



Half-year financial report

30 June 2026

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

A. Management report

1. AFD group activities

Approvals

The total amount of approvals (excluding Proparco refinancing and sub-participations) at 30 June 2026 amounted to €3,738M, compared with €3,705M at 30 June 2025, an increase of +€33M (+1%). This change was mainly due to a +€384M (+36%) increase in Proparco's activities offset by a decrease in AFD's activities in foreign countries, -€134M (-7%), and in the French Overseas Departments and Territories, -€217M (-30%).

Activities in foreign countries

On its own behalf

The AFD's own-account activities in foreign countries (excluding Proparco refinancing and sub-participations) amounted to €1,390M, compared to €1,646M last year, down -€256M (-16%). This decline was mainly due to the decrease in approvals of sovereign loans, -€248M (-24%), and grants, -€168M (-88%). Approvals of non-sovereign loans were up +€143M (+47%) compared to end-June 2025.

On behalf of third parties

Approvals for activities on behalf of third parties increased by +€122M (+51%), from €242M in June 2025 to €364M at the end of June 2026. This change is explained by the increase in activities on delegated funds, +€176M (+106%), mainly from EU funds, offset by the decrease in activities on behalf of the French State, -€54M (-71%), and more specifically on debt reduction and development contracts (C2D), -€50M (-74%), and on the FGEF (French Global Environment Facility) -€4M (-46%).

Activities in the French Overseas Departments and Territories

On its own behalf

Own-account approvals in the French Overseas Departments and Territories amounted to €148M at 30 June 2026, compared to €175M at 30 June 2025, down -€27M (-16%). This decrease was mainly due to loans to the private sector at market conditions of -€27M (-100%) as well as to subsidised loans to the public sector of -€23M (-26%), offset by the increase in loans to the public sector at market conditions amounting to +€26M (+49%).

Loans guaranteed by the French State

At the end of June 2026, activities guaranteed by the State in the French Overseas Departments and Territories amounted to €370M, down -€190M (-34%) compared to 30 June 2025. This related to the approval of a State-guaranteed loan to New Caledonia in the amount of €370M, compared to €560M at the end of June 2025.

Proparco's activity

Proparco's approvals in foreign countries (including Fisea and Trade Finance) amounted to €1,465M at the end of June 2026, up +€384M (+36%) compared to the same period in 2025 (€1,081M). This change was mainly explained by the +€250M increase in loan approvals (+30%) and in equity investments, +€143M (+222%).

Disbursements

The Group's disbursements (excluding Proparco refinancing and sub-participations) at 30 June 2026 amounted to €3,506M, compared with €3,884M at 30 June 2025, a decrease of -€378M (-10%). This change was mainly linked to the decrease in payments in the French Overseas Departments and Territories, -€420M (-54%), and in foreign countries, -€101M (-4%), offset by the increase in payments from Proparco, +€143M (+18%).

Activities in foreign countries

On its own behalf

With regard to current own-account activities in foreign countries (excluding Proparco refinancing and sub-participations), total disbursements stood at €2,040M at 30 June 2026, compared with €2,048M at 30 June 2025, down slightly, -€8M (-0.4%). This change was mainly due to the decrease in disbursements on grants, -€63M (-22%), offset by the increase in disbursements on non-sovereign loans, +€87M (+20%).

On behalf of third parties

Disbursements for activities on behalf of third parties were down -€93M (-35%), from €268M in June 2025 to €175M in June 2026. This decrease was mainly due to activities on delegated funds, -€54M (-31%), and on debt reduction and development contracts (C2D), -€57M (-73%), offset by the increase in Global Budget Support (GBS) activity +€12M (+153%) and on the FGEF (French Global Environment Facility), +€7M (+118%).

Activities in the French Overseas Departments and Territories

On its own behalf

AFD's disbursements in the French Overseas Departments and Territories amounted to €266M at 30 June 2026, compared with €216M at 30 June 2025, up +€50M (+23%). This change was mainly due to loans to the private sector at market conditions, +€69M (+179%) as well as to loans to the public sector at market conditions, +€34M (+343%), offset by a decrease in subsidised loans to the public sector of -€53M (-33%).

Loans guaranteed by the French State

State-guaranteed activities in the French Overseas Departments and Territories were down -€470M, due to the partial disbursement of the State-guaranteed loan to New Caledonia, amounting to €90M, compared with €560 at the end of June 2025.

Proparco's activity

Proparco's disbursements in foreign countries (including Fisea) amounted to €934M, up +€143M (+18%) compared to the same period in 2025 (€791M). This change was mainly due to the +€98M increase in payments on equity investments (+127%) and other securities, +€68M (+115%), offset by the decrease in loan payments of -€17M (-3%).

2. Recent changes and outlook

2.1. Crises in several countries

Ukraine crisis

AFD was authorised to operate in Ukraine in January 2024 under a mandate focused on supporting local authorities and non-sovereign financing. AFD's intervention in Ukraine has a dual goal: to contribute to the country's resilience and reconstruction, while supporting its gradual convergence towards EU standards. Following the award of this new mandate, AFD has successfully structured its initial interventions in Ukraine across three complementary levels: local authorities, public banks and Ukrainian public enterprises, whilst providing specific support to CSOs (Civil society organizations) and French local authorities involved in decentralised cooperation.

In 2026, the AFD's involvement in Ukraine will reach a turning point, with a target of around €50M in new commitments and a shift in the nature of its interventions: following an initial phase focused on grants – through the award of three grants of €5M in 2024/2025 (in the water and sanitation, health and transport sectors) – AFD has begun to move towards more structural operations, through non-sovereign financing backed by the European guarantee. In December 2025, AFD approved its first non-sovereign financing operation for a public bank, comprising a €25M credit line, a €10M guarantee and a €12M EU grant to support the development of its offering to the municipal sector. In June 2026, the first non-sovereign financing operation for a local authority was approved: this consisted of a non-sovereign loan of €15.7M and an EU grant of €10M to the city of Odessa, for a project to refurbish municipal hospitals. Total cumulative commitments in Ukraine at 30 June 2026 amounted to €90M. For the 2026-2029 period, AFD plans to mobilise €213M in non-sovereign loans and €83M in European grants.

Expertise France has a long-standing presence in Ukraine, notably through bilateral technical cooperation programmes, twinning projects and ongoing intervention in the justice sector via the European PRAVO-Justice programme. In the context of Russian invasion and Ukraine's candidacy for accession to the European Union, Expertise France has considerably strengthened its activities in the country. The Ministry of Europe and Foreign Affairs has entrusted Expertise France with €14.5M to position French technical cooperation in response to the short-, medium- and long-term needs of Ukraine (mAIDan programme). The mAIDan 2 programme has just been renewed and the funding has been allocated for the first year. In the first half of 2026, Expertise France's portfolio includes 24 national projects and 3 regional projects for a total amount of more than €100M spread over seven sectors: (i) health and social protection, (ii) rule of law and justice, (iii) local governance and decentralisation, (iv) innovation and support for the private sector, (v) economic and financial governance, (vi) defence and security, (vii) sustainable development. Expertise France now has 70 people in Ukraine and the Agency will also deploy a dozen international technical experts to support Ukrainian institutions.

Proparco focuses its action in Ukraine on four priorities: (i) accompanying financial institutions in the development of their SME portfolios, (ii) backing companies in the agri-food and energy sectors, (iii) strengthening Trade Finance activities to facilitate trade, and (iv) supporting investment funds capable of providing companies with the capital they need for their recovery and the emergence of future champions. Proparco's current portfolio comprises four operations, for a commitment of around €100M. It includes two investments in the Horizon Capital fund (2019/2023), a debt transaction in a 250 MW wind farm (2019), as well as a Trade Finance facility set up with Raiffeisen Bank (2025). The amount of commitments expected in 2026 should reach €150M. In the first half of 2026, Proparco took part in the launch of the European Flagship for the Reconstruction of Ukraine (EFFRU⁽¹⁾), in partnership with KfW (Kreditanstalt für Wiederaufbau), BGK (Bank Gospodarstwa Krajowego), CDP (Cassa Depositi e Prestiti) and the EIB (European Investment Bank), which will mark a further step towards strengthening the private sector's role in Ukraine's reconstruction and economic integration.

¹ European Flagship Fund for the Reconstruction of Ukraine.

Middle East crisis

Palestine

AFD group, present in Palestine since 1999, has the Palestinian Authority (PA), municipalities, NGOs and the private sector as traditional partners. Despite the ongoing war, the Group has not stopped its activities.

In the short term, AFD group is contributing to the response to the crisis through a humanitarian-development nexus approach (a maternal and child health project in Gaza implemented by UNICEF⁽²⁾, the WHO⁽³⁾ and UNFPA⁽⁴⁾ in coordination with the Palestinian Ministry of Health; support for St Joseph's Hospital in Jerusalem since late 2024, co-financed with the Qatar Fund for Development).

AFD group also continues to support the delivery of basic services and the strengthening of the Palestinian public administration. AFD has financed several projects in the water and sanitation sector, and developed a new institutional support programme for the Palestinian Water Authority in 2025. Expertise France supports the Institute of Public Finance. In 2024, AFD, along with other donors, granted financing to the Municipal Development Programme (€10M). This programme includes a component for Gaza, which will be implemented when political and security conditions so allow it. AFD also provides support for village councils in zone C⁽⁵⁾, notably in the Jordan Valley, for their agricultural and community activities, a project for which a third phase is currently being prepared.

In addition, AFD group continues to support the financial sector. In 2025, Proparco increased its stake in the share capital of Bank of Palestine, after granting it an emergency credit line in 2024, alongside the IFC⁽⁶⁾.

Lastly, AFD co-finances civil society projects through its mechanism dedicated to civil society organisation initiatives (I-CSO mechanism). In addition to this backing via the I-CSO mechanism, a programme specifically supports the provision of services of the CSOs of East Jerusalem (AJIR) in favour of vulnerable populations and the preservation of the Palestinian identity.

The St Hilarion project (economic development through the enhancement of Byzantine heritage), implemented by Première Urgence Internationale, was able to restart in February 2026, after being restructured to meet new priorities following the war.

Lastly, €5M in funding was granted to the ICRC (International Committee of the Red Cross) in early 2026 for the health sector in Gaza (management of life-threatening emergencies and surgical care of the war wounded), as part of a regional programme (Lebanon, Palestine and, in the future, Syria).

In the medium term, AFD will contribute to France's efforts to support post-conflict reconstruction, in the sectors where its added value is the highest: water and sanitation, human capital and health, basic municipal services, the private sector, civil society. AFD's intervention is in line with France's position of support for a two-State political solution. AFD will continue to work with the Palestinian Authority, including in the Gaza Strip.

Lebanon

With the death toll now standing at over 4,200, more than 18,000 injured, over 120,000 homes destroyed or damaged, and nearly 1.4 million people displaced, the conflict between Hezbollah and Israel has dramatically exacerbated the country's fragility. The collapse of the fragile ceasefire of 27 January 2025 and the resumption of hostilities in 2026 plunged the region back into deep instability.

As a development agency, AFD backs the country in coping with shocks and in re-establishing a contract

² United Nations Children's Fund.

³ World Health Organization.

⁴ United Nations Population Fund.

⁵ An administrative division of the West Bank, in Palestine, under Israeli occupation.

⁶ International Finance Corporation.

of trust between the State and its citizens. The Agency's interventions combine meeting short-term needs and preparing for the future, while strengthening the resilience of actors and better absorbing shocks.

The Lebanon Country Strategy had integrated the chronic nature of the crises and the risks of a sudden deterioration into its major crisis scenarios. The vast majority of AFD's portfolio in Lebanon is therefore composed of crisis and conflict prevention/response projects (Minka). Minka procedures provide the flexibility to adapt projects to changing contexts and the relevant positioning on the contiguum of response to crises/development.

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

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

Syria

Syria is undergoing a major transition phase after the fall of the regime of Bashar al-Assad in December 2024 and the installation of interim President Ahmed al-Sharaa and the transitional government on 29 January 2025. Nevertheless, Syria remains mired in a humanitarian and socio-economic crisis. The damage of the war is estimated at \$800bn according to the World Bank. In addition to these difficulties, there is a major environmental crisis, with a severe drought since 2023/2024. According to the Food and Agriculture Organisation (FAO), nearly 16.7 million people – almost three-quarters of the population – are facing acute food insecurity.

In Damascus on 6 July 2026, during a historic visit, Emmanuel Macron reaffirmed France's commitment to backing the reconstruction of Syria and the establishment of the conditions for a lasting, inclusive and stable peace for the Syrian people.

The proposed intervention strategy is based on the complementarity of the mandates of AFD (development bank), Expertise France (implementing operator) and Proparco (private sector financing and financial services), with a view to capitalising on thirteen years of Expertise France's intervention in Syria, by integrating the priorities of the diplomatic mission.

The strategy that will be rolled out will build on AFD group's achievements by using limited grant resources to (i) leverage co-financing, (ii) position itself in sectors with potential for future lending interventions, and (iii) prioritise the reinforcement of institutions, their capacities and systems over the restoration of services; (iv) provide support for civil society, which will play a key role in the cohesion of the social body in the years to come.

Our approach, based on humanitarian and development contiguum, aims to meet immediate needs while creating the conditions for sustainable recovery and national capacity building to provide essential services. With this in mind, AFD group is exploring several avenues of intervention that could simultaneously contribute to the stabilisation of the country, economic recovery and sovereignty, and the reinforcement of community resilience.

Crisis in New Caledonia

Two years after the riots of May 2024, which led to a 15% contraction in GDP, the New Caledonian territory is struggling to recover. The rejection by the Independentists of the Bougival (July 2025) and Elysée-Oudinot (January 2026) agreements has put a stop to discussions around the institutional evolution of the territory, leaving the inhabitants and economic actors without a clear outlook. With no clarity on the future of the institutions, the economy is slow to recover despite State support, leaving many households unemployed and homeless. However, the provincial elections in June 2026 could,

through alliances, finally achieve the majority necessary for the adoption of reforms.

Since the start of the crisis, AFD has been fully mobilised, alongside the French State and other players involved on the ground, to respond to the emergency and the challenges that await New Caledonia in the coming years. The Agency actively contributed to stabilisation and recovery efforts, notably through the implementation of a moratorium on loans in the portfolio (€41M carried forward) and the reinforcement of SOGEFOM's activities to back the private sector.

Since 2025, AFD has been providing several State-guaranteed loans (SGL) on behalf of the French State for a total amount of €1.17bn, in support of the local authority of New Caledonia. AFD's total exposure thus reached €3bn in June 2026, including €1.6bn for the local authority of the New Caledonia. The signature of a multi-annual financial contract (CFP) between the French State and the local authority of New Caledonia, the negotiation of which is due to begin in the summer and through which the territory would undertake to implement the structural reforms necessary to restore public finances, is the necessary condition for maintaining a performing outstanding amount of loans to the region.

In addition to the SGLs, in 2026 AFD is providing support for the recovery and reconstruction of the territory through its business plan: support for structural reforms by financing technical support (health, employment and housing), a loan to the regional hospital for the renewal of its ageing equipment (€16M), and the appraisal of a new €150M multi-tranche facility (MTF) at the Caledonian Investment Bank (BCI) integrating climate and biodiversity issues. Technical support was strengthened through the Overseas development fund (FOM), with a budget of €450K entrusted to Expertise France to meet the expertise needs identified by the Interministerial Mission in New Caledonia (MINC) as part of the implementation of the economic and social refoundation pact. Close monitoring has also been set up with the SIC to support the reform of the local social housing economic model, and thus restore the link ties in the most affected neighbourhoods. AFD is also continuing to finance local authorities that demonstrate a good management capacity in the face of the crisis.

Crisis in Mayotte

In December 2024, Cyclone Chido devastated the Mayotte archipelago, causing major damage estimated at between €3bn and €3.5bn, and adding to an already structurally fragile situation: high demographic pressure, social tensions, precarious housing, etc. In response, the French State set up an interministerial reconstruction mission, promulgated an emergency law for Mayotte (February 2025), and then a programming law for the reconstruction of Mayotte (August 2025) which includes €4bn in public investment over six years and enshrines social convergence in law for the first time, while strengthening the economic and social development dimensions, as well as the fight against illegal immigration and insecurity.

AFD immediately became part of the French State's response to the disaster caused by Cyclone Chido. Through the redirection of budgets from the Overseas development fund (FOM), the Agency participated in the diagnosis of the damage to the tune of €163K and positioned itself as a partner of local authorities in reconstruction through funding in the amount of €1.4M dedicated to backing municipalities in the preparation of reconstruction projects. Other projects related to the reconstruction of Mayotte, addressing the adaptation of the coastline and the prevention of the risk of flooding, the establishment of a local training sector in sustainable building trades, the urban renewal of the La Vigie neighbourhood, the development of the Mamoudzou seafront, and the programming of the renovation of sports facilities have benefited from financing in the form of subsidies from the FOM.

In addition to this funding, the Mamoudzou local office is gradually adapting its portfolio to meet the needs and difficulties of local authorities. Notably, a simplified method was adopted for extending the maturities of long-term loans until the end of 2026, while the exceptional extension of the duration of grant pre-financing to seven years has been made possible.

At the same time, the local office maintains a regular dialogue with Banque des Territoires in order to coordinate their respective interventions. It is also committed to mobilising new funding, for example the delegation of €8.5M in funds from the Aga Khan Foundation to a project to restore and protect the

Mayotte lagoon. It is also seeking, with Expertise France, to identify avenues to back managing authorities and project leaders in order to facilitate access to European funding in the territory.

2.2. Refinancing and liquidity

The first two months of the year saw a significant amount of transactions on the markets, before a compression of amounts in March and April and then continued strong activity in May and June. The amount refinanced in the first half of the year exceeded previous years in terms of amounts issued for AFD.

After the start of the year, the pressure on France's credit quality eased after the budget was passed and there was a greater focus on geopolitical tensions, while volatility intensified, particularly in March and April, with no significant impact on market access for AFD.

AFD's bond issues totalled €7,624M in the first half of 2026.

AFD has also undertaken:

- Four public issues, including two in euros and two in US dollars.

Maturity	Currency	Nominal in currency (M)	Equivalent value EUR (in €M)
04/06/2029	USD	2,000	1,718
15/09/2033	EUR	2,000	2,000
04/02/2031	USD	2,000	1,669
28/01/2036	EUR	2,000	2,000

- Six private placements, including two in Hong Kong dollars, two in Chinese yuan renminbi, one in euros and one in Turkish lira.

Maturity	Currency	Nominal in currency (M)	Equivalent value EUR (in €M)
01/06/2033	CNH	400	51
20/10/2027	TRY	1,500	29
24/03/2028	EUR	15	15
10/03/2038	HKD	360	39
26/02/2031	CNH	200	24
20/02/2038	HKD	736	79

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

The risk appetite framework stipulates that this indicator must be maintained at a level above four months, with the preventive alert threshold set at four months and the tolerance threshold at three months. During the first half of 2026, this threshold was not exceeded. This indicator is calculated on a bimonthly basis. At 26 June 2026, its value was 7.43 months.

2.3. Financial results

The financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), show net income – Group share of €245M at 30 June 2026, compared to €154M at 30 June 2025. This increase was mainly due to a rise in net banking income over the period of +€186M (€718M compared with €533M in June 2025), driven in particular by an €80M improvement in net interest margin, combined with a deterioration in the cost of risk of –€68M from one financial year to the next (a net provision of –€95M at 30 June 2026 compared with a net provision of –€27M at 30 June 2025) and a rise in non-banking operating expenses of €12M (€359M at 30 June 2026 compared with €347M as at 30 June 2025).

2.4. Capital adequacy ratio and regulatory changes

AFD meets the minimum equity requirements in terms of solvency. At 30 June 2026, the capital adequacy ratio stood at 15.62%, down from 15.84% at 31 December 2025. This decrease comes despite the strengthening of equity brought about by the consolidated income of the second half of 2026 and by the integration of the RCS. Two factors explain this decline: on the one hand, the increase in exposures to loans, investment securities, UCITS and equity securities; on the other hand, the phase-in weighting of equity exposures provided for by CRR3, the rate of which will increase from 100% to 130% in 2026.

2.5. Operational outlook

AFD group's operations in 2026 continue to be characterised by a need to adapt to a context of sharp declines in budgetary resources and in pricing conditions. For the 110 programme, the amount notified in subsidies for 2026 amounted to €488M (20% reserve), down 41% compared to 2025 (€820M). The impact on the volume of subsidised loans will be significant, since AFD expects subsidised activity to reach around €2.1bn, in a context of interest rates that remain high but which should be partially offset by more dynamic non-subsidised activity than in 2024 (€4.7bn). Grant resources (110 and 209, including NGOs) decreased sharply and amounted to €191M (€172M for 209 and €19M for Fexte) following the budget cuts made as part of the finance bill.

The 2027-2029 Objectives and Resources Contract (COM) has now been finalised and stabilises the objectives and associated resources over the period. It uses 20 indicators to set objectives around three main dividends: sustainable development dividend, strategic dividend, and economic dividend.

The decrease in resources has an impact on AFD's activities. The business plan is expected to decline by around €750M in business compared to 2025. The Business Plan is now moving towards an alignment with the 2027-2029 COM. It is marked, notably, by the roll-out of a set of new approaches, in particular around economic influence, such as joint AFD/DGT/BPI AE financing (so-called "bi-stamp" financing), but also the roll-out of an instrument for the direct mobilisation of companies (PRISME). With a view to maintaining the geographical objectives of the Presidential Council for International Partnerships, the pooling of resources is optimised to maintain African business at close to €3bn, and to continue efforts to support the European Neighbourhood and the Indo-Pacific region.

The Group's target for new contracts was revised downwards to €10.5bn, with an execution rate of 46% at the half-year mark. On the other hand, the target for disbursements is almost identical, now reaching €9.3bn, including €1.9bn for Proparco. The payment execution rate was 36%, stable compared to last year.

3. Risk factors

AFD group's total own-account exposure (balance sheet and off-balance sheet) amounted to €95.3bn at 30 June 2026, up €4.6bn (+5.1%) compared to 31 December 2025. This increase was mainly due to the treasury business (€13.4bn, up +25% compared to end-2025).

AFD group's exposure at 30 June 2026 on the debt scope (loans, guarantees and other securities) amounted to €78.9bn, up +2% compared to 31 December 2025.

AFD group's exposure on loans amounted to €76.2bn (79% of total exposures on its own behalf): €47bn in AFD sovereign loans (+2% since the end of 2025); €24.2bn in non-sovereign AFD loans (+1%) and €5.1bn in Proparco loans (+10%).

The Group's overall rate of non-performing loans improved: it fell to 6.7% versus 6.9% at 31 December 2025. The Group's rate of non-performing sovereign loans also fell, to 8.4%, compared to 9.1% at 31 December 2025.

On the other hand, the rate of Proparco non-sovereign non-performing assets, including AFD sub-participations, deteriorated: it stands at 7.6% compared to 6.3% at the end of December 2025.

The Group's non-performing loans (on loans, bonds and guarantees, including State-guaranteed loans) amounted to €3,920M, down -€111M compared to the end of 2025, with the following trends for each segment:

- -€237M for AFD sovereigns to €2,724M;
- +€7M for AFD non-sovereigns (excluding AFD's sub-participations) to €602M;
- +€115M for Proparco non-sovereigns and AFD sub-participations to €568M;
- +€4M for Sogefom to €26M.

The Group's consolidated cost of risk at 30 June 2026 corresponds to a provision of -€95M, including a provision of -€41M on performing and sensitive exposures (Stages 1 and 2), and a provision of -€50M on non-performing exposures (Stage 3); -€7M in net losses on bad loans net of recoveries on impaired assets written off and a reversal of +€3M on other provisions.

The balance of the reserve account for sovereign risk was €1,845M compared to €1,736M at 31 December 2025.

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

Overview

Agence Française de Développement (AFD) is a public industrial and commercial institution tasked with financing development assistance, registered with the Paris registry on 17 July 1998. AFD's share capital amounted to €4,863M at 30 June 2026.

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

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

These consolidated financial statements are presented in thousands of euros.

Balance sheet at 30 June 2026

Assets

<i>In thousands of euros</i>	Notes	30/06/2026	31/12/2025	Change
Cash, due from central banks		544 570	792 262	(247 692)
Financial assets at fair value through profit or loss	1	4 625 533	3 268 498	1 357 036
Hedging derivatives	2	2 383 596	2 700 763	(317 167)
Financial assets at fair value through equity	3	2 879 860	4 272 234	(1 392 374)
Financial assets at amortised cost		61 588 295	58 193 740	3 394 555
Debt securities at amortised cost	5	4 391 534	2 247 940	2 143 594
Loans and receivables due from credit institutions and equivalent at amortised cost	5	14 066 217	13 176 463	889 754
<i>On-demand</i>		972 228	951 402	20 826
<i>At maturity</i>		13 093 989	12 225 061	868 928
Loans and receivables due from customers at amortised cost	5	43 130 544	42 769 336	361 207
<i>Other loans to customers</i>		43 130 544	42 769 336	361 207
<i>Of which calibration of the reserve account</i>		(824 139)	(968 821)	144 682
Revaluation differences on interest rate-hedged portfolio		-	-	-
Current tax assets		1 576	2 909	(1 334)
Deferred tax assets		28 442	24 063	4 379
Accruals and other miscellaneous assets	7	3 760 456	3 240 269	520 187
<i>Accruals</i>		87 175	91 999	(4 824)
<i>Other assets</i>		3 673 281	3 148 271	525 011
Equity stakes in companies accounted for by the equity method	20	245 915	248 718	(2 803)
Property, plant and equipment	8	954 046	968 868	(14 823)
Intangible assets	8	227 097	223 820	3 277
Total assets		77 239 385	73 936 144	3 303 241

Liabilities

<i>In thousands of euros</i>	Notes	30/06/2026	31/12/2025	Change
Financial liabilities at fair value through profit or loss	1	193 263	140 439	52 825
Hedging derivatives	2	3 965 685	4 105 049	(139 365)
Financial liabilities at amortised cost		57 211 317	54 355 859	2 855 458
Debt securities in issue at amortised cost	9	57 178 161	54 325 281	2 852 881
<i>Interbank market securities</i>		2 815 351	2 440 960	374 391
<i>Bonds</i>		54 362 810	51 884 321	2 478 489
Debts to credit institutions and equivalent at amortised cost	9	30 111	28 662	1 449
<i>On-demand</i>		29 571	28 122	1 449
<i>At maturity</i>		540	540	(0)
Debts to customers at amortised cost	9	3 044	1 916	1 128
Revaluation differences on interest rate-hedged portfolio		36 698	35 071	1 627
Current tax liabilities		2 152	2 557	(406)
Deferred tax liabilities		14 520	11 779	2 742
Accruals and other miscellaneous liabilities	7	3 231 786	3 303 494	(71 708)
<i>Allocated public funds</i>		83 814	82 301	1 513
<i>Other liabilities</i>		3 147 972	3 221 193	(73 221)
Provisions	10	1 332 906	1 055 858	277 048
<i>Of which calibration of the reserve account</i>		471 709	468 142	3 567
Subordinated debt	11	943 499	843 459	100 040
Total debts		66 931 825	63 853 563	3 078 262
Equity Group share	(Tab 1)	10 101 147	9 886 336	214 811
<i>Provisions and related retained earnings</i>		5 322 999	5 322 999	-
<i>Consolidated retained earnings and other</i>		4 357 019	4 054 365	302 654
<i>Gains and losses recognised in other comprehensive income</i>		176 585	120 904	55 680
<i>Earnings for the period</i>		244 544	388 068	(143 524)
Non-controlling interests	(Tab 1)	206 413	196 245	10 169
Total equity		10 307 560	10 082 581	224 979
Total liabilities		77 239 385	73 936 144	3 303 241

Income statement at 30 June 2026

<i>In thousands of euros</i>	Notes	30/06/2026	30/06/2025	Change
Interest and related income	13	2 271 156	2 257 072	14 084
Transactions with credit institutions		794 032	885 543	(91 510)
Transactions with customers		672 713	622 154	50 558
Bonds and other fixed-income securities		96 941	99 391	(2 450)
Other interest and related income		707 470	649 984	57 486
Interest and related expenses	13	(2 030 806)	(2 028 870)	(1 936)
Transactions with credit institutions		(549 647)	(541 292)	(8 356)
Transactions with customers		(297)	(310)	13
Bonds and other fixed-income securities		(682 764)	(609 197)	(73 567)
Other interest and similar expenses		(798 097)	(878 072)	79 975
Commissions (income)	14	51 632	67 171	(15 539)
Commissions (expenses)	14	(2 416)	(756)	(1 660)
Net gains or losses on financial instruments at fair value through profit or loss, net of foreign currency impact	15	158 269	47 854	110 415
Net gains or losses on financial assets recognised at fair value through other comprehensive income	16	11 276	18 983	(7 707)
Income from other activities	17	503 950	418 398	85 552
Expenses on other activities	17	(244 574)	(247 064)	2 490
Net banking income		718 487	532 787	185 700
Overheads	18	(319 285)	(314 497)	(4 787)
Salary and employee benefit expenses		(238 695)	(227 156)	(11 539)
Other administrative expenses		(80 590)	(87 341)	6 752
Provisions for amortisation of intangible assets and depreciation of property, plant and equipment	8	(39 793)	(32 842)	(6 951)
Gross operating income		359 409	185 448	173 961
Cost of credit risk	19	(95 195)	(27 454)	(67 741)
Operating income		264 214	157 994	106 220
Share of earnings from companies accounted for by the equity method	20	(3 111)	(842)	(2 269)
Net gains or losses on other assets		(371)	(767)	396
Pre-tax income		260 731	156 385	104 346
Corporate tax	21	(7 772)	(7 874)	101
Net income		252 959	148 511	104 447
Non-controlling interests		8 415	(5 662)	14 077
Net income – Group share		244 544	154 174	90 370

Net income, gains and losses recognised directly in other comprehensive income at 30 June 2026

<i>In thousands of euros</i>	30/06/2026	30/06/2025	31/12/2025
Net income	252 959	148 511	387 682
Net gains and losses directly recognised in other comprehensive income to be recycled in profit or loss	11 037	51 527	17 866
Net gains or losses on debt securities recognised in other comprehensive income to be recycled in profit or loss	11 037	51 527	17 866
Net gains and losses directly recognised in other comprehensive income not to be recycled in profit or loss	53 418	(40 968)	(14 455)
Actuarial gains and losses on retirement benefits	43	10 658	14 254
Net gains and losses on equity instruments recognised in other comprehensive income not to be recycled in profit or loss	53 375	(51 626)	(28 709)
Total gains and losses recognised directly in other comprehensive income	64 456	10 559	3 411
Net income and gains and losses recognised directly in other comprehensive income	317 415	159 071	391 093
of which Group share	300 225	171 749	395 054
of which non-controlling interests	17 190	(12 678)	(3 962)

Statement of changes in equity from 1 January 2025 to 30 June 2026

<i>In thousands of euros</i>	Provisions	Funding reserves	Consolidated reserves	Income for the financial year	Unrealised or deferred gains or losses	Equity – Group share	Equity – Non-controlling interests	Total consolidated equity
Equity at 1 January 2025	4 717 999	460 000	3 786 818	343 612	113 918	9 422 346	199 646	9 621 992
Share of 2024 income allocated to retained earnings	-	-	343 612	(343 612)	-	-	-	-
Dividends paid	-	-	(54 013)	-	-	(54 013)	-	(54 013)
Other changes	-	-	(2 355)	-	-	(2 355)	(1 790)	(4 145)
Changes related to put options	-	-	(4 797)	-	-	(4 797)	2 350	(2 447)
AFD capital increase	145 000	-	-	-	-	145 000	-	145 000
Change in scope	-	-	(14 899)	-	-	(14 899)	-	(14 899)
2025 income	-	-	-	388 068	-	388 068	(386)	387 682
Gains and losses recognised directly in other comprehensive income in 2025	-	-	-	-	6 986	6 986	(3 575)	3 411
Equity at 1 January 2026	4 862 999	460 000	4 054 365	388 068	120 904	9 886 336	196 245	10 082 581
Share of 2025 income allocated to retained earnings	-	-	388 068	(388 068)	-	-	-	-
Dividends paid	-	-	(104 289)	-	-	(104 289)	-	(104 289)
Other changes	-	-	12 916	-	-	12 916	(1 736)	11 181
Changes related to put options	-	-	5 959	-	-	5 959	(5 286)	674
AFD capital increase	-	-	-	-	-	-	-	-
Change in scope	-	-	-	-	-	-	-	-
Income for the first half of 2026	-	-	-	244 544	-	244 544	8 415	252 959
Gains and losses recognised directly in other comprehensive income for the first half of 2026	-	-	-	-	55 680	55 680	8 775	64 456
Equity at 30 December 2026	4 862 999	460 000	4 357 019	244 544	176 585	10 101 147	206 413	10 307 560

Cash flow statement at 30 June 2026

<i>In thousands of euros</i>	30/06/2026	31/12/2025
Pre-tax income (A)	260 731	405 734
Net depreciation/amortisation expenses on property, plant and equipment and intangible assets	30 332	52 725
Net depreciation/amortisation provisions on fixed assets related to the application of IFRS 16	9 709	18 483
Provisions net of other provisions (including technical insurance provisions)	168 766	116 006
Share of earnings from companies accounted for by the equity method	3 111	7 740
Net loss/(net gain) on investment activities	2 908	(55 164)
Net loss/(net gain) on financing activities	14 887	43 592
Other items	107 721	(21 760)
Total non-cash items included in net pre-tax income and other items (B)	337 434	161 621
Cash received from credit institutions and equivalent	(642 855)	321 097
Cash received from customers	(145 037)	(2 416 952)
Cash flows from other operations affecting other financial assets or liabilities	(2 123 546)	705 458
Cash flows from operations affecting non-financial assets or liabilities	(601 328)	(309 664)
Taxes paid	(10 980)	(15 890)
= Net increase (decrease) in cash-related assets and liabilities from operating activities (C)	(3 523 746)	(1 715 951)
Net cash flows from operating activities (A+B+C)	(2 925 581)	(1 148 596)
Cash flows from financial assets and equity investments ⁽¹⁾	(355 196)	(193 328)
Cash flows from property, plant and equipment and intangible assets	(29 194)	(205 964)
Net cash flows from investment activities	(384 390)	(399 293)
Cash flows related to the application of IFRS 16	(8 605)	(17 322)
Cash flows from shareholders ⁽²⁾	100 000	145 000
Cash flows to shareholders ⁽³⁾	(106 040)	(44 412)
Other net cash flows from financing activities ⁽⁴⁾	3 095 172	1 112 007
Net cash flows from financing activities	3 080 527	1 195 273
Net increase/(decrease) in cash and cash equivalents	(229 444)	(352 616)
Opening balance of cash and cash equivalents	1 713 627	2 066 243
Net balance of cash accounts and accounts with central banks ⁽⁵⁾	792 262	863 504
Net balance of on-demand loans and deposits from credit institutions and customers ⁽⁶⁾	921 365	1 202 739
Ending balance of cash and cash equivalents	1 484 183	1 713 627
Net balance of cash accounts and accounts with central banks	544 570	792 262
Net balance of on-demand loans and deposits from credit institutions and customers	939 613	921 365
Change in cash and cash equivalents	(229 444)	(352 616)

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

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

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

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

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

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

C. Notes to the consolidated financial statements

1. Significant events at 30 June 2026

1.1. Financing of the Group's activity

To finance the growth of activities on its own behalf, AFD issued, in the first half of 2026, four bond issues in the form of public offerings and six private placements, totalling €7,624M.

1.2. Appropriation of income for the 2025 financial year

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

The Board of Directors approved the 2025 financial statements on 23 April 2026.

The French Minister of the Economy and Finance set the 2025 dividend to be paid by AFD to the French State. It amounted to €104M, *i.e.* 25% of AFD's corporate income (€417M at 31 December 2025), and was paid out after publication in the Official Journal.

This proposal was made enforceable by the order of the Minister of the Economy, Finance and Industrial and Digital Sovereignty, responsible for public accounts, published on 15 May 2026.

The balance of income after payment of the dividend, *i.e.* €313M, was allocated to reserves.

1.3. AFD capital increase by conversion of resources subject to special conditions

On 7 May 2026, AFD signed an agreement with the French State authorising a €100M increase in AFD's share capital, in order to strengthen the Agency's equity.

This capital increase was carried out through the payment by the French State of a capital endowment of €100M over the first half of 2026. The early repayment to the French State of the resources subject to special conditions (RCS) on AFD's books will take place in the second half of 2026 for €100M.

Thus, AFD's initial allocation amounted to €4,863M at 30 June 2026.

2. Accounting standards applicable to Agence Française de Développement

2.1. Application of accounting standards adopted by the European Union

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

The consolidated financial statements of AFD group at 30 June 2026 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

The accounting standards applied in the preparation of AFD’s financial statements at 30 June 2026 are described in Section 3.2.

2.2. IASB and IFRIC texts adopted by the European Union and applied at 1 January 2026

The standards and interpretations used in the financial statements at 30 June 2026 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 9 and IFRS 7 “Changes in the classification and appraisal 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

Amendments to IFRS 9 and IFRS 7 “Changes in the classification and appraisal of financial instruments”

These amendments are changes published by the International Accounting Standards Board in May 2024 to clarify certain accounting rules on financial instruments (loans, bonds, receivables, derivatives, etc.) in order to make them more consistent, more understandable and more homogeneous among companies, notably following the emergence of new financial products related to ESG criteria.

The main changes concern:

- Electronic payments and the settlement of financial debts

They specify when a financial debt may be removed from the balance sheet when it is settled via an electronic payment system, and clarify the date of "derecognition" of the debt.

- Financial instruments with ESG clauses

They specify how to analyse loans or bonds whose flows depend on ESG objectives. The challenge is to determine whether the instruments can continue to be measured at amortised cost or whether it should be measured at fair value.

- Clarification of the SPPI criterion

The amendments specify how to apply the SPPI (Solely Payments of Principal and Interest) test to non-recourse loans, complex financial structures, and conditional flow instruments.

- New disclosure requirements (IFRS 7)

Companies will have to provide more information on certain instruments classified at fair value through other comprehensive income (FVOCI) and on instruments whose flows may vary according to future or contingent events.

These amendments have been applied in the Group's financial statements as at 30 June 2026.

The other standards and interpretations applicable at 1 January 2026 had no significant impact on the Group's financial statements at 30 June 2026.

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

The IASB has published standards and amendments, not all of which had been adopted by the European Union at 30 June 2026. They will come into force on a mandatory basis for financial years beginning on or after 1 January 2027 at the earliest, or their adoption by the European Union. They were therefore not applied by the Group at 30 June 2026.

Standards applicable to future financial years	Provisional date of application
IFRS 18 "Presentation and Disclosures in Financial Statements"	1 January 2027
IFRS 19 "Subsidiaries with no public disclosure obligation: Disclosures"	1 January 2027
Amendments to IAS 21 - Translation to a hyperinflationary presentation currency	1 January 2027
IFRS 20 Regulatory assets and liabilities	1 January 2029

IFRS 18 "Presentation and Disclosures in Financial Statements"

Adopted by the European Union on 13 February 2026, this standard will replace IAS 1 "Presentation of Financial Statements" and will apply to financial years beginning on or after 1 January 2027, with retrospective restatement of comparative figures. AFD group does not plan to apply IFRS 18 in advance.

IFRS 18 addresses presentation and disclosures in financial statements in order to increase their transparency and readability. No impact on the recognition or measurement of assets, liabilities, income and expenses in the financial statements is brought about by the standard.

The main changes brought about by this new standard relate to the income statement.

IFRS 18 requires all income and expenses to be classified in one of the prescribed categories according to their nature (operating, investment or financing), the "operating income" category being intended to mainly house expenses and income from the entity's main activities.

Based on the analysis of its business lines and the exercise of judgement required by IFRS 18, AFD group believes that its main activities are financing and investment.

Consequently, the presentation of its income statement will be primarily characterised by the new definition of the operating income category.

- Operating income will **include**, notably, net gains or losses on fixed assets, as well as changes in the value of goodwill.
- The following shall be expressly **excluded** from operating income: income and expenses of associates and joint ventures accounted for using the equity method, interest expenses and the effects of changes in interest rates relating to defined benefit plans (IAS 19) and lease liabilities (IFRS

16); and, where applicable, net gains or losses on other non-operating investments where these do not contribute to any of the entity's core activities.

The standard also introduces new disclosure requirements in the notes to the financial statements, notably on management-defined performance measures (MPMs), as well as on the aggregation and disaggregation of quantitative information.

Work to implement the standard is currently under way at the Group.

3. Principles for the preparation of the consolidated financial statements of AFD group at 30 June 2026

3.1. Consolidation scope and methods

3.1.1. Scope of consolidation

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

The following are not included in the consolidation scope:

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

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

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

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

<i>In percentage of ownership</i>	30/06/2026	31/12/2025
Fully consolidated companies		
Soderag	100,00	100,00
Proparco	85,21	85,21
Sogefom	58,69	58,69
Fisea	100,00	100,00
Expertise France	100,00	100,00
Companies accounted for by the equity method		
Société Immobilière de Nouvelle Calédonie	50,00	50,00
Banque Socredo	35,00	35,00
STOA S.A.	33,33	33,33

Non-controlling interests:

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

	30/06/2026			31/12/2025		
<i>In thousands of euros</i>	% 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%	7 425	199 984	14,79%	(1 376)	190 805
Other subsidiaries		989	6 429		990	5 440
Total non-controlling interests		8 415	206 413		(386)	196 245
Total Group share		244 544	10 101 147		399 182	9 886 336

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

3.1.2. Consolidation principles and methods

The following consolidation methods are used:

Full consolidation

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

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

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

The following five companies are consolidated:

- Société de promotion et de participation pour la coopération économique (Proparco), was created in 1977.
Proparco's status change from a credit institution to a finance company became effective on 25 May 2016 on receipt of notification from the ECB.
At 30 June 2026, the company's share capital totalled €1,353M and AFD's equity investment was 85.21%.
- Société de développement régional Antilles-Guyane (Soderag), of which AFD took control in 1995 at the behest of the French State, was liquidated in 1998 after it lost its licence to operate as a credit institution.
At 30 June 2026, this company's share capital amounted to €111.9M. It is 100% owned by AFD;
- The Société de gestion de fonds de garantie Outre-mer (Sogefom), whose shares AFD purchased, and which were held by the Institut d'émission d'Outre-mer (IEOM), on 12 August 2003, following the request from the Minister for the Economy, Finance and Industry and the Minister for French Overseas Departments and Territories.
At 30 June 2026, this company's share capital amounted to €1.1M. It is 58.69% owned by AFD.
- The Fonds d'investissement et de soutien aux entreprises en Afrique (Fisea) was created in April 2009. This simplified joint stock company (*société anonyme par actions simplifiée*) with a share capital of €410.0M is wholly-owned by AFD. Fisea is managed by Proparco.
- Expertise France, of which AFD took control on 1 January 2022 following the publication of the AFD/Expertise France strategic project for an extended group to serve France's development policy. This simplified joint stock company (*société anonyme par actions simplifiée*) with a share capital of €829K is wholly-owned by AFD.

Equity method

Companies over which AFD group has significant influence are accounted for by the equity method. Significant influence means the power to participate in the financial and operating policy decisions of the subsidiary but without having control or joint control over them. It is usually evidenced by (i) representation on the executive or supervisory bodies, (ii) participation in policy-making processes, or (iii) material transactions between the companies.

At 30 June 2026, this method was used for three 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), the bank Socredo and STOA S.A.

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

Comments on other companies

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

3.1.3. Restatement of transactions

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

3.1.4. Business combinations

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2. Accounting 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 the financial statements of Agence Française de Développement at 30 June 2026 are described below.

3.2.1. Conversion of foreign currency transactions

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

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

Non-monetary assets and liabilities in foreign currencies may be recorded at historic cost or fair value. They 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".

Foreign exchange differences relating to non-monetary liabilities denominated in foreign currencies and recognised at fair value are recognised in profit or loss when the liability is classified under "financial liabilities at fair value through profit or loss".

3.2.2. Use of estimates

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

The use of estimates notably concerns:

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

3.2.3. Financial instruments

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

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

Accordingly, financial assets are classified at amortised cost, at fair value through other comprehensive income or at fair value through profit and loss, depending on the contractual characteristics of the instruments and the business model at the time of initial recognition. Financial liabilities are classified at amortised cost or at fair value through profit and loss.

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

Financial assets

Classification and measurement of financial assets

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

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

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

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

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

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

The management model

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

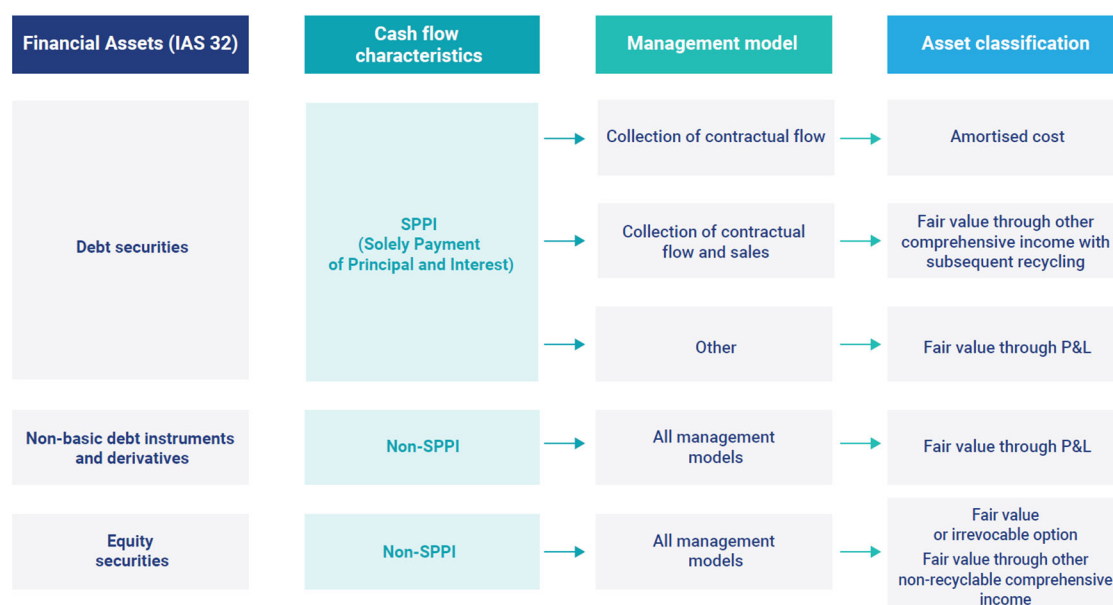
The management model is identified at portfolio level, and not instrument by instrument, primarily by analysing and observing:

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

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

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

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



a) Debt securities at amortised cost

Debt 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”.

b) Debt securities at fair value through other comprehensive income

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

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

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

c) Debt securities at fair value through profit and loss

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

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

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

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

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

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

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

- Loans

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

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

- Foreign exchange or interest rate derivatives used in economic hedging

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

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

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

d) Equity instruments

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

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

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

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

e) Reclassification and measurement of financial assets

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

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

Financial liabilities

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

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

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

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

Financial liabilities within AFD group (excluding 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 €280.0M, there was a drawdown of €160.0M on this last tranche of RCS (Resources with special conditions) in September 2017. The drawdown of the balance of €120M took place in September 2018, thereby reaching the €840M total for the 2015-2018 period.

In 2026, AFD received €100M in resources with special conditions.

Derecognition of financial assets and liabilities

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

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

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

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

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

Financial hedging derivatives

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

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

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

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

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

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

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

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

General principle

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

These are defined as follows:

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

Concept of default

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

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

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

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

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

Significant increase in credit risk

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

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

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

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

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

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

Measuring expected credit losses (ECL)

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

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

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

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

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

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

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

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

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

Probability of default (PD)

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

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

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

Loss given default (LGD)

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

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

Exposure at default (EAD)

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

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

Financial asset restructuring

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

Impairment of sovereign outstandings

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

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

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

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

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

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

Gains or losses on financial instruments

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

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

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

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

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

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

3.2.4. Commitments to buy non-controlling interests

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

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

These commitments are reflected in the 2026 half-year financial statements as a debt amounting to €104M (compared with €105M in December 2025) owed to Proparco's non-controlling shareholders, offset by a decrease in "non-controlling interests" of €117M (compared with €112M in December 2025) and an increase in "Consolidated reserves – Group Share" of €13M (compared with €7M in December 2025).

The closure of the put window granted in 2020 is scheduled for 2030 and the one related to the put granted in 2023 is scheduled for 2033.

3.2.5. Fixed assets

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

If a fixed asset consists of a number of items that may be regularly replaced and have different useful lives, each item is booked separately according to its own depreciation table. This item-by-item approach has been used for 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 Territories 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.

With regard to intangible assets, software is amortised over a period of 8 years for internal management software packages, 5 years for external management software packages and 2 years for office software.

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

Leases

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

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

Measuring the right of use in leases

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

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

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

Measuring the right of use of the assets

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

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

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

The change in the debt related to the lease involves:

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

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

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

The lease debt is estimated again in the following situations:

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

3.2.6. Provisions

Provisions on undisbursed sovereign financing commitments

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

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

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

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

Provisions on financing and guarantee commitments

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

Provisions for subsidiary risk

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

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

Provision for employee benefits – Post-employment benefits

Defined benefit plans

Retirement and early retirement commitments

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

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

At 30 June 2026, the discount rate was 3.05% compared to 2.70% at 31 December 2025.

Retirement bonuses and the financing of the health insurance plan

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

At 30 June 2026, the discount rate observed was 4.30% (compared to 4.20% at 31 December 2025). As the change in the discount rate used for the IFC, long-service awards and healthcare expenses schemes is less than 0.25%, these schemes were not the object of a specific study.

3.2.7. Deferred tax

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

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

3.2.8. Segment information

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

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

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

3.2.9. Principles of the cash flow statement

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

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

It is prepared using the indirect method, with net income for the financial year restated for non-monetary items: provisions for the depreciation of property, plant and equipment and the amortisation of intangible assets, net allocations to provisions and other 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.

3.3. Notes to the financial statements at 30 June 2026

3.3.1. Notes to the balance sheet

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

In thousands of euros	Notes	30/06/2026			31/12/2025		
		Assets	Liabilities	Notional/Outstanding	Assets	Liabilities	Notional/Outstanding
Interest rate derivatives	1.1	3 631		844 855	3 173	-	893 495
Foreign exchange derivatives	1.1	121 659	182 682	5 108 540	196 245	129 777	4 986 972
Hedging derivatives of non-SPPI loans/securities		27 553	10 383	524 312	43 670	10 120	618 097
Loans and securities that do not meet SPPI criteria	1.2	4 472 659		4 408 846	3 025 357	-	3 033 056
CVA/DVA/FVA		31	198		52	541	-
Total		4 625 533	193 263	10 886 551	3 268 498	140 439	9 531 620

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	30/06/2026	Notional/Outstanding	31/12/2025	Notional/Outstanding
Loans to credit institutions	1.2.1	290 747	303 141	346 764	360 941
Performing loans		290 747	303 141	346 416	358 701
Non-performing loans		-	-	347	2 240
Loans to customers	1.2.1	534 951	573 013	563 811	602 257
Performing loans		522 749	526 858	547 115	549 416
Non-performing loans		12 202	46 154	16 696	52 841
Securities		3 646 961	3 532 692	2 114 782	2 069 858
Bonds and other fixed-income securities	1.2.2	40 159	52 418	31 390	43 772
Mutual funds		1 341 990	1 320 491	57 644	41 379
Equity investments and other long-term investments	1.2.3	2 264 812	2 159 783	2 025 748	1 984 707
Of which equity investments held in investment funds		1 959 597	1 947 343	1 761 622	1 554 165
Of which equity investments held directly with a put option		305 215	212 441	264 126	430 542
Total		4 472 659	4 408 846	3 025 357	3 033 056

Note 1.2.1 Loans that do not meet SPPI criteria

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

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

Note 1.2.2 Bonds and other long-term securities

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

Note 1.2.3 Equity investments

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

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

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

Note 1.3 Equity instruments at fair value through profit and loss

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

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

Note 2 – Financial hedging derivatives

Note 2.1 - Fair value hedging instruments

In thousands of euros	30/06/2026			31/12/2025		
	Carrying amounts			Carrying amounts		
	Assets	Liabilities	Notional	Assets	Liabilities	Notional
Fair value hedging						
Interest rate derivatives	1 874 722	3 249 001	71 297 947	2 128 593	3 322 251	68 132 960
Interest rate and foreign exchange derivatives (cross-currency swaps)	508 873	716 684	17 808 261	572 170	782 798	17 336 636
Total	2 383 596	3 965 685	89 106 208	2 700 763	4 105 049	85 469 596

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 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	30/06/2026
Fair value hedging					
Interest rate derivatives	2 727 580	2 097 500	18 520 239	47 952 627	71 297 947
Interest rate and foreign exchange derivatives (cross-currency swaps)	194 957	2 368 649	10 448 521	4 796 134	17 808 261
Total	2 922 537	4 466 150	28 968 761	52 748 761	89 106 208

<i>In thousands of euros</i>	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/2025
Fair value hedging					
Interest rate derivatives	66 107	4 252 845	18 494 593	45 319 415	68 132 960
Interest rate and foreign exchange derivatives (cross-currency swaps)	3 954 995	472 351	8 407 471	4 501 818	17 336 636
Total	4 021 102	4 725 196	26 902 065	49 821 234	85 469 596

Note 2.3 – Hedged items

<i>In thousands of euros</i>	30/06/2026				
	Current hedges		Expired hedges		Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
	Carrying amounts	Of which accrued remeasurements of fair value hedges	Of which accrued remeasurements of fair value hedges remaining	Accrued remeasurements of fair value	
Interest rate derivatives	22 495 702	(1 577 871)	-	(9 110)	107 486
Loans and receivables due from credit institutions at amortised cost	786 115	(66 441)	-	(286)	3 311
Loans and receivables due from customers at amortised cost	18 348 172	(1 471 524)	-	(12 617)	99 140
Financial assets at fair value through equity	3 361 415	(39 906)	-	3 793	5 034
Interest rate derivatives (currency swaps)	4 735 676	(100 089)	-	(2 716)	165 251
Loans and receivables due from credit institutions at amortised cost	470 083	651	-	(1 301)	20 542
Loans and receivables due from customers at amortised cost	4 265 593	(94 545)	-	(1 415)	150 904
Financial assets at fair value through equity	-	(6 195)	-	-	(6 195)
Other	-	(173)	-	-	(173)
Total fair value hedging of assets	27 231 379	(1 678 133)	-	(11 826)	272 564
Interest rate derivatives	(41 234 036)	2 209 840	(13 400)	(1)	(148 327)
Debt securities in issue at amortised cost	(41 234 036)	2 209 840	(13 400)	(1)	(148 327)
Interest rate derivatives (currency swaps)	(11 459 930)	448 551	-	77 908	(242 347)
Debt securities in issue at amortised cost	(11 459 930)	448 551	-	77 908	(242 347)
Total fair value hedging of liabilities	(52 693 966)	2 658 391	(13 400)	77 907	(390 674)

<i>In thousands of euros</i>	31/12/2025				
	Current hedges		Expired hedges		Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
	Carrying amounts	Of which accrued remeasurements of fair value hedges	Of which accrued remeasurements of fair value hedges remaining	Accrued remeasurements of fair value	
Interest rate derivatives	22 157 787	(1 727 687)	-	(1 777)	(450 104)
Loans and receivables due from credit institutions at amortised cost	865 412	(69 752)	-	(572)	(3 269)
Loans and receivables due from customers at amortised cost	18 517 037	(1 569 492)	-	(3 335)	(417 382)
Financial assets at fair value through equity	2 775 338	(88 442)	-	2 131	(29 453)
Interest rate derivatives (currency swaps)	4 654 324	(317 384)	-	2 283	(410 919)
Loans and receivables due from credit institutions at amortised cost	461 744	(19 891)	-	(42)	(41 014)
Loans and receivables due from customers at amortised cost	4 192 580	(245 904)	-	1 859	(317 850)
Financial assets at fair value through equity	-	(51 588)	-	467	(52 055)
Other	-	(8 904)	-	-	(8 904)
Total fair value hedging of assets	26 812 111	(2 053 974)	-	506	(869 927)
Interest rate derivatives	(37 956 248)	2 392 966	(5 968)	12 589	525 773
Debt securities in issue at amortised cost	(37 956 248)	2 392 966	(5 968)	12 589	525 773
Interest rate derivatives (currency swaps)	(11 593 289)	681 006	-	(244 130)	1 398 450
Debt securities in issue at amortised cost	(11 593 289)	681 006	-	(244 130)	1 398 450
Total fair value hedging of liabilities	(49 549 537)	3 073 972	(5 968)	(231 541)	1 924 222

Note 2.4 – Income resulting from hedge accounting

<i>In thousands of euros</i>	30/06/2026			31/12/2025		
	Net income (Income from hedge accounting)			Net income (Income from hedge accounting)		
	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge
Interest rate derivatives	94 186	(40 842)	53 344	7 518	75 669	83 187
Interest rate and foreign exchange derivatives (cross-currency swaps)	114 618	(77 096)	37 522	(959 037)	987 531	28 494
Other	-	(173)	(173)	-	(8 904)	(8 904)
Total	208 804	(118 111)	90 693	(951 519)	1 054 295	102 776

Note 3 – Financial assets at fair value through equity

<i>In thousands of euros</i>	30/06/2026		31/12/2025	
	Carrying amounts	Change in fair value over the period	Carrying amounts	Change in fair value over the period
Debt securities recognised at fair value through equity to be recycled in profit or loss	2 023 249	11 037	3 552 142	17 866
Government paper and equivalent	1 276 833	7 867	2 944 642	5 396
Bonds and other securities	746 416	3 171	607 500	12 470
Equity securities recorded at fair value through equity not to be recycled in profit or loss	856 611	53 375	720 092	(28 709)
Unconsolidated equity investments	856 611	53 375	720 092	(28 709)
Total	2 879 860	64 412	4 272 234	(10 843)

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

<i>In thousands of euros</i>	30/06/2026				31/12/2025			
	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	-	-	2 264 812	2 264 812	-	-	2 025 748	2 025 748
Debt securities that do not meet SPPI criteria	1 341 990	-	865 857	2 207 847	57 644	-	941 964	999 609
Financial assets recorded through equity	2 023 249	-	856 611	2 879 860	3 552 142	-	720 092	4 272 234
Hedging derivatives (Assets)	-	2 383 596	-	2 383 596	-	2 700 763	-	2 700 763
Financial liabilities at fair value through profit or loss	-	186 578	6 685	193 263	-	135 587	4 851	140 439
Hedging derivatives (Liabilities)	-	3 965 685	-	3 965 685	-	4 105 049	-	4 105 049
Derivatives	-	150 272	2 602	152 875	-	234 651	8 489	243 140

Sensitivity of the fair value of level 3 instruments

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

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

Note 5 – Financial assets measured at amortised cost

<i>In thousands of euros</i>	Notes	30/06/2026		31/12/2025	
		On-demand	At maturity	On-demand	At maturity
Debt securities	5.1	-	4 391 534	-	2 247 940
Loans and receivables due from credit institutions	5.2	972 228	13 093 989	951 402	12 225 061
Loans and receivables due from customers	5.2	-	43 130 544	-	42 769 336
Total		972 228	60 616 067	951 402	57 242 337

Note 5.1 – Loans and receivables due from customers

<i>In thousands of euros</i>	30/06/2026		31/12/2025	
	On-demand	At maturity	On-demand	At maturity
Government paper and equivalent	-	2 728 386	-	333 265
Bonds and other securities	-	1 685 444	-	1 933 070
Total	-	4 413 830	-	2 266 335
Impairment	-	(22 296)	-	(18 395)
Total	-	4 391 534	-	2 247 940

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

<i>In thousands of euros</i>	30/06/2026		31/12/2025	
	On-demand	At maturity	On-demand	At maturity
Loans to credit institutions at amortised cost	-	9 963 816	-	9 638 392
Performing loans	-	9 807 414	-	9 493 944
Non-performing loans	-	156 402	-	144 448
Impairment	-	(119 080)	-	(124 219)
Related loans receivable	-	69 781	-	65 055
Valuation adjustments of loans hedged by forward financial instruments	-	(49 924)	-	(58 155)
Subtotal	-	9 864 592	-	9 521 073
Loans to customers at amortised cost	-	46 025 950	-	45 852 672
Performing loans	-	42 257 788	-	41 969 068
Non-performing loans	-	3 768 162	-	3 883 604
Impairment	-	(1 481 761)	-	(1 586 813)
Related loans receivable	-	210 892	-	199 164
Valuation adjustments of loans hedged by forward financial instruments	-	(1 624 538)	-	(1 695 687)
Subtotal	-	43 130 544	-	42 769 336
Total loans	-	52 995 136	-	52 290 409
Other receivables	-	-	-	-
Deposits (available cash) at credit institutions	972 228	3 181 541	951 402	2 674 958
Related loans receivable	-	47 855	-	29 030
Total other receivables	972 228	3 229 396	951 402	2 703 988
Total loans and other receivables	972 228	56 224 532	951 402	54 994 397

Note 6 – Asset impairment

<i>In thousands of euros</i>	31/12/2025	Provisions	Reversals	Other items	30/06/2026
Credit institutions	(124 219)	(11 329)	15 614	853	(119 081)
of which stage 1	(39 092)	(3 277)	2 785	-	(39 584)
of which stage 2	(31 473)	(718)	11 483	-	(20 708)
of which stage 3	(53 654)	(7 334)	1 346	853	(58 789)
Credit to customers	(1 586 813)	(178 178)	288 144	(4 914)	(1 481 761)
of which calibration of the reserve account	(968 821)	(33 581)	178 263	-	(824 139)
of which stage 1	(114 296)	(34 024)	11 676	-	(136 644)
of which stage 2	(389 871)	(35 222)	2 637	-	(422 456)
of which stage 3	(1 082 646)	(108 931)	273 831	(4 914)	(922 661)
Bonds and other securities	(18 395)	(2 933)	1 725	(2 693)	(22 296)
of which stage 1	(6 005)	(1 280)	1 081	-	(6 205)
of which stage 2	-	(1 550)	-	-	(1 550)
of which stage 3	(12 390)	(103)	645	(2 693)	(14 541)
Other receivables	(13 846)	-	-	(2 099)	(15 945)
Total	(1 743 272)	(192 440)	305 483	(8 853)	(1 639 082)

Note 7 – Accruals and miscellaneous assets/liabilities

<i>In thousands of euros</i>	30/06/2026		31/12/2025	
	Assets	Liabilities	Assets	Liabilities
Guarantees against collateral	2 279 399	257 779	2 028 165	401 426
Allocated public funds	-	83 814	-	82 301
Other assets and liabilities	1 481 058	2 693 010	1 212 104	2 594 722
Accounts payable, French State	-	197 183	-	225 045
Total accruals and other miscellaneous assets/liabilities	3 760 456	3 231 786	3 240 269	3 303 494

Note 8 – Property, plant and equipment and intangible assets

Note 8.1 – Change in fixed assets

	Property, plant and equipment			Intangible assets	30/06/2026	31/12/2025
<i>In thousands of euros</i>	Land & development	Buildings & development	Other			
Gross value						
At 1 January 2026	89 603	1 022 217	104 473	411 146	1 627 440	1 419 939
Purchases	-	607	2 149	40 065	42 822	276 437
Disposals/retirements	-	756	(1 085)	(12 159)	(12 488)	(65 830)
Other items	0	2 819	(142)	(3 918)	(1 241)	(3 106)
Balance sheet at 30 June 2026	89 604	1 026 399	105 395	435 134	1 656 533	1 627 440
Depreciation/amortisation						
At 1 January 2026	(4 365)	(195 706)	(77 973)	(187 326)	(465 370)	(414 280)
Provisions	(22)	(5 727)	(3 942)	(20 715)	(30 406)	(53 035)
Reversals	-	0	172	4	176	1 945
Other items	-	-	-	-	-	-
Balance sheet at 30 June 2026	(4 387)	(201 433)	(81 743)	(208 037)	(495 600)	(465 370)
Net value	85 217	824 967	23 652	227 097	1 160 933	1 162 070

Note 8.2 – Right of use

<i>In thousands of euros</i>	Registered office	Offices	30/06/2026	31/12/2025
Gross value				
At 1 January 2026	124 267	16 817	141 084	127 081
New contract	-	-	-	-
Modification of contract	-	-	-	-
Other items	(2 797)	2 097	(700)	14 003
Balance sheet at 30 June 2026	121 469	18 915	140 384	141 084
Depreciation/amortisation	(102 812)	(17 362)	(120 174)	(110 465)
Net value	18 658	1 553	20 210	30 619

Note 9 – Financial liabilities measured at amortised cost

Debts to credit institutions and customers and debt securities in issue at amortised cost

<i>In thousands of euros</i>	30/06/2026	31/12/2025
Debts to credit institutions at amortised cost		
On-demand debts	29 571	28 122
Debts at maturity	540	540
Total debts to credit institutions	30 111	28 662
Debts to customers at amortised cost		
Total debts to customers	3 044	1 916
Debt securities in issue at amortised cost		
Interbank market securities	2 815 351	2 440 960
Bonds	56 131 052	53 422 841
Related debts	561 825	802 587
Valuation adjustments of debt securities in issue hedged by derivatives	(2 330 067)	(2 341 108)
Total debts securities in issue	57 178 161	54 325 281

Maturity of debt securities in issue at amortised cost

<i>In thousands of euros</i>	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	30/06/2026
Maturity of debt securities in issue					
Bonds	2 037 089	3 263 755	24 298 472	24 763 495	54 362 810
Interbank market securities	1 528 540	1 286 811	-	-	2 815 351
Total	3 565 629	4 550 566	24 298 472	24 763 495	57 178 161

<i>In thousands of euros</i>	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/2025
Maturity of debt securities in issue					
Bonds	3 966 137	3 280 336	22 306 700	22 331 147	51 884 321
Interbank market securities	444 365	1 996 594	-	-	2 440 960
Total	4 410 502	5 276 931	22 306 700	22 331 147	54 325 281

Debt securities in issue by currency

<i>In thousands of euros</i>	EUR	USD	GBP	JPY	CHF	AUD	CNH	HKD	TRY	DOP	IDR	30/06/2026
Debt securities in issue by currency												
Bonds	42 606 905	9 910 457	958 395	78 255	109 151	227 245	77 724	124 002	203 249	21 545	45 882	54 362 810
Interbank market securities	2 815 351	-	-	-	-	-	-	-	-	-	-	2 815 351
Total	45 422 256	9 910 457	958 395	78 255	109 151	227 245	77 724	124 002	203 249	21 545	45 882	57 178 161

<i>In thousands of euros</i>	EUR	USD	GBP	JPY	CHF	AUD	CNH	HKD	TRY	DOP	IDR	31/12/2025
Debt securities in issue by currency												
Bonds	40 023 104	9 509 866	1 517 488	78 940	107 204	212 626	187 730	-	180 249	20 552	46 563	51 884 321
Interbank market securities	2 440 960	-	-	-	-	-	-	-	-	-	-	2 440 960
Total	42 464 063	9 509 866	1 517 488	78 940	107 204	212 626	187 730	-	180 249	20 552	46 563	54 325 281

Note 10 – Provisions

<i>In thousands of euros</i>	31/12/2025	Provisions	Reversals	Other items	30/06/2026
Included in the cost of risk					
French Overseas Department subsidiary risks	16 867	1 750	(5 252)	-	13 366
Other provisions for risk	100 866	53 270	(25 314)	-	128 822
of which stage 1	27 700	5 963	(8 038)	-	25 625
of which stage 2	43 187	34 228	(3 776)	-	73 639
of which stage 3	29 979	13 079	(13 500)	-	29 559
Excluded from the cost of risk					
Provision for expenses – Sovereign loans	767 158	340 280	(83 001)	(3 709)	1 020 728
of which calibration of the reserve account	468 143	13 522	(9 956)	-	471 709
Salary and employee benefit expenses	130 930	1 071	(788)	-	131 213
Provision for risks and expenses	40 036	217	(1 477)	-	38 776
Total	1 055 858	396 589	(115 832)	(3 709)	1 332 906

Note 11 – Subordinated debt

<i>In thousands of euros</i>	30/06/2026	31/12/2025
Fixed-term subordinated debt	100 000	-
Open-ended subordinated debt	840 000	840 000
Other	3 499	3 459
Total	943 499	843 459

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

<i>In thousands of euros</i>	30/06/2026		31/12/2025	
	Carrying amounts	Fair value	Carrying amounts	Fair value
Assets/Liabilities at amortised cost				
Debt securities at amortised cost	4 391 534	4 262 452	2 247 940	2 226 987
Financial assets at amortised cost	57 196 761	55 131 637	55 945 800	53 815 332
Financial liabilities at amortised cost	57 211 317	56 478 458	54 355 859	53 152 457
Subordinated debt	943 499	943 499	843 459	843 459

3.3.2. Notes to the income statement

Note 13 – Income and expenses by accounting category

<i>In thousands of euros</i>	30/06/2026	30/06/2025
From financial assets measured at amortised cost	921 006	882 108
Cash and demand accounts with central banks	45 267	48 407
Loans and receivables	873 202	831 181
<i>Transactions with credit institutions</i>	215 253	220 572
<i>Transactions with customers</i>	657 949	610 609
Debt securities	2 537	2 520
From financial assets at fair value through equity	94 403	96 870
Debt securities	94 403	96 870
From financial assets at fair value through profit or loss	25 264	26 991
Loans and receivables	25 264	26 991
<i>Transactions with credit institutions</i>	10 501	15 445
<i>Transactions with customers</i>	14 763	11 546
Interest accrued and due on hedging instruments	1 230 482	1 251 103
<i>of which transactions with credit institutions</i>	523 012	601 119
<i>of which other interest and related income</i>	707 470	649 984
Total interest income	2 271 156	2 257 073
From financial liabilities measured at amortised cost	(684 270)	(609 864)
Financial liabilities measured at amortised cost	(684 270)	(609 864)
Interest accrued and due on hedging instruments	(1 346 391)	(1 418 879)
Other interest and similar expenses	(145)	(128)
Total interest expenses	(2 030 806)	(2 028 870)

Note 14 – Net commissions

<i>In thousands of euros</i>	30/06/2026			30/06/2025		
	Income	Expenses	Net	Income	Expenses	Net
Commissions on commitments	-	(294)	(294)	-	(267)	(267)
Monitoring and investment commissions	9 393	(91)	9 302	4 963	(103)	4 860
Analysis commissions	12 521	-	12 521	14 312	-	14 312
Commissions on grants and subsidies	29 262	-	29 262	46 846	-	46 846
Miscellaneous commissions	457	(2 031)	(1 574)	1 051	(386)	664
Total	51 632	(2 416)	49 217	67 171	(756)	66 415

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

<i>In thousands of euros</i>	30/06/2026		30/06/2025	
	Gains and losses on financial instruments at fair value through profit and loss	o/w Foreign currency impact on derivatives	Gains and losses on financial instruments at fair value through profit and loss	o/w Foreign currency impact on derivatives
Financial assets and liabilities at fair value through profit or loss	69 463	6 553	(49 819)	(3 436)
Income from financial instruments at fair value through profit and loss	7 561	-	25 071	-
Unrealised or realised gains or losses on debt securities that do not meet SPPI criteria	72 183	-	(98 679)	-
Hedging of loans at fair value through profit or loss	(10 282)	6 553	23 789	(3 436)
Income from hedge accounting	90 904	13 320	36 840	10 186
Change in fair value of hedging derivatives	208 798	(13 417)	(987 967)	10 570
Change in fair value of the hedged item	(117 894)	97	1 024 806	(384)
Natural hedging/Trading	(2 421)	124 726	60 865	(480 882)
CVA/DVA/FVA	323		(33)	-
Total	158 269	144 599	47 854	(474 131)

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

<i>In thousands of euros</i>	30/06/2026	30/06/2025
Dividends received on equity instruments recognised at fair value through equity not to be recycled in profit or loss	13 039	18 732
Gains or losses on debt securities recognised at fair value through equity to be recycled in profit or loss	(1 763)	251
Net gains or losses on financial assets recognised in other comprehensive income	11 276	18 983

Note 17 – Income and expenses from other activities

<i>In thousands of euros</i>	30/06/2026	30/06/2025
Subsidies	191 448	171 885
Other income ⁽¹⁾	312 502	246 513
Total other income from other activities	503 950	418 398
Other expenses ⁽¹⁾	(244 574)	(247 064)
Total other expenses from other activities	(244 574)	(247 064)

(1) 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

<i>In thousands of euros</i>	30/06/2026	30/06/2025
Salary and employee benefit expenses		
Wages and bonuses	(145 260)	(147 435)
Social security expenses	(64 492)	(60 309)
Profit sharing	(9 553)	(7 119)
Taxes and similar payments on compensation	(19 453)	(13 851)
Provisions/reversal of provisions	63	1 559
Total	(238 695)	(227 156)

Other administrative expenses

<i>In thousands of euros</i>	30/06/2026	30/06/2025
Other administrative expenses		
Taxes	(9 956)	(12 479)
<i>of which application of IFRIC 21</i>	<i>(4 791)</i>	<i>(6 285)</i>
Outside services	(71 308)	(73 397)
Rebilled expenses	674	(1 466)
Total	(80 590)	(87 341)

Note 19 – Cost of credit risk

<i>In thousands of euros</i>	30/06/2026	30/06/2025
Impairments on performing (stage 1) or deteriorated (stage 2) assets	(41 205)	3 049
Stage 1: losses assessed at the amount of expected credit losses for the coming 12 months	12 462	4 217
Debt securities recorded at amortised cost	10 192	3 559
Signature commitments	2 270	658
Stage 2: losses assessed at the amount of expected credit losses for the lifetime	(53 668)	(1 168)
Debt securities recorded at amortised cost	(23 216)	338
Signature commitments	(30 452)	(1 506)
Impairments of impaired assets (stage 3)	(46 961)	(23 405)
Stage 3: impaired assets	(50 334)	(24 640)
Debt securities recorded at amortised cost	(49 966)	(28 199)
Signature commitments	(368)	3 559
Other provisions for risk	3 372	1 235
Net reversals of impairments and provisions	(88 167)	(20 356)
Losses on loans and bad loans	(7 050)	(7 762)
Discounts on restructured loans	14	153
Recovery of loans and receivables	7	511
Cost of risk	(95 195)	(27 454)

Note 20 – Equity-accounted items

<i>Impact (in thousands of euros)</i>	30/06/2026		30/06/2025		31/12/2025	
	Balance sheet	Income	Balance sheet	Income	Balance sheet	Income
STOA S.A.	89 574	(2 991)	-	-	91 488	(6 113)
Société Immobilière de Nouvelle-Calédonie (SIC)	25 262	(2 930)	30 680	(3 449)	28 066	(6 063)
Banque Socredo	131 079	2 810	127 335	2 607	129 164	4 437
Total	245 915	(3 111)	158 014	(842)	248 718	(7 740)

Note 21 – Corporate tax

<i>In thousands of euros</i>	30/06/2026	30/06/2025
Corporate tax	(7 772)	(7 874)
Taxes due	(10 980)	(9 343)
Deferred taxes	3 208	1 470

Underlying tax position

<i>In thousands of euros</i>	30/06/2026	30/06/2025
Net income	252 959	148 511
Corporate tax	(7 772)	(7 874)
Pre-tax income	260 731	156 385
Total theoretical income tax expense (A)	(15 387)	14 717
Total matching items (B)	7 615	(22 590)
Net recorded tax expense (A) + (B)	(7 772)	(7 874)

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 were estimated on the basis of the rate of 25.83%. The same rate is used over costs and expenses on the unrealised gains and losses of the equity investments.

Note 22 – Financing and guarantee commitments

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

<i>In thousands of euros</i>	30/06/2026	31/12/2025
Commitments received		
Guarantee commitments received from the French State on loans	5 922 725	5 653 893
Guarantee commitments received from credit institutions	445 233	362 303
<i>as part of the Group's credit activity</i>	<i>445 233</i>	<i>362 303</i>
Commitments given		
Financing commitments made to credit institutions	2 114 393	2 156 916
Financing commitments made to customers	17 554 047	16 342 440
Guarantee commitments made to credit institutions	352 563	340 606
Guarantee commitments made to customers	1 109 516	1 057 288

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

3.4. Risk information

Concentration of credit risk

Financial loans at amortised cost

Non-sovereign

In thousands of euros	30/06/2026				31/12/2025			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	8 078 175	527 064	-	8 605 238	7 809 292	546 572	-	8 355 864
from BB+ to CCC (Speculative)	7 846 055	5 003 919	-	12 849 974	8 064 922	4 899 147	-	12 964 069
Not applicable ⁽¹⁾	578 907	726	-	579 633	583 292	-	-	583 292
Non-performing	-	-	1 092 949	1 092 949	-	-	953 887	953 887
Total	16 503 137	5 531 708	1 092 949	23 127 795	16 457 506	5 445 719	953 887	22 857 112

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

Sovereign

In thousands of euros	30/06/2026				31/12/2025			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (RC1 to RC2)	9 791 980	119 543	15 559	9 927 082	9 693 105	125 813	17 504	9 836 422
from BB+ to CCC (RC3, RC4, RC5)	16 897 832	3 163 358	408 506	20 469 696	16 552 201	3 208 545	387 072	20 147 818
Not applicable ⁽¹⁾	-	-	-	-	-	-	-	-
Non-performing (RC6)	-	-	2 314 897	2 314 897	-	-	2 569 517	2 569 517
Total	26 689 812	3 282 901	2 738 962	32 711 676	26 245 306	3 334 358	2 974 093	32 553 757

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

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

In thousands of euros	30/06/2026				31/12/2025			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	6 062 385	-	-	6 062 385	5 046 927	-	-	5 046 927
from BB+ to CCC (Speculative)	842 274	20 989	-	863 263	758 985	5 662	-	764 646
Not applicable ⁽¹⁾	-	-	-	-	-	-	-	-
Doubtful	-	-	288	288	-	-	559	559
Total	6 904 660	20 989	288	6 925 936	5 805 912	5 662	559	5 812 132

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

Financing commitments

Non-sovereign

In thousands of euros	30/06/2026				31/12/2025			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	1 190 363	-	-	1 190 363	1 565 621	26 888	-	1 592 508
from BB+ to CCC (Speculative)	3 174 413	799 383	-	3 973 796	2 849 562	174 133	-	3 023 695
Not applicable ⁽¹⁾	76 857	-	-	76 857	81 183	-	-	81 183
Doubtful	-	-	74 671	74 671	-	-	101 038	101 038
Total	4 441 633	799 383	74 671	5 315 688	4 496 365	201 021	101 038	4 798 423

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

Sovereign

In thousands of euros	30/06/2026				31/12/2025			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (RC1, RC2)	2 894 971	-	-	2 894 971	2 587 799	-	-	2 587 799
from BB+ to CCC (RC3, RC4, RC5)	9 226 107	918 772	60 000	10 204 879	8 692 532	1 042 631	95 000	9 830 163
Not applicable ⁽¹⁾	-	-	-	-	-	-	-	-
Doubtful (RC6)	-	-	1 130 621	1 130 621	-	-	1 165 840	1 165 840
Total	12 121 077	918 772	1 190 621	14 230 470	11 280 331	1 042 631	1 260 840	13 583 802

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

Guarantee commitments

In thousands of euros	30/06/2026				31/12/2025			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	7 356	-	-	7 356	94 658	-	-	94 658
from BB+ to CCC (Speculative)	929 314	458 684	-	1 387 998	789 221	442 930	-	1 232 151
Not applicable	-	-	-	-	-	-	-	-
Doubtful	-	-	52 921	52 921	-	-	55 160	55 160
Total	936 669	458 684	52 921	1 448 274	883 879	442 930	55 160	1 381 969

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
Total provisions at 31 Dec. 25	206 731	517 383	1 539 650	2 263 764
Of which provisions at 31 Dec.-25 Activity + Parameters + Exceptional provisions	109 776	248 924	468 101	826 801
New signatures	13 685	21 944	84	35 713
Extinct exposures	(871)	(592)	(4 884)	(6 346)
Change in exposure or rating	(6 830)	(21 572)	(9 643)	(38 045)
Stage change	(7 540)	50 295	642	43 397
Other	1	6 378	37 367	43 746
IFRS restatement	-	-	-	-
Total change in operating provisions	(1 555)	56 454	23 567	78 466
Total change in IFRS 9 parameter updates	(8 883)	(16 765)	N/A	(25 648)
Total change in exceptional provisions (FWL, Ariz)	(2 052)	14 006	N/A	11 955
Provisions at 30 June-26 Activity + Parameters + Exceptional provisions	97 286	302 619	491 667	891 573
Calibration of the reserve account	138 089	258 657	899 102	1 295 848
Total provisions at 30 June-26	235 375	561 276	1 390 769	2 187 421

3.5. Additional information

None at this stage.

3.5.1. Significant events since 30 June 2026

No significant event having an impact on the company's financial position occurred after the reporting period ended 30 June 2026.

D. Statutory Auditors' review report on the 2026 half-year financial information

AGENCE FRANÇAISE DE DÉVELOPPEMENT

Period from January 1st, 2026 to June 30th, 2026

To the Board of Directors of Agence Française de Développement,

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

- the review of the accompanying condensed half-yearly consolidated financial statements of Agence Française de Développement, for the period from January 1st, 2026, to June 30th, 2026;
- the verification of the information presented in the half-yearly management report.

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

I- Conclusion on the Financial Statements

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

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

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

II- Specific verification

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

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

Paris La Défense and Paris, September 23, 2026,

The Statutory Auditors,
French original signed by

FORVIS MAZARS

Represented by Natacha ANDRE
Partner

BDO Paris

Represented by Benjamin IZARIÉ
Partner

E. Person responsible for the half-year financial report

Name and position

Mr Bertrand WALCKENAER: Chief Operating Officer (COO)

Certification of the person responsible

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

Paris, 23 September 2026

Chief Operating Officer (COO)

Bertrand WALCKENAER