forge links with universities/think-tanks/actors in the South, and to bring new perspectives to bear, with, for example: i) "*Savoirs d'avant-garde au service des transitions*", around topics such as "the economy of tomorrow" or "systemic risks and collective resilience strategies"; ii) the African Security Sector Network, on African geopolitics, with a particular focus on crisis contexts; iii) Eranos, on the subject of imaginaries and representations of development aid; iv) Equipop, on the integration of feminist issues in organisations; or v) Kreyolimages, on Creole thinking,

- the maintenance of flagship courses, aiming to continue the dynamics launched by the Africa 2020 Season and the NSAF (dialogue, reflexivity, co-construction, development of networks, facilitation of communities, outlook and stories): new seasons of courses at *Académie des Talents Méditerranéens*, the Social Inclusive Business Camp (in North Africa), the Biodiversity Partnership programme (in Southern and North Africa), as well as the Master's in Development Project Management (with FERDI and the University of Clermont-Ferrand),
- a wider dissemination of collective and creative intelligence skills within the Group and among its partners with the launch of the "Collective Intelligence Factory": new dedicated training courses, strengthening of the coordination of certain strategic communities,
- the development of new multimedia content with a new season of the "*les nouvelles de demain*" podcast and various capsules connecting thinkers from the North and the South and increasing the notoriety of the online educational resource portal.

2

Statement of Non-Financial Performance

Background

The Agence Française de Développement (AFD) Group has been established since 1 January 2022, notably by its three main entities – Agence Française de Développement (AFD), Proparco and Expertise France (EF). It finances and supports transitions in all the regions where it works towards a more just and sustainable world. It implements the priorities defined by the government in the field of development policy, in accordance with France's international commitments, within the reference framework set by the 2030 Agenda for Sustainable Development [(1)] and by the Paris Agreement. The No. 2021-1031 law of 4 August 2021 on the programming relating to solidarity development and the fight against global inequalities sets its major objectives, specified by the Presidential Development Council (PCD), the Interministerial Committee for International Cooperation and Development (CICID) and the Interministerial Committee for French Overseas Departments and Collectivities (CIOM) in 2023.

The highlights of the Group's activities in 2024 were as follows:

- in December 2024, AFD Group adopted its 5th Strategic Orientation Plan (POS V) for the 2025-2030 period. The major guidelines defined aim to combat both poverty and inequalities throughout the world, and to promote solidarity-based investments guaranteeing the preservation of global public goods;
- This new strategy seeks to consolidate and amplify the results and achievements of the 4th strategic plan and has several objectives: to propose a more efficient and simplified architecture, to adapt the Group's posture and positioning in a changing world, while strengthening its capabilities and its joint impact to contribute to the Sustainable Development Goals (SDGs).

The strategy is based on four key commitments:

a. "AFD by its partners' side": improve the understanding of the complex environments and evolving needs of partners by mobilising geographical and contextual intelligence to adapt AFD Group's offerings;

b. 100% SDG: become the first public development bank to align all of its financing, operations and management with the 2030 Agenda. This includes maximising positive impacts on climate and biodiversity, reducing inequalities and multidimensional vulnerabilities, as well as backing institutional, democratic and citizenship development;

c. Mobilisation Platform: mobilise international and local financial resources, knowledge and citizen commitment to establish partnerships with local, French, European and international players committed to the achievement of the SDGs;

d. Delivering on AFD Group's Promise: reinforcing synergies among AFD's public sector activities, Proparco's private sector focus and Expertise France's technical cooperation, while leveraging the Group's training capabilities, research and innovation.

The key items of 2024 were as follows

- Following the adoption of the European Corporate Social Responsibility Directive (CSRD), AFD Group initiated a process of compliance with the text that aims for transparency on ESG data and the integration of sustainability at the heart of the Group's strategy. AFD is keeping a close eye on regulatory developments and notably on the European Commission's proposed Omnibus package. The Group also plans to renew its transparency policy and update its open data site to extend and improve access to its public data,
- The amount of AFD commitments in 2024 [(2)] was down slightly compared to 2023. Their geographical distribution was characterised by a growth in activity in Africa, which amounted to nearly €3.9bn, up €220M compared to 2023 (*i.e.* 38% of AFD's business plan). Conversely, activity in the Orients region fell to €2.8bn, down €360M (*i.e.* 28% of the AFD business plan), under the combined effect of competitiveness difficulties and constraints related to the level of indebtedness in certain countries,
- AFD's activity in the Three Oceans increased slightly, to €1.6bn (*i.e.* 16% of AFD's commitments), including nearly €1bn dedicated to financing in the French Overseas Departments and Collectivities. In Latin America, where it amounted to €1.6bn, it was also stable and based on a limited number of countries, due to tensions over economic and political situations and the implementation of the sustainable debt doctrine,
- For Proparco, in 2024, activity in Africa represented 40% in terms of volume and half of the projects. Activity increased in Turkey and Central Asia (24%). Latin America represented 20%, while South Asia and South East Asia (10%) and the Middle East were down in relative terms,
- Expertise France's activity – although part of a dynamic of operational development towards new regions (Americas, Indo-Pacific region, Balkans) – remained heavily concentrated on the African continent. 50% of the Agency's turnover is generated directly in African countries and the majority of multi-zone projects concern Africa. The breakdown of turnover in 2024 thus confirms the alignment of the Agency with the geographical priorities of French aid,

1) Adopted on 25 September 2015 by the Heads of State and Government at the United Nations Special Summit on Sustainable Development, the 2030 Agenda sets 17 Sustainable Development Goals (SDGs) broken down into 169 targets to meet the challenges of globalisation based on the three components – environmental, social and economic – of sustainable development.

2) Including activities using resources from other financial stakeholders and mandate-specific operations.

- Climate financing in 2024 amounted to €7.7bn in foreign States and the French Overseas Departments and Collectivities. In foreign States, AFD and Proparco approved 343 climate projects, for a total amount of €7.4bn in financing, *i.e.* 61% of its commitments (in foreign States). The Group therefore exceeded the 50% target adopted in 2012 and renewed in its Climate and Development strategy,
- The share of AFD's commitments whose main or secondary objective is to promote gender equality (volumes marked CAD1 and CAD2 [(1)]) reached 61% (€5.6bn), thus making a positive contribution to the goal set by the 2021 development law on French bilateral programmable ODA marked CAD1 or CAD2. This significant increase compared to 2023 (51% of commitments) reflects the efforts made by AFD to systematically integrate the gender dimension into its operations,
- In 2024, the amount of bonds issued with the SDG label represented €4.43bn.

AFD Group's corporate social responsibility (CSR) in 2024

AFD Group is committed to adopting best practices in its activities. For over 20 years, its approach to corporate social responsibility has been compliant with the social, environmental and ethical requirements, respect for human rights, the fight against corruption, transparency. It has allowed the groupe to structure its practices, thus positioning itself among the players with the highest ratings by non-financial rating agencies. The alignment between the Group's missions, its corporate social responsibility policy and the pursuit of excellence in terms of non-financial performance was once again recognised in 2023: with a rating of 74/100, AFD is positioned first *ex aequo* in its peer group (Specific purpose banks and agencies in Europe) as rated by Moody's Analytics, one of the main non-financial rating agencies. In addition, AFD obtained an AAA rating in the last MSCI rating report, in February 2023.

AFD Group's corporate social responsibility (CSR) policy covers the 2018-2022 period, and was extended in 2023 and 2024. The priorities of the new 2025-2030 social responsibility policy have been fully integrated, and stem from the Group's new Strategic Orientation Plan (2025-2030) validated in December 2024.

In 2024, the CSR policy covered all of the Group's sustainable development issues, whether in relation to the projects financed or its internal operations. It reinforces the consistency between the Group's missions and the quality of its work, and thus promotes internal cohesion.

It is based on six commitments:

- Incorporating sustainable development issues into operations
- Governance and appropriation of the corporate social responsibility approach
- Transparency and dialogue with stakeholders
- Professional ethics and financial exemplarity
- Socially responsible and fair management of employees
- Control of the direct environmental and societal footprint

AFD Group's corporate social responsibility approach is led by a team attached to the department in charge of strategy. This is supported by a network of CSR focal persons within the departments responsible for implementing the various areas of the corporate social responsibility policy, namely a representative of the environmental and social support, strategy, risks, human resources, general secretariat, purchasing, finance and assessment teams, the corporate project as well as Proparco and Expertise France. This network is thus involved in managing the social responsibility approach (in particular the co-construction and implementation of the annual action plan), its accountability, as well as communication and staff awareness-raising actions.

Across the Group's three entities, expert teams provide cross-functional support to integrate sustainable development into operations on topics such as climate, gender, environmental and social risk management, intervention in countries in crisis and conflicts, capacity building of clients and partners, or as part of the analysis of the contribution to the sustainable development of projects. The CSR approach also relies on a sponsor in the person of the Deputy Chief Executive Officer in charge of the Group's operations.

1) *OECD temporary archive - DAC gender equality policy marker: Projects/programmes marked "CAD1 significant objective" or "CAD2 principal objective" are counted by the CAD as aid directed towards gender equality.*

Preparation of the Statement of Non-Financial Performance

The publication of non-financial information as part of the Statement of Non-Financial Performance (SNFP) results from the transposition into French law [1] of the European Directive 2014/95/EU, known as the Non-Financial Reporting Directive (NFRD).

AFD, both an EPIC (industrial and commercial public undertaking) and a financing company, whose securities are admitted to trading on a regulated market, follows an exemplary approach and has published a Statement of Non-Financial Performance since 2018 financial year, the content of which complies with legal and regulatory requirements. Since 2022 financial year, this declaration includes Expertise France in its scope.

This statement provides information on how the Group monitors the social and environmental consequences of its activity and the effects of this activity on human rights and the fight against corruption and tax avoidance. It thus includes:

- its business model;
- the main risks related to the Group's activity including, where relevant and proportionate, risks created by its business relations, products or services;
- the policies and action plans rolled out to manage these risks;
- results, including key performance indicators.

The methodology used is described in the methodological note (see Appendix 9), while the actual statement is presented below.

2.1 The business model

AFD's business model is detailed in Chapter 1.

2.2 Identification of the main non-financial issues and risks

As provided for by the regulations (see above), the SNFP focuses on AFD Group's main non-financial risks and issues.

The non-financial issues deemed to be the most relevant for AFD Group were identified and ranked through a materiality analysis. This analysis aims to offer a view of the most important issues for the organisation, in order to select the most relevant information for its corporate and social responsibility report based on its activities, its own objectives, and the expectations of its external and internal stakeholders.

AFD Group's materiality analysis was updated on the basis of the issues predefined by the GRI (Global Reporting Initiative) in 2022, based on a documentary analysis and ten qualitative interviews with representatives of the Group's main stakeholders, extended to include Expertise France. On this occasion, the mapping of the Group's stakeholders was also reviewed [2]. The Group's main stakeholders are divided into six main categories: the institutional environment, the societal environment, human resources, the economic environment, clients and beneficiaries, and Official Development Assistance and technical assistance actors (see the stakeholder mapping presented in Appendix 10). This work resulted in a revised list of 19 material issues, validated by the Executive Management [3].

These issues were then prioritised by internal and external stakeholders [4] in order to obtain the updated materiality matrix shown in Appendix 10. In order to anticipate the future regulatory changes brought about by the directive on corporate sustainability reporting (or Directive (EE) 2022/2464 - CSRD) the risks are presented in a format that explains the double materiality of each issue. The table below therefore describes not only the risks that deteriorated ESG factors (environmental, social, governance) represent for the Group, but also the impact of the Group's activities on these ESG factors. AFD Group has started a revision of its materiality matrix in 2024. This revision will be validated by the Board of Directors in 2025. AFD will take into account regulatory changes and notably the Omnibus legislative package in its approach to compliance with the CSRD.

1) Order No. 2017-1180 of 19 July 2017 on the publication of non-financial information by certain large companies and groups of companies and Decree No. 2017-1265 of 9 August 2017 issued for the application of said order.
2) See the AFD Group stakeholder mapping, updated in 2022, in Appendix 10.
3) See the AFD Group materiality matrix, updated in 2022, in Appendix 10.
4) For the rating of the issues, 192 people (including 118 external) responded to a dedicated questionnaire, representing all the stakeholder groups identified.

Corporate social responsibility issues and associated potential non-financial risks (1)

PRIORITY ISSUES	POTENTIAL RISKS INCURRED (FINANCIAL MATERIALITY)	POTENTIAL RISKS GENERATED (IMPACT MATERIALITY)
GOVERNANCE		
Ethics and financial exemplarity	• Risk of non-compliance with procedures concerning fraud, anti-money laundering and the financing of terrorism • Risk of wrongdoing by an employee, a partner, a counterparty	• Risk of aid embezzlement, corruption and fraud
Transparency of funding and accountability on impacts	• Risk of weakening access to sustainable finance flows	• Risk of difficulty for financing beneficiaries and clients in scheduling their operations within known and controlled deadlines • Reputational risk linked to misalignment between funded projects and strategic axes defined by the SDGs and the Paris Agreement
Group cohesion	• Risk of inconsistency in entities' CSR practices	• Risk of inefficiency and loss of effectiveness
Client and stakeholder satisfaction	• Risk of weakening the Group's attractiveness and image	• Risk of mismatch between stakeholder expectations and needs and Group services
Multi-stakeholder mobilization for the Sustainable Development Goals (SDGs)	• Risk of non-coordination with other actors (international and European donors, civil society organisations) on funded projects	
Digital responsibility	• Risk of cyber attack, breach of IT security	• Risk of disclosure of confidential customer and partner data and personal data
ENVIRONMENT		
Internal environmental footprint	• Reputational risk due to lack of consistency between internal practices and external commitments	
Respect of planetary boundaries	• Risk of failing to meet sustainable finance standards • Financial climate risk and financial risk related to biodiversity	• Risk of mismatch between funded projects and the strategic axes defined by the SDGs and the Paris Agreement
SOCIAL		
Health, security and safety of employees	• Risk of serious physical harm to an employee as a result of a malicious act • Risk of non-observance of health and safety regulations by employees	
Employees' quality of life at work		• Psychosocial risks and stress
Social relations within the Group	• Risk of malfunction or lack of internal dialogue about social issues • Risk of deterioration of the social climate, and social movements	• Risk of malfunction or lack of internal dialogue on social issues • Risks related to employment practices and psychosocial risks
Employees' skills development	• Risk of loss in collective efficiency • Risk of non-compliance with staff training obligations and failure to anticipate training issues	• Risk of loss of collective efficiency
Internal social and societal footprint	• Reputational risk due to lack of consistency between internal practices and external commitments	
Professional equity, diversity and equality	• Risk of non-compliance with regulations	
Reinforcement of institutions and civic participation		• Risk of mismatch between the proposed financing and the reality of the intervention
Strengthening of social link	• Reputational risk linked to a negative impact of projects on populations or the environment	• Risk of mismatch between the proposed financing and the reality of the intervention
ENVIRONMENT AND SOCIAL		
Deepening sustainable development in AFD Group's operations		• Risk of misalignment between funded projects and the strategic axes defined by the SDGs and the Paris Agreement
Engaging of clients and counterparties towards Sustainable Development Goals (SDGs)	• Risk of non-compliance with procedures and contractual clauses by clients and partners	• Risk of mismatch between stakeholder expectations and needs and Group services
Environmental and social risks in projects	• Reputational risk linked to a negative impact of projects on populations or the environment • Risk of non-compliance with AFD's obligations in terms of impact analysis and environmental and social standards • Risk of non-compliance with environmental and social grievance management procedures	• Risk of negative impact of projects on populations or the environment

(1) A table showing in which paragraph of the SNFP each issue appears is available in Appendix 10.

2.3 Managing the risks and impacts of our action

AFD Group incorporates corporate social responsibility into its governance system and its activities. As such, it takes measures to assess and manage the environmental and social risks (E&S) of the operations it funds. It implements procedures to identify, prevent or mitigate environmental and social damage, including any human rights violations that may arise from its activities. E&S risk management takes place at each stage of the project cycle, from identification to financing approval, to monitoring and *ex post* evaluation.

This approach is supplemented by the existence of two complaint mechanisms for handling environmental and social complaints, respectively for AFD and Proparco (see below) which help to manage operational risk. These systems make it possible to explore remediation when negative or unexpected E&S impacts could not be avoided, reduced or compensated according to the provisions of the E&S management plans of projects financed by AFD or Proparco. These mechanisms help to strengthen the AFD's transparency and accountability practices, drawing on the experience of other financial stakeholders, thanks to exchanges within the IAMnet international network (Independent Accountability Mechanism Network).

2.3.1 AFD's management of environmental and social risks, and the procedure for managing complaints

2.3.1.1 AFD's management of environmental and social risks

AFD has adopted an environmental and social (E&S) risk management policy for the operations it finances [(1)]. This policy defines the framework and guiding principles applicable to E&S risk management. AFD also has a procedural corpus allowing it to operationally implement this policy.

The E&S risk management policy implemented under development operations financed by AFD is an ongoing, differentiated and proportionate process:

- it is ongoing because various actions must be carried out at every stage of the project cycle (identification, feasibility, *ex ante* appraisal, decision-making, contracting, supervision and *ex post* appraisal) and these actions form part of a continuum;
- moreover, it is differentiated and proportionate because the nature and scope of the actions to be implemented under the process are adapted to the level of the E&S risks to be managed.

This proportionality principle is rolled out at the different stages of the project cycle and concerns in particular the choice of the applicable E&S regulatory framework (national regulations, international World Bank standards), the nature and scope of negative E&S impacts to be produced by the recipients of AFD financing, the level of involvement of AFD's Environmental and Social Support Division, and the robustness of the E&S monitoring system.

In order to determine *ex ante* the resources to be mobilised in this context, by AFD and by the beneficiaries of the financing, classification of the E&S risks of the operations is thus carried out by distinguishing four levels of potential risks for projects under direct financing:

- high E&S risk projects: category A;
- significant E&S risk projects: category B+;
- moderate E&S risk projects: category B; or
- low or no E&S risk projects: category C.

For projects financed through financial intermediaries (FIs), three levels of risk are determined according to the constitution of the FI's portfolio:

- high E&S risk portfolio: category FI-A;
- moderate E&S risk portfolio: category FI-B; or
- low E&S risk portfolio: category FI-C.

Thus, for financing granted in 2024, the E&S risks in AFD's portfolio, in terms of the number of projects and the amounts granted, break down as follows:

1) *This policy was adopted by AFD's Board of Directors in July 2017; it is available on the AFD website: https://www.afd.fr/en/ressources/environmental-and-social-risk-management-policy-afd-funded-operations. An internal audit was conducted in 2024 to take stock of its implementation and identify points requiring updating, creation, or even deletion. An update of this policy will be carried out in 2025.*

Environmental and social risks in AFD's portfolio in 2024, by number of projects and amounts awarded (in foreign States)

	Breakdown by number of projects granted				Breakdown by amounts granted			
E&S risk	Number of projects	in %	2023 as a reminder	% in 2023	Amounts granted *(in millions of euros)*	in %	2023 as a reminder	% in 2023
A	16	6.96%	10	4.18%	1,329.10	15.23%	389.47	4.78%
B+	58	25.22%	66	27.62%	4,026.71	46.14%	3,779.85	46.39%
B	66	28.70%	68	28.45%	1,079.42	12.37%	1,430.57	17.56%
C	57	24.78%	68	28.45%	581.13	6.66%	1,070.63	13.14%
FI-A	18	7.83%	13	5.44%	1,210.63	13.87%	701.46	8.61%
FI-B	8	3.48%	11	4.60%	361.51	4.14%	744.28	9.14%
FI-C	7	3.04%	3	1.26%	139.47	1.6%	31.22	0.38%
TOTAL	**230**	**100%**	**239**	**100%**	**8,727.97**	**100%**	**8,147.48**	**100%**

The change compared to year N-1 reflects the annual changes in the composition of the portfolio of projects granted.

The E&S rankings established at the identification stage, as detailed previously, are based on an analysis of the significance of the potential negative E&S impacts of the projects, *i.e.* the impacts that would appear in the absence of mitigation measures (avoidance, reduction or offsetting measures of the so-called "ARO" approach).

The latter are defined as part of the studies of potential negative E&S impacts in order to control the E&S risks of projects. During project implementation and after establishing mitigation measures, residual negative E&S impacts may remain which it is therefore important to monitor, the nature and magnitude of which may vary depending on the different phases of the project (preparation, construction, operation, etc.).

Also, to strengthen the E&S monitoring of projects during implementation, AFD developed in 2020 a method to assess the residual E&S risks of projects that are considered to be the riskiest (classified as A or B+ at the identification stage). This residual E&S risk assessment method is based on four criteria:

- the magnitude of the E&S impacts, taking into account the progress of the project;
- the quality of the project's environmental and social management and compliance with the E&S commitments made by the beneficiary through the financing agreement;
- the sensitivity of the context;
- the occurrence of major E&S events.

Projects may now be classified according to six levels, based on the importance of their residual E&S risks:

- project on alert requiring specific monitoring;
- sensitive project requiring increased monitoring;
- project requiring ongoing monitoring;
- project requiring basic monitoring (or no monitoring);
- project for which E&S monitoring is suspended;
- project for which E&S monitoring has been completed.

This analysis not only makes it possible to have an overview of the quality of the portfolio at a given time, but also to define specific and proportionate E&S monitoring programmes for each level of risk, and thus to focus on the riskiest projects.

An analysis of the portfolio's residual E&S risks carried out in 2024 addressed projects classified as A and B+, granted between 2016 and 2023, and in progress (projects not cancelled, for which an agreement has been signed before 31 March 2024 but not completed) which amounted to a total of 305 projects.

The level of E&S monitoring to be implemented was thus determined for each of these 305 projects. The breakdown by level of monitoring is as follows:

Breakdown of the levels of environmental and social monitoring of the portfolio of ongoing A and B+ projects granted over the 2016-2024 period, by number of projects and by amounts *(in millions of euros)*

Level of E&S monitoring	Number of projects	in %	Amounts *(in millions of euros)*	in %
Project on alert requiring specific monitoring	10	3%	894	5%
Sensitive project requiring increased monitoring	117	39%	8,005	41%
Project requiring ongoing monitoring	107	35%	6,638	34%
Project requiring basic monitoring (or no monitoring)	43	14%	2,425	12%
Project for which E&S monitoring is suspended	15	5%	642	3%
Project for which E&S monitoring has been completed	13	4%	1,017	5%
TOTAL	**305**	**100%**	**19,621**	**100%**

2.3.1.2 AFD's environmental and social complaints management system

AFD's environmental and social (E&S) complaints management system is an extra-judicial system allowing any individual or group of individuals affected by a project financed by AFD, from an environmental or social point of view, to file a complaint. It promotes a constructive approach based on seeking solutions out-of-court. Its functioning (eligibility criteria, methods for processing eligible complaints by reconciliation and/or a compliance audit) is described in the system regulations available on the AFD website [(1)]. It is placed under the supervision of the Ethics Advisor and Internal Mediator.

In 2024, Agence Française de Développement continued its CSR (Corporate Social Responsibility) commitment by handling complaints received fairly and independently. Following initial capitalisation work that provided lessons in 2023 and a study on the advisability of integrating issues of exploitation, abuse and sexual harassment, a new procedure should see the light of day in 2025.

The AFD mechanism received 35 complaints in 2024.

Year	Received	Not registered	Under analysis or being processed(*)	Closed	Being monitored
2017	2	1	0	0	1
2018	8	8	0	0	0
2019	12	7	1	4	0
2020	14	9	2	3	0
2021	21	19	2	0	0
2022	9	9	0	0	0
2023	25	21	6	1	0
2024	35	31	3	1	0

** Complaints undergoing registration analysis, eligibility review or being processed (complaints deemed eligible are processed through mediation and/or a compliance audit).*

Out of the 35 complaints received, one was registered by the secretariat. It concerned contractual issues between an AFD beneficiary and a consultant. Following the presentation of this complaint to the AFD Eligibility Committee, it was not considered eligible and was closed.

31 of the complaints received in 2024 were not registered; they were closed for the following reasons:

- the projects in question were not financed by AFD;
- the projects were outside the scope (complaints are then redirected to the relevant departments: project team, contracting, allegation of fraud or corruption);
- The information provided was incomplete and the applicants did not follow up on the matter.

1) *Environmental and social complaints management system – 2021 activity report | AFD – Agence Française de Développement*

2.3.2 Proparco's management of environmental and social risks, and the procedure for managing complaints

2.3.2.1 Management of Proparco's environmental and social risks [1]

The approach, which is similar to AFD's and in line with the practices of international financial institutions, is based on the performance standards of the International Finance Corporation (IFC) [2], the standards of the International Labour Organization (ILO) [3], the land tenure guidelines of the Food and Agriculture Organisation of the United Nations (FAO) [4], the United Nations Guiding Principles on Business and Human Rights (UNGPs) [5] and the resources of the Corporate Governance Development Framework (CGDF) [6].

E&S due diligence is carried out by Proparco for each operation. Its objectives are (i) to determine the extent and severity of the E&S risks of the operation, (ii) to analyse the ability of the financed/invested company to duly manage these risks within a reasonable timeframe, and (iii) to define, where applicable, the actions required to eliminate, reduce or offset these risks and impacts for the most risky projects. The financing or investment decision is based notably on these procedures.

An E&S ranking makes it possible, during the identification phase, to determine the level of potential E&S risks of the activities financed (directly or by a financial intermediary). This classification ranges from "A" (high risk) to "C" (low risk) – to which is added the prefix FI for financial intermediaries. It does not change over time (unless there is a substantial change in activity during the project) and does not take into account the client company's ability to manage these risks (management systems and performance) [7]. The classification defines the principles and methods of intervention of the ESG division. The higher the level of risk estimated, the greater the E&S appraisal effort.

In the case of projects presenting significant levels of risk and for which the involvement of a Proparco E&S specialist is deemed necessary at the signature stage or during the life of a project, monitoring of the evolution of E&S performance is carried out. This monitoring takes the form of the evaluation of four annual E&S indicators, determined on the basis of assignments, discussions with the client or documentary reviews. These indicators are (i) the E&S management system (measures the maturity of all E&S risk management processes), (ii) the E&S organisation (the client's resources and capabilities to manage E&S risks), (iii) E&S performance (changes in the due application of the E&S standards selected), and (iv) residual risk (assessment of the E&S risk to date by integrating the other indicators). In addition, concrete improvement actions are defined with the beneficiaries of the financing and grouped in an environmental and social action plan which is included in the contractual documentation. The implementation of these improvement action plans is monitored by the ESG team.

The two tables below present the classification of the potential E&S risk of projects signed in 2023 and 2024 according to their number (note: a project can be linked to several financings) and their amount. The tables also provide a comparison for information with all the projects in Proparco's portfolio.

Environmental and social classification of Proparco projects signed in 2024 and of the portfolio, in terms of numbers.

E&S classification	Number of projects	% of projects	% of Proparco portfolio projects as at 31/12/2024	As a reminder, figure from the last report: Number of projects signed in 2023	As a reminder, figure from the last report: % of projects signed in 2023
A	8	7%	10%	6	7%
B+	27	23%	22%	11	14%
B	10	9%	8%	9	11%
C	5	4%	1%	3	4%
FI-A	17	15%	18%	15	19%
FI-B	21	18%	27%	14	17%
FI-C	28	24%	14%	23	28%
TOTAL	**116**	**100%**	**100%**	**81**	**100%**

1) *Including Fisea.*
2) *IFC PS: Performance Standards on Environmental and Social Sustainability | International Finance Corporation (IFC).*
3) *ILO standards: labour standards (ilo.org).*
4) *VGGT: Voluntary Guidelines on Tenure | Governance of Tenure | Food and Agriculture Organization of the United Nations (fao.org).*
5) *UNGPs: guidingprinciplesbusinesshr_en.pdf (ohchr.org).*
6) *CGDF: Home page – CG Development Framework.*
7) *Only clients requiring specific E&S monitoring are subject to an E&S performance assessment based on their E&S organisation, their E&S management system and their level of compliance with IFC standards and Proparco requirements.*

Environmental and social classification of Proparco projects signed in 2024, in terms of amounts

			As a reminder, figure from the last report	
E&S classification	Amount	Percentage	Amount	Percentage
A	€327,486,555	13%	€300,888,200	17%
B+	€864,462,666	35%	€167,899,861	9%
B	€99,759,425	4%	€173,303,972	10%
C	€1,894,508	0.08%	€1,200,000	0%
FI-A	€616,079,099	25%	€640,206,037	35%
FI-B	€290,330,539	12%	€271,766,758	15%
FI-C	€304,192,623	12%	€257,109,258	14%
TOTAL	**€2,504,205,415**	**100%**	**€1,812,374,085**	**100%**

Each operation is also subject to a “Governance review”. Depending on its complexity, a governance specialist is involved. It makes it possible to determine, where applicable, the methods for improving governance (formalised in a governance action plan included in the contractual documentation) and any possible need for associated technical support. These commitments and support are then monitored annually to verify their effective implementation.

2.3.2.2 Proparco system for processing complaints

Since 2019, Proparco has had an environmental and social complaints processing system that gives any person or group of people who feel adversely affected by the environmental or social aspects of a project financed by Proparco the opportunity to file a complaint and be heard by independent experts (1).

This is an initiative by Proparco and its German and Dutch counterparts, DEG – the German private sector bilateral development bank, member of the KfW group – and FMO – the Dutch private sector bilateral development bank.

If the complaint does indeed concern a project funded by Proparco, if it does not correspond to one of the exclusion cases specified in the system’s documentation, and if the complaint file is complete (containing all information required as detailed on the Proparco website), it is sent to a panel of independent experts who first of all give a ruling on its eligibility, in compliance with the system’s regulations.

Once a complaint has been declared eligible, two processing methods, which can be combined, are offered:

- a compliance audit, in which the panel of independent experts examines whether the project financing was implemented in accordance with the applicable rules in terms of compliance and Proparco’s internal policies;
- reconciliation, aiming for the out-of-court settlement of a dispute between the complainant and the recipient of the funding. Proparco then offers mediation services, but is not involved in the mediation process.

The process is considered to be complete when an agreement is reached between the parties when resolving a dispute, or when establishing final recommendations by the expert panel in the case of a compliance audit. An action plan is then proposed, the implementation of which is monitored by the complaints office and the expert panel.

The system received a complaint in 2024. It was not declared eligible for the following reasons, in accordance with the mechanism’s policy:

- the complaint did not fall within the scope of the ICM policy since the mechanism does not deal with issues relating to intellectual property rights.

The complaint was closed.

One complaint was declared admissible by the panel in July 2021. Mediation between the various stakeholders is ongoing, with the support of the panel of experts.

Year	Complaints Received	Of which Receivable	Of which Inadmissible	Being processed (end-of-year inventory)	Complaints Closed
2019	0	0	0	0	0
2020	1	0	1	0	0
2021	1	1	0	1	0
2022	0	0	0	1	0
2023	4	0	4	1	0
2024	1	0	1	1	0
TOTAL	**7**	**1**	**6**	**1**	**0**

1) Independent mechanism for processing environmental and social complaints:

2.3.3 Human rights due diligence and promotion of the human rights-based approach

2.3.3.1 AFD's human rights due diligence

AFD Group operates in countries where human rights are not always fully respected, even if these countries formally adhere to treaties and conventions governed by international human rights law.

The mandatory due diligence in the field of operations includes the assessment of the social risks of the projects financed. The issue of applying international human rights standards is thus constantly on the agenda and integrated into the *ex ante* analysis and implementation of all projects, whatever the shape or form.

To this end, AFD Group relies on the performance standards of the International Finance Corporation (IFC) (1), on the environmental and social standards and the environmental, health and safety directives of the World Bank, as well as on the fundamental conventions of the International Labour Organization (ILO) (2). The human rights issues covered by these standards enable us to address matters related to:

- workers' rights, namely working and employment conditions, and the protection of the workforce (and notably against forced labour or child labour, discrimination, etc.);
- the rights of communities, in particular the health and safety of communities potentially affected by projects (and notably potential violence against these communities); land acquisition and involuntary resettlement (notably to avoid forced evictions);
- the rights of indigenous populations;
- environmental rights, in particular concerning the preservation of ecosystems, the prevention of pollution, etc.

Where applicable, the implementation of these standards is accompanied by the establishment, by project managers, of mechanisms to manage complaints at project level, making it possible to collect and process potential complaints from people affected by these projects. The financing agreements signed with recipients must necessarily mention the commitments made by counterparties to respect the rights of individuals potentially affected, and reiterate the compliance with the ILO's fundamental conventions in such a manner as to make them legally binding.

Following the adoption of the French "Human rights and development" strategy and the associated action plan for the period 2020-2024, which encouraged it, the Group is working to gradually integrate the human rights-based approach (HRBA) into its activities. This approach is based on both a risk reduction approach with the objective of doing no harm, and a more proactive approach so that projects directly contribute to the realisation of human rights. Since the adoption of the programming law of 4 August 2021, this is now an explicit mandate for the Group. As a result, several projects have been launched since 2021 to strengthen the capacities of the Group's employees, establish partnerships with other development players to promote this approach and share best practices, and finally to support the production of knowledge regarding the concrete operating methods.

As of 2021, AFD has thus developed an internal digital training cycle that consists of five modules entirely dedicated to the theme of "Human rights and development" and the HRBA in cooperation projects. In 2024, AFD designed a Human Rights and Sustainable Development MOOC (11 thematic modules) to provide training on a large scale – internal and external – to AFD's employees and partners.

Lastly, since 2023, the theme has been included in AFD Group Campus Modev Master's programme, intended for AFD's partner project managers (one full day of face-to-face training).

Since 2021, AFD has also provided a new operational environmental and social risk management training offering. This programme, consisting of thirteen modules offered as asynchronous e-learning or in the form of virtual classes, has been gradually made available (eight modules were already available in 2024). Twelve modules are intended for AFD's operational staff at the head office and throughout the offices abroad, and one module is intended for development project managers. All modules are accessible remotely for employees working in the network.

The Group has also developed a partnership approach with various development players to promote the integration of HRBA and share best practices regarding its concrete operating methods.

Moreover, a partnership between the Danish Institute for Human Rights and AFD has made it possible to make progress on the challenges of accountability in terms of the human rights-based approach. A comparative study of HRBA measurement practices was carried out and published in 2023 (European Union and bilateral cooperation agreements of Germany, Denmark, Finland, France, Luxembourg, Norway, Sweden and Switzerland). It made it possible to design, in an inclusive way, a new methodology for measuring HRBA. This methodology is comparable to a marker, but can also be used differently for the gradual integration of HRBA into the portfolios of activities of development actors. In line with this partnership, work was carried out in 2024 and resulted in the production of two analysis tools on the climate and human rights issues (published and online in January 2025).

1) *International Finance Corporation, https://www.ifc.org/fr/home*
2) *International Labour Organization, https://www.ilo.org/*

Lastly, 2024 saw the publication of a collective work on the rights of nature [(1)] and several research papers highlighting the continuum between human rights, the right to a healthy environment and the rights of nature.

Expertise France, for its part, developed a service offering on migration, based on human rights in accordance with the French strategy published in 2019, under the following title "Human rights and development: an approach to development cooperation based on human rights". Faced with the reality of migration flows and the complexity of the associated issues, Expertise France implements projects aimed at:

- promoting safe, orderly and regular migration;
- operationalising the "triple win" approach for migration to the benefit of the migrant, the country of origin and the host country.

Particular attention is paid to the fight against trafficking, and to ensuring protection and respect for the rights and dignity of migrants.

2.3.3.2 Proparco human rights due diligence

In 2024, a Human Rights working group was created at Proparco, the purpose of which is to implement the Proparco roadmap on human rights risks drawn up in 2023 for the next two years. Actions were defined to better integrate the human rights-based approach into Proparco's activities.

In particular, in 2024, Proparco launched a pilot study on human rights risks for a sector of intervention, initiated a more sustained dialogue on human rights with its external stakeholders, and its customers in particular, rolled out internal training on the subject, and strengthened its E&S contextual analysis.

The ESG approach established since 2012 and regularly reviewed, as well as the regular reinforcement of the team of ESG experts, enables Proparco like many other financial stakeholders to take into account (assess, mitigate, monitor) a number of human rights risks in its operations.

The financing agreements signed with our clients must necessarily mention the commitments made by counterparties to respect the rights of individuals potentially affected, and reiterate the compliance with the ILO's fundamental conventions in such a manner as to make them legally binding. In this respect, Proparco endeavours to analyse issues related to:

- workers' rights, namely working and employment conditions, and the protection of the workforce (and notably against forced labour or child labour, discrimination, etc.) including in the primary value chain;
- the rights of communities, in particular the health and safety of communities potentially affected by projects (and notably potential violence against these communities); land acquisition and population displacements (notably to avoid forced evictions);
- the rights of indigenous populations and vulnerable minorities; and
- environmental rights, in particular concerning the preservation of ecosystems, the prevention of pollution, etc.

In order to encourage more financial players to take into account respect for human rights and manage the risks that may result from their actions, Proparco is actively working with EDFI [(2)] peers to develop standardised operational tools.

Moreover, in collaboration with a group of development financial institutions, Proparco is continuing its commitment to developing a better understanding of the risks of human rights violations in the supply chains of renewable energy projects, in particular solar projects. The goal is to develop appropriate and harmonised risk assessment tools within the EDFI community. In 2024, operations involving the supply of photovoltaic panels were subject to enhanced human rights procedures.

For AFD Group, the integration of human rights issues is an ongoing process of learning and sharing best practices through exchanges with civil society networks, through participation in the working groups of bilateral and multilateral partners dedicated to the subject, and through exchanges within the Group that make it possible to develop employees' knowledge of the subject and improve due diligence practices.

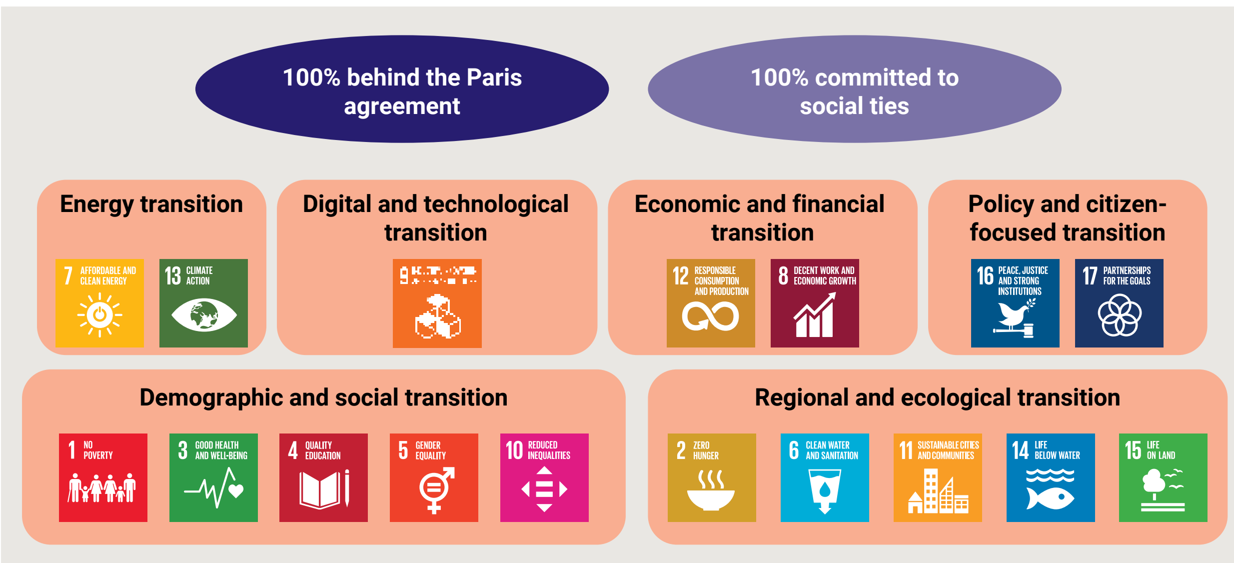
1) On the AFD website: https://www.afd.fr/fr/ressources/le-nexus-droits-humains-et-droits-de-la-nature-debats-tensions-et-complementarites
2) Created in 1992, the Association of European Development Finance Institutions (EDFI) has 15 members dedicated to financing the private sector in emerging and developing countries.

2.4 Contribution of the Group's activity to sustainable development

Adopted in 2018, and extended until 2024, AFD Group's 4th Strategic Orientation Plan places its action within the framework of the Sustainable Development Goals (SDGs) and the Paris Agreement, while promoting the social link, in order to help build "a world in common". Accordingly, AFD Group is responsible for helping to achieve the 17 goals of the 2030 Agenda by supporting six transitions: demographic and social, energy, regional and ecological, digital and technological, economic and financial, and policy and citizen-focused [1].

2

Link between the SDGs and the transitions in AFD Group's 2018-2022 Strategic Orientation Plan (extended in 2023-2024)



1) *https://www.afd.fr/fr/ressources/plan-dorientation-strategique-2018-2022*

2.4.1 Impacts of AFD's activity

AFD finances and supports development projects and programmes that contribute to the direct and indirect creation of jobs and to regional development in the countries where it operates. AFD calculates result indicators to measure and provide a summarised report on the impact of its activity in the field, in order to serve the development of the areas where it operates and the populations benefiting from the projects funded, and, more generally, the impact of its work on the SDGs.

SDG	Categories	Indicators	*Ex ante* results - 2024	*Ex ante* results -2023
SDG 14/15	Agriculture, Rural Development, Natural Resources, Biodiversity	Areas benefiting from biodiversity conservation/ restoration programmes	14,343,480	Areas benefiting from biodiversity improvement programmes or sustainable management of natural resources 1,965,407 hectares
		Areas benefitting from programmes on the sustainable management of resources and or land	13,255,171	
SDG 2		Number of family farms that will have improved economic performance	923,548	546,560 family farms
SDG 13	Climate	Greenhouse gas emissions avoided	2,299,321	2,336,644 teqCO_2/year
SDG 16	Crisis and conflict	Number of people living in crisis and/or fragile areas	321,401	1,141,980 people
SDG 6	Water and sanitation	Number of beneficiaries from an elementary drinking water supply service	14,620,111	3,415,077 people
		Number of people benefiting from a safely managed sanitation service	6,833,800	3,179,924 people
SDG 4	Education, higher education, vocational training	Number of children enrolled in primary and lower secondary education	3,540,512	793,076 students
		Number of people who participated in vocational training	40,582	70,203 people
SDG 7	Energy	Renewable energy capacity installed or refurbished (in MW)	9,021	1,556 MW
SDG 3	Healthcare	Number of people whose access to healthcare will be improved	5,277,581	34,049,814 people

The impact of AFD Group's financing activities can also be captured *via* the sector-based breakdown of its contracts signed.

Breakdown of AFD Group's commitment approvals by sector of activity

Approvals in millions of euros	2024	2023	2022
CICID sector(*)			
Agriculture and food safety	1,067	742	604
Climate and environment	894	989	1,092
Crises and vulnerabilities	31	134	31
Water and sanitation	1,225	1,778	964
Education, training, employment	452	585	510
Governance	417	1,665	732
Infrastructure and urban development	4,410	3,327	4,052
Healthcare	626	423	376
Business, industry and trade	2,998	2,753	2,473
Other	**901**	**751**	**1,194**
GRAND TOTAL	**13,032**	**13,146**	**11,977**

* *The six dimensions of the sustainable development analysis are: (i) biodiversity preservation, management of natural environments and resources; (ii) climate (dimension divided into two sub-dimensions, the transition to a low-carbon trajectory and resilience to climate change); (iii) social link: reduction of inequalities and inclusion; (iv) gender equality; (v) sustainable and resilient economies; (vi) sustainability of project effects and governance framework. See: https://www.afd.fr/fr/dispositif-developpement-durable*

The "context" section, in the introduction to the SNFP, describes the contribution of the CSR policy to AFD's strategy. One of the objectives pursued is to constantly improve how sustainable development issues are taken into account in the projects financed.

To do this, in 2014, AFD set up a "Sustainable Development Analysis and Opinion" system. This system, which has been regularly updated, has made it possible for over 10 years to qualitatively estimate the impacts (positive, neutral or negative) of a project on the main dimensions of sustainable development. In this respect, it embodies the concept of integration between the various facets of sustainable development (social, environmental, economic and governance) put forward in the 2030 Agenda. It is, therefore, an analysis and advisory tool to qualify the level of alignment of operations with the SDGs.

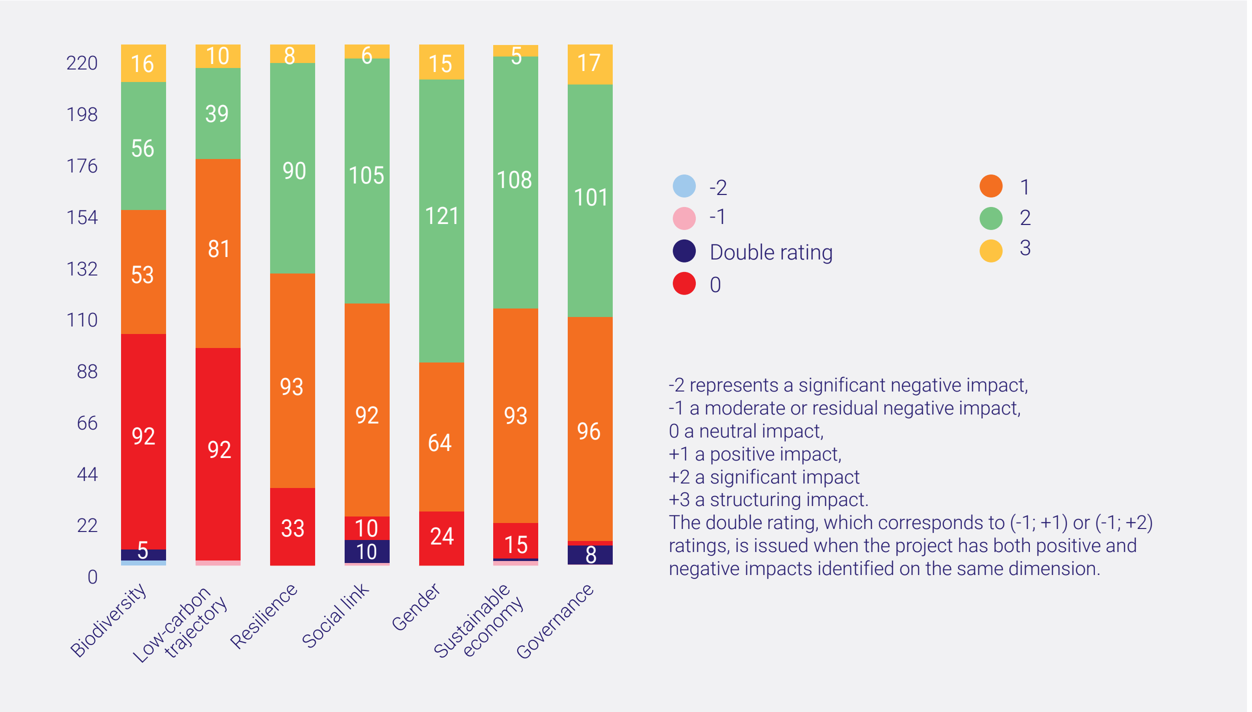
The system is based on an analysis grid that makes it possible to analyse the impacts of each intervention, in their context. It is part of AFD's project cycle and takes place in two stages:

- at the identification and appraisal stage, an analysis is carried out by the project team. It feeds into dialogue around the improvement of the expected effects of the project, both with the partner or the client, and internally at AFD;
- at the time of approving the financing, an independent sustainable development opinion is issued by the Sustainable Development Analysis and Opinion unit, located within the Strategy Department. This opinion assesses the contributions expected from the project and qualifies its alignment with sustainable development. Said opinion can be favourable, favourable with recommendations, reserved or negative. It appears in the notes communicated to the decision-making bodies (notably the Board of Directors) and thus informs the decisions of these bodies.

In 2024, 224 projects granted by AFD were subject to a sustainable development opinion for a total of approximately €8.9bn, *i.e.* 83% of the year's grants in terms of financing. The majority of projects (55%) received a favourable opinion. 38% of projects received a favourable opinion with recommendations, and 7% of projects received a reserved or negative opinion.

For each project, a score is assigned to estimate its impact intensity and the expected effects on each of the six dimensions studied. The effects can be considered as negative and significant (-2) or residual (-1); neutral (0); or positive and moderate (+1), significant (+2) or structural (+3). The methodology allows a double rating on the same dimension (for example -1; +2) in order to show potential differentiated effects on the same dimension. The graph below shows a snapshot of the ratings by sustainable development dimension for AFD's grants in 2024.

Ratings by sustainable development dimension of AFD 2024 grants falling within the scope of the sustainable development opinion



Since July 2023, a sustainable development analysis has been carried out at the completion of projects by the team in charge of the project closure to compare the impact promises included in the ex-ante sustainable development analysis with the project's results. This new method makes it possible to better assess the conditions for materialising impacts in terms of sustainable development.

In 2024, two independent assessments were launched. The first concerns the sustainable development analysis and opinion system and will draw lessons on the operation and robustness of the system ten years after its creation. The second focuses on sustainable development analyses at the completion of projects and will focus on a cluster of completed projects to draw lessons learnt on the conditions for success in terms of sustainable development impacts.

Following a test phase in 2022-2023, Proparco and Expertise France definitively adopted a sustainable development analysis system, similar to that of AFD and adapted to the specificities of their business and organisation. The operation of these systems is detailed below. AFD Group now has a shared framework for analysing sustainable development issues. It establishes a shared base, useful internally to advance practices through the pooling of analysis and training tools, but also externally to dialogue with partners and clients on the basis of a shared understanding of the issues.

The Group is also continuing its action in the field of sustainable bonds. In 2024, the Group published an update of its thematic issues framework aligned with the SDGs in order, notably, to align the framework with the Group's new strategic objectives and to reflect the evolution of the internal processes. AFD and Proparco's sustainable development rating system is a cornerstone of this framework. This framework was assessed by a Second Party Opinion (SPO Moody's rating) and received a "Very Good" SQS2 Sustainability Quality Score. AFD Group carries out over 50% of its annual borrowing programme via "Sustainable Development Goals" (SDG) bond issues. In 2024, the amount of bonds issued with the SDG label represented €4.43bn.

All of these approaches to strengthen alignment with the SDGs served as a basis for the development of the 5th Strategic Orientation Plan adopted at the end of 2024, in order to seek even greater impact in operations.

2.4.2 Impacts of Proparco's activity

A 2023-2027 strategy serving the SDGs

Proparco's mission is to "build the future by supporting private initiatives for a fairer and more sustainable world" (Proparco 2023-2027 Strategy – "Preparing for the future"). All of its interventions thus aim to strengthen the contribution of private actors to the achievement of the Sustainable Development Goals (SDGs) adopted by the international community in 2015.

In line with AFD Group's Strategic Orientation Plan, Proparco's strategic project (2023-2027) reflects a clear intentionality in the search for impacts. The roll-out of the *ex-ante* sustainable development rating (SD rating) of our financing demonstrates our commitment to aligning all our operations with the SDGs. The reinforcement of the annual impact indicator monitoring exercise (during the life of the financing) consolidates our impact analysis and monitoring system.

1. in accordance with Proparco's 2023-2027 strategy, our financing contributes to: Reinforcing access to economic opportunities and the resilience of local economic systems in Africa and in the least developed and fragile countries;
2. support the emergence of an economy compatible with climate and biodiversity challenges; and
3. contribute to the fight against gender inequalities, act for inclusion, and contribute to the fight against socio-economic and regional inequalities.

The impacts of our financing are measured through strategic management indicators and impact indicators. An *ex ante* impact analysis is presented below from a more general perspective, addressing the project's contribution to the SDGs.

2

2024 Proparco ex ante result indicators [1]

SDG	Indicator	Value 2024[1]	Value 2023
SDG 8	Number of direct[2] and indirect[3] jobs supported[4]	1,824,450	1,519,161
	Number of direct jobs created	20,326	38,430
SDG 5 & 10	Gender equality: % of amounts approved qualifying for the 2X Challenge[5]	24.5%[6]	25%
SDG 7 & 13	Climate: Tonnes of CO_2 eq avoided per year	2,856,252	410,772[7]
	Amount of climate co-benefits *(in millions of euros)*	912.2	1,135
New or improved access to an essential good or service (SDG 1, SDG 3, SDG 4, SDG 6, SDG 7, SDG 9, SDG 11)	Number of beneficiaries of new or improved access to an essential good or service	45,639,514	24,586,121
	of which Energy: access to electricity through renewable energy projects	1,562,338	438,988
	of which Health: new or improved access to a health service	1,246,727	269,685
	of which Education: new or improved access to an education service	1,651	78,493
	of which Food: access to a basic food	37,431,390	16,012,478
	of which Microfinance: access to a micro-credit	337,347	403,153
	of which Water & Sanitation: new or improved access to a water and/or sanitation service	1,128,287	6,934,903
	of which Transport: new or improved access to public transport	600,000	300,000
	of which Telecommunications: new or improved access to a telecommunications service	3,265,076	106,421
	of which Affordable Housing: new or improved access to affordable housing	66,698	42,000

(1) The scope of measurement of the indicators changed in 2024 to include Trade Finance guarantees
(2) Direct jobs: total number of full-time equivalent (FTE) employees within the scope of analysis defined for the type of client concerned: persons employed directly by the client entity and persons employed through third-party agencies, provided that these persons provide services related to the operation and maintenance of the client entity/project (excluding construction). For investment funds, direct uses are those of the companies invested in by the fund.
(3) Indirect jobs: number of full-time equivalents supported (created and/or maintained) beyond the target entity/project receiving financing, within the scope of analysis defined for the type of client concerned: companies financed by the bank/NBFI client, among the micro-borrowers of the client MFIs, at the level of the value chain of the target entity/project receiving financing for companies, the project companies and the client investment funds.
(4) Supported jobs: jobs maintained and jobs created to which Proparco contributes through its financing.
(5) Initiative launched during the 2018 G7 in Canada and which objective is to collectively commit and mobilise resources for projects that aim to reduce gender inequalities. 2X criteria were developed to help members identify compatible investments and initiatives.
(6) In the scope of Proparco approvals in 2024 for an amount of €2.982bn (including AFD sub-investments).
(7) Final value: 775,219.

1) Scope of 124 projects approved in 2024 (€2.78bn) subject to an impact analysis.

The impact analysis framework: the sustainable development rating

Proparco's SD rating system was adopted in October 2022, it is a major step in the implementation of a shared SDG alignment framework within AFD Group.

The SD rating system is based on three main pillars (which are aligned with Proparco's three strategic objectives for 2023-2027) and seven sustainable development dimensions (see graph below).

As of the identification phase, the SD rating system encourages an analysis of the type of impacts that the financing can generate *via* an assessment of the positive contributions of projects to sustainable development, while applying a "do no harm" approach.

As of the prospecting stage, sectoral impact sheets are available for 21 of Proparco's sectors of intervention in order to facilitate the selection of financing from an impact perspective [1]. These sectoral impact sheets were developed by the Impacts division in close collaboration with the operating divisions. These are intended for Project Managers and Regional Directorates, particularly in the project identification and appraisal phase. They allow for a quicker and more coherent understanding of the potential impacts of projects but also to identify additional impacts that may be observed.

Measuring impacts throughout the project life cycle

Researching and maximising impacts are therefore at the heart of the life cycle of Proparco's operations. Each investment is supplemented by an analysis of environmental, social and governance risks as well as financial, legal or risk procedures. These analyses, coupled with the management of the risks inherent in financing, make it possible to generate and to reinforce the positive impacts of the financing.

At Proparco, impacts are measured during four financial years at three distinct points in the financing life cycle:

1. **At the time of appraisal: qualifying and estimating of impacts.**
   - The sustainable development (SD) rating

     The SD rating system is the framework for the impact analysis of financing (see above).
   - Ex ante estimation of impact indicators.

     Available at the time of approval, ex ante estimates of impact indicators supplement the overall vision provided by the SD rating. They make it possible to inform the financing decision by characterising the expected impacts of financing five years after (t+5) their signature, on the basis of estimates made at the time of signature (t0).
2. **During implementation: monitoring and ex-post evaluations.**
   - Monitoring of impact indicators.

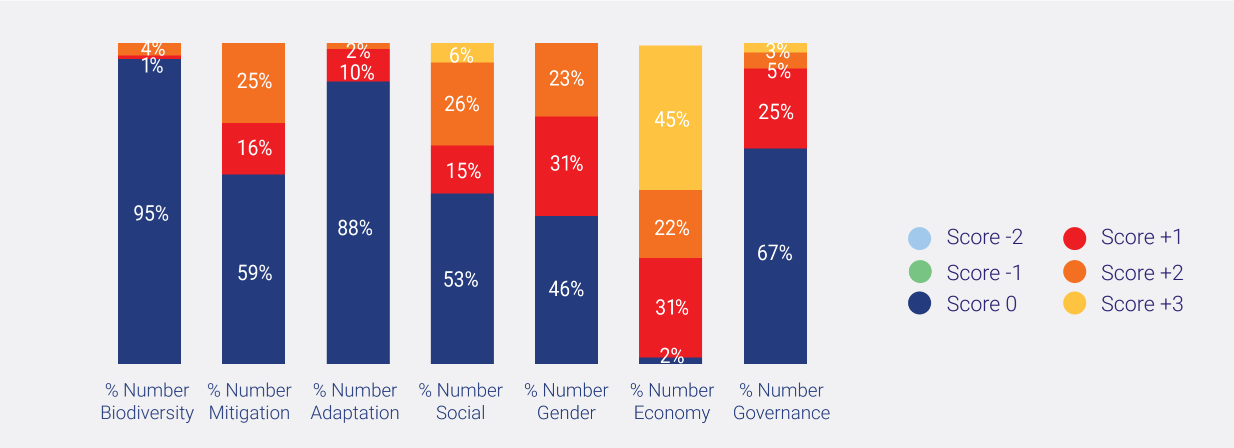
     Proparco collects annually from its clients the data needed to monitor impact indicators. In addition to meeting our transparency and accountability commitments, the annual impact indicator monitoring exercise allows comparison between the *ex ante* estimates of the impact indicators and the data collected during the implementation of the project.

     Since 2023, Proparco has collected the data necessary for its monitoring exercise *via* the online platform "Impact Data". *Ex ante* data collection *via* this platform is being rolled out.
   - *Ex post* evaluations.

     Ex post evaluations of projects or groups of projects may also be carried out on a specific theme and/or sector. These exercises are carried out for capitalisation purposes in order to know the real impact of the projects financed, to understand any discrepancies between the impact estimates and the actual impacts, and to identify the most effective means to back the impact objective. These evaluations also have a learning value and aim to refine or validate a sectoral impact thesis by establishing a link between theory and practice in the field. These *ex post* evaluations are coordinated by the impact measurement team, sometimes in conjunction with the team in charge of monitoring.

1) *These sheets are published internally on Proparco's intranet. The following fact sheets are available: Access to drinking water, Airports, Agro-industry, Cement, Education, Renewable energies (solar and wind), Tertiary real estate, Chemical industry, Pharmaceutical industry, Digital infrastructures, Financial institutions and climate, Financial institutions and SMEs, Housing, Building materials, Off-grid, Plastics, Ports and maritime transport, Textiles, Sustainable tourism, Urban transport.*

Ratings by sustainable development dimension of Proparco 2024 approvals (in the SD rating scope)



2.4.3 Impacts of Expertise France's activity

All projects implemented by Expertise France are analysed and rated on seven dimensions of sustainable development common to AFD Group: biodiversity, climate-resilience to climate change, climate-low-carbon trajectory, social link, gender, governance and economy.

In order to carry out this analysis, project managers are provided with a rating grid to assess the nature of the expected impacts of the project. This grid is very similar to AFD's with the exception of the governance dimension, which was adapted to Expertise France to better integrate its operational mandate on human security, peace and stability.

It is based on a self-rating principle and proposes a rating ranging from -2 to +3 and assigned to each of the dimensions of sustainable development. A team of focal points has been set up within the Operations Department to provide support for project managers in the analysis and rating process throughout the development phase (for example, on gender or climate aspects).

In 2024, more than 80 projects received an SDG rating, representing a total volume of approximately €500M. No project received a negative rating.

Governance was particularly well integrated, with around one-third of projects rated +2 and another third +3. As regards the economic dimension, nearly 45% of the projects obtained a high rating (+2 or +3), underlining their positive economic impact.

The social link was also well taken into account, with around 40 highly rated projects, including a dozen receiving the maximum score of +3. The gender dimension was strongly integrated: half of the projects obtained a rating of +2, while more than five projects received a +3. Three quarters of the remaining projects had a rating of +1.

Lastly, around a third of the projects integrate the environmental challenges of the Planet pillar.

2.4.4 Impact of the Group's activity on climate change and biodiversity

As the first public development bank to have formally committed to a systematic alignment of its actions with the expectations of the Paris Agreement, AFD Group intends to maintain a pioneering and proactive positioning.

The independent external evaluation carried out by the think tank E3G describes AFD Group as "the best player in climate finance among national and bilateral public development banks" in 2024 [1] and as "transformational" in terms of i) its institutional leadership, ii) its exit from fossil fuels and iii) its increased financing of the fight against climate change across all sectors. This recognition was made possible by the implementation of the following actions:

1) *E3G Public Bank Climate Tracker Matrix, https://www.e3g.org/bdb-matrix/*

A Group "Climate and Development" strategy [(1)] (2017-2022, extended until 2024) based on four objectives:

1. ensuring a "100% Paris Agreement" activity: make all of the Group's financing consistent with low-carbon and resilient development (see above);
2. increasing climate finance volumes: the Group has committed to ensuring that at least 50% of its annual financing in foreign countries is aimed at climate co-benefit projects. AFD thus represents an important contribution to the achievement of France's new climate finance objective, reported in the United Nations Framework Convention on Climate Change (UNCAC). The President set this commitment at €6bn/year, including €2bn for adaptation over the 2021-2025 period;
3. redirecting financial and investment flows: maximise the ripple effect of its financing on the redirection of private and local investments and develop new high-volume, high-impact instruments. AFD Group is proactive in analysing its financial climate and environmental risks and actively participates in standards co-construction initiatives: the TNFD initiative, the Mainstreaming Climate in Financial Institutions initiative, etc.;
4. co-constructing solutions and influencing standards, notably through its partnership strategy, the production of knowledge, participation in major international meetings and debates on climate finance.

AFD also adopted a Biodiversity roadmap for the 2019-2022 period [(2)] with four pillars:

- ambitious financial targets for biodiversity. AFD committed to allocating €1bn to biodiversity finance by 2025, *i.e.* a doubling compared to 2020. The target is 30% of AFD's climate financing to be favourable to biodiversity each year by 2025;
- a cross-functional approach: integrating biodiversity into all of AFD's activities. A 100% net zero objective, which means that the Agency undertakes to (i) not have a residual impact on nature and to (ii) support the preservation and restoration of terrestrial and marine ecosystems, in order to contribute to the goal of protecting 30% of the planet's surface by 2030 [(3)];
- taking into account financial risks related to nature;
- supporting countries in their territorial transition and designing nature-based solutions.

In terms of organisation, climate and nature issues were brought together in the same team, reflecting the interdependency of the two issues and the need for joint solutions to ensure sustainable development trajectories. Equally, the Climate and Nature division trains employees and leads various groups both internally ("climate focal points" composed of 150 employees from AFD, EF, Proparco, at the head office, in the branches and in the regional departments) and externally (NGOs, think tanks, ministries, IDFC members, etc.)

A new "Climate and Nature 2025-2030" roadmap was validated by the Group's Executive Committee in September 2024 and will be presented to the Board of Directors in 2025. Aligned with the Group's future strategic plan, it proposes to strengthen its goals, notably by ensuring a "100% Global Framework for Biodiversity" activity.

2.4.4.1 AFD's climate financing in 2024

In 2024, AFD generated record financing for climate.

Climate financing in 2024 amounted to €7.7bn in foreign States and the French Overseas Departments and Collectivities [(4)].

In foreign States, AFD and Proparco approved 343 climate projects, for a total amount of €7.4bn, *i.e.* 61% of its commitments (in foreign States) [(5)]. The Group therefore exceeded the 50% target set in its Climate and Development strategy. Climate projects in foreign States financed in 2024 covered two areas:

- climate change mitigation: €4.4bn in financing;
- adaptation to the impacts of climate change: €3bn in financing, *i.e.* 41% of climate financing (for a target set at 33%);

In particular, mitigation projects in foreign States will contribute to avoiding 5 MteqCO_2 [(6)] each year throughout their life cycle.

In 2024, biodiversity or nature-positive finance amounted to €1.2bn in foreign States and the French Overseas Departments and Collectivities. This amount represents 9% of AFD Group's climate activity and a total of 153 projects.

1) *Climate and Development strategy: https://www.afd.fr/en/ressources/climate-development-2017-2022-strategy*
2) *Finance Nature+: accounting principles of positive finance for nature and biodiversity: https://www.afd.fr/fr/ressources/finance-nature-plus*
3) *Global biodiversity framework target.*
4) *Excluding C2D, FAPS, FEXTE, FICOL, FID, FFEM, guarantees.*
5) *In 2023, the AFD Group approved 266 climate projects, for a total amount of €7.1bn in financing.*
6) *Sum of projected annual GHG emissions avoided thanks to projects contributing to climate change mitigation, approved by the management bodies during the year, relating to AFD and Proparco's operations in foreign countries within the scope of financial tools subject to climate finance accountability (excluded: debt cancellation (C2D), global budget support (GBS), portfolio guarantees, FEXTE, FICOL, FAPS). Only emissions from projects where a carbon footprint assessment is possible and relevant at the time of the commitment approval are recorded. In particular, carbon assessments are not carried out when the precise emissions of the project cannot be quantified (e.g. budgetary financing of public policies, small technical assistance project). When too little information is available to carry out a carbon footprint assessment and the experts determine on the basis of their experience that the CO2 emissions would not be significant, these projects are also excluded from the scope of carbon accountability.*

This quantification of biodiversity finance is obtained with an accounting method (Nature+)[1] applied since 2022, which aims to qualify projects according to their intention with regard to biodiversity using six levers and an associated weighting, and no longer by simple sectoral correspondence. This method for monitoring and calculating biodiversity finance was developed internally by AFD based on the new Global Biodiversity Framework adopted in Montreal in December.

Furthermore, out of €1.2M, €959M relate to projects for which biodiversity is a secondary objective (CAD 1 biodiversity marker) and €228M relates projects dedicated to the protection/restoration of nature (CAD 2 biodiversity marker).

2.4.4.2 Carry out a "100% Paris Agreement" activity

Since 2017, AFD Group has been assessing its operations to ensure that their actions are consistent with the Paris Agreement. To this end, the Group:

- reinforces the consideration of climate change in **all sectors and projects**;
- **assesses the consistency with low-carbon and resilient development trajectories within the meaning of the Paris Agreement of all its projects**. This change is based on:
  - the analysis of all countries' public policies, their nationally determined contributions (NDCs), their prospects for long-term low-carbon and resilient trajectories, and the incorporation of these analyses into the Group's intervention strategies,
  - systematic analysis, as part of the "sustainable development" analysis process, of the consistency of each intervention with the low-carbon and resilient transition trajectories of the countries, as well as its effects on the redirection of investments. Through this commitment, AFD ensures that any project it finances "does not harm the climate". Since 2017, any AFD project receiving a negative rating on the climate dimension of the sustainable development opinion is deemed not to be aligned.

The Group also backs the climate trajectories of developing countries by providing support for the development and implementation of long-term national climate strategies aligned with the objectives of the Paris Agreement. This is the role, for example, of the 2050 facility or the AdaptAction programme.

- The "2050 facility", set up by AFD in 2018, aims to back the development of long-term low-carbon and resilient strategies in targeted countries. Around thirty countries are targeted through three successive tranches, bringing the total amount of the facility to €40M today. Such exercises make it easier to programme development aid funding towards investments consistent with or accelerating low-carbon and resilient development trajectories, or to redirect financial flows as a whole, in line with the objectives of the Paris Agreement. The 2050 facility focuses on three areas: support for the development of long-term strategies, sector modelling, and transition risks.
- The "AdaptAction" facility aims to strengthen the adaptation and resilience of populations and ecosystems in 17 partner countries, by helping them to co-construct and implement their resilient development trajectory. The programme was topped up by €15M in 2021[2] and €7.5M in 2023[3], for an extension of the programme in the Mediterranean basin. In 2024, AdaptAction continued its support in terms of scientific research, of capacity building for stakeholders, of vulnerability diagnosis, and of (pre)-feasibility studies through the financing of nine projects for an amount of €1.5M. This support has made it possible to back governance and public policies dedicated to adaptation to climate change.

AFD Group also provides support for businesses, financial systems and public energy services in their own transformation and alignment with the requirements of the Paris Agreement, through technical assistance and/or conditional financing.

2.4.4.3 Amplifying action by mobilising public and private financial players and systems, civil society and expertise

To achieve the expectations set in international agreements, AFD Group is deploying its full mobilisation capacity. It reinforces the partnership and coordination work of public development banks. AFD continued to chair and serve as General Secretariat of the Finance in Common (FiCS) coalition. This coalition brings together all the 530 public development banks in the world, representing 10% of investment worldwide. The Group's actions aim to harness the full potential of public development banks in order to align their actions with sustainable development goals and promote inclusive, solidarity-based and climate-friendly finance.

1) Finance Nature+: accounting principles of positive finance for nature and biodiversity: https://www.afd.fr/fr/ressources/finance-nature-plus
2) Grant from the 209 programme.
3) 209 grant in the amount of €1.5M and EU delegation in the amount of €6M.

AFD also hosts the permanent secretariat of the International Development Finance Club (IDFC), an international network of 27 major public development banks and financial institutions, which share a common commitment to financing sustainable development and the fight against climate change. The Group made a major contribution to and facilitated the development of a number of the Club's deliverables in 2024:

- IDFC mobilised considerable amounts of green and climate finance, reaching $199bn in 2023 [(1)], including $8.2bn for biodiversity;
- AFD presented a position paper to the IDFC on the new quantified objective negotiated at COP29 and the need for quality, transformational finance, aligned with the objectives of the Paris Agreement. This position paper was adopted not only by IDFC, but also by the United Nations Environment Programme Finance Initiative (UNEP-FI), the Principle for Responsible Investment (PRI) coalition, and the Mainstreaming Climate in Financial Institutions coalition. The club also conveyed these messages to multilateral development banks;
- moreover, the members of IDFC and the multilateral development banks adopted "outcome metrics" at COP29 for a common approach to measure the results of climate finance.

In addition to public development banks, the Group seeks to maximise the ripple effect of its financing on the redirection of private investments, currently largely *via* credit lines for banks or direct financing by Proparco, the Group's private sector subsidiary. Climate co-benefit financing represented more than 32% of Proparco's activity in 2024.

As the commitment of citizen forces, including civil society and young people, is essential, the Group is reinforcing partnerships with civil society organisations. In 2024, 29 projects from civil society organisations financed via the CSO-Initiatives programme presented co-benefits for the climate (this represents an amount of €40.8M and almost 27% of the of the system).

The Group also raises awareness among young French citizens about climate issues, in accordance with CICID's 2016 mandate, and contributes to providing support for climate change education. Both through an agreement with the French Ministry of Education on sustainable development education but also through educational initiatives with the educational world: for the 2023/2024 school year, 37 climate or biodiversity COP simulations with the active participation of around 2,200 students were organised in French secondary schools and the AEFE network using the educational kit provided by AFD. Furthermore, a large COP simulation bringing together young people from almost all academies in France (28 out of 30) and five countries of intervention (Côte d'Ivoire, Egypt, Madagascar, Senegal, Tunisia) took place in October 2024. This event, sponsored by AFD and the French Ministry of Education, had a national response via a report on the Brut platform (3 million views). This awareness-raising work is also developed through the platform created by AFD for young people, Tilt, which deciphers these major issues and encourages action, and which, in 2024, reached more than 3 million young French people between the ages of 15 and 30. Some videos had more than 1.5 million views.

The Group develops, supports and promotes research, knowledge and know-how, innovations, expertise and skills, through ambitious research and training programmes, both by backing research [(2)] and by mobilizing its own experts, through the action of Expertise France and the Group Campus, to provide support for its partners which is as adapted to their needs as possible.

2.4.4.4 Progress in addressing financial climate risks and financial nature risks

On climate and nature financial risks:

AFD holds an important dialogue on financial climate risks with its peers and financial system players, and contributes to the sharing of best practices. Since 2017, AFD Group has been working to integrate financial climate risks, both physical and transition, into its risk analysis processes through various projects, and has developed internal and external training modules.

In 2024, AFD continued to implement an internal roadmap for the entire Group to take into account climate and nature financial risks. This roadmap includes four pillars:

- **Integration of climate and nature financial risks at AFD Group**. AFD updated its methodologies and taking into account financial climate risks (physical and transition), whether for sovereign or non-sovereign exposures. With regard to nature financial risks, the Group now takes them into account for its sovereign exposures and has developed a methodology for its non-sovereign exposures. Dedicated training courses and methodological guides are available or planned for climate and nature financial risks. AFD plans to produce its first TNFD (Taskforce for Nature-related Financial Disclosure) report in 2025 (2024 data);

1) Data for 2024 will only be available in September/October 2025.
2) Notably with research centres, think tanks and higher education institutions specialising in climate and biodiversity, both in the North and the South.

- **mobilisation of climate and nature financial risks for public policy dialogue**. AFD has several internal modelling tools, such as GEMMES and ESTEEM, which have made it possible to develop new modules for assessing macroeconomic vulnerabilities in the face of low-carbon transition mechanisms. A number of sectoral and macro diagnostics continued, for example in Vietnam, Colombia and Mexico;
- **the integration of climate risks in the service offering to financial systems, including central banks**. Several technical assistance programmes aimed at identifying and better taking into account financial climate risks have been rolled out among AFD's financial institutions (more than ten in 2024) and regulators (around ten);
- **contribution to international debates and the development of standards around climate and biodiversity financial risks**, either directly or through the IDFC and FICS networks. This is reflected in the presentation of discussions on the subject at international events and in discussions with partners of the financial systems and associated networks, such as the NGFS (Network for Greening Financial Systems) for example.

AFD also worked on the preparation of its prudential reporting in the context of the CRR3 regulation, pillar 3 ESG, in particular on the indicators requested in relation to physical and transition climate risks. This work will continue in 2025, with the first report expected as part of the financial statements as at 30/06/2025.

2.4.4.5 Carbon footprint related to internal operations

For several years AFD Group has been gradually limiting its internal carbon (and environmental) footprint through an improved understanding of its direct greenhouse gas (GHG) emissions and proactive action plans (responsible purchasing, energy sobriety, responsible digital, etc.). It offsets its emissions completely through the purchase of carbon credits intended to finance actions contributing to the SDGs.
The annual assessment of the Group's carbon footprint helps to identify its strengths and vulnerabilities. The following figures and graphs show changes over one year and the breakdown of emission factors for AFD and Proparco as calculated by the Bilan Carbone© methodology. In 2024, the AFD and Proparco carbon footprint (excluding Expertise France) broke down as follows for a total of 48,021 teqCO_2:

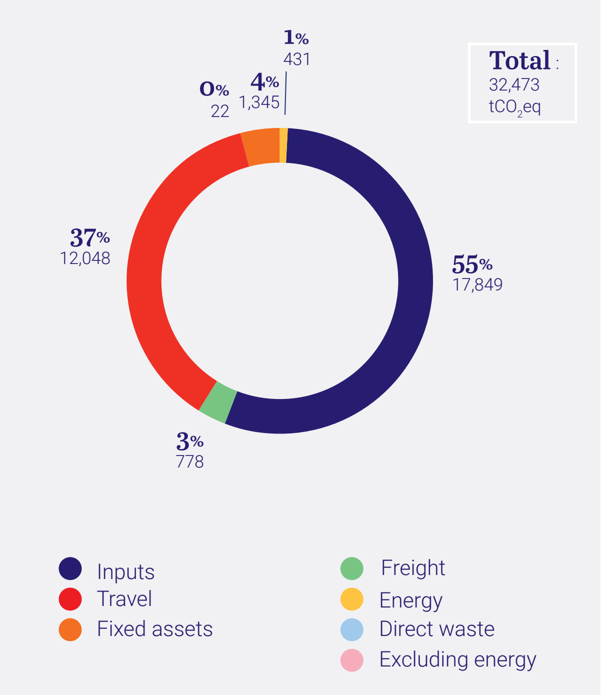
Registered office	*Year*	2024	Weight
	Energy	431	1%
	Excluding energy	-	0%
	Inputs	17,608	55%
	Freight	778	2%
	Travel	12,051	37%
	Direct waste	22	0%
	Fixed assets	1,345	4%
	TOTAL	**32,235**	**100.0%**

Network	*Year*	2024	Weight
	Energy	4,655	29%
	Excluding energy	910	6%
	Inputs	2,072	13%
	Freight	0	0%
	Travel	6,506	41%
	Direct waste	168	1%
	Fixed assets	1,475	9%
	TOTAL	**15,785**	**100%**

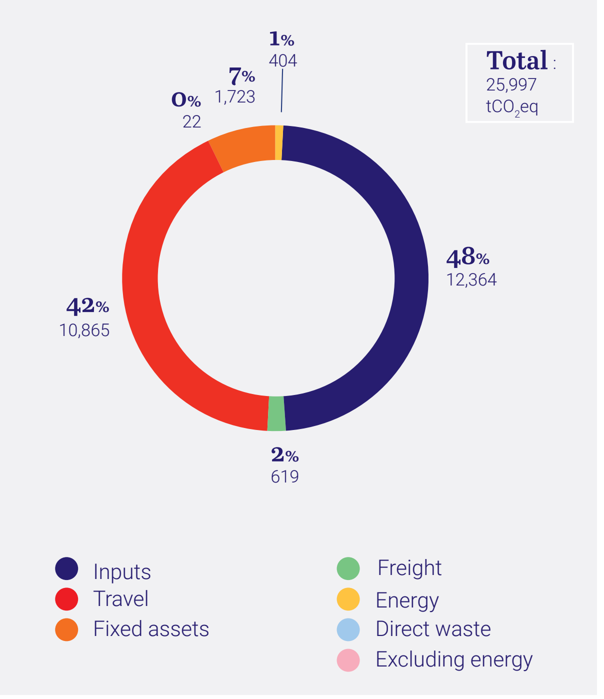
Total	*Year*	2024	Weight
	Energy	5,086	11%
	Excluding energy	910	2%
	Inputs	19,680	41%
	Freight	778	2%
	Travel	18,557	39%
	Direct waste	189	0%
	Fixed assets	2,820	6%
	TOTAL	**48,021**	**100%**

The weight of the head office is almost double that of the network. Head office and network combined, the main source of emissions is inputs (41%), ahead of business travel (39%) and energy (11%). In the network alone, travel weighed the most (41%), ahead of energy (29%) and inputs (13%).

2024 headquarters Carbon Footprint *(in $TeqCO_2$)*



2023 headquarters Carbon Footprint *(in $TeqCO_2$)*

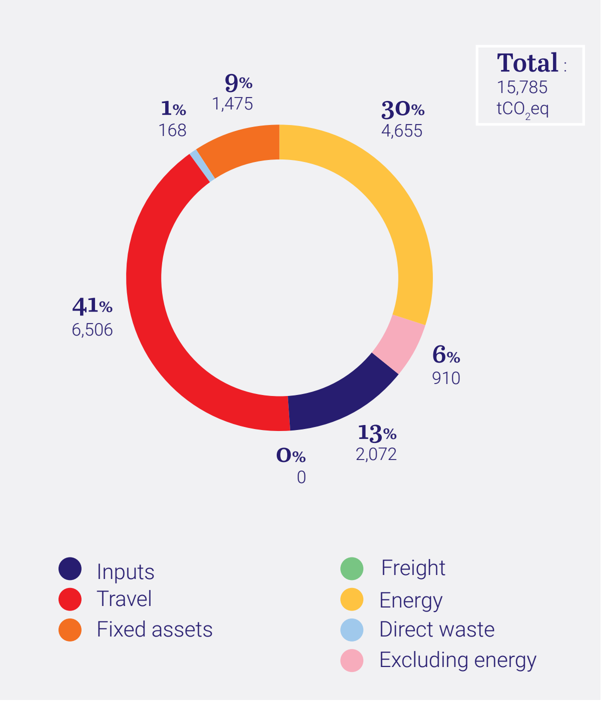


The head office's total emissions increased by 25% due to a double methodological change in the consideration of the emission factor of inputs, namely the addition and restatement of intellectual services recognised as investments, which are now comparable to internal positions. Without this methodological change, emissions from the head office would have increased by only 2.9% due to the 11% increase in the travel item, without any significant change in the breakdown among classes nor a sharp increase in the number of flights. However, the valuation of CO_2 emissions related to travel remained 25% lower than pre-COVID in 2019.

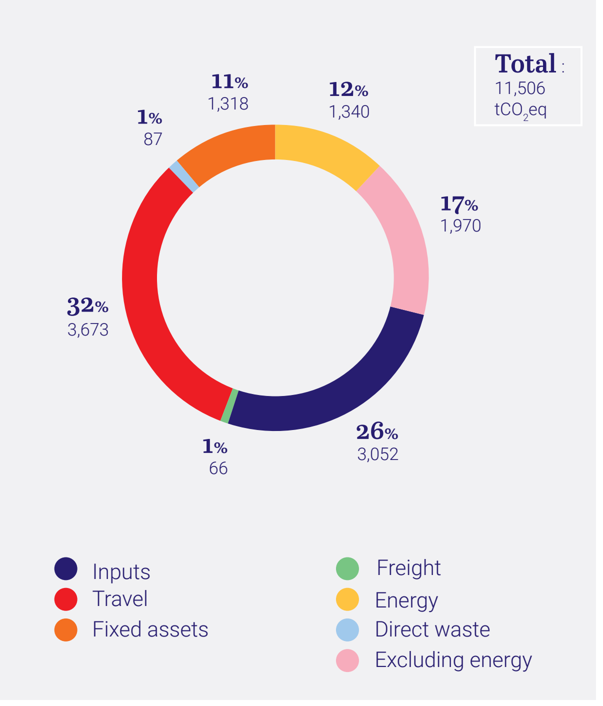
Inputs and travel now represent 92% of the head office carbon footprint. It is worth noting a 22% decrease in the fixed assets item, which was made possible by the reduction in the surface area of Proparco's premises and IT equipment purchases in view of the move to the future head office, scheduled in 2027.

The new headquaters, recorded under "fixed assets" for €647M, is a project under a "Sale in Future State of Completion" agreement (VEFA). At this stage, data on the carbon footprint is not yet available, it will be provided by the project developer when the Group's employees move into the new premises, schedulded for 2027. The group is, of course, already attentive to the environmental aspects of the project.

2024 network Carbon Footprint (in TeqCO2)



2023 network Carbon Footprint (in TeqCO2)



At first glance, the network's CO2 emissions increased by 37%. However, the figures for 2024 and those for 2023 (mainly estimates) are not fully comparable. The 2024 figures present a more accurate picture of emissions due to new data collection and sharing guidelines. Furthermore, for CO_2 emissions related to electricity purchases, an emission factor specific to each country is now used, whereas in 2023 a single average emission factor had been defined. Thus, the weight of the energy item increases significantly, both in absolute and relative terms. Similarly, the estimation of the item excluding energy (specifically, emissions related to air conditioning) was made more reliable thanks to data from the network. Lastly, the calculation of emissions related to the network's inputs is now based on first-hand accounting information, thus making the data more reliable and homogeneous.

Lastly, AFD's and Proparco's internal CO_2 emissions are offset each year through the purchase of carbon credits following a call for tenders. In 2023, the CO_2 emissions of 2021 and 2022 were offset by financing agricultural biomass and fight againt deforestation projects in Brazil or micro-hydro projects in Indonesia. The call for tenders for the offsetting of CO_2 emissions in 2024 should be completed very soon. Discussions are under way to change the corresponding methodology.

2.4.4.6 Expertise France's internal carbon footprint

Expertise France is committed to reducing its carbon and environmental footprint

In 2022, Expertise France carried out a first assessment of its carbon footprint, revealing that 95% of its impact came from air travel. As an implementation agency, an in-depth reflection on the design of the projects it develops is needed in order to control its carbon impact. However, this approach must sometimes adapt to the guidelines already defined by the donors, which may reduce the available room for manoeuvre in certain situations.

In this context, the travel policy is being reviewed. Various analyses were carried out to assess the impact of travel in 2023 and 2024. Some projects have included a budget dedicated to the voluntary offsetting of emissions generated by air travel. Moreover, a reflection on a low-carbon trajectory is being developed.

To this end, Expertise France plans to resume an annual calculation of its GHG (Greenhouse Gas) emissions in 2025 with an expanded scope encompassing the head office, travel and country departments. The decentralisation strategy, currently under way, is perceived as a key lever for reducing the environmental impact of travel.

2.4.5 Impacts related to the Group's activity in strengthening the social link

As part of its new strategy for 2025-2030, AFD Group reaffirmed its cross-functional goals to promote social links with a stronger commitment to the development of more egalitarian and inclusive societies. This purpose will be adapted to all Group's operations and will be embodied in two cross-functional objectives: I) the reduction of multidimensional inequalities and the promotion of inclusion, and II) the promotion of gender equality through a transformative feminist approach. Furthermore, support for the sports and CCI sectors will be a specific lever for achieving this goal given their strong potential in terms of social cohesion.

2.4.5.1 Reducing multidimensional inequalities and promoting inclusion

According to the World Bank, in 2024 [1] 93% of the world's population lived in countries with significant inequalities (Gini index greater than 30). This same year, Oxfam drew attention to the inequality levels around the world: "the rich countries of the North hold 69% of the world's wealth and have 74% of the wealth of billionaires while they are home to only 21% of the global population".

These inequalities, in the current context of economic, social and climatic "polycrisis" and conflicts, threaten social cohesion and jeopardise the outlook for improving the living conditions of disadvantaged populations.

AFD Group is taking action to finance the reduction of inequalities and inclusion, and to provide support for more egalitarian and inclusive development trajectories. In 2024, this goal led to significant results:

- 50% of projects granted by AFD aim to reduce multidimensional inequalities (projects rated +2 or +3 on the "Social link: reduction of inequalities and inclusion" dimension of the sustainable development analysis and opinion), a result that was up compared to 2023 [2];
- at Proparco level, more than 35% of the projects approved in 2024 were rated +2 or +3 on the "Social" dimension of the Sustainable Development Rating, and thus contributed to the reduction of socio-economic or regional inequalities.

In 2024, AFD continued to strengthen its tools and rolled out several dedicated training courses (multidimensional inequalities and analysis of the tax and budgetary impact on poverty and inequalities) both at the head office and at the branches (first training at the AFD Regional Department in 2024).

The partnership with the OECD Community of Practice on Inequalities and Poverty made it possible to contribute to the publication of the OECD Development Co-operation 2024 report on the theme "Putting the ecological transition at the service of the fight against poverty and inequalities" [3].

Funded by the Directorate General for International Partnerships (INTPA) of the European Commission and implemented by AFD, the Inequalities Research Facility continued to provide support for research work on inequalities in 2024, notably in Indonesia, Mexico, Colombia and South Africa.

Moreover, in 2024, several events and intellectual productions enhanced our reflections on the theme:

- the 16th international conference on development was held at AFD on the theme "from research to action", notably in terms of inequalities (5 December);
- *Inequalities in Sub-Saharan Africa: Multidimensional Perspectives and Future Challenges*, a new book of the Africa Development Forum series, was produced by AFD and the African Center of Excellence for Inequalities Research and will be published in the AFD/World Bank Group joint collection;

1) *Poverty, Prosperity, and Planet Report 2024.*
2) *Results brochure: AFD and the reduction of inequalities AFD | Agence Française de Développement.*
3) *Development Cooperation 2024 | OECD.*

- several research papers were produced on the topics of inequality, inclusion and poverty, including:
  - Distributive impact of green taxes in Mexico with Centro de Investigacion y Docencia Economicas (Mexico),
  - Quantifying Green Job Potential in Colombia: A Task-Based Approach and implications for inequality, with Universidad de los Andes (Colombia),
  - Analysis of the impact of taxation and social spending on poverty and inequalities in Senegal, with the General Directorate of Planning and Economic Policies (DGPPE) in Senegal.

2.4.5.2 On the promotion of gender equality

In line with the efforts undertaken for more than a decade, AFD continued its action to promote gender equality with a twofold goal: (i) gender mainstreaming (CAD1) across all the sectors of the Group's operations and (ii) a stronger commitment to the emancipation of women, by providing support for projects whose main objective is the reduction of gender inequalities (CAD2). The Group's feminist signature was affirmed, in line with the framework of French feminist diplomacy, which will be renewed in 2025, by adopting a transformative feminist approach in terms of gender equality. In 2024, these goals were reflected in the following significant results:

- the share of AFD's commitments whose main or secondary objective is to promote gender equality (volumes marked CAD1 and CAD2 [(1)]) reached 61% (€5.6bn), thus making a positive contribution to the goal set by the 2021 development law on French bilateral programmable ODA marked CAD1 or CAD2. This significant increase compared to 2023 (51% of commitments) reflects the efforts made by AFD to systematically integrate the gender dimension into its operations,
- €342M in financing granted in the form of loans or grants for projects marked CAD2, which confirm AFD's commitment to "gender finance" with, by way of illustration, budgetary financing of the public policy for gender equality in Morocco and several credit lines for banks whose main objective is gender equality in Colombia, Egypt and Costa Rica;
- the share of grants whose main objective is to promote gender equality (grant volumes marked CAD2) was 11.3%, compared to an initial target of 15%, partly due to the decrease in grant resources while other priorities were also maintained.

As part of France's feminist diplomacy, AFD continued to finance feminist organisations and movements *via* the FSOF (Support Fund for Feminist Organisations) scheme co-managed with the Ministry of Europe and Foreign Affairs (MEAE). In 2024 €48M in grants were committed through AFD for an initial target of €35M. Two calls for projects were funded on the issues of body autonomy and sexual and reproductive health and rights in Africa (€6M) and on the fight against gender-based violence in the field of justice through a project in Africa and a project in Latin America (€8M). Equally, a specific initiative funded by the MEAE *via* AFD's CSO Initiative enabled the launch of Alliance féministe francophone, announced as part of the Francophonie summit in October 2024. It aims to strengthen the participation of French-speaking feminist activists in international bodies.

2

AFD also continued to make the rights-based approach to sexual and reproductive rights and health (SRHR) one of the key pillars of its action to promote gender equality. More than €81M was granted in 2024 by AFD to finance projects or project components dedicated to these issues, as in Chad, for example, where AFD's action aims to improve the sexual and reproductive rights and health of women and to prevent gender-based violence (€11M).

To promote French feminist diplomacy, AFD continued to actively mobilise as a feminist funder during major international events, including the CSW68 (Commission on the Status of Women) meeting in New York in March 2024. This CSW68 was also an opportunity to renew the partnership agreement with UN Women, in order to continue to develop new joint projects on gender equality and the empowerment of women and girls.

Proparco and gender equality

Since 2018, Proparco has partnered with five other G7 development finance institutions to implement the 2X Challenge initiative. Its objective is to mobilise the private sector to contribute to the development of women as entrepreneurs, business leaders, employees and as consumers of products and services through projects that promote their economic participation.

Through this initiative, more than $33.6bn in financing contributing to the reduction of gender inequalities was deployed by the Development Financial Institutions (DFIs), including more than €1bn from 2018 to 2023 by Proparco.

The strategic objective is to grant, over the 2023-2025 period, $1.9bn in projects contributing to the reduction of gender inequalities according to the criteria of this initiative.

In 2024, a new 2X Challenge spanning the 2024-2027 period was announced at the G7 Summit in Italy, with an ambitious objective of mobilising $20bn in investments integrating a gender perspective. Proparco actively contributed to the co-construction of this new Challenge with its peers, playing a key role in defining the objectives and strengthening its methodology. In 2024, Proparco once again achieved its annualised target, with 28 projects aligned with this methodology, for a total amount of €677M.

1) OECD temporary archive - DAC gender equality policy marker: projects/programmes marked "CAD1 significant objective" or "CAD2 principal objective" are counted by the CAD as aid directed towards gender equality.

Moreover, in order to enhance its approach to reducing gender inequalities, Proparco initiated several projects: 1) conducting an assessment to measure the gender-related impacts of Proparco's investments that meet the 2X employment criterion (criterion 3) and 2) the launch of a study with 60 Decibels on the impact of its investments in Microfinance Institutions (MFIs) in Tunisia with its final beneficiaries.

Lastly, to reaffirm its commitment to reducing gender inequalities, Proparco launched several initiatives: reinforcing its approach to risks related to gender-based violence and harassment (GBVH) and rolling out its technical gender support offering, as well as launching client awareness-raising training on GBVH, in partnership with British International Investment (BII).

Expertise France and gender equality

In terms of reducing gender inequalities, Expertise France contributes to the commitments made by AFD Group, which makes social links and gender one of the priority cross-functional themes of its activities. In its contractual targets and resources, the Agency sets target of having 60% of its signed projects (in terms of financial volume and for French financing) marked as CAD1 or CAD2 according to the OECD gender marker in 2024 and 75% in 2025 (1). Achieving this target contributes to aligning Expertise France with France's feminist diplomacy strategy and the "EU Action Plan on Gender Equality and the Emancipation of Women in External Action for 2021-2025 (GAP III)".

Expertise France thus aims to integrate gender in a cross-functional manner, in each of its areas of intervention, at all levels and at all stages of the development of its projects. In this way, the Agency contributes to the achievement of Sustainable Development Goal (SDG) No. 5 on gender equality, as well as SDG 10 on the reduction of inequalities.

The Agency is thus fully mobilised to contribute to the development of the Group's Social Link roadmap for the 2024-2029 period.

2.4.5.3 Sport and the cultural and creative industries

In 2024, AFD was provided with an opportunity to strengthen its advocacy and mobilisation efforts to increase investment in sport for sustainable development. AFD co-organised, at the request of the French President and with the International Olympic Committee, the Sport for Sustainable Development Summit, on the sidelines of the opening of the Paris 2024 Olympic Games. This unprecedented summit brought together 500 participants, including more than 55 Heads of State and Government and heads of international organisations. It resulted in ambitious and measurable political, financial and sporting commitments on five major priorities (i) education and employment, (ii) health and nutrition, (iii) equality and inclusion, (iv) financing and impact measurement, and (v) sustainability and legacy.

Moreover, AFD continued its financial commitment with 16 projects committed for a total amount of more than €34M. These projects aim to develop access to sustainable, accessible and inclusive sports infrastructure, support public sports policies, strengthen the capacities of players in the sports movement, and back social innovation driven by civil society, with a strong focus on the consideration of gender issues. This year also saw the development of activity throughout AFD Group with the announcement of Proparco's first investment in the sector and the mobilisation of Expertise France on two projects in the Democratic Republic of the Congo and one operation in the Western Balkans.

Equally, 2024 was a record year for AFD Group's investment in the cultural and creative industries (ICC). 22 projects were committed for an amount of €126M, more than half of which were loans. These projects aim to meet the needs of cultural sites by rehabilitating and enhancing heritage, or by promoting access to local cultural infrastructures for greater cultural democratisation and democracy. They also make it possible to finance professional training in cultural professions and cultural entrepreneurship in order to support innovative and inclusive economic development, notably for young people and women. They also provide support for sustainable, structuring and accessible cultural policies, as is the case in Benin, with AFD's first budgetary funding dedicated to public cultural policy. Lastly, they contribute to the transformational agenda, as shown by the pan-European and pan-African museum cooperation project, funded by AFD Group alongside the European Union, which will make it possible to renew relations between museums on the two continents.

Furthermore, this year marked a strong development of CCIs throughout the Group. Expertise France mobilised on approximately 10 of the 22 projects financed. Proparco continued the implementation of the Creafund project on the delegation of EU funds and announced that it is investing with SFI in entertainment. Lastly, AFD Group continued its advocacy and mobilisation work to increase investments in CCIs. Notably, as part of *Équipe France*, it contributed to the organisation of an event and the drafting of the commitments of the Heads of State during the Francophonie Summit.

1) CAD1: project with a specific objective dedicated to the reduction of gender inequalities. CAD2: project whose main objective is to reduce gender inequalities.

2.4.6 Reinforcing the social and environmental impact of AFD Group purchases

AFD Group's responsible purchasing roadmap: three commitments and four levers

The responsible purchasing roadmap, adopted by the Group's Executive Committee in 2024, covers the purchases of AFD, Proparco and Expertise France. It was co-constructed with the network of SAR officers, buyers and representatives of the various business lines. It meets three commitments:

- reducing the environmental footprint of purchases;
- reinforcing their social responsibility;
- contributing to the economy and the territories.

It is based on the following levers:

- a governance representative of the Group's entities;
- quantitative and qualitative objectives through to 2027;
- a transformation plan to achieve these objectives; and
- the publication, in early 2025, of the Group SPASER (Scheme for the promotion of socially and environmentally responsible purchases), a report required by the Climate and Resilience Law for public contractors with a purchasing volume of more than €50M, synonymous with accountability and dialogue.

The roadmap will reinforce the environmental and social impacts of purchases, and will contribute to:

- the reduction of the Group's carbon emissions;
- purchases from companies in the sheltered sector;
- more responsible digital technology; and
- the Group's commitment to gender equality and diversity.

The roadmap will also enable the Group to comply with the Climate and Resilience Law, and to work to achieve the objectives of the State's National Sustainable Procurement Plan (PNAD) [(1)].

Establishing a responsible purchasing governance representative of the Group's entities

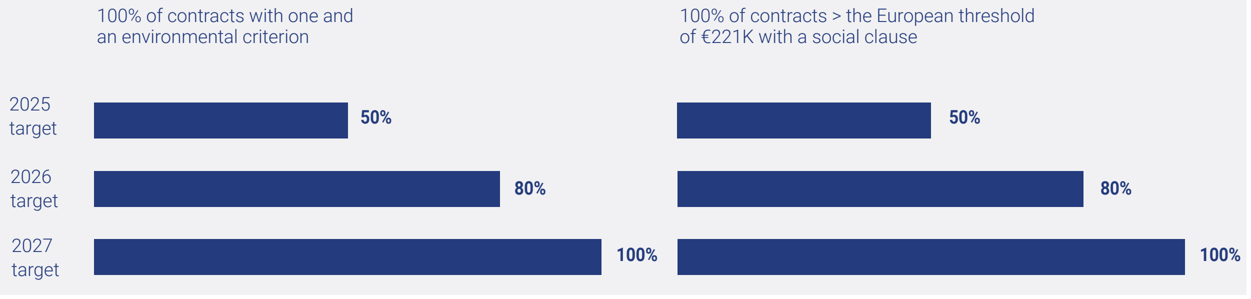
AFD Group's internal low-carbon and environmental trajectory steering committee (COTRAJ) ensures, among other things, the governance of the responsible purchasing roadmap and oversees the achievement of objectives. The management team of the Group Purchasing Department and the Sustainable Purchasing and Supplier Relations Officer coordinate the due completion of deliverables and monitor results.

Defining quantitative and qualitative objectives through to 2027

AFD Group's objectives, aligned with its three responsible purchasing commitments, are as follows:

a. Quantitative targets for environmental and social commitments.

These objectives enable compliance with the Climate and Resilience Law.



b. Qualitative objectives for the commitment to the economy.

Actions to raise awareness among specifiers and buyers will be carried out as to the need, as soon as relevant, to allot consultations in order to further promote access to SMEs and companies in the SSE sector, in particular the adapted sector, while respecting the principle of equity in public procurement.

1) *These targets are: 100% of contracts > €40K with at least one environmental consideration, and 30% with at least one social consideration.*

The transformation plan's actions in 2024

An interactive platform of environmental and social considerations adapted to the Group's various purchasing categories has been developed and is made available to AFD Group's buyers and specifiers. It enables them to select and integrate environmental and social considerations into their calls for tender that are adapted to the challenges of each purchasing category. It also identifies purchasing projects that are conducive to sourcing from companies in the adapted sector.

Responsible purchasing training was provided to 83% of purchasers in the Group's Purchasing Department, as well as to around thirty employees from the various AFD, Proparco and Expertise France Executive Departments that regularly carry out purchases. This training provided participants with the necessary knowledge and know-how: presentation of the roadmap and objectives, use of the platform for environmental and social considerations, and integration of responsible purchasing into the purchasing process.

Results achieved

These actions made it possible to move towards the objectives set. In the first nine months of 2024, 53% of AFD's contracts included at least one environmental consideration, and 37% at least one social consideration. These results make it possible to move towards the objectives of the PNAD.

As in previous years, the Group has systematically implemented the allotment of contracts, a legal requirement of public procurement which requires contracts to be awarded in separate lots in order to be accessible to smaller suppliers.

Dialogue with the Group's suppliers continued through meetings with strategic suppliers. These meetings are an opportunity to take stock of AFD Group's relationship with the supplier, to understand this relationship in a cross-functional way, and to discuss the best practices implemented as well as performance tracks. Since 2023, AFD has held annual meetings with Syntec and some of its members. These discussions also provided feedback on operational issues and identified areas for improvement.

In 2025, 2026 and 2027, the Group will continue to roll out the roadmap, and gradually systematise the integration of environmental and social considerations in its markets, in order to achieve its objectives of 100% environmental considerations in all its markets, and of 100% social considerations in markets above the European threshold of €221K in 2027. Approaches to decarbonising purchases and the programming of disability purchases will be rolled out in 2025. The Group's first SPASER, covering 2023 and the first nine months of 2024, was drafted with the involvement of the relevant internal contributors. Responsible purchasing will thus contribute to AFD Group's CSR, and to one of the four pillars of its 2025-2030 Strategic Orientation Plan.

2.5 Transparency and dialogue with stakeholders

2.5.1 Transparency of financing

Transparency of financing is a strong corporate social responsibility issue for AFD Group. Transparency of AFD's activities is ensured in compliance with the regulatory requirements associated with its legal status (business secrecy) and the protection of personal data and individual and public freedoms guaranteed by French data protection laws.

Through its policy of transparency and dialogue [1] AFD Group strives to comply with the best practices of other financial stakeholders and with international standards, including the standard of the International Aid Transparency Initiative (IATI) whilst taking into account the expectations of its stakeholders.

This policy reflects the Group's desire to better respond to the growing demand for information and explanations from its stakeholders with regard to its governance, strategy and objectives, the financing granted, and the goals and results of the French development aid policy implemented by the Group. It is based on five principles: usefulness, openness, the protection of trust and sensitive information, attentive listening, and dialogue.

Internally, a legal notice and a procedure for disclosure of information provide a framework for transparency implementation and ensure compliance with confidential information and business secrecy's rules. The information disclosure requests may concern information reported on AFD's website, AFD's open data platform and the IATI registry, or other information on AFD Group, its strategy, financing transactions and intellectual productions.

AFD continued to strengthen its data disclosure policy in IATI format and on its open data site [2] which implies a continuous effort to expand the scope of transparency. In its 2024 index, the international NGO Publish What You Fund (PWYF), which assesses the quality of funders' transparency, classified AFD in the "fair" category, which represents a downgrade compared to the previous assessment. This reduction in the rating comes at a time when major efforts have been made over the last two years to change the Group's internal practices as well as the quality and quantity of the data published. An action plan has been put in place to return to a "good" rating in 2026.

The Group also has a new open data portal, launched in June 2024 (after the PWYF review) and designed to value all data falling within the scope of transparency. This new portal is more ergonomic, better structured and with simplified access to data.

In order to better communicate on its financing, AFD publishes a "Public Communication Note on Operations (NCO)" for each project with a summary of the agreement signed and a description of the project, its stakeholders and financial information. In 31 December 2024, the NCO project data published covered 83% of the projects falling within the scope of transparency.

Share of AFD projects [3] whose NCO is published in open data*

	2023*	2024
Number of projects in the scope of transparency	1,855	2,085
Number of projects disclosed	1,461	1,733
% of projects disclosed	*79%*	*83%*

* *An NCO is drawn up for each project (a project is composed of one or more loans). Since 2023, the method used has been to measure the share of projects for which the NCO is published out of all the projects in the scope. Until 2022, publications were monitored on the basis of loans. This method did not reflect the operational reality and was therefore adjusted.*

1) AFD Group transparency and dialogue policy: https://www.afd.fr/sites/afd/files/2018-03-10-04-11/politique-transparence-afd.pdf
2) OpenData portal: http://afd.opendatasoft.com/
3) Projects falling within the scope of transparency detailed in AFD's transparency policy.

2.5.2 Dialogue with stakeholders

AFD is committed to dialogue with its stakeholders as part of its corporate social responsibility policy. In 2022, the Group updated its stakeholder mapping, notably taking into account the integration of Expertise France and the inclusion of the planet and living things as a stakeholder.

The transparency and dialogue policy acknowledges this dialogue with stakeholders as a cornerstone of AFD's corporate social responsibility approach, as it helps integrating social, environmental, ethical and human rights concerns into the Group's strategies. AFD strategic documents which determine its areas of intervention at country level, may be shared for consultation with stakeholders (civil society organisations, local authorities, companies, research institutes) before being submitted to the Board of Directors.

In 2024, as part of the preparation and finalisation of its new Strategic Orientation Plan(POS V, 2025-2030, adopted in December 2024), AFD Group held several bilateral and multilateral meetings:

- with several players in French civil society, including member associations of Coordination Sud or its Board of Directors (*Vétérinaires sans frontières*, *Médecins du monde*, *Action contre la faim*, *Handicap international* and *SOS Village d'enfants*);
- with European research centres and/or think tanks including the Institute for Sustainable Development and International Relations (IDDRI), the Foundation for International Development Studies and Research (FERDI), the Centre for Global Development (CGDEV), members of European Think Tank Group (ETTG), including ODI (United Kingdom), ECDPM (Netherlands and Belgium), DIE (Germany), IAI (Italy), Elcano (Spain);
- peers and partners, including the Practitioners' Network for European Development Cooperation, the Joint European Financiers for International Cooperation (JEFIC), DG NEAR and DG INTPA, the Asian Development Bank, JICA, KfW, Cassa Depositi e Prestiti, BGK, JEFIC, *Banque rwandaise de développement* and *Banco Nacional de Costa Rica*.

This dialogue policy is part of an approach fostering continuous improvement, mutual learning, innovation and impact. In this respect, it encompasses more than just information and communication. AFD maintains a regular dialogue with its numerous partners and peers, as well as conducting consultations and exchanging best practices. For example, twice a year, the Climate and Nature Department convenes a Partners Committee bringing together AFD's reporting ministries, representatives of civil society, and private and institutional players. Another example is an experience-sharing group that brings together AFD and civil society organisations on a quarterly basis to discuss the environmental responsibility of organisations and the implementation of international solidarity projects favourable to nature and the climate.

When investigating and implementing the funded projects, AFD ensures through legal conditions and support, that the project owner consults with the various stakeholders. For projects with significant environmental and social risks, AFD applies the World Bank's Environmental and Social Framework. Revised in 2016 the Framework now includes measures regarding the association of stakeholders at each and every stage of a project. It is essential to engage in dialogue with local authorities, communities and non-profit groups regarding projects proposed for funding, in particular those presenting environmental and social risks, to take their opinions and concerns into consideration and thereby improve the living conditions of populations and the sustainability of projects.

2.6 Coordination with development actors: partnership by design

2.6.1 The partnership approach: working with others for greater impact

Refer to 1.5.6 The Partnership Approach: Working with Others for Greater Impact

2.6.2 Support for project management and capacity building

Project sponsor support steer the projects, programmes or public policies financed by AFD Group. Supporting activities must enable them to better coordinate and manage financing and ensure the due completion of the activities and/or work planned, as well as the sustainability of results. And *in fine*, the Group's strategic and operational objective is to promote more effective, user-centric, open, innovative and transparent project owners.

AFD acts (i) directly through its technical experts who work with partners (ii) through specific tools that enable it to mobilise consultants to support project owners, such as:

- 209 grant funds, delegated funds or even sometimes project components of a loan:
  - the start-up, preparation and monitoring facility project (FAPS),
  - the Technical expertise and experience exchange fund (FEXTE),
  - the French local authority financing facility (FICOL),
  - the Crisis recovery expertise and studies fund (FEESC).

In 2024, AFD continued, notably through the Citizens and Institutions division :

- its support for stakeholders and their SDG trajectories: support and advice on the organisational transformations of customers (continuous support and rapid deployment of team experts and consultants during the project appraisal phase in particular) to back them in their SDG actions/ trajectories;
- its mobilisation on public policy support programmes, reforms and public policy dialogue via budget financing: providing support to customers for the analysis and design of their public policies: structuring budget financing to provide support for reforms; structuring technical cooperation programmes associated with budgetary financing;
- its support for the roll-out of citizen participation systems to provide support for customers who want to adopt a citizen participation strategy at their level.

Measuring the quality of the Group's relationship with its partners

The Group is increasingly adopting an approach resolutely focused on its customers and partners, which justified (i) the reorganisation, in 2022, of AFD's Operations Department into two distinct entities, one representing the voice of the customer (the Geographical Department) and the other providing technical solutions to meet their needs (the Sustainable Development Solutions Department), as well as (ii) the creation, in 2023, of a Geographical Department within Expertise France. This customer focus is also reflected in the Group's desire to measure the quality of the Group's relationship with its development partners.

Thus, after a first survey of AFD's customers in 2021, the GEO Department wanted to launch a second Ipsos study of AFD's customers in 2024, involving for the first time EF beneficiaries, at the same time as Proparco was carrying out its fourth survey jointly with its Dutch and German counterparts. This made it possible to display a number of Group-wide indicators for the first time.

This second study, which was based on a survey and qualitative interviews conducted by Ipsos, confirmed the relationship of trust between the Group and its customers, and the added value they attribute to this partnership: two out of three customers call on AFD for issues relating to impact and the transformation of their institution, rather than just for its financing. They also value the close relationship they maintain with the network and project team members, whom they consider to be committed, available and responsive.

The study nevertheless showed a decrease in indicators for AFD and Proparco, as customers criticised the Group, as in 2021, for its lack of procedural flexibility and, which was new, a lack of intra-Group coordination. While bestowing the Group with a high degree of trust, customers want to be able to take greater advantage of their partnership relationship to be put in touch with both their peers and other financiers.

The new Customer Orientation roadmap, which is currently being formalised, will thus include: the continuation of periodic surveys while seeking ever-increasing Group convergence; the continuation of the experiment conducted on the "hot" post-signature mini-questionnaire (the administration of which is made complex due to the absence of automation in the information systems); the multiplication of customer events in the network while also integrating the partnership dimension. The pursuit of digital projects likely to facilitate the customer experience in terms of procedures, the gradual implementation of simplification projects, as well as the decentralization efforts are all efforts led by the Group to be at the side of its customers.

Propulse, a technical support offering

In parallel with its financing transactions (debt, guarantees or equity investment) Proparco also offers its customers support to enable them to progress in terms of skills and practices and thus to adapt to a changing and ever-more competitive local and international environment, as well as to initiate or deepen a socially and environmentally responsible approach.

"Propulse", Proparco's technical support or capacity building offer, consists in providing external expertise and know-how to Proparco's customers, in addition to the support provided more generally by Proparco experts in their relationship with these customers. Propulse responds to the skills and/or transformation challenges of Proparco's customers to become more green or inclusive (environmental and social responsibility, energy efficiency, green finance, gender) and more sustainable (operational excellence, quality of products and services, governance, talent management).

Since 2011, Proparco has carried out nearly 216 technical assistance projects for customers financed directly or *via* Fisea, and supported more than 470 other projects through technical support facilities delegated to financial intermediaries.

Capacity building through Expertise France

Focused on the transfer of know-how and dialogue between peers, Expertise France's interventions aim to strengthen the capacities of partner countries and to define and implement quality public policies. The Agency is involved in the following areas:

- democratic, economic and financial governance;
- peace, stability and security;
- climate, agriculture and sustainable development;
- health and human development;
- sustainable and inclusive economies.

As a full component of Official Development Assistance, expert missions and technical assistance are an essential lever for cooperation as well as a tool for bilateral dialogue and the promotion of French and European know-how.

The support methods offered are varied and complementary, making it possible to meet both short-term needs and long-term support: methodological and technical advice (diagnoses, recommendations, action plans); capacity building (design and delivery of training, support for change, training of trainers); networking (exchange among peers, national or regional consultation workshops); supply of goods, services and works (drafting of specifications, award of contracts, coordination and supervision of work).

In fragile or crisis contexts, Expertise France can quickly deploy the capacity to play the role of delegated project manager (MOAD) by making possible the implementation of projects co-built with local partners. In this case, Expertise France plays its role as an operator that makes these complex projects possible: global coordination, cross-functional engineering (technical, legal, financial, results monitoring) and the role of expert assembler, associated with more or less significant grants to third parties (CSOs, incubators, first-time entrepreneurs) and the supply of equipment or small rehabilitation work as part of appraisal activities.

In 2024, the Agency began its decentralisation project with the creation of Country Departments (Guinea, Côte d'Ivoire, Comoros, Tunisia, Haiti, Democratic Republic of the Congo) led by the Geographical Department (GEO). Around 77 projects were already transferred in 2024. This commitment allows for a deeper geographical anchoring, reinforced partnerships with our local partners, and growing openness to new cooperation prospects.

Expertise France is also mandated by the Ministry of Europe and Foreign Affairs (MEAE) and the Ministry of the Economy, Finance, and Industrial and Digital Sovereignty to manage international technical experts (ITEs) and seconded national experts (SNEs) (recruitment of experts, monitoring and evaluation of assignments, network management).

Placed within national institutions, multilateral or regional organisations, the experts play a technical support and advisory role in France's priority sectors in terms of Official Development Assistance. Over 300 mid-sized companies (with Treasury and MEAE financing) were deployed as of 31 December 2024.

2.6.3 Contributing to the Development-Defence link

AFD and the French Ministry of the Armed Forces have considerably strengthened their relations since 2016. This has led to a better understanding of each partner's scope and mandate, due to the dual effect of a major contextual change in the Sahel (the end of Operation Barkhane) and the day-to-day work of the liaison team between AFD and the military institution. The joint EMA-AFD-Expertise France directive signed in April 2024 extends the geographical scope of priorities beyond the Sahel in particular and Africa in general. It fosters a dynamic of rapprochement at regional and local levels to identify possible synergies in thematic areas such as:

- the prevention and management of crises in the broadest sense (human-made, climatic or environmental);
- the climate/security continuum;
- the protection of the environment and resources;
- aid for populations (notably in terms of humanitarian assistance and disaster response – HADR).

Today, collaborations exist at several levels:

- strategic: meeting between the AFD General Director and the Chief of Staff of the Armed Forces (CEMA) once a year, meeting between the Regions Director and the Deputy Chief of Staff of the Armed Forces (Deputy Head of Operations of the French Armed Forces – SCOPS) twice a year, etc.;
- exchange of personnel: MinArm liaison officer posted at AFD (in the "Fragility, Crises and Conflict" division), AFD liaison agent at the Planning and Operations Management Centre (CPCO) of the French Armed Forces (EMA). A development advisor from AFD was also made available for the General in charge of Operation Barkhane for several years; Moreover, for several months, a MinArm commissioner has been on a mobility assignment at Expertise France, at the "Peace, Stability and Security" department;
- partnerships: exchange of background information and situation analyses, cross-sharing of information on operational activities, launch of a prospective study on West Africa in 3D format, AFD participation in the IHEDN (Institut des Hautes Études de Défense Nationale) and in the War Academy, contribution by AFD during the training of defence attachés, AFD presentations to several entities of the French Ministry of the Armed Forces.

Lastly, staff are made aware of security and defence issues and are involved as active members of the reserves.

2.7 Fair practices

2.7.1 Initiatives to prevent corruption, fraud, money laundering, terrorist financing and tax evasion

Corruption, fraud and any form of misappropriation of public and private aid are likely to have a detrimental impact on AFD Group's mission. The same applies to any financing that would lead, without the knowledge of AFD and its subsidiaries, to participating in a money laundering or terrorist financing mechanism.

To this end, the Group has a general policy to prevent and combat prohibited practices, available on its institutional website [(1)]. In 2024, AFD continued its efforts to strengthen its system in this area.

In February 2024, AFD thus brought into force a revised version of its Directives for the award of contracts financed by AFD in a foreign State, in order to broaden the potential cases of ineligibility for AFD financing of bidders who were excluded from contracts financed by Multilateral Development Banks for reprehensible behaviours linked to fraud or corruption. The declaration of integrity that must accompany each technical offer made by a tenderer, under these Directives, is now also required to identify the intermediaries they may have used, their role and the amount incurred for their services.

The Group also strengthened certain pillars of its programme to prevent and fight against corruption and influence peddling stemming from the requirements of the "Sapin II" law of December 2016:

- as regards the whistleblowing system open to internal and external employees or occasional employees of the Group, it was amended in 2024 to include the new requirements resulting from the law of 21 March 2022 aimed at improving the protection of whistleblowers (extension of the system to provide the option of reporting facts or behaviours falling within the scope of the whistleblowing system to an employee or former employee but also to a job candidate, a supplier or one of its subcontractors, and a member of AFD Group's Board of Directors and Executive Management);
- as regards the mapping of corruption and influence peddling risks, it was updated by the business lines, as is the case every year;

1) Our commitments in terms of the fight against corruption: https://www.afd.fr/fr/lutte-contre-la-corruption

- as regards the third-party assessment process, the organisation of the system applying to the Group's suppliers and service providers was amended in order to centralise the performance of anti-corruption due diligence within the Purchasing Department (since October 2024). Moreover, a procedure for assessing the risks of corruption in the philanthropic and sponsorship actions carried out by the Group was adopted in 2024. Furthermore, in 2024 the Group rolled out an anti-corruption questionnaire which aims to collect, in accordance with the requirements of the French Anti-Corruption Agency (AFA), information on any anti-corruption measures put in place by the counterparty assessed;
- as regards staff training, the mandatory annual e-learning training modules dedicated to the prevention of corruption and influence peddling, as well as to AFD Group's anti-corruption code of conduct, were overhauled in 2024. Some of the exposed staff also benefited from more specific face-to-face and remote training.

This anti-corruption and influence peddling compliance programme applies directly to AFD as an industrial and commercial public undertaking, but also to its subsidiaries Proparco, Sogefom (1) and Fisea.

In addition, AFD, also ensures that Expertise France, SIC or Proparco's subsidiary Digital Africa, establish a system consistent with that of AFD on the subject.

Similarly, Expertise France condemns any unethical behaviour and ensures that its employees comply with this principle. Carried out by Executive Management and implemented by the Risk, Compliance and Internal Control division, the Group Ethics Charter and AFD Group's general policy on preventing and combating prohibited practices are implemented in relations with third parties, notably counterparties and stakeholders of financed projects, suppliers, partners and employees of Expertise France.

To this end, the Agency equipped itself with a set of tools. First of all, a code of conduct, drawn up in 2020 and appended to the internal regulations, which defines and illustrates prohibited actions and situations and the behaviours to be adopted in the conduct of activities in order to prevent corruption and influence peddling, fraud and money laundering.

Employees are thus expected and required to comply with the international, national and local laws and regulations applicable in each country where Expertise France operates, but also to act in compliance with the principles and obligations of the code with integrity, loyalty and honesty.

In this regard, and in order to ensure knowledge and understanding of the Agency's challenges and commitments, specific training on the code of conduct has been provided to employees since 2022 for all its staff, whether based at the head office or in the field. It illustrates the different types of behaviour to be prohibited and likely to characterise acts of corruption or influence peddling. This training constitutes a common base of knowledge for all employees in terms of business ethics, and disseminates a culture of "compliance" and ethics at the Agency.

The Agency also set up a system for identifying, preventing and managing conflicts of interest so that employees can act honestly, fairly and professionally in all circumstances. It is reflected in the conflict of interest management procedure published in 2024. Any conflict of interest must be declared to the Risk Compliance Internal Control division.

Similarly, selection in public contracts must be impartial: no conflict of interest must exist at the level of the selection committee. The signature of a non-conflict of interest commitment is mandatory before each committee meeting.

In the same vein, the procurement and grant award procedures guarantee equal treatment, non-discrimination and transparency, principles that prevent any act of corruption. All of these rules are set out in the regulations governing public contracts and grants and controlled by the permanent control system.

Furthermore, in order to prevent any risk of corruption and guarantee the integrity of co-contractors, a set of due diligence procedures is carried out before entering into a relationship (due diligence procedure). They include, among other things, checks relating to sanction lists, convictions, and compliance with social and tax contributions. In addition, co-contractors are asked to provide a sworn statement relating to the exclusion criteria and the absence of conflict of interest.

Lastly, in 2023, the procedure for reporting and processing illegal practices was published. The illegal practices notably concern the following acts: discrimination, moral harassment, sexual harassment, corruption, influence peddling, illegal taking of interests, fraud (internal and external), fraud against EU interests; anti-competitive practices; misuse of Expertise France resources or assets; non-cooperative practices; money laundering, terrorist financing. Three systems are implemented:

- the system for reporting distressing situations at work (or QLW process);
- the internal whistleblowing system, which makes it possible to report practices such as anti-competitive practices, fraud, fraud against the interests of the EU, corruption, the misuse of Expertise France's resources or assets, non-cooperative practices, money laundering or terrorist financing;
- AFD Group whistleblowing system, which the Agency joined in 2023. It applies to all employees and is open to third parties (service providers, financial stakeholders, beneficiaries). Accessible from Expertise France website, this system makes it possible to collect reports concerning the existence of behaviours or situations contrary to applicable laws, the Ethics Charter or the Agency's values. It is possible to report a behaviour or practice anonymously.

1) Sogefom (Société de Gestion de Fonds de Garantie d'Outre-Mer) is a guarantee fund that, at the request of banks, provides partial guarantees for loans that banks grant to VSEs and SMEs (defined according to European standards).

2.7.2 Checks made during a project's life cycle

In accordance with banking regulations, prior to the start of a financed project, the counterparty and any appropriate shareholders are researched in depth in order to identify the beneficial owner. Individuals subject to political exposure are also identified. As part of the monitoring of project execution, the methods for reimbursing and receiving amounts of any kind, in particular dividends, and for the settlement of equity investments (transfer of equity investments) are closely monitored, because they can reveal prohibited practices.

At the time of the examination, and then throughout the life of the projects, the Group provides its employees with a filtering tool which consolidates information such as the financial and commercial sanctions adopted by France, the European Union, the United States, the United Kingdom and the UN. This filter is also integrated into the settlement processing chain issued by AFD's Finance Department. The objective is to ensure that no counterparty, beneficiary of financing, supplier or successful tenderer of a call for tenders financed by AFD, is facing financial sanctions, or operates in sectors under embargo.

It should be noted that when reports of prohibited practices are reported in connection with the implementation of projects, they are processed, since the end of 2018, by a dedicated function within the Compliance Department. The "Investigation" function's main task is to investigate, in a professional and objective manner, the reports made by AFD Group employees (called "suspicions") or by third parties (called "allegations") concerning prohibited practices affecting projects financed, namely acts of corruption, fraud, anti-competitive practices, money laundering and terrorist financing.

2.7.3 Third-party commitments

As regards counterparties, AFD Group financing agreements include a number of clauses that require them to make commitments in terms of combating corruption, fraud, cartels, money laundering and the financing of terrorism, as well as complying with French and international financial and trade sanctions. These clauses notably oblige counterparties to inform the relevant AFD Group corporate entity of cases of alleged prohibited practices or potential or proven reprehensible practices, and to take remedial action in accordance with the Group's expectations. In the absence of remediation, the Group reserves the right to trigger an event of breach. It can suspend payments, cancel the portion of its financing in relation to which improper or non-compliant practices have been detected and demand early repayment of all or part of a loan or repayment of all or part of a grant paid. The Group may also decide to take the matter to the French courts or to the local courts where the project is being carried out. Moreover, being subject to banking regulations on the fight against money laundering and the financing of terrorism, AFD, its subject subsidiaries or AFD on behalf of its non-subject subsidiaries, may make a suspicion report to Tracfin.

Controls in the context of foreign public contract awards

Public contracts financed by AFD in foreign States are subject, according to risk criteria, to a specific control, which makes it possible to ensure that the various stages of the process to award contracts, carried out by the project managers benefiting from AFD financing, take place under the required conditions of integrity, transparency, fairness and efficiency. These controls take the form of the issuance of a no-objection notice (ANO) and are carried out *ex ante*, at specific stages of the process to award contracts. In certain cases and after AFD's approval, an *ex post* control may also take place for certain processes relating to the award of contracts.

In addition to these controls, AFD imposes exclusion criteria on the project management of contract winners, in addition to those existing in local legislation. Thus, a contract cannot be financed by AFD if the successful tenderer falls in one of the cases of exclusion or ineligibility specified in the directives for the award of contracts financed by AFD in foreign States [(1)].

Training on AFD's contract award processes and specific requirements is provided to both AFD employees and project managers, in face-to-face and e-learning formats (available since 2022 in French and in English).

2.7.4 Systems for reporting reprehensible practices

There are several reporting mechanisms at AFD Group to report reprehensible practices. Firstly, AFD, Proparco and Sogefom employees and representatives have an operating incident declaration system which collects and centralises all shortcomings identified by employees (including AML/CFT, and reports of corruption and fraud).

AFD, Proparco and Sogefom employees must also report to the Compliance Department any suspicion of irregular practices in projects or in the context of the activities of these three entities on their own behalf *via* a line-management reporting mechanism. The processing of these reports is managed by the "Investigations" function of the Compliance Department in order to have an exhaustive overview of the cases encountered, and to ensure a consistent response. AFD, Proparco and Sogefom employees and representatives also have the right to contact the director of this department directly, if they consider that they have identified a situation presenting a risk of non-compliance.

1) *See Guidelines for the award of contracts financed by AFD in foreign States – October 2019: https://www.afd.fr/fr/ressources/directives-pour-la-passation-des-marches-finances-par-l-afd-dans-les-etats-etrangers.*

Since January 2019, AFD, Proparco and Sogefom and, since 2023, Expertise France have provided their employees with a whistleblowing system, in accordance with the requirements of the so-called "Sapin II" law. This system constitutes a voluntary and optional warning system when an employee believes that current alert channels have not operated properly, or that there is a serious obstacle preventing their use. The entry point of the system is AFD Group Ethics Advisor. This same system is also open to the Group's suppliers and to the beneficiaries of the Group's philanthropic and sponsorship initiatives.

Lastly, since September 2021, a system for reporting prohibited practices has been open to the Group's third parties: the procedures for making a referral appear on AFD's institutional website [1], and 2024 showed that this channel was extremely useful due to the number of referrals received through this avenue.

2.7.5 Training of Group employees and representatives

In accordance with applicable French regulations, AFD Group ensures that all of its employees, including those of its network of local offices, receive regular training and notifications on the risks and procedures to implement in terms of the fight against money laundering, terrorist financing, fraud and corruption.

These training courses were delivered both in e-learning format (a set of six mandatory training modules, subject to disciplinary sanctions, under the "Must" label were made available to AFD Group employees - internal and external), face-to-face and through webinars (synchronous training).

i. **Training provided in e-learning format on the fight against money laundering and the financing of terrorism (AML/CFT)**: every year all AFD and Proparco employees (head office and network) are required to validate one or two AML/CFT e-learning modules according to their exposure to this risk. According to their profile, the learner follows and validates the AML/CFT Level 1 pathway (agent not exposed) or the AML/CFT Level 2 pathway (agent exposed). At 31 December 2024, 96% of AFD and Proparco staff subject to the obligation to follow the Level 1 AML/CFT course had completed their training (*i.e.* 2,452 staff out of 2,544 concerned) and 96% of AFD and Proparco staff subject to the obligation to follow the Level 2 AML/CFT course had done so (*i.e.* 1,097 staff out of 1,143). These figures were 93% and 75% respectively, in 2023.

ii. **Training provided in e-learning format on the fight against corruption and influence peddling and the management of conflicts of interest**: in 2023, a set of six online training modules on several risk topics was made available to AFD and Proparco employees under the "Must" label. One of the six modules covers the fight against corruption and influence peddling and the management and handling of conflicts of interest. 97% of AFD and Proparco employees completed this module (i.e. 3,561 trained out of 3,687 concerned). In 2023, this rate was 96.6% (or 3,224 out of 3,336).

iii. **Training delivered in face-to-face format or in webinar format on AML/CFT /sanctions and the fight against corruption**: these complement the self-training system and aim to provide employees with all the regulatory and legislative knowledge on non-compliance they need to carry out their activities within AFD Group. As of 31 December 2024, 425 employees had been trained. These training courses are adapted to the profile of the people trained because they take into account new hires, as well as internal professional mobility at AFD Group.

2.7.6 Measures taken to prevent tax evasion

Keen to participate in the French policy to combat fraud and tax evasion as promoted by France within the framework of the G7, the G20, or the Interministerial Committee for International Cooperation and Development (CICID), AFD Group has, since 2009, had a rigorous policy with regard to non-cooperative jurisdictions (NCJ) in tax matters or AML/CFT. This policy provides a framework for operations carried out and projects financed in NCJs as well as operations involving one or more NCJs and/or more broadly one or more jurisdictions considered as offshore centres.

As such, any project involving a counterparty registered in a NCJ (whether it is a fiscal NCJ or AML/CFT) is deemed to present a very high level of risk under the Group's AML/CFT risk classification. The due diligence level expected for these projects is therefore of greater granularity and involves the implementation of an upstream tax audit. When a project involves one or more fiscal NCJs or AML/CFTs, AFD Group's policy sets out the categories of operations prohibited, authorised or eligible for Group financing as well as the specific diligence to be performed: depending on the case, the presence of fiscal NCJs may be authorised subject to conditions or strictly prohibited.

AFD Group's NCJ policy is subject to regular updates, both as regards the list of countries concerned, and the content and methods of application of the restrictions.

In the summer of 2023, the Group overhauled its NCJ policy to provide greater clarity for the operational teams, and to ensure a more detailed assessment of tax issues in projects through a tax due diligence questionnaire.

1) *https://www.afd.fr/en/form/signaler-un-abus*

2.7.7 Transparency of relations with French and European parliamentarians

During 2024, nearly 70 meetings took place and around thirty French parliamentary delegations met our teams and our partners, often during missions related to thematic reports, through friendship working groups or invitations from the Chief Executive Officer as part of the field missions he carries out. Parliamentarians are also strongly represented on AFD's Board of Directors and now constitute the largest group of directors (since the law of 2021).

While our relations with Parliament mainly consist in responding to requests from national elected representatives, a few events were organised at our initiative.

AFD Group also coordinates its relations with Parliament. A “parliamentarian coordination” was set up and meets monthly. Its purpose is to share information and propose various joint actions.

As is the case every year, the draft budget led the Group to meet with the official development assistance rapporteurs and to provide them with detailed information on the past year's results and the needs for the coming year. The Group’s Chief Executive Officer is interviewed each year as part of the preparation of the budget by the Foreign Affairs Committee. The Group has been on the register of interest representatives of the French High Authority for Transparency in Public Life for two years, and will be able to detail its actions for 2024 as soon as it is invited to do so.

Moreover, AFD has been registered in the European Commission's transparency register since 15 July 2013. Said register aims to improve the transparency and ethics of the European institutions [1]. The registration of any entity implies acceptance of a code of conduct to be followed in its relations with the EU, and has been mandatory since 1 July 2021. The idea of this transparency register is to restrict access to European officials and the exercise of certain influence and advocacy activities to registered entities.

1) *Transparency register of the European Commission, Agence Française de Développement. Date of last update 04/12/2023.*

2.8 A meaningful work environment

The Human Resources (HR) Department is organised around three departments, each dedicated to a major HR issue for the Group:

- a Social Policy and HR Communication Department: in charge of labour relations, social responsibility and HR communication;
- an Administration and Management Department: responsible for administrative and payroll management, social management control, HRIS, compensation and benefits;
- an Employment, Talents and Skills Department: responsible for deploying the policy in terms of recruitment and careers.

The HR Department has defined a strategy aimed at reaffirming the essential value of the Group's human capital to achieve its strategic, operational, functional and financial objectives. Which is why the HR strategy sets "human collective performance" as its first goal.

The four strategic areas selected make it possible to align our human resources management with the Group's challenges and to define our strategic priorities in terms of Human Resources:

1. **ensure the cohesion of employees around AFD Group's missions**. This involves prioritising actions promoting integration within the Group, supporting cultural development, strengthening our diversity and quality of life at work, the success of synergies with Expertise France and the search for improvement in our social dialogue practices;
2. **strengthen the strategic management of talent and skills**, by continuously seeking the best possible balance between securing the skills that each entity needs, individual expectations in terms of careers and employability, and constraints, in particular regulatory and resource constraints;
3. **strengthen and support managerial practices** in the Group with a view to performance and the development of people, employees and managers;
4. **strengthen the efficiency of the human resources function** led by the HR teams, but also by all employees.

2.8.1 Skills development, employability, training

To reinforce the effectiveness of its training tool, AFD Group launched a corporate university (AFD Group Campus) in early 2024, bringing together all the teams dedicated to training, whether for AFD employees, or for partners and customers (combining internal and external offers). The positioning of this new structure in Executive Management clearly shows the eminently strategic nature that the development of the skills of its employees and partners now has for the Group.

AFD's HR policy gives a central place to the skills development of the Group's employees. Axis 2 of the HR strategy sets out the goal of "strategic management of talents and skills" while axis 3 highlights the "strengthening of the skills of managers to drive transformations".

"Strategic skills management" is based on a process for drawing up the strategic training framework and the skills development plan, which this year involved various stakeholders: head office and network managers (through a questionnaire), Executive Divisions and Departments (through collective workshops), HR players and employee representatives (presentation to the SEC), training managers and business lines requesting and providing training; and used data collected and analysed by AFD Group Campus (training needs arising from professional interviews in 2024; assessment of training courses attended in 2023 and 2024 by Executive Divisions and Departments, most followed training courses). Each of these stakeholders thus has the means to ensure that its immediate operational needs are properly taken into account and also to focus the effort on an issue perceived, in the short or medium term, as strategic for the organisation. The forecasts conducted on various channels also help to inform decisions made in terms of investment in longer-term training.

In addition to this collective involvement in the governance of the training activity, AFD promotes and encourages skills development by providing its employees with a very broad offering, including more than 250 training actions. The extent of the offering reflects the variety and multitude of skills issues that arise throughout the organisation: for a new employee who needs to familiarise himself or herself with the way AFD works, for a mobile employee who needs to acquire new skills, for a manager faced with new working methods, for a profession that is constantly forced to integrate regulatory changes, for a department that wants to maintain its level of expertise, for an employee who aspires to progress in his or her field, to adapt to an increasingly complex and uncertain environment, etc.

After the decline observed in 2020 due to the outbreak of the Covid pandemic, the training activity returned to full vitality in 2023, with an overall effort representing 66,905 hours, and continued on this trajectory with 68,562 hours in 2024 by integrating "Must" training (all categories of employees combined: general manager, national manager, VI, interns, professional training and work-study contracts, civil servants on index and fixed-price contracts).

Through the improvement in distance learning (apart from e-learning – which corresponds to autonomous learning, at the learner's own pace – increasingly virtual classes are being set up, with timetables adjusted to take account of time differences) and the resumption of training courses delivered in the network [(1)], the coverage of audiences continues to be extended. In 2024, 473 national employees [(2)] (fixed-term and permanent contracts under national law; AFD and Proparco) who were able to benefit from the training provided by AFD (excluding mandatory "Must" training courses), compared to 425 in 2023. Moreover, the roll-out of the third mandatory training campaign represented a total of 8,887 hours in 2024 compared to 13,124 hours in 2023, due to the reduction in the duration of some modules.

In line with AFD's major strategic commitments, training on sustainable development objectives is the subject of specific efforts. They are easily identifiable in the skills development plan, thanks to a "sustainable development". The 2024 catalogue offers a range of 35 SD-certified training courses covering 28 themes [(3)] (compared to 17 themes in 2023). The 57 sessions organised were attended by 902 trainees, representing a total of 9,333 hours.

Developing the skills of Expertise France staff

For Expertise France, the development of employee skills is a key factor in the Agency's adaptation to its business challenges and the evolution of its ecosystem, and contributes to strengthening the competitiveness of operations and the employability of everyone. It is also an essential lever of the Agency's transformation plan. Expertise France thus offers progressive career paths enabling employees to develop their know-how, practices and postures, and provides them with methodological support.

Skills development needs are identified throughout the year and collected through several sources of information:

- the training guidelines discussed with Executive Management;
- through interactions between the Human Resources Department, and more specifically the training department, and the business lines, *via* the collection of the training needs of the teams;
- during annual appraisal and career reviews;
- *via* exchanges among employees and managers.

These needs are then analysed and prioritised to build a skills development and support plan for the business lines.

The main areas of focus of Expertise France's training policy are as follows:

- support the integration of newcomers;
- reinforce the skills of employees through the contribution of new knowledge, and the development of new expertise and working methodologies;
- support the Agency's structuring and transformation (tools, processes, etc.);
- support the professional mobility policy;
- strengthen the corporate culture by conveying common messages and organisational practices.

Training is intended for all staff categories, from their onboarding and throughout their career:

- training is a true lever for backing the Agency's transformation plan and decentralisation project, and also contributes to the implementation of an AFD Group culture. The digitisation of training undertaken since 2020 allows a wider dissemination to all regions of intervention, to a diverse group of employees, and contributes to reinforcing knowledge and expertise.
- the digitisation strategy for training actions will be strengthened in 2025 by structuring and rolling out a training policy for field staff. This policy will clarify the management of the training activity for field staff, its accessibility, its financing and its deployment;
- the implementation of dedicated business lines (general integration path and project business line, project management methodology, monitoring, evaluation and capitalisation) contributes to structuring and aligning professional practices in our projects;
- the development of Group training offers (management workshop, language training) is a lever for the implementation of a shared Group culture.

The training efforts made by the Agency continued to grow, with an over 36% increase in training hours delivered in 2024 compared to 2023.

1) *A dozen training sessions were delivered in the network, in the form of regional training (bringing together several agencies), on a variety of subjects (European financing, procurement, gender, inequalities, accounting environment, fight against fraud, corruption and embezzlement).*
2) *A local agent is hired locally. He/she is an employee of one of the Group's local offices.*
3) *26 themes + 2 conveyor belts: Agriculture; SDG alignment and monitoring of results & impacts; Biodiversity; Citizens, institutions and democracy; Climate; Co-construct the project intervention strategy, and monitor and evaluate it: the logical framework approach; Human rights and development; Water and sanitation; Blue economy and ocean; Education; Entrepreneurship and inclusive economy; Financing the medico-social sector in overseas regions; Real estate and development; Gender and development; Governance of public companies; Cultural and creative industries; Multidimensional inequalities; Incorporating sustainable development issues into dialogue with AFD's partners; Managing environmental and social risks in operations; Social protection; Disaster risk reduction; Successful projects in vulnerable contexts; Sport and development; Energy transition; Transportation; Sustainable cities; Conveyor belt: Intervening in fragile contexts; social link.*

Expertise France now has a community of occasional in-house trainers and is continuing to modernise and revitalise in-house teaching content in order to develop learning methods and establish new leadership/collaboration practices based on collective intelligence.

Expertise France is fully committed to the deployment of AFD Group Campus, a structure entirely dedicated to the training of both internal and external audiences; the creation of this structure will enable Expertise France to expand its training offering and meet the skills development needs of our operational teams.

2.8.2 Social dialogue and employee relations

Social dialogue is a cornerstone of AFD Group's policy and a driver of fairness, cohesion and commitment amongst employees. Accordingly, the Group has adopted various systems to deal with the risks inherent in employment practices, the lack of internal dialogue on social issues, as well as psychosocial risks.

The AFD (AFD and Proparco) human resources policy prioritises inclusive social dialogue. The corporate social responsibility policy [(1)] adopted by the AFD Board of Directors in 2018, undertakes to strengthen the dialogue with all Group stakeholders and to ensure the harmonised management of human resources.

Four key principles underpin social dialogue within the Group: a constructive dialogue between management and employee representatives; respect for each person's rights; professionalism in negotiations; and the anticipation of social issues. Accordingly, major changes planned within the Group are subject to negotiations and dialogue with trade unions and to procedures for informing and/or consulting with personnel representative bodies.

AFD does not have a branch collective agreement. The employment contracts of AFD staff under French law are governed by a common set of staff regulations. Employees recruited in local offices overseas have an employment contract governed by local staff regulations in the form of a collective agreement or internal regulations and are subject to compliance with the provisions of local law.

Social and Economic Committees are in place at all the institutions that make up the AFD (head office and five overseas departments: Reunion, Mayotte, Guyana, Martinique and Guadeloupe) as well as centrally.

The agreement relating to the operation of the institution's SEC and of the central SEC establishes employee representation as follows:

- a **head office Social and Economic Committee and five local Social and Economic Committees for the French Overseas Departments** collectively represent employees for all matters related to the company's management, economic and financial development, organisation and working conditions, vocational training and social protection. Moreover, they organise social and cultural activities. The Social and Economic Committees also work to ensure the protection and safety of employees, to improve working conditions, and to gather and present to the company all individual and collective employee claims on the application of laws and bylaws;
- a **Central Social and Economic Committee** meets four times a year in ordinary sessions that bring together representatives from the six committees and handles strategic, financial and economic initiatives, as well as the social policy that affects all employees governed by French law. It may also be required to handle matters related to health, safety and working conditions at the central level.

The last professional elections were held in May 2024. Following these elections, the CGT lost its representativeness at company level (head office + overseas departments) and, to date, AFD has four representative trade unions, listed hereafter in order of representation: CFDT, Autonome FO, CFE-CGC, and UNSA.

Moreover, a **Group committee** meets annually, bringing together employee representatives of AFD and its subsidiaries.

With regard to local employees, the Human Resources Department bases its approach on the Common Base, the body of values of AFD Group's social policy, and consolidates its social dialogue with the elected members of the Committee of Representatives of Foreign States (CREE). Created in 2017, the CREE brings together personnel representatives working in AFD or Proparco agencies/offices abroad, whether employees governed by local law (permanent or temporary contract) or service providers (in States where social legislation does not allow direct employment by the Agency). Its creation is consistent with AFD's corporate social responsibility commitments. The last elections were held in 2024.

The work carried out at the CREE covers various topics, for example:

- the introduction of a minimum contribution threshold for education in all our regions;
- the introduction of a minimum period of maternity and paternity leave;
- the introduction of a division manager bonus, thus recognising more clearly the responsibilities assumed;
- the introduction of a minimum holiday period;

In 2024, discussions with the representative trade unions led to signing the following agreements:

- agreement on the CET in French Guiana;
- agreement on compensation, working hours and value-added sharing (NAO);
- agreement to promote the employment and integration of people with disabilities;

1) *https://www.afd.fr/en/ressources/afd-groups-corporate-social-responsibility-policy-2018-2022.*

- amendment relating to the establishment of a committee of Proparco local representatives (CRPP) in the head office SEC, supplementing the agreement on the functioning of the Social and Economic Committees of establishments and the central social and Economic Committee of 6 April 2021;
- agreement on profit-sharing for the 2024, 2025 and 2026 financial years;
- agreement to support caregivers;
- agreement relating to the donation of days.

In 2025, the following negotiations are planned:

- management of jobs and career paths;
- compensation, working hours and value-added sharing (NAO);
- quality of working conditions;
- professional gender equality.

Social dialogue is active. Despite disagreements that may persist, major projects are progressing and agreements are being signed with the trade unions. However, a dispute, which began in 2022, is still under way concerning allegations of obstruction (an appeal to the Court of Cassation is under way after AFD won its case in the first and second tribunals).

Dialogue with employee representative bodies resulted in ten meetings of the Central Social and Economic Committee and 22 meetings of the head office SEC in 2024 (whereas the operating agreement of the SECs provides for only 4 and 11 ordinary meetings per year, respectively).

Equally, Expertise France has always looked to maintain high-quality social dialogue, an essential component in promoting cohesion and a collaborative working environment, and in contributing to the company's economic performance. As such, Expertise France respects the fundamental principles and rights of the International Labour Organization, in particular the freedom of association and the effective recognition of the right to collective bargaining, and therefore considers the social partners to be indispensable relays for understanding, discussing and adapting the action plans implemented in the company.

The Agency has employee representative bodies in accordance with legal provisions, *i.e.* taking into account its workforce.

Thus, a Social and Economic Committee (CSE) was renewed in December 2023 for a new four-year term of office. It includes two committees chaired by the employer:

- the Health, Safety and Working Conditions Commission (CSSCT);
- the Proximity Committee, which answers questions from staff on a bimonthly basis.

In addition, all projects affecting the overall operation of the company are regularly presented and discussed within the SEC, which meets every month.

In 2024, the SEC met 17 times to discuss topics falling within its area of legal competence (strategic orientations, social policy, working and employment conditions, and economic and financial situation, or any other project regarding changes in work organisation).

At the same time, there are four representative trade unions at Expertise France. Collective bargaining with union representatives led to the signing, in 2024, of an agreement on effective wages and working hours, and a collective profit-sharing agreement.

2

2.8.3 Promotion of professional equality and diversity

2.8.3.1 Promotion of professional gender equality

Professional gender equality is a major priority in AFD Group's human resources management policy, which aims to promote diversity and equal opportunities. It is anchored in the Group's values and is an integral part of its corporate social responsibility approach.

A "professional equality" agreement, signed with the social partners, has been in force since January 2021. It reflects the commitment of AFD's management and its elected officials to continue the actions to promote professional equality initiated several years ago and reaffirms their commitment to respect the principle of non-discrimination and equal opportunities for women and men. Guaranteeing professional equality, developing diversity in jobs at all levels and in different functions, and promoting gender parity represent a source of progress and overall performance, both economically and socially. These commitments are consistent with the approach initiated by the Group in terms of its operations by making the theme of gender a lever for achieving the SDGs.

The new agreement identifies the following professional equality priorities for the Group:

- access to employment;
- promotion and professional development;
- equal pay;
- work organisation, work-life balance;
- training and awareness-raising on professional equality;
- action in the fight against domestic violence.

AFD has thus set itself ambitious targets in these various areas.

Notably, it achieved its targets for female expatriates (more than 40%) and at the managerial level (more than 50%).

Moreover, AFD signed company agreements on caregivers and the donation of leave days in order to best support caregiver employees in their professional lives.

In addition to work conducted previously, efforts to combat gender-based and sexual violence were continued. A system for reporting and dealing with situations that may arise has been deployed and widely communicated.

Training in discrimination-free recruitment is compulsory for hiring managers.

AFD's efforts concerning professional gender equality were recognised when it received the AFNOR [1] label on professional equality in July 2021, which was confirmed by a mid-cycle audit in July 2023.

AFD published its gender equality index on 1 March 2024 using 2023 data, in accordance with the law on the freedom to choose a professional future (2018). This index stood at 92 points out of 100. The pay gap between women and men has narrowed since it was 2.1% in favour of men for 2023, mainly due to the difference observed at managerial level.

Professional equality at Expertise France

Expertise France recognises the importance of professional gender equality, and strongly believes that all employees deserve fair and impartial treatment, regardless of their gender. As part of its ongoing approach to promoting gender equality, Expertise France has a set of protective measures for its employees in all areas of work, as well as legal and regulatory systems for monitoring compliance with its commitments. Thus, support for parenthood, support for female employees returning from maternity, equal access to promotion and training, and work-life balance, are all topics covered by the Agency. Gender equality remains a cross-cutting objective that irrigates the social policies carried out and developed by the Agency, notably the ones addressing pay and parenthood, the creation of a system for dealing with situations of harassment at work, the internal awareness-raising actions, etc.

A so-called "resonance" group made up of Agency employees, was set up in 2024 to provide ideas and recommendations on these themes. Moreover, every year, Expertise France publishes the results of its Professional Equality Index on its website. The Agency obtained a score of 99 out of 100 in 2024, thus demonstrating its exemplary performance in this area.

2.8.3.2 Promoting diversity within teams

The issue of diversity is at the heart of AFD Group's action and human resources policy, with 85 local offices and 17 Regional Directorates worldwide. The teams of women and men at the head office and on the ground are diverse, plural, multicultural and multi-generational.

AFD has been implementing a structuring approach to promote diversity and inclusion since 2019, which was recognised when it obtained the Afnor diversity label in July 2021, which was confirmed by a mid-cycle audit in July 2023. In this context, only the direct employment rate including AFD and temporary hires is taken into account for the calculation of the employment rate. Thus, people with disabilities represented 4.06% of the total headcount in 2023. It is therefore in this context that AFD has continued its actions: awareness-raising, training, use of an external listening unit, participation in an inclusion barometer. A discrimination risk map was drawn up by a specialist consultancy to analyse all HR processes and ensure that they do not give rise to any discrimination risks, even indirect ones.

In November 2024, Mission Handicap proposed various initiatives, as part of the European Week for the Employment of People with Disabilities: participation in the Paris Employment Fair, facilitation around a game broadcast by Agefiph, stands at the various Parisian sites of AFD Group, communication on the new Disability agreement. This agreement, signed in May 2024, aims to promote the employment of people with disabilities.

Work is being carried out in conjunction with AFD's existing collectives (Monde en communes, Pride, Aidants, Kult4D). In this context, the HR Department backed a mentoring programme provided by Monde en communes, offering women the opportunity to be assisted in their professional development and their position at work by a more experienced colleague. In 2024, this mentoring programme benefited from workshops led by a coach working with pairs of women (mentees/mentors).

AFD, which signed the l'Autre Cercle charter in June 2022, continued its commitment to the inclusion of LGBT+ people.

The partnership with the Article 1 association aims to promote the professional integration of young people through coaching, mentoring and workshops.

The management training programme includes a section dedicated to discrimination, diversity and inclusion, as well as a component on raising awareness of harassment and gender-based violence.

At the end of 2024, the Campus conducted a reflection on ordinary sexism, with a view to designing a training course for managers.

A *benchmark* on diversity issues was carried out in the last quarter of 2024, and contacts were made with the Diversity, Equality and Inclusion managers of various institutions and partners (World Bank, KfW, EIB, EBRD, Ministry of Foreign Affairs, CDC, BEI, IDB) aimed at learning from each other on these topics.

Issues related to single parenthood and its impacts on the professional lives of the people concerned were the subject of reflection at the HR Department, with a view to discussions with union representatives to better take these situations into account in their diversity.

Promoting equal treatment with respect for diversity at all stages of human resources management is also at the heart of Expertise France's commitments. Aware that diversity is an asset for the Company's sustainable performance, the Agency works to combat discrimination, and endeavours to promote inclusion and equal opportunities.

1) *Association française de normalisation.*

Expertise France recognises the importance of professional gender equality and strongly believes that all employees deserve fair and impartial treatment regardless of their gender. As part of its ongoing approach to promoting gender equality, Expertise France has a set of protective measures for its employees in all areas of work, as well as legal and regulatory systems for monitoring compliance with its commitments. Thus, support for parenthood, support for female employees returning from maternity, equal access to promotion and training, and work-life balance, are all topics covered by the Agency. Gender equality remains a cross-cutting objective that permeates the social policies carried out and developed by the company, in particular the ones addressing pay and parenthood, the creation of a system for dealing with situations of harassment at work, the internal awareness-raising actions.

Furthermore, every year, Expertise France publishes the results of its Professional Equality Index on its website, results which highlight its exemplary performance in this area.

With regard to disability integration, the Human Resources Department has a Disability Officer who implements a series of actions.

2.8.4 Quality of employee working conditions and safety

AFD Group strives to ensure high-quality working conditions and the safety of individuals.

The health crisis has led to a profound change in operating methods, particularly with the considerable development of remote working. This required significant efforts to adapt and support staff. All actions were aimed at preserving the safety of people, avoiding the occurrence of any risks and developing well-being at work.

2.8.4.1 Quality of working conditions

In terms of quality of life at work, AFD continued to implement the agreement signed in 2020. The Human Resources Department maintained its efforts to deploy psychosocial risk prevention systems, support for difficult situations and optimise the functioning of the unit monitoring suffering at work. All internal and external prevention players (managers, HR managers, social partners, occupational health services, psychologists, the mediator) were mobilised to provide the best possible support to all employees.

A new system for reporting and handling situations of moral harassment, discrimination and gender-based and sexual violence was implemented. A generic mailbox is accessible to all employees of the head office and the network and a processing process was defined, committing to not leaving any situation unanswered. Communication actions aimed at highlighting this system were carried out.

The risks in relation to remote working were regularly identified and the DUERP (Single Occupational Risk Assessment Document) was updated accordingly and presented to the social partners.

A new agreement on teleworking was signed and implemented as of 1 June 2023. This new innovative system provides for an annual fixed rate of teleworking days and the definition of teleworking charters within each structure. These charters aim to lay the foundations for an efficient and smooth collective operation for all.

As workload is regularly mentioned as a risk factor, the Human Resources Department has designed, in collaboration with the department in charge of internal transformation, a workload assessment and regulation tool. The working environment can now be analysed, which serves as a basis for team discussions to define an action plan. This tool is gradually being rolled out at structures that wish to reflect on their mode of operation. In addition, an approach aimed at optimising the effectiveness of meetings at AFD was implemented by proposing a common methodology for meeting facilitation.

In 2024, an agreement for caregivers was signed. It aims to provide caregiver employees with support measures and systems to give them the means to preserve their professional activity and make their daily lives easier. Equally, an agreement on the donation of leave days was signed in order to provide employees, notably caregivers who need them, with additional days of rest thanks to a solidarity fund.

Significant work was carried out to redesign the Guide for caregiver employees. It aims to better understand and highlight all the support systems that exist to meet the needs of fellow caregivers.

Actions to develop social cohesion and employee commitment are also implemented. "Random lunches", intended to promote discussion, meet new colleagues and share the knowledge of the various entities, are held every month.

The Sports and Cultural Association of the SEC also actively participates in the development of social cohesion through the many sports and cultural activities offered. Through its actions, the SCA greatly promotes staff meetings and social cohesion. 816 employees took part in SCA activities in 2024.

A special effort was made to promote soft mobility. The sustainable mobility package (FMD) was implemented and significantly increased so that AFD's contribution to the cost of soft mobility is equivalent to the cost of public transport.

Action plans aimed at improving quality of life at work, as part of the social barometer launched in 2023, were continued within the various executive departments. These discussions informed the definition of the Cap 27 corporate plan, notably as part of the “Working together better” programme.

2.8.4.2 Staff security

The security of AFD Group's people and property is based on several internal policies and texts which have been regularly updated since 2021 to take account of changes at the Group; in particular the General Crisis Management Plan was validated at the end of 2023 and the Agency Security Policy (PSAG) was validated at the end of 2024. These texts cover activities in France and abroad (Group security policy [PSEC] – local office security policy); they are brought to the attention of all Group employees and representatives and can be consulted on the Group's intranet.

In addition, the Group has an international security management system, led by the department in charge of safety, which is regularly audited by AFD's General Inspection Department. This system, pursuant to the international security risk prevention strategy (2017), positions the Regional Directorates at the heart of the system. This makes it possible to better take into account the diversity of security situations in the network,and to have a system that is as adapted as possible to the security situations concerned, guaranteeing responsiveness in the event of an incident, whatever its severity.

In addition to the security standards and the process to secure travel abroad – updated in 2023 for a better understanding of our local offices – AFD has deployed human resources exclusively devoted to network backup. Regional security advisors, some of whom are located within the Regional Directorates (one with the Greater Sahel Regional Directorate in Dakar and the other with the Middle East Regional Directorate in Amman) – are available to the Regional Directorates at all times to ensure constant vigilance on security and to dynamically adapt local means of protection. Security advisors also help to strengthen the safety culture in the field and take part in AFD's crisis units.

The security lead located at the head office coordinates the entire system and ensures it is consistent across the Board. It sets up a permanent monitoring system based on a regular monitoring unit, which meets every two months.

Since 2022, the security training and awareness-raising efforts have been stepped up at the head office and in the network. All newly-arrived employees are made aware of AFD's security issues and how the protection measures they use work on a daily basis; special attention is paid to international volunteers in administration (VIA) who generally have less field experience. The regional directors were systematically trained in their specific responsibilities in terms of security.

In order to raise staff awareness of international security risks, the department in charge of security has introduced a series of compulsory e-learning sessions prior to any departure on mission: depending on the risk in the AFD staff member's destination region, the traveller will have to follow one or more modules containing simulated situations.

Since December 2023, following the change of publisher for the travel tracking solution, travellers must now follow three modules:

- travel to low-risk countries: 722 employees validated this module in 2024;
- travel to countries of proven risk: 612 employees validated this module in 2024;
- travel to high-risk countries: 316 employees validated this module in 2024.

In addition, AFD strengthened its "mission risk management" training system (Hostile Environment Awareness Training): sessions organised in France, mainly *via* specialised trainers, made it possible to train:

- a total of 241 employees in 2024, *i.e.* twice as many as in 2023;
- 179 employees at the head office;
- 62 employees in the network over 15 sessions.

In addition to the traditional security crisis management system, AFD strengthened its EBCP (Emergency and Business Continuity Plan) following the Covid-19 health crisis. This plan is intended to ensure the continuation of business in the aftermath of a disaster of low likelihood but with critical impact. AFD's continuity system covers four perfectly identified types of claims: the total or partial unavailability of one of the Parisian offices (AFD or Proparco); the simultaneous unavailability of the two Paris offices; the unavailability of the hosted information system; and the unavailability of a significant portion of the Group's staff.

All these provisions relating to employee health were discussed at length with the employee representative bodies and included in the Single Occupational Risk Assessment Document (DUERP) updated in November 2024.

Security at Expertise France

The main mission of the Operational Security Department is to ensure the security of the activities carried out by Expertise France across its field of activity. This includes the protection of people and assets and the preservation of operational continuity. To achieve this objective the Operational Security Department implements global security strategies, develops anticipation and response plans, ensures the deployment of specific security measures, and works closely with the various operational units. In addition, the Operational Security Department ensures an effective chain of command, promoting the decentralisation of the organisation on the ground and subsidiarity in decision-making. It also provides ongoing staff training and crisis management, and contributes to innovation in relation to security.

Employee safety is a major concern at Expertise France. To ensure their protection and minimise the risks to which they may be exposed, several essential obligations have been identified. These obligations are implemented collectively and form the basis of the mission of the Operational Security Department.

The obligations of Expertise France in terms of security are as follows:

a. Training is one of the pillars of the safety approach. We are committed to providing our employees with the knowledge and skills necessary to address the specific risks they may face. This includes raising awareness of risk situations, and training in safety procedures, first aid and emergency management. In 2024, 379 people were trained over 21 sessions organised (nine 'Level 2 Field Safety'" sessions and 12 "Level 1 Field Safety" sessions);

b. Information also plays a fundamental role in our security approach. Expertise France's Operational Security Department provides clear, precise and up-to-date information on the risks and security measures to be adopted. This enables our employees to understand the specificities of their working environment and to take appropriate precautions;

c. Operational support and technical support are a central requirement in the security process. With its extensive expertise in the security challenges of our regions of operation, the Operational Security Department must be mobilised from the initial phase of the project construction process (security support meeting, preparation of the security budget, technical support). The provision of this expertise is continuous and comprehensive;

d. The monitoring obligation : in order to have an accurate and up-to-date understanding of the staff and the location of our deployed or missionary personnel. This obligation involves maintaining an effective tracking system that allows us to know the whereabouts of our employees at all times. This includes regularly updating information on their location, planned travel, site changes, holidays and returns. By knowing the location of our employees at all times, we are able to react quickly where necessary, to coordinate security operations and to take appropriate measures to ensure their protection;

e. Anticipation is also a key element of our security approach. We strive to anticipate potential risks by continuously assessing the environments in which we operate. This includes security monitoring to keep abreast of developments, trends and events that could have an impact on the safety of our employees, as well as security planning to develop preventive strategies and action plans;

f. Intervention. In the event of an incident or emergency, the Operational Security Department is tasked with responding quickly and effectively with the operational staff concerned. We have clear procedures and response mechanisms to ensure the security of our employees and take appropriate measures in most crisis situations;

g. Capitalisation. Capitalisation and feedback are an essential obligations of the security approach. We continually learn from our past experiences and strive to improve our security measures by building on the lessons learned.

2.8.4.3 Management of specific digital risks

The risks related to malicious acts that could affect the information systems are a permanent concern for AFD. To control them, AFD has set up a management system based on two lines of defence. Cybersecurity governance is entrusted to the Security Department, which is responsible for ensuring proper risk management and supporting IT developments in terms of cybersecurity. Day-to-day operations, incident management and technical developments related to cybersecurity are entrusted to the IT systems department. This organisation and the associated resources are governed by the Information System Security Policy (ISSP) validated by AFD's Executive Management and approved by its Board of Directors. The implementation of this ISSP is regularly checked and audited as part of AFD's internal control. The measurement of the effectiveness of the ISS system is reported through the risk appetite framework.

In addition to recurring IT security actions, in 2022, AFD adopted its new Information System Security (IS) master plan for the next five years. This highly ambitious programme will enable AFD to safeguard its ambitions of digital openness towards its customers, beneficiaries and partners.

With regard to the management of risks relating to the protection of personal data, the system implemented is as follows:

- a Personal Data Protection Officer, assisted by a full-time assistant, pooled to manage the Group's compliance with the General Data Protection Regulation (GDPR) and all other personal data protection regulations applicable at our local offices, as well as a network of focal points and an IT tool to facilitate this management (notably mapping of data processing and monitoring of compliance projects) and to conduct monitoring internationally;
- a data protection governance based on an internal policy and procedures governing the procedures for monitoring compliance, the management of data breaches and requests from the persons concerned;
- regular awareness-raising and training, including mandatory e-learning for all employees, as well as guides, models, etc.;
- in 2024, 3,831 users (internal and external) of the AFD/ Proparco IS completed the two e-learning training courses relating to cyber security
- regular second-level controls (Data Protection Officer [DPO] and permanent control) and third level (internal audit).

2.8.5 The ethics system and mediation

AFD Group is well aware of the strong demands associated with its public service mission in the French Overseas Departments and Collectivities as well as in Foreign States, and in 2004 decided to put in place an ethics system. This consists of a Charter, an Ethics Board and an Advisor.

Written in 2004, updated in 2012 and revised in 2022, the Ethics Charter merged with Expertise France Charter to create a Group Charter that was signed by the three Chief Executive Officers (AFD, Proparco, Expertise France) on 15 April 2022. It sets a common ambition, behavioural benchmarks and commitments consistent with its threefold status as a public institution, a financial institution and a development agency. The Charter "aims to reinforce the identity, unity and performance of the Group [...] and also to protect the Group and its employees against any reputational risk" (Article 1). It applies to all Group employees, regardless of their profession, hierarchical position, assignment or status. It promotes commitment, integrity, openness, adaptability and respect as the Group's five key values (Articles 11 to 16). A copy of the Charter is given to new recruits when they sign their employment contract.

The Ethics Committee was replaced in June 2022 by an Ethics Board, with a different role and composition, as part of the new guidelines relating to the ethics system implemented in 2022 at Group level. These guidelines, which clarify the place of ethics alongside the compliance function, emphasise the links between ethics and individual and collective questioning around our values and our rules.

The representative and independent Ethics Board is invited to clarify, through Ethics Dialogue, certain sensitive issues for the attention of the Group as a whole.

The ten members of the Ethics Board were appointed in August 2022 after being chosen at random from among the Group's employees (AFD, Proparco, Expertise France) as follows: six women/four men, eight executives/two non-executives, seven head office employees/three network employees, seven AFD employees/two Expertise France employees, one Proparco employee.

Over 2024, the Ethics Board met four times remotely on 14 February, 26 April, 21 June and 29 November, and once in person at its annual seminar from 25 to 27 September 2024.

It organised an internal poll entitled "the Group operates in countries where human rights are not respected: for whom and why is this a dilemma?" sent to the Group in January 2024. This questionnaire received 316 responses (82% from AFD employees, 10% from Proparco employees and 7% from EF employees; over a third of the total number of participants were network employees).

It led an "Ethics" workshop on 8 January on the theme: "With or without a Colonial past: what does that change?". It organised two "Ethics Cafés" where discussions feed into the Ethics Board's reflections and contribute to its proposals and recommendations, on topics such as: "When we can no longer intervene: what to think, what to understand, how to act?" (in hybrid format on 21 March), or "Do you have ethical questions in the context of your activity? The members of the Ethics Board are waiting for you in order to present their work and their challenges, and to respond to any questions you might have" (in hybrid format on 27 September).

The Ethics Advisor runs training and awareness-raising sessions for new employees, international volunteers or staff soon to be posted within the network. She led 23 internal sessions on ethics and mediation in 2024, reaching 410 AFD employees working at AFD or Proparco, both at head office and in the network [1]. These sessions are organised according to the on-boarding pathways for newcomers, which explains the changes in the figures from one year to another.

As regards the network, its interventions are made by videoconference or as part of assignments. In 2024, an assignment to an agency was carried out by the external mediator during which she led a training course on "Understanding each other in the workplace".

Three podcast episodes hosted by members of the Ethics Board were made in June: Episode 1 "How to act in countries where human rights are not respected?"; Episode 2 "What to do if I don't agree… and if it's a political order?"; Episode 3 "Officials governed by French law and local employees: what ethical issue?".

The Ethics Advisor participated in a workshop on Ethics and authoritarian countries in January 2024. She welcomes, listens and gives confidential advice to all head office and network employees who wish to talk about a problem or have a question about ethics (51 consultations in 2024 [2]). A decrease was observed in the number of consultations compared to the previous two years; this was partly due to the multiplication of "ethics cafes" where employees were able to discuss the subjects that caused them problems, which limited the need for bilateral consultations.

The Ethics Advisor meets regularly with the Executive Management of the Group's three entities and with the members of the Executive Committee. In addition, she oversees AFD's environmental and social complaints management system, which is managed by a Secretariat located within the Strategy Department. Her role is to ensure the independence of the system and take into account the protection of the claimant, where applicable.

Lastly, since January 2019, the Ethics Advisor has been the entry point for the Group's whistleblowing system, which now includes Expertise France (since 2022).

Since September 2020, the ethics function has been performed jointly with that of internal mediator.

Through its positive and constructive educational methodology, the ethics approach strives to be attractive and engaging, and seeks to sharpen individual and collective questioning as well as everyone's responsibility in understanding and implementing the Group's values.

1) 38 sessions on ethics and mediation (including 12 in the network) were conducted in 2023, reaching 726 employees.
2) 136 consultations in 2018, 184 in 2019, 112 in 2020, 44 in 2021, 87 in 2022 and 84 in 2023.

2.9 Report of one of the Statutory Auditors, appointed as an independent third party, on the verification of the consolidated nonfinancial statement

Year ended December 31 2024

This is a free English translation of the Statutory Auditor's report issued in French and is provided solely for the convenience of Englishspeaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Board of Directors,

In our capacity as Statutory Auditor of your company (hereinafter the "Entity") appointed as independent third party, and accredited by the French Accreditation Committee (COFRAC) under number 31884, we have undertaken a limited assurance engagement on the historical information (observed or extrapolated) in the consolidated nonfinancial statement, prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2024 (hereinafter, the "Information" and the "Statement" respectively), presented in the Group's management report pursuant to the legal and regulatory provisions of Articles L. 225 1021, R. 225105 and R. 2251051 of the French Commercial Code (code de commerce).

Conclusion

Based on the procedures we performed as described under the "Nature and scope of procedures" paragraph and the evidence we obtained, nothing has come to our attention that causes us to believe that the consolidated nonfinancial statement is not prepared in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects..

Preparation of the nonfinancial performance statement

The absence of a commonly used generally accepted reporting framework or of a significant body of established practices on which to draw to evaluate and measure the Information allows for different, but acceptable, measurement techniques that can affect comparability between entities and over time. Consequently, the Information needs to be read and understood together with the Guidelines, summarized in the Statement and available on the Entity's website or on request from its headquarters

Responsibility of the entity

Management of the entity is responsible for:

- selecting or establishing suitable criteria for preparing the Information,
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main nonfinancial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators,
- preparing the Statement by applying the entity's "Guidelines" as referred above, and designing, implementing, and maintaining internal control over information relevant to the preparation of the Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the Statutory Auditor, appointed as independent third party

Based on our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of &rticle R. 225-105 of the French Commercial Code
- the fairness of the historical information (observed or extrapolated) provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e., the outcomes of policies, including key performance indicators, and measures relating to the main risks.

As we are engaged to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information as doing so may compromise our independence.

It is not our responsibility to report on:

- the entity's compliance with other applicable legal and regulatory provisions,
- the compliance of products and services with applicable regulations.

Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with Articles A. 2251 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) applicable to such engagements, in particular the professional guidance issued by the Compagnie Nationale des Commissaires aux Comptes, "Intervention du commissaire aux comptes - Intervention de l'OTI - Déclaration de performance extrafinancière", acting as the verification program, and with the international standard ISAE 3000 (revised) (1).

Independence and quality control

Our independence is defined by the provisions of Article L. 82128 of the French Commercial Code and the French Code of Ethics for Statutory Auditors (Code de déontologie) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement

Means and resources

Our work involved the skills of four people and took place between November 2024 and April 2025, with a total intervention duration of three weeks.

We engaged our specialists in sustainable development and corporate social responsibility to assist us in our work. We conducted about ten interviews with the individuals responsible for preparing the Statement.

Nature and scope of procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the information is likely to arise.

The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the information:

- We obtained an understanding of all the consolidated entities' activities, and the description of the main related risks;
- We assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, taking into account, where appropriate, best practices within the sector;
- We verified that the Statement includes each category of social and environmental information set out in article L. 2251021 III of the French Commercial Code, and includes, where applicable, an explanation for the absence of the information required under article L. 2251021 III, paragraph 2 of the French Commercial Code;
- We verified that the Statement provides the information required under article R. 225105 II of the French Commercial Code, where relevant with respect to the main risks;

1) *ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information*

- We verified that the Statement presents the business model and a description of main risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with its business relationships, products or services, as well as policies, measures and the outcomes thereof, including key performance indicators related to the main risks,
- We referred to documentary sources and conducted interviews to
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the main risks and the policies presented,
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in the Appendices. Our work was carried out at the consolidating entity's headquarters
- We verified that the Statement covers the consolidated scope, i.e. all the entities within the consolidation scope in accordance with Article L. 23316 of the French Commercial Code, within the limitations set out in the Statement;
- We obtained an understanding of internal control and risk management procedures the entity implemented, and assessed the data collection process aimed at ensuring the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important, presented in the Appendices, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - tests of details, using sampling techniques, in order to verify the proper application of definitions and procedures and reconcile the data with supporting documents. This work was carried out at the entity's headquarters and covers between 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities' activities.

The procedures performed in a limited assurance review are less in extent than for a reasonable assurance opinion in accordance with the professional guidance of the French Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes), a higher level of assurance would have required us to carry out more extensive procedures.

Paris la Défense, le 23 avril 2025

KPMG S.A.

Valéry Foussé

Partner

Appendix

Qualitative information (activities and results) considered to be the most important
Group policy on personal and property safety
Equal opportunity policies and results
Employee skills development policy
Long-term scenario analysis tool to support project management
Corruption risk assessment procedure for suppliers
Awards received for the Group's commitment to transparency
Systems in place to ensure proximity to customers
Partnership actions for European aid
Sustainable development rating systems for Group projects
Biodiversity roadmap
Raising employee awareness of human rights issues in the context of Group activities
Integration of citizen participation in project construction
Support and capacity-building for customers and counterparties to integrate the SDGs into their own practices

Key performance indicators and other quantitative results considered most important
Workforce at 31/12 and breakdown by gender
Number of e-learning "safety" training sessions
Number of face-to-face safety training sessions and number of participants
Overall training effort
Social barometer indicator of well-being at work
Number of sustainable development training courses attended
Greenhouse gas emissions avoided
Number of consultations with ethics advisor
Percentage of sovereign and non-sovereign financing published in IATI format
Number and amounts of AFD projects subject to environmental and social risk assessments Number and amount of Proparco projects subject to environmental and social risk assessments Number of claims received by the claims management mechanism
Financing volume marked CAD1 and CAD2
Workforce at 31/12 and breakdown by gender
Number of e-learning "safety" training sessions

3

Report on corporate governance and internal control

3.1 Report on corporate governance

This report on corporate governance was prepared by the Board of Directors pursuant to the last paragraph of Article L.225-37 of the French Commercial Code.

3.1.1 Separation of the functions of Chairperson and Chief Executive Officer

In accordance with the transposition of the European Parliament and Council directive 2013/36/EU of 26 June 2013 ("CRD IV") by Order No. 2014-158 of 20 February 2014, by Decree No. 2014-1315 of 3 November 2014 and by Decree No. 2014-1316 of 3 November 2014, AFD, as a financing company, separates the functions of Chairperson of the Board of Directors and Chief Executive Officer (CEO).

At 31 December 2024, Executive Management [1] was as follows:

	AFD position appointment	Other mandates and positions
Rémy Rioux	Chief Executive Officer (CEO) For three years, decree of 26 September 2022 published in the JORF (government gazette of the French Republic) on 27 September 2022	Proparco: • Director, Chairperson of the Board of Directors. Expertise France: • Chairperson of the Board of Directors. International Development Finance Club (IDFC): • Vice-President. Académie des sciences d'Outre-mer: • Permanent member of the second section since 01/10/2021. Olympism365: • Member of the Board of Directors – Member of the "Public Affairs and Social Development through Sport" commission. La France s'engage: • Director.
Marie-Hélène Loison	Chief Operating Officer For an indefinite period, AFD/DGL Instruction Notes NI-2021-46 of 9 June 2021 and NI-2021-55 of 17 June 2021	• Director of Proparco.
Bertrand Walckenaer	Chief Operating Officer For an indefinite period, AFD/DGL Instruction Notes NI-2021-46 of 9 June 2021 and NI-2021-55 of 17 June 2021	Proparco: • Director, Vice-President of the Board of Directors; • Chairperson of the Investment Advisory Committee; • Chairperson of the Proparco Appointments Committee. Fisea: • Permanent representative of AFD, shareholder, director; • Chairperson of the Board of Directors and Chairman of Fisea. Expertise France: • Representative of AFD on the Board of Directors of EF as an observer. Cirad: • Director.

Chief Executive Officer: Rémy Rioux

A Senior Member of the Auditor General's Department, Rémy Rioux has held positions in France in the service of development and of Africa.

As Director of the Office of the French Minister of the Economy, Finance and External Trade from 2012 to 2014, he took part in the work to consolidate the public accounts and on the competitiveness of the French economy.

In 2014, he was appointed Deputy General Secretary at the Ministry of Foreign Affairs and International Development. He was at the heart of economic diplomacy policy. He also coordinated the "finance" agenda for the French presidency of COP21, up to the final negotiation of the Paris Climate Agreement.

In June 2016, he was appointed to the management of the Agence Française de Développement Group and was reappointed for a second term in 2019 and a third term in 2022. He also chaired the International Development Finance Club from 2017 to 2023, and currently serves as its Vice-President.

Chief Operating Officer: Marie-Hélène Loison

Marie-Hélène Loison is a graduate of the Institut d'Études Politiques de Paris and of the School of Advanced International Studies in Washington DC.

1) *The Chief Executive Officer and the Deputy Chief Executive Officer are effective managers within the meaning of Article L.511-13 of the French Monetary and Financial Code.*

She began her career in 1996 at Société Générale, in export financing. She joined the AFD Group in 2000, at Proparco, AFD's subsidiary in charge of private sector financing, initially as an account manager to structure financing in the agribusiness, health and tourism sectors. She then joined the equity team, of which she became the head in 2008 in order to structure and develop its activity. In 2011, she became Deputy Chief Executive Officer of Proparco in charge of operations, at the head of a department of around a hundred people in France and abroad. There, she developed the activity, reviewed the strategy and contributed to a capital increase of €200M.

In 2015, she joined AFD as Director for the Mediterranean, overseeing a network of local offices in eight countries of operation. She initiated the development of activities in the Western Balkans and adapted activities in the Middle East in response to the Syrian crisis. She was appointed Executive Operations Director in September 2018, managing 1,500 people in charge of approximately €10bn in loans per year. There, she notably oversaw the creation of 17 Regional Directorates to decentralise management.

She took up her duties as Chief Operating Officer on 8 July 2021.

Chief Operating Officer: Bertrand Walckenaer

Bertrand Walckenaer, who took up his position as Deputy Chief Executive Officer on 8 July 2021, had been, since February 2019, Chief Operating Officer of Agence Française de Développement. He was previously Head of the cabinet of the Secretary of State under the Finance Minister. Prior to that, he spent ten years at the Treasury (between 2005 and 2017), where he held a range of business-related positions: industrial restructuring, financing of aerospace exports, monitoring of foreign investments. He also represented the State on the Boards of Directors of Bpifrance, La Poste and CNP Assurances in 2016 and 2017. During this period, he spent two years at the Ministry for Foreign Affairs (2014-2016), as vice head of the cabinet of the Secretary of State for Foreign Trade. Finally, for one year Bertrand Walckenaer was technical director at the Pouma bush hospital in Cameroon (2010). He is a graduate of AgroParisTech and an international affairs graduate of Université Paris-Dauphine.

3.1.2 Executive Committee

Members of AFD's Executive Committee are appointed by the Chief Executive Officer (CEO). In 2023, in addition to Rémy Rioux, Chief Executive Officer, the following people are members of the Executive Committee:

- the Chief Operating Officer (COO): Marie-Hélène Loison;
- the Chief Operating Officer (COO): Bertrand Walckenaer;
- the Geographies Executive Director: Philippe Orliange;
- the Sustainable Development Solutions Executive Director: Laurent Biddiscombe;
- the General Secretariat Executive Director: Sylvie Boyer;
- the Finance Department Executive Director: Bokar Cherif;
- the Human Resources Executive Director: Julien Seillan;
- the Chief Risk Officer: Dominique Heurtevent;
- the Compliance Executive Director: Anne Muxart;
- the Strategy, Partnerships and Communication Executive Director: Papa Amadou Sarr;
- the Innovation, Strategy and Research Executive Director: Thomas Melonio;
- the Chief Executive Officer of Proparco: Françoise Lombard;
- the Chief Executive Officer of Expertise France: Jérémie Pellet;
- the Head of the General Inspection Department: François Parmantier.

3.1.3 The Board of Directors

3.1.3.1 Composition of the Board of Directors

In accordance with Article R.515-17 of the French Monetary and Financial Code, the Board of Directors includes the following members, aside from its Chairperson:

- five members representing the French State;
- four members appointed for their expertise in economic and financial matters;
- one member appointed for his expertise in ecological and sustainable development issues;
- one member appointed for their expertise in migration matters;
- four members of Parliament (two deputies and two senators);
- two elected representatives of AFD's staff.

Each member of the Board of Directors can be substituted by an alternate, who is appointed under the same conditions as the permanent member, in the event of a scheduling conflict or absence.

The Chairperson of the Board of Directors is appointed by presidential decree based on the report of the French Minister in charge of the Economy, the French Minister in charge of Cooperation, the French Minister in charge of the French Overseas Departments and Collectivities and the French Minister in charge of Immigration. The age limit applicable to the Chairperson of the Board of Directors is 70 years of age. He or she casts the deciding vote in the event of a tie. If the Chairperson is absent, he or she is replaced by the eldest of the State representatives.

Members of the Board of Directors have a three-year term. However, the term on the Board of Directors of members of Parliament ends when they cease to be members of the assemblies to which they were elected. Members of the Board of Directors are not paid.

AFD strives to better meet the principle of balanced representation of women and men on the Board, in particular when appointing directors. At the end of December 2024, there were 34 members, including 25 who had been duly appointed (14 permanent and 11 alternate), 13 were women (six permanent and seven alternate directors), representing 43% of the permanent positions.

At 31 December 2024, the Board of Directors had the following members:

Director	Term on the Board appointment	Address	Current position Other offices held
Philippe Le Houerou	Chairperson Decree published on 10/01/2022	Agence Française de Développement 5, rue Roland-Barthes 75598 Paris Cedex 12	• Chairperson of the AFD Board of Directors • Consultant at the African Development Fund (ADF) of the African Development Bank
Members representing the French State (5)			
William Roos	Permanent 10/05/2024	Ministry of the Economy and Finance Directorate General of the Treasury 139, rue Bercy 75572 Paris Cedex 12	Head of the "Multilateral and Development Affairs" team at DG Treasury • Member of the Board of Directors of AFD • Member of the Board of Directors of FERDI • Member of the Board of Directors of Banque des États d'Afrique Centrale • Member of the Board of Governors of Banque de développement d'Afrique centrale • Member of the Board of Governors of Fida (International Fund for Agricultural Development)
Shanti Bobin	Alternate 20/11/2023	Ministry of the Economy and Finance Directorate General of the Treasury 139, rue Bercy 75572 Paris Cedex 12	Deputy Head of Multilateral Financial Affairs and Development • Alternate Member of the Board of Directors of AFD • Permanent Member of the Board of Directors of Expertise France • Member of the FID Management Board • Chairperson of the FGEF (French Global Environment Facility) Steering Committee • Observer member for DG Treasury on the Board of Directors of IDDRI
Louis Pasquier de Franclieu	Permanent 16/04/2024	Ministry of the Economy and Finance Directorate General of the Treasury 139, rue Bercy 75572 Paris Cedex 12	Deputy Head of the Budget Department • Director at the AEFE (Agency for French Education Abroad) • Director of GIE PMU • Alternate Director on the Board of Directors of Ofpra • Member of the Board of Directors of OFII *Other than PMU, these are not companies but public institutions.*
Vacant	Alternate		Awaiting appointment by decree
Vacant	Permanent		Awaiting appointment by decree
Patrick Lachaussée	Alternate 06/02/2024	Ministry of Europe and Foreign Affairs 27, rue de la Convention 75732 Paris Cedex 15	Director of Management and Strategy • Member of the non-profit group "Memoires", an association under Swiss law, based in Geneva, of which he is one of the founders and the honorary chairman without voting rights.
Emmanuelle Blatmann	Permanent 06/02/2024	Ministry of Europe and Foreign Affairs 37, quai d'Orsay 75007 Paris	Head of Africa and the Indian Ocean • No other office or function
Myriam Saint-Pierre	Alternate 08/10/2024	Ministry of Europe and Foreign Affairs 37, quai d'Orsay 75007 Paris	Deputy Director of the Asia-Oceania Department • Deputy Head of Human Rights and Humanitarian Affairs, at the United Nations, International Organisations, Human Rights and La Francophonie Department (September 2022 to November 2023) • Number two position (first counsellor) of the French embassy in Indonesia, East Timor and with ASEAN in Jakarta (August 2019 to the end of August 2022)

Director	Term on the Board appointment	Address	Current position Other offices held
Olivier Jacob	Permanent 18/10/2023	Ministry of French Overseas Departments and Collectivities 27, rue Oudinot 75007 Paris	Prefect, Chief Executive Officer of the French Overseas Departments and Collectivities • National Agency for Territorial Cohesion (ANCT), permanent member of the Board of Directors • French Authority Qualified in Information Systems Security (AQSSI) • Coast Guard Steering Committee, ex-officio member • Committee for the Management of Public Service Charges for Electricity (CGCSPE), permanent member • Inter-sector Commission for Extended Producer Responsibility (CiFREP), permanent member of the French State body • Advisory Council of Municipal Policies (CCPM), permanent member • French Antilles-French Guiana Interport Coordination Council (CCIAG), permanent member • National Council for Access to Personal Origins (CNAOP), permanent member • High Council of Seafarers (CSGM), permanent member • High Council for Guidance and Coordination of the Agricultural and Food Economy (CSO), permanent member • Conservatory for Coastal Space and Lake Shores (CELRL), permanent member • French Overseas Departments and Collectivities Finance Institute (IEOM), permanent member of the Supervisory Board • French Overseas Departments and Collectivities Agricultural Economy Development Office (ODEADOM), permanent member of the Board of Directors • Office for the Protection of Refugees and Stateless Persons (OFPRA), permanent member of the Board of Directors • Office National des Forêts (ONF), permanent member of the Board of Directors • Parc Amazonien de Guyane, permanent member of the Board of Directors • Reunion Island National Park, permanent member of the Board of Directors • National broadcaster France Télévisions, member of the Board of Directors
Vacant	Alternate	Ministry of French Overseas Departments and Collectivities	Awaiting appointment by decree
Person appointed for their expertise in migration matters (1)			
Jean-Yves Tolot	Permanent 15/05/2024	27, rue Singer 75016 Paris	• Chairperson of Œuvre d'Orient (1901 non-profit group) • Director of the SEE Santé En Entreprise association
Vacant	Alternate		Awaiting appointment by decree
Persons appointed because of their expertise in economic and financial matters (4)			
Jean-Jacques Santini	Permanent 29/09/2023	BNP Paribas Group 16, boulevard des Italiens 75009 Paris	Executive Advisor to the Chairman and the Executive Management • Vice-President of the National Committee of French Foreign Trade Advisors, member of the Executive Board and director • Vice-President of the Fonds de Garantie des Dépôts et des Resolutions and Chairperson of its Audit Committee • Director and Chairperson of the Audit Committee and the Risk Management Committee of Agence Française de Développement • Director of Aspen France • Chairperson of the Board of Directors of BNP Paribas El Djezair (Algeria)

Director	Term on the Board appointment	Address	Current position Other offices held
Vacant	Alternate		Awaiting appointment by decree
Vacant	Permanent		Awaiting appointment by decree
Vacant	Alternate		Awaiting appointment by decree
Isabelle Delamour	Permanent 29/09/2023	Caisse des Dépôts 56, rue de Lille 75356 Paris	Director of the DEOF (Department of Economic and Financial Operations) at Caisse des Dépôts • Permanent representative of Caisse des Dépôts et Consignations on the Board of Directors and at the General Meeting of the Victoires Paiements economic interest group (corporate office)
Sylvie Le Maire	Alternate 11/07/2024	Syndicat du Sucre de La Réunion CS81036 33, rue Emmerez de Charmoy 97495 Sainte-Clotilde Cedex Reunion Island	General Delegate of Syndicat du Sucre de La Réunion • Member of the Management Committee of TEREOS Sucre Indian Ocean • Member of the Board of Directors of ODEADOM • Vice-President of the Reunion Committee of French Foreign Trade Advisors • Member of the CPCS (Comité Paritaire Interprofessionnel de la Canne et du Sucre de La Réunion) and CTICS (Comité Technique Interprofessionnel de la Canne et du Sucre) • Non-voting board member of SAFER • CEPAC non-voting board member of SLE Réunion
Vacant	Permanent		Awaiting appointment by decree
Vacant	Alternate		Awaiting appointment by decree
Person appointed because of his/her knowledge of ecological and sustainable development issues (1)			
Anne-Marie Levraut	Permanent 22/04/2022	5, allée des Eiders 56860 Séné	Sits on the Board of Directors of two associations: • Association française pour la prévention des catastrophes naturelles et technologiques (AFPCNT), as Vice-President • Haut comité français pour la résilience nationale (HCFRN), as director These two associations are recognised as being of general interest. • Chairperson of the ANSES Nanomaterials Dialogue Committee These activities are carried out on a voluntary basis.
Maya Leroy	Alternate 22/04/2022	AgroParisTech 648, rue Jean-François-Breton BP 44494 34093 Montpellier Cedex 5	Member of Scientific Boards of: • French Scientific Committee on Desertification (CSFD), United Nations Convention (UNCCD); • Scientific and Technical Board of the French Global Environment Facility (FGEF); • Chairperson of the Scientific Council of GIP ECOFOR (Forest ecosystems); • Scientific Board of the French Biodiversity Office (OFB); • National Parks Scientific Commission; • AgroParisTech – member of the Board of Directors.
Members of Parliament (4)			
Frédéric Petit	Permanent 06/11/2024	National Assembly 3, rue Aristide-Briand 75007 Paris	• Deputy for French citizens established outside France (7th) • No other office or function
Dominique Potier	Alternate 06/11/2024	National Assembly 126, Rue de l'Université 75007 Paris	• Member of Parliament for the 5th district of Meurthe-et-Moselle • Chairperson of the non-profit group Esprit Civic • Chairperson of the non-profit group Le Pays Terres de Lorraine • Director of the Agriculture and Rurality Observatory of Fondation Jean Jaurès • Chairperson of the non-profit group Michel Dinet

Director	Term on the Board appointment	Address	Current position Other offices held
Éléonore Caroit	Permanent 06/11/2024	National Assembly 3, rue Aristide-Briand 75007 Paris	• Renaissance Member of Parliament for French nationals established outside France, in Latin America and the Caribbean • Vice-President of the Foreign Affairs Committee
Marine Hamelet	Alternate 06/11/2024	National Assembly 15, rue de Vaugirard 75006 Paris	• Member of Parliament for Tarn et Garonne since 2022 • Manager of a SCI: TEESA, which is no longer in operation
Isabelle Briquet	Permanent 07/11/2024	Senator of Haute-Vienne Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senator of Haute-Vienne
Olivier Cadic	Alternate 19/02/2024	Member of Parliament for French nationals established outside France Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senators representing French nationals established outside France • Chairman of Anefe (Association nationale des écoles françaises à l'étranger) • Member of the Board of Directors of AFD (Agence Française de Développement) • Member of the Board of Directors of the AEFE (Agence pour l'enseignement français à l'étranger) • Member of the Board of Directors of Institut Français • Member of the Board of Directors of Worldskills Lyon 2024 • Director of Cinebook Ltd
Alain Joyandet	Permanent 07/11/2024	Senator of Haute-Saône Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senator of Haute-Saône • Regional Councillor for Burgundy – Franche-Comté • Manager of Earl Domaine de la Pâturie • Manager of Uerl Joy Développement
Sophie Briante Guillemont	Alternate 01/10/2024	Senator for French nationals established outside France Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senator for French nationals established outside France • General Secretary of Alliance solidaire des Français de l'étranger (ASFE) • Member of the Special Commission for the law on the resilience of activities of vital importance, on the protection of critical infrastructure, on cybersecurity and on the digital operational resilience of the financial sector • Member of the French Section of the Parliamentarian Assembly of La Francophonie (APF) • Member of the French Group of the Inter-Parliamentary Union (IPU) • Member of the Board of Directors of Agence Française de Développement • Member of the High Council for Gender Equality
AFD employee representatives (2)			
Iris Johns	Permanent 09/12/2022	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee • No other office or function
Claude Torre	Alternate 09/12/2022	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee • No other office or function
André Hue	Permanent 09/12/2022	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee • No other office or function
Lucille Lauvernier	Alternate 09/12/2022	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee • No other office or function

3

3.1.3.2 The Directors' Charter

A charter sets out the rights, obligations and principles applicable to each member of the Board of Directors, a specialised committee or the Audit Committee of Agence Française de Développement. All directors, both permanent and alternate, agree to adhere to the guidelines set out in the Charter (confidentiality, banking secrecy and the duty of circumspection, duty to inform, duty of vigilance, etc.) and to apply them when acting as individuals and as members of a company body called upon to make collective decisions.

3.1.3.3 Conditions for the preparation and organisation of the work of the Board of Directors

Pursuant to Article R.515-18 of the French Monetary and Financial Code, the Board of Directors deliberates on the institution's strategic orientations implementing the objectives entrusted to it by the State. It approves: the contractual targets and resources agreed with the State; the agreements listed in Article R.515-12 (management on behalf and at the risk of the State); the financial aid mentioned in Articles R.515-9, R.515-10 and R.515-11 (loans on its own behalf), as well as the regulations provided in the latter article (regulation on the distribution of the annual credit delegated by the State to AFD for the financing of projects proposed by non-governmental organisations); the agreements entered into pursuant to the second, third, fourth and fifth paragraphs of Article R.515-13 (management on behalf of a third party); the annual amount of loans to be taken out by the Agency; the statement of estimates of operating income and expenses; the general terms and conditions on financial aid; the annual financial statements and the management report prepared by the Chief Executive Officer; the purchase and sale of properties; the creation or abolition of local offices or representations; transactions on Agency interests and arbitration clauses; and the appointment of Statutory Auditors. The Board of Directors is informed of quality assessments, analyses and evaluations regarding the Agency and its operations.

The Board of Directors' operations are formally set out in the internal regulations, in accordance with Article R.515-19 II of the French Monetary and Financial Code. The internal regulations define the procedure for consultation of the Board's members by the Chairperson remotely for urgent deliberations. This procedure at the least defines a minimum consultation time, quorum rules and the right of any member of the Board and the Government Commissioner to oppose this consultation procedure.

3.1.3.4 Conflicts of interest

To AFD's knowledge:

- there are no family ties between AFD's corporate officers. Moreover, over the last five years, no corporate officers have been subject to a conviction for fraud, bankruptcy, receivership or liquidation, an official public accusation and/or penalty pronounced by the legal or regulatory authorities, nor have been prevented by a court from acting as a member of an administrative, management or supervisory body or from managing company affairs;
- there are no potential conflicts of interest regarding the duties of any of the Directors vis-à-vis AFD and their private interests and/or other duties;
- at the date of this Document, no corporate officer was related to AFD or one of its subsidiaries by a service contract that provided for the granting of any benefits.

3.1.3.5 Specialised committees of the Board of Directors

The Board of Directors may delegate a part of its powers, to the degree that it determines, to three specialised committees (for operations in the French Overseas Departments and Collectivities, for operations in foreign countries and for supporting the initiatives of non-governmental organisations). The specialised committee for activities in the French Overseas Departments and Collectivities includes three representatives of the French State, two of whom are appointed by decree of the Minister responsible for the French Overseas Departments and Collectivities and the third appointed by decree of the Minister of the Economy. The specialised committee for activities in foreign countries includes five representatives of the French State, two of whom are appointed by decree of the Minister of Foreign Affairs, a further two of whom are appointed by the Minister of the Economy and the fifth appointed by decree of the Minister of Immigration. The specialised committee for supporting the initiatives of non-governmental organisations includes five representatives of the French State, two of whom are appointed by decree of the Minister of Foreign Affairs, a third appointed by decree of the Minister of the Economy and the fourth appointed by the Minister of Immigration. In addition, each specialised committee includes two qualified experts appointed by the Board of Directors (one of whom sits on the Board) and one of the employee representatives on the Board of Directors chosen by these representatives. These specialised committees may be supplemented by one or several members of the Board of Directors at its own discretion.

The specialised committee for operations in the French Overseas Departments and Collectivities and the specialised committee for operations in foreign countries are chaired by the Chairperson of the Board of Directors. The specialised committee for supporting the initiatives of non-governmental organisations is chaired by the Chairperson of the Board of Directors or by a member of the Board of Directors appointed from among the representatives of the French State. For the members of specialised committees, other than the Chairperson and the members of the Board of Directors, an alternate is appointed under the same conditions as the permanent member. The term limit for members of the specialised committees and the conditions for their possible replacement are the same as those set for the members of the Board of Directors. The specialised committees may decide to submit any business within their remit to the Board of Directors. In such cases, they give the Board their opinion on the business referred to it.

The Board of Directors may also delegate a part of its powers to the Chief Executive Officer, who reports back to the Board about the decisions made under this delegation.

The Board of Directors appoints an Audit Committee and a Group Risk Management Committee, composed of between three and five members qualified in financial and risk analysis. The Audit Committee provides its opinion to the Board of Directors whenever necessary and at least yearly on the Agency's financial statements, the effectiveness of its internal control and the management of its risks, as well as on its sustainability reporting. The Risk Management Committee advises the Board of Directors on the AFD Group's overall strategy and risk appetite.

The Agency borrows over the short, medium and long term in France and abroad, either through financial organisations, or by issuing bonds, notes, securities or any other debt instrument. It performs all financial transactions required for its activities. The Agency's transactions are recorded in accordance with the rules concerning trade and in compliance with regulations governing credit institutions. A Government Commissioner, appointed by the Minister of the Economy, performs for the Agency the duties set out in Article L.615-1 and Articles D. 615-1 to D. 615-8 of the French Monetary and Financial Code. The Agency's financial statements are audited by two Statutory Auditors, appointed pursuant to the provisions of Articles L.511-38, D. 511-8, D.511-9 and D.612-53 to R.612-60 of the French Monetary and Financial Code. The Statutory Auditors are subject to the obligations provided for in Article L.511-38.

Article R.515-19 of the French Monetary and Financial Code provides that the Board of Directors meets at least four times a year when convened by its Chairperson. During 2024, the Board of Directors and its specialised committees met 34 times.

3.1.4 Compensation and benefits of the executive corporate officers and the Deputy Chief Executive Officers

Pursuant to Law No. 2005-842 of 26 July 2005 on the confidence in and the modernisation of the economy, the compensation paid in 2020 to each corporate officer is shown below:

Total gross compensation (in euros)

- Rémy Rioux, Chief Executive Officer (start of term 2 June 2016): 286,369;
- Bertrand Walckenaer, Chief Operating Officer (start of term 14 February 2019): 186,816;
- Marie-Hélène Loison, Chief Operating Officer (start of term 8 July 2021): 182,932.

There are no benefits in kind, special retirement schemes or stock option plans for AFD's corporate officers.

3.1.5 Compensation and benefits of the corporate officers

The directors of AFD, with the exception of the chairman of the board of directors, are not remunerated and do not receive any benefits in kind. The Board of Directors may award a penalty and care allowance to the members of the Audit Committee and the Risk Committee, subject to legal and regulatory provisions applicable to each. The Board of Directors shall then fix the amount.

3.1.6 Other information

3.1.6.1 Possible limitations that the Board of Directors can place on the powers of the Chief Executive Officer (Articles L.225-37-4 and L.22-10-10 of the French Commercial Code)

Unlike commercial companies, AFD's status as an EPIC (industrial and commercial public undertaking) does not permit it to limit the powers granted to the Chief Executive Officer by the Board of Directors. The powers granted to the Chief Executive Officer are laid down in AFD's bylaws and the Chief Executive Officer exercises them with respect for the rights of the Board of Directors.

3.1.6.2 Summary table of the valid delegations granted by the general meeting of the shareholders with respect to capital increases, pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code, showing how those delegations were used during the financial year

Not applicable.

3.1.6.3 Specific terms and conditions of shareholder participation in the general meeting or provisions of the bylaws that provide for such terms and conditions (Articles L.225-37-4 and L.22-10-10 of the French Commercial Code)

Not applicable.

3.1.6.4 Report by the Statutory Auditors prepared pursuant to Article L.22-10-71 of the French Commercial Code on the Board of Directors' report on corporate governance

As part of the specific verifications, the Statutory Auditors verify the fairness and consistency of the information given in the Board of Directors' report on corporate governance.

3.1.6.5 Items likely to have an impact in the event of a takeover or exchange offer (Article L.22-10-11 of the French Commercial Code)

Not applicable.

3.1.6.6 Presentation of the draft resolutions relating to the principles and criteria for determining, allocating and distributing the fixed, variable and exceptional items comprising the total compensation and benefits of all kinds attributable to the Chairperson, Chief Executive Officers, Deputy Chief Executive Officers, in respect of their mandate (Article L.22-10-8 of the French Commercial Code).

Not applicable to AFD insofar as the Chairman of the Board of Directors receives a service allowance, the amount of which is set by a joint decree of the Ministers responsible for the Economy, Cooperation, and the Overseas Departments and Collectivities (Art. R.515-17, IV of the French Monetary and Financial Code). The Chief Executive Officer receives a gross annual compensation set by decision of the Minister of the Economy.

3.1.6.7 Agreements entered into, directly or by proxy, between, firstly, a corporate officer or a shareholder holding over 10% of a company's voting rights and, secondly, another company in which the former owns, directly or indirectly, more than half of the share capital, with the exception of agreements relating to current transactions and entered into under normal conditions

Name of the convention	Additional information
Agreements and commitments approved in previous financial years which continued to be performed	
WITH SOGEFOM	
Service agreement entered into between AFD and Sogefom	Compensation for AFD in 2024: €1,850K
WITH THE THREE DEPARTMENTAL CREDIT COMPANIES (SDCS)	
Refinancing and guarantee agreement for the customer loan portfolio taken over by the three SDCs from Soderag	• Loans outstanding at 31 December 2024: ◦ Sodema: €9,298K, ◦ Sodega: €12,555K, ◦ Sofideg: €534K. • Compensation received by AFD in 2024: ◦ Sodema: €0K, ◦ Sodega: €0K, ◦ Sofideg: €0K. • The credit risk supported by AFD is covered by a provision of €13,174K as at 31/12/2024, *i.e.* a net reversal of €4,670K
WITH PROPARCO	
Framework agreement for the management of private sector financing activities	Private sector impact in 2024: €11,461K of which €142K for the PEEBCOOL mandate
Sub-investment cofunding framework agreement	Impact in 2024: €8,823K
Service agreement between AFD and Proparco for the administrative and financial monitoring of certain investments	Impact in 2024: €171K
AFD/Proparco services agreement	Impact in 2024: €92,151K
Mandate agreement relating to the "transforming financial systems for the climate" (TFSC) programme	Impact in 2024: €713K
MENA-facilitated framework agreement	Impact in 2024: €156K
Financing framework agreement on the 110 and 209 programmes	Impact in 2024: €8,412K
WITH NGOS	
None	
New agreements authorised by the Board of Directors	
WITH NGOS	
None	
WITH PROPARCO	
None	

3.2 Compensation policy and practices

3.2.1 Compensation policy governance

Article L.511-89 of the French Monetary Code, resulting in particular from the implementation of the CRDIV directive, requires that credit institutions and financing companies of “significance” establish an Appointments Committee and a Compensation Committee and refers to a decree from the Minister of the Economy for the definition of “significance”.

Article 104 of the Decree of 3 November 2014 uses, as the sole criteria for determining “significance”, the fact that the total company or consolidated balance sheet exceeds €5bn, meaning that these provisions apply to AFD, while the CRDIV directive contains provisions that have not been transposed and which would exempt AFD from establishing these committees.

However, the establishment of Appointments Committees and Compensation Committees conflicts with certain bylaw and legal provisions and certain organisational rules on State public undertakings applicable to AFD.

With regard to the Compensation Committee, pursuant to Article 76-2 and Article 95-1 of the CRDIV directive, governments are only obliged to stipulate that Compensation Committees are established in undertakings that are “significant” in terms of their size, but also in terms of their internal organisation and the nature, scope and complexity of their activities. These derogations and criteria established by the CRDIV directive and Article L.511-89 of the French Monetary and Financial Code were not specified in the Decree of 3 November 2014.

It should be noted that the compensation paid to all AFD employees, including the Executive Committee and “individuals whose activities have a significant impact on the company’s risk profile”, is determined by AFD’s regulations. Moreover, no variable compensation is awarded in relation to individual performance. This particular characteristic of AFD, together with the partial transposition of the CRDIV directive into French law, argues in favour of exempting AFD from establishing a committee which would, ultimately, not have the power to exercise the prerogatives expected by the regulator.

The HR function is the only entity involved in designing and implementing the compensation policy. The reason for this is that no AFD employee receives variable compensation (except for profit sharing).

New Staff Regulations came into force on 1 January 2023. It replaces, in all its provisions, the Staff Regulations approved by the ministerial vote of 5 August 1996 as well as any subsequent amendments thereto, and applies to all employees of Agence Française de Développement whose employment contract is governed by French law applicable in Metropolitan France and in the French Overseas Departments and Collectivities (thus excluding notably the law applicable in the French Overseas Collectivities).

3.2.2 Main features of the compensation policy

3.2.2.1 Setting of compensation

The compensation of each AFD employee is essentially defined on the basis of their level of classification, experience, expertise and scarcity on the market: at the time of recruitment, a position level (consisting of a basic salary range) is allocated to each employee, according to the strict definitions of the Staff Regulations. The basic salary is then determined, within this range, according to:

- their individuality, which means taking into account their know-how and interpersonal skills when they arrive and during their career;
- internal salary grids to ensure fairness within the Group’s teams;
- external salary grids in order to remain competitive with the market for certain functions.

3.2.2.2 Compensation structure

Compensation comprises the following items:

Basic salary (Article 3.2.1 of the Staff Regulations)

Each employee receives a basic salary.

A minimum amount of the gross basic salary is set according to the employee’s classification, by a collective agreement or, failing that, by a unilateral rating from management.

For employees linked to Agence Française de Développement by an employment contract, whether permanent or fixed-term, the amount of the highest basic salary (on a full-time basis) may not be more than eight times higher than the amount of the lowest basic salary (on a full-time basis) applied at Agence Française de Développement.

Awards and bonuses (Article 3.2.1)

In addition to the basic salary, for employees who meet the required conditions, the following awards and bonuses are calculated *pro rata* to the actual working time.

Year-end bonus

It will be calculated on December’s basic salary as defined in Article 3.2.1 and multiplied by 1.4. For each employee, it is in line with the number of paid days over the year.

Holiday bonus

The amount is identical for every employee. It is paid on a monthly basis. For each employee, it is in line with the number of paid days over the year.

Professional bonus

It is related to holding a type of position and is paid to every employee who holds this type of position. The types of positions in question and the corresponding bonus amounts are decided by the Chief Executive Officer (CEO). The bonus stops being paid if the employee is transferred to a position to which the professional bonus does not apply:

- managerial professional bonus, exclusively for manager employees;
- specific professional bonus, paid to non-manager employees who hold a specific role. The specific criteria are described in the Guide on the Specific Professional Bonus.

Variable collective performance bonus (Article 3.2.2)

A variable collective performance bonus may be added to the fixed compensation. The amount paid depends on the achievement of collective performance targets. The eligibility conditions and the methods for calculating and paying the collective variable performance bonus are set by collective agreement or, failing this, by a unilateral note from management.

- No employee (including directors) receives individual variable compensation, whether deferred or not (*e.g.* bonus, shares, stock options, etc.).
- Employees also enjoy employment benefits, such as supplementary defined contribution retirement plans, health fees and insurance, and housing loans financed entirely or partly by AFD.
- Expatriate employees also enjoy several allowances related to their expatriate status.

Lastly, any employee on a fixed term or indefinite-term contract, whether full or part-time, who has three months of service within AFD (excluding employees whose contracts were entered into locally and are not governed by French law), receives, in addition to their fixed compensation, an annual profit sharing component calculated using indicators related to the Group's operations, cost control, efficiency and overall effectiveness.

Transitional measures

In order to implement the new compensation policy published on 1 January 2023, transitional measures were adopted to facilitate the transition to the new compensation structure for all permanent employees whose employment contract with Agence Française de Development and governed by French law applicable in Metropolitan France and in the French Overseas Departments and Collectivities (thus excluding notably the law applicable in the French Overseas Collectivities) was concluded before the entry into force of the new Regulations. These measures do not concern employees with an employment contract entered into as of the entry into force of the new Regulations, for whom only the compensation arrangements indicated in Title III of the new Regulations apply, as well as the agreements in force at the company or institution concerned.

For employees in Metropolitan France

Family supplement (Article 12.2.3 of the former Staff Regulations of 1996)

The amount of the monetary equivalent of the family supplement is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the family supplement are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of the amount of the family supplement he or she was entitled to the month before the new Regulations came into force.

The monetary equivalent of the family supplement will decrease on the basis of the provisions that were applicable under the former Staff Regulations of 1996. Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the family supplement the month preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the family supplement.

Seniority bonus (Article 12.2.4 of the former Staff Regulations of 1996)

The monetary equivalent of the seniority bonus and the mechanisms for increasing it, in accordance with the scale applicable the month preceding the entry into force of the new Regulations, shall be maintained for the employees concerned who actually benefited from this bonus, in view of their seniority, the month preceding the entry into force of the new Regulations.

Employees who, because of their seniority, did not receive the seniority bonus in the month preceding the entry into force of the new Regulations, may also benefit from the monetary equivalent of this bonus, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition provided for in Article 12.2.4 of the former Staff Regulations of 1996, provided that they do not cease, as from the entry into force of the new Regulations, even temporarily, to belong to the categories covered by this text (categories A to C under the former Staff Regulations of 1996, assessed in the light of the equivalent categories in the new classification determined in application of the new Regulations).

For employees of local offices in Guadeloupe and Martinique

Regarding the monetary equivalent of the seniority bonus

As a preliminary point, it should be noted that the seniority bonus referred to here is that referred to in Article 31 of the former regulations of the AFD office in Guadeloupe and Martinique. The monetary equivalent of the seniority bonus and the mechanisms for increasing it, in accordance with the scale applicable the month preceding the entry into force of these Regulations, shall be maintained for the employees concerned who actually benefited from this bonus, in view of their seniority, the month preceding the entry into force of these Regulations. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

Employees who, because of their seniority, did not receive the seniority bonus in the month preceding the entry into force of these Regulations, may also benefit, provided that they do not cease as from the entry into force of these Regulations, even temporarily, to meet the eligibility conditions (excluding seniority), from the monetary equivalent of this bonus, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition that was provided for in Appendix VI of the former staff regulations of the AFD office in Guadeloupe and Martinique. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

It should be noted that permanent employees holding an employment contract entered into as from the entry into force of these Regulations are not entitled to any monetary equivalent of the seniority bonus.

The monetary equivalent of this bonus will disappear once all the beneficiary employees have left Agence Française de Développement.

Regarding the monetary equivalent of the special family allowance

As a preliminary point, it should be noted that the special family allowance referred to here is the one referred to in the service notes (notably former service notes No. 05/2021 of 18 May 2021, in respect of 2021 for Martinique, and No. 04/2011 of 25 May 2011 for Guadeloupe).

The amount of the monetary equivalent of one twelfth (see above) of the special family allowance is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the special family allowance are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of one twelfth of the amount of the special family allowance received during the twelve months preceding the entry into force of the new Regulations.

The monetary equivalent of one-twelfth of the amount of the special family allowance will be changed downwards on the basis of the provisions that were applicable under the terms of the service notes that were applicable (for the purposes of comparison, by dividing the amount that would have resulted therefrom by twelve). Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the special family allowance during the 12 months preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the special family allowance.

For employees of local offices in French Guiana and Reunion Island

Regarding the monetary equivalent of the seniority bonus and the additional seniority bonus

As a preliminary point, it should be noted that the seniority bonus and the additional seniority referred to here are those referred to in part G5 (point 22) of the former "practical guide" and in former service note No. 2018/07 of 20 April 2018 concerning Reunion Island, and in part G4 of the former "practical guide" and in former service note No. 21-2020 of 23 July 2020 concerning French Guiana.

The monetary equivalent of the seniority bonus, the additional seniority bonus and the mechanisms for increasing them, in accordance with the scale applicable the month preceding the entry into force of the new Regulations, shall be maintained for the employees concerned who actually benefited from these bonuses, in view of their seniority, the month preceding the entry into force of the new Regulations. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of these bonuses if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

Employees who did not benefit from the seniority bonus and/or the additional seniority bonus in the month preceding the entry into force of the new Regulations, will also be able to benefit from the monetary equivalent of these bonuses, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition provided for in part G5 (point 22) of the former "practical guide" and in former service note No. 2018/07 of 20 April 2018 concerning Reunion Island, and in part G4 of the former "practical guide" and in former service note No. 21-2020 of 23 July 2020 concerning French Guiana, provided that, as from the entry into force of the new Regulations, they do not cease, even temporarily, to belong to the categories referred to in these texts (indices lower than or equal to grade A3 for Reunion Island and French Guiana, assessed with regard to the equivalent categories in the new classification determined in application of the new Regulations). In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of these bonuses if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

It should be noted that permanent employees holding an employment contract entered into as from the entry into force of the Regulations are not entitled to any monetary equivalent of the seniority bonus.

The monetary equivalent of these bonuses will disappear once all the beneficiaries have left Agence Française de Développement or the job categories previously eligible for this bonus (assessed with regard to the equivalent categories under the new classification, determined in application of the new Regulations).

Regarding the monetary equivalent of the family supplement (including additional family benefits)

As a preliminary point, it should be noted that the family supplement (including additional family benefits) referred to here is that referred to in part G7 (point 24) of the former “practical guide” concerning Reunion Island and part G8 (point 24) of the former “practical guide” concerning French Guiana.

The amount of the monetary equivalent of the family supplement (including additional family benefits) is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the family supplement (including additional family benefits) are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of the amount of the family supplement (including additional family benefits) he or she was entitled to the month before the new Regulations came into force.

The monetary equivalent of the family supplement (including additional family benefits) will decrease on the basis of the provisions that were applicable with regard to the terms of part G7 (point 24) of the former “practical guide” concerning Reunion Island and part G8 (point 24) of the former “practical guide” concerning French Guiana. Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the family supplement (including additional family benefits) the month preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the family supplement (including additional family benefits).

For employees of the local office in Mayotte

Regarding the monetary equivalent of the seniority bonus

As a preliminary point, it should be noted that the seniority bonus referred to here is that referred to in Article 29 of the former regulations applicable to the AFD office in Mayotte.

The monetary equivalent of the seniority bonus and the mechanisms for increasing it, in accordance with the scale applicable the month preceding the entry into force of the new Regulations, shall be maintained for the employees concerned who actually benefited from this bonus, in view of their seniority, the month preceding the entry into force of the new Regulations. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

Employees who, because of their seniority, did not receive the seniority bonus in the month preceding the entry into force of the new Regulations, may also benefit, provided that they do not cease as from the entry into force of the new Regulations, even temporarily, to meet the eligibility conditions (excluding seniority), from the monetary equivalent of this bonus, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition that was provided for in Appendix II of the provisions of the former regulations applicable to the AFD office in Mayotte. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

It should be noted that permanent employees holding an employment contract entered into as from the entry into force of the Regulations are not entitled to any monetary equivalent of the seniority bonus.

The monetary equivalent of this bonus will disappear once all the beneficiary employees have left Agence Française de Développement.

Regarding the monetary equivalent of the family supplement

As a preliminary point, it should be noted that the family supplement referred to here is that referred to in the instruction note of 2022 relating to the "implementation of the family supplement and the additional allowance at the Mayotte local office".

The amount of the monetary equivalent of the family supplement is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the family supplement are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of the amount of the family supplement he or she was entitled to the month before the new Regulations came into force.

The monetary equivalent of the family supplement will decrease on the basis of the provisions that were applicable under the instruction note of 2022 relating to the “implementation of the family supplement and the additional allowance at the Mayotte local office”. Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the family supplement the month preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the family supplement.

In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

The monetary equivalent of this bonus will disappear once all the beneficiaries have left Agence Française de Développement or the job categories previously eligible for this bonus (categories A to C under the former staff Regulations of 1996, assessed in the light of the equivalent categories under the new classification determined in application of the new Regulations).

3.2.2.3 Change in compensation

The arrangements for implementing the compensation policy place a significant emphasis on informing, consulting and negotiating with social partners.

Management examines the possibility of an increase in compensation each year.

Where applicable, this revaluation is carried out through a collective and/or individual increase. It is not systematic or periodic.

General increases together with the budget for individual increases are negotiated on an annual basis during the Mandatory Annual Negotiations (NAO) and are subject to the limits established by the framework of AFD's shareholder. Collective increases benefit from a safeguard clause, linking AFD's collective increase in level to the collective increase in level applied for the Civil Service over a period of three years.

An assessment of the revaluation measures is presented each year to the employee representatives, for information purposes.

A promotion is the professional development of an employee from one professional category to a higher one, or from one classification level to a higher one.

An individual pay rise values the employee's professional development within the same professional category and the same classification level. It takes the form of an increase in the basic salary. A promotion and an individual pay rise may be concurrent.

The terms and conditions for individual promotions and pay rises are set out in a collective agreement or, failing that, by our unilateral management decision, in compliance with Article 3.1 of these Regulations.

In addition to the specific appeal against a proposed dismissal, set out in Article 5.1.2 of these Regulations, employees affected by an individual decision relating to an individual pay rise, promotion or geographical mobility have a consultative appeals procedure at their disposal. To this end, an Appeals Committee was set up for all professional categories in each establishment separate from Agence Française de Développement. The Appeals Committee is composed of an equal number of management and employee representatives. Employee representation on the Appeals Committee is ensured by a number of members equal to the maximum number of representative trade unions at the Company. This appointment is made for each institution from among the elected members of the SEC of each of these institutions, for the duration of the terms of office of the elected SECs. This appointment results from a vote at the SEC meeting by a majority of the elected members of the SEC present at this meeting and having voting rights. In the event of early termination of the term of office, a new appointment will be organised according to the same procedures. The members representing the Management are appointed by it and their number is at most equal to the number of employee representatives. The procedures for referral and operation of the Appeals Committee are set by collective agreement or, failing this, by a unilateral note from Management.

The case of any employee who has not benefited from an individual pay raise for the past three years must be examined during the fourth year by the Appeals Committee of the institution to which the employee is attached, as provided for in (A) of this article.

This review takes place without the person having to request it, on the basis of a file including:

- the written agreement of the person concerned, requested by Management, for their case to be examined by the Appeals Committee. In the absence of a written agreement from the person concerned, the Appeals Committee does not examine their situation;
- an explanatory note from each of the employee's direct line managers during the period in question;
- a written opinion from Management.

3

3.2.2.4 Early termination of the employment contract

Compensation for early termination of the employment contract is defined in Title V of the Staff Regulations.

In the event of dismissal for economic reasons, or of professional incompetence or following a notice of medical unfitness, the compensation for dismissal paid to the employee is equal to the legal compensation for dismissal, which will be subject to one of the following increases:

- an increase of one month's average salary if the employee has served between four and ten years inclusive at the date of termination of the employment contract;
- an increase of two months' average salary in the event of at least eleven years of service at the date of termination of the employment contract.

This legal termination indemnity is also increased by one month's average salary for employees aged 55 or over at the date of termination of the employment contract. However, this increase is not due when the employee has reached the age at which they are entitled to receive their full pension.

This increase is paid regardless of the employee's length of service and may therefore be combined with the first one.

The average salary is assessed in accordance with the legal provisions relating to the calculation of the legal compensation for dismissal.

Other changes

A dismissal for another reason will result in the payment of compensation, the amount of which is calculated in accordance with legal provisions.

The same will apply in the event of termination of the employment contract producing the effects of dismissal without real and serious cause or of dismissal invalidated by a court decision.

3.2.3 Information on the compensation of executive directors and persons whose professional activities have a significant impact on the company's risk profile

As previously stated, the compensation principles and changes described above are applicable to all AFD employees, including the Executive Committee and "individuals whose activities have a significant impact on the company's risk profile".

At AFD, executive officers and individuals whose professional activities have a significant impact on the company's risk profile belong to the following categories:

- the Executive Committee (including Proparco's Chief Executive Officer);
- the Management Committee, notably including:
  - the Deputy Executive Directors,
  - the Departmental Directors,
  - the Communications Department and FGEF (French Global Environment Facility) managers and the Director of the Office to the Chief Executive Officer (CEO) (who are also members of the Management Committee),
  - the Head of the Secretariat of Proceedings (SIR),
  - the Deputy Heads of the DCO (Compliance), ROC (Permanent Control) and IGE (General Inspection) Departments,
  - the managers of the CLI (Climate and Second Opinion), CLN (Climate and Nature) and CCC (Crises and Conflicts) Divisions, and the manager of the CLS (Social link) unit,
  - the Regional Directors;
- the Chairperson of the Board of Directors;
- the Chief Executive Officer of Sogefom;
- the head of Proparco's compliance function;
- the Data Protection Officer;
- the head of information systems security; and
- the employee representatives on the Board of Directors.

The total amount of compensation of any kind paid during the 2024 financial year to all people falling within these categories (93 positions and 88 full time employees) amounted to **€12,397,803**.

Furthermore, the total compensation paid to executive officers (Chief Executive Officer, Deputy Chief Executive Officer), Risks Executive Officer, the Head of Compliance and the Head of Permanent Control amounted to **€1,036,542** in respect of 2024 (for the incumbent individuals as at 31 December). These amounts are the total compensation amounts of any kind paid during the 2024 financial year to all individuals within these categories.

4

Risk management

4.1 Risk factors

4.1.1 Banking and financial risks

4.1.1.1 Credit and concentration risk

The AFD Group's **credit risk** is defined as the probability that a debtor will be unable to repay the financing granted (all, or part, of their loan by the deadlines stipulated in the contract signed between them and the AFD Group). By extension, this risk also concerns the guarantees issued by the AFD Group to cover the loan commitments of some of its banking partners.

This risk is broken down into four risk sub-classes in the Group's risk mapping:

- sovereign credit risk on sovereign outstandings and commitments;
- AFD non-sovereign credit risk on AFD non-sovereign outstandings and commitments;
- private sector credit risk relating to Proparco's outstandings and commitments and AFD sub-investments;
- overall credit risk on all of the Group's outstandings and commitments.

The level of credit risk (credit rating [(1)]) reflects the probability of the borrower defaulting on their obligations. This risk is assessed during the credit check and forms the basis of the decision of whether to grant the loan combined with the institution's risk appetite and the system of regulatory and internal operational limits (individual, geographical, sectoral, etc.) in place.

This level of risk is reassessed periodically, and at least once a year, to identify any degradation of that risk subsequent to the loan being granted and to provision accordingly. This provisioning is based on the estimated recovery rate of the receivable, according to two methodologies distinguishing performing and sensitive loans from non-performing loans. It makes it possible to determine the institution's cost of risk by also taking into account write-offs.

Concentration risk represents, for the Group, the risk of significant losses impacting its business model, its solvency but also the continuation of its activities, in the event of joint defaults of counterparties in the same risk categories (group, country, sector, etc.) The defaults of counterparties to which the Group is highly exposed (*i.e.* with a high level of concentration) may have a material impact on the Group's results.

In the financial risk mapping, concentration risk is broken down into two risk sub-classes:

- large exposures (regulatory limit set at 25% of regulatory capital for large exposures);
- market and credit/country/financial sector counterparties.

Breakdown of credit risks on AFD Group loans, receivables and commitments by level of risk and associated provisions

In millions of euros	Balance sheet 31/12/2024	Off-balance sheet 31/12/2024	Total 31/12/2024
Healthy risk (stage 1)	43,314	17,701	61,015
IFRS 9 provisions (*)	163	47	210
Sensitive risk (stage 2)	8,332	1,968	10,300
IFRS 9 provisions (*)	451	116	567
Doubtful risk (stage 3)	3,063	855	3,918
Individual provisions (*)	1,126	254	1,480
TOTAL RISK	**54,709**	**20,523**	**75,233**
TOTAL PROVISIONS	**1,839**	**418**	**2,257**

(*) including the calibration of the reserve account (see Highlights of the consolidated financial statements, paragraph 6.2.1.8)

The table presents data that reflect the management data monitored by the Group's Risk Management Department, which may differ from the data appearing in the consolidated financial statements due to the restatements required by the IFRS standards.

Factors affecting credit risk

Owing to its remit and the nature and location of its borrowers in emerging or developing countries, the AFD Group is particularly exposed to macroeconomic fluctuations and geopolitical and regional financial events that may have a significant impact on its activities and financial solvency of its borrowers, thus potentially generating a high risk that is, by nature, volatile. For example, in 2020 and 2021, the AFD Group's portfolio was impacted by the health crisis, from 2022 to date by the Russian-Ukrainian conflict and its macroeconomic repercussions, in 2023 and 2024 by the Israeli–Palestinian conflict, and in 2024 by the riots in New Caledonia and by the cyclone in Mayotte.

1) *As defined on a scale similar to that of FITCH and Standard & Poor's.*

However, the Group's credit risk is naturally mitigated owing to:

- the global geographical diversity of the portfolio (operations in 104 countries) as presented below, within the framework of the Group's limit system;
- the diversification of the portfolio by type of counterparty, also governed by the Group's system of limits;
- the proportion of the Group's activity in French Overseas Departments and Collectivities for which the associated credit risk is significantly reduced owing to the implicit support of the French state for most of the counterparties in question (local authorities in particular). Risk exposure in French Overseas Departments and Collectivities accounted for 26% of the Group's non-sovereign risk as of end-2024.

Breakdown of risks on AFD Group loans, receivables and commitments by geographical area

In millions of euros	Central and Southern Africa	Latin America, Central America and Caribbean	Asia-Pacific	Middle East and North Africa	Europe	Multi-country foreign	French Overseas Departments and Collectivities	Total
AFD Sovereign	16,160	7,604	11,558	6,992	2,850	-	-	45,165
AFD non-sovereign	5,058	4,838	1,106	1,652	1,789	1,927	7,670	24,040
Proparco	1,624	1,315	678	360	759	1,093	-	5,828
Sogefom	-	-	-	-	-	-	200	200
GROUP TOTAL	**22,843**	**13,757**	**13,342**	**9,004**	**5,397**	**3,020**	**7,870**	**75,233**

Breakdown of risks on AFD Group loans, receivables and commitments by type of counterparty

Loans *(in millions of euros)*	**31/12/2024**
Local authorities	7,296
Public institutions	42,885
Public financial institutions	8,246
Private financial institutions	5,239
Private non-financial entities	6,024
Public non-financial entities	5,543
TOTAL	**75,233**

4

4.1.1.2 Financial risks related to climate and biodiversity

The effects of climate change lead to an increase in climate events (cyclones, drought, etc.), in terms of frequency and intensity. The erosion of biodiversity also jeopardises the various ecosystem services useful to our societies and businesses. As a result of its intervention in geographical areas heavily affected by these climate events, and because it supports the decarbonisation of the economy in many of its countries of operation, AFD is increasingly exposed to severe climate hazards and to the resulting erosion of biodiversity, through:

- physical risks: risks of financial losses caused by the occurrence of extreme climate events or by the physical consequences of gradual changes related to climate change;
- transition risks: risks of financial losses caused by the transition to a low-carbon economy;
- risks related to the consequences of biodiversity degradation.

Since 2018, AFD has been deploying a system for measuring and taking into account climate financial risks, across their various components, in the analysis of the credit quality of its customers. By meeting the increasingly stringent requirements of the banking regulator on the subject, AFD has two objectives: (i) to promote the transition of economies towards low-carbon trajectories that are resilient to the effects of climate change, and (ii) to strengthen its financial stability. The financial climate risk tools and processes currently in place at AFD involve producing a client-level analysis to identify the counterparty's own risks, as well as any mitigation or adaptation strategies put in place to combat the risks identified:

- for sovereigns, climate analysis is integrated into the country risk (CR) and sovereign risk (SR) ratings produced by AFD's team of macroeconomic analysts. Physical and transition risks are analysed for the countries monitored in depth by this team (60 countries representing over 98% of the Group's sovereign exposure) as part of the annual review process;

- for non-sovereigns, exposure to physical and transition risks is measured at the time of granting and during annual monitoring, using a dedicated analysis matrix integrated into the credit risk rating tool, as well as due diligence questionnaires. To date, these scores remain non-financial scores, not taken into account in the credit rating itself.

  Analysis of this data shows that 25.80% of AFD's non-sovereign outstandings (excluding financial institutions) at the end of 2024 were highly exposed to several high physical climatic hazards. Initial analyses of the type of counterparty and the regions indicate that the risk is greater for local authorities located in the French Overseas Departments and Collectivities, which are particularly exposed to sea level rising and cyclones, as shown by the recent example of Mayotte.

  With regard to transition risks, initial trends indicate that 13% of the portfolio's outstandings are exposed to a "high" transition risk. Through its extensive exclusion list for fossil fuels, exposure to impacted and sensitive sectors is low;
- work is under way to develop a first methodology for the appraisal of financial risks related to biodiversity loss. The methodology for analysing and integrating biodiversity risk into the country risk and sovereign risk ratings was finalised in 2024; it will be implemented in 2025 for the 60 countries mentioned above. The first study conducted in 2023 on the non-sovereign portfolio indicated, unsurprisingly, that the financed partners are dependent on free services provided by nature (pollination, water filtering, biological control, etc.) and that the erosion of biodiversity is liable to lead to significant financial difficulties, with 24% of the portfolio being dependent on more than three ecosystem services. 10% of the portfolio has both a high climate risk and a strong dependence on ecosystem services.

To date, climate risks have not led to a significant deterioration in the risk profile of AFD's portfolio. It is nevertheless worth mentioning the tropical cyclone Chido, which devastated the island of Mayotte on 14 December 2024. The ratings of two private sector counterparties were downgraded. Specific monitoring must be carried out regularly in the coming months to monitor the impacts of this major climate event.

4.1.1.3 Solvency risk

The Group defines solvency risk as the risk of having insufficient equity, which does not allow it to meet its regulatory requirements. As part of its business plan, the AFD Group therefore ensures that it maintains a sufficient level of equity for the development of its business, in order to meet regulatory requirements.

A change in regulatory and prudential regulations, which could result in a significant increase in the equity required for AFD's banking activities, could therefore have several significant impacts for the AFD Group: first, a strategic impact on the AFD Group's activity programme, with the discontinuation or significant reduction of certain types of products, but also a model impact related to the reallocation of human resources to other activities/products. Changes to the legislative framework remain largely unforeseeable like the introduction of Basel III, following the financial crisis.

Moreover, more recently, the anticipation of the implementation of the CRR3 also requires the Group to closely monitor the expected changes in the weighting and the impacts of expected methodological changes such as the new calculation of operational risks. After an extensive analysis of the CRR3, an operational implementation project began in 2024, jointly led by the Risk Management and Finance Departments, with a view to complying with regulations by 2025.

4.1.1.4 Geopolitical and macroeconomic risk

Owing to the scope of its operations, AFD is exposed to the emergence of crises of political, geopolitical or macroeconomic origin. Geopolitical risk relates to all political or administrative, national or international events or decisions that may lead to economic, commercial or financial losses for companies, whether importing or exporting, or investing abroad.

The main risk factors identified for 2025 remain broadly the same as a year ago (see Section 1.6.1 International economic context).

In a global context that is all the more difficult and uncertain, AFD scales and caps its level of intervention in a given region according to the risk appetite framework relating to the risk of concentration. AFD also follows the framework rules set by the State for the granting of sovereign financing. In addition, it should be noted that any sovereign debt restructuring initiative, when necessary, is carried out within the framework of the Paris Club and under the authority of the French State with regard to AFD.

By way of illustration, the table below presents the main countries of intervention sensitive to external economic and financial shocks through the external debt service indicator compared to the generation of currencies in the current account (Source: World Bank).

Countries	**Potential weaknesses related to total external debt**	**Potential weaknesses related to public external debt**	**Outstandings (Sovereigns and Non-Sovereigns)** *(in millions of euros)*	**Risks (Sovereigns and Non-Sovereigns)** *(in millions of euros)*
Mozambique	✓		174	281
Brazil	✓		1,553	2,404
Pakistan	✓	✓	484	1,032
Argentina	✓	✓	105	409
Colombia	✓	✓	2,339	2,540
Angola	✓	✓	255	737
Senegal	✓	✓	1,308	1,908
Egypt	✓	✓	1,425	1,913
Uzbekistan	✓		852	1,127
Tunisia	✓	✓	933	1,518
Kenya		✓	874	1,458
Georgia			774	886
Armenia			319	321
Indonesia			1,457	1,743
Sri Lanka		✓	188	239
Cameroon		✓	1,171	1,399
Turkey			1,564	2,041
Jordan		✓	1,098	1,364
Ecuador			918	1,110
Rwanda			231	479

The 20 countries listed are ranked in descending order in terms of the ratio of total external debt service/(export revenues + primary revenues), among the AFD Group's countries of operation for which the exposure signed at 31 December 2024 is higher than €100M.

4.1.1.5 Liquidity risk

The AFD Group's liquidity risk could materialise through:

- the Group's inability to finance the development of its assets (disbursements) and to repay the commitments made at the time when such financing or repayments arise;
- a temporary inability to raise capital at a reasonable cost.

The measures put in place by AFD to protect itself against refinancing risks (notably the liquidity management indicators included in the limit system but also in the risk appetite framework) mean that these risks are limited to situations of lasting systemic crisis.

AFD seeks to preserve its liquidity so that it can intervene as a countercyclical lessor in difficult financial market contexts.

4.1.1.6 Market counterparty risk

The AFD Group's market counterparty risk reflects the risk of default by derivative counterparties and counterparties linked to cash investments and the investment portfolio. Counterparty risk is broken down into three risk sub-classes:

- the risk on the operational cash portfolio;
- medium-term liquidity risk on investment portfolios;
- interest rate and currency hedging portfolio risk.

In order to manage its liquidity needs, the Group holds a portfolio of cash and liquid financial securities. The outstandings in this portfolio increased in order to back the increase in the Group's loan activity and its undisbursed balance, as well as to meet regulatory liquidity requirements.

These operating cash and investment portfolios must be sized at a level sufficient to cope with at least six months of Group activity (RAF tolerance threshold [1]).

1) *Risk Appetite Framework*

These investments are mainly invested in counterparties with a long-term credit rating of at least 80%, and were at 84.5% as at 31 December 2024. In practice, operational cash flow is concentrated in French banking groups (Crédit Mutuel, Crédit Agricole, BPCE, BNPP) and the Banque de France.

Measures put in place by AFD to guard against refinancing risk enable it to be restricted to situations of systemic risk. AFD seeks to preserve its liquidity so that it can intervene as a countercyclical lessor in difficult financial market contexts. Moreover, as for credit risk, the system of limits also provides for a framework for concentration risk on market counterparties.

4.1.1.7 Interest rate risk in the banking portfolio

Interest rate risk in the banking book refers to current or future risk to which AFD Group's equity or profits are exposed owing to adverse fluctuations in interest rates which influence the positions of the institution's banking book.

It should be noted that the Group does not have a "trading book", and therefore has no portfolio of so-called speculative transactions. Its exposure to interest rate risk relates solely to its "banking book".

For information purposes, the measurement of the sensitivity of the AFD Group's economic value of equity (EVE) is calculated quarterly according to six scenarios ("parallel rate increase" of +200 bps, "parallel rate decrease" of -200 bps, "increase in short-term rates", "decrease in short-term rates", "steepening of the curve", "flattening of the curve") compared to the central scenario.

4.1.1.8 Foreign exchange risk

The AFD Group defines foreign exchange risk as current or future risk to which its equity and its profits are exposed owing to adverse exchange rate fluctuations.

It should be noted that, for the AFD Group, foreign exchange risk covers both foreign exchange risk from a market perspective (which consists of an adjustment of the value of financial instruments according to changes in exchange rates) and foreign exchange risk from an ALM perspective (foreign exchange position hedged due to changes in a currency).

Exposure to this risk can increase occasionally due to internal events, such as the disbursement of small amounts of currency that are not hedged, but above all to external events, such as arrears, counterparties defaulting on a loan in a local currency or the receipt of share dividends in local currency.

Internal regulatory foreign exchange limits:

- internal limit by currency – 1.5% of regulatory capital;
- internal limit for all currencies – 3% of regulatory capital;
- alert limit for all currencies – 2.5% of regulatory capital.

4.1.1.9 Profitability risk

The AFD Group defines profitability risk as the risk of generating insufficient income to support its equity and, consequently, to ensure its financial autonomy.

AFD's economic and financial model is built on the principle of moderate profitability and normative pricing in view of its long-term credit activity in favour of entities and projects falling under Official Development Assistance. The normative pricing of its credit activity essentially consists of covering, on the basis of actual costs, the costs of refinancing, operating costs and the cost of risk (estimated over a long historical period).

The Group carries out its mission within the banking regulatory framework applicable to financing companies and in an international environment subject to external crises and shocks. The AFD Group may suffer a drop in its net income due to the cumulative effect of the increase in one-off provisions (individual and collective) for credit risk and the decrease in the valuation of equity investments without the possibility of quickly offsetting the effect by increasing credit margins (stickiness and moderation of the price effect).

This particularity of the economic and financial model is assumed and supported by the French State, AFD's sole shareholder. The impact of such a risk (solvency in particular) is taken into account by the shareholder, as part of the dialogue and medium-term strategic management.

4.1.2 Non-financial risks

4.1.2.1 Reputational and accountability risk

Reputational risk is a risk resulting from a negative perception (whether justified or not) on the part of AFD's counterparties, its shareholders, its investors or the regulator, which may adversely affect its revenues, activities and ability to maintain or initiate business relationships, or the continuity of its access to sources of financing, or result in litigation or other onerous legal proceedings.

This reputational risk should be reflected in the accountability expected of AFD in its financing actions from its stakeholders (customers, the French State, citizens) insofar as AFD is the operator of a public policy, that of development aid for France. It is therefore incumbent upon it to assure its stakeholders that the debt and grant financing it provides meet the objectives and purpose assigned to it. Otherwise, AFD incurs a reputational risk.

For the AFD Group – as for all players in the development sector – reputational risk is among the major risks that could have a significant impact on activities and the economic and financial model. Reputational risk is particularly high for three reasons: first, the purpose of the Group's financing is often to respond to environmental and social issues in the countries where we operate. These sectors, which affect the most vulnerable populations and areas, are closely monitored by civil society organisations. Finally, the geographical scope of the Group's operations exposes it to certain countries where the business environment is impaired, particularly in terms of corruption and financial security (see below, 4.1.2.2). Finally, owing to its public interest remit as set out in its bylaws and agreements with institutions signed in countries where it operates, the AFD Group has a duty of accountability and to lead by example in implementing the best practices in financing development assistance.

Also, the following are likely to entail a reputational risk for AFD:

- failure to ensure that its customers comply (or that AFD itself complies) with the environmental and social commitments that condition the aid that AFD grants, a point of special attention in civil society with whom AFD has entered into a strategic dialogue;
- the fact that the aid is embezzled for personal enrichment within the customer (fraud, corruption, money laundering) or is simply diverted from its contractual allocation point (non-compliance with the purpose of the financing) or that the aid ultimately ends up in the hands of terrorists or people placed under financial sanctions by the international community or France, with regard to the regions where the AFD Group operates;
- failure to comply with the commitments made in terms of accountability to AFD's stakeholders and the exemplary nature of the actions that guide it.

A reputational attack on its business would have a major impact that would damage the credibility of the AFD Group as an operator, reduce the funding allocated to it and reduce demand among our partners and customers through the loss of trust that would follow.

In addition to quality and risk management requirements, the heart of the procedure for processing and monitoring loans and grants awarded, the Board of Directors which includes, in particular, independent experts from civil society, is an additional bulwark in the event of a failure to identify or measure a risk of this nature.

4.1.2.2 Risk of misuse of loans, risk of fraud/corruption, money-laundering and financing terrorism, non-compliance with economic and financial sanctions

As a key player in French public policies in terms of development and international solidarity, the AFD Group is particularly attentive to the proper allocation of its funds and does its utmost to ensure that they serve their intended purpose. This concern is intrinsically linked to its remit as set its bylaws [1] and strategic orientations under which its fundamental mission is to combat poverty and promote growth in its areas of operation. Corruption, fraud and any form of misuse of public and private assistance would have a significant impact on such missions. The same is true of any financing that would result in the Group inadvertently supporting money-laundering or the financing of terrorism.

AFD Group operates in a very specific environment: in particular it supports countries that are in crisis, are vulnerable, have limited capacity and/or are stigmatised in the corruption perception index produced by civil society [2]. It often supports weak public contracting authorities, in areas of public finances where the regulatory environment is weak or, in a number of countries, operates in sectors, particularly banking and finance, that are weak or lack maturity in terms of regulation and control. The Group also grants its financing in countries that are subject to international, Community or national economic and financial sanctions measures or that are stigmatised in "black lists" for the failure of their regulatory environment in terms of the fight against money laundering, terrorist financing by GAFI or the European Union.

The AFD Group is particularly aware of the specific features of this operational context.

Despite this robust set of risk management measures, the Group may be faced with the predation of its funding or could inadvertently support money laundering or the financing of terrorism. This situation could give rise to a significant legal and financial risk for the Group and damage its image and reputation, the impact of which is detailed above. To date, the AFD Group is not involved in any disputes in France or abroad for non-compliance with regulations on financial security, corruption or non-compliance with economic and financial sanctions.

1) According to our bylaws (Article R.5 15-6 COMOFI): "The Agency is a State-owned industrial and commercial public undertaking, whose missions and organisation are set out in this section. Its mission is to carry out financial transactions of all kinds with a view to: a) contributing to the implementation of the State's foreign aid policy; b) contributing to the development of French Overseas Departments and Collectivities as well as New Caledonia. To this end, it finances environmentally-friendly development operations and may conduct other activities and services linked to its role. In particular, it is responsible for directly or indirectly providing technical expertise to its beneficiaries. The Agency is subject, for activities within its remit, to the provisions of this Code."

2) MINKA zone countries: countries of the Sahel, countries around Lake Chad, Central African Republic and Middle East.

4.1.2.3 IT and cyber risk

As is the case of all financial institutions, AFD's exposure to the risk of data breaches, cyber-crimes or IT failures has increased in recent years due to a combination of a number of factors: the increasing use of "cloud" solutions; the use of numerous technical assistance service providers to support AFD's growth and associated IS needs; the growing number of cyberattacks, whose operating methods are increasingly sophisticated; and lastly, AFD Group's desire to become a "digital lessor". The digital transition has indeed been identified as one of the six major transitions introduced as part of the Strategic Orientation Plan for 2018-2022 and changes made since, particularly the mass introduction of paperless documents and processes, as well as the generalisation of telework, have increased the Group's reliance on IT resources.

The Group cannot completely eliminate risks of the malfunction or outage of its systems, failure of its IT providers or malicious acts on the part of its own employees or third parties (particularly the risk of leaks of confidential data in the event of piracy and the risk of destruction of data centre software). Although, to date, AFD has never been the victim of a cyberattack on this scale, were these risks to materialise, they would have significant impacts on the Group's activity, its reputation (in the case of a leak of confidential or personal data for example), on its ability to respond to certain regulatory requirements and engender non-negligible financial losses (in the event of a misuse of AFD funds for example, or an IT failure exposing AFD to a fine).

In addition to the consequences of the risk of a cyberattack, AFD Group is beginning a major overhaul of a significant part of its IT system, with a dual objective of making efficiency savings and developing functionality tailored to future regulatory requirements and expansion. The IT Strategic Orientation Plan No. 4 (ISOP IV) validated in July 2021 describes this transformation phase and the associated objectives for the coming years, concerning notably the Finance and Risk activities (Fabrik programme launched in 2020), the Operations activities, the opening of IS to the outside, and a vast programme to improve IS security (Securis).

Like any transformation phase, it carries risks, notably in terms of compliance with budgets and deadlines for the delivery of new tools and/or changes to the tools in place. ISOP IV has thus redefined a global governance for information systems, put in place at the end of 2021, with a stronger management, capable of addressing the underlying issues, involving the Executive Committee through the creation of an IS Advisory Committee, the half-yearly definition and review of business line trajectories, changes in the composition and role of the IS Investment Committee (COSI), and coordination with the governance of dedicated programmes, based on the model of the Fabrik Finances and Risk programme (a dedicated programme team, a dedicated Steering Committee under the chairmanship of Executive Management, and the provision of full-time teams).

4.1.3 Health and safety risks

4.1.3.1 Business interruption risks

Feedback from the Covid-19 health crisis showed that teleworking was appropriate and effective in several of the scenarios of the emergency and business continuity plan (BCP). While, on the one hand, teleworking methods have become standardised and perfected, on the other hand, the long-term effects, including in terms of Quality of Working Life (QWL) and psychosocial risks, have not yet all been identified and identifiable. Moreover, while the drastic reduction in assignments did not prevent the implementation of the business plan over these past few years, it could have a medium-term effect on the origination of new operations; lastly, the all-digital world towards which we are being thrown by the events impacting business continuity makes us all the more vulnerable to cyberattacks, new frauds using information system vulnerabilities, and of course the risk of digital blackouts.

Business continuity could also be severely hampered by the occurrence of a 100-year flood in Paris; it is characterised by slow floods (10 to 15 days of floods, or even more before the water level drops) of which the biggest was in 1910 (+8.62 metres). AFD is exposed to this risk since its registered office, made up of a number of buildings, is located in Paris, not far from the Seine. The AFD buildings, which have several floors and basements, are less than 400 m from the bed of the Seine, and are located in an area where, according to the City of Paris Flood Risk Prevention Plan, the height of water would be more than 30 metres in the event of a 100-year flood (in relation to the reference level used to calculate the level of the Seine). Such flooding would prevent staff from accessing buildings, would put some of our archives at risk.

4.1.3.2 Risks related to employee security

Owing to the geographical scope of its operations and locations, AFD is particularly vigilant to risks faced by employees on the ground. In addition to staff recruited locally, AFD sends employees overseas either as expatriates or on assignment, for the purposes of local representation and to monitor financing projects. Employees working in the network (staff recruited locally and expatriated) account for around a fourth of AFD's total headcount. AFD operates in 115 countries. This means it is liable as an employer irrespective of the extent of existing risks on the ground.

These risks vary in nature according to the country: climate risks, seismic or volcanic risks, risks of accidents (traffic accidents in particular), risks linked to inadequate public health and safety infrastructure. But the biggest potential risks remain the risk of political instability and terrorism (attacks, kidnapping, uprisings, etc.). Indeed, AFD is present in certain regions that are particularly exposed (Sahel, Iraq, Autonomous Palestinian Territories, Pakistan, Haiti, Democratic Republic of Congo, etc.), in which the risk of danger to its employees is deemed to be very high, despite the operational security measures in place and continuously adapted to changing contexts of vulnerability or crisis. Certain events could lead AFD to reduce its activity in certain countries, to rely on degraded systems (as was the case in China – in early 2020 – where the Beijing local office had to set up remote working methods to deal with the lockdown of Chinese staff imposed by the local authorities in response to the coronavirus epidemic), or even to totally or partially close certain local representations (as was the case temporarily in Haiti, at the end of 2019 – or in Pakistan, in 2021 – or in Niger in 2023), and in certain cases, in response to deteriorating security contexts, AFD has decided to temporarily close its local offices to avoid exposing its staff.

4.2 Basel III Pillar 3

4.2.1 General principles

The objective of Pillar 3 of the Basel III framework is to improve financial transparency by publishing quantitative and qualitative disclosures of different types of risk, risk evaluation procedures and the capital adequacy of companies.

In terms of issues, for each institution, they involve:

- aligning data with the new international accounting standards (IFRS) on financial communication;
- explaining their internal rating methodology and their risk assessment process to the market.

4.2.2 Scope of application

4.2.2.1 AFD's prudential regime

Article 7 of the Decree of 23 December 2013 on the prudential regime for finance companies stipulates that finance companies are required to comply with the provisions applicable to credit institutions pursuant to Regulation (EU) No. 575/2013 of the European Parliament, subject to the derogations set out in this Decree.

These exemptions relate to:

- the leverage ratio;
- the liquidity management ratios (LCR and NSFR);
- the BRRD directive and its resulting MREL on the resolution of banking institutions in the EU.

Moreover, Regulation (EU) 2024/1623 (CRR3) of 31 May 2024 amends Regulation (EU) No. 575/2013 (known as the "CRR") as regards the requirements for credit risk, credit valuation adjustment risk, operational risk and market risk, and the equity floor.

The transposition into European law of the finalisation of Basel 3 in the CRR3 texts was completed at the end of 2023. The new rules are being implemented at the AFD Group and will be applicable from 1 January 2025.

4.2.2.2 Corporate name of the Group's parent company to which the system applies

Agence Française de Développement (AFD).

Detailed information on the AFD Group's corporate purpose is provided in Paragraph 1.1 "General information on AFD".

4.2.2.3 Consolidation scope and methods

There is no difference with regard to consolidation principles between accounting data and prudential data. The consolidation scope and methods are defined in Paragraph 6 "Consolidated financial statements prepared in accordance with IFRS adopted by the European Union"; Note 6.2.3.1 "Consolidation scope and methods".

Moreover, there are no restrictions on transferring funds or regulatory capital within the Group.

4.2.3 Equity

4.2.3.1 Capital structure

The AFD Group's equity at 31 December 2024 amounted to €10,083M compared to €9,672M at 31 December 2023, an increase of €411M. CET1 capital stood at €9,243M at 31 December 2024, compared with €8,832M at 31 December 2023. Total Tier 1 increased from €9,672M at 31 December 2023 to €10,083M at 31 December 2024.

AFD Group capital structure at 31 December 2024

In millions of euros

CET1 capital before deductions	9,239
CET1 deductions	-
Phase In	16
CET1 deduction – insufficient coverage of non-performing exposures	-12
CET1 capital after deductions	**9,243**
T1 subordinated securities	840
T1 capital before deductions	10,083
T1 deductions	-
T1 capital after deductions	**10,083**
T2 capital before deductions	-
T2 deductions	-
T2 capital after deductions	**-**
TOTAL EQUITY	**10,083**

The breakdown of regulatory capital at 31 December 2024 was as follows:

- €9,243M of core Tier 1 capital, consisting of core and non-redeemable capital (mainly endowments and reserves);
- €840M in additional category 1 capital in the form of undated subordinated bonds subscribed by the French State. The securities commitments made by AFD (which are obligatory under French law), in terms of principle and interest, are direct, unconditional, lowest rank subordinated commitments for an indefinite term without an AFD guarantee. Save for the occurrence of a regulatory event, as provided for in the agreement with the State (point of non-viability, *i.e.* non-compliance with the minimum CET1 ratio as provided by law at a specific time), the securities will pay an annual interest of 0.25%.

When itemised, the capital breaks down as follows:

Consolidated risk capital

In millions of euros	2024
Share capital	4,718
Consolidated reserves	3,627
Profit (loss) for the period	187
FRBG	460
Equity method diff.	159
Unrealised capital gains and losses	114
Non-controlling interests	164
Intangible assets	- 183
Prudent valuation	-7
CET1 capital	9,239
CET1 deductions	-
Phase-In	16
CET1 deduction – insufficient coverage of non-performing exposures	- 12
CET1 capital after deductions	**9,243**
T1 subordinated securities	840
T1 capital	10,083
T1 deductions	-
T1 capital after deductions	**10,083**
RCS	-
Subordinated loans Art 4d	-
Subordinated loans Art 4c	-
Additional regulatory capital	-
T2 deductions	-
T2 capital after deductions	**-**
TOTAL CONSOLIDATED CAPITAL	**10,083**

Deductions and prudential restatements under CRR/CRD4

In millions of euros	2024	2023
Cut back of non-eligible non-controlling interests	- 36	- 4
Prudent Value Adjustment	- 7	- 6
CET1 deductions	- 12	- 40
TOTAL	**- 55**	**- 51**

4.2.3.2 Capital adequacy

AFD easily meets the minimum capital requirements set out in Pillar 1, with a capital adequacy ratio of 15.26% at 31 December 2024, up compared to 2023 (14.95%).

Moreover, since 1 January 2024, the calibration of the reserve account has been considered as a credit risk mitigation mechanism. The ACPR notice of 2022 specifies that, in accordance with European regulations (CRR and EU Delegated Regulation No. 183/2014), adjustments for credit risk are limited to losses related to credit risk and which are deducted from Tier 1 capital (CET1). With the introduction of IFRS 9, the European Banking Authority has indicated that all provisions for expected credit losses under this standard are considered as specific adjustments for credit risk.

Thus, following this voluntary change in presentation intended to give a more accurate picture of the treatment of sovereign credit risk, the AFD Group's capital adequacy ratio stood at 15.26% instead of 14.75%.

Consolidated capital adequacy ratio at 31 December 2024

In millions of euros	RWA	Capital requirements
Credit risk (CAD)	58,522	4,682
Equity investments	4,441	355
TOTAL CREDIT RISK	**62,962**	**5,037**
CR SEC securitisation	610	49
DVA	203	16
Operational risk	1,985	159
Market risk	320	26
Total RWA	66,081	5,286
Regulatory capital	-	10,083
CAPITAL ADEQUACY RATIO		**15.26%**

Under Pillar 2, AFD has developed a process for assessing the adequacy of its capital called "ICAAP" (Internal Capital Adequacy Assessment Process) in accordance with the requirements imposed by the European CRDIV Directive and its transposition into French law in the Decree of 3 November 2014.

AFD has organised and built its ICAAP taking into account the regulatory texts while adapting it to its economic and financial model.

AFD has also taken into account the guidelines proposed by the European and French authorities to design its ICAAP, notably:

- the EBA guidelines on ICAAP EBA/GL/2016/10;
- the ACPR notice (February 2019).

Since the initiation of this process and the first declaration in 2016, the methodological approach has been adapted and the exercise updated in order to be in line with the change of AFD's certification as a financing company and its risk profile.

Since 2019, AFD has prepared and submitted the ICAAP declaration to the French Prudential Supervisory and Resolution Authority (ACPR).

As part of this internal process, AFD could use the following two approaches to measure its capital adequacy:

- the regulatory approach which is based on regulatory capital ratios;
- the internal approach which is based on the capital adequacy ratio and reserve account resources for hedging sovereign exposure.

Of the two approaches the most restrictive is used as a priority in decision-making processes relating to managing capital such as forward-looking assessments and the allocation of capital.

The process applied is therefore that of a projection exercise focused on the regulatory approach, which is more conservative than the economic approach, which essentially differs in that it takes into account, in the definition of internal capital, instruments with a capacity to absorb loss, *i.e.* the reserve account.

In the regulatory approach, a materiality threshold was determined to identify tangible risks (AFD defines as tangible any risk that may have a significant impact on its solvency). This materiality threshold was set at a loss level equal to 10 basis points of the regulatory capital adequacy ratio.

Capital planning includes capital ratio projections in a central scenario and an adverse scenario established in conjunction with the Risk and Economic Departments over the same time horizon.

The Internal Capital Adequacy Assessment Process enables the AFD Group to ensure that its capital is adequate to cover the tangible risks to which it is exposed, in terms of its activity, its economic model and its business plan.

The update of the 2024 ICAAP, which will be carried out during the first quarter of 2025, will be presented to the Board of Directors for approval on 24 April 2025 and will apply to all entities within the AFD Group's prudential scope.

Notably, it will make it possible to ensure consistency with the duration foreseen for the AFD Group's Contractual Targets and Resources (2024-2026), the priorities expressed by the CICID (Interministerial Committee for International Cooperation and Development) in 2024 and the evolution of the Group's risk profile as formalised in its Risk Appetite Framework.

Capital adequacy

In millions of euros

Equity taken into account	**10,083**
CET1 capital	9,243
Tier 1 capital	10,083
Tier 2 capital	-
Total eligible equity	**5,286**
Credit risk	**5,037**
Governments and central banks	2,907
Credit institutions	853
Companies	922
Equities	355
DVA	**16**
CR SEC	**49**
Market risk	**26**
Foreign currency net position <2% of capital	26
Operational risk	**159**
Standard approach to operational risk	159
Capital surplus or shortfall	**4,797**
Capital adequacy ratio	**15.26%**

4.2.3.3 Basel III ratios

Because AFD does not hold speculative positions, market risk is limited to foreign exchange risk. This year the equity requirement is zero (see application of Regulation (EU) No. 575/2013 on capital adequacy in relation to the market).

AFD meets the minimum capital requirements with a capital adequacy ratio of 15.26% at 31 December 2024, compared with 14.95% at 31 December 2023.

The CRR2/CDRV is applied by AFD:

- the exposure value of derivatives is modelled using the standard method (SA – CRR), corresponding to the sum of the replacement cost and the potential future exposure;
- exposures in the form of units or shares of collective investment undertakings are treated according to the look-through approach.

4.2.3.4 Leverage ratio

Since 2017, AFD has no longer been subject to the leverage ratio following its change of status to a "financing company".

4.2.4 Risk exposure and evaluation procedures

4.2.4.1 Credit risk

4.2.4.1.1 General information

Exposure to credit risk includes balance sheet risk, notably exposure to loans, equity investments, financial instruments and derivatives, as well as off-balance sheet exposures (financing commitments and guarantees given).

Regarding risk stemming from loans, exposures that are in arrears, *i.e.* primarily loan risk, are monitored in the information system and are automatically downgraded as doubtful loans, in accordance with arrears rules defined by the regulations, and impairments are recorded. The approaches adopted for specific and general provisions and impairments are presented in Paragraph 6.2.3.2 on the main accounting principles and methods of the consolidated financial statements. Ratings are reviewed on a periodic basis to ensure individual monitoring of counterparties. The review of information on risks is presented in Paragraph 6.2.5.1 on credit risk.

4.2.4.1.1.1 Credit risk exposures

Balance sheet and off-balance sheet items exposed to credit risk are presented in the table below:

Assets *(in thousands of euros)*	**2024**	**2023**
Cash, due from central banks	863,504	2,497,287
Financial assets at fair value through profit or loss (excluding derivatives)	4,705,926	4,398,814
Financial assets at fair value through other comprehensive income	2,273,869	1,589,600
Debt securities at amortised cost	3,148,432	2,975,130
Loans and receivables due from credit institutions and equivalent at amortised cost	13,303,340	11,353,311
On-demand	*1,213,880*	*432,702*
At maturity	*12,089,460*	*10,920,610*
Loans and receivables due from customers at amortised cost	40,468,886	38,136,601
Commercial receivables		
Other loans to customers (*)	*40,468,886*	*38,136,601*
Regular accounts receivable		
Total loans and receivables	**64,763,958**	**60,950,744**
Equity stakes in companies accounted for by the equity method	160,320	162,611
Financial assets at fair value through profit or loss (derivatives)	33,856	127,885
Hedging derivatives	3,341,422	2,953,426
Other assets	2,941,441	3,726,378
Property plant and equipment	858,161	634,962
BALANCE SHEET TOTAL	**72,099,158**	**68,556,007**
Off-balance sheet		
Firm lending commitments	19,346,752	18,647,137
Financial guarantees	1,510,635	1,447,606
OFF-BALANCE SHEET TOTAL	**20,857,387**	**20,094,743**
GRAND TOTAL	**92,956,545**	**88,650,750**

(*) Restatement of the opening threshold of the balance sheet for the financial year ended December 31, 2023: sovereign outstandings are presented net of impairments. (see Highlights of the consolidated financial statements, paragraph 6.2.1.8)

4.2.4.1.1.2 Breakdown by major credit exposure category, counterparty and geographic area

The geographic spread (foreign countries/French Overseas Departments and Collectivities) and the breakdown by type of activity (sovereign/non-sovereign) for the gross loan portfolio is discussed in Chapter 5.3.1 "Consolidated balance sheet" (Assets - Summary of outstandings and impairments).

The different types of financial assets are detailed in Note 5 to the consolidated financial statements "Financial instruments at amortised cost".

As for equity investments, the relevant consolidated balance sheet headings are presented in the table below:

Equity investments

	2024			**2023**		
In thousands of euros	**Listed**	**Unlisted**	**Total**	**Listed**	**Unlisted**	**Total**
Equity instruments at fair value through profit or loss	-	1,878,196	1,878,196	-	1,726,530	1,726,530
Equity instruments included in financial assets recognised in equity	-	851,653	851,653	-	694,825	694,825
Companies accounted for by the equity method	-	160,320	160,320	-	162,611	162,611
TOTAL	**-**	**2,890,170**	**2,890,170**	**-**	**2,583,966**	**2,583,966**

Similarly, the following table breaks down the various items making up the derivatives heading presented in Notes 1 and 2.1 to the financial statements:

Derivatives

In thousands of euros	2024 Assets	2023 Assets
Fair value hedging		
Interest rate derivatives	2,167,792	2,467,657
Interest rate and foreign exchange derivatives (cross-currency swaps)	1,173,631	485,770
Total 1	**3,341,422**	**2,953,426**
Financial assets at fair value		
Interest rate derivatives	2,261	6,048
Foreign exchange derivatives	5,653	63,879
Derivatives at fair value through profit and loss	25,886	57,926
CVA/DVA	**57**	**32**
Total 2	**33,856**	**127,885**
TOTAL DERIVATIVES	**3,375,279**	**3,081,311**

All derivative transactions are carried out with credit institutions in OECD countries.

The off-balance sheet commitments given consist of financing commitments related to undisbursed amounts under signed loan agreements and guarantees.

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Off-balance sheet – commitments given (financing and guarantees) according to counterparty type

In thousands of euros	2024	2023
Financing commitments made to credit institutions	2,588,677	1,907,305
Financing commitments made to customers	16,758,075	16,739,832
Subtotal financing commitments	**19,346,752**	**18,647,137**
Guarantee commitments made to credit institutions	452,268	375,312
Guarantee commitments made to customers	1,058,367	1,072,294
Subtotal guarantee commitments	**1,510,635**	**1,447,606**

At 31 December 2024, the off-balance sheet items relating to sovereign outstandings amounted to €14,239M, including €60M of State risk.

4.2.4.1.1.3 Amount of impaired loans, receivables and commitments, and provisions, by major counterparty category and major geographic area

Gross and net value of the AFD Group's risk loan, receivable and commitment portfolio, with a breakdown of impairment

In millions of euros	Exposure	Impairment(*)	Exposures net of impairments
Foreign countries			
Sovereign	45,165	1,340	43,824
• *of which doubtful*	2,724	961	1,762
Non-sovereign	22,198	717	21,480
• *of which doubtful*	855	394	462
French Overseas Departments and Collectivities			
Non-sovereign	7 ,870	199	7,671
• *of which doubtful*	339	125	214
Other outstanding loans	**0**	**0**	**0**
TOTAL	**75,233**	**2,257**	**72,976**
of which doubtful	3,918	1,480	2,438

(*) including the calibration of the reserve account (see Highlights of the consolidated financial statements, paragraph 6.2.1.8)

4.2.4.1.1.4 Reconciliation of changes in provisions for impaired receivables

Note 10 “Provisions”, in the notes to the financial statements, outlines the changes for each category of provisions and impairments.

4.2.4.1.2 Credit risk: portfolios under the standard approach and regulatory weighting

AFD chose the standardised method to calculate the risks used to determine the capital adequacy ratio. The weightings applied depend on the ratings given to countries or entities by external bodies (Moody’s, FITCH and Standard & Poor’s) and to the type of counterparty (third-party asset class). As a significant portion of the non-sovereign counterparties do not have a rating from an external body, they are weighted at 100% or 150% for non-performing loans.

The weightings applied by the Group for rated counterparties are as follows:

Weighting used to calculate credit risks

Rating Asset class	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Lesser than or equal to CCC+	Not rated
Sovereign	0%	20%	50%	100%	100%	150%	100%
Banks	20%	50%	50%	100%	100%	150%	100%
Companies	20%	50%	100%	100%	150%	150%	100%

The application of weightings to AFD’s credit risk results in the following weighted exposures:

Group credit risk: portfolio subject to the standardised approach, by risk tranche

In millions of euros

Risk weighting	Sovereigns and other institutions	Banks	Companies	*Covered bonds*	Equities	Total
10%	-	-	-	11	-	11
20%	567	1,340	36	22	107	2,071
50%	3,207	1,216	570	-	328	5,323
100%	26,359	7,377	9,802	31	2,506	46,075
150%	6,202	668	1,113	-	288	8,271
250%	-	-	-	-	935	935
1,250%	-	-	-	-	276	276
TOTAL	**36,335**	**10,601**	**11,522**	**64**	**4,441**	**62,962**

4.2.4.1.3 Credit risk mitigation techniques

AFD secures the repayment of its loans to non-sovereign counterparties by taking into account collateral (bank account pledges, receivables pledges, Dailly assignments for French Overseas Departments and Collectivities, joint sureties, first demand guarantees, etc.) and by signing payment mechanism agreements, which organise privileged access to cash generated by the borrower's activity for the benefit of AFD.

Specialist operations lawyers help AFD to structure its financing and, for counterparties based in a foreign country, they consult local lawyers on the legitimacy of the loan agreement and related agreements before the first payment is made.

Bank account pledges are subject to periodic valuation taken into account in provisioning.

Moreover, AFD records exposure guaranteed by the French State on its balance sheet and off-balance sheet.

In calculating its capital adequacy ratio, AFD recorded its exposure covered by eligible personal guarantees, which breaks down as follows:

- €6,910M of balance sheet exposure that mainly consists of loans guaranteed by the French State and foreign governments;
- €722M of off-balance sheet exposure consisting mainly of the undisbursed balance guaranteed by the French State and foreign governments.

Balance sheet exposure to credit risk covered by eligible personal sureties (guarantees)

In millions of euros	Net unweighted exposure covered by a guarantee	Net weighted exposure covered by a guarantee	Mitigation techniques (guarantees)	Net weighted exposure after mitigation techniques
Governments and central banks	3,236	2,713	- 2,713	-
Companies	1,283	1,451	- 288	1,163
Institutions	807	324	- 173	151
Public sector entities	1	1	-	1
Local and regional governments	1,582	1,346	- 628	717
TOTAL	**6,910**	**5,836**	**- 3,803**	**2,033**

Off-balance sheet exposure to credit risk covered by eligible personal sureties (guarantees)

In millions of euros	Net unweighted exposure covered by a guarantee		Net weighted exposure covered by a guarantee	Mitigation techniques (guarantees)	Net weighted exposure after mitigation techniques
	Before conversion factor	After conversion factor			
Governments and central banks	60	60	60	- 60	-
Companies	321	241	278	47	325
Institutions	155	85	92	-	92
Local and regional governments	186	121	121	-	121
TOTAL	**722**	**507**	**551**	**- 13**	**538**

4.2.4.1.4 Securitisation-specific credit risk

The AFD Group may occasionally be exposed to transactions whose structure incorporates different levels of subordination and remuneration. The criteria for classification under securitisation are then sought.

Transparency

The risk exposure of the securitisation tranches is intrinsically linked to that of the underlying assets. The Group monitors changes in the quality of the underlying assets throughout the life of the programme concerned.

Weighting

To determine the weighting applicable to the securitisation position, the standardised approach (SEC-SA) is used by taking into account the capital charge of the underlying portfolio and the proportion of defaulted assets in this portfolio.

Supervision

Securitisation transactions are subject to the approval of the credit committees. Exposures are monitored to ensure they do not exceed the limits set.

4

Risk exposure by subordination level

in millions of euros	Total amount of risk exposure		Total RWA		Capital requirement*
	2024	2023	2024	2023	2024
Senior	129	171	191	278	15
Mezzanine	22	24	199	195	16
Junior	40	51	220	229	18
TOTAL	**191**	**246**	**610**	**702**	**49**

** Countercyclical buffer included*

Exposure to risk by calculation method

in millions of euros		Total amount of risk exposure		Amount total RWA		Capital requirement*
		2024	2023	2024	2023	2024
SEC-SA method	Senior Debt/150% weighting	46	22	70	33	6
	Senior Equity/250% weighting	7	85	16	212	1
	Junior/1,250% weighting	15	5	192	67	15
	Other weightings	122	134	333	391	27
TOTAL		**191**	**246**	**610**	**702**	**49**

** Countercyclical buffer included*

4.2.4.5 Operational risk

Operational risk management within the AFD Group (identifying and evaluating risks, rating risk management data, reporting, procedure for declaring operational incidents) is described in detail in Paragraph 4.3.1 “Internal control and risk monitoring”.

The measurement and management of operational risk is incorporated in the permanent control system.

Operational risk assessment

To calculate regulatory capital requirements for operational risk, the AFD Group uses the elementary approach based on the benchmark indicator, as defined in Article 316 of EU Regulation No. 575/2013 on prudential requirements for credit institutions and investment firms. Under the basic method, capital requirements for operational risk are equal to 15% of the average of the basic indicator smoothed over three years.

Capital requirements for operational risk

AFD’s average net banking income (NBI) for the last three financial years was €1,059M. The capital requirement for operational risk was €159M (15% of average NBI).

In thousands of euros	2024	2023	2022
GDP – Smoothed three-year average	1,058,522	1,002,179	932,194
Capital requirement ratio	15%	15%	15%
Capital requirement	158,778	150,327	139,829

4.2.4.6 Market risk

In addition to credit risks (counterparty risks) and operational risks, market risks must also be capitalised through equity in accordance with the CRR (Regulation No. 575/2013). Market risks include the foreign exchange and commodity risks of an institution as well as position risks (interest rate risks and equity risks) in the trading book.

AFD does not have a speculative operations portfolio. However, it recognises in accounting trading hedging instruments that cannot be accounted for using fair value hedge accounting and hedging instruments with a deferred start and/or that have been stripped of their hedging function.

For the Group, market risk therefore corresponds solely to exposures related to the risk of losses arising from changes in market prices, including exchange rates or commodity prices.

Capital requirements for market risk positions, in accordance with the CRR, are currently based on the standardised approach specified by the supervisory authority (Art. 326-361 CRR).

The capital requirement for operational risk is €26M.

4.2.4.7 Risk on equities and other financial instruments

The methods for valuing and recording equity investments held by the Group are presented in Paragraph 6.2.3.2 of the financial statements and in the following notes thereto: Note 1 “Financial assets and liabilities at fair value through profit or loss” and Note 3 “Financial assets at fair value through other comprehensive income” (Paragraph 6.2.4.1). The accounting standards for equity-accounted equity investments are outlined in Paragraph 6.2.3.1.2 “Accounting principles and methods”.

The summary table of equity investment exposure is provided in Paragraph 4.2.4.1.1.2.

The amount of capital gains (losses) realised on disposals and liquidations during the period under review is presented in Notes 15 and 16 to the consolidated financial statements (Paragraph 6.2.4.2).

Realised gains and losses are recorded as gains or losses on assets at fair value through profit and loss (Note 15) or at fair value through other comprehensive income (Note 16).

Capital requirements for this category of risk equalled €355M based on a risk-weighted amount of €4,441M.

4.2.4.8 Information on encumbered and unencumbered assets

An asset is considered to be “encumbered”, or may be used contractually for the purpose of guaranteeing, acting as collateral for or enhancing a transaction from which it is inseparable. On the other hand, an “unencumbered” asset is one free of any restrictions of a legal, regulatory, contractual or any other nature, and free from the possibility of being liquidated, sold, transferred or assigned.

AFD does not record any assets as encumbered apart from securities sold under repurchase agreements to the Banque de France for a nominal amount of €64.5M.

4.3 Risk management system

4.3.1 Internal control and risk monitoring

AFD's internal control system is intended to provide Executive Management with reasonable assurance of the implementation of the following three objectives: (i) implementation and optimisation of transactions, (ii) reliability of financial information, and (iii) compliance with laws and regulations.

It includes the four targets set in the Decree of 3 November 2014, namely (i) the quality and reliability of accounting and financial information, (ii) the compliance of transactions, organisation, and internal procedures with legal and regulatory provisions, (iii) the quality of information systems, and (iv) compliance with decisions made by Executive Management.

At AFD, the internal control process is overseen by the Operational Risk and Permanent Control Department (ROC)
– which sits within Risk Management (DXR)
– and by the General Inspection Department (IGE)
– reporting to Executive Management
– for periodic controls.

4.3.1.1 Permanent control system

The Director of AFD's Operational Risk and Permanent Control (ROC) Department is designated by name as the person responsible for the permanent control of AFD and the Proparco and Sogefom subsidiaries, pursuant to Article 16 of the Decree of 3 November 2014. As such, their identity is communicated to the French Prudential Supervisory and Resolution Authority (ACPR) pursuant to Article 22 of the Decree of 3 November 2014.

AFD Group's permanent control system relies on (i) any Group employee, at the head office and in the international network, who may be required to contribute, identify and assess risks, and carry out first and second-level controls, declare an operational incident and/or ensure its handling, (ii) the Group's managers – those responsible for permanent monitoring at the level of the first line of defence and for risk management at the level of their structure – and who represent, in this respect, the Permanent Control Function's privileged correspondents, (iii) the operational risk and compliance officers, appointed at the Group's subsidiaries, executive departments and regional departments and who strengthen the first line of defence, (iv) the Permanent Control Function (including the Permanent Control Function of the AML-CFT) – housed within the ROC department and which represents the second line of defence – responsible for the coordination and supervision of AFD Group's permanent control system, and more specifically for ensuring the consistency and effectiveness thereof, and (v) the members of the Audit and Risk Committees, which represent the fourth line of defence at Group, AFD and subsidiary level.

The AFD Group's permanent control system uses the following tools:

- operational risk mapping, which reports on the risks to which the Group is exposed and which is the main tool for measuring and monitoring operational risks;
- an operational incident database that is part of a continuous improvement approach and which is one of the additional tools of the risk monitoring system;
- a control system that covers all Group risks (operational, credit, market, reputation, non-compliance, etc.) at two levels:
  - so-called level 1 controls, which are tasks integrated into the processes and which are described as such in the business line procedures,
  - so-called level 2 controls, which correspond to controls carried out a posteriori of the completion of the process, by a separate entity and independently of the entities awarded the tasks;
- a Group management plan which lists all the action plans monitored by the Permanent Control Function and enabling better control of the risks to which the Group is exposed;
- two IT applications dedicated to permanent control.

The scope of AFD's permanent control is exhaustive since it aims to ensure that all risks generated by the Group's activities, whatever they may be, are indeed subject to an appropriate control system. Lastly, with regard to the specific disbursement control system, the Disbursement Control Division (DCV) of the ROC department is tasked with ensuring the second-level control *a posteriori* of disbursements on AFD's financing projects. It is the specialised unit, independent of the operational structures, responsible for controlling payment requests, in accordance with Article 14 of the Decree of 3 November 2014.

4.3.1.2 Compliance and anti-money laundering/combating the financing of terrorism system (AML/CFT)

AFD's Compliance function is carried out by the Compliance Department (DCO). This department also performs this function on behalf of its financial subsidiary, Sogefom. The Compliance Department is independent of operational staff, and is responsible for managing non-compliance risk as defined by the revised Decree of 3 November 2014, for all sectors, operations and geographical areas of AFD and Sogefom operations. Its ultimate aim is to ensure that non-compliance risks and risks to their reputation are monitored and managed, including personal data protection. It also heads the compliance function for the Group's subsidiaries and affiliates as defined by French regulations.

The Compliance function's remit includes (i) determining the AFD Group's financial security policy, (ii) ensuring that AFD and Sogefom comply with the provisions relating to the prevention of money laundering, terrorist financing and with financial and economic sanctions, through second-level controls, as well as with those governing the prevention of corruption and those governing the conduct of banking and financial activities and associated ethical standards (notably market abuse and the management of conflicts of interest) as well as those ensuring the protection of customers' personal data.

In 2024, the AFD Compliance Function did not change in terms of its reporting line (to AFD's Executive Management since 1 July 2022), but it did change in terms of its scope of responsibility and, consequently, the way it operates.

The Department exercised this function on behalf of its financial subsidiary Proparco until 1 September 2024, as well as for its non-financial subsidiary Fisea, managed by Proparco on behalf of AFD. Since then, Proparco has had its own compliance department. As a result, the Compliance Department is no longer responsible for exercising its subsidiary's compliance function. However, it continues to perform certain tasks in the name and on behalf of Proparco.

The Compliance Department is made up of two divisions: the Operational Compliance Division (DCO/COP) and the Monitoring, Investigations and Legal Division (DCO/VIJ), which groups together the other Compliance functions that are functionally similar:

- the person in charge of regulatory monitoring;
- fraud and corruption investigations;
- compliance lawyers.

In addition, within the department, the Compliance Director has a project manager in charge of Compliance Function Processes and Systems, who is responsible for meeting the specific needs of the Compliance function as part of changes to the information system, a personal data protection officer (DPO) and a personal data protection support officer.

4.3.1.3 Periodic control system

The General Inspection Department (IGE) is in charge of the periodic control of transaction compliance, the actual risk level incurred, the respect of procedures, and the efficiency and suitability of the permanent control systems set up by AFD. It serves AFD's internal audit function and has jurisdiction over all of the company's activities, including outsourced activities. In view of the independence rules for the function it performs, the General Inspection Department (IGE) must not be subject to any interference in the definition of its scope of intervention, the performance of its work or the communication of its results and conclusions [1] and confirms compliance with this independence each year when the annual activity report is prepared.

The Group's risk management is governed through three main bodies:

1. the Board of Directors;
2. committees set up by the Board of Directors and placed under its oversight:

   The Group Risk Management Committee, set up in 2015 to meet the requirements of the Decree of 3 November 2014, is responsible for: (i) conducting a regular review of the strategies, policies, procedures, systems, tools, and underlying limitations and assumptions, and reporting its findings to the Board of Directors; (ii) assessing all significant risks as listed by regulations and the risk management policies, and the changes made thereto; to this end, it is informed of significant incidents identified by the internal control procedures and of any significant anomalies detected by the anti-money laundering and anti-terrorist financing monitoring and analysis system, as well as any shortcomings of this system, (iii) assessing the measures taken to ensure business continuity and (iv) advising the Board of Directors on AFD Group's overall strategy and risk appetite, both current and future, and assisting the supervisory body in overseeing the implementation of this strategy by management;

   The Group Audit Committee, which monitors issues relating to the preparation and control of accounting and financial information, is responsible for: (i) verifying the clarity of the financial information and assessing the relevance of the accounting policies adopted for the preparation of the individual and consolidated financial statements; (ii) issuing an opinion on the institution's financial statements, (iii) assessing the internal control system for accounting and financial matters, and (iv) supervising the choice of statutory auditors, and establishing a direct relationship with them, in order to familiarise themselves with their work programme and to discuss the conclusions of their work with them;
3. The Internal Control Committee: a body within which the heads of Periodic Control, Permanent Control, Compliance and the Risk Management function of the AFD Group, appointed pursuant to Articles 16, 17, 28 and 74 of the Decree of 3 November 2014, report on the performance of their duties to the executive directors within the meaning of Article 10 (a) of the Decree of 3 November 2014 in accordance with Articles 23, 31 and 77 of the same Decree.

1) *Extract from the Internal Audit Charter.*

the composition of these two committees was as follows as at 31 December 2024:

Name	First name	Organisation	Date of Resolution	Term ends	Position/function
Chairperson of the Group Audit Committee and Risk Management Committee					
Santini	Jean-Jacques	Qualified person	07/10/2023	06/10/2026	Chairperson, Permanent Director on the AFD Board of Directors
Members of the Group Audit Committee					
Bobin	Shanti	General Directorate of the Treasury, MINEFI	23/11/2023	22/11/2026	Representative of the General Directorate of the Treasury Alternate Director on the AFD Board of Directors
Pasquier de Franclieu	Louis	Budget Department, MINEFI	12/12/2024	11/12/2027	Representative of the Budget Department Alternate Director on the AFD Board of Directors
Delamour	Isabelle	CDC	19/10/2023	18/10/2026	Permanent Director on the AFD Board of Directors
Johns	Iris	Elected employee representative	13/09/2023	12/09/2026	Permanent Director on the AFD Board of Directors
Members of the Group Risk Management Committee					
Bobin	Shanti	General Directorate of the Treasury, MINEFI	23/11/2023	22/11/2026	Representative of the General Directorate of the Treasury Alternate Director on the AFD Board of Directors
Pasquier de Franclieu	Louis	Budget Department, MINEFI	12/12/2024	11/12/2027	Representative of the Budget Department Alternate Director on the AFD Board of Directors
Delamour	Isabelle	CDC	19/10/2023	18/10/2026	Permanent Director on the AFD Board of Directors
Johns	Iris	Elected employee representative	08/09/2023	07/09/2026	Permanent Director on the AFD Board of Directors

The IGE periodically communicates the results of its activities to the Group's bodies. The reports on the assignments as well as the annual review of the IGE's activity are communicated to the AFD Group's Risk Management Committee and to Proparco's Risk and Audit Committee, as well as to the AFD and Proparco Internal Control Committees (COCINT) for the assignments that concern them. The results of the follow-up of recommendations are presented to each COCINT concerned, as well as twice a year to the AFD Group Risk Management Committee, to the AFD Board of Directors and to Proparco's Risk Management and Audit Committee. In addition, the IGE's annual report dashboards are presented to COCINT and the Group Risk Management Committee at least once a year. The latter is also systematically informed of the decisions taken by the Executive Management concerning the possible refusal of the implementation of corrective actions identified as part of the assurance missions.

4.3.1.4 Group risk monitoring

Risk monitoring is ensured by the Group Risk Management Department (DRG) of Risk Management (DXR): by the Counterparty Risks Division (DRC) at the individual level of credit risks and the Risk Monitoring Division (DSR) at a consolidated level, both for credit risks and market transactions. This monitoring is not exclusive to this department: among other mechanisms, the half-yearly review of non-sovereign counterparties is initiated in the Geographical Departments (GEO) and the Finance Department provides strategic and financial management (DEF/PFG).

4.3.1.5 Methods of informing the supervisory body

Information for the supervisory body is based on the following three bodies: the **Board of Directors**, which is informed of changes in the risk measurement, monitoring and management system, which provides a cross-functional approach to the Group's risks, the **Audit Committee** and the **Group Risk Management Committee**, which stem from the Board of Directors and which – consequently – report to it on their activities through opinions or reports summarising the various missions carried out and any resulting recommendations.

4.3.1.6 Methods of informing executive officers

The Group's risk management is governed through three main bodies:

1. the Board of Directors;
2. the committees emanating from the Board of Directors:

the Group Risk Management Committee

Under the responsibility of the Board of Directors, the Group Risk Management Committee, set up in 2015 to meet the requirements of the Order of 3 November 2014, is responsible for:

- conducting a regular review of the strategies, policies, procedures, systems, tools, and underlying limitations and assumptions and reporting its findings to the Board of Directors;

- assessing all significant risks as listed by regulations and the risk management policies, and the changes made thereto; to this end, it is informed of significant incidents identified by the internal control procedures and of any significant anomalies detected by the anti-money laundering and anti-terrorist financing monitoring and analysis system, as well as any shortcomings of this system;
- assessing the measures taken to ensure business continuity;
- advising the Board of Directors on AFD Group's overall strategy and risk appetite, both current and future, and assisting the supervisory body in overseeing the implementation of this strategy by management.

The Group Audit Committee

Reporting to the Board of Directors, the Group Audit Committee is responsible for:

- verifying the clarity of the financial information and assessing the relevance of the accounting policies adopted for the preparation of the individual and consolidated financial statements;
- issuing an opinion on the institution's financial statements;
- assessing the accounting and financial aspects of the internal control system;
- supervising the choice of statutory auditors, and establishing a direct relationship with them, in order to familiarise themselves with their work programme and to discuss the conclusions of their work with them.

In summary, the Group Audit Committee monitors issues relating to the preparation and control of accounting and financial information.

The Internal Control Committee

A body within which the heads of Periodic Control, Permanent Control, Compliance and the Risk Management function of AFD Group, appointed pursuant to Articles 16, 17, 28 and 74 of the Decree of 3 November 2014, report on the performance of their duties to the executive directors within the meaning of Article 10 (a) of the Decree of 3 November 2014 in accordance with Articles 23, 31 and 77 of the same Decree. Its composition and role are described below, in Paragraph 4.3.1.6.

4.3.1.7 Methods of informing executive officers

The information for effective managers uses various channels, mainly through committees, which monitor all regulatory risks, and through notes to managers.

The committees set up within the AFD Group are as follows:

The Internal Control Committee (COCINT): this committee is made up of members of AFD's Executive Committee (including the Chief Executive Officer of Proparco), the Director of the Group Risk Management Department (DRG), the Director of the General Inspection Department, the Director of the Compliance Department and the Director of the Operational Risk and Permanent Control Department. It makes sure that systems are in place to monitor the activities and risks, as required by the Decree of 3 November 2014, to ensure the AFD Group's internal control system operates effectively. It mobilises management to put these systems in place. It is through this body that the heads of Periodic Control (the General Inspection Department (IGE)) and of Permanent Control and Compliance of the AFD Group report on the fulfilment of their roles. The committee is also regularly informed of incidents and risks updated in the operations risk mapping.

The Risk Management Committee (CORIS): this committee is responsible for proprietary risks on the AFD Group scope, notably as regards macroeconomic risks in the countries where it operates ("country risks") and credit risks covering both commitments in loans, guarantees or other financing instruments as well as all of the Group's subsidiaries and equity investments ("counterparty risk"). It is chaired by AFD's executive head of risk (Risk management [DXR]) and is attended, notably, by the AFD and Proparco Executive Management.

The Operational Risks and Compliance Committee (CROC): this committee is the operational body responsible for coordinating the actions of the Group's various business lines and entities in terms of controlling operational and compliance risks. It is prepared jointly by the Risk Management Department and the Compliance Department. It is co-chaired by AFD's Executive Director of Risk and the Director of the Compliance Department.

The New Activities and Products Committee (COCONAP): this committee's role is to examine all projects for new activities and products as well as any significant transformation carried out on pre-existing products, and to guide the product innovation offering and activities according to the Group's strategy. It is chaired by the AFD Group's Chief Operating Officer.

The Accounting, Finance and Management Control Committee (COFICO): this committee's role is to examine and monitor AFD's financial, accounting and management control activities. It is chaired by the Deputy Chief Executive Officer in charge of the Group's operations or the Chief Financial Officer. It has four sub-committees that report to it: (i) Budget – COBUD, (ii) Treasury – COTRES, (iii) Balance Sheet Management – COGAP, (iv) Monitoring of Climate Bonds – COSOC.

The Security Committee (COSEC): this committee is responsible for all areas covered by the Group's Security Department (security of people and property, information system security, business continuity, confidentiality of information [excluding the GDPR]). The COSEC is chaired by the Secretary General.

The Organisation and Procedures Committee (COMOP): this committee's role is to steer and arbitrate AFD's transformation and organisation projects (excluding IT issues). It is chaired by AFD's Chief Executive Officer (CEO) or Chief Operating Officer (COO).

The Partnerships Committee (COPAR): this committee is responsible for discussing major strategic orientations with AFD Group's partners, and deciding on the financing of the partnerships activity. It is chaired by the AFD Group's Chief Operating Officer or the Executive Director of Mobilisation, Partnerships and Communication (MPC).

The Credit Committee (CCR) – Grants Committee (COSUB): the CCR/COSUB deals with all AFD financing files bearing a credit risk as well as grants when these are backed by a loan and reviewed at the same time. The COSUB deals with all AFD's grant financing files. The chairmanship of the CCR/COSUB depends on the amounts of the projects presented, the procedure providing for two levels of delegation (the Regional Management or the Deputy General Management).

4.3.2 Internal control procedures and organisation of audit trail for accounting and financial information (Article L.225-100-1-5)

The AFD Group's accounting is handled by the Regulatory Accounting Consolidation Department of the AFD Finance Department (DEF).

The activities of this department include:

- the accounting registration of transactions initiated at the Head Office on the accounts payable, fixed assets, investments and services functions;
- auditing of local office and Regional Directorate accounts;
- the control of the centralisation in the general accounting of ancillary accounts and the implementation of accounting controls on all sectors;
- tax returns with the exception of those relating to wages and the building;
- the preparation of the parent company financial statements in accordance with French standards and the consolidated financial statements in accordance with IFRS;
- regulatory reporting (mainly SURFI, FINREP and COREP statements);
- for the subsidiaries, Sogefom, Proparco and Soderag: bookkeeping using French standards, the production of the half-year financial statements (quarterly in the case of Proparco) and of fiscal and regulatory declarations (SURFI – Balance of payments).

The accounting recognition of loans, grants and guarantees granted is carried out by the Accounting Controls Support Division of the Funding Financial Management Department. Accounting controls are carried out by the Regulatory Accounting Consolidation Department.

The accounting recognition of market transactions (borrowings, derivatives and equity securities) is carried out by the Post-Market Division of the Treasury and Financial Markets Department. Accounting controls are carried out by the Regulatory Accounting Consolidation Department.

Salary and employee benefit expenses and provisions are recognised in the accounts by the Compensation, Welfare and Expatriation Division of the Human Resources Department. Accounting controls are carried out by the Regulatory Accounting Consolidation Department.

The separation between the engagement, accounting and execution functions for treasury operations is maintained by both the organisation of services and the implementation of procedures.

Accounting entry is largely decentralised (international offices, other Head Office services).

Accounting control is split between banking operations and general expenses.

The Group's accounting is audited by two audit firms (KPMG and BDO) which were appointed by the Board of Directors on 2 April 2020 for the six financial years 2020-2025.

The Regulatory Accounting Consolidation Department is in contact with the external auditors (statutory auditors, tax authorities, French Prudential Supervisory and Resolution Authority).

An accounting procedures manual that includes procedures and accounting schematics for all transactions is available on the intranet site. It includes a procedure for accounting controls. With regard specifically to the audit trail, its functioning is described below.

The accounting system is structured around a multi-company and multi-currency accounting software package powered by business applications and auxiliary accounting systems.

The conversion of foreign currency transactions is performed by a specific module of the accounting software package, which publishes control reports at each step of the conversion and calculation of foreign exchange differences. A procedure describes the controls to be performed at each stage of the conversion treatment for the exchange positions until the determination of foreign exchange differences.

An "Infocentre" application makes it possible to retrieve the accounting information for balances and accounting movements for each transaction or at the desired aggregated level.

In accordance with Article 85 of the Decree of 3 November 2014, the audit trail allows the unitary event to be traced back to the accounting aggregate or, conversely, from the accounting aggregate to the corresponding unit events. In the case of a grouping of accounting movements within an upstream interface, the audit trail also makes it possible to retrieve the unit events that make up those grouping movements.

In addition, all IT applications owned by the Regulatory Accounting Consolidation Department have IT security classification in terms of (i) availability (availability required in the event of an extreme shock and current service availability), (ii) integrity (capacity to prevent unauthorised modification of the information), (iii) confidentiality (ownership of information that should not be available or disclosed to unauthorised individuals, entities or processes) and (iv) proof (ability to identify the individual, entity or automated process from whom or which access to information originated).

4.3.3 Credit risk monitoring by the Group Risk Monitoring division

4.3.3.1 Credit risk measurement and monitoring system

The system in place to measure and monitor credit risk is described in Paragraph 6.2.5 “Risk Information”.

4.3.3.2 System of operational limits

The system of operational limits is described in Paragraph 6.2.5.1.

4.3.3.3 Monitoring of “large exposures” counterparty risks

The monitoring of the risks of sovereign counterparties is described in Paragraph 6.2.5.1.

4.3.3.4 Monitoring the risks of non-sovereign counterparties

The monitoring of the risks of non-sovereign counterparties is described in Paragraph 6.2.5.1.

4.3.4 Monitoring of interest rate, foreign exchange, liquidity and market counterparty risks by the RMB division (Market Risk and Balance Sheet Management)

Balance sheet management covers the management of liquidity, interest-rate and foreign exchange risks as well as counterparty risk management for financial activities. AFD is responsible for financing the operations of its main subsidiaries and holds most of the Group’s balance sheet management risks on its balance sheet. The teams of the Finance Department ensure the due management of these risks and the “Market Risk and Balance Sheet Management” team within the Risk Monitoring Division oversees these risks and updates the system of limits and the risk appetite framework.

The key components of AFD’s financial and balance sheet management strategy are submitted to the Board of Directors every year for approval. These guidelines can be summarised as follows:

- limiting exposure to liquidity risk;
- ensuring sustainable and steady interest revenue streams for AFD;
- limiting exposure to foreign exchange risk the minimum necessary for temporary operational needs;
- limiting counterparty risk exposure from financial activities by carrying out market and investment operations with only the counterparties that have the highest credit ratings.

Limits and management criteria are set based on guidance from AFD’s Board of Directors.

4.3.5 Major risk ratio

At 31 December 2024, AFD Group was in compliance with the major individual risk ratio set out by banking regulations, *i.e.* a maximum of 25% of risk-based consolidated capital.

4.3.6 Other operational risks

4.3.6.1 Risks related to the settlement process

AFD has established a number of measures to tighten up the organisation and control of settlements:

- procedures which describe and formalise the processing of settlements;
- pre- and post-settlement checks;
- training and awareness-raising initiatives, primarily on the risks of fraud, for staff involved in settlement processing and checks.

In terms of anti-money laundering measures, AFD uses commercial software that provides an automated system to cross-check settlement records against a list of individuals and entities that require extra vigilance.

In addition, in order to meet national regulatory obligations in terms of paperless invoicing, AFD has upgraded its supplier payment process to a paperless process, *via* the use of the Chorus Pro platform.

4.3.6.2 Legal risks

The Legal Department oversees the management of the Group’s legal risks. It covers all legal areas (with the exception of Human Resources, taxation and non-compliance risks).

The Legal Department provides legal support:

- in financing, guarantee and equity investment transactions, at all stages of the project cycle, as well as in implementation monitoring, recoveries, restructuring, pre-litigation and litigation;
- in cross-cutting issues and innovative projects (Group risk prevention, international government agreements, relations with other financial stakeholders, guarantee funds, partnerships, relations with subsidiaries and equity investments, new products, climate finance, digital, etc.);
- in market transactions;
- in institutional matters (bylaws, governance, relations with the State and supervisory bodies, etc.);
- regarding banking and finance regulations;
- in criminal matters, on all subjects where the AFD Group or its directors may be held liable;
- by providing consulting services for all AFD entities.

To AFD's knowledge, there are no governmental, legal or arbitration proceedings, whether suspended or pending, that could have or have had a material effect on the financial situation or the profitability of AFD and/or the AFD Group over the last 12 months.

4.3.6.3 Risks of non-compliance

According to regulations, the Compliance Department is responsible for the prevention, detection, monitoring and management of non-compliance risks throughout AFD Group.

Non-compliance risk is defined as "the risk of legal, administrative or disciplinary sanction, material financial loss or loss to reputation arising from failure to comply with the provisions governing banking and financial activities, whether they be directly applicable legal, regulatory, national or European provisions, or whether they are professional and ethical standards or the instructions given by executive officers, particularly in light of the guidelines from the supervisory body" (Decree of 3 November 2014, Article 10p).

The Compliance Department ensures the Group complies with (i) internal and external provisions related to preventing money laundering and terrorist financing (AML/CFT), (ii) provisions related to the fight against corruption and associated offences as well as fraud and anti-competitive practices, (iii) provisions to do with abiding by national and international trade and financial sanctions, (iv) provisions that govern, with regard to banking ethics, the performance of banking and financing activities or (v) provisions that ensure the protection of the personal data and private lives of clients.

The department is housed within AFD's Executive Management. The Compliance function reports on its activities to the Internal Control Committee (COCINT) and the Operational Risks and Compliance Committee (CROC), as well as to the Group Risk Management Committee (CRG).

The Compliance function covers all sectors, operations, geographic areas and regulatory contexts of the AFD Group. In addition to operational projects and activities, it also concerns the Group's new activities and products, in accordance with regulations.

Its purpose is to comply with the legal and regulatory provisions in terms of financial security, the fight against corruption, banking ethics and the protection of personal data, to carry out second-level controls, to ensure timely detection and appropriate assessment of non-compliance risks in order to prevent and limit the exposure of the AFD Group and its executives to the risks of legal and/or administrative sanctions and to reputational risk, and by managing them in the event of the occurrence of these risks.

Non-compliance risk management is ongoing and backed by an operational risk map.

The following changes were made to the non-compliance risk management system during 2024:

- in terms of AML/CFT: completion of an impact analysis of the new EU AML/CFT package adopted in June 2024 by the Commission and the Board on AFD's activities and operations, and continuation of work on the compliance IS;
- in terms of the fight against corruption and influence peddling: continued deployment of the last pillars of the AFD Group's compliance programme, required by the law on transparency, the fight against corruption and the modernisation of economic life (known as SAPIN 2);
- in terms of regulatory compliance with the requirements governing the organisation of internal control: continued operationalisation of the steering policy, whereby the AFD parent company compliance team oversees the compliance systems of its subsidiaries and equity investments in order to ensure their overall consistency and robustness, notably through the creation of a group compliance charter, steering committees and new control points;
- framework for compliance with financial sanctions in the context of financing granted to NGOs.

Insurance – Coverage of risks faced by AFD

AFD has a "civil liability" insurance policy that also covers Proparco, an "executives civil liability" policy, a "labour relations" policy, a "property damage – 2 lines" policy that also covers Proparco and VAL, an "all exhibition risks – works of art" policy, and a "IGRS-specific corporate officers civil liability" policy [1].

All of the network's local offices are covered by locally underwritten insurance policies (multi-risk residential and office, and civil liability for office activities).

1) *This insurance contract has been transferred to and is managed by the HR Department.*

These policies are accompanied by vehicle insurance covering head office (head office policy) and the network (local policies) plus “worldwide” “individual accident” insurance guaranteeing disbursement of share capital in case of death or disability caused by an accident with a vehicle belonging to or rented by AFD.

4.3.6.4 Risks related to the information system

Information systems security

The Security Department oversees all aspects of ICT risks, including IS security. To this end, the head of the department is supported by AFD Group’s head of IT system security (RSSI).

An analysis of ITC (information and communication technologies) risks is carried out at least once a year under the IS risk governance system. Security risks are extracted from it and processed under the IT security management system (SMSI), in compliance with ISO 27001. The SMSI provides a framework for addressing AFD’s IT-related risks, from appraisal of the risks to implementing remedial measures and ongoing IT system security checks. After the annual risk analysis, AFD’s operational risk map and the ISS triennial security project plan are updated. In 2022, AFD decided to organise its ISS evolution trajectory in the form of a five-year ISS master plan to be managed in programme mode. This programme, called SECURIS, jointly carried out by the SEC and DSI departments, began in December 2022.

The information system security policy (ISSP), which is compliant with ISO 27001 and ISO 27002, defines the 20 security rules needed to protect AFD’s information systems. The application of each rule is stipulated by a set of internal security standards and procedures, in compliance with best practices in the field.

This ISSP is accompanied by an IT user charter which has been enforceable for all users since it was included in the rules and regulations.

Measures to raise awareness of ISS, in the form of regular talks and digital training, ensure that all Group users are familiar with the main rules for use.

In accordance with the ISSP, each substantial change in the information system on its business components or infrastructure is subject to a risk analysis. This approach allows for protection measures to come into effect in line with security requirements during the design and active use stages of a given system. The most sensitive information systems regularly undergo a security approval certification procedure.

The management of security incidents is overseen by a specific ISS incident management policy that sets management rules for a security incident. This makes it possible to coordinate (i) the procedure for managing IT incidents (to ITIL standards), (ii) the “user” incident alert system run by the ISD, and (iii) the Security Department (SEC). The ISD coordinates and operates all security incident handling actions with the support of the SEC department and the RSSI.

In 2024, AFD suffered a Cyberattack to its remote access devices. This attack was made possible by the publication and use of a “zero day” security vulnerability. The crisis system was triggered and remediation was carried out with the help of ANSSI. This attack did not penetrate or involve AFD’s internal network; it only caused minor downtime for remote access users due to the correction and reinstallation of equipment.

Emergency and business continuation plan

The AFD Group has a Business Continuity Plan (BCP) intended to cover all of AFD Group’s business lines and activities, including its Proparco and Sogefom subsidiaries. This plan is intended to ensure the continuation of the Group’s business in the aftermath of a disaster of low likelihood but with critical impact.

The plan is formalised in two framework documents applicable to the entire Group: the business resumption and continuity policy and the general crisis management plan. These documents are supplemented by operational continuity plans for each Group structure, at the head office as well as in the French Overseas Departments and Collectivities and internationally.

Continuity procedures are grouped into “BCP kits” provided for each structure operating one of the vital functions. These procedures describe the actions required for implementing the plan, as well as the manual operating modes to be used in case of any long-term unavailability of business premises or IT tools.

The Group also has a “pandemic” plan which describes the principles and ways of maintaining business activity in the event of a global or local pandemic. The “pandemic” plan was integrated into the Global BCP in 2022 and takes into account the lessons of the Covid crisis.

The Information and Telecommunications Recovery Plan (PRIT), which covers the risk of an extended IT system outage, includes an IT infrastructure that reactivates the AFD Group’s applications and essential systems. The PRIT system covers all of the business lines’ IT continuity requirements by duplicating 70% of the Group’s Information System and 100% of production data. This includes all systems essential to users’ “core business” activity for the first month of loss. The remaining 30%, corresponding to non-essential systems, are re-established within three months. The technical platform was updated in 2020, including the company messaging system, on the basis of the recovery principles expressed in 2018 and the business needs reviewed in 2020. A complete overhaul of the backup infrastructure is underway to optimise recovery times and change the physical hosting. This overhaul will be effective in 2025.

A Flood Risk Prevention Plan (PPRI), intended to cover the risk of the Seine bursting its banks and mitigate the impact of such a contingency on AFD’s two main head office buildings, has also been introduced.

The Security Department (SEC) and its Resilience and Information Security (RSI) unit, which are part of the General Secretariat, have full responsibility for updating and controlling the BCP; the head of this department is assisted by a manager of the Group's business continuity management plan (BCMP). The SEC Director is responsible for crisis management and coordinates and synchronises the resumption of business once the BCP is triggered.

Forty entities at the AFD, Sogefom and Proparco head offices, whose activities are deemed essential and are covered by the BCP, are asked to regularly revise their business impact assessments (BIAs) and update their degraded procedures. In 2023, the BCP was rolled out in around a hundred regional departments and local offices. Each person in charge of entities registered in the BCP is responsible for applying the procedures of his or her BCP Kit once the plan has been triggered. The BCP system was subject to a major update in 2022 in order to take into account Covid feedback.

A permanent standby mechanism at the level of the General Secretariat and Executive Committee (EXCOM) is in place to enable AFD to respond rapidly to a major disaster. The mechanism provides for a crisis unit led by an EXCOM member to be activated when in need. In case of a major disaster, the crisis unit decides whether to activate the BCP. The mechanism also covers Proparco and Sogefom.

The BCP triggering tests were carried out in 2024, including the activation of the user fallback room and the activation of the PRIT with the participation of business users.

The BCP was audited by the General Inspection Department (IGE) at the end of 2024.

4.3.6.5 Tax risk

The tax authorities conducted a value added tax (VAT) audit of AFD for the period from 1 January 2021 to 31 December 2022 and a payroll tax audit, as a result of which a provision of €4.9M in respect of the 2021 financial year was registered in the financial statements at 31 December 2024 (see Paragraph 6.2.1.7).

4.3.6.6 Other operational risks

In addition to the risks detailed above, the Group's permanent control system seeks to cover all risks within the remit of Basel categories 1 to 7 to which the Group is exposed (risks relating to (i) internal and (ii) external fraud, (iii) human resources; concerning (iv) the Group's financing activity, (v) personal safety, (vi) information systems and (vii) management, processes and procedures).

This system for monitoring and mitigating all operational risks is based on:

- operational risk mapping, which is the main tool used to measure and monitor these risks;
- recording of operational incidents, enabling the implementation of corrective actions and new controls aimed at (i) preventing any repeated dysfunction or limiting their impact and (ii) improving operational risk mapping;
- first and second level controls;
- action plans to correct high-risk areas;
- permanent monitoring of New Products/New Activities, *via* participation in dedicated Committees to ensure that a comprehensive risk assessment has been carried out;
- monitoring of outsourced services and the implementation of procedures to manage associated risks.

Permanent control provides regular reports to the Group Risk Management Committee and Internal Control Committee (COCINT).

The quality of permanent control was recognised by the ACPR, which deemed the management of operational risks to be satisfactory and considered that it was not necessary to increase the amount of equity intended to cover these risks, under Pillar II.

5

Financial information

5.1 Recent changes and future outlook

5.1.1 Recent changes

Commitments in 2024 amounted to €13bn for the Group (AFD and Proparco, including delegated funds) compared to €13.1bn in 2023. AFD's activity amounted to around €10bn (including €9.2bn in foreign countries and €1bn in the French Overseas Departments and Collectivities) and Proparco's commitments amounted to €2.8bn. AFD's loans recorded a slight increase, which partially offset the decrease in grant commitments.

The volume of commitments signed in 2024 amounted to €11.5bn for the Group, slightly higher than the volume in 2023 (€10.9bn). AFD's signed commitments amounted to €8.3bn (a 6.7% decrease compared to 2023), including €168M implemented by Expertise France. This decrease from 2023 to 2024 was mainly due to difficulties encountered in the Orients region and to a lesser extent in Latin America.

Proparco's signatures amounted to €2.7bn (+26% compared to 2023) and those of Expertise France to €510M (*i.e.* €678M if we include the AFD volume implemented by Expertise France).

Lastly, disbursements made amounted to €9.1bn for the Group scope (AFD and Proparco), an increase compared to 2023 (€8.5bn).

5.1.2 Future outlook

Despite the decrease in loans offered by the Government under the 2025 PLF (P110 and P209), the Agency maintained its target of a business plan of around €12bn (excluding delegated funds) for 2025. The reduction in resources under 209 grants (around €300M less than in 2024) and the end of C2D programmes were offset by a volume of loans and guarantees in foreign countries (AFD and Proparco) that was around €500M higher than the average over the last two years. This change in the structure of the business plan will be accompanied by actions to enable the Group to:

- grant more non-concessional loans, by striving to improve the competitiveness of its offering but also by working on the major risks limits of certain sovereign (India, Indonesia, Mexico) and non-sovereign (Brazil, Turkey) counterparties;
- optimise the use of the subsidy, in order to maintain a volume of concessional loans similar to 2024;
- prioritise the programming of grants, by preserving the budgets making it possible (i) to prepare projects and provide support for project managers in their implementation (ii) to leverage the mobilisation of EU or other delegated funds and (iii) lastly, by prioritising dry subsidies according to their impact;
- diversify its sources of financing (foundations, new donors) and increase financial mobilisation from partner donors.

The 2025 business plan presented to the Board of Directors on 30 January provided for:

- a planned trajectory for Group commitments (AFD, Proparco and Fisea) of €13.1bn in approvals (including delegated funds);
- in addition, the Group set itself the target of €11.4bn in signatures in 2025 (including Expertise France) and €8.7bn in disbursements;
- Expertise France (EF) should, for its part, continue its growth trajectory with a strong increase in its execution driven by a significant volume of ongoing projects. This portfolio expansion continues to be underpinned by growth drivers such as: the Initiative, International Technical Experts in line with presidential commitments, European programming, and the pursuit of an ambitious partnership with AFD. The agency increased its business by nearly 90% in five years (€237M in revenue in 2020, €448M in 2024) with strong growth in all areas of cooperation: governance, justice, culture, health and education, employment, sustainable development, but also peace and security. With a view to continuing its development and in order to structure it more sustainably, the Agency is continuing its decentralisation project with the creation of several new country departments. After Guinea, the Republic of Côte d'Ivoire, the Comoros, Tunisia, Haiti and the Democratic Republic of the Congo in 2024, it will reinforce its network with the creation of four country departments in the main regions of intervention (Rwanda, Ukraine, Madagascar, Lebanon/Jordan) in order to strengthen project management as closely as possible to the realities and partners on the ground.

Business objectives are directly linked to the resources allocated to AFD. In view of the announced cancellations of loans, the business outlook described in this paragraph may change depending on the impacts on AFD's budget, which are not yet known.

Concerning the outlook for intervention by geographical area:

AFD's business on the African continent will inevitably be impacted by the budgetary context resulting in reductions in the resources of the 209 programme. These resources will mainly remain focused on the less developed countries (LDCs), in accordance with the objective of concentrating financial efforts. The recovery of business in the southern zone known in 2024 should continue, mainly in South Africa, the host country of the FICS in February 2025 and the current presidency of the G20. In North Africa, support for public policies in Morocco will continue. The Gulf of Guinea area will be driven by structuring transactions in Côte d'Ivoire (support for a renewable energy development programme) and Nigeria. The roll-out of the Choose Africa 2 initiative will continue in 2025, with a particular effort to strengthen public initiatives to back entrepreneurship in Togo and Benin. In Central Africa, due to the predominance of countries with a sustainable debt doctrine, AFD will pay particular attention to the mobilisation of resources and will strengthen a partnership approach (EU, World Bank, AfDB, civil society). In East Africa, actions will continue to focus on the development of infrastructure that is resilient to climate change. In the Greater Sahel region, the countries of the

Atlantic coast (Senegal, Mauritania) will continue to be the main countries of intervention. Debt restructuring agreements, often accompanied by IMF programmes, in Ethiopia, Zambia and Ghana could reopen the sovereign window by the end of the year. Non-sovereign business will be actively promoted in order to intervene in a differentiated way in countries where the sovereign limit is tangent (Morocco) or in countries constrained by the debt doctrine (Kenya, Cameroon).

In the French **Overseas Departments and Collectivities**, overall business is expected to be around €850M, provided that the budget appropriations entrusted to AFD through the 123 "Living Conditions in French Overseas Departments and Collectivities" programme are maintained at a sufficient level. Moreover, AFD is committed alongside the State and should examine a State-guaranteed loan in New Caledonia in early 2025. Furthermore, the Agency stands ready to participate in the reconstruction of Mayotte's infrastructure according to methods that remain to be defined. As regards the foreign states of the Three Oceans Department, business in the Pacific Ocean should continue with the financing of new projects in Vanuatu and PNG; the Agency will continue to back the Indian Ocean States, notably with an investment programme in water infrastructure in Mauritius.

In the **Orients**, the upward trend in pricing conditions, the constraints defined by the sustainable debt doctrine, geopolitical tensions and the decline in grants will constrain AFD's positioning in terms of commitment approvals.

Faced with the sustainable economic and ecological challenges of the countries concerned, the Orients department wishes to step up its activities in support of: the convergence of the countries of the Balkans and the Caucasus with the European Union initiated by President Macron; the integration of the countries of Central Asia into the challenges of the Paris Climate Agreement; the energy transition and the protection of biodiversity in South Asia, South-East Asia (in particular with the continuation of JET-P) and China. AFD will continue its contribution to the French Indo-Pacific strategy, notably by contributing to the UNOC and the blue economy.

Priority will also continue to be given to integrating climate, biodiversity and gender issues into operations, as well as developing non-sovereign financing, while closely monitoring risks in view of the deteriorating geopolitical and macroeconomic context. AFD will make proposals to contribute to the reconstruction and resilience effort in Ukraine and provide support to Moldova, as well as responding to crises in the Middle East.

Tensions over economic and political situations and with regard to State debt are creating great uncertainty and weighing on the prospects of the Agency's activities in Latin America, and forcing it to postpone its efforts in terms of volumes in five of the nine countries of this region where AFD operates. In this context, the three main countries driving business in Latin America will be Colombia, Brazil and Mexico, while maintaining a balance for financing tools (25% for budget financing, with the rest shared equally by credit lines and projects).

Given the specific challenges the region is facing, notably in terms of water resource management and the vulnerability of electricity generation systems due to the impact of climate change, the emphasis will be placed on strengthening cooperation in the energy sector (over €800M of investment in renewable energies, notably in Bolivia, Colombia and Costa Rica, but also in energy efficiency in Argentina) and in water and sanitation management (over €600M, half of which in north-east Brazil).

5.1.3 Borrowings

The Board of Directors meeting of 25 January 2024 raised the maximum authorised borrowing amount for 2024 to €10.7bn. Of this approval, 75% was used, i.e. €7.97bn.

5.1.4 Trend information

There has been no significant deterioration in the financial position of the issuer and its subsidiaries (considered as a whole) since the last audited financial statements of 31 December 2024.

5.1.5 Significant change in the issuer's financial position

There has been no significant change in the financial position of the issuer and its subsidiaries (considered as a whole) since the last audited financial statements of 31 December 2024.

5.2 Events after the reporting period

None.

5.3 Economic presentation of the financial statements

The analysis below aims to provide an economic overview of AFD's development, by type of activity, based on the parent company accounting data.

A detailed description of the changes in the financial statements is provided in the notes to the parent company financial statements.

5.3.1 Consolidated economic balance sheet

Assets

In millions of euros	2024	2023
Loans (net outstanding)	50,872	48,155
• Gross outstandings	52,336	49,522
• Individual impairment	- 1,424	- 1,314
of which calibration of the reserve account[1]	*- 930*	*- 812*
• Collective impairment	- 304	- 323
• Accrued interest	263	270
Financial hedging derivatives and collateral	5,072	5,355
Accruals and other assets	1,292	1,480
Equity investments and other securities	3,433	3,053
Short-term cash assets	10,618	9,905
Fixed assets	1,041	768
TOTAL ASSETS	**72,327**	**68,717**

(1) Methodological change in the accounting treatment of the reserve account:
– Sovereign outstandings are presented net of asset impairments;
– Impairment losses on undisbursed balance recognised as off-balance sheet items continue to be recognised as a liability in the aggregate of provisions.

Liabilities

In millions of euros	2024	2023
Market borrowings	53,466	50,519
Treasury loan	843	842
Financial hedging derivatives and collateral	4,611	4,902
Accruals and other liabilities	2,903	2,391
Provisions	882	915
• *of which calibration of the reserve account*	*285*	*494*
Equity (Group share)	9,422	8,990
• *off which Group income*	*344*	*371*
Non-controlling interests	200	165
TOTAL LIABILITIES	**72,327**	**68,717**

Assets

The +€3,610M increase in total balance sheet assets was mainly due to the +€2,717M increase in net outstandings and the +€713M increase in AFD Group cash and cash equivalents, which was partly offset by the -€283M decrease in derivatives and collateral.

The AFD Group's net loans outstanding totalled €50,872M at 31 December 2024, *i.e.* 70% of the consolidated balance sheet, an increase of €2,717M (+6%) compared with the previous financial year.

The change in gross outstandings was due to:

- the increase in outstanding loans at the Group's risk of +€2,456M, of which +€1,823M in sovereign outstandings, +€801M in non-sovereign outstandings and -€168M in French Overseas Departments and Collectivities;
- the +€33M increase in outstandings at the State's risk;
- a fair value effect of loans hedged by derivatives of +€324M.

In millions of euros	2024 Amount	2024 %	2023 Amount	2023 %
Loans at AFD Group's risk	**48,947**	**91%**	**46,495**	**90%**
• of which foreign countries	42,623	79%	40,000	78%
Sovereign	*28,366*	*53%*	*26,544*	*52%*
Non-sovereign	*14,257*	*26%*	*13,456*	*26%*
• of which French Overseas Departments and Collectivities	6,145	11%	6,313	12%
• of which other outstanding loans	179	0%	183	0%
Loans at the State's risk	**5,003**	**9%**	**4,970**	**10%**
Loans guaranteed by the State	*5,003*	*9%*	*4,970*	*10%*
Loans granted by the State	*-*	*0%*	*-*	*0%*
Fair value adjustment	**- 1,612**		**- 1,943**	
CONSOLIDATED GROSS OUTSTANDINGS	**52,336**		**49,522**	

Non-sovereign outstanding loans at the Group's risk were impaired in the amount of €665M, or a coverage rate of 4%.

Performing sovereign loans were covered for the amount of €1,638M at 31 December 2024, mainly by the reserve account, which represents a pre-coverage rate of 6%.

Summary of outstandings and impairments

In millions of euros	Outstandings	Impairments
Foreign countries		
Sovereign	28,366	1,638[(1)]
of which doubtful	*1,755*	*759*
Non-sovereign	14,257	552
of which doubtful	*714*	*249*
French Overseas Departments and Collectivities		
Non-sovereign	6,145	112
of which doubtful	*262*	*112*
Other outstanding loans	179	
TOTAL	**48,947**	**2,303**
of which doubtful	*2,731*	*1,119*

(1) Impairment and provisions corresponding to the reserve account

The change in total assets was also due to the €713M **change in cash**. The cash flow at the end of 2024 covered the cash requirement over the next 12 months.

In millions of euros

Short-term cash assets	**2024**	**2023**	**Change**
AFD	10,046	9,335	710
Proparco	179	354	- 175
Fisea	17	10	-7
Socredo	-	-	-
Soderag	7	7	-
Sogefom	32	8	24
Expertise France	336	190	146
GROUP TOTAL	**10,618**	**9,905**	**713**

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Other assets include the following items:

- Hedging instruments and collateral amounted to €5,072M at the end of 2024 compared to €5,355M at the end of 2023, mainly due to the decrease in collateral resulting from the improvement in the fair value of derivatives;
- Fixed assets were up and amounted to €1,041M at the end of 2024 compared to €768M at the end of 2023, mainly as a result the disbursements as part of the project for the Group's future head office in the amount of €246M.

Liabilities

AFD Group **borrowings** totalled €54,308M in 2024. They are composed of the following items:

- outstanding market borrowings, which amounted to €53,466M at 31 December 2024, up €2,947M compared to the end of 2023. This increase in borrowings is related to:
  - issues for an amount of €7,966M: out of the 17 issues carried out since the start of the year, eight were carried out in euros for €3,650M, four in dollars for €4,009M, two were carried out in TRY for €82M, one in pound sterling for €423M, one in Australian dollars for €26M, and one in Dominican pesos for €22M,
  - issues arriving at maturity: -€5,664M including nine loans in euros for -€4,021M, and five in dollars for -€1,642M,
  - a currency effect of +€986M (mainly related to borrowings in dollars),
  - the fair value effects of loans hedged by derivatives: +€952M;
- outstandings on borrowings from the French Treasury amounted to €843M, stable over the period.

Other liabilities include the following items:

- hedging instruments and collateral amounted to €4,611M at the end of 2024 compared to €4,902M at the end of 2023, mainly due to the decrease in the fair value of derivatives recognised in liabilities;
- accruals and other liabilities amounted to €2,903M at the end of 2024 compared to €2,391M at the end of 2023, *i.e.* an increase of €512M in relation to lower disbursements on grants;
- provisions amounted to €882M (including €285M for the calibration of the reserve account in respect of financing commitments) compared to €915M (including €494M for the calibration of the reserve account) in 2023.

The contribution of the Group's various companies to its **consolidated net position** excluding non-controlling interests is as follows:

In millions of euros

Net position	2024	2023	Change
AFD	8,903	8,585	318
Proparco	579	454	125
Socredo	125	122	4
Soderag	- 120	- 120	-
Other subsidiaries	- 64	- 50	- 14
GROUP TOTAL	**9,422**	**8,990**	**432**

"Regulatory" [1] **equity** amounted to €10,083M at 31 December 2024 compared to €9,672M at the end of 2023. Tier 1 capital (CET1) amounted to €9,240M in 2024 (€8,831M in 2023), and and subordinated capital (AT1) at €843 million.

The **dividend paid** by AFD to the French State amounted to €65M in 2024, compared to €73M in 2023 and €48M in 2022 (payout rate stable at 20%).

Non-controlling interests (share of equity) are increasing and amounted to €200M at 31 December 2024, compared with €165M at the end of 2023.

In accordance with Article L.441-6 of the French Commercial Code, the due dates of the trade payables at 31 December 2024 are shown below:

	31/12/2024					31/12/2023				
	Unmatured debt					Unmatured debt				
In millions of euros	0-30 days	31-60 days	61 days and over	Matured debt	Total	0-30 days	31-60 days	61 days and over	Matured debt	Total
Trade payables	3.6	1.3	-	4.4	9.3	3.6	2.2	-	3.0	8.8

1) *Equity is established in accordance with Directive 2013/36/EU and EU Regulation No. 575/2013.*

5.3.2 Consolidated income statement

In millions of euros	2024	2023	Change
NET BANKING INCOME	**1,118**	**974**	**144**
Overheads	629	577	52
• Salary and employee benefit expenses	448	403	45
• Taxes and other general expenses	181	174	7
Depreciation and amortisation charges and prov. on fixed assets	64	51	14
Expenses on non-banking operations	**693**	**628**	**65**
GROSS OPERATING INCOME	**424**	**346**	**78**
Cost of risk	**- 46**	**34**	**- 80**
• Impairment of performing and sensitive loans	39	97	- 57
• Impairment of individual non-sovereign loans	43	-25	68
of which provisions	- 171	-260	90
of which reversals	214	235	- 21
• Capital losses on bad loans	- 132	-39	-93
• Other provisions	4	2	2
OPERATING INCOME	**379**	**380**	**- 2**
Share of earnings from companies accounted for by the equity method	- 1	2	- 3
Net gains or losses on other assets	1	-	1
PRE-TAX INCOME	**378**	**382**	**- 4**
Corporate tax	- 15	- 12	- 3
NET INCOME	**363**	**370**	**- 7**
Non-controlling interests	- 19	1	- 20
NET INCOME - GROUP SHARE	**344**	**371**	**- 28**

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Net banking income

Net Banking Income amounted to €1,118M in 2024, up €144M compared to 2023 due to the combined effect of the following items:

In millions of euros **Net Banking Income (NBI)**	2024	2023	Change
Net interest margin	833	760	73
Commissions	127	141	- 14
Income from securities	25	30	- 5
Income from financial instruments	30	20	10
Other financial income and expenses (including income from foreign exchange differences)	103	23	80
GROUP TOTAL	**1,118**	**974**	**144**

The change in net banking income was mainly due to:

- the increase in the **net interest margin** (+€73M) in line with the 6% increase in average outstandings over the period;
- the increase in income from financial instruments (equity investments, other securities and hedge accounting) at fair value net of the currency impact (+€10M), due notably to the increase in the valuation of the equity investment portfolio (+ €130M), offset by the decrease in the valuation of hedging instruments (-€120M).

The contribution of the Group's various companies to its net banking income (NBI) is as follows:

In millions of euros

Net Banking Income (NBI)	2024	2023	Change
AFD	900	826	74
Proparco	197	178	19
Expertise France	62	47	15
Fisea	- 9	- 3	- 6
Other entities	7	3	4
IFRS entries	- 39	- 76	99
GROUP TOTAL	**1,118**	**974**	**144**

Gross operating income

Gross operating income totalled €424M in 2024 *versus* €346M in 2023. This €78M increase is linked to the growth in NBI (+€144M), partially offset by the +€65M increase in non-banking operating expenses.

General expenses amounted to €693M, up +€65M at the end of 2024. Proportionally, this 10% increase was related:

- for 71% of it, to the increase in payroll (+€46M);
- for 9% of it, to the increase in external expenses (+€6M);
- for 20% of it, to the increase in depreciation and amortisation (+€13M).

Cost of risk

The **cost of risk** changed significantly in comparison with the previous financial year. It represented a -€46M expense compared with €34M income in 2023 (see Consolidated financial statements), and breaks down as follows:

In millions of euros

Cost of risk	2024	2023
Impairment on performing and sensitive loan outstandings	39	97
Impairment of non-performing loans net of write-offs	- 89	- 64
Other provisions	4	2
GROUP TOTAL	**- 46**	**34**
of which AFD	*16*	*78*
of which Proparco	*- 31*	*- 20*
of which other subsidiaries	*- 4*	*- 1*
of which transition to IFRS	*- 27*	*- 23*

The cost of risk for the financial year was mainly due to:

- individual impairments net of provisions for losses of -€89M, due notably to downgrades on companies, mainly in Africa and Latin America;
- a +€39M reversal of impairment losses on performing and sensitive loans, mainly due to the updating of IFRS parameters (+€13M), the updating of the Forward Looking mechanism (+€19M), changes in loans within the portfolio (-€13M) and the reversal of the additional ARIZ provision (+€20M), following the removal of the rating stress applied to counterparties benefiting from ARIZ guarantees during the Covid crisis, taking into account the updated data.

Operating income

Operating income decreased by -€2M over the financial year to €378M, compared to €380M in 2023.

Pre-tax income

The share of equity-accounted companies (1) was down by -€3M compared to the previous financial year. Pre-tax income thus amounted to €378M in 2024 (compared to €382M in 2023).

Net income

Taking into account income tax (€15M) and interest from the minority shareholders of Proparco and Sogefom (€19M), income (Group share) amounted to €344M at the end of 2024 (compared to €371M in 2023).

1) *Corresponding to the share of net income of equity-accounted companies in the Group's consolidated financial statements.*

5.3.3 AFD economic and social income statement

In thousands of euros	2024	2023	Change
Net banking income	**900**	**826**	**74**
Expenses on non-banking operations	624	565	59
Gross operating income	276	261	15
Cost of risk	16	184	- 168
Operating income	292	445	- 153
Gains or losses on fixed assets	- 22	- 120	98
NET INCOME	**270**	**325**	**-55**

AFD's **net banking** income amounted to €900M in 2024, up +€74M compared to 2023. The change in net banking income was mainly due to:

- the increase in the net interest margin (+€35M), linked to the rise in average outstandings over the period;
- the +€14M increase in income from equity investments in relation to the payment of dividends in respect of the previous financial year by the Proparco subsidiary (Proparco's social net income was +€83M at the end of 2023 compared to -€37M at the end of 2022);

Non-banking operating expenses were up €59.2M and amounted to €624.2M. The change was mainly due to the increase in personnel costs (+€40M) and general expenses (+€8M).

The **cost of risk** was a €16M reversal at the end of December 2024 compared to a €184M [(1)] reversal at the end of December 2023. It is essentially composed of:

- individual impairments net of write-offs with a provision of -€35M.
- impairments on performing and sensitive loans with a reversal of +€45M.

Operating income therefore amounted to €292M at the end of December 2024, compared to €445M at the end of December 2023.

Gains or losses on fixed assets amounted to -€22M compared to -€120M[(1)] at 31 December 2023, i.e. a change of +€98M. They mainly comprise the impairment of FISEA (-€18M) and STOA (-€5M) equity investments.

Thus, AFD's **net income** at the end of December 2024 amounted to €270M compared to €325M at the end of December 2023.

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1) It should be recalled that, in 2023, the impact of the incorporation of the receivable into Soderag's capital amounted to €106M: a €106M increase in the cost of risk and a €106M decrease in net allocations to/reversals of non-current assets. This transaction had no impact on the Group's consolidated financial statements.

6

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

6.1 Consolidated financial statements

6.1.1 Overview

Agence Française de Développement (AFD) is a public industrial and commercial institution tasked with financing developpment assistance, registered with the Paris registry on 17 July 1998. AFD's share capital amounts to €4,718M at 31 December 2024.

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.

The Group's consolidated financial statements at 31 December 2024 were approved by the Chief Executive Officer on 24 March 2025.

These consolidated financial statements are presented in thousands of euros.

6.1.2 Balance sheet at 31 December 2024

Assets

In thousands of euros	Notes	31/12/2024	31/12/2023	Change
Assets				
Cash, due from central banks		863,504	2,497,287	- 1,633,783
Financial assets at fair value through profit or loss	1	4,739,783	4,526,700	213,083
Hedging derivatives	2	3,341,422	2,953,426	387,996
Financial assets at fair value through other comprehensive income	3	2,273,869	1,589,600	684,269
Debt securities at amortised cost	5	3,148,432	2,975,130	173,302
Financial assets at amortised cost		53,772,227	49,489,912	4,282,315
Loans and receivables due from credit institutions and equivalent at amortised cost	5	13,303,340	11,353,311	1,950,029
On-demand		1,213,880	432,702	*781,178*
At maturity		12,089,460	10,920,610	*1,168,850*
Loans and receivables due from customers at amortised cost	5	40,468,886	38,136,601	2,332,286
Other loans to customers		40,468,886	38,136,601	*2,332,286*
of which calibration of the reserve account(1)		- 930,187	- 812,237	*- 117,950*
Revaluation differences on interest rate-hedged portfolio		45,209	27,041	18,168
Current tax assets		5,966	41	5,925
Deferred tax assets		27,513	26,181	1,332
Accruals and other miscellaneous assets	7	2,907,962	3,700,157	- 792,195
Accruals		53,516	126,588	*- 73,072*
Other assets		2,854,445	3,573,569	*- 719,124*
Equity stakes in companies accounted for by the equity method	20	160,320	162,611	- 2,291
Fixed assets property, plant and equipment	8	858,161	634,962	223,199
Intangible assets	8	182,597	133,449	49,148
TOTAL ASSETS		**72,326,964**	**68,716,497**	**3,610,468**

(1) Restatement of the opening balance sheet for the financial year ended 31 December 2023: (i) on the assets side, sovereign outstandings are presented net of impairment losses and (ii) on the liabilities side, the provisions item is reduced by the amount of these impairment losses which were previously recognised under provisions (see Highlights, paragraph 6.2.1.8).

Liabilities

In thousands of euros	Notes	31/12/2024	31/12/2023	Change
Liabilities				
Financial liabilities at fair value through profit or loss	1	481,623	232,307	249,316
Hedging derivatives	2	3,662,740	4,389,326	- 726,586
Financial liabilities at amortised cost		53,477,032	50,542,464	2,934,568
Debt securities in issue at amortised cost	9	53,465,351	50,520,411	2,944,940
Interbank market securities		809,211	2,158,290	*- 1,349,079*
Bonds		52,656,140	48,362,121	*4,294,019*
Debts to credit institutions and equivalent at amortised cost	9	9,556	20,319	- 10,763
On-demand		9,016	18,279	*- 9,264*
At maturity		540	2,040	*- 1,499*
Debts to customers at amortised cost	9	2,125	1,734	391
Current tax liabilities		14,441	4,207	10,234
Deferred tax liabilities		13,872	10,656	3,216
Accruals and other miscellaneous liabilities	7	3,330,294	2,625,619	704,675
Allocated public funds		87,110	75,075	12,034
Other liabilities		3,243,184	2,550,544	692,640
Provisions	10	882,354	915,115	- 32,761
of which calibration of the reserve account(1)		285,324	493,669	*- 208,345*
Subordinated debt	11	842,617	841,617	1,000
Total debts		**62,704,972**	**59,561,310**	**3,143,662**
Equity Group share	(Tab 1)	9,422,346	8,990,281	432,065
Provisions and related retained earnings		5,177,999	5,027,999	150,000
Consolidated retained earnings and other		3,786,818	3,476,966	309,852
Gains and losses recognised in other comprehensive income		113,918	114,044	- 127
Earnings for the period		343,612	371,271	- 27,660
Non-controlling interests	(Tab 1)	199,646	164,905	34,741
Total equity		**9,621,992**	**9,155,186**	**466,806**
Total liabilities		**72,326,964**	**68,716,497**	**3,610,468**

(1) Restatement of the opening balance sheet for the financial year ended 31 December 2023: (i) on the assets side, sovereign outstandings are presented net of impairment losses and (ii) on the liabilities side, the provisions item is reduced by the amount of these impairment losses which were previously recognised under provisions (see Highlights, paragraph 6.2.1.8).

6.1.3 Income statement at 31 December 2024

In thousands of euros	Notes	31/12/2024	31/12/2023	Change
Interest and related income	**12**	**5,003,239**	**3,718,124**	**1,285,115**
Transactions with credit institutions		2,230,066	1,796,333	433,733
Transactions with customers		1,302,778	958,655	344,122
Bonds and other fixed-income securities		201,873	145,056	56,817
Other interest and related income		1,268,523	818,080	450,442
Interest and related expenses	**12**	**4,500,792**	**3,615,710**	**885,083**
Transactions with credit institutions		1,141,582	998,075	143,507
Transactions with customers		1,127	1,118	9
Bonds and other fixed-income securities		1,141,019	862,669	278,350
Other interest and similar expenses		2,217,064	1,753,847	463,217
Commissions (income)	**13**	**119,400**	**154,035**	**- 34,635**
Commissions (expenses)	**13**	**2,503**	**11,483**	**8,981**
Net gains or losses on financial instruments at fair value through profit or loss, net of foreign currency impact	**14**	**106,690**	**107,445**	**- 755**
Net gains or losses on financial assets recognised at fair value through other comprehensive income	**15**	**7,146**	**15,872**	**- 8,726**
Income from other activities	**16**	**830,085**	**1,018,467**	**- 188,382**
Expenses on other activities	**16**	**445,379**	**412,608**	**32,771**
Net banking income		**1,117,886**	**974,141**	**143,745**
Overheads	**17**	**629,322**	**577,440**	**51,882**
Salary and employee benefit expenses		448,318	403,182	45,136
Other administrative expenses		181,005	174,259	6,746
Provisions for amortisation of intangible assets and depreciation of property, plant and equipment	**8**	**64,074**	**50,525**	**13,549**
Gross operating income		**424,489**	**346,175**	**78,314**
Cost of credit risk	**18**	**- 45,974**	**34,182**	**- 80,156**
Operating income		**378,515**	**380,357**	**- 1,841**
Share of earnings from companies accounted for by the equity method	**19**	**- 1,370**	**1,681**	**- 3,052**
Net gains or losses on other assets	**18**	**999**	**95**	**903**
Pre-tax income		**378,144**	**382,134**	**- 3,990**
Corporate tax	**20**	**- 15,399**	**- 11,942**	**- 3,457**
NET INCOME		**362,745**	**370 191**	**- 7,446**
Non-controlling interests	**23**	**19,133**	**- 1,080**	**20,213**
NET INCOME – GROUP SHARE		**343,612**	**371,271**	**- 27,660**

6.1.4 Net income, gains and losses recognised directly as equity at 31 December 2024

In thousands of euros	31/12/2024	31/12/2023
Net income	**362,745**	**370,191**
Net gains and losses directly recognised in other comprehensive income to be recycled in profit or loss	**- 25,336**	**- 1,171**
Net gains or losses on debt securities recognised in other comprehensive income to be recycled in profit or loss	- 25,336	- 1,171
Net gains and losses directly recognised in other comprehensive income not to be recycled in profit or loss	**29,584**	**- 55,144**
Actuarial gains and losses on retirement benefits	8,389	- 24,786
Net gains and losses on equity instruments recognised in other comprehensive income not to be recycled in profit or loss	21,194	- 30,358
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**4,247**	**- 56,315**
Net income and gains and losses recognised directly in other comprehensive income	**366,992**	**313,876**
of which Group share	343,485	324,070
of which non-controlling interests	23,507	- 10,194

6.1.5 Statement of changes in equity from 1 January 2023 to 31 December 2024

In thousands of euros	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 2023	**4,417,999**	**460,000**	**3,095,831**	**456,243**	**161,245**	**8,591,319**	**173,319**	**8,764,638**
Share of 2022 income allocated to retained earnings	-	-	456,243	- 456,243	-	-	-	-
Dividends paid	-	-	- 72,534	-	-	- 72,534	-	- 72,534
Other changes	-	-	- 970	-	-	- 970	- 272	- 1,242
Changes related to put options	-	-	- 4,234	-	-	- 4,234	- 4,249	- 8,483
AFD capital increase	150,000	-	2,630	-	-	152,630	6,302	158,932
2023 net income	-	-	-	371,271	-	371,271	- 1,080	370,191
Gains and losses recognised directly in other comprehensive income in 2023	-	-	-	-	- 47,201	- 47,201	- 9,114	- 56,315
EQUITY AT 31 DECEMBER 2023	**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**

6.1.6 Cash flow statement at 31 December 2024

In thousands of euros	31/12/2024	31/12/2023
PRE-TAX INCOME (A)	**378,144**	**382,134**
Net depreciation/amortisation expenses on property, plant and equipment and intangible assets	56,109	35,828
Net depreciation/amortisation provisions on fixed assets related to the application of IFRS 16	17,919	14,807
Provisions net of other provisions (including technical insurance provisions)	67,872	90,416
Share of earnings from companies accounted for by the equity method	1,370	- 1,681
Net loss/(net gain) on investment activities	- 47,362	- 62,457
Net loss/(net gain) on financing activities	188,624	47,221
Other items	187,457	- 98,937
TOTAL NON-CASH ITEMS INCLUDED IN NET PRE-TAX INCOME AND OTHER ITEMS (B)	**471,989**	**25,197**
Cash received from credit institutions and equivalent	- 888,261	- 864,406
Cash received from customers	- 2,575,698	- 2,312,814
Cash flows from other operations affecting other financial assets or liabilities	- 878,107	- 1,936,370
Cash flows from operations affecting non-financial assets or liabilities	1,346,136	1,337,913
Taxes paid	- 14,298	- 4,756
= NET INCREASE (DECREASE) IN CASH-RELATED ASSETS AND LIABILITIES FROM OPERATING ACTIVITIES (C)	**- 3,010,229**	**- 3,780,434**
Net cash flows from operating activities (A+B+C)	**2,160,097**	**3,373,103**
Cash flows from financial assets and equity investments[1]	- 314,375	- 274,531
Cash flows from property, plant and equipment and intangible assets	- 325,311	- 182,878
Net cash flows from investment activities	**- 639,687**	**- 457,409**
Cash flows related to the application of IFRS 16	- 9,805	- 12,725
Cash flows from shareholders[2]	173,063	671,108
Cash flows to shareholders[3]	- 50,952	- 72,534
Other net cash flows from financing activities[4]	1,843,744	3,730,185
Net cash flows from financing activities	**1,956,051**	**4,316,035**
Net increase/(decrease) in cash and cash equivalents	**- 843,733**	**485,523**
Opening balance of cash and cash equivalents	**2,909,976**	**2,424,453**
Net balance of cash accounts and accounts with central banks[5]	2,497,287	1,010,283
Net balance of on-demand loans and deposits from credit institutions and customers[6]	412,689	1,414,170
Ending balance of cash and cash equivalents	**2,066,243**	**2,909,976**
Net balance of cash accounts and accounts with central banks	863,504	2,497,287
Net balance of on-demand loans and deposits from credit institutions and customers	1,202,739	412,689
Change in cash and cash equivalents	**- 843,733**	**485,523**

(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".

6.2 Notes to the consolidated financial statements

6.2.1 Significant events at 31 December 2024

6.2.1.1 Financing of the activity

To finance its own activities, AFD issued four bonds in 2024 in the form of public issues, and five private placements, as well as eight tap issues, for a total volume of €8.0bn.

6.2.1.2 Appropriation of income for the 2023 financial year

Pursuant to Article 79 of the 2001 amending Finance Law 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 2023 financial statements on 25 April 2024.

The French Minister of the Economy and Finance set the 2023 dividend to be paid by AFD to the State. It amounted to €65M, i.e. 20% of AFD's corporate income (€325M at 31 December 2023), and was paid out after publication in the Official Journal.

This proposal was rendered enforceable by order of the Minister of the Economy and Finance and the Minister of Public Action and Accounts, published on 26 June 2024.

The balance of income after payment of the dividend, i.e. €260M, was allocated to reserves.

6.2.1.3 AFD capital increase by conversion of resources subject to special conditions

On 13 June 2024, AFD signed an agreement with the French State authorising an increase in AFD's capital of €150M, in order to strengthen the Agency's equity.

This capital increase was carried out by the disbursement by the French State of a capital allocation of €150M in the first half of 2024, then by the early repayment to the French State of the resource with special conditions (RCS) in the books of AFD for the second half of 2024, in accordance with the order of 27 May 2024 published in the Official Journal.

Thus, AFD's initial allocation, which was €4,568M at 31 December 2023, stood at €4,718M at 31 December 2024.

6.2.1.4 Fisea capital increase

On 27 November 2024, Fisea carried out a €30M capital increase by creating ordinary shares fully subscribed by AFD and fully paid up over the period.

Fisea's capital, 100% owned by AFD, was thus increased from €350M to €380M.

6.2.1.5 Situation in Mayotte

At 31 December 2024, the portfolio of exposures carried by AFD to borrowers located in Mayotte represented €411M, entirely on its own behalf, including €70M in financing commitments. Of this amount, €382M (93%) was concentrated in the public sector (31 third parties) and €29M (7%) in the private sector (13 third parties).

Doubtful exposures to the private sector amounted to €7M and were provisioned in the amount of €4M.

6.2.1.6 Situation in New Caledonia

At 31 December 2024, AFD's risk exposure to New Caledonia amounted to €1,929M, *i.e.* €1,908M in outstandings and €21M in undisbursed balances. These exposures notably relate to the region (€530M, of which €392M in outstanding loans guaranteed by the French State) and other public entities (€391M).

AFD's non-performing loans amounted to €159M.

6.2.1.7 Tax audit

An AFD tax audit took place from 14 February to 29 November 2024, covering:

1. value-added tax (VAT) for the period from 1 January 2021 to 31 December 2022; and
2. payroll tax for the period from 1 January 2021 to 31 December 2022, after which a provision of €5M was recognised in respect of the 2021 financial year.

6.2.1.8 Changes in the presentation of the reserve account in the consolidated financial statements

The ACPR notice of 2022 specifies that, in accordance with European regulations (CRR and EU Delegated Regulation No. 183/2014), adjustments for credit risk are limited to losses related to credit risk and which are deducted from Tier 1 capital (CET1). With the introduction of IFRS 9, the European Banking Authority has indicated that all provisions for expected credit losses under this standard are considered as specific adjustments for credit risk.

The calibration of the reserve account meets these requirements and is a credit risk mitigation system. In order to align the accounting and prudential approaches, the Group's consolidated financial statements include these adjustments in accordance with the rules in force. From December 2024, impairments related to sovereign risk, calculated in accordance with IFRS 9, are presented as follows:

- sovereign outstandings appear net of asset impairments (calibration of the reserve account on balance sheet exposures) – Notes 5 & 6;
- the impairment of undisbursed commitments is recorded as a liability in provisions (calibration of the reserve account for off-balance sheet exposures) - Note 10.

This voluntary change in presentation, intended to give a more accurate picture of the treatment of sovereign credit risk, led to a restatement of the opening balance sheet, with a decrease in loans and receivables of €812M, offset by an equivalent decrease in provisions in liabilities. This restatement has no impact on pre-2024 earnings reserves.

6.2.2 Accounting standards applicable to Agence Française de Développement

6.2.2.1 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 the AFD Group at 31 December 2024 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting standards used in the preparation of AFD's financial statements at 31 December 2024 are described in Section 6.2.3.1.2.

6.2.2.2 IASB and IFRIC texts adopted by the European Union and applied at 1 January 2024

The standards and interpretations used in the financial statements at 31 December 2024 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 IFRS•16 "Leases – Sale-leaseback obligations"	1 January 2024
Amendments to IAS 1 "Classification of liabilities as current or non-current"	1 January 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	1 January 2024
Amendments to IAS 12 "International Tax Reform – Pillar II OECD Model Rules"	1 January 2024

Unless otherwise stated, when application of the standards and interpretations adopted by the European Union is optional for a period, AFD Group does not take up the option.

Amendments to IAS 12 "Global Minimum Tax"

A model of "Pillar 2" rules was published in December 2021 by the Organisation for Economic Co-operation and Development (OECD) as part of the anti-tax avoidance group aiming to establish a global minimum tax rate on profits of 15% on the results of multinational groups whose annual revenue exceeds €750M.

This model of so-called "Pillar 2" rules was taken up in European Directive No. 2022/2523 and adopted and published in the Official Journal of the European Union on 14 December 2022, which was transposed into French law by the Finance Law of 2024, for financial years beginning on or after 1 January 2024.

In this context, the amendments to IAS 12 adopted by the European Union on 8 November 2023 introduce a mandatory temporary exception to the recognition of deferred tax assets and liabilities related to income taxes arising from the "Pillar 2" rules of the OECD.

Based on the analyses carried out, Agence Française de Développement considers that it is outside the scope of European Directive 2022/2523 as a public entity and is not qualified as an ultimate parent entity. The calculation and reporting obligations relating to the "Pillar 2" rules of the OECD concern its subsidiaries. As at 31 December 2024, AFD's subsidiaries did not exceed the €750M revenue threshold and therefore were not subject to the calculation of the global minimum tax rate.

The other standards and interpretations applicable at 1 January 2024 had no significant impact on the Group's financial statements at 31 December 2024.

6.2.2.3 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 have been adopted by the European Union as at 31 December 2024. They will come into force on a mandatory basis for financial years beginning on or after 1 January 2025 at the earliest, or their adoption by the European Union. They were therefore not applied by the Group as at 31 December 2024.

Standards applicable to future financial years	Provisional date of application
Amendments to IAS 21 "Non-Convertibility"	1 January 2025
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 "Annual Improvements – Volume 11"	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

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6.2.3 Principles for the preparation of the consolidated financial statements of AFD Group at 31 December 2024

6.2.3.1 Consolidation scope and methods

6.2.3.1.1 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.

The list of companies in which AFD or Proparco directly or indirectly holds an equity investment that exceeds 20% of the company's share capital is presented below.

In thousands of euros	Localisation	% control 2023	% interest 2023	% control 2024	% interest 2024	Balance sheet total[1]	Total net income	Contribution to net income[2]
AFD						70,360,009		239,720
Fully consolidated companies								
Soderag	Antilles	100.00	100.00	100.00	100.00	7,431		98
Proparco	Paris	84.79	84.79	85.21	85.21	8,884,752		108,693
Expertise France	Paris	100.00	100.00	100.00	100.00	1,152,340		4,819
Sogefom – AFD share	Paris	58.69	60.00	58.69	58.69	93,730		376
Sogefom – Socredo share	Paris	1.31	0.00	1.31				
Fisea	Paris	100.00	100.00	100.00	100.00	350,250		- 8,723
Companies accounted for by the equity method								
• *Non-financial entities*								
Société Immobilière de Nouvelle-Calédonie	New Caledonia	50.00	50.00	50.00	50.00	33,988		- 6,112
• *Financial entities*								
Banque Socredo	Polynesia	35.00	35.00	35.00	35.00	125,237		4,742
Other non-consolidated subsidiaries								
• *Stakes held by Proparco in entities abroad*								
Bredev SAS	Brazil	100.00	100.00	100.00	100.00	6,781	- 5,209	
Digital Africa SAS	Multi-country	100.00	100.00	100.00	100.00	4,083	1	
Tiba Education Holding BV	Egypt	100.00	100.00	100.00	100.00	3,304	- 717	
Other non-consolidated investments								
• *Equity investments in France*								
STOA	Paris	16.67	16.67	33.33	33.33	366,641	-24,228	
• *Foreign state-owned or partially state-owned entities*								
Banque nationale de Développement Agricole	Mali	22.67	22.67	22.67	22.67	1,344,384	7,815	
Banque de Développement des Seychelles	Seychelles	20.41	20.41	20.41	20.41	62,472	388	
• *Stakes held by Proparco in entities abroad*								
AIF Pharma Lux	Morocco	40.00	40.00	-	-	-	-	
Acon Alaof V	Multi-country	29.04	29.04	29.04	29.04	56,450	7,660	
Acon Latin America Opportunities Fund A LP	Multi-country	20.00	20.00	-	-	-	-	

In thousands of euros	Localisation	% control 2023	% interest 2023	% control 2024	% interest 2024	Balance sheet total[1]	Total net income	Contribution to net income[2]
Amethis Milling SPV	Mozambique	26.32	26.32	-	-	-	-	
Brompton Holdco Ltd	Kenya	48.50	48.50	48.50	48.50	10,334	- 387	
Averroes Finance II	Multi-country	50.00	50.00	50.00	50.00	12,121	- 345	
Averroes Finance III	Multi-country	50.00	50.00	50.00	50.00	74,040	- 241	
Averroes Africa	Multi-country	27.27	27.27	27.12	27.12	12,640	- 248	
Afrigreen Debt Impact Fund SLP	Multi-country	18.15	18.15	24.96	24.96	2,625	- 717	
Central Africa Growth Sicar	Multi-country	23.41	23.41	-	-	-	-	
EuroPro Holding SAL	Egypt	35.29	35.29	-	-	-	-	
Falcon Holding Inversiones II SAC	Peru	-	-	44.21	44.21	NA	NA	
Ilera Holdings	Morocco	31.68	31.68	31.68	31.68	85	-2	
GEF Latam Climate Solutions Fund III, LP	Brazil	20.16	20.16	20.16	20.16	66,555	4,476	
IT Holding	Egypt	23.87	23.87	23.87	23.87	18,169	104	
Mambo Retail Ltd	Kenya	20.70	20.70	20.72	20.72	195,656	2,228	
Meridiam Infrastructure Africa Parallel Fund II SLP	Multi-country	25.00	25.00	25.00	25.00	63,835	- 3,011	
Mekong Solar Asset Management PTE. Ltd.	Thailand	31.77	31.77	30.00	30.00	104,569	524	
Metier AMN Partnership LP	Multi-country	22.25	22.25	22.19	22.19	38,892	- 4,209	
Ocsaden Investment Limited	Morocco	25.30	25.30	25.30	25.30	57,711	18,061	
Seaf India Agribusiness International Fund	India	33.36	33.36	33.36	33.36	1,957	88	
TLG Finance SAS	Multi-country	22.84	22.84	22.84	22.84	3,530	977	
Vinci Climate Fund	Brazil	35.62	35.62	29.10	29.10	1,638	- 3,625	
Africa Telecom Infrastructure Services	Multi-country	21.25	21.25	20.40	20.40	61,216	1,657	
Elgon Healthcare Ltd	Kenya	29.80	29.80	29.80	29.80	62,373	0	
FE II Delta 1 K/S	Sierra Leone	20.83	20.83	20.83	20.83	23	0	
Africinvest III SPV I	Kenya	21.82	21.82	21.82	21.82	51,580	- 2,736	
Ashmore Andean Fund III, LP	Colombia	55.56	55.56	22.11	22.11	16,809	- 174	
Holdco Solarise Africa Ltd	Multi-country	22.45	22.45	22.45	22.45	20,732	- 4,025	
Solar X LTD	Mali	44.44	44.44	12.00	12.00	11,664	- 2,070	
MC III Scan	Multi-country	31.75	31.75	-	-	-	-	
Divercity Urban Property Fund Proprietary Limited	South Africa	21.65	21.65	23.12	23.12	139,571	5,093	
• ***French companies with an immaterial balance sheet total***								
Retiro Participations – Proparco share	Paris	100.00	100.00	-	-	-	-	
• ***Stakes held by Fisea in entities abroad***								
AB Bank Zambia Limited	Zambia	22.50	22.50	22.50	22.50	29,737	495	
Catalyst Mattress Africa	Multi-country	20.90	20.90	20.90	20.90	18,894	630	
Chain Hotel Conakry	West Africa	23.17	23.17	23.17	23.17	29,030	481	
Fefisol	Multi-country	20.00	20.00	-	-	-	-	
Metier Capital Growth International Fund II	Multi-country	28.91	28.91	28.91	28.91	35,654	- 6,558	
Moringa	Multi-country	21.58	21.58	21.58	21.58	6,213	- 2,606	
Fefisol II	Multi-country	22.22	22.22	-	-	-	-	
Ascent DBH Ltd	Kenya	46.54	46.54	46.54	46.54	15,268	- 7,521	
Salt Equity 1 LP	Multi-country	22.86	22.86	22.86	22.86	1,953	- 1,151	
Saviu II	Mauritius	-	-	23.92	23.92	NA	NA	
Virunga Scular Holco	Mauritius	-	-	24.90	24.90	NA	NA	
INCOME GROUP SHARE								**343,212**

(1) The balance sheet total indicated corresponds to the balance sheet total before restatement of intra-group entries.
(2) Before elimination of intra-group transactions.

Non-controlling interests

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

	31/12/2024			31/12/2023		
In thousands of euros	% 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%	18,868	195,196	15.21%	- 1,090	160,720
Other subsidiaries		265	4,450		10	4,185
TOTAL NON-CONTROLLING INTERESTS		**19,133**	**199,646**		**- 1,080**	**164,905**
TOTAL GROUP SHARE		**343,612**	**9,422,346**		**371,271**	**8,990,281**

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

6.2.3.1.2 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:

i. 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

ii. the Group is exposed or has rights to variable returns as a result of its ties with the entity; and

iii. 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:

- the Société de promotion et de participation pour la coopération économique (Proparco), 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 31 December 2024, the company's share capital totalled €1,353M and AFD's stake was 85.21%;
- the 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 31 December 2024, the company's share capital amounted to €111.9M. It is 100% owned by AFD;
- Société de gestion des fonds de garantie d'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 31 December 2024, the 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 merger 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 31 December 2024, 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".

6.2.3.1.3 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.

6.2.3.1.4 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.

6.2.3.2 Accounting principles and methods

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 Agence Française de Développement's financial statements at 31 December 2024 are described below.

6.2.3.2.1 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".

6.2.3.2.2 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.

6.2.3.2.3 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 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
- 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:

Financial Assets (IAS 32)	Cash flow characteristics	Management model	Asset classification
Debt securities	SPPI (Solely Payment of Principal and Interest)	Collection of contractual flows	Amortised cost
		Collection of contractual flow sand sales	Fair value through other comprehensive income with subsequent recycling
		Other	Fair value through P&L
Non-basic debt instruments and derivatives	Non-SPPI	All management models	Fair value through P&L
Equity securities	Non-SPPI	All management models	Fair value or irrevocable option Fair value through other comprehensive income not to be recycled in profit or loss

Debt securities at amortised cost

Debt instruments 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 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".

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 method.

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

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 instruments with put options and other debt instruments (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 Risks Department decides to propose the change in classification that is subject to approval by the Group Risk 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).

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.

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 financial asset management model results in changes in the way the business is managed operationally, in systems, etc. (acquisition of a business, discontinuation of a business, etc.) resulting in 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 or 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 derivative instruments) 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 €280M, there was a drawdown of €160M on this last tranche of RCS (Special condition resource) 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 2024, AFD received €150M in resources with special conditions. A capital increase of €150M was carried out by conversion of this RCS, in accordance with the order of 27 May 2024 published in the Official Journal.

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.

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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: groups "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 performing assets for which a significant increase in credit risk has been observed since they were first entered in the accounts. The method of calculating the provision is statistically based on expected loss at maturity;
- stage 3: groups 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 doubtful third party according to the 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 "doubtful" and the doubtful 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 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 to be recycled in profit or loss that may be recycled.

6.2.3.2.4 Commitments to buy non-controlling interests

In 2014, 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 annual financial statements at 31 December 2024, these commitments reflect a debt of €102M to the minority shareholders of Proparco, with a corresponding entry of a decrease in "non-controlling interests" of €114M and an increase in "Consolidated reserves – Group Share" of €12M. 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.

The window related to the put granted in 2014 was closed in 2024 following:

- the repurchase by AFD of the shares of two minority shareholders after the exercise of their put options;
- the extension of the put options of a minority shareholder for a new window, granted in 2024 and extending until 2028;
- the expiry of the other put options in the window.

6.2.3.2.5 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 head 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 for 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 to complete the contract. 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 contract.

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 decrease in the amount of the lease payments made.

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 similar 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.

6.2.3.2.6 Provisions

Provisions on undisbursed sovereign financing commitments

Non-disbursed doubtful sovereign commitments are provisioned. This impairment is also neutralised by a deduction from the reserve account (see paragraph on the "Impairment of sovereign outstandings for the accounting treatment of 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.

The assumptions used for the valuations are as follows:

- discount rate: 2.75% in 2024 *versus* 3.5% in 2023;
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- rate of annual increase in salary: 2.0% and 2.2% for Overseas Collectivities in 2024 (unchanged compared to 2023).

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.

The assumptions used for the valuations are as follows:

- discount rate: 3.6% in 2024 *versus* 3.8% in 2023;
- rate of annual increase in salary: 2.0% and 2.2% for Overseas Collectivities in 2024 (unchanged compared to 2023);
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- actuarial tables: TGH 05 (men)/TGF 05 (women).

In accordance with IAS 19, these commitments (retirement bonuses and the financing of health insurance plans and pensions) undergo actuarial valuations that factor in demographic and financial assumptions. The amount of provisions for commitments is determined using the Projected Unit Credit Method.

At each closing, the retirement commitments carried by AFD are remeasured and compared with the value of the insurance policies.

In compliance with IAS 19 (Revised), actuarial gains and losses are recognised in other comprehensive income (OCI). At 31 December 2024, the impact was -€8.4M.

Thus, the provisions recognised at 31 December 2024:

- in the income statement, amount €12.3M and are recorded under salary and employee benefit expenses; they represent the total of the cost of services rendered and the financial cost for 2024 less benefits paid by the employer during the financial year;
- in items not to be recycled in profit or loss, amount to a loss of -€8.4M in respect of the appraisal of commitments at 31 December 2024 and are recorded in comprehensive income.

In addition, following the promulgation of the law on the pension reform on 14 April 2023, the impact of this reform is recognised in the income statement. At the AFD Group level, the impact on the financial statements is not considered material.

6.2.3.2.7 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.

6.2.3.2.8 Segment information

In application of IFRS 8 "Operating Segments", AFD has identified and reported on only one 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.

6.2.3.2.9 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 items 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.

6.2.4 Notes to the financial statements at 31 December 2024

6.2.4.1 Notes to the balance sheet

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

		31/12/2024			31/12/2023		
In thousands of euros	Notes	Assets	Liabilities	Notional / Outstandings	Assets	Liabilities	Notional / Outstandings
Interest rate derivatives		2,261	53	147,610	6,048	396	184,824
Foreign exchange derivatives		5,653	418,280	4,818,727	63,879	197,200	5,211,014
Hedging derivatives of non-SPPI loans/securities		25,886	63,044	986,768	57,926	34,256	1,068,519
Loans and securities that do not meet SPPI criteria	1.2	4,705,926	-	4,616,075	4,398,814	-	4,328,156
CVA/DVA/FVA		57	246	-	32	455	-
TOTAL		**4,739,783**	**481,623**	**10,569,179**	**4,526,700**	**232,307**	**10,792,513**

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

In thousands of euros	Notes	31/12/2024	Notional / Outstandings	31/12/2023	Notional / Outstandings
Loans to credit institutions	**1.2.1**	**544,978**	**555,944**	**582,315**	**591,184**
Performing loans		544,647	553,804	582,297	586,810
Non-performing loans		331	2,141	18	4,374
Loans to customers	**1.2.1**	**607,527**	**680,228**	**440,551**	**506,114**
Performing loans		586,049	604,611	418,630	431,990
Non-performing loans		21,478	75,617	21,922	74,124
Securities		**3,553,421**	**3,379,902**	**3,375,949**	**3,230,794**
Bonds and other fixed-income securities	1.2.2	36,861	50,442	22,166	33,026
UC ITS		1,638,364	1,555,111	1,622,642	1,524,201
Equity investments and other long-term securities	1.2.3	1,878,196	1,774,349	1,726,530	1,673,566
• of which equity investments held in investment funds		*1,675,903*	*1,639,106*	*1,537,342*	*1,506,343*
• *of which equity investments held directly with a put option*		*202,294*	*135,243*	*189,188*	*167,223*
TOTAL		**4,705,926**	**4,616,075**	**4,398,814**	**4,328,092**

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.

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.

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.

Investments in unconsolidated structured entities

Breakdown by portfolio activity

In thousands of euros **Equity investments held in the investment Funds**	Number of equity investments	31/12/2024	Number of equity investments	31/12/2023
Homogeneous activity portfolios				
Agribusiness	9	28,937	11	38,395
Energy	4	37,459	10	92,996
Infrastructure	5	76,718	7	82,907
Mining	-	-	-	-
Multi-sector SME-SMI	-	-	-	-
Healthcare	7	34,886	6	39,064
Financial services	11	88,256	21	154,272
Multi-sector	129	1,409,646	102	1,134,318
CONSOLIDATED STRUCTURED ENTITIES	**165**	**1,675,903**	**157**	**1,541,953**

Breakdown by area of operation

In thousands of euros **Equity investments held in the investment Funds**	Number of equity investments	31/12/2024	Number of equity investments	31/12/2023
Intervention zone				
Southern Africa	4	23,260	4	23,021
East Africa	7	44,584	2	13,020
West Africa	6	39,109	5	32,831
North Africa	15	93,097	14	79,264
Asia	28	333,518	26	276,975
Multi-region	105	1,142,333	106	1,116,842
CONSOLIDATED STRUCTURED ENTITIES	**165**	**1,675,903**	**157**	**1,541,953**

Investments in unconsolidated structured entities – Risk exposure and dividends received

	31/12/2024			31/12/2023		
In thousands of euros	Financial assets at fair value through profit or loss	Maximum exposure	Dividends received over the financial year	Financial assets at fair value through profit or loss	Maximum exposure	Dividends received over the financial year
Homogeneous portfolios						
Agribusiness	28,937	28,937	17	38,395	38,395	321
Energy	37,459	37,459	-	92,996	92,996	87
Infrastructure	76,718	76,718	239	82,907	82,907	-
Mining	-	-	-	-	-	-
Multi-sector SME-SMI	-	-	-	-	-	-
Healthcare	34,886	34,886	-	39,064	39,064	37
Financial services	88,256	88,256	-	154,272	154,272	9,483
Multi-sector	1,409,646	1,409,646	8,009	1,134,318	1,134,318	11,579
UNCONSOLIDATED STRUCTURED ENTITIES – INVESTMENT FUNDS	**1,675,903**	**1,675,903**	**8,265**	**1,541,953**	**1,541,953**	**21,507**

Bearing in mind the type of interests, maximum exposure to loss is defined in this note as the fair value of investment funds presented on the balance sheet as of the closing date. This amount includes financing commitments that have not yet been disbursed.

Furthermore, the Group has not and does not offer financial support or other assistance to an unconsolidated structured entity outside of contractual obligations.

The AFD Group does not act as a sponsor for structured entities. Sponsorship is assumed when AFD does not have or no longer has an ownership interest in an entity yet still provides this entity with both operational and strategic support.

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

	31/12/2024			31/12/2023		
	Carrying amounts			Carrying amounts		
In thousands of euros	Assets	Liabilities	Notional	Assets	Liabilities	Notional
Fair value hedging						
Interest rate derivatives	2,167,792	3,215,969	64,901,275	2,467,657	3,806,431	64,186,799
Interest rate and foreign exchange derivatives (cross-currency swaps)	1,173,631	446,771	20,612,415	485,770	582,894	16,109,595
TOTAL	**3,341,422**	**3,662,740**	**85,513,690**	**2,953,426**	**4,389,325**	**80,296,394**

Note 2.2 Analysis by residual maturity (notional)

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

In thousands of euros	Less than three months	From three months to one year	From one to five years	Over five years	31/12/2024
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**

In thousands of euros	Less than three months	From three months to one year	From one to five years	Over five years	31/12/2023
Fair value hedging					
Interest rate derivatives	1,355,668	3,417,663	16,281,844	43,131,624	64,186,799
Interest rate and foreign exchange derivatives (cross-currency swaps)	5,019	978,041	10,501,335	4,625,200	16,109,595
TOTAL	**1,360,688**	**4,395,704**	**26,783,179**	**47,756,824**	**80,296,394**

Note 2.3 Hedged items

In thousands of euros	31/12/2024 Current hedges: Carrying amounts	31/12/2024 Current hedges: Accrued remeasurements of fair value hedges	31/12/2024 Expired hedges: Accrued remeasurements of fair value hedges remaining	31/12/2024 Expired hedges: Accrued remeasurements of fair value	31/12/2024 Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
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**

In thousands of euros	31/12/2023 Current hedges: Carrying amounts	31/12/2023 Current hedges: Accrued remeasurements of fair value hedges	31/12/2023 Expired hedges: Accrued remeasurements of fair value hedges remaining	31/12/2023 Expired hedges: Accrued remeasurements of fair value	31/12/2023 Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
Interest rate derivatives	**19,124,480**	**- 1,657,492**	**-**	**- 55,465**	**1,122,952**
Loans and receivables due from credit institutions at amortised cost	1,256,686	- 94,101	-	- 14	63,079
Loans and receivables due from customers at amortised cost	16,808,505	- 1,527,491	-	- 53,454	1,029,757
Financial assets at fair value through other comprehensive income	1,059,289	- 35,900	-	- 1,997	30,115
Interest rate derivatives (currency swaps)	**5,221,789**	**- 131,924**	**-**	**- 2,219**	**- 37,106**
Loans and receivables due from credit institutions at amortised cost	728,779	- 18,041	-	1,790	- 10,108
Loans and receivables due from customers at amortised cost	4,493,010	- 113,524	-	- 4,009	- 26,602
Financial assets at fair value through other comprehensive income	-	- 360	-	-	-396
TOTAL FAIR VALUE HEDGING OF ASSETS	**24,346,269**	**- 1,789,416**		**- 57,684**	**1,085,846**
Interest rate derivatives	**- 35,322,231**	**2,829,245**	**- 50,618**	**- 55,757**	**- 1,919,318**
Debt securities in issue at amortised cost	- 35,322,231	2,829,245	- 50,618	- 55,757	- 1,919,318
Interest rate derivatives (currency swaps)	**- 10,420,666**	**243,065**	**0**	**7,039**	**71,813**
Debt securities in issue at amortised cost	- 10,420,666	243,065	0	7,039	71,813
TOTAL FAIR VALUE HEDGING OF LIABILITIES	**- 45,742,897**	**3,072,310**	**- 50,618**	**- 48,718**	**- 1,847,505**

Note 2.4 Income resulting from hedge accounting

	31/12/2024			31/12/2023		
	Net income (Income from hedge accounting)			Net income (Income from hedge accounting)		
In thousands of euros	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	434,754	- 409,247	25,507	912,488	- 796,366	116,122
Interest rate and foreign exchange derivatives (cross-currency swaps)	731,803	- 728,723	3,080	- 17,784	34,707	16,923
TOTAL	**1,166,557**	**- 1,137,970**	**28,587**	**894,704**	**- 761,659**	**133,045**

Note 3 Financial assets at fair value through other comprehensive income

	31/12/2024		31/12/2023	
In thousands of euros	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	**1,422,216**	**- 25,336**	**894,775**	**- 1,531**
Government paper and equivalent	1,144,909	- 18,164	718,620	- 1,074
Bonds and other securities	277,307	- 7,712	176,155	- 457
Equity securities recorded at fair value through equity not to be recycled in profit or loss	**851,653**	**21,194**	**694,825**	**- 30,358**
Unconsolidated equity investments	851,653	21,194	694,825	- 30,358
TOTAL	**2,273,869**	**- 4,142**	**1,589,600**	**- 31,889**

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

	31/12/2024 IFRS				31/12/2023 IFRS			
In thousands of euros	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	-	-	1,878,196	**1,878,196**	-	-	1,726,530	**1,726,530**
Debt securities that do not meet SPPI criteria	1,638,364	-	1,189,366	**2,827,730**	1,627,253	-	1,045,032	**2,672,284**
Financial assets recorded through equity	1,422,216		851,653	**2,273,869**	865,498	29,615	694,488	**1,589,600**
Hedging derivatives (Assets)	-	3,341,422	-	**3,341,422**	-	2,953,426	-	**2,953,426**
Financial liabilities at fair value through profit or loss	-	476,042	5,581	**481,623**	-	226,669	5,638	**232,307**
Hedging derivatives (Liabilities)	-	3,662,740	-	**3,662,740**	-	4,389,326	-	**4,389,326**
Derivatives	-	27,020	6,837	**33,856**	-	124,930	2,955	**127,885**

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

In thousands of euros	Notes	31/12/2024 On-demand	31/12/2024 At maturity	31/12/2023 On-demand	31/12/2023 At maturity
Debt securities	5.1	-	3,148,432	-	2,975,130
Loans and receivables due from credit institutions	5.2	1,213,880	12,089,460	432,702	10,920,610
Loans and receivables due from customers[(1)]	5.2	-	40,468,886		38,136,601
TOTAL		**1,213,880**	**55,706,778**	**432,702**	**52,032,340**

(1) Restatement of the opening limit of the balance sheet for the financial year ended 31 December 2023: on the assets side, sovereign outstandings are presented net of the calibration of the reserve account (see Highlights, paragraph 6.2.1.8).

Note 5.1 Loans and receivables due from customers

In thousands of euros	31/12/2024 On-demand	31/12/2024 At maturity	31/12/2023 On-demand	31/12/2023 At maturity
Government paper and equivalent	-	403,641	-	443,280
Bonds and other securities	-	2,765,293	-	2,546,776
TOTAL	**-**	**3,168,934**	**-**	**2,990,055**
Impairment	-	- 20,502	-	- 14,925
TOTAL	**-**	**3,148,432**	**-**	**2,975,130**

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

In thousands of euros	31/12/2024 On-demand	31/12/2024 At maturity	31/12/2023 On-demand	31/12/2023 At maturity
Loans to credit institutions at amortised cost	**-**	**9,375,959**	**-**	**9,108,434**
Performing loans	-	9,213,297	-	8,944,859
Non-performing loans	-	162,662	-	163,575
Impairment	**-**	**- 146,998**	**-**	**- 172,500**
Related loans receivable	**-**	**82,990**	**-**	**158,162**
Valuation adjustments of loans hedged by forward financial instruments	**-**	**- 83,973**	**-**	**- 115,927**
Subtotal	**-**	**9,227,978**	**-**	**8,978,169**
Loans to customers at amortised cost	**-**	**43,367,624**	**-**	**41,226,097**
Performing loans	-	40,456,346	-	38,282,048
Non-performing loans	-	2,911,278	-	2,944,048
Impairment[(1)]	**-**	**- 1,580,876**	**-**	**- 1,460,626**
Related loans receivable	**-**	**164,133**	**-**	**172,262**
Valuation adjustments of loans hedged by forward financial instruments	**-**	**- 1,481,994**	**-**	**- 1,801,131**
Subtotal	**-**	**40,468,886**	**-**	**38,136,601**
TOTAL LOANS	**-**	**49,696,865**	**-**	**47,114,770**
Other receivables				
Deposits (available cash) at credit institutions	1,213,880	2,828,875	432,702	1,927,136
Related loans receivable	-	32,606	-	15,305
TOTAL OTHER RECEIVABLES	**1,213,880**	**2,861,482**	**432,702**	**1,942,440**
TOTAL LOANS AND OTHER RECEIVABLES	**1,213,880**	**52,558,346**	**432,702**	**49,057,210**

(1) Restatement of the opening limit of the balance sheet for the financial year ended 31 December 2023: on the assets side, sovereign outstandings are presented net of the calibration of the reserve account (see Highlights, paragraph 6.2.1.8).

5.2.1 Loans and receivables at amortised cost by remaining maturity on credit institutions and customers

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/2024
Loans and receivables at amortised cost					
On credit institutions	271,150	1,115,788	3,640,166	7,177,730	12,204,834
On customers	589,656	2,766,769	11,331,376	28,679,824	43,367,624
TOTAL	**860,806**	**3,882,556**	**14,971,542**	**35,857,554**	**55,572,458**

Note 6 Asset impairment

In thousands of euros	31/12/2023	Provisions	Reversals	Other items	31/12/2024
Credit institutions	**172,507**	**57,019**	**- 85,051**	**2,522**	**146,998**
• of which stage 1	*31,381*	*8,216*	*- 2,944*	*-*	*36,653*
• of which stage 2	*68,753*	*2,064*	*- 26,006*	*-*	*44,810*
• of which stage 3	*72,373*	*46,740*	*- 56,100*	*2,522*	*65,534*
Credit to customers(1)	**1,460,648**	**349,268**	**- 237,907**	**8,867**	**1,580,876**
of which calibration of the reserve account(1)	*812,237*	*117,950*	*-*	*-*	*930,187*
• of which stage 1	*85,179*	*30,472*	*- 2,765*	*-*	*112,886*
• of which stage 2	*395,467*	*42,612*	*- 31,867*	*-*	*406,212*
• of which stage 3	*980,002*	*276,185*	*- 203,275*	*8,867*	*1,061,778*
Bonds and other securities	**14,926**	**22,813**	**- 17,206**	**- 31**	**20,502**
• of which stage 1	*4,065*	*3,461*	*- 619*	*-*	*6,907*
• of which stage 2	-	-	-	-	-
• of which stage 3	*10,861*	*19,352*	*- 16,587*	*- 31*	*13,594*
Other receivables	**6,950**	**-**	**-**	**6,183**	**13,133**
TOTAL	**1,655,030**	**429,100**	**- 340,163**	**17,541**	**1,761,508**

(1) Restatement of the opening limit of the balance sheet for the financial year ended 31 December 2023: on the assets side, sovereign outstandings are presented net of the calibration of the reserve account (see Highlights, paragraph 6.2.1.8).

Note 7 Accruals and miscellaneous assets/liabilities

	31/12/2024		31/12/2023	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Guarantees against collateral	1,651,850	468,011	2,247,221	280,527
Allocated public funds	-	87,110	-	75,075
Other assets and liabilities	1,256,112	2,303,476	1,452,936	2,006,413
Accounts payable, French State	-	471,697	-	263,604
TOTAL ACCRUALS AND OTHER MISCELLANEOUS ASSETS/ LIABILITIES	**2,907,962**	**3,330,294**	**3,700,158**	**2,625,619**

Note 8 Property, plant and equipment and intangible assets

Note 8.1 Change in fixed assets

In thousands of euros	Fixed assets property, plant and equipment					
	Land & development	Buildings & development	Other	Intangible assets	31/12/2024	31/12/2023
Gross value						
At 1 January 2024	89,639	661,780	85,030	261,496	1,097,945	913,434
Purchases	3	247,249	10,386	105,961	363,599	191,020
Disposals/retirements	- 40	- 8,571	- 2,047	- 33,544	- 44,202	604
Other items	0	969	140	1,488	2,597	- 5,905
At 31 December 2024	**89,601**	**901,428**	**93,509**	**335,400**	**1,419,939**	**1,097,945**
Depreciation/amortisation						
At 1 January 2024	4,034	171,624	65,137	128,046	368,841	- 333,545
Provisions	229	13,840	8,584	26,572	49,224	35,833
Reversals	- 3	- 279	- 1,688	- 1,815	- 3,785	- 537
Other items	-	-	-	-	-	-
At 31 December 2024	**4,259**	**185,185**	**72,033**	**152,803**	**414,280**	**368,841**
NET VALUE	**85,342**	**716,243**	**21,476**	**182,598**	**1,005,659**	**729,104**

Note 8.2 Right of use

In thousands of euros	Registered office	Offices	31/12/2024
Gross value			
At 1 January 2024	100,398	13,070	113,468
New contract	-	-	-
Modification of contract	-	-	-
Other items	10,091	3,522	13,613
At 31 December 2024	**110,489**	**16,592**	**127,081**
Depreciation/amortisation	80,027	11,955	91,982
NET VALUE	**30,462**	**4,637**	**35,099**

Note 9 Financial liabilities measured at amortised cost

Debts to credit institutions and customers and debt securities in issue at amortised cost

In thousands of euros	31/12/2024	31/12/2023
Debts to credit institutions at amortised cost		
On-demand debts	9,016	18,279
Debts at maturity	540	2,040
TOTAL DEBTS TO CREDIT INSTITUTIONS	**9,556**	**20,319**
Debts to customers at amortised cost	2,125	1,734
TOTAL DEBTS TO CUSTOMERS	**2,125**	**1,734**
Debt securities in issue at amortised cost		
Interbank market securities	809,211	2,158,290
Bonds	53,970,506	50,818,221
Related debts	717,494	559,265
Valuation adjustments of debt securities in issue hedged by derivatives	- 2,031,860	- 3,015,365
TOTAL DEBTS SECURITIES IN ISSUE	**53,465,351**	**50,520,411**

Maturity of debt securities in issue at amortised cost

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/2024
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**

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/2023
Maturity of debt securities in issue					
Bonds	876,348	4,566,794	23,120,660	19,798,319	48,362,121
Interbank market securities	1,288,605	869,686	-	-	2,158,290
TOTAL	**2,164,952**	**5,436,479**	**23,120,660**	**19,798,319**	**50,520,411**

Debt securities in issue by currency

In thousands of euros	EUR	USD	GBP	JPY	CHF	AUD	CNH	DOP	TRY	31/12/2024
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**

In thousands of euros	EUR	USD	GBP	JPY	CHF	AUD	CNH	DOP	TRY	31/12/2023
Debt securities in issue by currency										
Bonds	36,966,955	9,254,085	1,219,391	93,217	326,347	209,149	195,078	4,687	93,213	48,362,121
Interbank market securities	2,158,290	-	-	-	-	-	-	-	-	2,158,290
TOTAL	**39,125,245**	**9,254,085**	**1,219,391**	**93,217**	**326,347**	**209,149**	**195,078**	**4,687**	**93,213**	**50,520,411**

Note 10 Provisions

In thousands of euros	31/12/2023	Provisions	Reversals	Other items	31/12/2024
Included in the cost of risk					
French Overseas Department subsidiary risks	24,521	942	- 7,782	- 483	17,197
Other provisions for risk	147,569	65,657	- 86,856	- 1,660	124,710
• of which stage 1	*19,753*	*16,149*	*- 7,962*	-	*27,939*
• of which stage 2	*88,143*	*22,068*	*- 57,096*	-	*53,115*
• of which stage 3	*39,674*	*27,441*	*- 21,798*	*- 1,660*	*43,656*
Excluded from the cost of risk					
Provision for expenses – Sovereign loans(1)	582,547	212,196	- 218,940	- 1,002	574,800
Of which calibration of the reserve account(1)	*493,669*	-	*- 208,345*	-	*285,324*
Salary and employee benefit expenses	135,690	9,307	- 8,416	- 195	136,385
Provision for risks and expenses	24,789	12,458	- 10,552	2,564	29,261
TOTAL	**915,115**	**300,560**	**- 332,547**	**- 776**	**882,353**

(1) *Restatement of the opening limit of the balance sheet for the financial year ended 31 December 2023: on the liabilities side, the provisions item decreases by the amount of impairments in relation to sovereign outstandings, leading to a -€812M decrease in the provisions item (see Highlights, paragraph 6.2.1.8).*

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Note 11 Subordinated debt

In thousands of euros	31/12/2024	31/12/2023
Fixed-term subordinated debt	-	-
Open-ended subordinated debt	840,006	840,006
Other	2,611	1,611
TOTAL	**842,617**	**841,617**

Note 12 Fair value of assets and liabilities at amortised cost

	31/12/2024		31/12/2023	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Assets/Liabilities at amortised cost				
Debt securities at amortised cost	3,148,432	3,111,967	2,975,130	2,951,042
Financial assets at amortised cost(1)	53,772,227	52,245,580	49,489,912	48,381,675
Financial liabilities at amortised cost	53,477,032	52,628,410	50,542,464	49,085,991
Subordinated debt	842,617	842,617	841,617	841,617

(1) Restatement of the opening balance sheet for the financial year ended 31 December 2023: (i) on the assets side, sovereign outstandings are presented net of impairment losses and (ii) on the liabilities side, the provisions item is reduced by the amount of these impairment losses which were previously recognised under provisions (see Highlights, paragraph 6.2.1.8), resulting in a -€812M increase in the "impairment losses on customer loans" item.

6.2.4.2 Notes to the income statement

Note 13 Income and expenses by accounting category

In thousands of euros	31/12/2024	31/12/2023
From financial assets measured at amortised cost	**1,927,771**	**1,423,585**
Cash and demand accounts with central banks	153,531	86,324
Loans and receivables	1,768,649	1,329,962
Transactions with credit institutions	493,621	408,707
Transactions with customers	1,275,028	921,254
Debt securities	5,591	7,299
From financial assets at fair value through equity	**196,282**	**137,756**
Debt securities	196,282	137,756
From financial assets at fair value through profit or loss	**78,506**	**62,006**
Loans and receivables	78,506	62,006
Transactions with credit institutions	50,755	32,689
Transactions with customers	27,750	29,318
Interest accrued and due on hedging instruments	**2,800,681**	**2,094,777**
• *of which transactions with credit institutions*	*1,532,159*	*1,276,697*
• *of which other interest and related income*	*1,268,523*	*818,079*
TOTAL INTEREST INCOME	**5,003,240**	**3,718,124**
From financial liabilities measured at amortised cost	**1,143,355**	**876,157**
Financial liabilities measured at amortised cost	1,143,355	876,157
Interest accrued and due on hedging instruments	**3,357,003**	**2,739,229**
Other interest and similar expenses	**435**	**324**
TOTAL INTEREST EXPENSES	**4,500,792**	**3,615,710**

Note 14 Net commissions

In thousands of euros	31/12/2024 Income	31/12/2024 Expenses	31/12/2024 Net	31/12/2023 Income	31/12/2023 Expenses	31/12/2023 Net
Commissions on commitments	653	142	511	-	-	-
Monitoring and investment commissions	4,381	1,493	2,888	8,205	1,923	6,282
Analysis commissions	19,459	-	19,459	30,571	-	30,571
Commissions on grants and subsidies	91,195	-	91,195	107,536	-	107,536
Miscellaneous commissions	3,712	868	2,844	7,723	9,561	- 1,838
TOTAL	**119,400**	**2,503**	**116,897**	**154,035**	**11,483**	**142,551**

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

In thousands of euros	31/12/2024 Gains and losses on financial instruments at fair value through profit and loss	31/12/2024 o/w Foreign currency impact on derivatives	31/12/2023 Gains and losses on financial instruments at fair value through profit and loss	31/12/2023 o/w Foreign currency impact on derivatives
Financial assets and liabilities at fair value through profit or loss	**142,556**	**9,730**	**7,183**	**- 1,349**
Income from financial instruments at fair value through profit and loss	37,504	-	43,084	-
Unrealised or realised gains or losses on debt instruments that do not meet SPPI criteria	119,109	-	- 48,022	-
Hedging of loans at fair value through profit or loss	- 14,057	9,730	12,121	- 1,349
Income resulting from hedge accounting	**28,588**	**4,631**	**133,045**	**- 5,122**
Change in fair value of hedging derivatives	1,175,663	4,409	894,436	- 5,132
Change in fair value of the hedged item	- 1,147,076	222	- 761,391	10
Natural hedging/Trading	**- 64,688**	**215,291**	**- 46,993**	**- 174,157**
CVA/DVA/FVA	**233**	**-**	14,210	-
TOTAL	**106,690**	**229,652**	**107,445**	**- 180,628**

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

In thousands of euros	31/12/2024	31/12/2023
Dividends received on equity instruments recognised at fair value through equity not to be recycled in profit or loss	7,013	9,937
Gains or losses on equity instruments recognised at fair value through equity not to be recycles in profit or loss	-	-
Gains or losses on debt securities recognised at fair value through equity to be recycled in profit or loss	133	5,935
NET GAINS OR LOSSES ON FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME	**7,146**	**15,872**

Note 17 Income and expenses from other activities

In thousands of euros	31/12/2024	31/12/2023
Subsidies	312,563	495,593
Other income (*)	517,522	522,873
TOTAL OTHER INCOME FROM OTHER ACTIVITIES	**830 085**	**1,018,467**
Other expenses (*)	445,379	412,608
TOTAL OTHER EXPENSES FROM OTHER ACTIVITIES	**445,379**	**412,608**

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

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

Note 18 Overheads

Salary and employee benefit expenses

In thousands of euros	31/12/2024	31/12/2023
Salary and employee benefit expenses		
Wages and bonuses	253,519	231,720
Social security expenses	129,329	117,134
Profit sharing	15,374	13,695
Taxes and similar payments on compensation	39,026	33,120
Provisions/reversal of provisions	11,195	7,712
Rebilling banks' staff	- 125	- 199
TOTAL	**448,318**	**403,182**

Other administrative expenses

In thousands of euros	31/12/2024	31/12/2023
Other administrative expenses		
Taxes	10,222	11,305
of which application of IFRIC 21	*- 976*	*- 232*
Outside services	172,284	163,492
Rebilled expenses	- 1,502	- 539
TOTAL	**181,005**	**174,259**

Note 19 Cost of credit risk

In thousands of euros	31/12/2024	31/12/2023
Impairments on performing (stage 1) or deteriorated (stage 2) assets	**39,090**	**96,502**
Stage 1: losses assessed at the amount of expected credit losses for the coming 12 months	**- 24,279**	**8,712**
Debt securities recorded at amortised cost	- 16,092	2,192
Signature commitments	- 8,186	6,520
Stage 2: losses assessed at the amount of expected credit losses for the lifetime	**63,369**	**87,790**
Debt securities recorded at amortised cost	28,341	57,458
Signature commitments	35,028	30,332
Impairments of impaired assets (stage 3)	**46,811**	**- 21,553**
Stage 3: impaired assets	**43,185**	**- 23,212**
Debt securities recorded at amortised cost	21,827	- 28,971
Signature commitments	21,357	5,759
Other provisions for risk	**3,627**	**1,659**
Net reversals of impairments and provisions	**85,901**	**74,949**
Losses on loans and bad loans	- 132,635	- 38,882
Discounts on restructured loans	156	- 2,032
Recovery of loans and receivables	604	147
COST OF RISK	**- 45,974**	**34,182**

Note 20 Equity-accounted items

	31/12/2024		31/12/2023	
Impact *(in thousands of euros)*	Balance sheet	Income	Balance sheet	Income
SIC	34,643	- 6,112	40,664	- 3,392
Socredo	125,677	4,742	121,947	5,073
TOTAL	**160,320**	**- 1,370**	**162,611**	**1,681**

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Note 21 Corporate tax

In thousands of euros	31/12/2024	31/12/2023
Corporate tax	**- 15,399**	**- 11,942**
Taxes due	- 14,298	- 4,797
Deferred taxes	- 1,101	- 7,145

Underlying tax position

In thousands of euros	31/12/2024	31/12/2023
Net income	**362,745**	**370,191**
Corporate tax	- 15,399	- 11,942
Pre-tax income	**378,144**	**382,134**
Total theoretical income tax expense (A)	**- 35,788**	**- 85,210**
Total matching items (B)	**20,389**	**73,268**
Net recorded tax expense (A) + (B)	**- 15,399**	**- 11,942**

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.

In thousands of euros	31/12/2024	31/12/2023
Commitments received		
Guarantee commitments received from the French State on loans	5,084,284	5,355,421
Guarantee commitments received from credit institutions	431,456	341,993
as part of the Group's credit activity	*431,456*	*341,993*
Commitments given		
Financing commitments made to credit institutions	2,588,677	1,907,305
Financing commitments made to customers	16,758,075	16,739,832
Guarantee commitments made to credit institutions	452,268	375,312
Guarantee commitments made to customers	1,058,367	1,072,294

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

6.2.4.3 Employee benefits and other compensation

The aggregate impacts of the post-employment benefits on the 2023 and 2024 financial years are set out in the table below:

In thousands of euros	31/12/2024	Impact on income	Impact on equity	31/12/2023	Impact on income	Impact on equity	31/12/2022
Provisions for employee benefits	132,749	8,539	- 8,389	132,599	8,830	24,786	98,983
Defined benefit plans	*131,451*	*8,543*	*- 8,389*	*131,298*	*8,751*	*24,786*	*97,761*
Other long-term benefits	*1,297*	*- 4*	*-*	*1,301*	*80*	*-*	*1,222*

The sensitivity analysis, based on the actuarial assumptions used to value the defined benefit plans at the closing date, is as follows:

In millions of euros	Retirement	as a % of change
Present value of the commitment at 31/12/2024	**4.2**	
• Discount rate: 2.75%		
• Annual increase in salary: 2.00%		
• Retirement age: 63 at legal age (non-executive level employees)/65 (executive level employees)		
Sensitivity to the discount rate assumption		
Rate change to 3%	4.2	-0.1%
Rate change to 2.5%	4.2	-0.1%
Sensitivity to the career profile assumption		
Rate change to 2.50%	4.2	-0.1%
Rate change to 1.5%	4.2	-0.1%
Sensitivity to the retirement age assumption		
• Increase of 1 year (for all guarantees)		
• Reduction of 1 year (for all guarantees)		

In millions of euros	Employees healthcare expenses abroad	as a % of change	Retiree health insurance	as a % of change	Retirement lump sum	as a % of change	Service award	as a % of change
Present value of the commitment at 31/12/2024	**14.6**		**108.4**		**18.5**		**1.3**	
• Discount rate: 3.60%								
• Annual increase in salary: 2.00% AFD and 2.20% TOM								
• Retirement age: 63 at legal age (non-executive level employees)/65 (executive level employees)								
Sensitivity to the discount rate assumption								
Rate change to 3.10%	16.5	12%	120.3	11%	19.6	6%	1.4	4%
Rate change to 4.10%	13.1	- 11%	98.2	- 9%	17.4	- 6%	1.3	- 4%
Sensitivity to the salary increase assumption								
Rate change to 2.50% AFD and 2.70% TOM					19.7	6%		
Rate change to 1.5% AFD and 1.70% TOM					17.4	-6%		
Sensitivity to changes in consumption 2.00% at 31/12/2024								
Rate change to 1.50%	13.1	- 11%						
Rate change to 2.5%	16.5	13%						
Sensitivity to changes in liabilities 2.5% at 31/12/2024								
Rate change to 2%			98.1	- 10%				
Rate change to 3%			120.4	11%				

Projected commitments at 31 December 2025 are as follows:

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
ACTUARIAL DEBT AT 31/12/2024	**14,640**	**4,202**	**108,418**	**18,475**	**145,735**	**1,298**	**147,033**
Cost of services rendered in 2025	424	-	5,239	1,550	7,212	156	7,369
Financial cost in 2025	542	116	4,092	675	5,424	49	5,473
Services payable in 2024/transfer of capital upon departures in 2025	- 208	- 838	- 2,942	- 1,594	- 5,583	- 145	- 5,728
ESTIMATED DEBT AT 31/12/2025	**15,397**	**3,479**	**114,806**	**19,106**	**152,789**	**1,358**	**154,146**

The changes in commitments over the 2024 financial year are shown in the table below:

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Change in the present value of the commitment							
Present value of the commitment at 01/01	13,648	5,428	109,648	17,859	146,583	1,301	147,885
Financial cost	478	163	3,916	618	5,175	46	5,222
Cost of services rendered over the financial year	418	-	5,543	1,566	7,526	158	7,684
Cost of past services	-	-	-	-	-	-	-
Reductions/Liquidations	-	-	-	-	-	-	-
Services paid	- 176	- 1,457	- 2,866	- 658	- 5,157	- 46	- 5,203
Actuarial (gains) losses	272	69	- 7,824	- 910	- 8,393	- 162	- 8,555
Change in scope between AFD and IEDOM	-	-	-	-	-	-	-
Present value of the commitment at 31/12/2024	**14,640**	**4,202**	**108,418**	**18,475**	**145,735**	**1,298**	**147,033**
Change in the fair value of retirement plan assets							
Fair value of assets at 01/01	-	15,286	-	-	15,286	-	15,286
Expected return on assets	-	459	-	-	459	-	459
Services paid	-	- 1,457	-	-	- 1,457	-	- 1,457
Actuarial gains (losses)	-	- 3	-	-	- 3	-	- 3
Liquidations	-	-	-	-	-	-	-
Change in scope between AFD and IEDOM	-	-	-	-	-	-	-
Fair value of assets at 31/12/2024	**-**	**14,284**	**-**	**-**	**14,284**	**-**	**14,284**
Corridor limits							
Actuarial gains (losses) not recognised at 01/01	-	-	-	-	-	-	-
Corridor limits at 01/01	-	-	-	-	-	-	-
Actuarial gains (losses) generated over the financial year	- 272	- 72	7,824	910	8,389	-	8,389
Actuarial (gains) losses recognised in profit or loss	-	-	-	-	-	-	-
Actuarial (gains) losses N-1 recognised in equity	-	-	-	-	-	-	-
Actuarial (gains) losses recognised in equity this period	272	72	- 7,824	- 910	- 8,389	-	- 8,389
Actuarial gains (losses) not recognised at 31/12/2024	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amounts recognised on the balance sheet at 31/12/2024							
Present value of the funded commitment	-	4,202	-	-	4,202	-	4,202
Fair value of financed assets	-	- 14,284	-	-	- 14,284	-	- 14,284
Present value of unfunded commitment	14,640	-	108,418	18,475	141,533	1,298	142,830
Net position	**14,640**	**- 10,082**	**108,418**	**18,475**	**131,451**	**1,298**	**132,748**
Unrecognised actuarial gains (losses)	-	-	-	-	-	-	-
Balance sheet provision	**14,640**	**- 10,082**	**108,418**	**18,475**	**131,451**	**1,298**	**132,748**

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Amounts recognised on the income statement at 31/12/2024							
Cost of services rendered over the financial year	418	-	5,543	1,566	7,526	158	7,684
Cost of past services	-	-	-	-	-	-	-
Financial cost for the financial year	478	163	3,916	618	5,175	46	5,222
Recognised actuarial gains (losses)	-	-	-	-	-	- 162	- 162
Expected return on retirement plan assets	-	- 459	-	-	- 459	-	- 459
Cost of services rendered	-	-	-	-	-	-	-
Impact of reductions/liquidations	-	-	-	-	-	-	-
Expenses booked	**896**	**- 296**	**9,459**	**2,184**	**12,243**	**42**	**12,285**
Reconciliation of opening and closing net liability							
Liability at 01/01	13,648	- 9,859	109,648	17,859	131,297	1,301	132,598
Expenses booked	896	- 296	9,459	2,184	12,243	42	12,285
Contributions paid	-	-	-	-	-	-	-
Restatements and transfers	-	-	-	-	-	-	-
Services paid by employer	- 176		- 2,866	- 658	- 3,700	- 46	- 3,746
Items not to be recycled in profit or loss	272	72	- 7,824	- 910	- 8,389	-	- 8,389
Net liabilities at 31/12/2024	**14,640**	**- 10,082**	**108,418**	**18,475**	**131,451**	**1,298**	**132,748**
Change in net liabilities	**992**	**- 224**	**- 1,231**	**616**	**154**	**- 4**	**150**

6.2.5 Risk information

The role of Executive Risk Department (DXR) is to analyse, inform and advise executive officers (Executive Management) on the risks to which the Group companies are exposed. It is involved in the implementation of risk policies and procedures and systems to measure, control, analyse and monitor these risks. It ensures that the Group's activities and the associated risks are consistent with the objectives set, the company's policy, its risk appetite framework and the regulatory provisions relating to risk management.

This department comprises:

- the Operational Risk and Permanent Control Department (ROC);
- the Group Risk Management Department (DRG).

6.2.5.1 Credit risk

Risk measurement and monitoring

The Group's credit risk measurement and monitoring system is the responsibility of Risk management (DXR) within the Executive Risk Department Group Risk Management Department (DRG).

Within the Group Risk Management Department, **the Credit, Climate and Second Opinion (CCS) Division** is responsible for:

- validating the credit risk and climate risk due diligence carried out by the operational departments, the rating of non-sovereign counterparties, the determination of the corresponding groups, and the financial analysis of the counterparty, as well as the assessment of the financial structuring transactions during the project appraisal cycle *via* the production of the regulatory Second Opinion;
- the Second Opinion review. It provides an independent opinion on the projects presented to the decision-making bodies on the various dimensions of risk (credit, operational, reputation, etc.);
- implementing the follow-up right beyond the bodies, when this right is requested by the Second Opinion unit prior to project grants, and reviewing the updated credit risk before agreements are signed and in the event of requests for waivers and riders, and in the event of significant adverse events;
- annually reviewing AFD's non-sovereign credit risks, monitoring borrowers under surveillance (watchlist) and measuring individual impairment (definition of the recoverability rate of doubtful loans);
- developing tools, methods and training materials to evaluate credit risks and climate risks, mainly for use by the operating departments.

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The role of **the Risk Monitoring Division (DSR)** is to monitor financial risks (credit, counterparty, market, ALM, etc.) within the consolidation scope (including fully consolidated subsidiaries [(1)] and equity-accounted investments [(2)]) and to ensure the monitoring and control thereof. In particular, it is responsible for continuously monitoring the Group's risks in terms of position and outlook, by undertaking i) the secretariat and coordination of the Risk Committees (CORIS), ii) the quarterly calculation of the Group's collective provisions on the contribution to the portfolio and the periodic update of the parameters taken into account in these calculations, and iii) the reporting of the Group's risks to Executive Management, the Group Audit and Risk Committee and the Board of Directors. The division participates in defining the risk response framework (limits, pricing, new products, credit and concentration indicators of the Risk Appetite Framework, etc.) and monitors compliance with it.

The Economic Assessment and Public Policy Department (ECO), which reports to the Innovation, Research and Knowledge (IRS) Executive Department, measures the country risks (growth, stability of the financial system, public finances, external balances and socio-political situation) and credit risks of sovereign counterparties in regions where the Group operates (analysis of the structure and level of public debt, budget implementation, payment history and structural solvency indicators, etc.).

Every six months, **the Country and Sovereign Risk Committee (Country CORIS)** examines changes in the international economic and financial environment, changes in the macroeconomic risks of the countries in which it operates, and the credit risks presented by the Economic Assessment and Public Policy Department. It validates the classification of country risk and sovereign risk.

Within their respective areas of activity, **the Credit Risk Committee (Credit CORIS) and the Equity Investment Risk Committee (Investment CORIS)** examine concentration risk (Large Exposures) on a quarterly basis for the former and half-yearly for the latter, exposures in relation to the operational limit system, the quality of portfolios, impairment/provisions and the associated cost of risk, borrowers under supervision, the application of recovery procedures and the monitoring of activities within the scope of consolidation. Every six months, a review of equity investment monitoring is carried out.

The Risk Committees are chaired by the Executive Director of Risk Management and their permanent members include the Executive Management, the heads of the Executive Departments in charge of Operations, the Executive Director of Finance, the Head of Risk Management at Proparco, the Head of the Group Risk Management Department and the Head of the Second Opinion Function.

The Group Audit and Risk Committee meets at least quarterly, after the Counterparty Risk Committee meetings or prior to a Board of Directors meeting. Its role is to conduct a regular review of the strategies, policies, procedures, systems, tools, risk positions (notably credit risk) and thresholds, to notify the Board of Directors of its conclusions and to advise the latter on the Group's global credit risk strategy.

System of operational limits

The system of operational limits applies to products (loans, quasi-equity, guarantees given including ARIZ guarantees, other securities, equity investments) not guaranteed by the French State, excluding products fully subsidised by the French State (e.g. micro-finance facility or ARIZ Prime). It consolidates exposures net of individual AFD, Proparco and Fisea provisions.

AFD's limits system has three levels of monitoring: regulatory, internal, and a warning system whose purpose is to alert before a limit is crossed through an information system based on escalation. This system is reviewed annually when the Agency's Risk Appetite Framework and the system of operational limits are examined.

It is broken down into two main limit categories:

- limits and alert thresholds regarding sovereign activity, by region (see Table 1);
- limits regarding non-sovereign activity, by region (see Table 2), sector and counterparty.

1) *Soderag, Proparco, Sogefom, Fisea, Expertise France.*
2) *Société immobilière de Nouvelle-Calédonie, Banque Socredo.*

Table 1: summary of AFD's limits and alert indicators for Large Exposures (sovereign + related)

Unless otherwise indicated, the percentages apply to Large Exposure capital (FPGR).

		Limit system		
		Regulatory requirements	**Internal requirements**	**Alert system**
Type of exposure/outstandings considered		Authorised exposure	Authorised exposure	Authorised and **unauthorised exposure and new grants**
Monitoring of sovereign activity by region	**"Large Exposures" limit**(1)	Ceiling: 25% Reporting as "Large Exposures" when exposure exceeds €300M	24% of exposure	24% → an alert is given to the Board of Directors 21% → an alert is given to the Executive Committee(2)
	Sovereign warning system			If the Large Exposure equity indicator or if the three exposure indicators on GDP/ debt/exports exceed the associated thresholds → a discussion is held with the General Directorate of the Treasury prior to any new grant

(1) With the first public non-sovereign group reporting to the central government.
(2) Executive Committee

Table 2: Summary of AFD's limits and alert indicators for non-sovereign activity

		Limit system		
		Regulatory requirements	**Internal requirements**	**Alert system**
Type of exposure/outstandings considered		Authorised exposure	Authorised exposure	Authorised and **unauthorised exposure and new grants**
Monitoring of non-sovereign activity	**Regional limits**(1)		30% gross exposure; 15% for the banking sector	
	Limit by counterparty (and counterparty group)	Ceiling: 25% Reporting as "Large Exposures" when exposure exceeds €300M	8% for an individual counterparty(2); 12% for a group of counterparties	Specific reporting to the Board of Directors for "incurred" overruns(3)

(1) Without the non-sovereign exposures reporting to the central government.
(2) No loans are granted to counterparties with a rating of < CCC.
(3) In the event of unfavourable changes in exchange rates or a deterioration in the quality of a counterparty in the portfolio, only the supervisory body (Board of Directors) has the power to authorise a loan where the limit has been exceeded, subject to ongoing compliance with prudential constraints.

Within Executive Risk Department (DXR), the Risk Monitoring Division (DSR) is responsible for monitoring credit risks and limits for the AFD Group. The "Group Risk Monitoring and Reporting (SRG)" unit, attached to DSR, prepares the database that makes it possible to calculate the Large Exposures declared on a quarterly basis and to monitor the limits set by the Board of Directors. The SRG unit prepares the pre-grant limit control document which is inserted for each loan in the notes to AFD's decision-making bodies (the latter are systematically approved by DSR), thus ensuring continuous monitoring of the level of Large Exposures and credit limits.

Every quarter, a review of Large Exposures and operational limits is presented to the Risk Committee, of which the Executive Board is a permanent member, and to the Group Audit and Risk Committee.

1) Large Exposures limit

The "Large Exposures" regulatory limit defines the aggregate maximum authorised exposure to third parties or groups of connected third parties as 25% of eligible capital. As consolidated equity amounted to €10,083M at 31 December 2024, the regulatory limit for Large Exposures was €2,521M.

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To anticipate any risk of exceeding it, two internal limits have been put in place:

- the tolerance threshold set at 24% (€2,420M) of equity, the breach of which is subject to an alert note sent to the Board of Directors; and
- the only preventive alert set at 21% (€2,117M) of equity, the breach of which is the subject of an information note from the Executive Risk Department to the Executive Committee.

During the 2024 financial year, the preventive alert threshold for the Large Exposures limit was exceeded for four locations (Colombia, Egypt, Morocco and Mexico) and the tolerance threshold was exceeded for one locations (India).

2) Non-sovereign limits

Geographic limits

The non-sovereign geographic limits include all non-weighted exposures in the foreign portfolio on non-sovereign entities, with the exception of exposures related to the central government which are included in the Large Exposures limit. The ceiling by region is set at 30% of Large Exposure equity, *i.e.* €3,025M. The preventive alert threshold, the breach of which is reported by the Executive Risk Department to the Executive Committee, is set at 25% of "Large Exposure" capital, *i.e.* €2,521M.

Unknown third party limit

Pursuant to Article 390 (8) of the CRR of Delegated Regulation 1187/2014 of 2 October 2014, when the debtor is not identified [1], exposures (notably relating to collective investment schemes) are assigned to the "unknown customer" category, which constitutes a counterparty subject to an internal limit set at 24% of Large Exposure capital, *i.e.* €2,420M.

Sector limit

A limit on credit institutions is set by region at 50% of the non-sovereign geographic limit (*i.e.* 15% of the Large Exposure equity, *i.e.* €1,512M). This limit is calculated quarterly on the closing date according to the exposure base used to value the non-sovereign geographic limit.

Limits per group of related counterparties

The non-sovereign limit by group of related counterparties is expressed as a weighted risk on the entities making up the Group, according to the credit rating of said entities, with a ceiling of 12% of Large Exposures, *i.e.* €1,210M.

The limit for a counterparty is also set at 8% of Large Exposure equity, *i.e.* €807M. The weightings by type of instrument are also specified and adjust the limits accordingly.

Monitoring the risks of sovereign counterparties

The French State is responsible for the payment of arrears relating to sovereign activities *via* a reserve account endowed with €1,502M at the end of 2024.

The local offices implement recovery and sanction measures as from the due date of the debt (or notification of the call on the State guarantee for guaranteed debts). In this context, AFD may ask the Secretariat of the Paris Club to send a reminder letter.

The official bilateral creditors who are members of the Paris Club submit their arrears on their sovereign debt for review at the monthly review meetings known as the Tour d'horizon. AFD takes part in these meetings under the guise of the French Ministry of Finance. Where applicable, the Paris Club can grant debtor countries restructuring arrangements or write off their debt. The restructuring arrangements may affect AFD debts. The financial impact of these arrangements on AFD is absorbed by the French Treasury. In addition to the reserve account, AFD is compensated by the State for sovereign debt cancelled in the context of cancellations decided by the State either under Paris Club agreements or as a result of bilateral decisions.

As of the 2024 financial year, the AFD Group has aligned the accounting and prudential approaches to take into account the calibration of the reserve as a credit risk mitigation mechanism (see Highlights, paragraph 6.2.1.8).

Monitoring the risks of non-sovereign counterparties

Within the Geographic Operations Division (GEO), the Portfolio Management and Quality Department (GEP) monitors non-sovereign loans from the first instalment onwards (checking counterparties' financial covenants, monitoring recovery and managing waivers, amendments and restructuring) and the Regulatory Knowledge of Counterparties Department (CRC) ensures that permanent credit files are updated on a quarterly basis.

The Risk Assessment Sheets, which contain the categories for the different rating methods, are updated each year by the local offices with, potentially, the support of the Regional Portfolio Monitoring managers (or the operational departments at Headquarters for multi-country risks). The annual updates of the Risk Assessment Sheets are carried out on an ongoing basis according to the date of availability of the financial statements of the counterparties and to different deadlines prepared according to a risk-based approach. The Risk Assessment Sheets may also be updated independently of the annual review cycles on the occasion of a new instruction or the signing of a credit agreement [2], as well as in the event of a review of the country or sovereign rating of the counterparty's country or a major event impacting the quality of the borrower.

1) This may concern exposures on vehicles that are themselves composed of underlying exposures that are not managed by transparency. By agreement, portfolio guarantees remain attached to the unknown third party.
2) The period of validity of a rating is set at 18 months from the closing date of the certified financial statements used to establish this rating.

The exercise consists of the following stages:

- collection and control of qualitative and financial data (accounting documentation, latest available parent company accounts, qualitative assessment of the borrower and/or the beneficiary and the exposure situation);
- visit and interview with the counterparty;
- update of qualitative information (local context, governance, internal organisation, etc.);
- preparation of the evaluation grid and spreadsheets for analysis and calculation of financial and prudential ratios;
- proposing intrinsic rating, which is then automatically cross-referenced with the country risk;
- reasoned assessment of possible shareholder support;
- determination of the credit rating based on the cross-referencing of the intrinsic rating with the country risk, the level of shareholder support and a possible expert opinion.

The investment officers of the Portfolio Management and Quality Department (GEP) for third parties monitored after the first payment and the Country Managers carry out a first-level control. Credit analysts in the Credit Risk Assessment, Climate and Second Opinion Division perform second-level checks and validate credit ratings.

Third parties with overdue payments of more than 90 days (180 days for local authorities in French Overseas Departments and Collectivities) or with a proven credit risk are downgraded to "doubtful" (credit rating D+ or lower). Individual impairments on the corresponding loans are estimated taking into account the associated guarantees.

Watchlist monitoring

Borrowers representing a high credit risk, due to their probability of default (in particular all doubtful counterparties), are subject to special monitoring in the form of a watchlist (list of counterparties under surveillance): a watchlist sheet summarises the key information relating to each counterparty (outstanding amounts, outstanding payments, credit rating, current events, provisions).

The watchlist and the corresponding sheets are updated quarterly by the investment officers responsible for managing the files (GEO/GEP or GEO/OCN or JUR/JIN). This represents the first-level control. The credit analysts of the Credit, Climate and Second Opinion Division carry out a second-level control and validate proposals for changes to the watchlist (entry, exit, maintenance) as well as the proposed level of provisioning (stage 3). The watchlist is then communicated to the Risk Committee (CORIS), which reviews the current status of files, validates entries or removals as well as movements within the watchlist as proposed by the Credit, Climate and 2nd Opinion Risk (CCS) Division and arbitrates in the event of disagreement among the operational and risk teams. The Risk Committee may also place certain cases under legal oversight, authorise exemptions from collection procedures and validate write-offs. There are three levels of watchlist:

- borrowers under simple monitoring (level 1 watchlist);
- restructuring and non-performing loans (level 2 watchlist);
- pre-litigation cases, from the date of acceleration of payment, and cases in litigation from the start of a legal proceeding (level 3 watchlist).

The inclusion of a third party on a watchlist is proposed to the Risk Committee based on the following criteria:

Level 1 watchlist	Level 2 watchlist	Level 3 watchlist
Third parties with actual material arrears of more than 30 days on at least one of the loans	Doubtful third parties	Third parties for which at least one loan is being disputed (arbitration or legal proceedings)
Third parties with downgraded credit rating (outstandings > €2M for overseas local authorities (including joint associations) and €500K for all other counterparties)	Third parties with at least one loan being restructured	Third parties for which at least one loan is undergoing pre-litigation procedure
Third parties on a probationary period after restructuring of 24 months		Third parties in insolvency proceedings (preventive or collective)
Third parties subject to significant adverse events		

Removal from the watchlist is proposed to the Risk Committee based on the following criteria:

- resolution of the criteria that resulted in inclusion on the watchlist and any new criteria observed during monitoring:
  - if arrears criterion: payment of arrears and non-occurrence of new arrears for two consecutive due dates,
  - if rating criterion: removal from doubtful or stable or improvement in the credit rating over the last 24 months for performing counterparties (with an additional condition of improving the credit rating to at least B- over this 24-month period for counterparties formerly pre-doubtful, *i.e.* rated CCC),
  - if restructuring criterion: end of the 24-month probationary period;
- renewed compliance with contractual obligations;
- management of the impacts of the significant unfavourable events that led to monitoring or continued monitoring.

Compliance with the removal criteria alone does not automatically result in removal, which is subject to an expert appraisal.

CLASSIFICATION OF OUTSTANDINGS ACCORDING TO THE DIFFERENT STAGES OF DETERIORATION

In accordance with IFRS, AFD has developed a collective provisioning mechanism for performing loans. The level of impairment is determined for each contract, based on changes in credit risk since approval. At the reporting date, each contract is assigned to a risk category depending on whether or not it has recorded a significant deterioration in credit risk since its initial recognition:

- stage 1: this category includes the performing loans of third parties known as non-deteriorated, *i.e.* those not presenting any of the criteria for significant deterioration of stage 2 or default of stage 3, explained below;
- stage 2: this category includes the impaired performing loans of third parties, namely:
  - exposures related to ARIZ guarantees, and
  - outstandings (balance sheet and off-balance sheet) which have suffered a significant deterioration in their credit risk since inception.

    This significant deterioration in risk is demonstrated by at least one of the following criteria being met:
    - significant downgrading of the counterparty's internal rating between inception of the contract and the current state,
    - placement of the counterparty under supervision (watchlist), and
    - 30 days past due.

ESTIMATES OF IMPAIRMENT AND PROVISIONS ON PERFORMING LOANS

The model used to estimate credit losses varies depending on the stage to which the outstanding amount relates and the type of outstanding amount involved. Impairment and provisions are calculated for non-sovereign loans issued by AFD, debt securities, financial guarantees and undisbursed balance that have been authorised (by identifying a conversion factor and estimating early repayment).

- For stage 1 loans, provisions are based on the calculation of the expected loss at one year, which takes into account the probability of default (which varies in particular according to the credit rating), the loss in the event of default, and exposure at default (varying according to the residual maturity and the conversion factor for off-balance sheet exposures).
- For loans in stage 2, impairments or provisions are determined using the same calculation methodology, but based on a calculation at maturity (instead of after one year).

Provisions and impairments are calculated quarterly by the Risk Monitoring Division. They are subject to a control plan and an analysis of changes. At 31 December 2024, the Group's collective provisions amounted to €769.2M (including €378.8M for the calibration of the reserve account) in the consolidated financial statements (excluding market transactions). Furthermore, a total of €1.4M in provisions was recorded on 31 December 2024 on short-term investment securities.

The model is also reviewed regularly. For 2024, the work involved reviewing the default probability series for the Group's portfolio, the level of losses in the event of default to take account of doubtful loans that have been closed, and an update of the credit conversion factors (CCF).

The model for calculating expected credit losses on sound exposures of non-sovereign counterparties was supplemented by taking into account the economic outlook of the various countries of intervention (forward-looking). It was taken into account on the basis of three indicators for all countries in the areas of operation:

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

Cross-referencing these three indicators (with weightings for each indicator value) leads to the definition of two lists of countries, according to two distinct scenarios, which are submitted for expert review at Group level. The weighting of these two scenarios leads to a final forward looking impact on the level of Proparco's collective provisions.

INDIVIDUAL PROVISIONING PRINCIPLE

Stage 3: this category includes non-performing loans, *i.e.* outstandings (balance sheet and off-balance sheet) of third parties with:

- significant arrears exceeding 90 days; a significant unpaid rent is determined by the following two cumulative criteria:
  - the sum of unpaid loans on all credit obligations exceeds €500,
  - the sum of arrears on all credit obligations is greater than 1% of all credit obligations of the third party (excluding the balance to be paid and equity investments);
- proven credit risk; or
- a restructured forborne credit which is more than 30 days past due and/or a second forbearance during the probation period.

The doubtful nature is applied to all exposures to the third party concerned, according to the contagion principle.

Individual provisioning decisions on non-performing loans are taken as part of the quarterly monitoring of borrowers on the watchlist. The watchlist summarises the main elements affecting the borrower's credit quality and records the individual provisioning methods used. These individual provisioning proposals are presented at the Risk Committee and are reviewed each quarter. At 31 December 2024, the Group's individual provisions amounted to €1,332.6M (including €836.7M for the calibration of the reserve account).

WAIVER OF THE ADDITIONAL ARIZ PROVISION

In view of the characteristics of the ARIZ portfolio, AFD had chosen to apply a flat-rate rating to the healthy ARIZ portfolio (historically rated B). This robust practice, when the quality of the portfolio is relatively stable, was not adapted to the context of the health crisis, making it more volatile and uncertain for small companies, which constitute the bulk of the beneficiaries of ARIZ guarantees. It was therefore decided, during the COVID crisis, to downgrade the flat-rate rating applied by a notch (B- instead of B), which generated an additional provision.

Following a study on the update of ARIZ's claims parameters presented to COFICO on 4 July 2024, AFD decided to remove this rating stress. Taking into account the latest available data, the Probability of Default (PD) of the ARIZ portfolio is similar to a B rating. The removal of this measure resulted in a reversal of provisions of €19.5M.

MAXIMUM CREDIT RISK EXPOSURE (OWN BEHALF)

In total, the Group's consolidated gross outstandings amounted to €54.7bn at 31 December 2024 including loans guaranteed by the French State, of which €47.7bn in foreign countries, and €7bn in French Overseas Departments and Collectivities (compared with €52.2bn at 31 December 2023).

AFD Group's non-performing loans (including those which are State-guaranteed) amounted to €3.1bn at 31 December 2024, of which €2.1bn in sovereign non-performing loans and €1.0bn in non-sovereign non-performing loans. Non-sovereign non-performing loans are covered by impairments and provisions totalling €0.5bn, equivalent to a coverage ratio of 49.5%.

Age of arrears

The arrears on AFD Group loans and receivables at the closing date break down as follows:

In millions of euros **31/12/2024**	**Outstandings + ICNE**	**Consolidated provisions**	**Unpaid bills**
Stage 1	43,179	163	40
Stage 2	8,332	451	20
Stage 3	3,063	1,226	306
Other	135	-	-
TOTAL	**54,709**	**1,839**	**366**

Concentration of credit risk

Financial loans at amortised cost

Non-sovereign

	At 31/12/2024				At 31/12/2023			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
From AAA to BBB- (Investment)	8,298,773	534,234	-	8,833,007	8,611,998	364,752	-	8,976,750
From BB+ to CCC (Speculative)	7,065,450	4,189,944	-	11,255,394	6,224,690	4,382,754	-	10,607,444
Not applicable(1)	584,961	-	-	584,961	576,201	-	-	576,201
Doubtful	-	-	894,001	894,001	-	-	1,031,760	1,031,760
TOTAL	**15,949,184**	**4,724,178**	**894,001**	**21,567,362**	**15,412,889**	**4,747,506**	**1,031,760**	**21,192,154**

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

Sovereign

	At 31/12/2024				At 31/12/2023			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
From AAA to BBB- (RC1 to RC2)	9,178,229	113,255	21,394	9,312,878	8,927,387	-	-	8,927,387
From BB+ to CCC (RC3, RC4, RC5)	16,507,921	3,304,314	457,352	20,269,587	14,507,490	3,873,500	567,764	18,948,755
Not applicable(1)	-	-	-	-	-	-	-	-
Doubtful (RC 6)	-	-	1,587,426	1,587,426	-	-	1,390,390	1,390,390
TOTAL	**25,686,150**	**3,417,569**	**2,066,172**	**31,169,891**	**23,434,877**	**3,873,500**	**1,958,154**	**29,266,532**

(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

	At 31/12/2024				At 31/12/2023			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
From AAA to BBB- (Investment)	4,069,852	-	-	4,069,852	3,458,216	-	-	3,458,216
From BB+ to CCC (Speculative)	557,170	6,785	-	563,955	414,602	10,218	-	424,820
Not applicable(1)	-	-	-	-	-	-	-	-
Doubtful	-	-	950	950	-	-	-	-
TOTAL	**4,627,021**	**6,785**	**950**	**4,634,757**	**3,872,817**	**10,218**	**-**	**3,883,035**

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

Financing commitments

Non-sovereign

	At 31/12/2024				At 3/12/2023			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
From AAA to BBB- (Investment)	1,490,465	2,200	-	1,492,665	874,387	25,200	-	899,587
From BB+ to CCC (Speculative)	3,000,747	256,824	-	3,257,571	2,341,140	315,382	-	2,656,522
Not applicable(1)	112,408	-	-	112,408	147,271	-	-	147,271
Doubtful	-	-	136,723	136,723	-	-	48,547	48,547
TOTAL	**4,603,620**	**259,024**	**136,723**	**4,999,367**	**3,362,797**	**340,582**	**48,547**	**3,751,927**

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

Sovereign

In thousands of euros	At 31/12/2024 Performing assets Stage 1	Stage 2	Doubtful assets Stage 3	Total	At 31/12/2023 Performing assets Stage 1	Stage 2	Doubtful assets Stage 3	Total
Rating								
from AAA to BBB- (RC1, RC2)	3,043,230	-	-	3,043,230	2,837,759	-	-	2,837,759
from BB+ to CCC (RC3, RC4, RC5)	9,083,472	1,211,653	95,000	10,390,125	8,756,893	2,399,681	116,000	11,272,574
Not applicable(1)	-	-	-	-	-	-	-	-
Doubtful (RC 6)	-	-	561,681	561,681	-	-	675,761	675,761
TOTAL	**12,126,702**	**1,211,653**	**656,681**	**13,995,036**	**11,594,653**	**2,399,681**	**791,761**	**14,786,094**

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

Guarantee commitments

In thousands of euros	At 31/12/2024 Performing assets Stage 1	Stage 2	Doubtful assets Stage 3	Total	At 31/12/2023 Performing assets Stage 1	Stage 2	Doubtful assets Stage 3	Total
Rating								
From AAA to BBB- (Investment)	10,651	-	-	10,651	13,973	19	-	13,992
From BB+ to CCC (Speculative)	898,548	497,095	-	1,395,643	766,515	470,021	-	1,236,537
Not applicable	-	-	-	-	-	-	-	-
Doubtful	-	-	61,290	61,290	-	-	61,781	61,781
TOTAL	**909,199**	**497,095**	**61,290**	**1,467,584**	**780,489**	**470,040**	**61,781**	**1,312,310**

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.

In thousands of euros	Stage 1	Stage 2	Stage 3	Total
Provisions at 31/12/2023 Activity + Parameters + Exceptional Provisions	**77,929**	**352,984**	**501,969**	**932,883**
New signatures	31,516	18,990	6	50,511
Extinct exposures	- 4,642	- 5,835	- 67,045	- 77,522
Change in exposure or rating	- 7,370	- 30,542	7,788	- 30,123
Stage change	- 15,051	23,492	49,507	57,948
Other (including IFRS restatements, Sogefom)	377	- 6	3,348	3,720
IFRS restatement	-	-	298	298
Total change in operating provisions	**4,830**	**6,099**		**10,929**
TOTAL CHANGE IN IFRS 9 PARAMETER UPDATES	**1,013**	**- 14,401**		**- 13,389**
TOTAL CHANGE IN EXCEPTIONAL PROVISIONS (FWL, ARIZ)	**17,054**	**- 55,076**		**- 38,021**
PROVISIONS AT 31/12/2024 ACTIVITY + PARAMETERS + EXCEPTIONAL PROVISIONS	**100,827**	**289,606**	**495,872**	**886,305**
CALIBRATION OF THE RESERVE ACCOUNT	**101,402**	**277,404**	**836,706**	**1,215,511**
TOTAL PROVISIONS AT 31/12/2024	**202,229**	**567,010**	**1,332,578**	**2,101,816**

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6.2.5.2 Liquidity risk

The notion of liquidity refers to the company's ability to finance new assets and meet obligations as they mature. Liquidity must enable the Group to meet its commitments, including under adverse circumstances (crisis, financial market tensions, etc.). AFD Group does not receive deposits or repayable funds from the public. Its financing model is mainly based on medium- and long-term market borrowings; liquidity is given high priority in light of the Group's performance target, which entails controlling the financing cost and minimising the cost of carry. This model reflects the Agency's aversion to refinancing risk and liquidity risk, which are monitored as part of balance sheet management for both AFD and Proparco.

The Group's risk appetite framework primarily uses two indicators to monitor liquidity risk:

- the standard liquidity indicator, which enables the Group to measure the time horizon over which it will be able to meet its commitments without raising new resources. The target value of this indicator is between 9 and 12 months;
- the liquidity coefficient: this is a regulatory indicator (order of 5 May 2009) reported on a quarterly basis. It is the ratio of liquidities (available resources) against payables (commitments to be met) at one month. It determines AFD's ability to mobilise the necessary resources to meet its immediate commitments. This indicator must be greater than 100%.

Work is under way to carry out an overhaul of the liquidity indicators. This overhaul must be reviewed by the Group's bodies during 2025.

AFD has a Euro Medium Term Note (EMTN) programme for not more than €70,000M enabling it to complete financing transactions with fewer financial disclosure requirements. Short-term liquidity risk prevention relies on a programme of short term Negotiable European Commercial Papers ("NEU CPs") amounting to €8,000M, including €4,000M in the event of the Emergency Financing Plan being triggered. There is also a €2,000M programme of Negotiable European Medium-Term Notes ("NEU MTNs").

AFD also has a portfolio of high quality bonds, which constitutes a liquidity reserve that can be mobilised through market repurchase agreements. The notional amount outstanding of these portfolios amounted to €1,345M at 26 December 2024.

The liquidity risk measuring and monitoring system includes both regulatory ratios and internal indicators. The various liquidity risk measuring and monitoring indicators reveal very moderate exposure to liquidity risk.

Residual contractual maturities	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Carrying amounts
Liabilities					
Financial liabilities at fair value through profit or loss	117	8,811	169,288	303,408	481,623
Derivatives used for hedging purposes (liabilities)	29,690	38,930	845,616	2,748,503	3,662,740
Financial liabilities measured at amortised cost	5,048,572	4,146,687	23,709,486	21,414,904	54,319,648

6.2.5.3 Foreign exchange risk

The foreign exchange risk is the risk of losses on financial instruments and margins due to adverse changes in exchange rates.

AFD's general policy is to systematically hedge foreign currency loans through cross-currency swaps, which exchange future foreign currency cash flows for future euro cash flows. Financing transactions carried out in currencies other than the euro are also hedged using cross-currency swaps.

As AFD does not hold speculative positions, market risk is limited to foreign exchange risk, which is below the threshold for applying CRBF Regulation No. 95-02 on capital adequacy vis-à-vis the market.

Foreign exchange risk can be measured by analysing sensitivity: if foreign currencies appreciate against the euro by 10%, this has an estimated impact on income of -€16.5M (+ €16.5M for a 10% decrease), the sensitivity to exchange rates mainly originating from the dollar.

For information, AFD Group applies an internal limit approved by the Board of Directors on 12 December 2024: individual currency exposure may not exceed 1.5% of regulatory capital, while aggregated exposure must remain below 3% of regulatory capital. This internal policy keeps foreign exchange risk to a minimum (excluding ownership interests, provisions and arrears).

Fair value hedging modifies the risk induced by the changes in fair value of a fixed-rate instrument caused by changes in interest rates. This hedging transforms fixed-rate assets and liabilities into variable-rate items.

Fair value hedging notably includes the hedging of loans, securities, deposits and debts.

In practice, the resources raised by AFD (fixed-rate bond issues) are not immediately "allocated" to the refinancing of loan transactions as part of the Resources with Ordinary Conditions regime. The resources raised initially increase the volume of AFD's cash invested at variable rates. In order to eliminate interest rate risk, at the same time as the bond issue is raised, AFD sets up an issue swap that makes the debt service variable over the total period of the loan.

It is only when the loans are effectively disbursed on an adjustable basis that the loans are allocated, for AFD's balance sheet management requirements and for an amount corresponding to the outstanding capital for the loan issued in resources with ordinary conditions.

AFD breaks down the outstanding loans in resources with ordinary conditions by quarterly maturity band and based on their contractual term.

In order to set the subsidy paid by the French State, AFD "resets" the resource when disbursing the loans through a "fixed rate/adjustable rate" swap. The notional value of the swap is, therefore, a function of the outstanding principal not past due in resources with ordinary conditions. As it is allocated to a set of loans (resources with ordinary conditions) and not singly, this transaction is qualified as macro-hedging.

6.2.5.4 Compliance with regulatory ratios

The Group was in compliance with all of the regulatory ratios at 31 December 2024.

6.2.6 Additional information

6.2.6.1 Investments held on managed funds

AFD has interests in five companies *via* a number of managed funds (Cidom, Fides, Fidom and Micro Finances Facility). These holdings, recorded at cost, do not appear on the balance sheet. These holdings, which were subscribed to on behalf of the French State with public funds made available to AFD, are not included in ownership or control percentages and are therefore not consolidated in the financial statements.

Fund source	Number of equity investments	Purchase price
Caisse d'investissement des DOM (Cidom)	1	463
Fides (Investment Fund for Economic and Social Development)	3	625
Fidom (French Overseas Departments Investment Fund)	1	91
Other State resources	-	-
TOTAL	**5**	**1,180**

6.2.6.2 IMF balance sheet

Loans granted to the International Monetary Fund (IMF) for the Poverty Reduction and Growth Facility (PRGF), financed by bonds issued by AFD and supplemented by hedging instruments concluded with different banking counterparties, are provided on behalf and at the risk of the French State since 30 December 1988.

At 31 December 2024, operations on behalf of the IMF came to an end.

6.2.6.3 Related-party transactions

	31/12/2024		31/12/2023	
In thousands of euros	AFD Group	Equity-accounted companies	AFD Group	Equity-accounted companies
Credits	415,205	-	427,090	-
Other financial assets	-	-	-	-
Other assets	-	-	-	-
TOTAL ASSETS WITH RELATED ENTITIES	**415,205**	**-**	**427,090**	**-**
Debts	-	415,205	-	427,090
Other financial liabilities	-	-	-	-
Other liabilities	-	-	-	-
TOTAL LIABILITIES WITH RELATED ENTITIES	**-**	**415,205**	**-**	**427,090**
Related interest, income and expenses	13,373	- 13,373	9,603	- 9,603
Commissions	-	-	-	-
Net income on financial transactions	-	-	-	-
Net income from other activities	-	-	-	-
TOTAL NBI GENERATED WITH RELATED ENTITIES	**13,373**	**- 13,373**	**9,603**	**- 9,603**

6.2.6.4 Key executive compensation

Gross annual compensation allocated to the main executives is €656,116:

- Rémy Rioux, Chief Executive Officer and corporate officer: €286,369;
- Bertrand Walckenaer, Chief Operating Officer (COO): €186,816;
- Marie-Hélène Loison, Deputy Chief Executive Officer: €182,932.

6.2.6.5 Information on non-cooperative states or territories

Article L.511-45 of the French Monetary and Financial Code (as amended by Article 3 of Order 2014-158 of 20 February 2014) requires credit institutions to publish an appendix to their annual financial statements presenting information about their offices in countries or territories that have not signed an administrative assistance agreement with France for the purpose of combating fraud and tax evasion.

Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities broadens the list of required disclosures from banks regarding their offices in non-cooperative countries or territories.

The Decree of 3 February 2023 amending the Decree of 12 February 2010 issued pursuant to the second paragraph of 1 of Article 238-0 A of the French General Tax Code, modified the list of non-cooperative states or territories.

At 31 December 2024, the AFD Group did not have any offices in non-cooperative countries or territories.

6.2.6.6 Statutory Auditors' fees

In compliance with Decree No. 2008-1487 of 30 December 2008, the table below shows the fees paid in 2024 to the AFD Group's Statutory Auditors. The fees are based on those stated in their engagement letters. These fees are invoiced for statutory auditing services:

Fees excluding tax – 2024 financial year	KPMG	BDO	Total
AFD	€228,250	€226,250	€454,500
Proparco	€86,000	€86,000	€172,000
Expertise France	-	€63,175	€63,175
Sogefom	€31,300	-	€31,300
Fisea	€16,400	-	€16,400
Bredev	€3,600	-	€3,600
Soderag	€17,000	-	€17,000
TOTAL	**€382,550**	**€375,425**	**€757,975**

The other fees invoiced to AFD for services other than certification of the financial statements for the 2024 financial year amounted to €58,025.

SACC fees excl. tax – 2024 financial year	KPMG	BDO	Total
CSR mission	€27,000	-	€27,000
Climate Bonds comfort letter	€11,200	€5,200	€16,400
EMTN programme update	€8,300	€3,000	€11,300
Cash flow and unit cost certifications for RU	-	€3,325	€3,325
TOTAL	**€46,500**	**€11,525**	**€58,025**

6.2.6.7 Significant events since 31 December 2024

No significant event having an impact on the Company's financial position occurred after the reporting period ended 31 December 2024.

6.3 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable

To the board of directors of Agence Française de Développement,

Opinion

In compliance with the engagement entrusted to us by board of directors, we have audited the accompanying consolidated financial statements of Agence Française de Développement for the year ended December 31, 2024, as attached to this report.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Provisioning of credit risk

Risk identified and key judgments

The Agence Française de Développement "AFD" is exposed to credit and counterparty risks.

These risks are defined as the probability that a debtor will be unable to handle the repayment of the financing granted. A default by a counterparty can have a material impact on the results of AFD or its affiliates (including PROPARCO).

The determination of impairments and provisions on performing and substandard exposures is based on an expected credit loss model taking into account, in addition to the outstanding amount, commitments and undrawn facilities through the application of conversion factors. This method is based on a classification of exposures into distinct categories (also called "stage") according to the evolution, since the origination, of the credit risk of the asset, as well as the calculation of expected credit losses according to a model integrating various inputs (probability of default, loss given default, exposure to default, rating...):

- Stage 1: groups together sound exposures that have not suffered any significant increase in credit risk since their inception. The method of calculating depreciation is based on expected losses over a 12-month horizon;
- Stage 2: groups together the sound exposures for which a significant increase in credit risk has been observed since initial recognition. The method of calculating depreciation is statistically based on expected losses over a maturity horizon.

AFD also records impairments on doubtful exposures. These are calculated on an individual basis and correspond to the difference between the book value of the asset and the discounted value of future cash flows recoverable on maturity after considering the effects of the bringing into play of guarantees. These depreciations are called "Stage 3".

We considered that the assessment of credit risk and the assessment of provisions constitute a key point of the audit since they involve judgment by Management in the classification of exposures and in the assumptions that were used, in particular, in a context of persistent uncertainty, tensions over raw materials and energy.

As at December 31, 2024, AFD's consolidated financial statements include €1,728 million of impairment recorded in assets and €700 million of provisions recorded in liabilities. For more details on the accounting principles and exposures, refer to notes 4.2.3, 5.2, 6, 10 and 19 of note 4.3 to the consolidated financial statements "basis of preparation of the AFD Group's consolidated financial statements".

Our audit response

To assess the reasonableness of the impairments/provisions booked, we have:

- examined the governance of the provisioning processes;
- tested the operating efficiency of the provisioning processes of the related internal controls;
- verified the consistency of data between the risk management systems and the accounting data;
- assessed the consistency of changes in exposures and provisions.

When the provision was calculated on a collective basis (stage 1 and stage 2), we have:

- assessed the methodological principals and the reasonableness of key underlying risk parameters (PD, LGE, EAD);
- checked the completeness of the exposures subject to provision calculations and the appropriate application of methodological principals;
- tested data quality on a sample basis;
- verified of the arithmetical accuracy of the calculations performed.

When the provision was determined on an individual basis (stage 3), we have:

- tested the appropriateness downgrading rules for doubtful exposures and verified their application;
- tested the underlying assumptions and data used by Management to estimate impairments on a sample basis;
- ensured the appropriate application of decision taken by the Risk Committee.

Valuation of financial instruments classified in Fair Value level 3

Risk identified and key judgments

The Agence Française de Développement holds assets at fair value as detailed in paragraphs 4.2.3, 1, 3 and 4 of note 4 to the consolidated financial statements "basis of preparation of the AFD Group's consolidated financial statements". Changes in fair value from one period to the following are recognized either through profit or loss or through equity depending on the IFRS 9 accounting classification.

Due to the limited availability of market data, the valuation of level 3 financial instruments involves judgment by management for the selection of the valuation method and parameters to be used.

We considered the valuation of financial assets at fair value of level 3 to be a key audit matter, given that:

- the significant impact of the choice of the valuation method on AFD's results;
- the sensitive nature of the parameters used for Management's assumptions;
- the material impact in the financial statements.

As at December 31, 2024, the fair value of financial assets at fair value of level 3 is €3,932 million as indicated in Note 4 to the consolidated financial statements.

Our audit response

In this context, our work consisted of:

1. For the portfolio of equity securities (direct and non direct investments):

- updating our understanding and then testing the effectiveness of the control procedures relating to the determination of the valuation method used;
- checking the reconciliation between general ledger and sub-ledgers;
- testing, on a sample basis, the correct application of the valuation method to the financial assets;
- reconciling, on a sample basis, the valuation of these securities with the documentation that justified it.

2. For the portfolio of loans not eligible for recognition at amortized cost under IFRS 9:

- checking the reconciliation between general ledger and sub-ledgers;
- assessing the methods used to determine the valuations (consistency between assumptions and market parameters used) by involving our financial modeling experts;
- checking the completeness of the scope used as a basis for calculation of the fair values;
- checking the consistency of the parameters applied in the calculation method and of the updates in line with the methods validated;
- checking the arithmetical accuracy of the calculations made on a sample of loans.

In addition, we verified the appropriateness of the accounting methods used by the Group and we ensured that they were correctly applied.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

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

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's information given in the management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Agence Française de Développement by the board of directors meeting held on July 3, 2002 for KPMG S.A. and on April 2, 2020 for BDO Paris.

As at December 31, 2024, KPMG SA was in the 23rd year of total uninterrupted engagement, and BDO Paris was in the 5th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Chief Executive Officer.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Collects information related to persons and entities included in the scope of consolidation that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and execution of the audit of the consolidated financial statements as well as the opinion expressed on these accounts.

Report to the Audit Committee

We submit a report to the Audit Committee which includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Paris, April 23, 2025

The statutory auditors

French original signed by

KPMG S.A.	BDO Paris
Valéry FOUSSÉ	Benjamin IZARIÉ
Partner	Partner

6.4 Statutory Auditors' special report on related-party agreements

Board of Directors for the approval of the financial statements for the year ended 31 December 2024

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' special report on related-party agreements includes information required by European regulation and French law. 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 our capacity as Statutory Auditors of HSBC Continental Europe, we hereby report to you on related-party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of the agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R.225-31 of the French Commercial Code (Code de commerce), it is the responsibility of the shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R.225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Board of Directors.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information provided to us is consistent with the underlying documents

Agreements to be submitted for the approval of the board of directors

Agreements authorised and entered into during the year

In accordance with article L.225-38 of the French Commercial Code, we have not been informed of any agreements authorized during the past financial year that were subject to prior approval by your board of directors.

Agreements already approved by the annual general meeting

Agreements approved in prior years that were implemented during the year

In accordance with article R.225-30 of the French Commercial Code, we were informed of the following agreements, approved by the Annual General Meeting in prior years, which were implemented during the year.

With societe de promotion et participation pour la cooperation economique (Proparco)

Financing agreement on funds from programs 110 and 209 of the French State

AFD and Proparco signed on June 21, 2023 a financing agreement on funds from programs 110 and 209 of the French State, covering operations backed by resources from programs 110 and 209 (subsidized or subsidized activities for private counterparts are now carried on Proparco's balance sheet, except for some exceptions such as ARIZ guarantees which are maintained on AFD's balance sheet and covered by a separate mandate agreement). This agreement also provides for the terms of Proparco's remuneration for its services in the creation and monitoring of Digital Africa activities, a subsidiary created in the form of a SAS in 2022.

This agreement was approved by the Board of Directors on April 20, 2023.

The financial expense recorded by your company under this agreement for the fiscal year 2024 amounts to 8,412 thousand euros.

With societe de gestion des fonds de garanties d'outre-mer (Sogefom)

Service agreement

AFD and SOGEFOM signed on March 15, 2004 a service agreement with retroactive effect to August 28, 2003. Under this agreement, AFD provides management, representation, and technical support services to SOGEFOM.

AFD received a remuneration of 1,850 thousand euros during the fiscal year 2024 under this agreement.

With societe de promotion et participation pour la cooperation economique (Proparco)

Co-financing agreement in sub-participation between PROPARCO and AFD

Your company concluded a first Framework Agreement for sub-participation with PROPARCO on October 26, 2007, then, given the good use of sub-participation lines, renewed it each year. As a measure to simplify the contractualization of the various annual framework agreements, your company signed a new framework co-financing agreement in sub-participation with PROPARCO on March 30, 2018 to develop operations carried out in co-financing in favor of the private sector during the period 2018-2022. This framework agreement provides that the envelopes are set on an annual basis by authorization of the Board of Directors of PROPARCO and AFD.

A new Agreement was approved at the Board of Directors meeting on October 8, 2020 to integrate the new terms of subsidized or subsidized financing for the private sector. It was signed on January 25, 2021.

PROPARCO retains all commissions it charges to its clients to cover the costs of identifying, instructing, and formalizing projects.

AFD pays a management fee to PROPARCO, as remuneration for project monitoring services for participations.

The financial expense recorded by your company under this agreement for the fiscal year 2024 amounts to 8,823 thousand euros.

Service agreement between AFD and Proparco for the administrative and financial monitoring of certain participations effective July 15, 2021

The agreement, signed on July 5, 2021 and effective July 15, 2021, aims to specify the missions carried out by PROPARCO on behalf of and for the account of AFD in the monitoring of participations. This agreement covers the administrative and financial monitoring of certain AFD participations. It should be noted that the management agreement for AFD's participation in the African Agriculture Fund dated December 18, 2014, which was previously mentioned in the list of regulated agreements, is integrated into this agreement since its entry into force.

PROPARCO's remuneration is calculated as follows:

- Participations subject to co-investment between AFD and PROPARCO or FISEA: remuneration is calculated as a fraction, equal to 50%, of the total monitoring cost of the line based on the analytical accounting of the AFD Group;
- Participations not subject to co-investment: remuneration is calculated based on analytical accounting and will correspond to the full re-invoicing of the total monitoring cost;
- Participations involving backing on national resources (only Climate Finance Partnership at the date of this agreement): AFD retrocedes to PROPARCO all remuneration received from the State for the mobilization of funds on programs 110 or 209 to which the participation is backed. In the event that the cumulative instruction and monitoring cost of the line, derived from analytical accounting, exceeds this commission retrocession, AFD and PROPARCO share the additional cost equally.

The expense recorded by your company under this agreement during the fiscal year 2024 amounts to 171 thousand euros.

Mandate agreement for the management of private sector financing activities, signed on July 16, 2021

The Boards of Directors of AFD and PROPARCO respectively approved on October 8 and 9, 2020 the terms of subsidized and non-subsidized financing, accompanied simultaneously by a grant, mobilizing national budgetary resources for the private sector in foreign states. PROPARCO carries these financing projects on its balance sheet, using the AFD sub-participation mechanism for the associated financing.

This agreement concluded with PROPARCO specifies the management terms of private sector financing operations in foreign states that remain recorded in AFD's accounts and that AFD entrusts to PROPARCO. AFD mandates PROPARCO to identify, instruct, authorize, contract, and monitor these private sector financing operations, on behalf of and for the account of AFD. The framework mandate agreement signed on July 16, 2021 acts retroactively.

PROPARCO invoices all missions in accordance with the rules of analytical accounting, these costs being increased by an additional margin of (+4%) except (i) for operations involving Delegated Funds whose remuneration is provided for in the Specific Agreements and (ii) for grant operations involving Public Funds from resource 209.

Note the conclusion of the PEEBCOOL mandate agreement between PROPARCO and AFD signed on October 25, 2023, which is part of the "Framework mandate agreement for the management of private sector financing activities carried out on behalf of and for the account of AFD, signed on July 16, 2021" and whose purpose is to clarify the intervention terms of Proparco on behalf of and for the account of AFD within the framework of the partnership with the Green Climate Fund concerning the program entitled "Program for Energy Efficiency in Buildings (PEEB) Cool".

The financial expense recorded by your company under this agreement for the fiscal year 2024 amounts to 11,461 thousand euros.

Service agreement between AFD and PROPARCO

AFD and PROPARCO concluded on April 13, 2018, a service agreement with retroactive effect to January 1, 2017 (called "2017 Agreement"), which covers a set of management services (IT, accounting, financial, logistics…) and support provided by AFD teams at headquarters and in the network for the benefit of PROPARCO as well as the provision of personnel, PROPARCO not directly employing its personnel.

The overhaul of the analytical accounting system within AFD and the evolution of certain services, given the growth of PROPARCO's activity and the transfer of activities in favor of the private sector, led to a review of the service agreement.

This agreement also responds to an ACPR recommendation to include measures to ensure that outsourcing arrangements meet appropriate execution and quality standards in accordance with their policies, including adequate quality indicators.

The agreement was approved by the Board of Directors on November 18, 2021 and signed on December 21, 2021.

The income recorded by your company under this agreement for the fiscal year 2024 amounts to 92,151 thousand euros.

Agreement related to the "Transforming Financial Systems for Climate" (TFSC) Program

At the Board of Directors meeting on September 28, 2018, the Board of Directors authorized the principles relating to the agreement entitled "Subsidiary Agreement" between your Agency and PROPARCO as part of the "Transforming Financial Systems for Climate" program. This program is intended for public and private financial institutions wishing to carry out financing with a climate impact. The agreement formalizes the essential role entrusted to your Agency in the deployment of the program to private financial institutions.

This agreement was signed on October 14, 2019, for a period of 13 years, which may be tacitly renewed for 2 successive periods of 5 years.

The financial impact recorded by AFD under this agreement during the fiscal year 2024 amounts to 713 thousand euros.

MENA Facility Agreement signed on July 28, 2021

The purpose of this facility is to finance beneficiaries in the target countries of the agreement.

This agreement covers the terms of use of this facility, including the allocation of the grant envelope based on the different tools that can be mobilized.

The financial expense recorded by your company under this agreement for the fiscal year 2024 amounts to 156 thousand euros.

With the societes de credit pour le developpement de la martinique (Sodema), pour le developpement de la guadeloupe (Sodega) and the societe financiere pour le developpement economique de la guyane (Sofideg)

Refinancing and guarantee agreements for loan portfolios taken over by the three SDCs (Departmental Credit Companies) from SODERAG

As part of the protocols signed in October and November 1998 between AFD, SODERAG, and the three SDCs (SODEMA, SOFIDEG, and SODEGA), the latter acquired the portion concerning their department of the SODERAG customer loan portfolio, a company in liquidation. In September and October 2000, three additional protocols were signed with the SDCs, specifying the terms for monitoring the management of the loan portfolios resulting from SODERAG.

The outstanding credit as of December 31, 2024, in AFD's books amounts to 9,298 thousand euros for SODEMA, 12,555 thousand euros for SODEGA, and 534 thousand euros for SOFIDEG.

The interest and early repayment penalties collected by the SDCs on the customer loans taken over are paid to AFD at a rate of two-thirds.

The principal of these loans is repaid by the SDCs to AFD within the limit of the principal repayments collected by them on the customer loans taken over, it being understood that the total repayment is limited to the acquisition value of these loans.

Finally, AFD guarantees the SDCs the remaining principal of the loans taken over up to their net book value.

During the fiscal year 2024, AFD did not receive any remuneration for the remuneration of these loans by SODEM, SODEGA, and SOFIDEG.

The credit risk borne by AFD is covered in 2024 up to 13,174 thousand euros by the provision for risks on the SODERAG portfolio transferred to the three SDCs, resulting in a net reversal of 4,670 thousand euros during the fiscal year 2024.

The statutory auditors

Paris La Défense and Paris, April 23, 2025,

KPMG S.A.
Valéry FOUSSÉ
Partner

BDO Paris
Benjamin IZARIÉ
Partner

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AFD's annual parent company financial statements

Balance sheet at 31 December 2024

Assets

In thousands of euros	Notes	31/12/2024	31/12/2023	Change
Assets				
Cash, due from central banks		862,731	2,496,655	- 1,633,924
Government paper and equivalent	1 and 2	1,504,731	1,081,124	423,607
Receivables from credit institutions	3	18,205,009	16,239,059	1,965,950
On-demand		*2,148,178*	*1,185,634*	*962,544*
At maturity		*16,056,831*	*15,053,425*	*1,003,406*
Transactions with customers	4	41,417,907	39,570,676	1,847,232
Other loans to customers		*41,417,907*	*39,570,676*	*1,847,232*
Bonds and other fixed-income securities	1 and 2	2,895,692	2,663,119	232,572
Shares and other variable-income securities	1 and 2	1,555,055	1,524,202	30,854
Equity investments and other long-term investments	5	213,856	150,900	62,956
Shares in related businesses	6	1,512,868	1,493,089	19,779
Intangible assets	9	180,050	131,097	48,954
Fixed assets property, plant and equipment	9	819,821	593,841	225,980
Other assets	10	1,959,648	2,891,005	- 931,357
Accruals	11	1,233,272	1,045,952	187,320
TOTAL ASSETS		**72,360,641**	**69,880,719**	**2,479,923**
Off-balance sheet: Commitments given				
Financing commitments		20,746,764	20,508,992	237,771
To credit institutions		*4,794,168*	*4,224,543*	*569,624*
To customers		*15,952,596*	*16,284,449*	*- 331,853*
Guarantee commitments	32	3,138,102	3,256,432	- 118,330
From credit institutions		*27,055*	*29,684*	*- 2,628*
From customers		*3,111,046*	*3,226,749*	*- 115,702*
Commitments on securities		99,428	125,872	- 26,444
Other commitments on securities	*32*	*99,428*	*125,872*	*- 26,444*

Balance sheet at 31 December 2024

Liabilities

In thousands of euros	Notes	31/12/2024	31/12/2023	Change
Liabilities				
Debts to credit institutions	12	769,512	842,370	- 72,857
On-demand		*230,916*	*404,716*	*- 173,800*
At maturity		*538,596*	*437,654*	*100,941*
Transactions with customers	13	2,125	1,734	391
Other on-demand debts		*2,125*	*1,734*	*391*
Other debts at maturity		-		
Debt securities in issue	14	55,628,055	53,768,186	1,859,869
Interbank market and negotiable debt		*809,211*	*2,158,290*	*- 1,349,079*
Bonds		*54,818,845*	*51,609,896*	*3,208,949*
Other liabilities	10	2,152,470	1,679,332	473,137
Allocated public funds		*87,997*	*76,135*	*11,862*
Other liabilities		*2,064,473*	*1,603,198*	*461,275*
Accruals	11	1,316,790	1,479,608	- 162,818
Provisions	15	2,056,609	2,007,116	49,493
Subordinated debt	16	1,815,867	1,836,367	- 20,500
Reserve for General Banking Risk	17	460,000	460,000	-
Capital excluding RGBR	18	8,159,213	7,806,006	353,207
Provisions		*4,717,999*	*4,567,999*	*150,000*
Reserves		*3,166,578*	*2,906,277*	*260,301*
Grants		*4,570*	*6,354*	*- 1,784*
Income		*270,066*	*325,376*	*- 55,310*
TOTAL LIABILITIES		**72,360,641**	**69,880,719**	**2,479,922**
Off-balance sheet: Commitments received		-	-	-
Financing commitments		-	-	-
Received from credit institutions		-	-	-
Received from the French State		-	-	-
Guarantee commitments	32	212,616	207,526	5,090
Received from credit institutions		*212,616*	*207,526*	*5,090*
Commitments on securities		-	-	-
Other commitments received on securities		-	-	-
Other commitments	32	5,312,470	5,686,647	- 374,177
Guarantees received from the French State		*5,312,470*	*5,686,647*	*- 374,177*

2024 income statement

In thousands of euros	Notes	31/12/2024	31/12/2023	Change
Income and expenses on banking operations				
Interest and related income	**20**	**4,996,235**	**3,839,055**	**1,157,180**
On transactions with credit institutions		2,354,446	2,077,661	276,785
On transactions with customers		1,106,024	702,029	403,996
On bonds and other fixed-income securities		178,899	130,640	48,258
Other interest and related income		1,356,867	928,726	428,141
Interest and related expenses	**21**	**4,586,587**	**3,729,802**	**856,785**
On transactions with credit institutions		1,175,258	1,067,082	108,176
On transactions with customers		1,127	1,118	9
On bonds and other fixed-income securities		1,142,056	870,363	271,694
Other interest and related expenses		2,268,145	1,791,239	476,906
Income on variable-income securities		**16,381**	**2,601**	**13,780**
Commissions (income)	**22**	**113,371**	**140,205**	**- 26,835**
Commissions (expenses)		**7,820**	**9,561**	**- 1,741**
Gains or losses on investment portfolio transactions and similar	**23**	**26,715**	**10,328**	**16,388**
Other income on banking operations	**24**	**447,277**	**695,714**	**- 248,437**
Other expenses on banking operations	**25**	**105,268**	**122,573**	**- 17,305**
Net banking income		**900,304**	**825,967**	**74,337**
Other ordinary income and expenses				
Overheads	**26**	**579,568**	**530,725**	**48,843**
Salary and employee benefit expenses		404,895	365,248	39,647
Other administrative expenses		174,673	165,476	9,197
Depreciation/amortisation and impairment expenses on property, plant and equipment and intangible assets	**9**	**44,596**	**34,277**	**10,319**
Gross operating income		**276,140**	**260,966**	**15,174**
Cost of risk	**29**	**16,279**	**184,165**	**- 167,886**
Operating income		**292,419**	**445,131**	**- 152,712**
Gains or losses on fixed assets	30	- 22,228	- 119,761	97,532
Pre-tax income from operations		**270,191**	**325,370**	**- 55,179**
Exceptional income	**31**	**- 125**	**94**	**31**
Income tax		**-**	**88**	**- 88**
INCOME FOR THE FINANCIAL YEAR		**270,066**	**325,376**	**- 55,310**

7.1 Highlights of the financial year

7.1.1 Balance sheet growth

At 31 December 2024, the total balance sheet amounted to €72.4bn, up 3.6% compared to the previous year. This change was mainly due to growth in business with a 4.7% increase in gross outstanding loans on its own behalf over the period.

7.1.2 Financing of the Group's activity

To finance the growth of its own activities, AFD issued four bonds in 2024 in the form of public issues, and five private placements, as well as eight tap issues, for a total volume of €8.0bn.

7.1.3 Appropriation of 2023 income

Pursuant to Article 79 of the 2001 amending Finance Law 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 French Minister of the Economy and Finance set the 2023 dividend to be paid by AFD to the State. It amounted to €65M, *i.e.* 20% of AFD's corporate income (€325M at 31 December 2023), and was paid out after publication in the Official Journal.

This proposal was rendered enforceable by order of the Minister of the Economy and Finance and the Minister of Public Action and Accounts, published on 26 June 2024.

The balance of income after payment of the dividend, *i.e.* €260M, was allocated to reserves.

The Board of Directors approved the 2023 financial statements on 25 April 2024.

7.1.4 AFD capital increase

On 13 June 2024, AFD signed an agreement with the French State authorising an increase in AFD's capital of €150M, in order to strengthen the Agency's equity.

This capital increase was carried out by the disbursement by the French State of a capital allocation of €150M in the first half of 2024, then by the early repayment to the French State of the resource with special conditions (RCS) in the books of AFD for the second half of 2024, in accordance with the order of 27 May 2024 published in the Official Journal.

Thus, AFD's initial allocation, which was €4,568M at the end of 2023, stood at €4,718M at 31 December 2024.

7.1.5 Fisea capital increase

On 27 November 2024, Fisea carried out a €30M capital increase by creating ordinary shares fully subscribed by AFD and fully paid up over the period.

Fisea's capital, 100% owned by AFD, was thus increased from €350M to €380M.

7.1.6 Situation in New Caledonia

As of 31 June 2024, AFD's exposure to New Caledonia risks amounted to €1,929M in outstandings (including €21M in outstanding loans guaranteed by the State) and €21M in undisbursed balance. These exposures notably relate to the region (€530M of which €392M in outstanding loans guaranteed by the State) and other public entities (€391M).

AFD's non-performing loans amounted to €159M.

7.1.7 Situation in Mayotte

At 31 December 2024, the portfolio of exposures carried by AFD to borrowers located in Mayotte represented €411M, entirely on its own behalf, including €70M in financing commitments. Of this amount, €382M (93%) was concentrated in the public sector (31 third parties) and €29M (7%) in the private sector (13 third parties).

Doubtful exposures to the private sector amounted to €7M and were provisioned in the amount of €4M.

7.1.8 Tax audit

An AFD tax audit took place from 14 February to 29 November 2024, covering:

1. the value-added tax (VAT) for the period from 1 January 2021 to 31 December 2022;
2. the payroll tax for the period from 1 January 2021 to 31 December 2022, following which a €5M allocation to provisions was recognised in respect of the 2021 financial year.

7.2 Accounting principles and assessment methods

7.2.1 Overview

Agence Française de Développement's annual financial statements are presented according to the accounting principles for credit institutions and financing companies prevailing in France, in accordance with ANC Regulation 2014-07 of 26 November 2014.

The individual financial statements include the balance sheet, off-balance sheet, income statement and notes to the financial statements, which supplement the information provided in the first three items.

These have been prepared in accordance with the principles of prudence, going concern, separation of accounting periods and consistency of methods.

In accordance with current applicable standards:

- as of 1 January 2006, AFD has applied CRC Regulation 2005-03, which was repealed and replaced by ANC Regulation 2014-07 of 26 November 2014, relative to accounting practice for credit risk;
- as of 1 January 2014, AFD has applied ANC recommendation 2013-02 of 7 November 2013 on the assessment and accounting rules for retirement obligations and similar benefits, which supersedes CNC Recommendation 2003-R01 of 1 April 2003.

7.2.2 Conversion of foreign currency transactions

Amounts receivable, amounts payable and off-balance sheet commitments denominated in foreign currencies are evaluated based on the exchange rates at financial year-end.

The conversion into a common currency, using the closing dates, results in differences in the income statement except in the following transactions, where the difference is shown in an adjustment account:

- equity securities denominated in foreign currencies but financed in euros;
- balance sheet and off-balance sheet items recorded in illiquid currencies.

Foreign currency income and expenditure on loans, borrowings, securities or off-balance sheet operations are recorded in the foreign currency, in profit and loss accounts kept for each of the currencies concerned, with conversions made on a monthly closing date.

Foreign currency income and expenditure are converted to euros on a monthly basis, and any subsequent variations in exchange rates result in exchange gains or losses in the income statement. It should be specified, concerning the AFD loans subscribed for the financing of the Poverty Reduction and Growth Facility (PRGF) [1] of the International Monetary Fund, that foreign exchange gains or losses on interest are balanced by subsidies and therefore have no influence on the final result.

In the case of transactions in illiquid currencies, only unrealised losses are taken into account by booked provisions. In compliance with regulations, unrealised gains on such transactions are not taken into account.

7.2.3 Loans to credit institutions and customers

They are recognised in the balance sheet at their amount (including related loans) after impairment to address the risk of non-recovery.

Commitments with respect to credit agreements signed but not yet disbursed or partly disbursed are shown as an undisbursed balance on the off-balance sheet.

Interest and commitment fees are recognised under banking income on an accruals basis, whether due or not due, and are calculated *pro rata* temporis.

In accordance with banking regulations, loans are downgraded to doubtful loans where instalments due have been unpaid for three or six months, depending on the type of debt.

Non-sovereign loans and credits for which the rating system shows significant risks are downgraded to doubtful debts (possibly even in the absence of arrears) and are subject to a partial or total impairment for the outstanding principal (impairment for specific risks).

Litigated debt obligations are included in doubtful loans.

Impaired loans are non-performing loans for which the prospect of repayment is greatly reduced and for which reclassification to the rank of performing outstanding loan is unlikely. Loans that are non-performing for more than 12 consecutive months and credit agreements beyond their term are always classified in this category.

AFD has recorded depreciations to cover the discounted value of all projected losses on non-performing loans and impaired loans. The projected losses are equal to the difference between the initial contractual cash flows, less those already received, and projected cash flows. Cash flows are discounted at the original effective interest rate for fixed-rate loans and at the last effective interest rate for variable-rate loans.

An impairment loss is recorded for the full amount of unpaid interest due and interest accrued on doubtful loans.

1) *PRGF: Poverty Reduction and Growth Facility.*

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, in view of the change in the borrowing terms, 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 booked to bring the carrying amount back to the new present value.

At 31 December 2024, restructured loans had a balance of €4.9M.

7.2.4 Equity and investment securities

Depending on the purpose of the transaction, the following rules apply:

- equity securities intended to be held for six months or more are recorded at the date of their acquisition, at the purchase price, excluding accrued interest.

  Premiums or discounts are amortised on a linear basis. At each monthly account closing, the coupon accrued since the last period is recognised as income.

  Impairment for unrealised losses, calculated as the difference between carrying amount and market price, is made monthly on a line-by-line basis, without offsetting unrealised gains. Unrealised gains are not shown in the financial statements;
- long-term investment securities (mainly bonds), purchased with the intention of holding them for a long time, until maturity, are recorded at the date of their acquisition, at the purchase price, excluding accrued interest.

  They may be subject to impairment in case of counterparty risk.

  Premiums or discounts (the difference between purchase price and redemption price) are spread on a linear basis over the residual life of the investment.

  At each monthly account closing, the coupon accrued since the last period is recognised as income.

  AFD has secured resources allocated to funding its investment securities.

7.2.5 Shares in related businesses, equity securities and long-term investment

Shares in related businesses

Shares in related businesses are those held in exclusively controlled companies that can be fully consolidated.

They are balance sheet assets recognised at their acquisition value, excluding costs.

Equity securities

Equity securities are balance sheet assets recognised at their acquisition value, excluding costs.

These are securities for which long-term retention is deemed useful to the company's activities, particularly because it enables influence or control to be exercised over the issuing company.

This relates notably to interests that meet the following criteria:

- interests in the form of securities issued by equity-accounted companies;
- interests in companies with directors or managers who are also in the holding company, under terms that enable influence to be exercised over the company whose shares are held;
- interests in companies belonging to the same group controlled by individuals or corporate entities with control over the whole group and thus demonstrating centralised decision-making;
- interests representing over 10% of rights in the capital issued by a credit institution or a company that is in the same line of business as the holding company.

At the end of each reporting period, securities are estimated on the basis of their probable trading value. Depending on the type of security (listed or unlisted), the following items may be taken into account: profitability and the outlook for profitability, equity, the outlook for realisation, the economic climate, and average share prices over the last few months.

Other long-term securities

Other long-term securities are balance sheet assets recognised at their acquisition value, excluding costs.

This category includes investments in securities designed to promote the development of lasting business relations by creating a special link with the issuing company, but with no influence on the management of the companies in which the shares are held given the small percentage of voting rights they represent.

In view of its negligible impact, this last item is not included separately in the notes to the financial statements.

For these three categories:

- shares are recorded at acquisition cost. Impairment is recorded when the estimated value, assessed according to the company's net position and its outlook (estimated based on economic and financial information gathered on the company, particularly on conditions in its country) or its stock market valuation, as the case may be, is lower than the acquisition cost;
- a 100% provision for foreign exchange loss is made in case of conversion differentials in the currency concerned is impaired;
- dividends are recorded as income on receipt of the minutes of the general meetings held until 31 December of the financial year.

Capital gains or losses on disposal of these shares on the sales of securities are recorded under "gains or losses on fixed assets".

AFD also has equity investments in three companies *via* a number of managed funds (Cidom, Fides and Fidom) or *via* funds contributed by the French State. These holdings, recorded at cost, do not appear on the publishable off-balance sheet. Details of the amounts involved are provided in Note 35. These holdings, which were subscribed to on behalf of the French State with public funds made available to AFD, are not included in ownership or control percentages and are therefore not consolidated in the financial statements.

7.2.6 Bonds

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 a linear method.

7.2.7 Grants

The "Grants" item records the subsidies on loans for global budget support and investment grants for mixed loans, which are paid by the State at the start of the loan and which enable the granting of concessional loans by lowering the average cost of the funding allocated in each of the loan categories concerned.

These grants and investment subsidies are amortised over the life of each of the loans they help to finance.

7.2.8 Fixed assets

Fixed assets appearing on AFD's balance sheet include property, plant and equipment and intangible assets used for operations. Intangible assets are mainly custom or purchased software. Fixed assets are recorded at their acquisition cost (cost price net of recoverable VAT) plus directly related 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 head 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:

- 15 years for office buildings in the French Overseas Departments and Collectivities;
- 15 years for residential buildings;
- 5 or 10 years for fixtures, fittings and furnishings;
- 2 to 5 years for equipment and vehicles.

For intangible assets, software is amortised over a period of eight years for internal management software and five years for external management software, and two years for office automation tools.

Impairment testing is conducted on depreciable/amortisable fixed assets when signs of loss of value are identified at the closing date. If there is a loss of value, an impairment charge is recorded under "Provisions for amortisation of intangible assets and depreciation of property, plant and equipment", which may be reversed if there is a change in the conditions that led to it being recognised. This impairment reduces the depreciable/amortisable amount of the asset and thus also affects its future depreciation/amortisation schedule.

Capital gains or losses from the sale of assets used in operations are recorded under "Net gains or losses on fixed assets".

7.2.9 Forward financial instruments

Off-balance sheet assets for financial instruments result entirely from outright transactions – interest-rate swaps and cross-currency swaps – made over-the-counter. These transactions are recorded in the non-publishable off-balance sheet and discussed in Notes 33 and 34.

These instruments are managed primarily as part of transactions for micro-hedging debt and loans.

In accordance with ANC 2014-07 [1], the par value of these contracts is recorded off-balance sheet, while symmetry in relation to the hedged item results in income or expenses recorded as interest and related income or expenses for hedged items. Such income and expenses are not offset.

7.2.10 Provisions

This item covers provisions meant to hedge risks and expenses that past or ongoing events have rendered likely to occur, and whose purpose is clearly specified.

Provisions for 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 applicable to collective provisions on performing or restructured loans. This lower regulatory limit 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-performing sovereign outstanding loans are provisioned. Furthermore, this depreciation is neutralised by deduction from the reserve account.

Net provisions for reversals of provisions are recorded in Net Banking Income.

Provisions on non-sovereign outstandings loans and commitments given

Loans amortised collectively comprise all non-sovereign loans in countries outside France and in the French Overseas Departments and Collectivities not amortised individually, as well as guarantee commitments given and financing commitments given for amounts to be disbursed under signed lending agreements.

General principle

AFD Group classifies 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 collective provision differs according to which of the three stages an asset belongs to.

These are defined as follows:

- stage 1: groups "performing" assets for which the counterparty risk has not increased since they were granted. The provision calculation is based on expected losses within the following 12 months;
- stage 2: groups performing assets for which a significant increase in credit risk has been observed since they were first entered in the accounts. The provision calculation is statistically based on expected losses on maturity;
- stage 3: groups 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 provision calculation is based on the operation's expected losses on maturity (see 2.3 "Loans to credit institutions and customers").

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1) Book II, Title 5, of ANC Regulation 2014-07 concerning forward financial instruments, which repeals and replaces CRBF Regulation 90-15 as amended by CRBF 92-04.

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 (including local authorities). 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 reporting date.

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, 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.

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 during the asset's lifetime, depending on the stage.

In view of the specific nature of the AFD Group's portfolio, its chosen calculation method is based on internal data and concepts as well as adaptations of external 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, parameters now take into account the economic environment expected over the projection horizon (forward-looking). AFD 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 to AFD.

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 curve, or lifetime PD).

Given the low volume of loans at AFD Group and the low default portfolio nature of certain portfolios, AFD Group does not have a collection of historical internal defaults sufficiently representative of the economic reality of the regions where Group entities operate.

For these reasons, AFD Group adopted an approach based on rating transitions and default probabilities communicated by the rating agencies. Restatements may be necessary on the external transition matrices in order to correct certain irregularities that may have an impact on the consistency of the probabilities of default calculated on the basis of these external matrices.

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.

AFD may also recognise an additional provision for specific events impacting its area of operation.

Collective provision allocations for performing non-sovereign loans positively impacted the cost of risk to the tune of €12M.

Collective provision allocations for off-balance sheet commitments (undisbursed balance and guarantees given) had a positive impact on the cost of risk of €33M.

Provisions for subsidiary risk

This provision is intended mainly to cover the cost to AFD of the takeover and liquidation of Soderag, which was decided in 1998, and also makes it possible to hedge the risk of loss to AFD on the loans it granted to Sodema, Sodega and Sofideg to buy Soderag's portfolio. These loans were transferred to Soredom (formerly Sofiag).

Provisions for miscellaneous risks

This item covers miscellaneous risks and litigation for which resources are likely to be withdrawn.

Provisions for foreign exchange risk

This item is intended to cover translation differences foreign exchanges losses on interests in foreign currencies if the currency concerned is devalued.

Provisions for employee 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.

The assumptions used for the valuations are as follows:

- discount rate: 2.75% in 2024 *versus* 3.0% in 2023;
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- annual salary growth rate: 2.0%, unchanged compared to 2023.

Commitments for retirement bonuses and 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.

The assumptions used for the valuations are as follows:

- discount rate: 3.6% in 2024 *versus* 3.4% in 2023;
- rate of annual increase in salary: 2.0% and 2.2% for Overseas Collectivities, unchanged compared to 2023;
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- actuarial tables: TGH 05 (men)/TGF 05 (women).

These commitments (retirement bonuses and financing of health insurance plans and pensions) undergo actuarial valuations that factor in demographic and financial assumptions. The amount of provisions for commitments is determined using the Projected Unit Credit Method. At each closing, the retirement commitments carried by AFD are remeasured and compared with the value of the insurance policies.

As of 31 December 2024, the amount of the provision was increased by **€8,364K**.

Other long-term benefits

AFD gives its employees bonuses as long-service benefits. As of 31 December 2024, the amount of the provision was decreased by **€4K**.

The aggregate impacts on the 2023 and 2024 financial years are set out in the table below:

In thousands of euros	At 31/12/2024	Impact change Income	At 31/12/2023	Impact change Income
Provisions for employee benefits	152,442	8,360	144,083	5,927
• Defined benefit plans	151,144	8,364	142,780	5,847
• Other long-term benefits	1,299	- 4	1,303	80

The changes in commitments over the 2024 financial year are shown in the table below:

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Change in the present value of the commitment							
Present value of the commitment at 01/01	13,648	5,428	109,648	17,859	146,583	1,301	147,885
Financial cost	478	163	3,916	618	5,175	46	5,222
Cost of services rendered over the financial year	418	-	5,543	1,566	7,526	158	7,684
Cost of past services	-	-	-	-	-	-	-
Reductions/Liquidations	-	-	-	-	-	-	-
Services paid	- 176	- 1,457	- 2,866	- 658	- 5,157	- 46	- 5,203
Actuarial (gains) losses	272	69	- 7,824	- 910	- 8,393	- 162	- 8,555
Other (transfer of commitment)	-	-	-	-	-	-	-
Present value of the commitment at 31/12/2024	**14,640**	**4,202**	**108,418**	**18,475**	**145,735**	**1,298**	**147,033**
Change in the fair value of retirement plan assets							
Fair value of assets at 01/01	-	15,286	-	-	15,286	-	15,286
Expected return on assets	-	459	-	-	459	-	459
Services paid	-	- 1,457	-	-	- 1,457	-	- 1,457
Actuarial gains (losses)	-	- 3	-	-	- 3	-	- 3
Liquidations	-	-	-	-	-	-	-
Fair value of assets at 31/12/2024	**-**	**14,284**	**-**	**-**	**14,284**	**-**	**14,284**
Corridor limits							
Actuarial gains (losses) not recognised at 01/01	- 1,450	3,301	13,588	1,944	17,383	-	17,383
Corridor limits at 01/01	1,365	1,529	10,965	1,786	15,645	-	15,645
Actuarial gains (losses) generated over the financial year	- 272	- 72	7,824	910	8,389	162	8,551
Actuarial (gains) losses recognised in profit or loss	5	- 407	- 152	- 9	- 563	- 162	- 725
Actuarial (gains) losses recognised in equity	-	-	-	-	-	-	-
Actuarial gains (losses) not recognised at 31/12/2024	**- 1,717**	**2,821**	**21,261**	**2,845**	**25,210**	**-**	**25,210**
Amounts recognised on the balance sheet at 31/12/2024							
Present value of the funded commitment	-	4,202	-	-	-	-	-
Fair value of financed assets	-	- 14,284	-	-	- 10,082	-	- 10,082
Present value of unfunded commitment	14,640	-	108,418	18,475	141,533	1,298	142,830
Net position	**14,640**	**- 10,082**	**108,418**	**18,475**	**131,451**	**1,298**	**132,748**
Unrecognised actuarial gains (losses)	- 1,717	2,821	21,261	2,845	25,210	-	25,210
Cost of unrecognised past services	-	-	- 5,516	-	-	-	-
Balance sheet provision	**12,923**	**- 7,261**	**124,162**	**21,320**	**156,660**	**1,298**	**157,958**

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Amounts recognised on the income statement at 31/12/2024							
Cost of services rendered over the financial year	418	-	5,543	1,566	7,526	158	7,684
Cost of past services	-	-	384	-	384	-	384
Financial cost for the financial year	478	163	3,916	618	5,175	46	5,222
Recognised actuarial gains (losses)	5	- 407	- 152	- 9	- 563	- 162	- 725
Expected return on retirement plan assets	-	- 459	-	-	- 459	-	- 459
Cost of services rendered	-	-	-	-	-	-	-
Impact of reductions/liquidations	-	-	-	-	-	-	-
Expenses booked	**901**	**- 703**	**9,691**	**2,175**	**12,064**	**42**	**12,106**
Reconciliation of opening and closing net liability							
Liability at 01/01	12,198	- 6,558	117,337	19,804	142,781	1,301	144,082
Expenses booked	901	- 703	9,691	2,175	12,064	42	12,106
Contributions paid	-	-	-	-	-	-	-
Restatements and transfers	-	-	-	-	-	-	-
Services paid by employer	- 176	-	- 2,866	- 658	- 3,700	- 46	- 3,746
Items not to be recycled in profit or loss	-	-	-	-	-	-	-
Net liabilities at 31/12/2024	**12,923**	**- 7,261**	**124,162**	**21,320**	**151,145**	**1,298**	**152,442**
Change in net liabilities	**725**	**- 703**	**6,825**	**1,516**	**8,364**	**- 4**	**8,360**

Projected commitments at 31 December 2024 are as follows:

	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Actuarial debt at 31/12/2024	**12,923**	**- 7,261**	**124,162**	**21,320**	**154,766**	**1,298**	**152,442**
Cost of services rendered in 2025	424	-	5,239	1,550	7,212	156	7,369
Financial cost in 2025	542	116	4,092	675	5,424	49	5,473
Actuarial losses (gains) recognised in profit or loss	15	- 674	- 709	- 67	- 1,435	-	- 1,435
Restatements and transfers	-	-	-	-	-	-	-
Services payable in 2024/transfer of capital upon departures in 2025	- 208	-	- 2,942	- 1,594	- 4,744	- 145	- 4,889
Cost of recognised past services	-	-	384	-	384	-	384
ESTIMATED DEBT AT 31/12/2025	**13,696**	**- 7,820**	**130,225**	**21,884**	**157,985**	**1,358**	**159,343**

7.2.11 Reserve for General Banking Risk (RGBR)

In accordance with CRBF 90-02, the Reserve for General Banking Risk is intended to remain permanently in capital reserves for comprehensive general coverage of AFD's risks.

Among other things, the Reserve is intended to hedge:

- general risks from AFD's direct activities in the French Overseas Departments and Collectivities;
- general risks for real estate holdings in foreign countries.

7.2.12 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. The agreement also provides for the general rescheduling of the debt's repayment period over 20 years with a 10-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 10-year grace period).

In 2024, AFD's subordinated debt amounted to €1,816M, an decrease of €20M compared to 2023.

7.2.13 Financing commitments

Financing commitments given record the amounts to be disbursed under lending agreements with customers or credit institutions and under investment fund agreements.

Financing commitments given to credit institutions include the undisbursed balance, on the State's behalf, under agreements signed with the IMF for financing the PRGF.

Financing commitments given to investment funds include remaining commitments for AFD's subscription to Fisea+, *i.e.* €177M at 31 December 2024.

7.2.14 Guarantee commitments

Commitments given for guarantees to credit institutions include, in particular:

- guarantees granted by AFD for the Ariz I, Ariz II and Ariz Med procedure (Support for the risk of financing private investment in AFD's PSZ, in Sub-Saharan Africa and in Mediterranean countries). These guarantees are intended to encourage the creation and development of local businesses.

Commitments given for guarantees to clients include, in particular:

- the guarantee of the debt of its subsidiary in liquidation, Soderag, bearing in mind that a very large part of this debt was repaid early in 1998 and 1999 after Soderag sold its portfolio to Sodega, Sodema and Sofideg. The portfolio was then taken over by BRED;
- the guarantee granted to BRED accounts for 50% of gross outstandings on the loan portfolio sold by Socredom in 1998 in preparation for its dissolution, which took place on 1 January 1999;
- repayment guarantees for the three bonds issued by IFFIM as part of managing the French contribution to the Solidarity Fund for Development (FSD) on behalf of the French State;
- sub-participation guarantees granted to Proparco.

Commitments received from credit institutions are related to loan transactions conducted by AFD.

Other commitments received included the French State's guarantee of loans to foreign countries.

Guarantee commitments for securities include share buyback options offered to Proparco's minority shareholders as part of the capital increases undertaken in 2020 and then in 2023. These buyback options may be exercised for a period of five years following a lock-in period of five years.

7.2.15 Disclosure on non-cooperating States and territories

Article L.511-45 of the French Monetary and Financial Code (as amended by Article 3 of Order 2014-158 of 20 February 2014) requires credit institutions to publish an appendix to their annual financial statements presenting information about their offices in countries or territories that have not signed an administrative assistance agreement with France for the purpose of combating fraud and tax evasion.

Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities broadens the list of required disclosures from banks regarding their offices in non-cooperative countries or territories.

The Decree of 3 February 2023 amending the Decree of 12 February 2010 issued pursuant to the second paragraph of 1 of Article 238-0 A of the French General Tax Code, modified the list of non-cooperative states or territories.

At 31 December 2024, AFD did not have any offices in non-cooperative countries or territories.

7.2.16 Other information regarding the consolidation

AFD's parent company financial statements are fully reflected in the AFD Group's consolidated financial statements using the full consolidation method. The Company's financial statements are available on the Internet, at the following address: www.afd.fr/fr/espace-investisseurs.

7.2.17 Events after the reporting period

No significant event having an impact on the Company's financial position occurred after the reporting period ended 31 December 2024.

7.3 Notes to the financial statements at 31 December 2024

Note 1 Equity securities[1]

In thousands of euros	December 2024 Listed securities	December 2024 Unlisted securities	December 2024 Total	December 2023 Listed securities	December 2023 Unlisted securities	December 2023 Total
Government paper and equivalent	1,168,954	-	1,168,954	708,029	-	708,029
Related loans receivable	13,745	-	13,745	6,519	-	6,519
Impairment	- 15,787	-	-15,787	- 14,380	-	- 14,380
Net total	**1,166,913**	**-**	**1,166,913**	**700,168**	**-**	**700,168**
Bonds and other fixed-income securities	277,075	2,561,512	2,838,587	179,551	2,431,949	2,611,500
Related loans receivable	1,758	37,194	38,952	1,010	17,862	18,872
Impairment	-	-1,012	-1,012	-	- 991	- 991
Net total	**278,833**	**2,597,694**	**2,876,527**	**180,560**	**2,448,821**	**2,629,381**
Shares and other variable-income securities	1,555,055	-	1,555,055	1,524,201	-	1,524,201
Net total	**1,555,055**	**-**	**1,555,055**	**1,524,201**	**-**	**1,524,201**
TOTAL NET VALUE	**3,000,801**	**2,597,694**	**5,598,495**	**2,404,930**	**2,448,821**	**4,853,750**

In thousands of euros	Fixed income	Variable income	Total 2024	Fixed income	Variable income	Total 2023
Net unrealised capital gains	68,287	15,127	83,414	46,839	13,110	59,949

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2024
Maturity of bonds and other fixed-income securities	2,149,086	57,090	89,659	16,082	2,311,917

Note 2 Investment securities[1]

In thousands of euros	December 2024 Listed securities	December 2024 Unlisted securities	December 2024 Total	December 2023 Listed securities	December 2023 Unlisted securities	December 2023 Total
Government paper and equivalent	335,541	-	335,541	378,278	-	378,278
Related loans receivable	2,278	-	2,278	2,677	-	2,677
Net total	**337,819**	**-**	**337,819**	**380,956**	**-**	**380,956**
Bonds and other fixed-income securities	18,954	-	18,954	33,344	-	33,344
Related loans receivable	210	-	210	395	-	395
Net total	**19,164**	**-**	**19,164**	**33,739**	**-**	**33,739**
TOTAL NET VALUE	**356,983**	**-**	**356,983**	**414,694**	**-**	**414,694**
Difference between purchase price and redemption price	26,772	-	26,772	26,772	-	26,772

During the financial year, no investment security was sold before maturity for the needs of managing counterparty risk.

	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2024
Maturity of bonds and other fixed-income securities	-	-	-	18,954	18,954

(1) Total balance sheet items: Government securities and related items (€1,504,731K), bonds and other fixed-income securities (€2,895,692K), shares and other variable-income securities (€1,555,055K), i.e. €5,955,478K at 31/12/2024.

Note 3 Receivables from credit institutions

	December 2024			December 2023		
In thousands of euros	On-demand	At maturity	Total	On-demand	At maturity	Total
Regular accounts	563,057	-	563,057	381,052	-	381,052
Loans to credit institutions	1,585,121	15,931,688	17,516,809	803,940	14,920,858	15,724,798
• of which interbank investment	1,585,121	2,542,859	4,127,981	803,940	2,052,268	2,856,208
• of which loan activity	-	13,388,828	13,388,828	-	12,868,590	12,868,590
Related loans receivable	-	166,077	166,077	642	150,563	151,205
Impairment	-	- 40,933	- 40,933	-	- 17,997	- 17,997
TOTAL	**2,148,178**	**16,056,831**	**18,205,009**	**1,185,634**	**15,053,425**	**16,239,059**

Outstandings where risk is born by the French State and on behalf of third parties amounted to €1,544,702K and €558,250K, respectively.

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2024
Maturity of loans to credit institutions	382,017	1,458,188	5,338,035	6,210,588	13,388,828

In thousands of euros	December 2024		December 2023	
Details of doubtful term loans	Gross	Impairment	Gross	Impairment
Non-performing outstanding loans (excluding related loans receivables)	73,457	33,079	31,184	10,142
• of which non-performing outstanding sovereign loans(1)	-	-	-	-
• of which non-performing outstanding non-sovereign loans	30,784	22,906	8,962	6,962

(1) Granted to States or with their endorsement. Only the outstanding principal amount of these loans is the object of provisions for liabilities.

Note 4 Transactions with customers

In thousands of euros	December 2024	December 2023
Credit to customers	41,534,075	39,646,532
Related loans receivable	255,189	248,790
Impairment	- 371,356	- 324,646
TOTAL	**41,417,907**	**39,570,676**

Outstanding loans where risk is born by the French State and on behalf of third parties amounted to €3,458,664K and €438,354K, respectively, at 31 December 2024.

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2024
Maturity of loans to customers	522,738	2,550,771	10,421,798	28,038,768	41,534,075

In thousands of euros	December 2024		December 2023	
Details of doubtful term loans	Gross	Impairment	Gross	Impairment
Non-performing outstanding loans (excluding related loans receivables)	2,990,161	371,018	2,989,883	324,314
• of which non-performing outstanding sovereign loans(1)	696,633	110,288	849,742	57,920
• of which non-performing outstanding non-sovereign loans	196,763	136,322	341,390	170,506

(1) Granted to States or with their endorsement. Only the outstanding principal amount of these loans is the object of provisions for liabilities.

Note 5 Equity investments and other long-term investments

In thousands of euros	December 2024	December 2023
Long-term securities and equity securities	**275,659**	**201,715**
Gross value[(1)]	275,659	201,793
Translation differences	- 5,326	- 79
Impairment	- 56,478	- 50,814
NET TOTAL	**213,856**	**150,900**

(1) The gross amount of listed equity investments totalled €215K in 2024.

Note 6 Shares in related businesses

In thousands of euros	December 2024	December 2023
Gross value	1,714,906	1,677,536
Impairment	- 202,038	- 184,447
NET TOTAL	**1,512,868**	**1,493,089**

Note 7 Transactions with related businesses

In thousands of euros	December 2024	December 2023
Assets		
Receivables from credit institutions	6,045,630	5,665,828
Liabilities		
Term debts to credit institutions	538,193	437,251
Off-balance sheet		
Financing commitments given	2,033,950	2,056,381
Guarantee commitments given	1,751,059	1,802,609

Note 8 List of subsidiaries and equity investments

Subsidiaries held at more than 50% (amounts expressed in thousands of euros)

	Proparco	Soderag	Expertise France
Registered head office	151, rue Saint-Honoré 75001 Paris	Rue F.-Éboué BP 64 97110 Pointe-à-Pitre	40, Bd de Port-Royal 75005 Paris
Share capital	1,353,513	111,923	829
Share capital held	85.21%	100.00%	100.00%
Equity	1,726,306	-7,693	12,444
of which income after tax	*56,338*	*98*	*5,834*
Gross carrying amount	1,216,471	112,326	-
Net carrying amount	1,216,471	-	-

	Sogefom	Fisea
Registered head office	5, rue Roland-Barthes 75012 Paris	5, rue Roland-Barthes 75012 Paris
Share capital	1,102	380
Share capital held	58.69%	100.00%
Equity	10,771	228,139
of which income after tax	*641*	*-15,419*
Gross carrying amount	5,015	380,000
Net carrying amount	5,015	290,287

Note 9 Fixed assets and depreciation and amortisation

In thousands of euros	31/12/2023	Purchases	Sales	Other items	31/12/2024
Gross value					
Land and development	89,641	3	40	-	89,603
Buildings and development	656,849	245,623	7,712	969	895,730
Other property, plant and equipment	78,910	8,091	1,325	130	85,806
Intangible assets	253,833	103,959	32,592	1,488	326,687
GROSS AMOUNT	**1,079,233**	**357,676**	**41,669**	**2,587**	**1,397,827**

In thousands of euros	31/12/2023	Provisions	Reversals	Other items	31/12/2024
Depreciation/amortisation					
Land and development	4,034	229	3	-	4,259
Buildings and development	166,944	13,602	279	-	180,268
Other property, plant and equipment	60,581	6,501	291	-	66,791
Intangible assets	122,737	23,907	6	-	146,637
Amount of depreciation/amortisation	**354,295**	**44,239**	**579**	**-**	**397,955**
NET AMOUNT	**724,937**	**313,437**	**41,090**	**2,587**	**999,872**

Note 10 Other assets and liabilities

	December 2024		December 2023	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Accounts payable, French State	-	515,023	-	316,237
Allocated public funds	-	78,759	-	69,560
Guarantee funds in the French Overseas Departments	-	9,238	-	6,575
Collateral deposit	1,651,850	468,011	2,247,221	280,527
Other	307,798	1,081,439	643,784	1,006,434
TOTAL	**1,959,648**	**2,152,470**	**2,891,005**	**1,679,332**

Note 11 Accruals

	December 2024		December 2023	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Currency adjustment accounts on off-balance sheet items	-	- 114,199	-	228,685
Income and expenses resulting from swaps	1,019,426	765,063	885,648	773,697
Shared income and expenses	92,163	552,145	111,088	393,330
Other accruals	121,683	113,782	49,217	83,897
TOTAL	**1,233,272**	**1,316,790**	**1,045,952**	**1,479,608**

Note 12 Debts to credit institutions

In thousands of euros	December 2024		December 2023	
	On-demand	At maturity	On-demand	At maturity
Debts to credit institutions	230,644	526,140	403,334	436,056
Related debts	273	12,456	1,383	1,599
TOTAL	**230,916**	**538,596**	**404,716**	**437,654**

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2024
Maturity of loans due to credit institutions	35,000	48,737	442,403	-	526,140

Note 13 Transactions with customers

In thousands of euros	December 2024		December 2023	
	On-demand	At maturity	On-demand	At maturity
Accounts payable, customers	2,116	-	1,717	-
Related debts	9	-	17	-
TOTAL	**2,125**	**-**	**1,734**	**-**

Note 14 Debt securities in issue

In thousands of euros	December 2024	December 2023
Negotiable debt securities	799,491	2,144,168
Bonds	54,101,351	51,045,982
Related debts	727,213	578,036
TOTAL	**55,628,055**	**53,768,186**

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2024
Maturity of debt securities in issue	3,261,851	3,949,773	23,396,329	23,493,398	54,101,351

Note 15 Provisions

In thousands of euros	31/12/2023	Provisions	Reversals	Translation adjustments	31/12/2024
Sovereign loans(1)	1,394,791	212,196	101,264	-1,002	1,504,720
Performing non-sovereign loans(2)	253,164	27,735	39,433	0	241,466
Guarantees given(2)	47,762	3,232	25,136	-	25,859
Financing commitments to non-sovereign loans(2)	40,037	19,382	30,499	-	28,921
Provisions for ARIZ and Proparco guarantees	74,345	18,349	42,853	2,215	52,056
French Overseas Department subsidiary risks	24,037	941	7,782	-	17,197
Other risks	10,276	0	0	1,000	11,276
Foreign exchange losses(1)	15,096	3,311	0	-	18,407
Administrative expenses(1)	637	0	0	-	637
Salary and employee benefit expenses(1)	146,977	9,128	27	-	156,078
TOTAL	**2,007,116**	**294,276**	**246,995**	**2,213**	**2,056,609**

(1) These provisions are not recorded in "cost of risk".
(2) Collective provisions amounted to €295,270K, of which €60,574K in stage 1 and €235,396K in stage 2. In 2023, collective provisions amounted to €340,962K, of which €48,832K in stage 1 and €292,129K in stage 2.

Note 16 Subordinated debt

In thousands of euros	December 2024	December 2023
Subordinated debt	1,813,250	1,834,750
Related debts	2,617	1,617
TOTAL	**1,815,867**	**1,836,367**

Note 17 Reserve for General Banking Risk

In thousands of euros	December 2023	Provisions	Reversal	December 2024
Reserve for General Banking Risk	460,000	-	-	460,000

Note 18 Capital excluding RGBR

In thousands of euros	December 2024	December 2023
Provisions	4,717,999	4,567,999
Reserves	3,166,578	2,906,277
Grants	4,570	6,354
Net income pending allocation(1)	270,066	325,376
TOTAL	**8,159,213**	**7,806,006**

(1) The dividend paid to the State amounted to €65.1M in 2024.

In thousands of euros	December 2023	Appropriation of 2023 earnings	Dividend distribution	Increase	Decrease	Income for the 2024 financial year	December 2024
Provisions	4,567,999	-	-	150,000	-	-	4,717,999
Reserves	2,906,277	325,376	- 65,075	-	-	-	3,166,578
Grants	6,354	-	-	-	- 1,784	-	4,570
Income for the financial year	325,376	- 325,376	-	-	-	270,066	270,066
TOTAL	**7,806,006**	**-**	**- 65,075**	**150,000**	**- 1,784**	**270,066**	**8,159,212**

Note 19 Assets and liabilities in foreign currencies(1)

In thousands of euros	December 2024	December 2023
Assets in foreign currencies(2)	11,064,735	10,509,100
Liabilities in foreign currencies(2)	15,601,162	11,826,568

(1) Excluding IMF transactions and off-balance sheet hedging transactions, as these transactions offset balance sheet positions.
(2) In principle, these foreign currency positions are offset by forward financial instruments recorded off-balance sheet.

Note 20 Interest and related income

In thousands of euros	December 2024	December 2023
Interest and income on transactions with credit institutions(1)	**2,354,446**	**2,077,661**
Interest on loans	600,801	561,645
Interest on short-term equity investments	224,472	164,968
Income from forward financial instruments	1,529,173	1,351,048
Interest and income on transactions with customers(1)	**1,106,024**	**702,029**
Interest and income on bonds and other fixed-income securities	**178,899**	**130,640**
Equity securities	173,308	123,341
Investment securities	5,591	7,299
Other interest and related income	**1,356,867**	**928,726**
Income from forward financial instruments	1,356,867	928,726
TOTAL	**4,996,235**	**3,839,055**

(1) The amount of net reversals of provisions for interest on non-performing loans, adjusted for losses on interest on bad loans, was +€4,141K at 31/12/2024 compared with +€6,908K at 31/12/2023.

In thousands of euros	DOM	Pacific collectivities	Abroad
Breakdown of interest by geographic area:	9.6%	0.1%	90.3%
	177,544	1,870	1,670,664

Note 21 Interest and related expenses

In thousands of euros	December 2024	December 2023
Interest and expenses on transactions with credit institutions	**1,175,258**	**1,067,082**
Interest on accounts payable	30,153	18,709
Expenses on forward financial instruments	1,145,105	1,048,372
Interest on borrowings	-	-
Interest and expenses on transactions with customers	**1,127**	**1,118**
Interest on subordinated debts	1,109	1,085
Other interest and expenses on transactions with customers	18	34
Interest and expenses on bonds and other fixed-income securities	**1,142,056**	**870,363**
Interest on interbank market securities and negotiable debt securities	57,121	65,472
Interest on bonds	1,082,833	802,791
Interest on lowest-ranked subordinated debt	2,103	2,100
Other interest and related expenses	**2,268,145**	**1,791,239**
Expenses on forward financial instruments	2,268,145	1,791,239
Interest on allocated public funds	-	-
TOTAL	**4,586,587**	**3,729,802**

Note 22 Commission income and expenses

In thousands of euros	December 2024	December 2023
Commission income	**113,371**	**140,205**
• from grants	91,195	107,536
• from processing	17,597	28,212
• other	4,578	4,457
Commission expenses	**7,820**	**9,561**

Note 23 Gains or losses on investment portfolio transactions

In thousands of euros	December 2024	December 2023
Balance of equity security transactions	**26,715**	**10,328**
Capital gains on disposals	28,143	5,935
Capital losses on disposals	-	-
Reversals of provisions for depreciation	988	5,471
Provisions for depreciation	2,416	1,077

Note 24 Other income on banking operations

In thousands of euros	December 2024	December 2023
Other income on banking operations	**447,277**	**695,714**
Subsidies	312,563	495,593
Other banking income	134,714	200,121
Net foreign exchange gains	-	-

Note 25 Other expenses on banking operations

In thousands of euros	December 2024	December 2023
Other expenses on banking operations	**105,268**	**122,573**
Other operating expenses	105,268	120,400
Net foreign currency losses	-	2,173

Note 26 Overheads – Salary and employee benefit expenses

In thousands of euros	December 2024	December 2023
Wages and bonuses	242,548	222,326
Social security expenses	100,341	92,794
Profit sharing	15,374	13,695
Taxes and similar payments on compensation	37,657	31,605
Provisions/reversal of provisions	9,101	5,028
Rebilling banks' staff	- 125	- 199
TOTAL	**404,895**	**365,248**

Note 27 Average headcount

	Executives	Supervisory staff	Employees Supervisors	Service staff	Stationary staff	Total 2024
Head office and local offices (excluding institutions)	2,102	59	1	-	627	2,789

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Note 28 Asset impairment

In thousands of euros	December 2023	December 2024			
		Provisions	Reversals	Translation adjustments	Total
Unpaid interest on loans (Notes 3 and 4)	39,233	34,286	32,805	400	41,115
Individualised risk on loans (Notes 3 and 4)	303,410	166,497	105,006	6,274	371,175
Impairment of equity investments (Notes 5 and 6)	235,261	28,612	5,358	-	258,516
Impairment of equity securities (Note 23)	15,367	2,416	988	-	16,795
TOTAL	**593,271**	**231,811**	**144,156**	**6,674**	**687,600**

Note 29 Cost of credit risk[(1)]

In thousands of euros	December 2024			December 2023
	Provisions	Reversals	Total	
Provisions (Note 15)[(1)]	69,642	145,704	76,062	78,428
Impairment of principal of doubtful loans (Note 28)	86,931	62,357	- 24,574	110,599
Capital losses on bad loans	35,814	604	- 35,209	- 4,862
TOTAL	**192,386**	**208,664**	**16,279**	**184,165**

(1) These figures do not include the first line or the last three lines of Note 15.

Note 30 Gains or losses on fixed assets

In thousands of euros	December 2024	December 2023
Gains or losses on financial fixed assets	**- 23,255**	**- 119,856**
Capital gains and losses	-	-331
Provisions/reversals for depreciation	- 23,255	- 119,525
Gains or losses on property, plant and equipment and intangible assets	**1,027**	**95**
TOTAL	**- 22,228**	**- 119,761**

Note 31 Exceptional income

In thousands of euros	December 2024	December 2023
Exceptional gains	**79**	**123**
Miscellaneous exceptional profits	79	123
Income from prior years	-	-
Exceptional losses	**204**	**29**
Expenses from prior years	30	13
Tax penalties and fines	-	-
Exceptional expenses	174	16
NET TOTAL	**125**	**94**

Note 32 Other off-balance sheet commitments

In thousands of euros	December 2024	December 2023
Guarantee commitments received from the French State on loans	5,312,470	5,686,647
Guarantee commitments received from credit institutions	212,616	207,526
Guarantee commitments made to credit institutions	27,055	29,684
Guarantee commitments given on securities	99,428	125,872
Guarantee commitments made to customers	3,111,046	3,226,749

Note 33 Commitments on forward financial instruments

In thousands of euros	Notional	Valuation(2)	Notional	Valuation(2)
Outright transactions				
Interest rate swaps (hedging transactions)	65,954,081	- 1,166,734	65,386,547	- 1,417,096
• of which macro-hedging transactions	63,063,189	- 1,121,868	63,453,207	- 1,389,588
• of which macro-hedging transactions	2,056,003	- 45,446	920,470	- 27,317
• of which natural hedges	834,889	580	1,012,870	- 191
Currency swaps (hedging transactions)	49,037,051	138,759	41,736,238	- 235,893
Commitments received	24,572,960	-	20,748,213	-
Commitments given	24,464,091	-	20,988,024	-
Other instruments (hedging transactions)	-	-	-	-
Options	**125,924**	**976**	**155,725**	**2,041**

(1) This information does not appear in the publishable off-balance sheet.
(2) The value of these financial instruments was established with reference to market value.

In thousands of euros	Less than one year	From 1 year to 5 years	More than 5 years	Total 2024
Outright over-the-counter market transactions				
Interest rate swaps	3,824,613	16,500,196	45,629,272	65,954,081
Currency swaps	8,429,867	26,524,609	14,082,575	49,037,051
Commitments received	4,320,731	13,487,889	6,764,339	24,572,960
Commitments given	4,109,135	13,036,720	7,318,235	24,464,091
Options	**-**	**73,991**	**51,933**	**125,924**

Note 34 Valuations, by rating, on forward financial instruments

Banking counterparty rating	31/12/2024 Valuation(1)
A	- 109,062
A-	- 510,229
A+	- 123,277
AA-	- 34,492
BBB	-
BBB+	7,828
NR	-
TOTAL	**- 769,232**

(1) Replacement cost is represented by the net gain on market values, including accrued interest. If the balance is negative, the cost is zero.

Note 35 Investments held in managed funds[1]

In thousands of euros **Fund source**	**Number of equity investments**	**Purchase price**
Caisse d'investissement des DOM (CIDOM)	*1*	*463*
FIDES (Investment Fund for Economic and Social Development)	3	625
FIDOM (French Overseas Departments Investment Fund)	1	91
Other State resources	0	-
TOTAL	**5**	**1,180**

(1) This information does not appear in the publishable off-balance sheet.

Note 36 Executive compensation

The gross annual compensation allocated to corporate officers and deputy directors amounted to €665,249.

- Rémy Rioux, Chief Executive Officer (start of term 2 June 2016): €286,369;
- Bertrand Walckenaer, Chief Operating Officer (start of term 14 February 2019): €186,816;
- Marie-Hélène Loison, Chief Operating Officer (start of term 8 July 2021): €182,932.

There are no benefits in kind, special retirement schemes, stock option plans or variable compensation for AFD's corporate officers.

Note 37 Corporate tax

Only real estate income and income from the representation of metropolitan credit institutions in the French Overseas Departments and Collectivities, as well as AFD's refinancing activities with regard to its subsidiary Proparco, are subject to corporate tax.

Note 38 Risk exposures

AFD operates on its own behalf in forward financial markets as part of its own activities and those delegated to it by the French State.

These transactions are undertaken within the limits authorised by Executive Management with the agreement of the Board of Directors.

7.4 AFD's financial results over the last five financial years

	2024	**2023**	**2022**	**2021**	**2020**
Provisions + Retained earnings + Income *(in millions of euros)*	**8,155**	**7,800**	**7,397**	**6,892**	**5,253**
Net banking income *(in millions of euros)*	900	826	860	794	806
Net income *(in millions of euros)*	270	325	363	240	106
Net income/provisions + retained earnings + income	3.31%	4.17%	4.90%	3.48%	2.01%
Net income/balance sheet total	0.37%	0.47%	0.56%	0.42%	0.20%
Staff					
Number of employees (average)	2,789	2,652	2,599	2,592	1,996
Total payroll costs *(in millions of euros)*	405	365	350	334	314
of which social and cultural initiatives *(in millions of euros)*	31.5	28	30	23	21
Dividend paid	**65**	**73**	**48**	**21**	**0**

7.5 Statutory auditors' report on the financial statements

For the year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

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

Opinion

In compliance with the engagement entrusted to us by article R515-25 of Monetary and Financial Code (Code monétaire et financier), we have audited the accompanying financial statements of Agence Française de Développement for the year ended December 31, 2024, as attached to this report.

In our opinion the financial statements give a true and fair view of the results of operations for the year then ended in accordance with French accounting rules and principles, as well as the financial position and assets of the company at the year then ended.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from January 1, 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Provisioning of credit risk

Risk identified and key judgments

The Agence Française de Développement "AFD" is exposed to credit and counterparty risks.

These risks are defined as the probability that a debtor will be unable to handle the repayment of the financing granted. A default by a counterparty can have a material impact on the results of AFD.

Your Agency is booking impairments and provisions to cover those risks. These are estimated using the methods defined below:

- The determination of impairments and provisions on performing and substandard exposures is based on an expected credit loss model taking into account, in addition to the outstanding amount, commitments and undrawn facilities through the application of conversion factors. This method is based on a calculation of expected credit losses according to a model integrating various inputs (probability of default, loss given default, exposure to default, rating...).
- AFD also records impairments on doubtful exposures. These are calculated on an individual basis and correspond to the difference between the book value of the asset and the discounted value of future cash flows recoverable on maturity after considering the effects of the activation of guarantees. They are determined individually on the basis of assumptions such as the counterparty's financial position, the corresponding country risk, the valuation of any guarantees, and expected future cash flows.

We considered that the assessment of credit risk and the assessment of provisions constitute a key point of the audit since they involve judgment by Management in the classification of exposures and in the assumptions that were used, in particular, in a context of persistent uncertainty, tensions over raw materials and energy.

As at December 31, 2024, the amount of individual impairments amounted to €412 million and the amount of provisions for counterparty risk recorded in liabilities amounted to €1,853 million for a gross outstanding of €54 923 million (including €3,064 million in gross doubtful outstanding as at December 31, 2024 subject to impairment). For more details on accounting principles and exposures, refer to notes 2.3 and 2.10 of the Accounting Principles and Valuation Methods, as well as notes 3, 4, 15, 28, and 29 of the notes to the financial statements.

Our audit response

To assess the reasonableness of the impairments/provisions booked, we have:

- examined the governance of the provisioning processes;
- tested the operating efficiency of the provisioning processes of the related internal controls;
- verified the consistency of data between the risk management systems and the accounting data;
- assessed the consistency of changes in exposures and provisions.

When the provision was calculated on a collective basis (stage 1 and stage 2) we have:

- assessed the methodological principals and the reasonableness of key underlying risk parameters (PD, LGE, EAD);
- checked the completeness of the exposures subject to provision calculations and the appropriate application of methodological principals;
- tested data quality on a sample basis;
- verified of the arithmetical accuracy of the calculations performed.

When the provision was determined on an individual basis (stage 3), we have:

- tested the appropriateness downgrading rules for doubtful exposures and verified their application;
- tested the underlying assumptions and data used by Management to estimate impairments on a sample basis;
- ensured the appropriate application of decision taken by the Risk Committee.

Valuation of equity investments and other long-term securities

Risk identified et key judgments

The Agence Française de Développement holds long-term investments. As detailed in Note 2.5 to the annual financial statements, these securities are recorded at their acquisition cost. These assets are impaired when the estimated value, assessed according to the company's net position and its prospects (which are estimated based on economic and financial information gathered on the company particularly on conditions in its country) or its stock market value is, as the case may be, lower than the acquisition cost.

Due to the limited availability of market data, the valuation of some of these financial instruments involves judgment by management for the selection of the valuation method and parameters to be used.

We considered the valuation of long-term investments to be a key audit matter, given that:

- the significant impact of the choice of the valuation method on AFD's results;
- the sensitive nature of the parameters used for Management's assumptions;
- the significance of those amounts in the financial statements.

As at December 31, 2024, AFD's long-term investments net value stands at €1,727 million, including €259 million of impairments as indicated in notes 5, 6, 28 and 30 of the notes to the financial statements.

Our audit response

In this context, our work consisted of:

- updating our knowledge and then testing the effectiveness of the control system for the determination of the valuation method used for these investments;
- testing, on a sample basis, the correct application of the valuation method of investments.

To this purpose, we verified the appropriateness of the accounting methods used by Agence Française de Développement and ensured that they were correctly applied. An independent valuation of a sample of lines was carried out by our experts.

We also performed the following substantive procedures:

- reconciling, on the basis of sampling, the valuation of securities with the external documentation that justified it;
- examining all securities with an objective indicator of impairment to ensure the accuracy and completeness of the recorded impairments;
- verifying the accounting / management reconciliation for the equity portfolio;
- checking the accounting impact of significant disposals made during the financial year.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the Management Report and in the Other Documents Provided to the board of directors with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the other documents provided to the members of the board of directors with respect to the financial position and the financial statements, except for the following matter.

The sincerity and consistency of the information relating to the payment terms mentioned in Article D.441-6 of the French Commercial Code (Code de Commerce) with the financial statements lead us to report the following observation: as indicated in the management report, this information does not include banking operations, as your company considers that they do not fall within the scope of the information to be produced.

We certify that the non-financial performance statement provided for in Article L.225-102-1 of the Commercial Code is included in the management report, noting that, in accordance with the provisions of Article L.823-10 of this code, the information contained in this statement has not been subject to verification by us for accuracy or consistency with the annual accounts and must be the subject of a report by an independent third-party organization.

In accordance with the law, we have ensured that the various information relating to equity investments and control has been communicated to you in the management report.

Information with respect to the corporate governance

We attest the existence, in the Management Report section on corporate governance, of information required by articles L. 225-37-4 and L. 22-10-10 of the French Commercial Code (Code de commerce).

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Agence Française de Développement by the board of directors meeting held on July 3, 2002 for KPMG S.A. and on April 2, 2020 for BDO Paris.

As at December 31, 2024, KPMG S.A. was in the 23rd year of total uninterrupted engagement, and BDO Paris was in the 5th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Chief Executive Officer.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Paris, April 23, 2025

The statutory auditors

French original signed by

KPMG S.A.
Valéry Foussé
Partner

BDO Paris
Benjamin Izarié
Partner

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Person responsible for the Registration Document and the audit of the financial statements

8.1 Name and position

Bertrand Walckenaer, Chief Operating Officer (COO)

8.2 Certification of the person responsible

I certify that I have taken all reasonable steps to ensure that the information contained in this Universal Registration Document is, to the best of my knowledge, correct and that no fact has been omitted that would be likely to alter its scope.

I certify that to the best of my knowledge the financial statements are drawn up in accordance with the body of accounting standards applicable and give a true and fair view of the assets and liabilities, financial position and profits of the issuer and all the subsidiaries included in the scope of consolidation. The management report faithfully reflects the company's development and results and the financial position and results of the issuer and all the subsidiaries included in the scope of consolidation, as well as a describes the primary risks and uncertainties with which they have to contend.

Paris, 24 April 2025

Chief Operating Officer (COO)
Bertrand Walckenaer

8.3 Name, address and qualification of the Statutory Auditors

	For 2021 financial year		For 2022 financial year		For 2023 financial year		For 2024 financial year	
Name	KPMG Audit	KPMG Audit	KPMG Audit	BDO Paris Audit & Advisory	KPMG Audit	BDO Paris	KPMG Audit	BDO Paris
Represented by Address	Valéry Foussé 2, avenue Gambetta 92066 Paris La Défense Cedex	Arnaud Naudan 43-47, avenue de la Grande Armée 75116 Paris	Valéry Foussé 2, avenue Gambetta 92066 Paris La Défense Cedex	Arnaud Naudan 43-47, avenue de la Grande Armée 75116 Paris	Valéry Foussé 2, avenue Gambetta 92066 Paris La Défense Cedex	Benjamin Izarie 43-47, avenue de la Grande Armée 75116 Paris	Valéry Foussé 2, avenue Gambetta 92066 Paris La Défense Cedex	Benjamin Izarie 43-47, avenue de la Grande Armée 75116 Paris
Professional body	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles

8.4 Information policy

Mr Bokar Chérif
Director of the Executive Finance Department
Tel.: + 33 (0)1 53 44 40 14

9 Additional information

9.1 Management report cross-reference table

Management report reference	2024 wording	URD Reference
1.	**Activities of Agence Française de Développement Group in 2024**	
1.1	General information	1.1
1.2	AFD Group strategy	1.2
1.3	AFD operations	1.3
1.4	Own-account activities	1.4
1.5	AFD Group	1.5
1.6	Activities of Agence Française de Développement Group in 2024	1.6
2.	**Report on corporate governance and internal control**	
2.1	Report on corporate governance	3.1
2.2	Internal control procedure and organisation of the audit trail (Art. L.22-10-35, 2°)	4.3.2
3.	**Economic presentation of the financial statements**	**5.3**
3.1	Consolidated economic balance sheet	5.3.1
3.2	Consolidated economic income statement	5.3.2
3.3	AFD parent company economic income statement	5.3.3
4.	**Risk management**	
4.1	Risk factors	4.1
4.2	Risk management system	4.3
5.	**Statement of Non-Financial Performance**	**2**
5.1	The business model	2.1
5.2	Identification of the main non-financial issues and risks	2.2
5.3	Managing the risks and impacts of our action	2.3
5.3.2	Consolidated economic income statement	
5.4	Contribution of the Group's activity to sustainable development	2.4
5.5	Transparency and dialogue with stakeholders	2.5
5.6	Coordination with development actors: partnership by design	2.6
5.7	Fair practices	2.7
5.8	A meaningful work environment	2.8
6.	**Recent changes and future outlook**	**5.1**
6.1	Recent changes	5.1.1
6.2	Future outlook	5.1.2
6.3	Borrowings	5.1.3
7.	Events after the reporting period	5.2
Appendix 1	**AFD's activities in foreign countries**	**9.5**
Appendix 2	**Key ratios and indicators**	**9.6**
Appendix 3	**Results of operating activities for the last five financial years**	**9.7**
Appendix 4	**AFD approvals**	**9.8**
Appendix 5	**Summary table of AFD's and Proparco's loans in foreign countries**	**9.9**
Appendix 6	**Table of Proparco's approvals**	**9.10**
Appendix 7	**Note on the Statement of Non-Financial Performance methodology**	**9.11**
Appendix 8	**Statement of Non-Financial Performance appendices**	**9.12**

9.2 Incorporation by reference

- In application of Article 19 of Regulation (EU) 2017/1129 of 14 June 2017, the following information is included by reference in this Universal Registration Document:
  - the consolidated and separate financial statements for the financial year ended 31 December 2022, set out on pages 207 to 232 and 143 to 195 respectively, the related Statutory Auditors' reports, on pages 233 and 196, respectively, and the Group's management report (including the consolidated financial statements) which appears on pages 8 to 102 and 105 to 114 of the Universal Registration Document filed with the AMF on 26 April 2023 under Number D23-0334;
  - the consolidated and separate financial statements for the financial year ended 31 December 2023, set out on pages 209 to 239 and 145 to 207, respectively, the related Statutory Auditors' reports, on pages 235 and 203, respectively, and the Group's management report (including the consolidated financial statements) which appears on pages 8 to 100 and 107 to 115 of the Universal Registration Document filed with the AMF on 26 April 2024 under Number D24-0346;
  - a description of the type of transactions carried out and the main activities for financial year 2021, on pages 12 to 14 of the 2021 Universal Registration Document filed with the AMF on 28 April 2022 under reference No. D22-0377;
  - a description of the type of transactions carried out and the main activities for financial year 2022, on pages 12 to 14 of the 2022 Universal Registration Document filed with the AMF on 26 April 2023 under reference No. D23-0334;
  - a description of the type of transactions carried out and the main activities for financial year 2023, on pages 12 to 14 of the 2023 Universal Registration Document filed with the AMF on 26 April 2024 under reference No. D24-0346.

9.3 Cross-reference table between Appendices 1 and 2 of delegated regulation 2019/980 and the Universal Registration Document

		Pages of the 2024 Universal Registration Document
SECTION 1	**PERSONS RESPONSIBLE, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL OF THE COMPETENT AUTHORITY**	
Point 1.1	Persons responsible	246
Point 1.2	Statement of the person responsible	246
Point 1.3	Statement or report attributed to a person acting as an expert	93-95; 203-207; 239-243
Point 1.4	Information from a third party	93-95; 203-207; 239-243
Point 1.5	Approval of the competent authority	N/A
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Point 2.1	Name and address of the issuer's financial statements' Statutory Auditors	246
Point 2.2	Statutory Auditors who resigned due to dismissal or non-renewal of term	Not applicable
SECTION 3	**RISK FACTORS**	**88-95**
SECTION 4	**INFORMATION ABOUT THE ISSUER**	
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Point 4.2	Issuer's place of registration, registration number and legal entity identification (LEI)	12
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		Pages of the 2024 Universal Registration Document
SECTION 5	**OVERVIEW OF ACTIVITIES**	
Point 5.1	Main activities	13-15
Point 5.2	Main markets	13-15
Point 5.3	Important events in the development of the issuer's activities	23-40
Point 5.4	Financial and non-financial strategy and objectives	6-7; 50-58
Point 5.5	Degree of dependence on industrial, commercial or financial patents, licenses or contracts	Not applicable
Point 5.6	Competitive position	13-15
Point 5.7	Investment	217
SECTION 6	**ORGANISATIONAL**	
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SECTION 7	**REVIEW OF THE FINANCIAL POSITION AND RESULTS**	
Point 7.1	Financial position	144-149
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Point 8.5	Expected sources of financing that will be required to honour the commitments referred to in point 5.7.2	N/A
SECTION 9	**REGULATORY ENVIRONMENT**	**121-130**
SECTION 10	**TREND INFORMATION**	
Point 10.1	Provide a description of any significant change in the Group's financial performance between the end of the last financial year for which financial information has been published and the date of the Registration Document, or provide an appropriate negative statement	142
Point 10.2	Report any trends, uncertainties, constraints, commitments or events of which the issuer is aware and which are reasonably likely to have a material impact on the issuer's outlook, at least for the current financial year	Not applicable
SECTION 11	**EARNINGS FORECASTS OR ESTIMATES**	**N/A**
SECTION 12	**ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES**	
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Point 12.2	Conflicts of interest	104-105
SECTION 13	**COMPENSATION AND BENEFITS**	
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SECTION 14	**OPERATION OF ADMINISTRATIVE AND MANAGEMENT BODIES**	
Point 14.1	The end of that person's current mandate, where applicable, and the period during which he or she remained in office	98-106
Point 14.2	Information on service contracts binding the members of the administrative, management or supervisory bodies to the issuer or to any of its subsidiaries and providing for the grant of benefits at the end of such a contract, or an appropriate statement attesting to the absence of such benefits	99-106
Point 14.3	Information about the Audit Committee and the Compensation Committee	99-106; 131-133
Point 14.4	Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to it	99-106; 239-243
Point 14.5	Potential significant impact on corporate governance, including future changes in the composition of the administrative and management bodies and committees (to the extent that this has already been decided by the administrative and management bodies and/or the shareholders' meeting)	99-106
SECTION 15	**EMPLOYEES**	
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Point 15.3	Employee Profit Share Agreement	N/A
SECTION 16	**MAIN SHAREHOLDERS**	
Point 16.1	Name of any person owning a percentage of the issuer's share capital or voting rights to be notified	12-13
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Point 16.3	Information on issuer control	12
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SECTION 17	**RELATED-PARTY TRANSACTIONS**	
SECTION 18	**FINANCIAL INFORMATION ABOUT THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND INCOME**	
Point 18.1	Historical financial information	144-149
Point 18.2	Interim and other financial information	N/A
Point 18.3	Audit of annual historical financial information	203-207; 239-243
Point 18.4	*Pro forma* financial information	N/A
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Point 18.6	Legal and arbitration proceedings	136-137
Point 18.7	Significant change in the issuer's financial position	Not applicable
SECTION 19	**ADDITIONAL INFORMATION**	
Point 19.1	Share capital	12
Point 19.2	Memorandum of association and bylaws	98; 105
SECTION 20	**MAJOR CONTRACTS**	**N/A(1)**
SECTION 21	**AVAILABLE DOCUMENTS**	**12**

(1) No significant contracts were entered into, other than those entered into in the normal course of business.

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9.4 Cross-reference table of the CRR articles and the Pillar III report tables

Item CRR	Title		Paragraph
435	Publication of risk management objectives and policies	a/	6.2.5, 4.3.1
		b/	6.2.5, 4.3.1
		c/	6.2.5
		d/	4.2.5.1.3
		e/	8.2
		f/	8.2, 4.1, 4.3
	Governance arrangements	a/	3.1
		b/	3.1
		c/	3.1
		d/	4.3.1, 6.2.5.1
		e/	4.3.1, 6.2.5
436	Publication of scope of application	a/	1.1, 4.2.3.1
		b/	4.2.2.3, 6.2.3
		c/	4.2.4
		d/	Not applicable
		e/	Not applicable
		f/	4.2.2.3
		g/	Not applicable
		h/	4.2.2.3
437	Publication of information on equity	a/	4.2.3
		b/	4.2.3
		c/	4.2.3
		d/	4.2.3.1
		e/	4.2.3.1
		f/	Not applicable
437 *bis*	Publication of information on equity and eligible commitments	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
		d/	Not applicable
438	Publication of information on capital requirements and risk-weighted exposure amounts	a/	4.2.3.2
		b/	4.2.3.2
		c/	4.2.3.2
		d/	4.2.3.2
		e/	Not applicable
		f/	Not applicable
		g/	Not applicable
		h/	Not applicable

Item CRR	Title		Paragraph
439	Publication of information on counterparty credit risk exposures	a/	6.2.6.1
		b/	4.2.4.1.3
		c/	Not applicable
		d/	Not applicable
		e/	4.2.4.1.3
		f/	4.2.4.1.2
		g/	4.2.4.1.2
		h/	4.2.3.2
		i/	4.2.4.1.1
		j/	Not applicable
		k/	Not applicable
		l/	4.2.4.1.3
		m/	4.2.4.1.1
440	Publication of information on countercyclical equity buffer information	a/	Not applicable
		b/	Not applicable
441	Publication of information on global systemically important indicators		Not applicable
442	Publication of information on credit risk and dilution risk exposures	a/	6.2.3.2.3
		b/	6.2.3.2
		c/	6.2.3.2, 6.2.3.5
		d/	6.2.3.2
		e/	Not applicable
		f/	6.2.5.1
		g/	4.2.4.1.1.2
443	Publication of information on encumbered and unencumbered assets		4.2.4.6
444	Publication of information on the use of the standardised approach	a/	4.2.4.1.2
		b/	4.2.4.1.2
		c/	4.2.4.1.2
		d/	4.2.4.1.2
		e/	4.2.4.1.2, 4.2.4.1.3
445	Publication of information on market risk exposure		4.2.3.3, 4.2.4.2
446	Publication of information on operational risk management	a/	4.2.4.3
		b/	Not applicable
		c/	Not applicable
447	Publication of information on key indicators (to be published in tabular form)	a/	4.2.3.1
		b/	4.2.4
		c/	4.2.3.1
		d/	Not applicable
		e/	Not applicable
		f/	Not applicable
		g/	Not applicable
		h/	Not applicable

Item CRR	Title		Paragraph
448	Publication of information on interest rate exposures for positions not held in the trading book	a/	4.1.1.4
		b/	4.1.1.4
		c/	Not applicable
		d/	4.1.1.4
		e/	Not applicable
		f/	4.1.1.4
		g/	Not applicable
449	Publication of information on exposure to securitisation positions	a/	4.2.4.1.5
		b/	Not applicable
		c/	Not applicable
		d/	Not applicable
		e/	Not applicable
		f/	Not applicable
		g/	4.2.4.1.5
		h/	Not applicable
		i/	Not applicable
		j/	Not applicable
		k/	Not applicable
		l/	Not applicable
449 *bis*	Publication of information on environmental, social and governance risks (ESG risks)		Not applicable
450	Publication of information on the compensation policy	a/	3.1
		b/	3.1
		c/	3.1
		d/	Not applicable
		e/	Not applicable
		f/	Not applicable
		g/	3.1
		h/	3.1
		i/	Not applicable
		j/	3.1
		k/	Not applicable
		l/	3.1

Item CRR	Title		Paragraph
451	Publication of information on leverage ratio	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
		d/	Not applicable
		e/	Not applicable
451 *bis*	Publication of information on liquidity requirements – Liquidity coverage ratio	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
	Publication of information on liquidity requirements – Net stable funding requirement	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
	Publication of information on liquidity requirements – Liquidity management		Not applicable
452	Publication of information on the use of the NI approach for credit risk		Not applicable
453	Publication of information on the use of credit risk mitigation techniques	a/	4.2.4.1.3
		b/	4.2.4.1.3
		c/	4.2.4.1.3
		d/	4.2.4.1.3
		e/	4.2.4.1.3
		f/	4.2.4.1.3
		g/	4.2.4.1.3
		h/	4.2.4.1.3
		i/	4.2.4.3.2
		j/	Not applicable
454	Publication of information on the use of advanced measurement approaches for operational risk		Not applicable
455	Use of internal market risk models		Not applicable

9.5 Appendix 1 – AFD's activities in foreign countries

Africa				
Algeria	Congo, Rep.	Guinea	Morocco	South Africa
Angola	Congo, Dem. Rep. of the	Guinea, Equatorial	Mozambique	South Sudan
Benin	Côte d'Ivoire	Guinea-Bissau	Namibia	Sudan
Botswana	Djibouti	Kenya	Niger	Swaziland
Burkina Faso	Egypt	Lesotho	Nigeria	Tanzania
Burundi	Eritrea	Liberia	Rwanda	Togo
Cameroon	Ethiopia	Libya	Sao Tome and Principe	Tunisia
Cape Verde	Gabon	Malawi	Senegal	Uganda
Central African Republic	Gambia	Mali	Sierra Leone	Zambia
Chad	Ghana	Mauritania	Somalia	Zimbabwe
3 Oceans				
Antigua and Barbuda(1)	Grenada(1)	Mauritius	St Lucia(1)	Tonga(2)
Comoros	Guyana	Micronesia, Federated States(2)	St-Vincent and the Grenadines(1)	Tuvalu(2)
Cook Islands(2)	Haiti	Nauru(2)	Samoa(2)	Vanuatu
Dominica	Jamaica(1)	Niue(2)	Seychelles(1)	
Dominican Rep.(1)	Kiribati(2)	Palau(2)	Solomon Islands(2)	
Fiji(2)	Madagascar	Papua New Guinea(2)	Suriname	
East Timor(2)	Marshall Islands(2)	St-Christophe and Nevis(1)	Territory of Tokelau(2)	
Orients				
Albania	China	Kosovo	Myanmar (Burma)	Thailand
Afghanistan	Georgia	Laos	Pakistan	Turkey
Armenia	India	Lebanon	Palestinian Territories	Ukraine
Azerbaijan	Indonesia	Macedonia	Philippines	Uzbekistan
Bangladesh	Iraq	Moldavia	Serbia	Vietnam
Bosnia-Herzegovina	Jordan	Mongolia	Sri Lanka	Yemen
Cambodia	Kazakhstan	Montenegro	Syria	
Latin America				
Argentina	Brazil	Costa Rica	Ecuador	Peru
Bolivia	Colombia	Cuba	Mexico	

(1) Countries of the regional cooperation mandate.
(2) Countries of the Pacific mandate (regional cooperation and bilateral or regional interventions in the sectors of adaptation, mitigation to climate change and biodiversity).

9.6 Appendix 2 – AFD balance sheet using on French standards (simplified)

AFD simplified balance sheet at 31 December 2024

Assets

In millions of euros	2024	2023	Change
Loans (net outstanding)	54,899	52,557	2,343
Gross outstandings	54,923	52,515	2,408
of which loans on own behalf	53,911	51,494	2,417
of which loans on behalf of the State	1,012	1,021	- 9
(-) individual impairments	- 412	- 343	-70
(+) accrued interest	389	384	5
IMF-PRGF transactions	-	155	- 155
Investment portfolio	357	415	-58
Short-term cash assets	10,859	10,157	702
Equity investments and other securities	2,052	1,944	108
Fixed assets	1,000	725	275
Accruals and other assets	3,193	3,929	- 735
TOTAL	**72,361**	**69,881**	**2,480**

Liabilities

In millions of euros	2024	2023	Change
Market borrowings	55,628	53,614	2,015
Borrowings from French Treasury	1,816	1,836	- 21
Current accounts	771	844	- 73
IMF-PRGF transactions	-	155	- 155
Managed funds and State advances	1,450	1,135	315
Accruals and other liabilities	2,024	2,030	- 6
Provisions	2,057	2,007	49
Provisions and retained earnings	8,345	7,934	410
Income for the financial year	270	325	- 55
TOTAL	**72,361**	**69,881**	**2,480**

9.7 Appendix 3 – AFD income statement using French standards (simplified)

AFD simplified income statement at 31 December 2024

In thousands of euros	2024	2023	Change
Net banking income	900	826	74
Expenses on non-banking operations	624	565	59
Gross operating income	276	261	15
Cost of risk	16	184	- 168
Operating income	292	445	- 153
Gains or losses on fixed assets	- 22	- 120	98
NET INCOME	**270**	**325**	**-55**

9.8 Appendix 4 – Key ratios and indicators

In thousands of euros	2024	2023
Net banking income	**900,304**	**825,967**
Salary and employee benefit expenses/Net banking income	45.0%	44.2%
Cost-to-income ratio		
General expenses/Net banking income	69.3%	68.4%
Benefit-cost ratio		
Net profit (loss) for the period/Provisions + reserves(1)	3.4%	4.4%
Efficiency ratio		
Net profit (loss) for the period/Balance sheet total	0.37%	0.47%
Staff		
Number of employees (average)	2,789	2,652
Total payroll costs	404,895	365,248
Of which social and cultural activities	31.5	28.1
Net income	**270,066**	**325,376**
Dividend paid to the State	**65,075**	**72,534**

(1) Provisions and retained earnings exclude the Reserve for general banking risk, or FRBG.

9.9 Appendix 5 – Results of operating activities for the last five financial years (parent company basis)

	2024	2023	2022	2021	2020
Provisions + Retained earnings + Income *(in millions of euros)*	8,155	7,800	7,397	6,892	5,253
Net banking income (*in millions of euros*)	900	826	860	794	806
Net income (*in millions of euros*)	270	325	363	240	106
Net income/provisions + retained earnings + income	3.31%	4.17%	4.90%	3.48%	2.01%
Net income/balance sheet total	0.37%	0.47%	0.56%	0.42%	0.20%
Staff					
Number of employees (average)	2,789	2,652	2,599	2,592	1,996
Total payroll costs (*in millions of euros*)	405	365	350	334	314
of which social and cultural initiatives (*in millions of euros*)	31.5	28	30	23	21
Dividend paid	65	73	48	21	0

9.10 Appendix 6 – AFD approvals

Typology of AFD's approvals and disbursements

AFD approvals and disbursements by type of loan – Foreign countries

AFD approvals and disbursements by type of loan

In millions of euros	Approvals 2024	Approvals 2023	Approvals % change 2024/2023	Disbursements 2024	Disbursements 2023	Disbursements % change 2024/2023
1 – Current activities	8,807	9,056	-3%	6,274	5,833	8%
Loans	**7,878**	**7,649**	**3%**	**5,352**	**4,979**	**7%**
Sovereign concessional loans	5,253	5,249	0%	3,613	3,314	9%
of which loans with direct concessionality	3,839	3,367	14%	2,634	1,983	33%
of which loans with indirect concessionality	1,414	1,881	- 25%	979	1,331	- 26%
Non-sovereign loans	2,625	2,400	9%	1,739	1,665	4%
of which concessional loans	874	661	32%	612	517	18%
of which non-concessional loans	1,750	1,739	1%	1,127	1,148	- 2%
of which sub-participations granted to Proparco	*559*	*447*	*25%*	*489*	*411*	*19%*
Other loans	-	-	N/A	-	-	N/A
Ongoing grants	**905**	**1,011**	**- 11%**	**844**	**834**	**1%**
Project and FEXTE grants	751	850	- 12%	701	713	- 2%
Funding for NGOs	154	161	- 5%	143	121	18%
Guarantees	**25**	**196**	**- 87%**	**-**	**-**	**N/A**
of which sub-participations granted to Proparco	**25**	**193**	**- 87%**			
Equity investments	**-**	**200**	**- 100%**	**77**	**20**	**287%**
2 – Mandate-specific operations	957	1,120	- 15%	818	646	27%
General budget support (GBS) grants	68	71	-4%	67	26	159%
C2D	145	480	- 70%	346	304	14%
FFEM	17	20	- 14%	25	30	- 16%
Specific activities using resources from other financial stakeholders	727	549	32%	379	287	32%
TOTAL FOREIGN COUNTRIES	**9,765**	**10,176**	**- 4%**	**7,091**	**6,480**	**9%**

9.11 Appendix 7 – Summary table of AFD and Proparco loans in foreign countries

The geographic distribution of loans granted by AFD on its own behalf and by Proparco in foreign countries is presented in the table below. Sub-participation loans with Proparco (joint financing) at AFD's risk are not included in AFD's figures.

Detailed situation at 31 December 2024 of AFD and Proparco loans in foreign countries

	Disbursements		Outstandings		Undisbursed balance[3]	
In thousands of euros	AFD	Proparco	AFD[1]	Proparco[2]	AFD[1]	Proparco[2]
ALBANIA	60,538	-	210,386	2,333	119,160	-
ALGERIA	-	-	1,765	-	-	-
ANGOLA	61,200	-	255,193	-	576,597	-
ARGENTINA	9,759	-	86,974	36,367	302,039	28,983
ARMENIA	104,118	21,289	318,912	36,567	1,000	59,383
AUTO. PALES TERR.	-	6,324	8,125	39,171	-	23,064
AZERBAIJAN	-130	-	251,597	-	-	-
BANGLADESH	233,893	26,567	829,949	39,280	999,723	-
BENIN	137,333	-	328,074	4,880	307,770	-
BOLIVIA	36,535	-	622,388	58	18,934	-
BOSNIA-HERZEGOVINA	-	-	-	8,571	-	-
BOTSWANA	-	-	-	9,661	-	-
BRAZIL	170,251	9,276	1,436,016	359,916	1,156,918	9,661
BURKINA FASO	7,758	2,770	309,352	34,619	118,346	6,900
CAMBODIA	159,434	376	651,529	79,080	325,283	4,830
CAMEROON	43,000	28,900	1,143,206	76,154	305,475	7,700
CAPE VERDE	3,925	-	41,278	15,411	1,461	4,612
CHAD	-	961	92,520	2,681	-	9,258
CHILE	-	-	-	22,248	-	-
CHINA	40,178	-	549,493	90,474	881,898	-
COLOMBIA	109,674	25,041	2,305,809	54,245	486,314	118,070
CONGO	49,130	-	281,895	-	95,541	-
COSTA RICA	66,687	-	365,251	32,919	124,152	-
CÔTE D'IVOIRE	169,909	72,555	961,627	196,255	936,266	140,861
CUBA	10,247	-	70,807	-	53,263	-
DJIBOUTI	-	-	9,691	-	-	-
DOMINICA ISLAND	-	-	8,419	-	-	-
DOMINICAN REP.	165,397	50,000	1,245,356	85,392	349,583	57,965
DR CONGO	-	1,475	4,000	-	216,000	-
EGYPT	260,346	27,854	1,388,474	110,975	815,727	105,160
EL SALVADOR	-	-	-	67,750	-	-
ECUADOR	125,001	28,983	840,956	205,874	275,732	14,491
ETHIOPIA	2,085	-	211,481	25,662	168,448	5,797
FRANCE	-	-	340	-	-	-

	Disbursements		Outstandings		Undisbursed balance(3)	
In thousands of euros	AFD	Proparco	AFD(1)	Proparco(2)	AFD(1)	Proparco(2)
GABON	23,772	-	486,067	74,180	297,989	0
GEORGIA	33,692	14,830	703,338	163,631	105,526	18,000
GHANA	44,425	1,500	491,346	44,331	25,205	-
GUATEMALA	-	43,524	-	79,980	-	86,948
GUINEA	57,041	-	186,676	21,243	177,084	9,661
HAITI	-	725	-	11,551	-	-
HONDURAS	-	-	-	55,598	-	-
INDIA	220,303	31,299	1,401,890	131,391	1,252,895	15,000
INDONESIA	210,731	1,063	1,452,343	9,797	429,121	-
IRAQ	-	14,491	318,066	14,491	210,000	-
JAMAICA	-	-	-	36,236	19,322	31,881
JORDAN	105,000	15,005	1,016,510	177,354	407,500	-
KAZAKHSTAN	-	-	-	15,010	-	60,000
KENYA	68,313	145,736	764,389	238,163	627,373	20,174
KOSOVO	-	5,000	-	5,000	80,000	-
LAOS	-	-	-	12,351	-	-
LEBANON	-	-	41,302	-	-	-
MADAGASCAR	7,119	14,106	151,178	30,371	174,272	0
MALDIVES	-	-	5,336	-	-	-
MALI	17,951	1,000	207,042	9,213	40,847	-
MYANMAR	-	-	1,002	3,477	-	-
MOROCCO	298,501	11,713	2,342,685	31,826	1,176,786	25,350
MAURITIUS	45,000	4,830	547,547	48,827	136,750	125,592
MAURITANIA	5,000	-	65,998	-	94,000	-
MEXICO	6,470	31,013	1,882,794	58,246	380,657	15,127
MOLDOVA	45,000	5,120	145,022	18,301	50,000	-
MONGOLIA	-	24,152	-	69,867	-	-
MONTENEGRO	50,000	-	55,000	-	45,000	-
MOZAMBIQUE	1,538	-	164,430	33,378	234,864	24,152
MULTI-COUNTRY	211,783	506,256	3,485,952	1,143,105	700,764	302,620
NAMIBIA	15,846	-	36,225	-	170,075	-
NEPAL	-	5,292	-	5,527	-	5,100
NICARAGUA	-	-	-	17,951	-	-
NIGER	3,945	-	183,539	8,793	274,211	-
NIGERIA	164,293	9,492	759,929	182,322	1,228,940	57,662
NORTH MACEDONIA	12,500	-	12,500	-	37,500	-
PAKISTAN	133,091	-	484,104	8,579	589,551	44,827
PANAMA	-	7,729	-	75,337	-	11,593
PAPUA	-	-	-	-	24,000	-
PARAGUAY	-	19,322	-	82,212	-	-
PERU	35,805	17,086	202,674	46,564	279,322	869
PHILIPPINES	-	1,305	915,475	-	297,894	-

	Disbursements		Outstandings		Undisbursed balance[3]	
In thousands of euros	AFD	Proparco	AFD[1]	Proparco[2]	AFD[1]	Proparco[2]
RWANDA	47,187	9,299	231,258	15,144	336,447	1,991
SAINT LUCIA	-	-	410	-	-	-
SENEGAL	64,601	82,888	1,241,805	189,286	702,213	9,047
SERBIA	14,841	-	213,655	65,193	732,625	7,500
SEYCHELLES	-	-	6,654	-	16,000	-
SIERRA LEONE	-	-	-	10	-	19,576
SOMALIA	-	-	1,497	-	-	-
SOUTH AFRICA	158,042	9,695	1,011,663	116,913	425,920	-
SRI LANKA	-	-	170,368	26,776	199,369	-
SURINAME	144	-	15,067	-	16,483	-
TAJIKISTAN	-	-	-	690	-	-
TANZANIA	99,663	48,305	452,873	91,242	843,891	-
THAILAND	-	4,130	2,900	1,303	-	-
TOGO	31,725	-	66,549	-	212,044	1,500
TUNISIA	103,067	13,698	914,398	50,096	609,833	1,032
TURKEY	154,255	204,533	1,097,726	729,702	1,038,385	220,381
UGANDA	58,719	-	309,492	47,158	470,015	0
UKRAINE [4]	-	3,122	-	29,178	-	-
URUGUAY	-	-	-	2,537	-	-
UZBEKISTAN	162,355	96,302	801,501	145,832	521,354	75,333
VIETNAM	126,538	50,043	783,737	109,732	616,391	183,557
YEMEN	-	-	1,496	-	-	-
ZAMBIA	-	-	938	7,792	-	-
ZIMBABWE	-	14,491	-	14,491	-	-
TOTAL	**4,864,527**	**1,770,467**	**40,665,211**	**6,243,822**	**24,944,047**	**1,971,208**

The amounts presented here correspond to AFD and Proparco transactions, excluding third-party accounts and loans that were waived by the State.
(1) AFD loans exclude sub-participation loans with Proparco and microfinance transactions.
(2) Proparco loans also include subordinated loans, bonds and other securities.
(3) Signed and unsigned balance to be paid.
(4) Note that for Ukraine the amount of outstanding amounts for third-party accounts is €419M.

9.12 Appendix 8 – Table of Proparco's approvals

9.12.1 Appendix 8.1: part 1

	Loans		Equity investments		Other investments		Guarantees		Grants		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
SOUTH AFRICA	0	85	0	29	0	0	2	0	0	0	2	114
ARGENTINA	28	0	0	0	0	0	0	0	0	0	28	0
ARMENIA	0	55	21	0	14	0	0	0	0	0	35	55
BANGLADESH	0	25	0	0	0	0	0	0	0	0	0	25
BENIN	0	0	0	0	0	0	16	0	0	0	16	0
BRAZIL	9	28	0	12	0	0	49	227	0	0	58	268
BURKINA FASO	0	10	0	0	0	0	0	3	0	0	0	13
CAMBODIA	0	18	0	0	0	0	0	0	0	0	0	18
CAMEROON	3	13	0	10	0	0	24	33	0	0	27	56
CAPE VERDE	0	30	0	0	0	0	0	0	0	0	0	30
CHINA	0	47	0	0	0	0	0	0	0	0	0	47
COLOMBIA	0	92	13	0	0	0	0	0	0	0	13	92
CÔTE D'IVOIRE	106	0	0	0	0	0	45	49	0	0	151	49
DOMINICAN REP.	92	14	0	0	0	0	0	10	0	0	92	24
EGYPT	20	123	21	0	0	0	0	0	0	0	41	123
ECUADOR	28	50	0	0	20	11	0	0	0	0	48	62
FRANCE	0	0	0	0	0	0	36	0	0	0	36	0
GEORGIA	18	119	0	0	0	0	10	0	0	0	28	119
GHANA	0	18	0	1	0	0	0	21	0	0	0	40
GUATEMALA	61	19	0	0	46	0	0	0	0	0	107	19
GUINEA	10	10	0	0	0	0	21	7	0	0	31	17
HAITI	0	0	0	0	0	0	0	0	0	0	0	0
INDIA	15	19	14	21	0	0	0	0	0	0	29	40
INDONESIA	0	0	0	0	0	0	2	2	0	0	2	2
IRAQ	0	14	0	0	0	0	0	0	0	0	0	14
JAMAICA	30	0	0	0	0	0	0	0	0	0	30	0
JORDAN	14	0	0	0	0	0	0	23	0	1	14	24
KAZAKHSTAN	60	0	0	0	0	0	0	0	0	0	60	0
KENYA	1	105	14	0	1	1	1	0	1	1	17	107
KOSOVO	5	0	0	0	0	0	0	0	0	0	5	0
LEBANON	0	0	0	0	0	0	2	0	0	0	2	0
LIBERIA	0	0	0	0	0	0	0	16	0	0	0	16
MADAGASCAR	9	5	0	0	0	0	13	19	0	0	22	24
MALAWI	0	0	0	0	0	0	0	9	0	0	0	9
MOROCCO	25	0	0	14	0	0	0	0	0	0	25	15
MAURITIUS	0	142	0	0	0	0	0	0	0	0	0	142
MAURITANIA	0	0	0	0	0	0	27	14	0	0	27	14
MEXICO	0	25	18	0	0	0	0	11	0	0	18	36

9.12.2 Appendix 8.2: part 2

	Loans		Equity investments		Other investments		Guarantees		Grants		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
MOLDOVA	0	15	0	0	0	0	0	0	0	0	0	15
MONGOLIA	23	0	0	0	29	0	0	0	0	0	52	0
MOZAMBIQUE	19	0	0	0	0	0	9	0	0	0	28	0
MULTI-COUNTRY	406	204	206	86	62	1	13	34	31	15	718	340
NIGER	0	0	0	0	0	0	0	0	0	0	0	0
NIGERIA	53	4	1	4	0	0	9	85	0	0	62	94
UGANDA	0	0	0	0	0	0	0	0	0	0	0	0
UZBEKISTAN	93	23	0	0	0	0	0	0	0	0	93	23
PAKISTAN	14	0	0	0	0	0	1	0	0	0	15	0
PANAMA	19	0	0	0	0	0	0	0	0	0	19	0
PARAGUAY	0	18	0	0	0	0	0	0	0	0	0	18
PERU	0	1	13	0	0	0	0	0	0	0	13	1
DR CONGO	0	0	0	3	0	1	1	17	0	0	1	20
RWANDA	0	16	0	0	0	0	0	0	0	0	0	16
SENEGAL	36	56	0	0	0	0	49	28	0	0	85	84
SERBIA	0	8	0	0	0	0	23	0	0	0	23	8
REGISTERED OFFICE	0	0	0	0	0	0	0	19	0	0	0	19
SIERRA LEONE	0	19	0	0	0	0	0	0	1	0	1	19
SWITZERLAND	0	0	0	0	0	0	0	7	0	0	0	7
TANZANIA	0	47	0	0	0	0	0	0	0	0	0	47
CHAD	17	0	0	0	0	0	7	0	0	0	24	0
AUTO. PALES TERR.	22	5	0	0	0	0	0	0	0	0	22	5
TOGO	2	0	0	0	0	0	10	0	0	0	12	0
TUNISIA	0	0	0	19	0	0	2	4	0	0	2	23
TURKEY	395	208	0	0	0	0	0	0	0	0	395	208
UKRAINE	0	0	5	17	0	0	18	0	0	0	23	17
VIETNAM	117	47	0	0	93	0	5	0	0	0	215	47
ZAMBIA	0	0	0	0	0	0	0	1	0	0	0	1
ZIMBABWE	14	0	0	0	0	0	15	0	0	0	28	0
TOTAL PROPARCO	**1,762**	**1,737**	**327**	**217**	**265**	**14**	**410**	**639**	**32**	**17**	**2,796**	**2,624**

9.13 Appendix 9 – Statement of Non-Financial Performance (NFPS) methodological note

AFD chose Content Index – Essentials Service and the report was prepared in accordance with GRI standards.

Reporting period

The data is submitted on an annual basis.

The data collected cover the period from 1 January to 31 December of year N, unless otherwise specified when the indicator is mentioned.

Presentation of main risks

The material risks for the four social/societal, environmental, human rights and anti-corruption categories are identified by cross-referencing the work already carried out in the materiality assessment of non-financial issues facing the AFD Group with the existing risk map.

The materiality of each of the risks was assessed according to financial criteria (operating cost of the risk materialising), impact, temporality and likelihood of occurrence.

The 2024 statement of non-financial performance has the same scope as the 2023 SNFP, *i.e.* the three Group entities (AFD, Proparco, Expertise France). Coverage of the Expertise France subsidiary, which joined the Group on 1 January 2022, addresses the most material aspects [(1)].

Description of the policies applied

For each material risk, a description of the policies applied to prevent it, as well as identify and mitigate it should it occur.

Choice of indicators

Key performance indicators are used to measure the results of the policies mentioned in the above point. These indicators have been selected to provide the most relevant information on the risks and issues covered by the policies.

Comparability with previous year (N-1)

Whenever possible and relevant, indicators are mentioned for year N and N-1. When the N-1 data is not mentioned, this is generally because the comparison is not relevant. The data depends on the composition of the project portfolio for the year. As projects are diverse and unique, changes do not relate to annual targets but rather to a multi-year strategy. Since 2023, the method used to measure the indicator relating to the transparency of funding changed. Previously measured in terms of number of loans, the information is now presented in terms of number of projects (a project can receive several financial loans), to better correspond to the operational reality as well as the expectations of the users of our transparency portals. N-1 comparability is ensured.

Reporting and scope of indicators

Scopes vary depending on each corporate, social or environmental indicator, according to need, and the suitability and availability of information. The measurement scope is specified for each indicator.

The scopes taken into account are as follows:

- **Group**: AFD, Proparco, Expertise France, Sogefom and Fisea, and French Overseas reserve banks (100% of the Group's headcount);
- **AFD**: AFD head office and local offices (**66.3%** of the Group's headcount);
- **Head office**: AFD and Proparco head offices (**44.2%** of the Group's headcount);
- **AFD head office**: AFD head office only, including Marseille site and excluding Proparco (**35.8%** of the Group's headcount);
- **AFD Paris head office**: AFD head office excluding Marseille site: Barthes, Mistral, Vivacity and Art & Co buildings (**35.4%** of the Group's headcount);
- **France**: all employees under French law at the head offices and local offices of AFD, Proparco and French Overseas reserve banks, excluding national staff working in local offices.

This scope refers only to the tables showing quantitative social and environmental indicators.

It should be noted that:

- As Fisea and Proparco are managed respectively by Proparco and AFD employees, the "AFD" and "Proparco" scopes *de facto* include the headcount involved in the management of these subsidiaries;
- Expertise France retains its own employee status and that quantitative social and environmental indicators are presented separately.

Consolidation of data and internal control

Non-financial indicators are produced by AFD's various departments according to their areas of expertise and are compiled for the management and activity reports. The Strategy, Foresight and Institutional Relations Department ensures that the information released on indicators is consistent.

1) *Expertise France coverage monitors the following indicators: GHG emissions avoided;* ***number of consultations with the ethics advisor; headcount at 31/12 and breakdown by gender; number of face-to-face "safety" sessions and number of people who completed them in 2024.***

External audit

The Statutory Auditors must certify that the Statement of Non-Financial Performance required by Article L.225-102-1 of the French Commercial Code is effectively included in the management report.

An independent third party body must be appointed to verify the Statement of Non-Financial Performance. It produces a reasoned opinion on:

- the statement's compliance with the provisions of I and II of Article R.225-105 (presentation and content of the Statement of Non-Financial Performance);
- the accuracy of the information provided, specifically the policy results including the key performance indicators (3° of I and UU of Article R.225-105).

As permitted by the regulations, AFD has appointed one of its Statutory Auditors as independent third party body.

Reasons for excluding mandatory topics

The following information, listed in Paragraph 2 of title III of Article L.225-102-1 of the French Commercial Code, is not considered to be relevant because of the nature of AFD Group's activities: the circular economy, combating food waste, combating food poverty, respect for animal welfare, and respect for responsible, fair and sustainable food.

Main Statement of Non-Financial Performance indicators

Information	Scope	Issues
GHG (greenhouse gas) emissions avoided	Group	Compliance with planetary limits
Number and amounts of AFD projects subject to an environmental and social risk assessment	AFD	Environmental and social risks in projects
Number and amounts of Proparco projects subject to an environmental and social risk assessment	Proparco (Fisea included in the scope)	Environmental and social risks in projects
Number of consultations with ethics advisor	Group	Ethics and financial exemplarity
Share of sovereign and non-sovereign financing published in IATI format	AFD	Transparency of funding and accountability for its impacts
Number of complaints received by the complaints management system	AFD + Proparco (Fisea included in the scope)	Client and stakeholder satisfaction Environmental and social risks in projects Deepening sustainable development in AFD Group's operations Compliance with planetary limits
Financing volume marked CAD1 and CAD2	AFD	Strengthening the social link
Headcount at 31/12 and breakdown by gender	Group	Equity, diversity and professional equality
Overall training effort	Group	Employees' skills development
Number of training sessions with "sustainable development training" certification	AFD + Proparco	Deepening sustainable development in AFD Group's operations
Number of "safety" e-learning training courses	AFD + Proparco	Employee health, safety and security
Number of face-to-face "safety" sessions and number of people who completed them in 2024	Expertise France	Employee health, safety and security
Social barometer's well-being at work indicator	AFD + Proparco	Employees' quality of life at work
Social barometer's well-being at work indicator	Expertise France	Employees' quality of life at work
Introduction of dialogue on strategy and projects	AFD + Proparco	Commitment of clients and counterparties to the Sustainable Development Goals Deepening sustainable development in AFD Group's operations

Information	Scope	Issues
Complaints management system	AFD Proparco	Client and stakeholder satisfaction Environmental and social risks in projects Deepening sustainable development in AFD Group's operations Compliance with planetary limits
E&S risk management process over the project cycle	AFD Proparco	Environmental and social risks in projects Deepening sustainable development in AFD Group's operations
Funding granted as part of "CSO Initiatives" projects	AFD	Multi-stakeholder mobilisation for the Sustainable Development Goals (SDGs)
Number of CSO projects	AFD	Multi-stakeholder mobilisation for the Sustainable Development Goals (SDGs)
Amount of AFD financing approvals using resources from other financial stakeholders	AFD	Multi-stakeholder mobilisation for the Sustainable Development Goals (SDGs) Transparency of funding and accountability for its impacts
AFD *ex-ante* result indicators	AFD	Deepening sustainable development in AFD Group's operations
Proparco *ex-ante* result indicators	Proparco	Deepening sustainable development in AFD Group's operations
Policies to reinforce project management	AFD	Commitment of clients and counterparties to the Sustainable Development Goals (SDGs) Deepening sustainable development in AFD Group's operations
Amount of commitment approvals for specific capacity building tools	AFD	Commitment of clients and counterparties to the Sustainable Development Goals (SDGs) Deepening sustainable development in AFD Group's operations
Initiatives engaged for preventing corruption, fraud, money laundering and the financing of terrorism	AFD + Proparco	Ethics and financial leadership
Number of people registered for AML/CFT e-learning training (modules 1 and 2) and having validated it	AFD + Proparco	Ethics and financial leadership
The ethics system (Charter, Committee, ethics adviser)	Group	Ethics and financial leadership
Number of training courses provided by the ethics adviser	Group	Ethics and financial leadership
Training for local employees: number of employees and training hours	AFD + Proparco (local employees only) (1)	Employees' skills development
Collective agreement evaluation	AFD + Proparco (2)	Employee relations within the Group
System for managing psychosocial risks	AFD + Proparco	Employee relations within the Group
Percentage of climate co-benefit projects	AFD + Proparco	Compliance with planetary limits
Amount of climate co-benefit projects	AFD + Proparco	Compliance with planetary limits
Breakdown of AFD's commitments by sector of activity	AFD	Deepening sustainable development in AFD Group's operations

(1) Local AFD/Proparco/IE employees, training organised by the Human Resources Department, at the head office or in the network.
(2) NB: the scope may differ depending on the agreement.

9

Methodology for calculating *ex-ante* result indicators

Ex-ante indicators present expected outcomes at the time of the *ex-ante* appraisal of the project. They are, therefore, given before project funding is granted and are aggregated per year of grant. *Ex-ante* estimates are defined at the end of the project identification and *ex-ante* appraisal phase. The project manager estimates the expected outcomes with the support of the Agency and the counterparty.

Actual data is collected on an annual basis as soon as the project begins to deliver results. Project managers mobilise their contacts in the branch and within the counterparties and/or local project managers to collect the necessary data (reporting, supervision mission checklist, technical implementation report, other elements of the monitoring-evaluation system, etc.). All data is entered and stored in AFD's information system.

Some of the *ex-ante* indicators are stipulated by Law 2021-1031 of 4 August 2021 on programming related to solidarity-based development and the fight against global inequalities, known as the LOP-DSI (list of indicators in the appendix of the aforementioned law [1]).

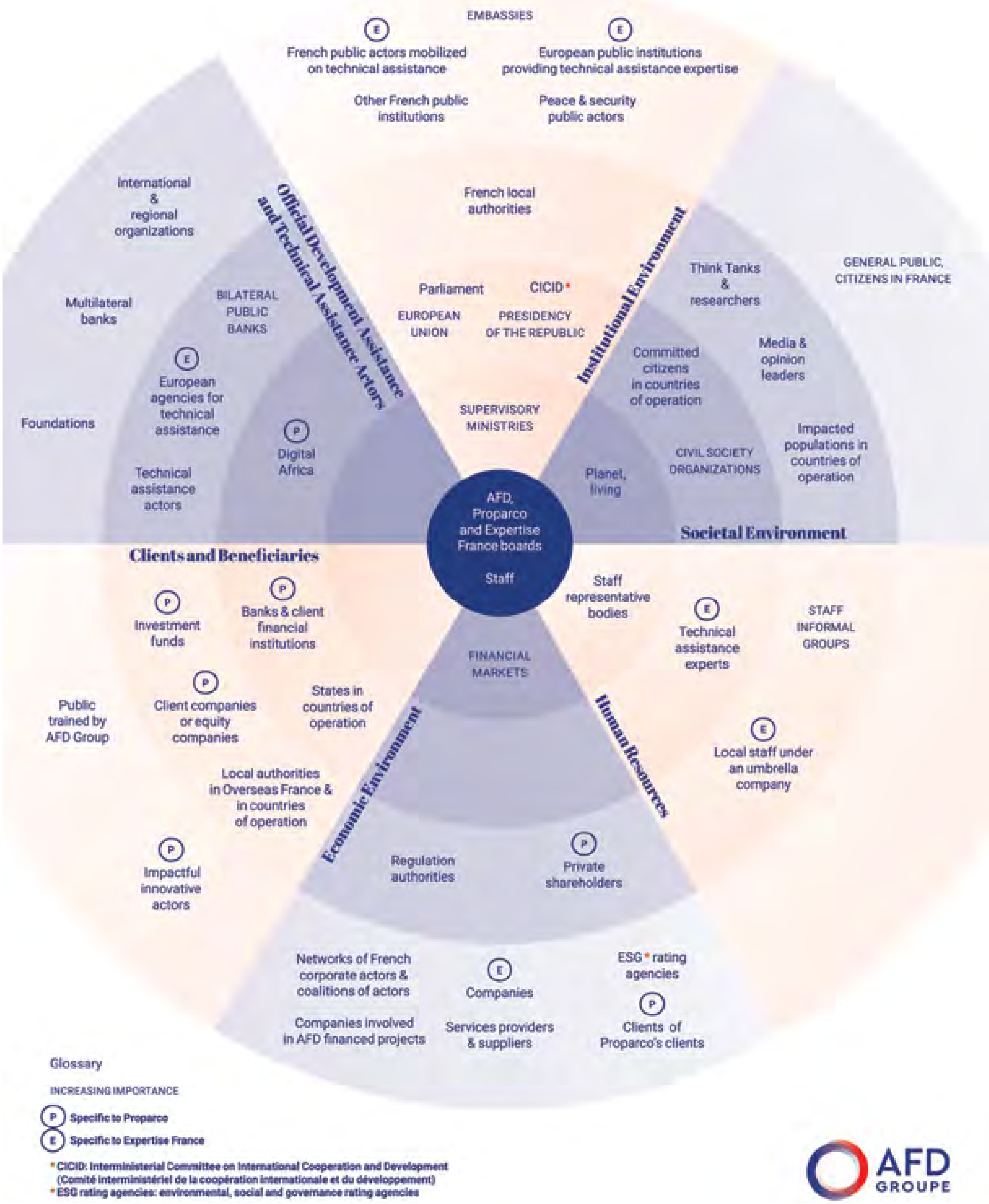
The other indicators, not provided for by law, are put in place to monitor sector strategies and action plans in a more targeted manner. They are regularly updated in order to align them with our areas of intervention and priorities and to better capture the achievements of our projects. This may result in changes to the indicators or their titles.

AFD Group makes available the methodological notes corresponding to the preparation of these indicators.

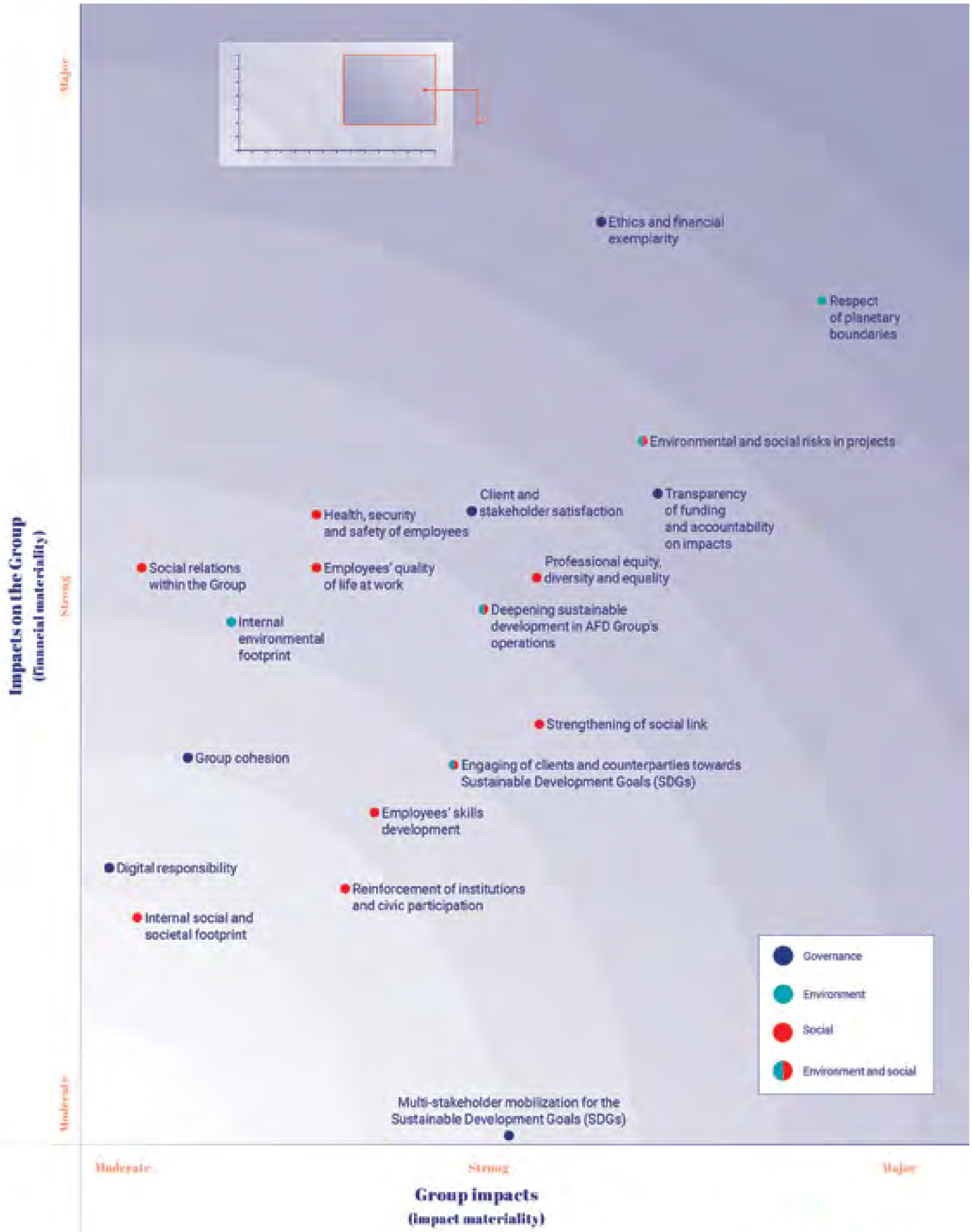
1) *Law No. 2021-1031 of 4 August 2021 on the programming of solidarity-based development and the fight against global inequalities, https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000043898536/*

9.14 Appendix 10 – Statement of Non-Financial Performance appendices

9.14.1 Appendix SNFP 1: Mapping of AFD Group's stakeholders (2024)



9.14.2 Appendix SNFP 2: Materiality matrix



Description of the Group's non-financial issues and correspondence with the sections of the SNFP

Issue	Definition of the issue	Corresponding parts of the SNFP
Governance		
Ethics and financial leadership	Fight against money laundering, fraud, corruption, embezzlement, internal and external.	P. 2.7.1
Transparency of funding and accountability for its impacts	Transparency on the allocation of funds and accountability on their impacts in terms of sustainable development based on consensus indicators.	P. 2.4; P. 2.5
Group cohesion	Alignment of CSR practices; fairness between teams and subsidiaries; dialogue; knowledge sharing.	Background
Client and stakeholder satisfaction	Listening to needs; concern for facilitation, the adequacy of the Group's offering, efficiency and satisfaction of customers and counterparties.	P. 2.6.2
Multi-stakeholder mobilisation for the Sustainable Development Goals (SDGs)	Multi-stakeholder partnerships (donors, civil society organisations, companies, investors, etc.); co-financing, dissemination of knowledge; coordination of networks in the service of the SDGs.	P. 2.6
Responsible digital	Data security; privacy, right to disconnect, responsible digitisation, digital inclusion.	P. 2.8.4.3; 2.4.6
Environment		
Internal environmental footprint	Control of environmental impacts related, for example, to purchases, travel, heating of buildings, IT technologies.	P. 2.4.4.5
Compliance with planetary limits	Financing the fight against climate change (mitigation and adaptation components) and the preservation of biodiversity.	P. 2.4.4
Environment and social		
Deepening sustainable development in AFD Group's operations	Reinforcement of sustainable development requirements for operations, institutions and companies financed by all Group subsidiaries; participation in the acceleration of sustainable finance and the accompanying standardisation efforts.	P. 2.4
Commitment of clients and counterparties to the Sustainable Development Goals (SDGs)	Support and development of the capacities of customers and counterparties to integrate the SDGs into their own practices.	P. 2.6.2
Environmental and social risks in projects	Management of social and environmental risks throughout the project cycle, and by all project stakeholders (States, companies, etc.); principle of doing no harm.	P. 2.3
Social		
Employee health, safety and security	Control of health or safety risks likely to affect the teams at the head offices or in the countries of operation.	P. 2.8.4
Employees' quality of life at work	Work-life balance, workload, stress management, teleworking, etc.	P. 2.8.4
Employee relations within the Group	Social dialogue, improvement of the social climate, attention to social ties and people, trust and recognition, support for change.	P. 2.8.2
Employees' skills development	Professional mobility, knowledge training, savoir-faire, interpersonal skills to flourish in a changing world.	P. 2.8.1
Internal social and societal footprint	Setting an example and optimising the Group's societal impacts, in particular by promoting social criteria in purchasing practices.	P. 2.4.6
Equity, diversity and professional equality	Gender equality, promotion of diversity; fairness with regard to different types of employees; transparency on promotion rules.	P. 2.8.3
Strengthening institutions and citizen engagement	Support for the development of institutions; Rule of law; support on governance, justice, taxation, protection of human rights.	P. 2.3.3; 2.6.2
Strengthening the social link	Fight against inequalities and discrimination; support for equal access to opportunities, resources and essential public services; systematic promotion of gender equality in projects.	P. 2.3.3;2. 4.5

9.14.3 Appendix SNFP 3: AFD Group's social responsibility challenges for its stakeholders

PILLARS / PRIORITY ISSUES	Institutional Actors	Civil Society	Board Members	Economic Actors	Clients and Beneficiaries	Official Development Aid and Technical Assistance Actors	AFD Group Staff	SUSTAINABLE DEVELOPMENT GOALS (SDGs)
	MATERIALITY PER STAKEHOLDER							
GOVERNANCE								
Ethics and financial exemplarity	Major	Major	Major	Major	Strong	Strong	Major	SDG 16
Transparency of funding and accountability on impacts	Major	Major	Major	Major	Moderate	Major	Major	SDG 16
Group cohesion	Moderate	Moderate	Major	Moderate	Moderate	Moderate	Strong	
Client and stakeholder satisfaction	Moderate	Strong	Major	Major	Moderate	Strong	Major	SDG 17
Multi-stakeholder mobilization for the Sustainable Development Goals (SDGs)	Strong	Major	Strong	Major	Major	Strong	Moderate	SDG 17
Digital responsibility	Moderate	Strong	Strong	Strong	Moderate	Moderate	Strong	SDG 9
ENVIRONMENT								
Internal environmental footprint	Strong	Strong	Moderate	Moderate	Strong	Moderate	Strong	SDG 11, SDG 12, SDG 13
Respect of planetary boundaries	Major	Major	Major	Major	Major	Major	Major	SDG 13, SDG 15
SOCIAL								
Health, security and safety of employees	Strong	Strong	Major	Moderate	Moderate	Moderate	Major	SDG 3, SDG 8
Employees' quality of life at work	Strong	Major	Strong	Moderate	Strong	Strong	Major	SDG 3, SDG 8
Social relations within the Group	Moderate	Strong	Strong	Moderate	Moderate	Moderate	Major	SDG 8
Employees' skills development	Strong	Strong	Strong	Strong	Major	Moderate	Strong	SDG 4, SDG 8
Internal social and societal footprint	Moderate	Strong	Moderate	Moderate	Moderate	Moderate	Moderate	SDG 8, SDG 12
Professional equity, diversity and equality	Major	Major	Strong	Major	Major	Strong	Major	SDG 5, SDG 8, SDG 10
Reinforcement of institutions and civic participation	Strong	Major	Strong	Strong	Moderate	Major	Moderate	SDG 16
Strengthening of social link	Strong	Moderate	Major	Major	Major	Major	Strong	SDG 10
ENVIRONMENT AND SOCIAL								
Deepening sustainable development in AFD Group's operations	Strong	Major	Moderate	Major	Strong	Major	Strong	All SDGs
Engaging of clients and counterparties towards Sustainable Development Goals (SDGs)	Strong	Major	Major	Strong	Strong	Major	Strong	All SDGs
Environmental and social risks in projects	Major	Major	Major	Major	Strong	Major	Major	All SDGs

Major   Strong   Moderate   The issue concerns all the SDGs

9.14.4 Appendix SNFP 4: additional labour information

Total headcount and breakdown of employees by gender, age and geographical area

Total workforce managed by the Group excluding Expertise France at 31 December 2024

Workforce	End of 2022	End of 2023	End of 2024
Mainland France(1)	1,737	1,810	1,920
Local offices and representations in the countries of intervention	250	267	260
Technical assistance	3	3	3
Temporary assignments	57	65	72
Group head office(1)	**2,047**	**2,145**	**2,255**
French Overseas Territories	86	95	96
Foreign countries(2)	573	580	592
Group national employees (staff recruited locally)(2)	659	675	688
AFD GROUP TOTAL	**2,706**	**2,820**	**2,943**
of which provided to French Overseas reserve banks(1)	1	1	0
OF WHICH TOTAL FRENCH OVERSEAS RESERVE BANKS	**1**	**1**	**0**
INTERNATIONAL VOLUNTEERS (VIA/VSC)	**140**	**130**	**128**
Apprenticeship and professionalisation contract	8	18	64
Standard contract	86	84	111
TOTAL FIXED TERM CONTRACTS	**94**	**102**	**175**

(1) Excluding standard fixed-term contracts, apprenticeships and professionalisation contracts.
(2) Since 2007, these figures have included employees hired locally according to the provisions of the labour regulations in each country, along with staff equivalent to employees, in other words, service providers in various foreign countries.
(3) VIA: "Volontaires internationaux en administration" (volunteer positions for young people abroad at embassies, French Institutes, Business France offices, etc.)/VSC: "Volontariat de Service Civique" (general interest volunteer positions for young people abroad).

AFD Group excluding Expertise France employed 2,943 people worldwide at the end of 2024, excluding VIA/VSC and fixed-term contracts, *i.e.* a 4.4% increase compared to 2023. It should be noted that since Fisea and Sogefom are managed by Proparco and AFD employees, this scope includes their workforce.

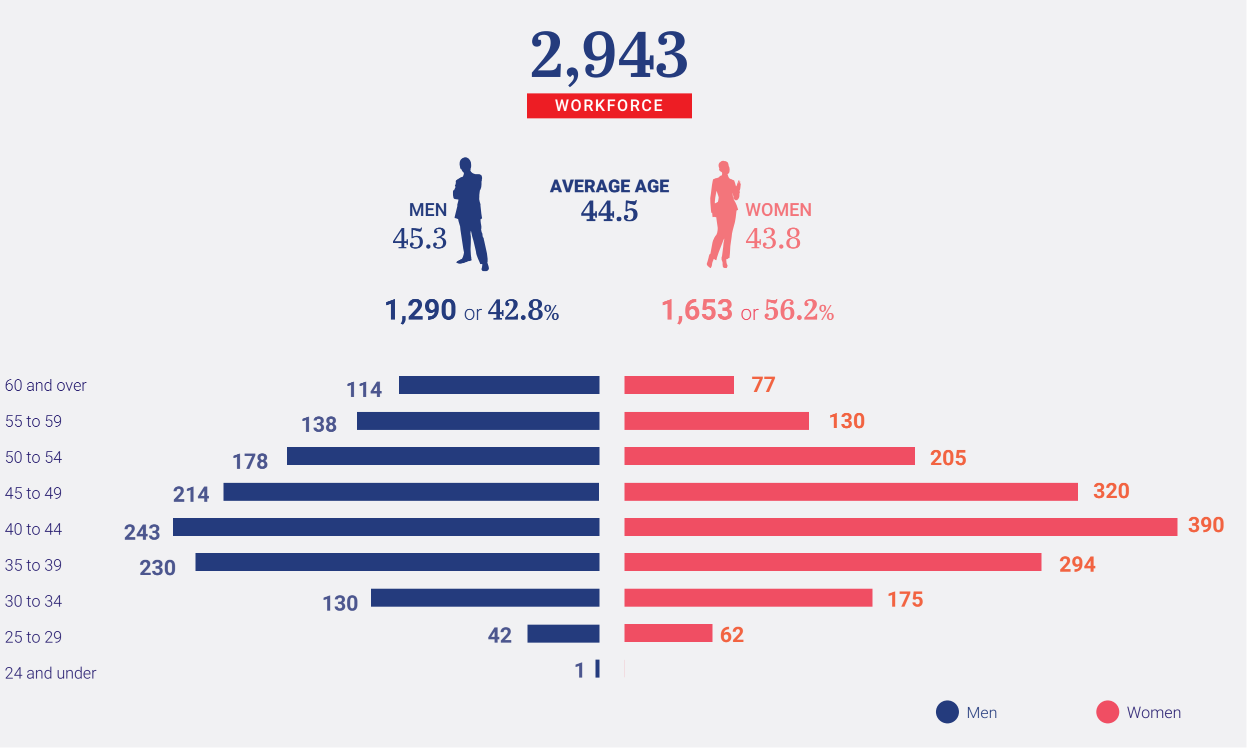
The 688 national employees (+13 employees compared to 2023) are solely those of the AFD Group, excluding Expertise France.

For several years, AFD has strengthened its local skills base, particularly by recruiting highly qualified managers in its local offices.

Employees by gender and age

Total staff managed by the Group excluding Expertise France, broken down according to gender and age range in 2024 (at 31 December 2024)

At the end of 2024, 56.2% of AFD Group employees excluding Expertise France were women. Their average age was 43.8 compared to 45.3 for men.



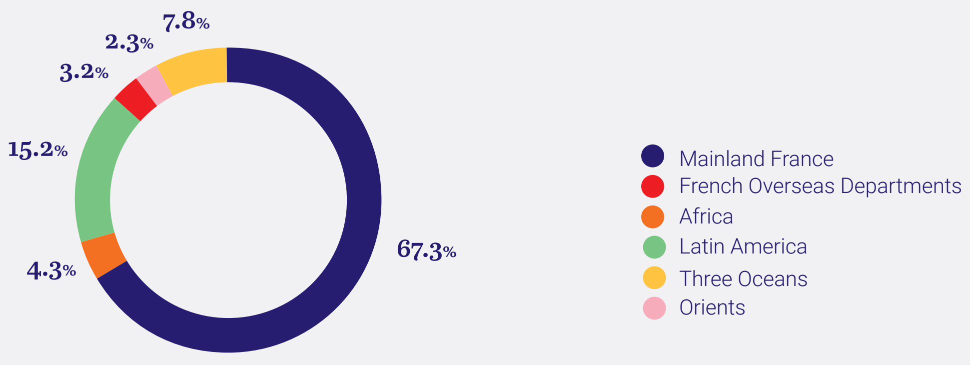
Global workforce at 31 December 2024 and breakdown by gender at Expertise France

Balance sheet categories at 31/12/2024	Gender	Number of employees	Weight
Expat. Projects	Female	233	37.64%
	Male	386	62.36%
Total Expat. Projects		**619**	**41.32%**
Registered office	Female	613	69.74%
	Male	266	30.26%
Total Registered office		**879**	**58.68%**
GRAND TOTAL		**1,498**	**100.00%**

Breakdown of employees by geographic area (excluding Expertise France)

Geographic area	31/12/2024
Mainland France*	1,982
French Overseas Departments	126
Africa	446
Latin America	93
Three Oceans	67
Orients	229
GRAND TOTAL	**2,943**

* *Mainland France (Mainland France AFD employees + temporary assignments).*



Recruitment and departures (excluding Expertise France)

Recruitment	Head office employees	Locally hired employees	Total
TOTAL	**208**	**92**	**300**

External departures of Group employees excluding Expertise France

In 2024, the total number of permanent departures* worldwide (excluding suspensions of contracts) totalled 171 (95 head office employees and 76 employed locally).

Reasons for departure	Head office employees	Locally hired employees	Total departures	Turnover rate
Retirement	24	13	37	1.26%
Voluntary redundancy	10	2	12	0.41%
Resignation	39	31	70	2.38%
End of fixed-term contract	5	22	27	0.92%
End of trial period	16	0	16	0.54%
Dismissals	0	7	7	0.24%
Death	1	1	2	0.07%
TOTAL	**95**	**76**	**171**	**5.81%**
*Contract conversion (to head office employee status)**		*13*		

* *They are not considered as departures from the Group.*

Compensation for employees managed by AFD Group excluding Expertise France

Indicators *(in thousands of euros)*	**2022**	**2023**	**2024**
Average gross annual salary	78.9	84	88.8

Scheduling of working hours (excluding Expertise France)

Since the agreement on the scheduling and reduction of working hours was signed on 30 June 2000, the number of annual working hours for head office employees (recruited in Paris)has been:

- 1,575 hours for employees whose working time is expressed in hours;
- 206 days for employees whose working time is expressed in days.

Absenteeism (excluding Expertise France)

In mainland France in 2024, 17,731 days were lost to illness for head office employees on permanent (CDI) and fixed-term (CDD) contracts (of which 639 days for CDD employees), which equates to an absenteeism rate of 2.5%.

Occupational accidents, including their frequency and severity, and occupational illnesses (excluding Expertise France)

The number of occupational accidents and journeys with lost time in Mainland France was nine in 2024 (compared to three in 2023) and were accompanied by 589 days of absence (compared to 75 in 2023).

The frequency rate stood at 2.87 and the severity rate at 0.14, both stable in 2024.

The AFD Group identified one occupational illness at the organisation.

Measures taken to promote equality between men and women (excluding Expertise France)

Recruitment: **58.7%** of women hired.

Women in supervisory positions: **55.5%**.

Women in managerial positions: **49.1%**.

Women in the network: **40.4%**.

Population: Group head office employees on permanent contracts excluding Expertise France.

Measures taken to promote the employment and integration of disabled people (excluding Expertise France)

Since 2013, AFD has implemented a proactive and ambitious disability policy. To this end, five agreements were signed by the social partners and validated by the Employment Department in 2013, 2015, 2019 and 2024 (AFD and Proparco).

The number of people in the workforce in 2024 who were recognised as disabled workers was 94, including temporary staff, of whom 61 were women and 33 men. Excluding temporary staff, the number was 85 (fixed-term and permanent contracts), including 56 women and 29 men, compared with 81, including 56 women and 25 men, in 2023.

The number of employees recognised as disabled workers who were hired in 2024, including temporary staff, was 13, including seven men and six women, compared with eight in 2022, including three women and five men. Excluding temporary staff, the number was ten, including four women and six men, compared to five in 2023, including three women and two men. The employment rate of employees recognised as disabled workers increased from 1.72% in 2013 to 4.06% in 2023. The provisional employment rate of employees recognised as disabled workers is not yet available.

Wage gap (excluding Expertise France)

In 2024, the lowest salary was €40,082 and the highest was €166,631, representing a ratio of 4.16 (Head Office scope: general managers on permanent contracts excluding Expertise France).

9.14.5 Appendix SNFP 5: Additional environmental information (excluding Expertise France)

Indicator and scope	**2023 values**	**2023 values**
Pollution and waste management		
Waste production (scope: Head Office):		
Total production	40.7 t/year	90.27 t/year
of which paper/cardboard	13.90 t	14.87 t
Production per employee	21.05 kg/employee	49.22 kg/employee
Sustainable use of resources		
Water consumption (scope: AFD Paris head office)	**9,478 m^3/year**	**9,385 m^3/year**
Raw materials consumption (scope: Head office, excluding service providers)		
• Total paper consumption	13.9 t/year	7.2 t/year
• Paper consumption per employee	7.18 kg/employee	3.93 kg/employee
Energy consumption SHON(1) AFD (head office and Proparco)	7,432 MWh/year	6,288 MWh/year

(1) Net floor area (excluding technical rooms).

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Towards a World in Common

AFD Group finances and drives the transition to a fairer, safer and more resilient world, working with its partners to support communities all over the world. Drawing on the complementary strengths of its entities – Agence Française de Développement for public financing, Proparco for responsible private investment, and Expertise France for technical expertise – the Group is ideally positioned to meet all sustainable development challenges.

Working in over 160 countries, including France's Overseas Territories and Departments, the Group adapts its operations to the realities on the ground, actively supporting local initiatives. With over 4,000 projects, whose objectives are aligned with the Sustainable Development Goals (SDGs), AFD Group works on behalf of the French people, together with all stakeholders committed to economic development and the preservation of common goods: climate, biodiversity, peace, gender equality and global health. Working by your side, toward a world in common.

AFD GROUPE

www.afd.fr
Twitter: @AFD_France - Facebook: AFDOfficiel - Instagram: afd_france
5, rue Roland-Barthes - 75598 Paris cedex 12 - France
Tel.: +33 1 53 44 31 31