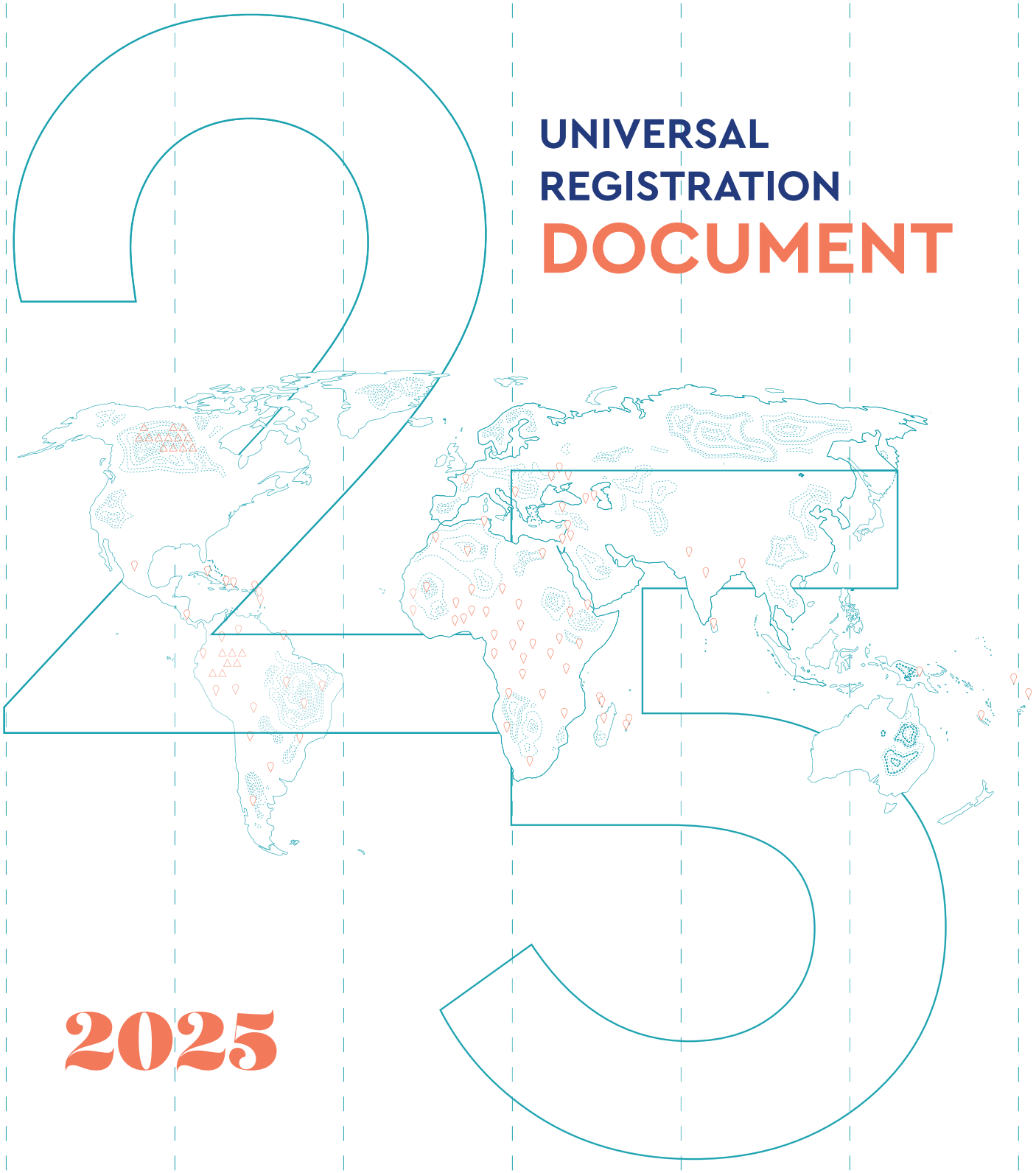
RÉPUBLIQUE
FRANÇAISE
Liberté
Égalité
Fraternité

AFD
GROUPE

UNIVERSAL REGISTRATION DOCUMENT



2025

#WorldCommon

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AFD
AGENCE FRANÇAISE
DE DÉVELOPPEMENT

2025

Universal Registration Document

AMF

This Universal Registration Document was filed on 24 April 2026 with the AMF in its capacity as the competent authority under EU Regulation 2017/1129, without prior approval pursuant to Article 9 of said Regulation.

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

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

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

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER (CEO)
RÉMY RIOUX

In 2025, as every year since I took over the helm, the AFD group, with more than 5,000 employees, has fulfilled its mission with determination, dedication and generosity. In the interest of others, in solidarity with our clients and partners, first and foremost; in the interest of our own people, serving the priorities of France and Europe, too; and to build mutual interest, for the climate and nature together, for health and all our common goods.

With the impetus provided by the 2015 Paris Climate Agreement and in response to the multiple crises that have marked the past decade, France has rebuilt and redefined its development policy's resources, by establishing the AFD group and doubling its size. Our excellent 2025 results provide me with the opportunity to take stock of these ten years of ambition, quality and resilience.

— Maintaining a strong financial ambition

Since 2016, AFD has grown. The AFD group's annual commitments continue to grow strongly, with equity having doubled and more than €130bn committed over the past ten years. Proparco, our private sector subsidiary, has more than tripled its activities, as has Expertise France, the French technical cooperation operator that has been part of the Group since 1 January 2022. In 2025, the AFD group confirmed the strength of its model with €13.7bn in new commitments, of which €10bn was for AFD, €3.2bn for Proparco and €0.6bn for Expertise France. The Group's disbursements reached a record €11bn. In total, more than 4,000 projects are being implemented by AFD, and more than 1,120 were instructed in 2025 alone.

In line with the priorities set by the French State, Africa remains the Group's geographical priority, accounting for €4.2bn in new commitments in 2025 (30%), and around 50% of the total portfolio, closely followed by our Orients department (26%) and Latin America (25%, representing an increase of 50% for 2025). French overseas territories and their neighbouring islands now account for 15% of our activity, with more than €2bn.

At sectoral level, energy (+29%), governance and migration management (+75%) increased in 2025, whilst AFD's activity declined in the areas of health and social protection (-24%, including a 66% reduction in commitments in 2025 for the Global Health Initiative led by Expertise France), as well as in vocational training and education (-49%), due to the very sharp drop in budgetary resources. Climate remains a powerful driver of our work, with projects contributing nearly €8bn. Lastly, 68% of financing committed by AFD in 2025 contributed to reducing gender inequalities and to improving the autonomy of women and girls.

The Group has been able to maintain its financial trajectory whilst adapting its activity: more loans (90%), fewer grants (accounting for just 10%) and an increased capacity to seek additional financing, acting as a platform for financial mobilisation and impact. The agenda for mobilising France's multiple partners, a priority of our strategic plan, made significant progress in 2025. With regard to private financing and for the first time in 2025, Proparco exceeded the set ratio of 1:1, thus doubling its own investments, by scaling up financial innovations. In terms of public financing, the Group is once again the institution that has most successfully mobilised European Commission funding, with €1.4bn this year, significantly more than the budgetary appropriations from the national budget. In total, around €1.6bn has been mobilised by the Group this year, compared with €1bn in 2024, representing an increase of 60%. The AFD group also co-finances very actively with numerous other public development banks, notably with the World Bank, of which it has become the world's leading partner, as well as with the national banks enlisted in the Finance in Common (FiCS) movement, initiated by AFD and which celebrates its fifth anniversary in 2025. The Group also went even further in its joint action with French philanthropic organisations (the Fondation de France in particular) and with international ones (the Aga Khan Foundation and Sawiris Foundation notably) in 2025. In total, for every euro allocated by Parliament, twelve euros are now invested with all our partners in projects that positively link France and its partners and allies around the world.

— Measuring impact and sustainability at the heart of our mission

After ten years of work to strengthen the reliability of our accountability mainstay, all projects financed by AFD are now subject to an internal appraisal and half of them to external appraisals, which can be consulted online for complete transparency. Above all, AFD is able to accurately certify the sustainable development impacts achieved in all the projects, sectors and territories it supports. As announced, this year AFD launched its «Impact Portal» to provide greater transparency and education on the quality of our investments. And the financial markets enforce this quality requirement: nearly 60% of the €8.2bn of bonds issued on the financial markets in 2025 are based on the rigorous methodology of the sustainable development opinion, which has been in place since 2014, and which made it possible to rate more than 2,000 projects before being extended to all Group entities.

Our work has very tangible impacts for the population. Indeed, the projects completed in 2025 alone enabled 4.8 million people to benefit from the education, training and employment services created, and 3.2 million people were supported in response to crises and violent conflicts. Over the past ten years, AFD financing has helped to protect, conserve or restore 44.5 million hectares.

AFD's responsibility is also to mobilise its own country for greater solidarity and the sharing of experience. As a result, more than 90% of projects financed by AFD involve a French stakeholder, and over the last five years, the markets supported by the AFD group have generated nearly €12bn in direct economic benefits for French companies. Strategic partnerships for development were signed in 2025 with major French groups, particularly in the infrastructure, energy, water and telecommunications sectors, as well as in the financial sector with BRED contributing to the international promotion of French expertise. By supporting projects in 160 countries and territories across the world, the AFD group also provides France with access to emerging worldwide innovations, including in developing countries.

Beyond its financial statements and in addition to its impact reporting, the AFD group has chosen this year to further strengthen its transparency by publishing a voluntary sustainability statement for the first time. This report makes it possible to structure and improve the reliability of the Group's non-financial data, in line with European standards resulting from the Corporate Sustainability Reporting Directive (CSRD). This exercise allows the Group to identify its operational risks related to sustainability but also to present the opportunities that the Group generates through its activities, providing a useful complement to financial reporting. The sustainability statement is a strategic approach that strengthens the management of the Group's sustainability issues.

— Rigorous management for greater robustness

These development impacts have been achieved with the very rigorous use of public funds and a management approach that has generated a net income of €388M in 2025 and €250M on average over the last ten years. Even during the Covid crisis, AFD has always achieved a positive result and the Agency's profitability even doubled between the 2016-2020 and 2021-2025 periods. Each year, AFD pays 20% of its net income to the State, i.e. more than half a billion euros over the past ten years. The Group thus regularly strengthens its equity, which has doubled since 2015, and which exceeded €10bn for the first time at the end of 2025. The Group's capital adequacy ratio stood at 15.84%, well above the regulatory requirement set by the banking supervisor.

During the same period, productivity gains of around 50% were recorded, in terms of the number of files managed per employee, and numerous reforms were carried out in a rich and demanding social dialogue, which has led to the signing of more than 70 company agreements over the past ten years. Optimising the Group's resources will also involve bringing together all teams at a single site in Paris next to the Gare d'Austerlitz in 2027, compared with six at present – making it possible to reduce by more than 20% the surface area and operating costs associated with its buildings. This project, which does not involve any taxpayers' money and was financed in a very favourable interest rate environment, is being carried out in strict compliance with the timetable and budget approved by the AFD Board of Directors in January 2020. I have no doubt that it will contribute to taking the AFD group's ambition to another level. One of the new site's buildings has been earmarked to house other international cooperation institutions, creating a *"Development City"* in the heart of the capital, contributing to our country's international influence.

I would like to express my gratitude to all the teams within the AFD group for their dedication and commitment during this decade of transformation and renewal. I am certain that they will be able to find the way to continue pursuing our ambition of working for a world in common.

The AFD Group's financial and impact model

TO IMPLEMENT FRANCE'S DEVELOPMENT POLICY

MARKETS

Public and private fundraising

€8.2bn

37%	19%	23%	16%	5%
Asset Managers	Bank treasuries and private banks	Central Banks and Official Insitutions	Insurance and pension funds	Other

Breakdown of investors in public fundraising of €6.1bn

PARTNERS

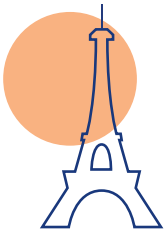
European Union, other states, philanthropic funds delegated as grant funds

€0.5bn

83%	6%	9%	2%
European Union	GCF: Green Climate Fund	GPE: Global Partnership for Education	Other

Financing provided by

AFD GROUPE



THE FRENCH STATE

Budget lines*

€1.5bn

€553M	€875M	€47M
No. 209 Ministry of Europe and Foreign Affairs	No. 110 Ministry of the Economy and Finance	No. 123 Ministry in charge of French Overseas Departments and Collectivities

GROUP COMMITMENTS €13.7bn

€10.5bn Loans

of which

€2bn Proparco

€0.8bn Grants

of which

€603M Subsidies

€174M C2D**

€10M GBS**

€29M FFEM

€2.4bn Other activities

of which

€565M Expertise France activity

€768M Equity investments and other securities

€528M Delegated funds

€582M Guarantees

IMPACT TARGETS

26.9 MILLION PEOPLE
will benefit from supported health services or see their access to care improved.

736,963 PEOPLE
will benefit from education services and jobs that have been created or significantly improved.

39 ORGANISATIONS
will be supported to promote safe, orderly, and regular migration.

702,124 FAMILY FARMS
will see their economic performance improved.

13.5 MILLION PEOPLE
will see their direct or indirect access to energy improved.

3 MILLION PEOPLE
will benefit from improved access to sustainable infrastructure and transport services.

46.3 MILLION PEOPLE
will gain access or improved access to the Internet and/or telecommunications.

6.4 MILLION PEOPLE
will benefit from better access to the sports and cultural sectors: activities, jobs, training, infrastructure.

* State resources committed

** Debt relief and development contracts and global budgetary aid

THE GROUP'S 2025-2030 strategy

Conceived over six years and guiding the Group's actions until 2030, the AFD group's new strategy, with Proparco and Expertise France, consolidates the results and achievements of the previous strategy[1].
It serves the development policy set by the French authorities.
It serves the guidelines set by the Programming Act on Inclusive Development and Combating Global Inequalities of 4 August 2021, by the Presidential Council for Development (CPD), the Interministerial Committee for International Cooperation and Development (CICID) and the Interministerial Committee for French Overseas Departments and Collectivities (Ciom) in 2023, and reiterated at the Presidential Council for International Partnerships (CPPI) in April 2025.

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

4 strategic commitments

KEEPING THE AFD GROUP'S PROMISE

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

100% SDG

The alignment with the SDGs aims to achieve a strong sustainability of development models, by committing to do no harm, maximise transformational impacts, and increase synergies among:
• Three strategic priorities: i) Planet; ii) Social link; iii) Citizens, Institutions, Democracies
• Three solidarity and sustainable investment priorities for enhanced impacts and a quality sectoral offer: sustainable infrastructure, economy and finance SDGs, human development and social progress

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

WORKING BY YOUR SIDE

A position of attention, of respect, of listening to the local needs, constraints, cultures, knowledge and talent of countries and our customers and partners, by strengthening our geographical intelligence according to three mandates:
1 • Providing support for sustainable and inclusive economic and social development in the most vulnerable countries
2 • Providing support for a just transition in middle-income and emerging countries
3 • Supporting the sustainable development of the French Overseas Departments and Collectivities and their regional integration
And actions adapted to large geopolitical groups:
• Taking action for the new partnership between Africa, Europe and France
• Providing support for the countries of the European political community in their convergence processes
• Taking action at the Indo-Pacific level around common challenges
• Contributing to a solidarity investment pact between Latin America and Europe

MOBILISATION PLATFORM

The Group will step up its action and mobilise the forces of change to achieve the SDGs, in France, Europe and internationally, through three priority and complementary channels:
• Financial mobilisation, to increase and qualitatively redirect additional resources
• Citizen and partnership mobilisation, because the commitment of the nation's forces, whether civil society, young people, opinion leaders and citizens themselves, remains an under-used action lever among development institutions
• Mobilisation of knowledge, technology and expertise
— French (Expertise France, French public institutions, private sector)
— local: AFD as a learner and as a broker of knowledge and innovations

The Group's 3 cross-functional priorities

PLANET: reconciling climate, nature and development

As the first public development bank to align itself with the Paris Agreement, in 2017, the AFD group now intends to have the same level of standards in terms of climate and nature and to continuously enhance its goals for the planet.
This will involve three markers:
• increasing its share of financing dedicated to projects with transformational value;
• aiming for alignment with the Global Biodiversity Framework (CMB) adopted at COP15;
• better integrating the challenges of the just transition and of vulnerabilities.

SOCIAL LINK for equality and inclusion

The Group will direct its financing and technical expertise to back the development of fairer and more inclusive societies.
Carried out across all operations, this focus will be based on two cross-functional objectives:
• reducing multidimensional inequalities and promoting inclusion;
• promoting gender equality through a transformative feminist approach.

CITIZENS, INSTITUTIONS, DEMOCRACIES

The Group will include support for "democratic dynamics" to a greater extent in its intervention strategies, taking into account the local political and institutional context. The Group will take action on three levels:
• providing support for citizen participation and organisation initiatives;
• providing support for public institutions (ministries, agencies, local authorities, etc.) to improve the efficiency and transparency of public action in the delivery of services to users and citizens;
• contributing to reinforcing the rule of law and democratic fundamentals, notably in civil society.

Group's key figures

IN 2025

€13.7bn
in commitments

more than 1,120
new projects in 2025

more than 4,000
current projects

more than 5,000
employees/staff, including 2,924 in the field

more than 160
countries of intervention

12
French Overseas Departments and Collectivities

17
17 regional departments

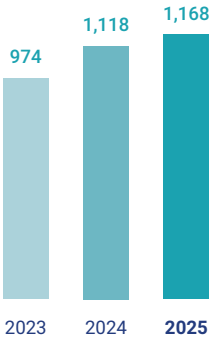
€7.8bn
in climate financing in 2025

Our 2025 key figures

AFD more than complies with the banking ratios.

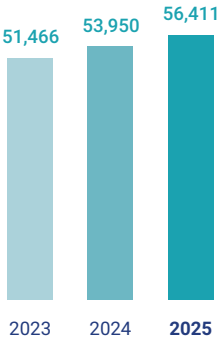
AFD group - IFRS (€M)

Net Banking Income

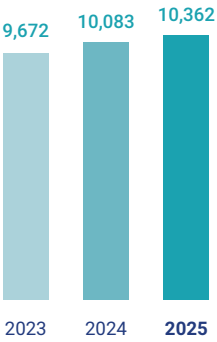


Net income

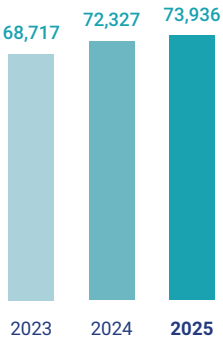
Outstanding loans



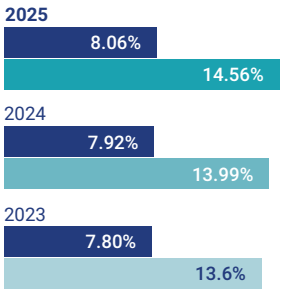
Regulatory capital



Balance sheet total

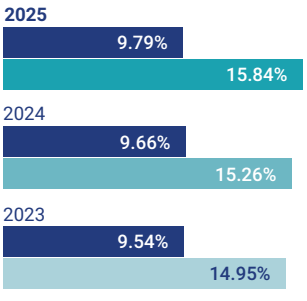


CET1 ratio



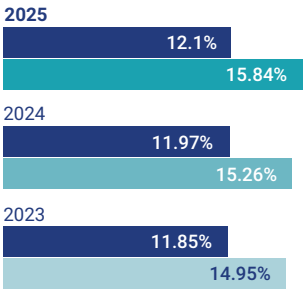
● *Minimum regulatory levels Including countercyclical buffer*

T1 ratio



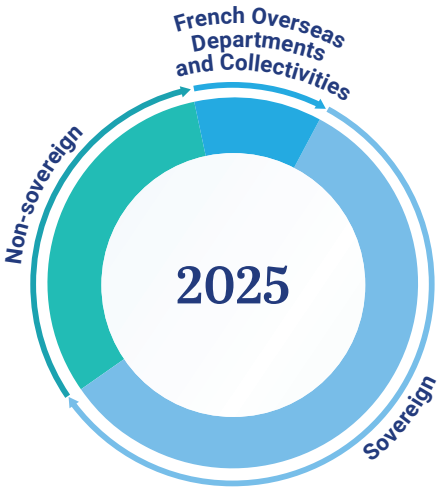
● *Minimum regulatory levels Including countercyclical buffer*

Capital adequacy



● *Minimum regulatory levels Including countercyclical buffer*

Performing assets



31%
Non-sovereign
Of which: ***4.3%*** *doubtful loans*
43% *provisions for doubtful loans*

11%
French Overseas Departments and Collectivities
Of which: ***4.8%*** *doubtful loans*
44% *provisions for doubtful loans*

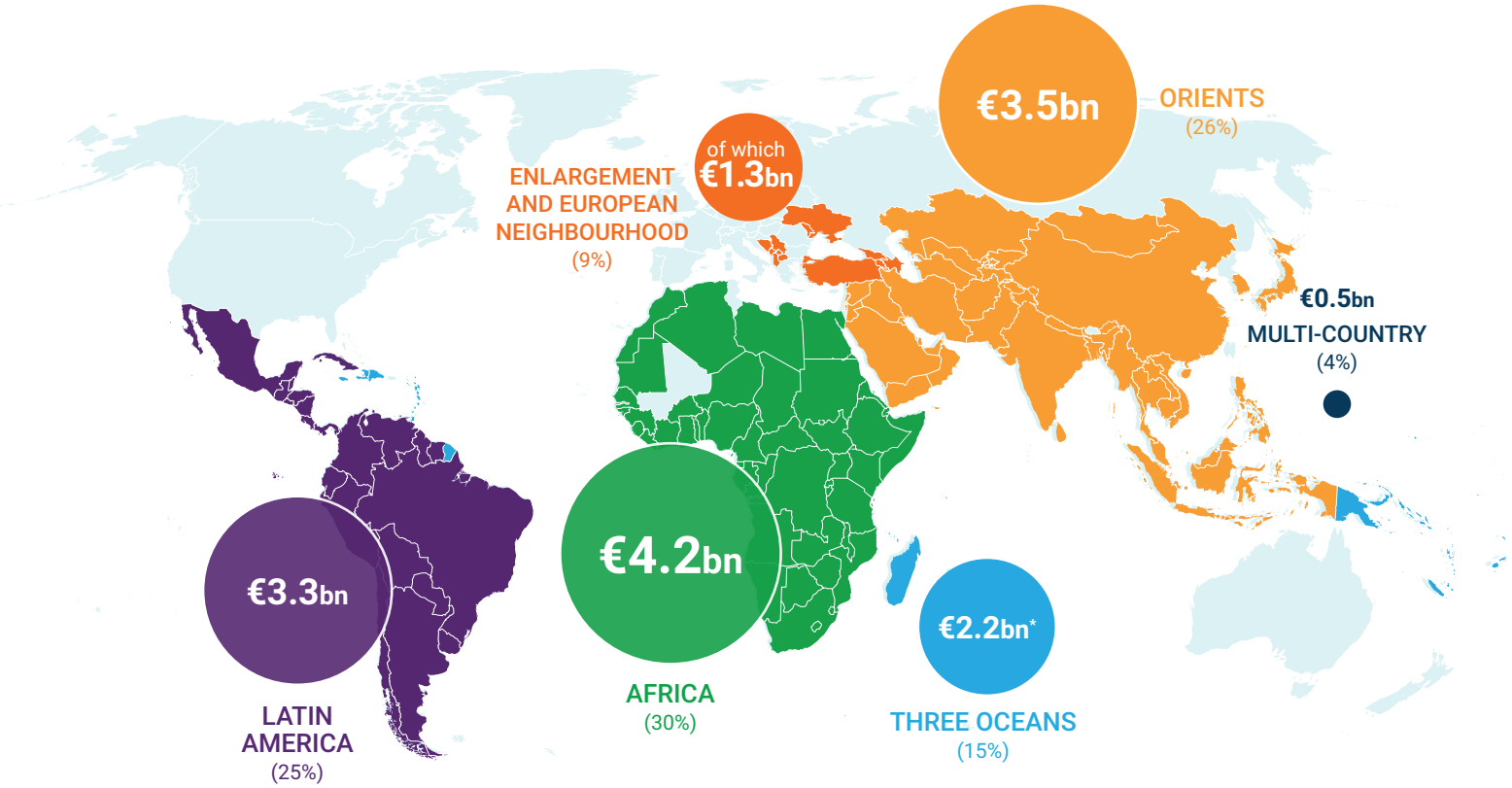
57%
Sovereign
Of which: ***8%*** *doubtful loans*
70% *provisions for doubtful loans*

Total outstanding loans at 31 December 2025

€56bn

Doubtful loans: **6.9%**

Our worldwide investments in 2025



**Including state-guaranteed loans (PGE) for New Caledonia.*

Informations

METHODOLOGY AND GLOSSARY

Figures

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

Scope

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

Glossaire

TA: Technical assistance

ACPR: French Prudential Supervisory and ResolutionAuthority

GBS: Global Budget Support

AFD: Agence Française de Développement

ODA: Official Development Assistance

ARIZ: Assurance pour le risque de financement de l'investissement privé (Insurance for private investment financing risk in AFD's areas of operation)

ECB: European Central Bank

PIB: Public Investment Bank

C2D: Debt Reduction-Development Contracts

CSEC: Central Social and Economic Committee

Campus: Formerly Cefeb (Center for Financial, Economic and Banking Studies) économiques et bancaires)

CICID: Interministerial Committee for International Co-operation and Development

CMF: French Monetary and Financial Code

COM: Objectives and resources contract

SSC: Strategic Steering Committee

SEC: Social and Economic Committee. It replaces the elected employee representatives in the company. It brings together all the employee representative bodies (IRP), employee representatives (DP), works council (CE) and Health, Safety and Working Conditions Committee (CHSCT).

DFID: Department for International Development

DOM: Département d'Outre-mer (French Overseas Department)

EPIC: Établissement public industriel et commercial (Industrial and commercial public undertaking)

FEXTE: Fonds d'expertise technique et d'échanges d'expériences (Technical expertise and experience fund)

FFEM: Fonds français pour l'environnement mondial (French Global Environment Fund)

Fisea : Fonds d'investissement et de soutien aux entreprises en Afrique (Investment and Support Fund for Businesses in Africa)

PRGF: Poverty Reduction and Growth Facility

FSD: Fonds de solidarité pour le développement (Solidarity Fund for Development)

FSP: Fonds de solidarité prioritaire (Priority Solidarity Fund)

IDFC: International Development Finance Club

MEAE: Ministère de l'Europe et des Affaires étrangères (French Ministry of Europe and Foreign Affairs)

MAE: Ministère des Affaires étrangères (French Ministry of Foreign Affairs) – Former title

MINEFI: Ministère de l'Économie et des Finances (French Ministry of the Economy and Finance)

NAO: Négociation annuelle obligatoire (Mandatory Annual Negotiations)

SDG: Sustainable Development Goals

NGO: Non-Governmental Organisation

OSEO: Development Bank for Small and Medium-sized Enterprises

DC: Developing countries

PEE: Plan d'épargne entreprise (Employee Savings Plan)

LDC: Least Developed Countries

POS: Strategic Orientation Plan

HIPC: Heavily-indebted poor countries

MIC: Middle-income countries

RCS: Ressources à conditions spéciales (Resources with speciall conditions)

FTT: Financial Transaction Tax

PSZ: Priority Solidarity Zone (PSZ)

01

Activities of Agence Française de Développement group in 2025

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1.1 General information

1.1.1 Legal status

Office

Agence Française de Développement
5, rue Roland-Barthes
75598 Paris Cedex 12
France

Tel.: 01 53 44 31 31

Legal form

Agence Française de Développement (hereinafter referred to as "AFD") is an *établissement public de l'État à caractère industriel et commercial* (public industrial and commercial establishment [EPIC]), with legal personality and financial autonomy. AFD is a financing company that exercises an ongoing public interest mission within the meaning of Article L.511-104 of the CMF. Its bylaws are defined in Articles L.515-13 and R.515-5 to R.515-25 of the French Monetary and Financial Code (CMF). AFD is managed by a Chief Executive Officer (CEO) who is appointed by Decree for a three-year term (Article R.515-16 of the CMF) and a Board of Directors in its areas of responsibility (Articles R.515-17 to R.515-19 of the CMF). The Strategic Orientation Board, an AFD body made up of State representatives on the Board of Directors and chaired by the Deputy Minister to the Minister for Europe and Foreign Affairs, with responsibility for the French-speaking world and international partnerships (Article R.515-7 of the CMF and Decree no. 2025-1121 of 21 November 2025), is notably responsible for strengthening the link between the political guidelines for Official Development Assistance (ODA) decided by the Interministerial Committee for International Co-operation and Development (CICID) and their operational implementation by AFD. The Strategic Steering Committee coordinates the State's preparation of the objectives and resources contract binding the Agency to the State, and monitors their implementation. It prepares, prior to their presentation to the Board of Directors, the guidelines set by the French State for the Agency pursuant to the decisions made by CICID (Article R.515-7, par. 2 of the CMF).

ACPR Supervision

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

The issuer's governing law

AFD is subject to French law.

Date of creation and duration

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

Statutory purpose

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

Trade and companies registration

RCS Paris B 775 665 599

Consultation of legal documents

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

Financial year

From 1st January to 31st December.

Documents available to the public

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

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

b. Universal Registration Documents, reference documents;

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

1.1.2 General information about AFD's capital

AFD's endowment amounted to €4,862,998,856 in 2025. In accordance with the provisions of Article R.515-15 of the CMF, this endowment may be increased by capitalising reserves upon deliberation of the Board of Directors approved by decree of the Minister of the Economy and Finance. It may also be increased through the allocation of public funds in accordance with current laws and regulations.

1.1.3 Dividends

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

The endowment received by AFD do not give rise to compensation.

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

1.2 AFD group's 2025 strategic review

In 2025, AFD group's 2025-2030 Strategic Orientation Plan was implemented for the first time over the year as a whole. It marks the entry into the operational phase of the priorities defined within the framework of the POS and their gradual translation into the Group's activities, processes and instruments.

A model that is changing to adapt to the sharp reduction in public funds

The very sharp reduction in the budget amounts allocated to AFD group over the past two years, which will continue in 2026, has led to significant changes in the Group's activity.

Geographically speaking, AFD investment declined in Africa, falling from 38% of total activity in 2024 to just 30% in 2025, and in the Middle East (-11%), whilst the French overseas territories (+19%) and Latin America (+50%) saw a sharp increase. In the Overseas Territories, 2025 was marked notably by a very high level of commitments amounting to €1.7bn, including the signing of an €800M State-guaranteed loan to support New Caledonia, the cofunding of a new geothermal power plant in Guadeloupe, and a partnership with the Departmental Council of Réunion on the territory's irrigation needs through waste water treatment.

At the sectoral level, AFD's activities have declined in the fields of health and social protection (-24%, including - 66% on commitments in 2025 for the Global Health Initiative), as well as in vocational training and education (-49%), whilst sectors such as energy (+29%) and governance and migration management (+75%) are gaining momentum.

The distribution of the instruments used by AFD group is also changing: loans now account for 90% of total business, compared with 10% for grants.

1.2.1 Keeping the Group's promise

In 2025, AFD group maintained a high and stable level of business, at €13.7bn in approvals, identical to amounts in 2024, with €10bn for AFD, €3.2bn for Proparco and €0.6bn for Expertise France. Disbursements reached a record €11bn. More than 4,000 projects are being implemented, with a particularly significant number of commitments in Africa (€38bn, *i.e.* 50% of the total).

The financial solidity of the model was confirmed: net income has remained above €250M on average over the past ten years, equity exceeded €10bn in 2025, and productivity gains are estimated at 50% over the last ten years.

AFD group's organisational structure reflects this primary commitment: the 17 Regional Directorates in the network were reorganised into a Group structure, now covering the activities of AFD, Proparco and Expertise France, and the three cross-cutting roadmaps (Planet, Social Cohesion, Citizens, Institutions and Democracies) that set out the Group's strategy were adopted by the AFD Board of Directors in 2025. The sectoral offerings are also organised at Group level, such as the roadmaps of the technical divisions.

Bringing the teams together in 2027 at a single site in Paris (Austerlitz station) will enable a reduction in property costs (down 20%) and floor space (down 22%), whilst adhering to the approved timetable and budget.

1.2.2 Working by your side

The Group has been actively involved in key geopolitical and sector-specific issues, providing direct support to its partners. In crisis-hit areas, it has provided assistance in Lebanon (backing the ICRC to ensure access to water and healthcare in 34 villages in the south) and in Ukraine (manufacturing medical prostheses in Odessa, providing a loan to the municipality of Lviv, and backing start-ups through Proparco).

In 2025, this commitment took the form of key initiatives by Proparco to support Africa's productive sector. In Cameroon, funding for the Proalu project (€23M in local currency) to build an aluminium and steel processing plant will create 450 direct jobs and safeguard nearly 7,700 existing jobs, helping to establish an integrated industrial sector with high added value. In Tanzania, the Euriz and Ariz guarantees provided to CRDB Bank (€48M) are facilitating the mobilisation of €82M in new loans for micro, small and medium-sized enterprises (MSMEs) [1], safeguarding 2,520 existing jobs and backing more than 500 businesses.

With regard to global public goods, action has notably been taken in South Africa (the Transnet project as part of the just transition), Morocco (ports and local authorities in the southern provinces) and the Amazon region (extension of a submarine cable linking the EU, Brazil and French Guiana; a bioeconomy programme in Belém; investment in natural capital).

1) Small and Medium Businesses

The Group has also been active in sectors of strategic importance to France and Europe: transition minerals (12 projects in around 15 countries), geospatial technology (support for the Rwandan space agency, partnership with CNES [1]), carbon markets (25 projects in around 20 countries) and the fight against drug trafficking (securing the port of Guayaquil *via* Expertise France and the European EL PAcCTO programme).

1.2.3 100% SDG quality and impact

The Group has met and exceeded the priorities set by the French authorities: €7.8bn in climate finance (nearly 60% of its business), 68% of projects contributing to gender equality (exceeding the 55% target) and 68% of projects providing support for public services and State-building (exceeding the 55% target).

89% of AFD's total approvals by volume are covered by an independent sustainable development opinion that qualifies the Group's 100% SDG commitment. In 2025, none of the 177 opinions issued were negative and no misaligned projects were financed.

All projects financed by AFD are subject to an internal evaluation, and half of the external evaluations are published online. AFD is now able to accurately certify the sustainable development impacts of all the projects it backs. This methodology is the basis for nearly 60% of the €8.2bn in bonds issued in 2025.

The tangible impacts are significant: by 2025, 3.5 million people benefited from improved access to healthcare and 1.5 million from improved access to urban transport. Over the past ten years, AFD financing has helped to protect, conserve or restore more than 44.5 million hectares.

The commitment to sustainable and inclusive growth has also taken the form of high-impact investments in employment led by Proparco: in Kenya, the $15M investment in the Kipeto wind farm is helping to provide reliable renewable energy to over 500,000 beneficiaries, whilst securing more than 500 direct and indirect jobs and providing support for local communities through a dedicated fund. In West Africa, Proparco's participation in the CRRH-UEMOA social bond issue (€11.4M) is helping to provide access to affordable housing for more than 1,800 households and creating over 9,000 indirect jobs in the region.

1.2.4 Mobilisation platform

The Group's activities generate direct economic benefits for France: more then 90% of projects involve a French partner, generating french economic benefits of €12bn for the last five years. Strategic partnerships have been concluded with Orange and Veolia. Support for French local authorities (more than 110 projects financed in ten years) and civil society organisations (€112M in 2025) helps to structure a mobilised ecosystem.

The capacity for financial mobilisation was strengthened: Proparco should reach a ratio of 1 to 1 for the first time in mobilised private financing; €1.4bn in European Commission credits were mobilised in 2025; in total, €1.6bn were mobilised this year, compared with €1bn in 2024.

The BlueEarth EM Impact Secondaries II fund (with €31.5M invested by Proparco as a lead investor) is targeting a fund size of €200M and benefits from a European Union guarantee designed to attract private investors to high-risk emerging markets. Similarly, the €15M investment in the Mirova Sustainable Land Fund 2 is part of a blended finance approach involving public, private and philanthropic stakeholders, with the aim of mobilising capital on a large scale to support sustainable land management in emerging countries.

AFD group also cooperates very actively with many other public development banks, within the Finance in Common (FiCS) movement, which met in Cape Town in February 2025, notably with the World Bank, of which it has become the world's leading partner. Significant progress was also made this year with philanthropic organisations, both French (partnership with the Fondation de France) and international (Gates Foundation, Aga Khan Foundation, Sawiris Foundation notably).

In total, for one euro allocated by Parliament, twelve euros are invested with all the partners in projects that positively link France and its partners in the world.

1.3 AFD operations

1.3.1 Overview

Main missions

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

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

- it is responsible for directly or indirectly providing technical expertise to the recipients of its assistance (Article R.515-6 of the CMF);
- in addition to its operations on its own behalf, it is authorised to carry out a certain number of operations on behalf of third parties:
    - as such, it may represent financing companies, other French or international credit institutions, the European Union, foreign States or international organisations and institutions (Article R.515-13 of the CMF),

1) Centre national d'études spatiales

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

Objectives and resources contracts

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

1.3.2 AFD's proprietary activities

The following types of financing are available:

1.3.2.1 In foreign countries

Current activities

- Grants

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

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

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

Mandate-specific operations

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

1.3.2.2 In the French Overseas Departments and Collectivities

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

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

- **Loans**
  - Financing public-sector investment in a spirit of partnership, especially thanks to the support given to local authorities for defining and implementing their development strategies. This activity takes the form of subsidised loans to the public sector (local authorities, EPCIs, public institutions, non-profit groups) or in the form of non-subsidised loans. AFD's loan outstandings in the French Overseas Departments and Collectivities amounted to €7.7bn, which positions AFD as a major financial partner of the overseas public sector.

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

- In addition, AFD can grant short-term loans to public authorities, to pre-finance grants from the EU, the State or from higher local authorities.
- Financing of the private sector through direct lending to companies and banks at market rates, in a spirit of complementarity with the banking sector, and consistent with the climate commitments of the AFD group and the SDGs.
- AFD also supports the development of micro-credit institutions in the French Overseas Departments and Collectivities by contributing to their refinancing.

- **Grants**
  - In addition to its loan activity, AFD implements consulting and support actions for the overseas public sector. The Agency thus works with public players on capacity building for their investment operations.
  - In 2025, the French Overseas Departments and Collectivities Fund (FOM), created at the end of 2019 by the Ministry of Overseas Departments and Collectivities and managed by AFD, made it possible to mobilise grants to support engineering from overseas public players. In addition, technical assistance support has continued, both through funding from the FOM and through COROM technical assistance contracts (recovery contracts in the French Overseas Departments and Collectivities), which are designed to provide technical and financial support to overseas local authorities in return for strict commitments on their part.
- **Guarantees**
  - AFD also carries out a significant medium- to long-term bank loan guarantee activity for small and medium businesses in the French Pacific collectivities through Sogefom, in which it is the majority shareholder.
  - It manages the FOGAP (Guarantee Fund for Agriculture, Fisheries, Aquaculture and Forestry sectors) created in 2010 by the State.
  - The FGSPM (Saint-Pierre-et-Miquelon Guarantee Funds) and the Mayotte Guarantee Fund, for the General Economy section (FGM-EG), are run on a run-off basis due to the deployment of Bpifrance "guaranteed" products in these regions. AFD is responsible for its management.
- Management or service mandates in the French Overseas Departments and Collectivities.

  AFD has a stake on its own behalf in the share capital of Société Immobilière de Nouvelle Calédonie (SIC) and Socredo.

1.3.2.3 Intellectual production

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

1.3.2.4 Promotion of knowledge on sustainable development

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

1.3.3 AFD activities under a specific mandate

AFD's bylaws provide for cases in which AFD acts on behalf of third parties. In accordance with Article R.515-12 of the CMF, AFD manages the specific operations financed by the State's budget on the State's behalf and at its risk. The terms of these operations are set out in agreements with the appropriate ministries.

These are either (i) framework agreements governing terms for AFD's implementation of a category of operations, or (ii) agreements setting terms for the implementation of a particular operation.

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

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

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

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

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

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

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

1.4 Financing of proprietary activities

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

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

Budgetary resources

- Funds for foreign States and French Overseas Departments and Collectivities loan subsidies (€331M of credit appropriations drawn in 2025 (1)).
- Grants received from the State for project grant, French Overseas Departments and Collectivities and NGO activities (€841M of credit appropriations drawn in 2025 (2)).

Loans from the State (special condition resource)

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

In 2025, AFD received €145M in special condition resource (RCS) in the first half of 2025. The funds were repaid to the French State in advance in the second half of 2025 in order to allow AFD's capital to increase by the same amount.

Market borrowings

AFD's bond issues totalled €8,198M in the 2025 financial year.

AFD issued six bonds, including one tap issue, in the form of public issues on the euro, sterling and US dollar markets for a total amount of €6,130M:

- £300M at 3.5 years (equivalent to €359M);
- €2,000M at 10 years in SDG bond format;
- $1,000M at 5.3 years (equivalent to €971M) in SDG bond format;
- €1,500M at 5 years in SDG bond format;
- €1,000M at 15 years;
- €300M at 3.65 years *via* a tap issue.

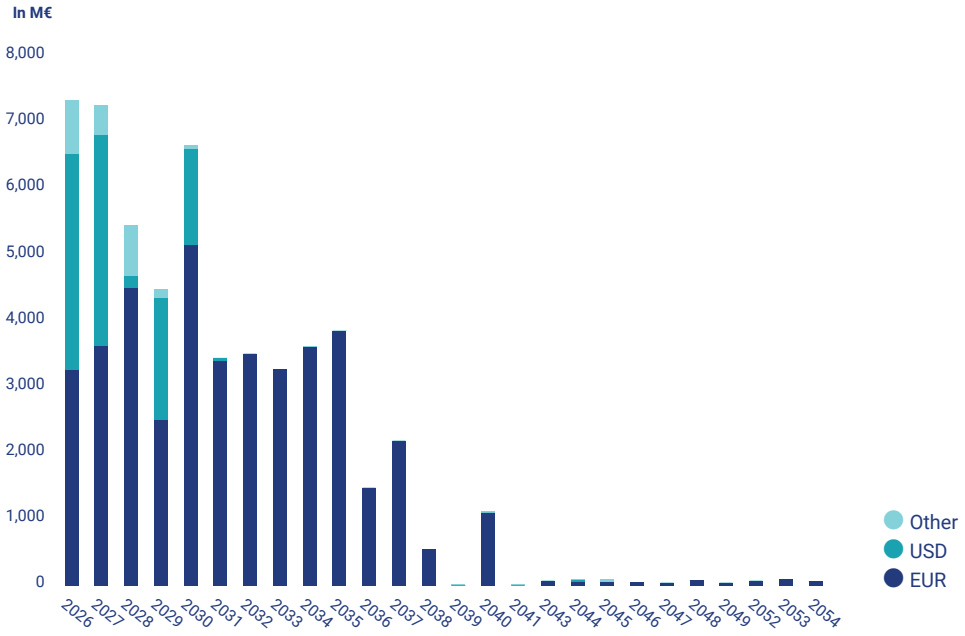
AFD has also undertaken:

- 16 tap issues without the order book being opened for an amount of €1,757M, of which €255M in SDG bond format;
- 7 private placements in dollars, Turkish lira, Australian dollars and Indonesian rupiah for a total of €311M.

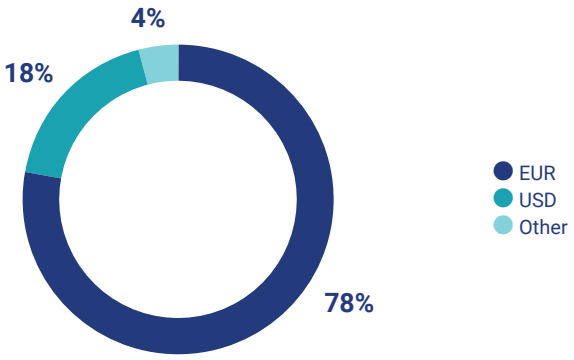
Taking into account the issues completed in 2025, the nominal stock of AFD's market debt at the end of 2025 reached a volume of €56.8bn at the corporate level and €54.3bn at the consolidated level. The difference corresponds mainly to fair value effects.

1) Excluding RCS and excluding exceptional contributions to the reserve account.
2) Subsidies excluding 110 Programme.

The breakdown by maturity date is as follows:

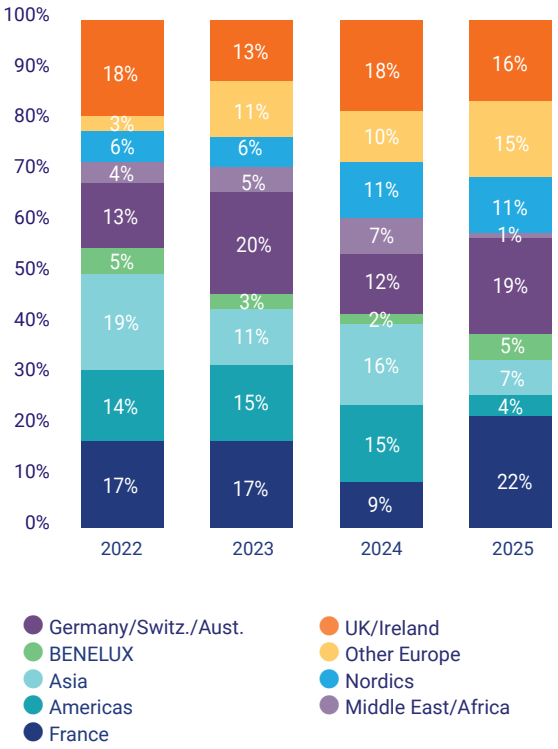


The outstanding debt stock at end-2025 is mainly denominated in euros:

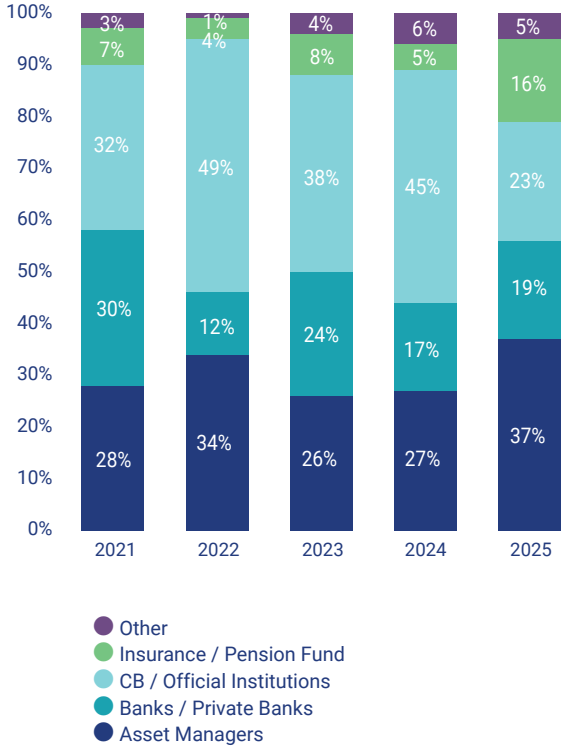


To meet its growing financing requirements, AFD ensures that it constantly maintains and expands its investor base which guarantees secure access to cash resources and competitive prices. The investor base by geographic area and type of "public" operation (1) breaks down as follows:

Geographical area:



Type of operation:



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

1.5 AFD group

1.5.1 Scope of consolidation

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

AFD group – Scope of consolidation at 31 December 2025

	Countries	Method	Percentage of ownership 31/12/2025	Percentage of ownership 31/12/2024	Percentage of control 31/12/2025	Percentage of control 31/12/2024
Mainland France						
Proparco	France	FC	85.21	85.21	85.21	85.21
Sogefom – AFD share	France	FC	58.69	58.69	58.69	58.69
Sogefom – Socredo share	France	FC	-	-	1.31	1.31
Fisea	France	FC	100.00	100.00	100.00	100.00
Expertise France	France	FC	100.00	100.00	100.00	100.00
STOA S.A.	France	EQ	33.33	33.33	33.33	33.33
French Overseas Departments and Collectivities						
Soderag	France – Guadeloupe	FC	100.00	100.00	100.00	100.00
SIC	France – New Caledonia	EQ	50.00	50.00	50.00	50.00
Socredo	France – Polynesia	EQ	35.00	35.00	35.00	35.00

AFD group – Scope of consolidation at 31 December 2025. FC: Full consolidation – EQ: Equity method.

Details of the scope of consolidation are presented in Note 6.2.3.1 to the consolidated financial statements.

1.5.2 Information about subsidiaries

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

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

Purpose:	To promote development projects, acquire equity investments and grant loans in the regions in which AFD is mandated to operate
Legal form:	Public limited company (*société anonyme*) (finance company)
Registered office:	151, rue Saint-Honoré, 75001 Paris
Share capital:	€1,353,513,248 (excluding issue premium)
AFD's stake:	85.21%
Other shareholders:	Five French financial institutions (6.18%), six international financial institutions (7.07%), seven investors (1%) and two ethics foundations (0.53%)
Balance sheet total:	€9,146M
Net position:	€1,774M
Equity investments:	€2,120M (gross outstandings)
Gross outstanding loans:	€6,102M
Net banking income:	€201M

Expertise France

Purpose:	French technical assistance and public international expertise abroad on bilateral and multilateral financing.
Legal form:	Simplified joint stock company (*société anonyme par actions simplifiée*)
Registered office:	40, boulevard de Port-Royal, 75005 Paris
Share capital:	€828,933
AFD's stake:	100.00%
Other shareholders:	None
Balance sheet total:	€1,254M
Net position:	€14M
Net income:	€3M

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

Purpose:	To provide a partial guarantee for financing operations undertaken by credit institutions operating in the French Overseas Departments and Collectivities and having subscribed to a portion of its share capital or having received approval from its Board
Legal form:	Public limited company
Registered office:	5, rue Roland-Barthes, 75012 Paris
Share capital:	€1,102,208
AFD's stake:	60% (including 1.32% through Socredo)
Other shareholders:	Nine credit institutions (40.00%) including Banque de Nouvelle-Calédonie (7.51%) and Banque de Polynésie (7.51%)
Balance sheet total:	€108M
Net position:	€12.7M
Net banking income:	€5.4M

Soderag (Société de développement régional Antilles-Guyane)

Purpose:	To grant loans and acquire equity investments in order to promote development in the Antilles – French Guiana region
Legal form:	Public limited company in liquidation (in voluntary liquidation since 17/7/1998 – SDR)
Registered office:	Fort-de-France (Martinique)
Share capital:	€111,923,132
AFD's stake:	100.00%
Other shareholders:	None
Balance sheet total:	€7.5M
Net position:	-€7.7M (excluding RGBR)
Gross outstanding loans:	NS
Net banking income:	€0.1M

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

Purpose:	To promote the growth of African SMEs
Legal form:	Simplified joint stock company (*société anonyme par actions simplifiée*)
Registered office:	5, rue Roland-Barthes, 75012 Paris
Share capital:	€410,000,000
AFD's stake:	100.00%
Other shareholders:	None
Balance sheet total:	€261
Net position:	€253M
Gross outstanding loans:	NA
Equity investments:	€203M (amount net of impairments)
Net income:	-€5M

1.5.3 Presentation of subsidiaries

1.5.3.1 Proparco

Proparco is the development finance institution at the AFD group dedicated to financing and backing the private sector.

As of 31 December 2025, its share capital amounted to €1,353,513,248. It is 85.21% owned by Agence Française de Développement (AFD) and 14.79% by private shareholders, comprising French financial institutions (6.2%), international financial institutions (7.1%), individual investors (1%) and ethical investment funds and foundations (0.5%).

Proparco is the only AFD group entity exclusively dedicated to the private sector. Its mission is to mobilise private players to promote the emergence of sustainable, inclusive and low-carbon growth models in developing countries and emerging economies. As such, Proparco actively contributes to the achievement of the Sustainable Development Goals (SDGs) defined by the United Nations.

Its sectoral strategy, which is tailored to the level of development of the countries in which it operates, is based on several priority areas:

- the development of the productive sector;
- the financial intermediation and reinforcement of financial systems;
- infrastructure and the energy transition;
- health and education;
- private equity.

The geographical scope of intervention covers all countries eligible for Official Development Assistance as defined by the Development Assistance Committee (DAC1) of the Organisation for Economic Co-operation and Development (OECD), from major emerging economies to the least developed countries, with particular attention paid to the African continent.

Proparco operates in accordance with high standards of corporate social responsibility (CSR) and development impact. It provides a comprehensive range of financial instruments tailored to the needs of investors and private companies: loans, quasi-equity instruments, equity investments and guarantees.

1.5.3.2 Expertise France

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

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

1.5.3.3 Fisea

The Fisea+ programme, launched in 2021, is a continuation of the historic Fisea initiative, dedicated to backing private equity in developing countries. Both schemes are housed within the simplified joint stock company Fisea.

In this context, Proparco acts as a service provider on behalf of AFD, ensuring the appraisal, monitoring and operational management of investments.

With an equity intervention capacity of €410M, Fisea is a complementary tool to the operations carried out on Proparco's balance sheet. It strengthens AFD group's development impact by targeting market segments or risk profiles specific to private equity in emerging and developing countries.

In 2025, Fisea+ approved three investment operations (excluding technical assistance and grants) for a total amount of €9.6M, compared to €56.1M in 2024. These approvals break down as follows:

- €6.0M in a multi-sector fund;
- $3.6M in a direct investment in the microfinance sector.

Furthermore, five delegated technical assistance projects for investment funds were approved in 2025, for a total amount of €1.8M.

With regard to signatures, four investment operations were signed in 2025 for a total amount of €35.5M (excluding grants), compared with €26.1M in 2024. In addition, €0.5M in delegated technical assistance was committed to three projects (€2.9M in 2024).

Disbursements related to the portfolio activity of the Fisea and Fisea+ programmes amounted to €37.10M in 2025 compared to €20.6M in 2024. Technical assistance disbursements represented €0.6M over the financial year.

1.5.3.4 Soderag

The Regional Development Company of the Antilles-French Guiana (Soderag) was a regional development company of which AFD took control in 1995 at the State's request. The losses and poor outlook led to the company's liquidation in July 1998. AFD acts as Soderag's out-of-court liquidator and carries out transactions relating to the Company's liabilities and assets. Outstanding cash advances by AFD to Soderag amount to €8M and are fully written down in AFD's parent company financial statements. As of 31 December 2025, the asset portfolio consisted of four investments, while liquidation operations are ongoing.

1.5.3.5 Sogefom

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

The steady level of activity observed over the past several years (€48M in 2022 and €44M in 2023) surged in 2024 (€84.5M), and rose sharply again in 2025 with a record production of €154M, which is mainly due to the appetite of New Caledonian banks for the "Reconstruction" guarantee introduced in the territory on 1 July 2024, following the events of May 2024.

In 2025, production in New Caledonia thus amounted to €127M (+116% compared to 2024), *i.e.* 83% of the guarantees allocated in 2025. Production in French Polynesia amounted to €27M (+5% compared to 2024).

Gross consolidated outstandings for guarantees at 31 December 2025 amounted to €273M, compared to €190M at the end of 2024, *i.e.* a 44% increase. It breaks down as follows: 36% in French Polynesia, 64% in New Caledonia and 0.01% in Wallis and Futuna.

1.5.3.6 Banque Socredo

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

Socredo is the leading banking institution in Papeete, with an overall market share of 43.2% (42.8% in 2024). It differs from the two competing banks in the market (Banque de Polynésie and Banque de Tahiti, subsidiaries of Société Générale and Groupe BPCE, respectively) as a result of its presence throughout the country, as well as its unique positioning in inclusive banking and green finance. AFD is actively involved in the governance of Socredo with three out of its ten directors.

Socredo, which has adopted its first sustainable development strategy for the 2024–2028 period, is thus the first bank in French Polynesia to have carried out a carbon assessment, with a plan to reduce emissions from "office life" by 2025. At the same time, and in a more structuring way for the country's economy, it is in the process of defining "low-carbon" indicators for its activities in the fields of housing and transport, which are responsible for the largest share of financed emissions.

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

At 31 December 2025, Socredo employed 534 people. The financial closing as at the end of 2025 shows a balance sheet of €3.4bn, stable compared to 2024 (€3.5bn). It mainly consists of customer receivables for €2.7bn (compared with €2.6bn in 2024) and deposit liabilities of €2.6bn (compared with €2.5bn in 2024). In 2025, the bank generated net banking income (NBI) of €98.1M and net income of €12.8M, compared with €94.3M and €13.6M, respectively, in 2024. All regulatory ratios are satisfactory.

1.5.3.7 Société Immobilière de Nouvelle-Calédonie (SIC)

Société Immobilière de Nouvelle-Calédonie (SIC) was created in 1988 when SICNC (Société immobilière et de crédit de Nouvelle-Calédonie) was split into two separate companies: Banque calédonienne d'investissement (BCI) and SIC.

The SIC, a systemic player, is the leading landlord in the region. Its mission is to contribute to social cohesion and the fight against inequalities and exclusion by offering housing solutions adapted to populations with the most modest means. The company manages a portfolio of about 11,000 housing units and houses about 10% of the New Caledonian population. AFD holds 50% of its capital, alongside the New Caledonia local authority.

Income for 2025 amounted to -€12M, stable compared to 2024. This figure can be explained by both structural flaws in the economic model of social housing in New Caledonia (problems with the indexation of rents and housing benefits, and inadequate funding for urban regeneration), but also by the sharp rise in rent arrears and commercial vacancies (linked, in particular, to tenants leaving their homes), following the riots of 2024. The AFD is supporting the SIC in restructuring its long-term debt. In 2025, the lender Banque des Territoires also granted SIC a repayment deferral.

There is an urgent need for social housing reforms to ensure the long-term viability of a sector in a state of severe decline, at the intersection of urban, social and economic policies. AFD will continue to support the Government of New Caledonia in this regard, as well as the work of the Interministerial Mission for New Caledonia (MINC), which has clearly identified the challenges facing this policy and the expectations set out by the SIC to revitalise the sector: reform of the 2% housing scheme, creation of a guarantee fund for unpaid rent, indexation of rents to inflation, reform of housing benefit, and creation of an investment support fund.

1.5.3.8 STOA S.A.

Created in 2017, STOA S.A. is a private equity firm dedicated to financing sustainable infrastructure in emerging and developing countries. Its capital is divided between Caisse des Dépôts (67%) and AFD, which has strengthened its position to reach 33% of the share capital. This strengthening of the shareholding structure brings AFD's target commitment to €300M out of a total budget of €900M through to 2028. The transition to a third of the share capital marks a key step in the governance of the subsidiary and in AFD group's direct involvement in the equity investment strategy.

STOA S.A. mission is to provide support for resilient growth models by investing in sectors critical for development. Its main focus is on energy (69% of the portfolio), transport and logistics (21%), and telecommunications (15%). STOA S.A. is highly active in Africa, where more than 50% of its projects are based, and is also applying its expertise in Latin America and Asia, with a strong focus on climate impact: in 2025, 70% of its new investments were certified as having "climate co-benefits".

1.6 Activities of the Agence Française de Développement group in 2025

1.6.1 International economic context

Political, economic and financial developments in the United States are more than ever at the heart of concerns for the rest of the world. Since "Liberation Day" on 2 April 2025, which saw the **United States** embark on a "universal trade war", the negative impact on the global economy has only gradually become apparent. The reorganisation of supply chains to redirect trade flows, the negotiation of trade agreements between various countries (including **China**) and the **United States**, and the overall moderation of retaliatory measures towards the United States preserved global trade in the first half of 2025.

Despite signs of economic and trade slowdown in the second half of the year, global economic growth held up better than expected for the year as a whole, although it remained below the outlook foreseen at the end of 2024. The relative weakness of the dollar, the easing of global financial conditions (monetary easing and a narrowing of sovereign risk premiums) and the generally strong performance of commodity prices helped to sustain economic activities and macro-financial stability in **emerging and developing economies (EDCs)**. However, this relative lull is part of a climate of extreme uncertainty, dictated by the Trump administration's series of erratic measures and about-faces, which is expected to continue in 2026.

Resilience of world trade and economic growth. In anticipation of the tariff shock, export and import firms stepped up their activities in the first few months of 2025. Global industrial production rose by 3% year-on-year (y-o-y) over the first nine months of the year (3.9% in developing countries and 1% in developed countries), whilst global exports by volume increased by 4.7% y-o-y over the first eight months. **Chinese** exports rose by 7.7%, with a large proportion of exports subject to prohibitive tariffs reportedly having been swiftly redirected to **Europe** and **developing countries**. However, exports from **developing countries** have slowed down since the summer. Some countries that are heavily dependent on exports to the **United States**, such as **Vietnam** and **Cambodia**, have managed to negotiate a reduction in customs duties (26 October 2025), as has **China**, for which the OECD estimates the effective rate paid to be 22% in December 2025. Other countries such as **Brazil, India, Serbia, Bosnia, Azerbaijan, Laos and Myanmar** remain subject to coercive tariffs of more than 30%. Leading economic indicators such as the manufacturing PMI (S&P Global) remain broadly in expansionary territory, notably in the **United States** and **China**, are neutral in the **eurozone**, and are contracting in certain countries such as **Brazil, Mexico and Turkey**. Global growth is expected to slow in the second half of this year, with only a partial recovery next year, depending notably on whether trade tensions ease or intensify. Based on the IMF's latest projections compared to October 2024, the cumulative global production loss would be about 0.2 percent by the end of 2026.

These are quite favourable conditions for developing countries in the short term. The relative weakness of the dollar (a 6% depreciation in the real effective exchange rate by 2025) is a positive factor for keeping domestic inflation under control in **developing countries**, for monetary easing, for easing domestic financing conditions for governments and the private sector, and for alleviating the external debt repayment burden of **developing countries**. Despite (re)financing conditions on international markets remaining more costly than before 2022 (excluding the Covid-19 shock in 2020), yields on US dollar-denominated sovereign bonds fell in 2025, notably in **Latin America** and **Africa**. Against a backdrop of resistance to falling bond yields in the **United States**, this financial respite for **developing countries** can therefore be attributed to a narrowing of risk premiums (sovereign spreads), coupled with more favourable risk-return trade-offs and a more positive assessment of the sustainability of public finances in certain countries, including those that have had their external debt restructured under the Common Framework (**Ghana, Ethiopia, Zambia**) or outside the Common Framework (**Suriname, Sri Lanka**). For very different reasons, countries such as **Senegal and Ukraine** bucked this positive trend in 2025.

The medium-term outlook is clouded by the prospect of a geo-economic order characterised by ongoing conflict. In the longer term, growth prospects – which have been eroded in recent years – will depend on countries' ability, which in many cases is limited or structurally weak, to sustain investment in education, public research, infrastructure, good governance, a regulatory environment that balances the need for flexibility and innovation in the private sector, as well as effective international cooperation and technology transfer. This scenario is far from taking shape, given the economic decoupling and the looming regulatory battle. The AI revolution is seen as a technological race between major powers, a source of productivity gains and a means of addressing labour shortages (demographic decline in **China**, restrictive immigration policies in the **United States**). But it is raising concerns about job losses and the downgrading of many workers in **developed countries** and **developing countries**.

Through certain unilateral decisions, the world's two leading economic powers are significantly altering the parameters of international trade as part of a strategy to control global resources, but China is striving to present itself as a more reliable trading partner than the United States. Xi's **China** and Trump's **United States** are also two sides of the same capitalist economic model, in which private actors are dependent on an interventionist and arbitrary political power. Against this backdrop, **Germany** is set to break with decades of free-trade orthodoxy by calling for greater "European patriotism" and protectionist measures to back industry in the face of Chinese competition, whilst backing the EU-Mercosur trade agreement. At the same time, some countries are taking steps to maintain open trade through initiatives such as the Partnership for the Future of Investment and Trade (FIT-P), which could include around ten countries (**Morocco, Rwanda, Malaysia, Uruguay, Costa Rica, Panama, Paraguay and Norway**), with **Singapore, the United Arab Emirates and New Zealand** as the main founding members.

China's dominant position in critical and strategic metals gives it considerable market and negotiating power vis-à-vis the United States, notably in semiconductors, telecommunications, electric vehicles and defence. The Trump-Xi meeting on 30 October 2025 resulted in mutual concessions for a period of one year: a reduction in US tariffs in exchange for **China** resuming imports of soya and other agricultural products, efforts to limit the supply of chemicals used in the production of fentanyl, and a relaxation of restrictions on rare-earth exports. This period of short-term stability does not rule out the risk of escalation, including a currency war targeting the renminbi, which the **United States** considers to be undervalued (as was the case with the yen during the Plaza Accords in 1985).

The climate of uncertainty is having a significant impact on the direction of monetary policy. Persistent inflationary risks, particularly in the **United States** and linked in part to tariffs, slowed the pace of the Fed's monetary easing until the summer, before it approved three 25-basis-point cuts to its key interest rate since September 2025, against a backdrop of an economic slowdown and concerns about the labour market. The White House issued an executive order on 14 November, removing tariffs on certain agricultural products. The announcement came just as the Supreme Court was preparing to rule on the legal validity of the pricing policy introduced under the Economic Emergency Act of 2 April 2025. The federal government's borrowing requirements are draining a significant amount of liquidity, which is pushing up short-term interest rates. In response, the Fed halted the active reduction of its portfolio of Treasury securities as of 1 December. A resumption of balance sheet expansion is a possibility should liquidity strains in the money markets intensify. Stablecoins, backed by T-bills, are another source of monetary funding for the US Treasury and a factor in the dollar's appeal, counterbalancing the recent blows to its dominance, and could even, in the long term, pose a crowding-out risk for other short-term financing needs, notably in the **emerging economies** most dependent on portfolio investment flows. Meanwhile, in **China**, in the face of deflationary pressures and weak domestic demand, monetary and regulatory easing has continued. Elsewhere, the relative weakness of the dollar and disinflation have facilitated monetary easing in the **eurozone** and in most countries. Central banks are now at a potential turning point, with a lack of clarity and monetary policy decisions heavily dependent on economic data.

The widening of public deficits and the growing debt burden pose a risk, which would see the Fed having to respond more closely to developments in fiscal policy in order to contain any risk of a US public debt crisis (through asset purchases and interest rate cuts). The steepening of the yield curve, driven by the rise in the term premium, signals market anxiety, particularly as quantitative tightening has increased the proportion of bonds in floating-rate form, making the market more dependent on volatile investors (mini-crash in April 2025). Alongside the surge in the global price of gold – a safe-haven asset and a means of diversification for central banks relative to the dollar – the rally in US equity markets, driven by the tech sector, and in crypto-assets has reached a level that has, since the autumn, raised concerns about the risk of a bubble and overvaluation. The technology race has led the industry's giants to take on massive amounts of debt to build data centres. At the same time, the fall in cryptocurrency prices (down 30% for Bitcoin) can be attributed to $1,200bn being withdrawn from the market in the space of a few weeks. Praised by the White House, cryptocurrencies – and stablecoins in particular – are a source of financial instability through the companies that issue them (Tether, Circle), which generate revenue from Treasury bills. This issue of private currencies raises the question of monetary sovereignty and the need for central bank digital currencies. Although rejected by the Trump administration, the development of central bank digital currencies is under way in many countries (**China, Japan, South Korea, the eurozone, Nigeria, South Africa, Ghana, Kenya,** etc.), with a view to improving financial inclusion, reducing transaction costs and making payments more secure. This is despite the fact that commercial banks see it as a direct threat to their role as financial intermediaries, their profit margins and the stability of their deposit base.

Non-bank financial institutions (NBFIs) as key players in international finance and potential sources of instability. Although this is not a new topic, NBFIs (investment funds, insurance companies, asset managers, private credit providers, microfinance institutions, etc.) play a major role in foreign exchange markets (one-third of spot transactions and showing strong growth in derivatives markets), as well as in private credit, property and cryptocurrency markets. This helps to diversify their risks but makes supervision more complex. These entities are not subject to the same prudential requirements as banks, which makes them less transparent in terms of assets, leverage and liquidity. The IMF and the BIS warn of their strong interconnectedness with the banking sector (whether or not as subsidiaries). The IMF also points to high valuations of NBFI assets (equities, credit, real estate, etc.). It recommends improving the governance of funds, strengthening market infrastructure and better planning the strategy for issuing and managing sovereign debt in order to limit the risks of shocks amplified by NBFIs (liquidity and forced sales risks in times of financial stress). The growing presence of NBFIs (both resident and non-resident) in the domestic bond and equity markets of **developing countries** is increasing market absorption capacity and liquidity by broadening the base of institutional investors. Systemic risks surrounding the nexus among banks-NBFIs-sovereigns still appear to be generally moderate in most **developing countries**. Investment funds remain minor players in financial systems that are still largely dominated by commercial banks, which are the main holders of Treasury bills and the primary source of funding for the private sector. The development of long-term savings, funded pension schemes through pension funds, and an insurance culture is still far from the levels seen in advanced economies and varies widely across **developing countries**. In most **low-income countries (LICs) and lower-middle-income countries (LMICs)**, States therefore remain dependent on international savings and Official Development Assistance through external financing from donors on concessional terms, the drying up of which is a cause for concern.

These factors continue to pose a significant risk of destabilising the global economy and creating macro-financial risks in the short and medium term, given the global imbalances and strong interdependencies:

- a possible escalation of the trade war, notably between **China and the US**, turning into a currency war; the introduction of non-tariff trade barriers (such as export licence controls) or mechanisms such as the **EU's** carbon border adjustment mechanism or the deforestation regulation, triggering retaliatory measures;
- questions regarding the independence, credibility and even monetary sovereignty of central banks, starting with the Fed, in the face of a monetary policy dilemma arising from fiscal dominance – given the scale of public deficits and debt (in both **developed and developing countries**) – and the rise of crypto-assets;

- the bursting of the tech-driven financial bubble surrounding AI and/or a bond market crash in the **United States**, which could be triggered by a crisis in non-bank financial institutions (NBFIs) – which are less regulated than the banking system – or in stablecoins backed by US Treasury bills;
- a marked slowdown in the **Chinese** economy, a key player in manufacturing value chains across **Asia** (and beyond) and in the global commodities market, the downturn of which would have major implications for **developing countries**, notably those in Africa and Latin America that are most vulnerable in terms of public finances and external positions;
- the impact of the 'drill, baby, drill' policy in the **United States** on oil supply and prices (which have been driven down), notably for certain **developing countries** that are heavily reliant on hydrocarbons for their economic development;
- harmful socio-economic and even socio-political consequences for these same **developing countries** of the tightening of Official Development Assistance;
- the consequences for the global decarbonisation trajectory of the **United States**' exit from the Paris Agreement and, more broadly, many multilateral bodies;
- increased geopolitical tension, imperialist tendencies – particularly on the part of the **United States** – with the risk of open conflict (between the **United States and China** in the South China Sea, between **Russia and the European Union**, in the **Near and Middle East**, in **Latin America**, and other regional and cross-border conflicts).

1.6.2 Information about offices and activities at 31 December 2025

The table below presents information on the workforce and financial information by country.

	2025 financial year			
	Net banking income in €M (1)	Profit or loss before tax (2)	Public subsidy received	FTE workforce (3)
Member States of the European Union:				
France	1,277	416	98	4,667
TOTAL	**1,277**	**416**	**98**	**4,667**

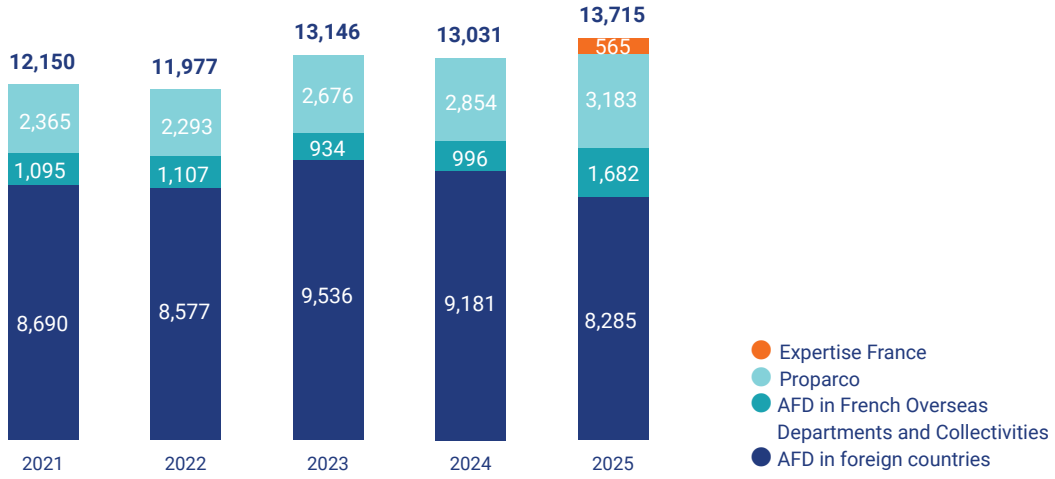
(1) Data from the contribution to the Group's consolidated income is shown before the elimination of inter-company transactions between the Group's consolidated companies. The share of net income from equity-accounted companies is recognised directly in profit before tax; they therefore do not contribute to consolidated NBI.
(2) Data from the contribution to the Group's consolidated income is shown before the elimination of inter-company transactions between the Group's consolidated companies.
(3) Average full-time equivalent (FTE) workforce of fully consolidated entities.

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

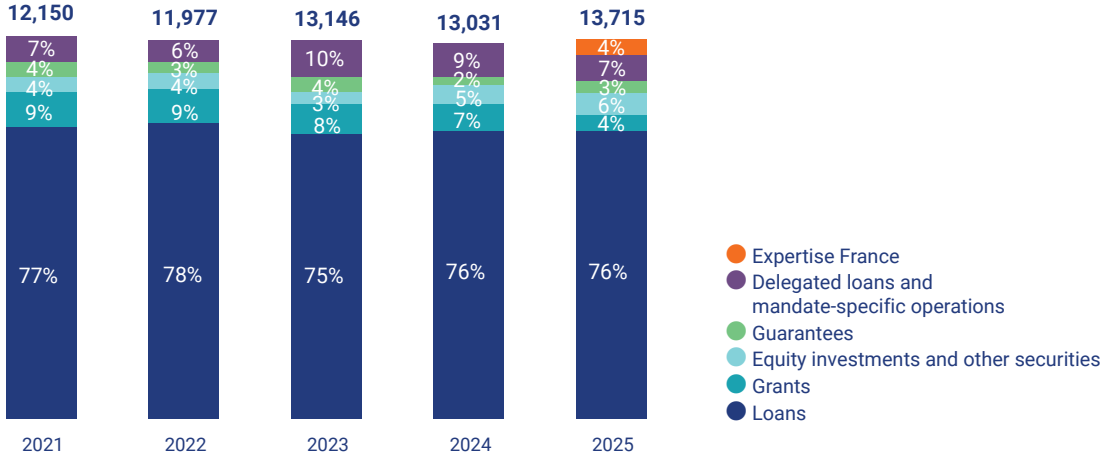
Offices by country	Activities
France	
AFD – Agence Française de Développement	Financial institution
Fisea – Fonds d'investissement et de soutien aux entreprises en Afrique	Investment funds
Proparco – Société de promotion et de participation pour la coopération économique	Financial institution
Soderag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

1.6.3 AFD group activities

AFD group financing approvals in foreign States and in the French Overseas Departments and Collectivities



AFD group financing approvals by type of financing



AFD group's overall business amounted to €13.7bn in commitment authorisations in 2025. For AFD and Proparco, amounts returned to 2023 levels and remained stable compared to 2024 (€13bn) with some variations:

- a +€120M increase in approvals on the AFD scope (excluding Proparco sub-investments), marked by:
  - a decrease for foreign States (-€896M), which is explained notably by a combined decrease in loans (excluding Proparco sub-investments) and grants for -€353M and -€323M, respectively, in the amount of delegated loans for -€202M, and in GBS for -€58M. The C2D [1] volume increased by €29M,
  - an increase in the French Overseas Departments and Collectivities of +€687M, which came almost exclusively from loans (+€635M) but also from guarantees for +€61M, less grants for -€5M and delegated loans for -€4M;
- the increase in approvals on the Proparco scope (+€329M) was largely due to loan activities (+€218M) and equity investments (+€128M). FISEA approvals fell by -€48M, from €58M in 2024 to €10M in 2025.

1) Debt reduction and development contract.

1.6.3.1 AFD's activities in foreign States

AFD approvals and disbursements in foreign countries

	Approvals			Disbursements		
In millions of euros	2025	2024	Change	2025	2024	Change
Current activities	**7,796**	**8,807**	**(1,012)**	**6,733**	**6,274**	**459**
Loans	**7,214**	**7,878**	**(664)**	**5,782**	**5,352**	**429**
Sovereign concessional loans	4,971	5,253	(282)	4,060	3,613	447
Non-sovereign loans	2,243	2,625	(382)	1,721	1,739	(18)
of which sub-participations granted to Proparco	248	559	(311)	398	489	(91)
Ongoing grants	**582**	**905**	**(323)**	**869**	**844**	**25**
Grants	471	751	(280)	723	701	22
Funding for NGOs	111	154	(43)	146	143	3
Guarantees	**-**	**25**	**(25)**	**-**	**-**	**-**
of which sub-participations granted to Proparco	-	25	(25)	-	-	-
Equity investments	**-**	**-**	**-**	**83**	**77**	**5**
Mandate-specific operations	**213**	**230**	**(18)**	**424**	**438**	**(14)**
General budget support (GBS) grants	10	68	(58)	44	67	(23)
C2D	174	145	29	353	346	7
FFEM	29	17	11	27	25	2
Specific activities using resources from other financial stakeholders	**525**	**727**	**(202)**	**461**	**379**	**82**
Loans delegated by other financial stakeholders – EE	495	638	(143)	461	379	82
Green/Climate Fund	30	89	(59)	-	-	-
TOTAL AFD FOREIGN COUNTRIES	**8,533**	**9,765**	**(1,231)**	**7,619**	**7,091**	**7%**
of which sub-participations granted to Proparco	(248)	(584)	336	(398)	(489)	91
TOTAL AFD EXCLUDING SUB-INVESTMENTS	**8,285**	**9,181**	**(896)**	**7,220**	**6,602**	**618**

Current activities

In terms of approvals, loans this year amounted to €7.2bn compared to €7.9bn in 2024.

In 2025, there was a decline in both non-sovereign business – down -€382M from €2,625M in 2024 to €2,243M in 2025 – and a -€282M decline in sovereign business, which amounted to at €4,971M in 2025 compared with €5,253M in 2024.

Total grant approvals amounted to €582M at the end of 2025, down compared with 2024 (-€323M), due to a reduction in the budgetary resources of Programme 209.

Business on specific mandates was down -€18M compared to the previous year: approvals amounted to €213M compared with €230M in 2024. This decrease was mainly related to GBS (global budgetary support), which fell by -€58M.

In terms of disbursements, AFD's current activities in foreign countries amounted to €6.7bn compared to €6.3bn at the end of 2024, up +€459M mainly due to the increase in loans (+€429M) and grants (+€25M).

Activities using resources from other financial stakeholders

In terms of approvals, activities from resources from other donors amounted to €525M in 2025, down -€202M compared to 2024. This decrease was mainly due to a one-off approval of €92M from funds received from USAID in 2024 (down -€92M), as well as a -€70M reduction linked to activities with the World Bank. Business with the European Union increased by €32M.

In terms of disbursements, activities from resources from other donors amounted to €461M in 2025, up +€82M compared to 2024, mainly in connection with EU delegated funds.

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

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

			Difference 2025/2024	
In millions of euros	2025	2024	€M	in %
Loans				
Approvals	7,214	7,878	(664)	(8.4%)
Disbursements	5,782	5,352	429	8.0%
Undisbursed balance at 31/12	25,102	25,478	(376)	(1.5%)
Outstandings at 31/12	44,549	42,841	1,709	4.0%
Grants				
Approvals	582	905	(323)	(35.7%)
Disbursements	869	844	25	3.0%
Undisbursed balance at 31/12	2,967	3,357	(389)	(11.6%)
Outstandings at 31/12	14	23	(9)	(40.2%)
Guarantees				
Approvals	-	25	(25)	(100.0%)
Outstandings	181	200	(19)	(9.7%)
Equity investments			-	
Approvals	-	-	-	-
Disbursements	83	77	5	6.6%
TOTALS				
Approvals	7,796	8,807	(1,012)	(11.5%)
Disbursements	6,733	6,274	459	7.3%
Undisbursed balance at 31/12*	28,069	28,835	(766)	(2.7%)
Outstandings at 31/12	44,744	43,065	1,680	3.9%

* *Signed and unsigned.*

Approvals of current activities in foreign countries amounted to €7.8bn in 2025 compared to €8.8bn in 2024.

Disbursements amounted to €6.7bn, up slightly compared to 2024 (€6.3bn), thanks to a better level of sovereign loan disbursements.

In 2025, 59% of the payments were for projects approved in 2025 and 2024 (15% and 43%, respectively), and 26% by the approvals in 2023 and 2022.

A breakdown of the activity by region and business sector is presented in Sections 1.6.4 and 1.6.5.

1.6.3.2 AFD's French Overseas activities

In 2025, AFD financed 156 projects in the French Overseas for a total amount of €1,683M, a record figure due to an €800M State-guaranteed loan (SGL) in New Caledonia. Commitment approvals (loans, guarantees and grants) in the French Overseas (excluding the SGL) thus amounted to €883M, an 11% decrease compared to the previous year.

A significant proportion of AFD's activities in the French overseas territories continues to focus on public sector financing, although this is declining in an increasingly competitive environment, characterised by the strengthened position of La Banque Postale and the Banque des Territoires in the financing of local authorities, particularly in Antilles and Réunion Island. Mayotte continues to be marked by ongoing reconstruction efforts following Cyclone Chido, whilst New Caledonia remains marked by persistent institutional tensions.

Commitments (loans and grants) to the public sector amounted to €542M, with a 27% decrease in loans compared to the previous year. Subsidised loans, which make it possible to back investment projects with a high social and environmental impact in the regions on preferential terms, accounted for around 74% of loan commitments.

Non-subsidised loans – mainly pre-financing of European and State subsidies to the public sector (PSEE) – amounted to €141M, down -€47M compared to 2024 (€188M).

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

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

	Approvals		Difference 2025/2024	
In millions of euros	2025	2024	€M	in %
Current activities	**1,683**	**992**	**691**	**70%**
Loans	**1,511**	**876**	**635**	**72%**
Public sector	542	738	(196)	(27%)
Subsidised loans	401	550	(149)	(27%)
Non-subsidised loans	141	188	(47)	(25%)
Private sector	169	138	31	22%
Banks	62	75	(13)	(17%)
Corporates	107	63	44	70%
State-guaranteed loans	800	-	800	N/A
Grants	**15**	**20**	**(5)**	**(25%)**
Public sector guarantees	**-**	**10**	**(10)**	**(100%)**
Private sector guarantees (Sogefom, Sogap)	**157**	**86**	**71**	**83%**
Loans delegated to other lessors	**-**	**4**	**(4)**	**(100%)**
TOTAL	**1,683**	**996**	**687**	**69%**

Grants amounted to €15M in 2025 and were mainly used to provide engineering support to public bodies in the French overseas territories (local authorities and public institutions) through the French Overseas Departments and Collectivities Fund (FOM), which is managed by the AFD on behalf of the Ministry for French Overseas Territories.

With €9.4M in commitment approvals in 2025, the FOM's objective is to consolidate the engineering capacities of public players and facilitate the emergence of investment projects. Thirty projects were thus backed, and funding was provided for five deployments or extensions of resident technical assistants (at the SMGEAG [1] and for one macroeconomic technical assistant [2] position at the Government of New Caledonia).

Furthermore, as part of the FOM's affiliation with the State-AFD framework agreement, which has led to changes in the fund's management rules, it was decided to reallocate all FOM surpluses dating from 2020 onwards, totalling €3.5M, to financing 12 new engineering projects.

AFD is also continuing to implement the "technical assistance" component of the recovery contracts in the French Overseas Departments and Collectivities (COROM - contrats de redressement en Outre-mer), launched in 2021 following the report by parliamentarians Patient-Cazeneuve, in order to provide greater support to the communities most in difficulty. No new allocations were opened in 2025. However, two three-year budgets remain in operation: €3.9M for the 2023-2025 period and €4.8M for the 2024-2026 period. Through Expertise France, which was mobilised on an experimental basis for a period of three years in the French Overseas Departments and Collectivities, five technical assistance programmes were rolled out in 2025, seven were extended, and five were being recruited *via* COROMs.

As regards the private sector, lending in 2025 totalled €169M (€107M in direct loans to businesses, including €23M under the pre-financing of European and State subsidies to the public sector (PSEE) [3], and €62M in refinancing for the banking sector), and €157M for guarantees (Sogefom and Fogap), which reached a record level this year. This marked increase (€86M in guarantees in 2024) is attributable to the significant increase in Sogefom's output, which amounted to €154M in 2025, as a result of the scheme's back for the recovery of the New Caledonian economy.

Lastly, 2025 saw the launch of the pilot phase of the Coréom programme (Regional Cooperation in the French Overseas Departments and Collectivities): over €1 million was thus allocated to provide support for 16 regional cooperation projects led by civil society organisations (CSOs) from French overseas territories in some 20 partner countries in the Atlantic and the Indian Ocean.

1) Syndicat mixte de gestion de l'eau et de l'assainissement.
2) Technical assistance.
3) Grant Implementation Support Loan

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

			Difference 2025/2024	
In millions of euros	**2025**	**2024**	**€M**	**in %**
Approvals	**1,683**	**996**	**687**	**69%**
• DOM	588	719	(131)	(18%)
• French Overseas Territories	1,095	277	817	295%
O/w multi-country	1	56	(56)	(99%)
Disbursements	**1,498**	**561**	**937**	**167%**
• DOM	636	353	283	80%
• French Overseas Territories	861	208	653	314%
Undisbursed balance at 31/12	**918**	**656**	**266**	**41%**
• DOM	666	549	117	21%
• French Overseas Territories	252	107	145	136%
Outstandings at 31/12	**7,719**	**6,937**	**782**	**11%**
• DOM	4,012	3,856	156	4%
• French Overseas Territories	3,676	3,047	629	21%
• TAAF	31	34	(3)	(8%)

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

Breakdown by region

	Approvals		Difference 2025/2024	
In millions of euros	**2025**	**2024**	**€M**	**in %**
DOM	**588**	**719**	**(131)**	**(18%)**
Guadeloupe	100	154	(54)	(35%)
French Guiana	52	140	(87)	(62%)
Martinique	132	95	37	39%
Mayotte	105	69	37	54%
Reunion Island	157	210	(54)	(26%)
Multi-country French Overseas Departments	42	51	(10)	(19%)
French Overseas Territories	**1,095**	**276**	**819**	**297%**
New Caledonia	960	175	785	449%
French Polynesia	124	73	50	69%)
Saint-Martin	10	19	(9)	(45%)
Wallis and Futuna	1	5	(5)	(90%)
Multi-country COM	0	4	(4)	(100%)
TOTAL	**1,683**	**996**	**687**	**69%**

In 2025, business by territory did not show the same dynamism: there was a significant increase in the number of approvals for Martinique and Mayotte. On the other hand, business slowed sharply in French Guiana, which had a particularly dynamic year in 2024. There were also signs of a slowdown in business in Réunion, reflecting the increasingly competitive environment created by other banking players.

1.6.3.3 Proparco's activities

Proparco approvals and payments in foreign countries

	Approvals			Disbursements		
In millions of euros	2025	2024	Change	2025	2024	Change
Current activities	**3,171**	**2,796**	**374**	**2,238**	**1,889**	**349**
Loans	**1,980**	**1,762**	**218**	**1,749**	**1,493**	**257**
of which sub-participations granted to Proparco	248	524	(276)	412	497	(85)
Equity investments	**456**	**327**	**128**	**239**	**269**	**(29)**
Other investments	**303**	**265**	**38**	**231**	**116**	**114**
Guarantees	**425**	**410**	**15**	**10**	**5**	**4**
of which sub-participations granted to Proparco	-	25	(25)	-	-	-
of which Trade Finance	176	220	(44)	-	-	-
Grants	**7**	**32**	**(25)**	**9**	**6**	**3**
Fisea	**10**	**58**	**(48)**	**38**	**21**	**17**
Specific activities using resources from other financial stakeholders	**3.1**	**0.4**	**2.7**	**0.3**	**0.3**	**0.0**
Grants	3.1	0.4	2.7	0.3	0.3	0.0
TOTAL PROPARCO FOREIGN COUNTRIES	**3,183**	**2,854**	**329**	**2,276**	**1,911**	**366**

In line with Proparco's 2023-2027 strategy, the 2025 financial year was structured around three major operational priorities: (i) backing sustainable and resilient economies, notably in Africa and in priority countries; (ii) protecting climate and biodiversity; and (iii) reducing inequalities, notably in terms of gender, an objective reflected in the 2X Challenge indicator.

As AFD group's dedicated private sector player, Proparco operates within the framework set out in the amending finance law of 30 July 2020, which authorised the AFD to use its subsidiary to carry out certain services on a quasi-in-house basis.

In 2025, for current activities, Proparco's approvals (excluding Fisea and excluding grants from "other donors"), crossed the symbolic threshold of €3bn for the first time, to reach €3,171M.

They break down as follows:

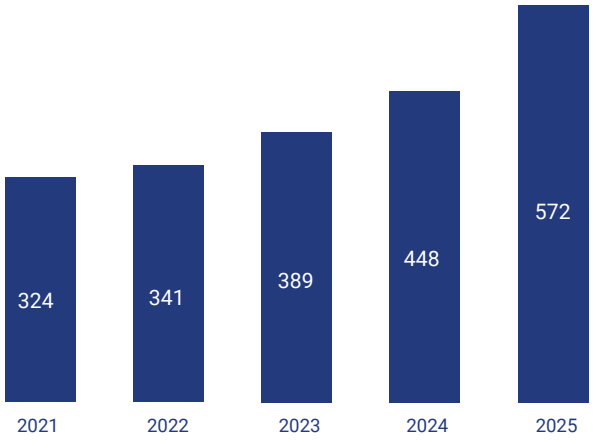
- equity investments: €456M (compared to €327M in 2024);
- guarantees: €425M (€410M in 2024), of which €176M for Trade Finance (€220M in 2024);
- grants: €7M (€32M in 2024);
- loans, quasi-equity and other securities: €2,283M (€2,027M in 2024) including:
  - loans: €1,980M of which:
    - €422M in subsidised loans (€245M in 2024),
    - €19M in loans backed by State grants (€15M in 2024),
    - €248M in AFD sub-equity loans (€524M in 2024),
  - other securities: €303M (€265M in 2024).

In terms of disbursements, Proparco's current activities amounted to €2.2bn, up €349M compared to 2024. The change mainly relates to loans +€257M and other securities +€114M.

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

1.6.3.4 Expertise France activities

Expertise France's revenue *(in €M)*



The Expertise France (EF) business posted positive results for the fifth consecutive year. Revenue (from project delivery) amounted to €572M, exceeding the budgeted figure (+4%) and representing a 28% increase compared with 2024. This growth in the portfolio was based on growth drivers, some of which are expected to stagnate or even decline in 2026: ramp-up of the Initiative following the ambitious reconfiguration since 2023; continued growth in the number of international technical experts; partnership with AFD, etc.

In 2025, there was a marked increase in the number of projects funded by the European Union. The European Union is the leading lessor of Expertise France with 47% of the portfolio, compared to 41% in 2024. Transactions financed by French donors as well as by AFD stabilised with respective shares of 28% and 23%.

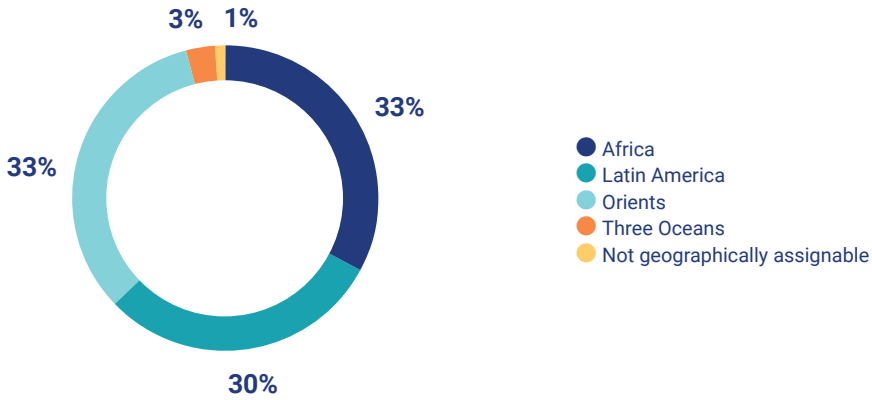
All the areas covered by Expertise France saw growth in 2025. In particular, projects related to the Sustainable and Inclusive Economy, Sustainable Development, and Peace, Stability and Security.

The breakdown of revenue in 2025 confirms the alignment of the agency with the geographical priorities of French aid. The agency is committed to operational development towards new regions (Americas, Indo-Pacific region, the Balkans), but it remains highly concentrated on the African continent, to which it devotes almost 58% of its revenue. Geographical diversification in Europe is also being achieved through the growth of the agency's operations in Ukraine.

1.6.4 The AFD group around the world

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

AFD approvals presented by beneficiary country



	Loans		Grants and NGOs		Guarantees given		Equity investments		General	
In millions of euros	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Africa	2,224	2,994	309	463	-	-	-	-	2,533	3,457
Latin America	2,324	1,558	17	26	-	25	-	-	2,342	1,609
Orients	2,466	2,891	78	134	-	-	-	-	2,544	3,025
Three Oceans (foreign countries)	200	435	62	103	-	-	-	-	261	538
Not geographically assignable	-	-	*115*	*179*	-	-	-	-	*115*	*179*
GRAND TOTAL	**7,214**	**7,878**	**582**	**905**	**-**	**25**	**-**	**-**	**7,796**	**8,807**

In 2025, the All Africa business amounted to €2,533bn. Reduced State funding, increased instability, elections in a number of the countries where the Group operates, security crises, and debt crises have had a direct impact on operations, in contrast to 2024, which saw an exceptionally high level of commitments. In addition to the €154M decrease in grants, the decrease in subsidies was limited thanks to optimisation efforts and the first subsidised operation in South Africa not reportable as ODA. Through these efforts, it was possible to preserve €340M in programming (Tanzania, Morocco, Egypt and Côte d'Ivoire) that were initially deprioritised. The limited use of applications for exemptions from the Le Maire Doctrine was implemented during the year, with the number of exemptions falling sharply compared with the previous year.

Financing approved in 2025 for the Orients region (€2,544M), down compared to 2024 (€3,025M), was distributed evenly between the countries of the Enlargement and European Neighbourhood Regional Directorate (36%), those in the Indo-Pacific region through the Regional Directorates for South-East Asia (35%), South Asia (12%), Central and East Asia (11%), and the countries of the Middle East (6%). AFD's current exposures to India and Turkey are close to the major risk limits and are rigorously managed. AFD's activities mainly took the form of sovereign loans (around 86% of commitments), including budgetary financing such as the Public Finance Programme for Equality in Jordan (€100M), as well as structural projects such as water management in Cambodia and climate change adaptation in the provinces of Tuan Giao and Son La in Vietnam. Grant transactions (€48M) were mainly used for the Middle East and Ukraine. Funds delegated by third-party institutions amounted to €170M (compared with €94M in 2024 and €110M in 2023).

In the French overseas territories, excluding SGLs [1], commitments in the French Overseas Departments and Collectivities amounted to €883M, in line with the target set in the annual letter of commitment with the State (€850M). Financing activities with the French overseas public sector is expected to decline over the year to around €605M (loans and grants under Programme 123), due to a reduction in the volume of subsidised financing and lower activity in French Guiana and Reunion Island, reflecting the intensification of the competitive climate by other banking players. For the private sector, 2025 was a dynamic year, with financing volumes of over €140M. Support for the banking sector was also particularly strong this year, thanks to Sogefom's guarantee business, which reached an unprecedented level of production (€150M), with a positive impact on local employment in New Caledonia. Lastly, in New Caledonia, exceptional efforts were made; AFD provided liquidity through a State-guaranteed loan (€800M) to provide support for the social security system and local authorities, whilst also backing structural reforms.

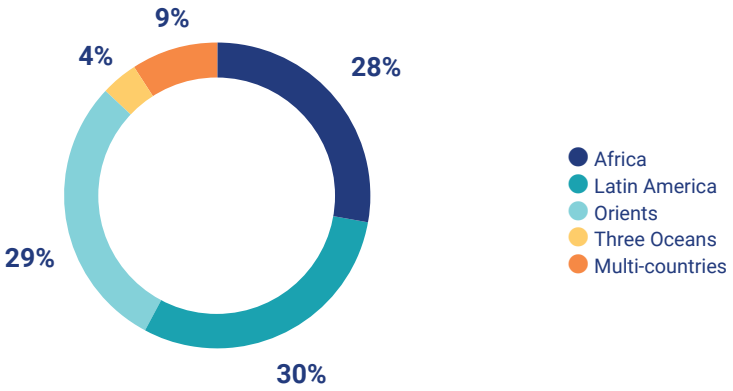
In foreign States, the number of commitments fell compared with 2024 to reach close to €304M, comprising €200M in sovereign loans, €62M in grants under Programme 209, and the remainder in other grants (delegated funds, notably from the European Union). This trend can be attributed to a number of factors: the sharp reduction in budget allocations for Programme 209, the postponement of two projects in the Dominican Republic until 2026, and a virtually "blank" year in Mauritius. In Madagascar, despite the political upheavals, AFD continued its work alongside its partners, with over €100M in commitments.

Lastly, the Agency had a record year in Latin America. Commitments exceeded €2.3bn, an increase of nearly 50% year-on-year. This momentum is driven primarily by a sharp rise in business in Brazil, as well as by the expansion and diversification of operations in Colombia, with the cost to the French State being marginal in relation to the commitments involved. In this region, AFD works with a wide range of clients (60% of financing allocated to non-sovereign entities) and employs a variety of instruments, combining support for structural reforms among major public sector entities – notably public water and energy companies – with support for local development in partnership with local authorities (Colombia, Argentina). The year was also marked by financial innovation aimed at backing development finance institutions (CAIXA, Brazilian regional development funds, transformational loans).

1) State-guaranteed loans.

1.6.4.2 Geographical distribution of Proparco approvals

Proparco's approvals presented by beneficiary country



	Loans		Equity investments		Other investments		Guarantees		Grants		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Africa	378	586	153	117	75	63	295	238	2	6	903	1,010
Latin America	769	267	44	83	116	67	26	49	-	-	955	467
Orients	663	777	70	49	111	-	63	13	-	-	907	838
Three Oceans	118	132	-	-	-	-	7	49	-	25	125	206
Multi-country	52	-	189	78	-	136	35	61	5	1	280	276
TOTAL PROPARCO	**1,980**	**1,762**	**456**	**327**	**303**	**265**	**425**	**410**	**7**	**32**	**3,171**	**2,796**
Fisea	-	-	10	56	-	-	-	-	-	1	10	58
TOTAL	**1,980**	**1,762**	**466**	**383**	**303**	**265**	**425**	**410**	**7**	**34**	**3,181**	**2,854**

Excluding specific activities using resources from other financial stakeholders

The geographical breakdown of commitments for 2025 confirms sustained growth in business, with a total of €3,171M for Proparco, up 13% on 2024 (€2,796M).

Latin America recorded the strongest growth and became the leading area of intervention in 2025 with €955M (compared to €467M in 2024). This trend was mainly driven by a sharp increase in loans (€769M compared with €267M) and other securities (€116M compared with €67M), reflecting a significant upturn in business in the region.

Africa represented €903M, down compared to 2024 (€1,010M). The decrease was mainly due to a reduction in loans (€378M compared to €586M), partially offset by an increase in investments (€153M compared to €117M), other securities (€75M compared to €63M) and guarantees (€295M compared to €238M). Nevertheless, Africa remains a structuring pillar of activity.

The Orients region totalled €907M, up compared to 2024 (€838M). The change mainly related to other securities for +€111M.

The Three Oceans region was down in 2025, with €125M, compared with €206M in 2024, mainly due to a decrease of -€14M in loans, -€42M in guarantees and -€25M in grants.

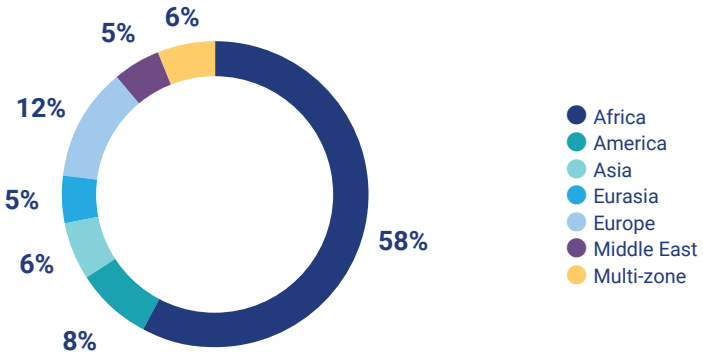
The multi-country scope posted stable volumes, at €280M in 2025, compared with €276M in 2024. The main changes related to investments (+€111M), other securities (-€136M), loans (+€52M) and guarantees (-€26M).

In 2025, Proparco conducted work in 52 countries (excluding multi-country projects). The largest volumes of commitments were made in Colombia (€215M), Mexico (€189M), Georgia (€165M), Jordan (€128M), South Africa (€124M), India (€121M) and Turkey (€114M), illustrating both the geographical diversification of the portfolio and its focus on certain strategic markets.

Per instrument, overall growth was mainly backed by increases in loans (€1,980M compared with €1,762M) and investments (€456M compared with €327M). Other securities also increased (€303M compared to €265M), while guarantees remained stable overall (€425M compared to €410M). Grants, on the other hand, were down sharply (€7M compared to €32M).

Overall, the 2025 financial year was characterised by a record level of commitments and a partial shift in the geographical and product mix, marked by particularly strong momentum in Latin America and in equity investments.

1.6.4.3 Geographical breakdown of Expertise France revenue



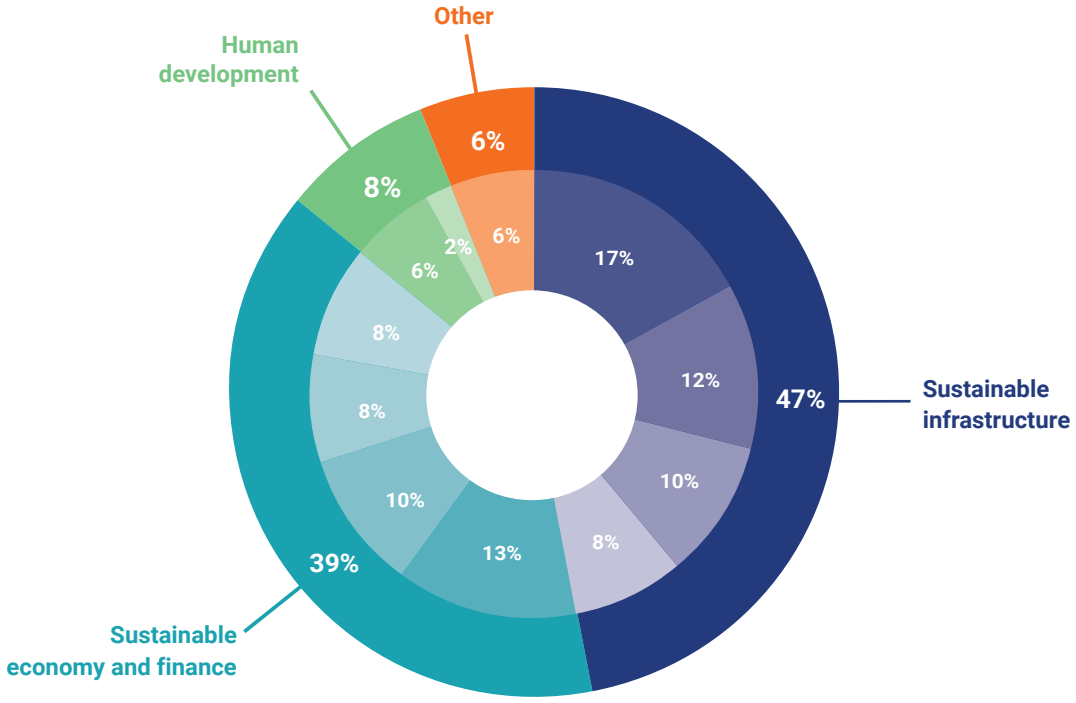
In millions of euros	2025	2024	% of 2025 total	% of the 2024 total
Africa	335	223	58%	50%
Americas	44	27	8%	6%
Asia	36	21	6%	5%
Eurasia	28	32	5%	7%
Europe	67	35	12%	8%
Middle East	29	21	5%	5%
Multi-zone	33	87	6%	19%
TOTAL	**572**	**448**	**100%**	**100%**

The breakdown of Expertise France revenue in 2025 confirmed the very strong alignment of the agency with the geographical priorities of French aid. The agency is committed to operational development towards new regions (Americas, Indo-Pacific region, the Balkans), but it remains highly concentrated on the African continent, to which it devotes 58% of its revenue. Geographical diversification in Europe is also being achieved through the growth of the agency's operations in Ukraine.

1.6.5 AFD group activities by business sector

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

Breakdown by solidarity-based and sustainable investment priority and by impact area



Sustainable economy and finance

- Supporting financial systems to maintain eco-friendly pathways to align economies with the SDGs
- Reducing global hunger through sustainable food systems
- Supporting businesses and entrepreneurship, particularly in Africa
- Strengthening governance and migration management

Sustainable infrastructure

- Ensuring access to affordable, reliable and sustainable energy for all
- Ensuring universal access to sustainably managed water supply and sanitation services
- Developing greener transport for access to services and opportunities for all
- Improving quality of life in cities

Human development

- Safeguarding global health through access to healthcare systems - enabling equal opportunities through better access to social protection
- Training in the skills of tomorrow to promote equitable integration

Other

- Other sectors of activity (civil society, related sectors, etc.)

The 2024 and 2025 approvals, including budget aid, guarantees given, loans, grants and equity investments for current activities, are presented as follows by solidarity and sustainable investment priority (PISD) and impact issue:

PISD/Issue	2025	2024	% of 2025 total	% of the 2024 total
Sustainable infrastructure	**3,634**	**3 935**	**47%**	**45%**
Ensuring access to affordable, reliable and sustainable energy for all	1,332	1,291	17%	15%
Ensuring universal access to sustainably managed water and sanitation services	908	1,071	12%	12%
Developing greener transport for access to services and opportunities for all	796	870	10%	10%
Improving the quality of life in cities	599	703	8%	8%
Sustainable economy and finance	**3,072**	**3,152**	**39%**	**36%**
Backing financial systems to support eco-friendly pathways to align economies with the SDGs	999	1,649	13%	19%
Reducing global hunger through sustainable food systems	777	1,209	10%	14%
Strengthening migration governance and management	640	270	8%	3%
Backing businesses and entrepreneurship, notably in Africa	657	24	8%	-
Human development	**610**	**938**	**8%**	**11%**
Safeguarding global health through access to health systems - Enabling equal opportunities through better access to social protection	467	788	6%	9%
Training in the skills of tomorrow to promote equitable integration	143	150	2%	2%
Other	**480**	**783**	**6%**	**9%**
TOTAL FOR AFD'S CURRENT ACTIVITIES IN FOREIGN COUNTRIES	**7,796**	**8,807**	**100%**	**100%**
OTHER ACTIVITIES (SUBSIDIARIES, DELEGATED FUNDS, SPECIFIC MANDATES)	**5,919**	**4,224**		
TOTAL	**13,715**	**13,031**		

The year, in 2025, was a pivotal one, marked by a stable overall amount of business against a backdrop of a sharp reduction in national budgetary resources and a decline in the Agency's financial competitiveness. Total production across the Group amounted to €13.7bn.

From a strategic point of view, 2025 was a period of completion and consolidation. Firstly, it enabled the finalisation and appropriation of sectoral and cross-functional roadmaps, which now coherently structure the Group's action around its investment priorities. This comprehensive strategic framework provides a clear structure for both teams and partners and further develops the capacity to plan for the medium term.

The year was also marked by the development of our range of sustainable development loans, a key tool for backing the transformation of major public institutions and companies undergoing far-reaching sectoral transitions. This offering, which has now been formalised and fully equipped, reflects the Group's desire to make financing a part of a process of systemic and measurable change.

Furthermore, the culture of impact has been significantly strengthened following the Board of Directors' adoption of the Results and Impact Framework (RIF), which provides the Group with a unified and robust framework for steering, measuring and reporting on its contributions to the SDGs. This development marks a significant step forward in the reliability of impact assessment and in the preparations for making data available to the public.

Finally, the Group's operations were consolidated, with operational and strategic synergies among Agence Française de Développement, Expertise France and Proparco further developed, thereby enhancing the coherence and complementarity of France's financing and expertise offering in support of sustainable development.

In financial terms, cross-cutting commitments have yielded the following results:

- **climate**: The target was exceeded with €7.8bn in co-benefits (with a target of €6bn). Performance in the area of adaptation (40%) was particularly noteworthy, accounting for a significant proportion of funding;
- **gender**: The indicator reaches 68% of commitments (target of 55%). The year in 2025 saw a record number of projects rated DAC 2 (€326M in loans and €142M in grants);
- **democratic and inclusive governance**: The 55% target was significantly exceeded, with 73% of commitments contributing to democratic and inclusive governance. This performance was driven by the Governance (GOV) division, which posted a rate of 99%, but also by public policy and matrix loans in the infrastructure sectors.

In terms of their contribution to the Group's sustainable development goals, it is worth highlighting a number of emblematic projects in 2025:

- **climate and biodiversity**: support from CAGECE [1] in Brazil, PrPP [2] Marine Debris in Indonesia, and the Santa Fe Biodiversity Project in Argentina;
- **transformation of institutions**: JET-P (Just Energy Transition Partnerships): 89% of the overall French commitments made to the four countries involved in the partnership has been achieved. The symbolic threshold of €1 billion was crossed in South Africa thanks to the Transnet project;

1) *Companhia de Água e Esgoto do Ceará*
2) *Public policy loan*

- **budget funding**: Transnet (€300M – South Africa), followed by the approval of a FbPP [1] Nutrition allocation in the Philippines (€200M);
- **inequalities**: 59% of projects contribute to the "equality and inclusion" goal, with the use of innovative tools such as Distributional Impact Assessments (DIA) for the Lalankely 4 project in Madagascar;
- **gender**: the Public Finance for Equality project in Jordan (€100M), the School Sports project in Rwanda (€16M) or the TKYB credit line in Turkey (€200M).

Increase investment in quality sustainable infrastructure

In 2025, the Group's production remained massively concentrated on infrastructure (€3.6bn), representing more than a third of total commitments. This priority forms part of the European Global Gateway initiative, but it results in a significant sectoral and geographical imbalance.

- a focus on major logistics corridors: Under the impetus of the Global Gateway initiative, the Mobility Division (MOB) is increasing its investment in cross-border port and rail infrastructure, sometimes at the expense of local urban mobility. There have been major diplomatic and commercial successes, such as the co-financing of the high-speed rail programme in Morocco (Rabat–Casablanca) and the Rabat light rail project, opening up opportunities for French companies;
- energy and the low-carbon transition: The sector is driven by "sustainable trajectory" initiatives involving major emerging operators. Notable projects include a €300M loan to Transnet in South Africa (taking the French JET-P's total lending past the €1bn mark) and a €300M loan to PLN in Indonesia. In Côte d'Ivoire, the WASUNA programme (€450M) illustrates AFD's leadership in Team Europe format, combining €130M in loans and €50M in EU grants for the rehabilitation of hydroelectric facilities and the construction of solar power plants;
- urban development and sustainable cities: The VIL division has become involved in the TASUFIP project in the Tanzanian regional cities of Mwanza and Tanga, located along the East African Central Economic Corridor. It posted a record performance on the gender marker (99.75% of projects) and rolled out innovative tools such as Distributional Impact Assessments (DIA) on the Lalankely 4 project in Madagascar;
- the geographical shift in Water and Sanitation: In the absence of sufficient grants for Africa, business is switching to Latin America, which is now a "growth driver" representing 44% of the division's commitments (compared to 9% historically). To maintain its competitiveness, Water and Sanitation mobilised €160M in EU delegated funds compared to only €35M in grants from the French State.

Sustainable economy and finance: tackling vulnerabilities

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

In 2025, the international agenda continued to be dominated by geopolitical tensions, rising climate scepticism and debates on the reform of the international financial architecture.

Business relating to the sustainable economy and SDG finance remained robust, with:

- support for institutions, through the provision of syndicated loans to EPM in Colombia (€150M) and CAGECE in Brazil (€200M);
- agility in responding to crises, with the roll-out of the MISTO programme in Ukraine (€36M EU guarantee) and support for UkrEximBank;
- financial innovation, with the validation of the first Sustainability-Linked Bond (SLB) with the Brazilian bank CAIXA;
- European mobilisation (blending and guarantees) has become decisive in maintaining the competitiveness of supply, notably in fragile contexts.

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

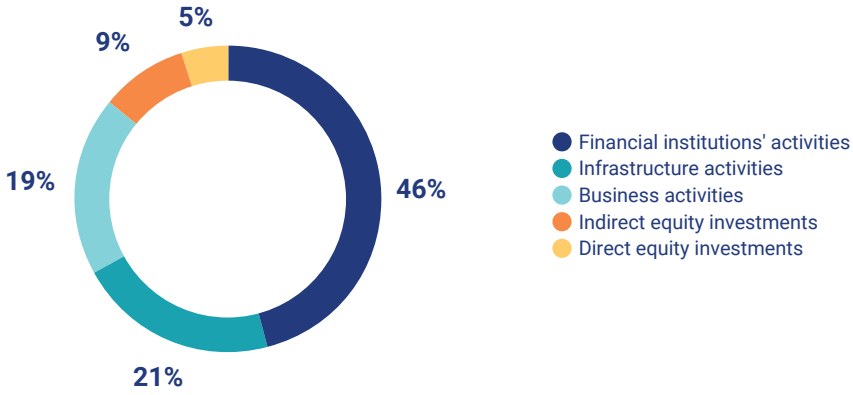
This investment priority tackles education, training, integration and decent employment policies; the reinforcement of health systems, notably health human resources, as well as access to universal health coverage and social protection; the fight against malnutrition, access to quality food and employment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

The "Human Development" priority remained of central importance but came under pressure in 2025, as it was the area most affected by budget cuts.

- education: the sector reached an all-time low with €217M in commitments, a 66% fall from the peak in 2022. The division will be transformed into EFE (Employment-Training-Education) on 1 January 2026, targeting projects with increased economic profitability such as rail training;
- agriculture: grants fell by 56%, limiting activities on food security in Africa in favour of economically profitable irrigation projects;
- impacts maintained: despite these tensions, the cross-functional targets were exceeded;
- migrations: €229M committed.

1) Budgetary financing of public policies

1.6.5.2 Breakdown of Proparco approvals by sector of activity



In millions of euros	2025	2024	% of 2025 total	% of the 2024 total
Financial institutions activities	1,464	1,128	46%	40%
Infrastructure activities	671	728	21%	26%
Corporate activities	581	612	19%	22%
Indirect equity investments	295	188	9%	7%
Direct equity investments	159	139	5%	5%
TOTAL	**3,171**	**2,796**	**100%**	**100%**

Excluding specific activities using resources from other financial stakeholders and excluding Fisea

The sectoral breakdown of 2025 approvals highlights an increased focus on the financial sector, against a backdrop of overall growth in business.

Financial institutions' business amounted to €1,464M, compared with €1,128M in 2024. They now represent 46% of total commitments (compared to 40% in 2024), confirming the structuring role of financial institutions as vectors for the dissemination of financing.

The infrastructure business amounted to €671M, down compared to 2024 (€728M). Their relative share decreased to 21% of the total (compared to 26% in 2024), reflecting a more moderate level of commitments in this segment after a particularly dynamic year in 2024.

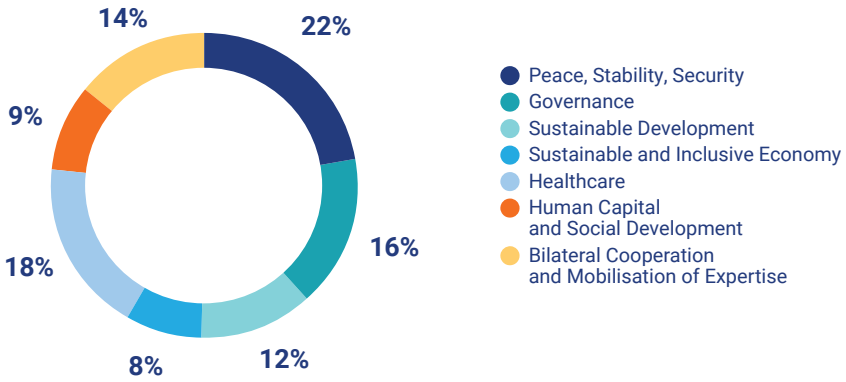
Corporate business amounted to €581M, compared with €612M in 2024. Their relative weight also declined, to 19% of the total (compared to 22%), reflecting a rebalancing of the portfolio towards the financial sector.

Indirect equity investments rose sharply to €295M (€188M in 2024), and saw their share increase to 9% (from 7%), illustrating an increase in interventions *via* investment funds and intermediary vehicles.

Direct equity investments amounted to €159M, up slightly compared to 2024 (€139M), and represent 5% of the total, *i.e.* a stable proportion.

Overall, the 2025 financial year was marked by a significant increase in lending to the financial sector and a rise in equity instruments, against a backdrop of carefully managed diversification of sectoral exposures.

1.6.5.3 Breakdown of Expertise France revenue by business sector



In millions of euros	2025	2024	% of 2025 total	% of the 2024 total
Peace, Stability, Security	125	95	22%	21%
Governance	94	78	16%	17%
Sustainable Development	70	53	12%	12%
Sustainable and Inclusive Economy	48	29	8%	6%
Healthcare	104	82	18%	18%
Human Capital and Social Development	50	40	9%	9%
Bilateral Cooperation and Mobilisation of Expertise	81	71	14%	16%
TOTAL REVENUE	**572**	**448**	**100%**	**100%**

Expertise France operates across seven key areas: Peace, Stability and Security; Governance; Sustainable Development; Sustainable and Inclusive Economy; Health; Human Capital and Social Development; and Bilateral Cooperation and Mobilisation of Expertise. All thematic areas are on a growth trajectory compared with 2024, with particularly high growth rates for Sustainable and Inclusive Economy (+63%), Sustainable Development (+32%) and Peace, Stability and Security (+31%). Healthcare continued to grow, again driven by the Global Initiative programme.

1.6.6 Coordination with development actors: partnership by design

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

In 2025, it is mainly worth noting that:

As regards public development banks, through the FiCS [1] and the IDFC [2], 2025 marked a significant milestone. The IDFC secretariat gained autonomy with the arrival of a 27th member and a renewed goal based on location and the commitment of the private sector. At COP30, the IDFC pavilion brought together over 200 panellists from more than 30 conferences. The IDFC Facility completed its first phase and is raising funds for the second. As for FiCS, it was clearly identified as a systemic player, highlighting the role played by the AFD group as a platform for bringing stakeholders together. Consequently, thanks to the advocacy work of FiCS, the role of public development banks is now explicitly recognised at the highest level within various international bodies (as mentioned in the Seville Commitment [3]). Interoperability between public development banks and vertical climate and environment funds was promoted [4] and included in the G20 Leaders' Final Declaration [5] FiCS is part of the Country Platform Hub set up at COP30 to provide support for climate and development finance in countries in line with their NDCs [6]. The FiCS 2025 Summit in Cape Town brought together nearly 2,500 participants and led to a press release [7] listing all the funding and initiatives discussed there. New coalitions focusing on the ocean and energy were launched in the South BPD region. To mark its fifth anniversary, FiCS published a report [8] describing how it has fulfilled its commitments since 2020.

1) *Finance in Common Summit (global network of public development banks)*
2) *International Development Finance Club*
3) *https://unctad.org/system/files/official-document/a_res_79_323_fr.pdf*
4) *https://financeincommon.org/strengthening-collaboration-to-scale-climate-and-development-finance-enhancing-partnership-between (sent to the Sustainable Finance Working Group)*
5) *https://www.banque-france.fr/system/files/2025-12/Final-G20-South-Africa-Summit-22-23-November.pdf (§62)*
6) *NDC (Nationally Determined Contributions)*
7) *https://financeincommon.org/fics-2025-final-communique*
8) *https://financeincommon.org/sites/default/files/2026-01/RAPPORT%20FICS%205TH%20ANNIVERSARY%20-%20Digital%20-%20Pages.pdf*

As regards AFD, in terms of mobilisation, 2025 was marked by a stabilisation of approvals from EU funds at €434M (a level similar to that of 2023 but representing a +7% increase compared with 2024's figure of €406M). Conversely, it is evident that blended finance (a combination of a grant and a loan) is playing an increasingly significant role in EU funding approvals, rising by 23% compared with 2024 (€298M vs €242M), whilst delegated cooperation fell by -16% (€136M in 2025 vs €163M in 2024). As regards other delegating entities and vertical funds, 2025 reflected the highly cyclical nature of securing and deploying these delegated funds, with a contraction of almost 70% compared to 2024 (€91M vs €324M), which, as a reminder, is considered an exceptional year due notably to the exceptional approval from USAID funds (€92M). At Group level, Proparco signed €357M in delegated funds in 2025, whilst Expertise France was delegated €394M by the European Commission in 2025. Overall, AFD group had €1bn in approvals from delegated funds in 2025, compared to €1.2bn in 2024. In terms of cofunding, the trend continued with €3.2bn in AFD cofunding, and cofunding under the JEFIC framework agreement [1] growing from €95M to €372.5M signed in 2025 (AFD plus co-financiers), reflecting the strength of our partnership with our European counterparts.

The Group continued to strengthen its links with French and local civil society organisations. As part of the "CSO-Initiatives" system ("I-CSO" system), AFD funded 115 projects (and two studies) through 87 French CSOs and 28 local CSOs for a total amount of €112.4M (compared with €154M in 2024 and €163M in 2023), including €1.9M from European Union delegations in Cameroon. At the end of 2025, the portfolio of projects whose implementation is being monitored included 647 CSO projects for a total amount of €647M.

At the same time, in 2025, the I-CSO system launched a strategic dialogue with its CSO partners that took place at a time of strong international instability, marked by a growing questioning of official development assistance (ODA), a contraction of the civic sphere in a number of regions of the world, a weakening of citizen support in France, and an increased polarisation of opinions on international solidarity. The main aim of this initial discussion was to begin establishing a shared strategic framework, marking a departure from the previous dialogue, which was largely operational and fragmented – work is set to continue in 2026, focusing on the priority areas identified during this meeting.

Furthermore, at the FICS Summit held in South Africa, the launch of a new coalition between public development banks and civil society was announced; the Secretariat for this coalition will be jointly managed by AFD and the Italian Cassa Depositi e Prestiti bank. The aim is to establish a forum for dialogue between these two key players in the pursuit of the SDGs, creating a dedicated space to foster mutual understanding and a recognition of each party's role and contribution.

At the regional level, AFD group reinforced its already strong links with French players (philanthropic organisations, companies, Équipe France, local authorities and public institutions) in order to promote and mobilise French expertise internationally to serve Supportive and Sustainable investment. In this context, initiatives relating to education on citizenship and international solidarity (ECSI) continued to take shape in 2025, and the portfolio of active projects now comprises around 40 projects with a total value of approximately €60M, representing 8% of the overall portfolio. One of the highlights of 2025 in this sector was our Archipel pavilion at the UNOC [2] in Nice, which welcomed over 30,000 visitors and brought together 3,500 schoolchildren (from nursery to sixth form) to raise their awareness of issues relating to ocean conservation.

For the French private sector and Équipe France, 2025 marked a further development of coordination between AFD group and the national economic ecosystem. The strategic committees for the seven priority sectors – led by the Directorate General of the Treasury (sustainable cities, health, agriculture, transport, digital technology, energy transition, and cultural and creative industries) – are now in their second phase; they are fully operational and are entering a more strategic phase focused on identifying projects, anticipating market trends and ensuring early-stage coordination.

At the same time, cooperation within Équipe France (notably with Business France and Bpifrance) was consolidated in priority regions, with a view to better coordinating our financial instruments, making our offering clearer, and streamlining French companies' access to international opportunities. This trend is fostering a more integrated approach to the French financial sector. Furthermore, existing strategic partnerships are being strengthened (e.g. SUEZ), and AFD has formalised partnership agreements with the Orange Group and Veolia.

As regards **French public institutions**, 2025 confirmed the intensification of the strategic dialogue which had been initiated previously. The momentum generated at the AFD's Hivernales conference in January 2026 is now being built upon through more structured coordination among public sector organisations and workshops for sharing experiences, with a view to consolidating a combined offering of scientific, technical and financial expertise in the service of international solidarity and economic diplomacy. Partnerships with Caisse des Dépôts et Consignations, IRD [3], CIRAD [4], AUF [5] and Senghor University are now part of a more integrated planning approach.

Lastly, AFD is continuing to strengthen support for French local authorities in their external actions. In 2025, the French local authority financing facility (FICOL - Facilité de financement des collectivités territoriales) was part of a consolidation process, with an improvement in the quality of the projects backed and a stronger integration of decentralised cooperation into France's climate, environmental and territorial priorities.

1) *JEFIC (Joint European Financiers for International Cooperation)*
2) *UNOC (United Nation Ocean Conference)*
3) *IRD (Institut de Recherche pour le Développement)*
4) *CIRAD (Centre de Coopération Internationale en Recherche Agronomique pour le Développement)*
5) *AUF (Agence Universitaire de la Francophonie)*

At the European level, the European Commission, European bilateral players, the EIB and now the EBRD represent key AFD group partners, notably in terms of cofunding. These stronger links enable AFD group to build with the EU and its European partners (financial institutions as well as donor agencies), but also *via* networks (JEFIC [1], EDFI [2] or the Practitioners' Network [3]) a genuine European aid architecture. This guarantees effectiveness, complementarity and political visibility to the "Team Europe" approach. In addition, AFD is actively contributing to the roll-out of the European Global Gateway strategy. Of the 256 Global Gateway priority projects for 2023–2025, 52 are projects or programmes co-financed by AFD, primarily in the energy/climate and transport sectors and in Sub-Saharan Africa, positioning the Group as the most prominent European bilateral institution, after multilateral institutions such as the EIB and the EBRD. AFD also maintained the level of its cofunding commitments with the EIB and KfW, in particular by using the MRI agreement (€620M) and the most recent JEFIC (€372.5M).

In 2025, the AFD also chaired the JEFIC network (initially alone, then jointly with Italy's CDP [4]) and played an active role in high-level European meetings (including meetings with the President of the European Commission, participation in the Global Gateway Forum and the Business Advisory Group, and high-level dialogue with the EIB). AFD was actively involved in the negotiations on the Commission's future Multiannual Financial Framework for 2028-2034, with the networks, the EBRD and the EIB, as well as with French ministries. Internally, the year was marked by the first edition of a Europe seminar in AFD-EF-Proparco-Digital Africa Group format, the drafting and validation of the Group Europe 2026-2028 action plan, more aligned with European guidelines, the relocation of AFD to the Permanent Representation of France in Brussels, and the implementation of all the recommendations from the IGE's 2024 audit [5].

At the international level, the Group has continued to cooperate with **multilateral and regional development banks**: AFD is the World Bank's leading bilateral co-financier, having co-financed over $30bn over the last 10 years and more than $4bn in 2025 across 59 operations; with the Asian Development Bank, in June 2025, an amendment to the framework partnership agreement was signed, doubling the cofunding targets from $3bn for the 2023–25 period to $6bn for the 2026–28 period; with the Asian Infrastructure Investment Bank (AIIB), since signing a first cofunding framework agreement in late December 2024, regular exchanges have taken place between the two institutions, notably on infrastructure, connectivity between Asian countries and the rest of the world, and inclusive digital transformation; with the Inter-American Development Bank (IDB), following the renewal of the framework agreement in 2024, AFD is continuing its relationship with this multilateral bank, notably through its accession in October 2025 to the Alliance for Security, Justice and Development in Latin America and the Caribbean, promoted by the IDB; with the African Development Bank, AFD launched an initial staff exchange programme, and a renewal of the framework agreement is scheduled for November 2026, whilst co-financing stands at nearly €2.4bn; lastly, a memorandum of understanding is currently being drawn up with the Islamic Development Bank as part of the 2023–2028 agreement.

At the same time, the Group has strengthened its operational cooperation with **United Nations agencies**: IFAD [6] (renewal of the partnership agreement in 2024, partnership with FiCS, working within the framework of the FARM initiative (Food and Agriculture Resilience Mission); UNICEF [7] (renewal of the partnership agreement for 2023–2026; a grant of €500K awarded to UNICEF in March 2025 for the water sector); UNDP [8] (support for a public policy loan in Bangladesh, G20 agenda and FiCS); UN Women (renewal of the partnership agreement in 2024, on seven themes); WFP [9] (joint work at the Nutrition For Growth Summit in Paris in March 2025, on school feeding); UN Habitat (partnership agreement signed in Kenya for the 2023-2026 period, notably on sustainable cities); UNESCO (operational collaboration in the fields of education and vocational training); or UN-DESA [10] (aligning the FiCS coalition with the work of the Fourth International Conference on Financing for Development, FfD4 [11], to be held in Seville in July 2025). In total, in 2025 AFD disbursed €29.8M to UN agencies (€680K to FAO, €7M to IFAD, €2.5M to UN Women, €800K to UNDP, €2.6M to UNESCO, €114K to UNESCO/IIEP [12], €9.1M to UNICEF, €4.5M to UNOPS [13], and €2M to UNRWA [14]). In 2025, AFD also disbursed €5.5M to the ICRC (International Committee of the Red Cross) through a project in Lebanon to strengthen access to health care at the public hospital in Tripoli.

Moreover, AFD group is pursuing its objective of increasing its financial mobilisation capacity and its ripple effect in the service of the SDGs and solidarity and sustainable investments. To this end, AFD has significantly enhanced its strategic and operational dialogue with international philanthropic foundations. AFD has been working with the Gates Foundation since 2011, and the financial partnership was renewed for 2023–2026, establishing a delegation of funds to AFD: over the period, the foundation has committed $21.5M to the multi-country "Gender and Human Development" programme, whilst three delegation agreements signed to date represent up to €60M. This partnership makes it possible to carry out initiatives in the fields of health and social protection in West and East Africa and South Asia. Furthermore, AFD group has been a partner of the Aga Khan Foundation for over 35 years; through this partnership, nearly $500M have been mobilised across a range of sectors (health, infrastructure, education, financial services and culture) and in various geographic areas (South Asia and East Africa). In 2025, a Declaration of Intent marked a new stage, committing €100M to the Indian Ocean Coastal Restoration Initiative, notably for Mayotte, as well as for interventions in Tanzania and Madagascar. In addition, prospecting is continuing with philanthropic actors in the United States, the Gulf, Europe and Latin America, while several co-financed projects which are under appraisal are worth mentioning: (i) a $2M delegation of funds from the Global Energy Alliance for People and Planet (GEAPP - USA) foundation to finance energy access projects in

1) *JEFIC (Joint European Financiers for International Cooperation) is the network of European bilateral public development banks chaired by the Italian CDP until July 2026.*
2) *Association of European Development Finance Institutions (EDFI), of which Proparco is a member.*
3) *Network of bilateral cooperation agencies of which EF is an active member (and most recently served as Chair and then Co-Chair).*
4) *Cassa Depositi e Prestiti.*
5) *IGE (General Inspection)*
6) *IFAD (International Fund for Agricultural Development)*
7) *UNICEF (United Nations Children's Fund).*
8) *UNDP (United Nations Development Programme)*
9) *WFP (World Food Programme)*
10) *UN-DESA (Department of Economic and Social Affairs of the United Nations Secretariat)*
11) *FfD4 (Fourth International Conference on Financing for Development)*
12) *UNESCO/IIEP (International Institute for Educational Planning)*
13) *UNOPS (United Nations Office for Project Services)*
14) *UNRWA: (United Nations Relief and Works Agency for Palestine Refugees in the Near East)*

Africa, of which $200K was signed in October 2025 for Togo, (ii) a €2M delegation of funds (to be formalised in 2026) from the Education Above All (EAA - Qatar) foundation to finance education projects in West Africa as well (Benin and Togo), (iii) a first line of cofunding operationalised in 2025 by the Qatar Fund for Development (QFFD) and AFD on a hospital renovation project in East Jerusalem. The Group continues to strengthen its dialogue with these new strategic players as it pursues aligned and 100% SDG impacts.

Since AFD's accreditation to the **Green Climate Fund** (GCF) in 2015, the Group has succeeded in mobilising over €700M in delegated financing from the GCF, leveraging over €2.9bn in investments for the climate (eight projects and programmes approved, including five adaptation projects on grants (Senegal, Morocco, Palestine, Indian Ocean) and three large-volume programmes (TFSC [1], PEEB Cool, E Motion) targeting several countries and mobilising various financial instruments.

The **Global Partnership for Education** (GPE) is AFD's main partner in the field of basic education and AFD is GPE's main bilateral partner. AFD is the third implementing partner (IP) of the GPE, after the World Bank and UNICEF.

In 2025, the GPE delegated funds to the tune of €45.3M across four countries. In Madagascar and Burundi, where the Agency was already a Partner Agent, and in Benin and Togo, where AFD is positioning itself as a new Partner Agent to provide support for the education sector.

This year also saw the ongoing closure of the GPE financing programme in the Central Sahel (Niger and Burkina Faso), for which the final audits have been carried out and the funds are currently being disbursed as part of the closure process.

As of 31 December 2025, the Agency is therefore present as a partner agent in nine countries (including Burkina Faso and Niger) with €448M committed, and wishes to continue its partnership with the GPE as part of the new replenishment cycle of funds initiated in October 2025 for the 2026-2030 period. The GPE aims to raise $5bn and maximise the leverage effect of cofunding (with a target of $10bn in co-financing raised).

1.6.7 Intellectual production

1.6.7.1 Research, appraisal and publication activities

Research

In 2025, AFD's major research programmes were overhauled. This change was necessary against the backdrop of far-reaching changes at AFD in order to ensure that these research programmes were aligned with AFD's strategic and operational orientations. The five programmes relate to:

- just transition and climate adaptation trajectories;
- development financing and the geopolitics;
- economic inclusion and inequalities;
- fragmentation of societies and the commons;
- macroeconomic diagnostics and outlook.

As regards just transition and climate adaptation trajectories, the research projects carried out aim to analyse and model the multidimensional effects of climate change and biodiversity loss, and to understand how these dynamics interact to transform societies, ecosystems and economies. It draws on both qualitative and quantitative analytical methods.

The programme aims to examine pathways for ecological transition through the reduction of environmental pressures and analyses pathways for adapting to the impacts of climate change. The programme provides a better understanding of the impacts of ecological transition policies on public policies, in order to control them and transform potential socio-economic destabilisations into opportunities. It also analyses the phenomena of biodiversity collapse and the responses provided to it, from local to international level, in an attempt to mitigate or adapt to them in order to preserve just human societies in a healthy and sustainable environment.

As regards biodiversity, the ECOPRONAT programme was completed. It set out to develop knowledge and methodologies with a view to integrating biodiversity into the policies and various sectors of intervention of AFD group, and is now entering an operationalisation phase so that the research results and tools developed can be integrated into AFD financing for nature-based solutions.

Work on the assessment of financial risks related to biodiversity was further developed and supplemented by a study on the use of biodiversity metrics to enable public development banks to assess the impacts and dependencies of their project portfolios on biodiversity.

Research has also been launched on the theme of "ocean conservation" , notably through the "Phil Island" research project, which supports the "Searena" project, worth €200M, it analyses "blue" value chains, assesses employment conditions and social protection for workers in the agri-fisheries sectors, and measures the contribution of agri-fisheries value chains to local food supply and household nutrition. It aims to strengthen links between research teams and the Philippine government in order to inform the development of public policy. Work on ocean accounting, using the Blue Esgap tool, has also continued in the Philippines and Indonesia, helping to inform the public policy dialogue between AFD and its government partners in these countries on the conservation of marine ecosystems.

On the topic of climate adaptation, the "GAP Track" research project was awarded funding in South Africa. It will be implemented in two coastal metropolitan municipalities in South Africa, both of which have been severely affected in recent years by water stress exacerbated by drought and flooding. It aims to develop a tool for measuring efforts and gaps in adapting to climate change at the local authority level, with a view to engaging in dialogue with local communities on these issues, in conjunction with urban development projects currently being prospected by AFD.

1) TFSC (Transforming Financial Systems for Climate Program)

The Development, Financing and Geopolitics programme aims to analyse changes in the way international cooperation and its resources are organised, distributed and influenced by the geopolitical relationships between States and institutions. It is also a question of analysing the impact of these changes on both the position of donors and partner countries in light of issues relating to national sovereignty, debt sustainability and the conduct of public policy. The programme also examines how global and regional geopolitical developments and scenarios (restructuring of alliances, crises and conflicts, trade competition, the influence of private actors in the mining, financial and big tech sectors, etc.) affect global development issues, such as governance and access to natural resources (critical minerals, water, etc.), climate change and migration, as well as the development prospects of States and societies in the Global South. This framework also enables us to interpret and analyse the geopolitical dynamics underlying the emergence of new development models.

As part of this programme, in 2025, AFD strengthened the Global Research Network (GRN) on Public Development Banks, bringing together more than 50 international universities and think tanks. This network and the research it has produced have provided the Finance in Common summits with research findings aimed at the heads of central banks, relevant government departments and financial sector regulators. This work covers five key areas: the international financial architecture, private sector engagement, the social and environmental alignment of finance, and, finally, the qualitative and quantitative analysis of public development banks.

This programme also focuses on geopolitical issues in post-conflict contexts. In this area, a research project on reconstruction in the Middle East was launched in 2025, which aims to feed AFD's reflection on the challenges of post-crisis reconstruction. More specifically, it makes it possible to improve the design and implementation of the "ESPOIRS" project, implemented by the ICRC for an amount of €8M. It provides an overview of the various reconstruction plans prepared by Lebanon, Syria and Palestine, with the support of external actors. The study focuses in particular on the interplay between diplomacy, economic interests and reconstruction challenges. It will provide insights into the positioning of international actors: their priorities regarding humanitarian aid versus reconstruction, their economic interests, and their relationship with national actors in the countries concerned. Equally, it will examine the socio-political dynamics in Lebanon, Palestine and Syria in relation to reconstruction.

Research has also been carried out on the geopolitical issues related to the value chains of critical minerals.

The Economic Inclusion and Inequality programme aims to examine the conditions under which investment in the private sector, value chains and infrastructure can serve as effective drivers for reducing inequality and improving people's living standards. By drawing on advanced analyses of fiscal, trade, social and regulatory policies, the programme identifies the pre-distribution and redistribution mechanisms that can promote a more equitable distribution of wealth. Particular attention is paid to the role of infrastructure: depending on its location, design and governance arrangements, it can either exacerbate regional disparities or, conversely, improve access to essential services, create economic opportunities and support the resilience of regions. The programme also examines whether and how the dynamics of industrialisation and the emergence of new production sectors can contribute to a more inclusive economic transformation, by creating employment opportunities and supporting the move towards higher-value-added production.

It was marked by the signing of a new phase of the European Inequality Research Facility, worth €1.6M, focusing on the analysis of the socio-economic impacts of investment and infrastructure, in conjunction with the Global Gateway strategy. This renewal enabled the launch of a research programme on energy poverty in Mexico, backed by public policy funding currently being assessed by AFD in a public policy loan to the country's energy transition. A number of research projects on inequalities are also currently being identified, notably focusing on the lithium value chain and its socio-economic repercussions in Bolivia. These projects aim to establish AFD as a leading player in the field of inequality and the just transition, and to strengthen public policy dialogue between AFD and its public partners.

In addition to the European Facility, this programme provides funding for research into social protection and employment issues, which are key components of loans financed by the AFD. For example, research into the inclusiveness of Egypt's social protection system was instrumental in securing funding for the scaling up of Egypt's health insurance programme, which is funded of an health insurance programe (FBPP CEG1124 Phase 2) to the tune of €150M. This is an action research project carried out in support of the national agency UHIA (Universal Health Insurance Authority) to assist it in developing public policy measures that promote the inclusion of the informal sector in insurance schemes. The research provides expert input that informs the public policy dialogue between AFD and the Egyptian ministries.

The Fragmentation of Societies and the Commons programme examines how collective forms of management of territories, natural resources, public services, digital technologies and knowledge are transforming the relationship between institutions and communities. It places an emphasis on analysing the emergence of spaces for public debate and citizen participation that encourage the involvement of young people and women, as well as social cohesion. Conversely, it examines the role of the media and social media in the dynamics of social polarisation. In crisis contexts more specifically, the programme will focus on mechanisms for rebuilding the social link, issues of regional equity (notably between urban and rural areas), and, finally, the various forms of governance of public services. It analyses the social tensions and polarisation that may arise from ecological, economic, demographic or migratory transition dynamics, with a view to anticipating them in the reforms and programmes backed by international cooperation.

As part of this programme, research projects on the commons and citizen participation in Brazil and Colombia have continued. A new programme on the commons of institutions in West Africa has been launched. In Brazil, the "Brasilo Participativo" action-research project has enabled the co-construction, by the Brazilian administration and a scientific team, of a national digital platform, whose goal, as championed by the Brazilian presidency, is to strengthen the political inclusion of historically excluded groups through open digital mechanisms. This is a prime example of embedded research, in which public stakeholders are involved from the design stage onwards and the findings continuously inform the strategic orientations of the initiative as set out by the Brazilian Presidency, as well as the public policy dialogue between the Brazil Presidency. It also informs the Brazilian government regarding the governance of public services and citizen participation. A second phase of this project is planned, in conjunction with the marine connectivity projects currently being appraised by MOB as part of cofunding work with the European Commission.

The research project on ageing in the Balkans has continued and will result in deliverables and a final report in 2026. It will inform the DREVE's strategic thinking on demographic and migration issues, as well as the funding of employment and social protection policies. In 2025, the work carried out on demographic trends in Africa was also put to good use, leading to the publication of several articles on the subject.

Also as regards Sub-Saharan Africa, AFD led multidimensional research project on the economic, social and civic inclusion of young people. It draws on analyses of issues relating to gender, the environment, entrepreneurship, citizenship and employment. This programme is funded through the Africa-Europe Youth Academy (AEYA) project, implemented by Expertise France with €15M in European funding. The contribution of this research component was decisive in AFD group obtaining these European funds. The research findings inform the operational project whilst helping to shape a joint AFD/Expertise France strategy on how best to support youth integration objectives in projects funded in Africa.

Synergies with Expertise France were further strengthened by the launch of a research programme on Sargassum in the Caribbean, in conjunction with projects funded by AFD group on this issue in the region.

The macroeconomic analysis and outlook programme enables the production of medium-term country risk assessments and the modelling of countries' long-term macro-financial trajectories, taking particular account of climate and biodiversity challenges and exploring appropriate financing strategies.

Particular attention is paid to the various dimensions of sustainability (environmental, social, economic and financial) of these trajectories, with a view to discussing the mix of public policies needed to capitalise on opportunities and minimise risks. It also helps to inform operational frameworks and public policy discussions in the countries where we operate and, through a specific approach, in the French Overseas Departments and Collectivities. This programme will also focus on the link between climate and biodiversity policies, jobs, tax revenues, international trade, financial markets, and the recomposition of value chains.

Within the framework of this programme, the GEMMES and ESTEEM methodologies for macroeconomic modelling were developed by AFD and are now reaching maturity.

The GEMMES model (General Monetary and Multisectoral Macrodynamics for the Ecological Shift) is a macroeconomic modelling tool that takes into account climate dynamics (mitigation and adaptation) and the increasing scarcity of natural resources in its assessment of macroeconomic, social and financial risks.

The ESTEEM model (Exposure to Structural Transition in an Ecological-Economic Model) makes it possible to identify the transition risks to which the economies of developing countries are exposed, which makes it possible to anticipate them and to define a transition pathway adapted to each country's specificities.

In Brazil, AFD developed a GEMMES model in partnership with the Ministry of Finance and in cooperation with ECLAC and IPEA. It makes it possible to assess the impact of public policies, particularly those linked to the Ecological Transformation Plan implemented by the Ministry of Finance. This applied research collaboration opens up avenues for dialogue with the Federal Government's Treasury and forms part of the AFD group's extensive work with the financial sector.

In Vietnam, the GEMMES programme focuses in part on the evolution of extreme weather events in Vietnam (intense heat, droughts, intense rainfall, floods). The findings of these various studies make it possible to formulate public policy recommendations and identify emerging risks (notably extreme heat), which will require major adaptation plans for infrastructure, urban planning and healthcare systems. The programme contributes to dialogue with the Vietnamese authorities on climate issues, and in particular with the provinces, which AFD supports as part of the WARM programme co-financed by the European Commission for a total of €200M.

In Cambodia, the ESTEEM project helps to identify macroeconomic risks that could arise during the transition to cleaner energy, notably in terms of public debt, employment, income inequality and monetary stability. It also explores how different energy scenarios interact with the economy as a whole. By linking the energy, fiscal and social dimensions in this way, the project strengthens the capacity of the Cambodian government to identify and manage the economic and structural risks related to the transition to a low-carbon economy.

In 2025, new GEMMES and ESTEEM projects in Mexico, India and Indonesia were approved, which should start in 2026.

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

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

In support of the Agency's operations and risk management, 16 macroeconomic analysis missions were carried out in 2025. These assessments focused primarily on (i) countries where AFD has significant or long-standing exposure (Cameroon, Egypt, Indonesia, Jordan, Kenya, Morocco, Mexico, the Dominican Republic), (ii) countries in a state of crisis, transition or economic recovery (Argentina, Ecuador, Ethiopia, Sri Lanka, Ukraine) and (iii) regions where a macroeconomic framework is useful for establishing an AFD intervention strategy, monitoring risks or scaling up operations (Albania, Armenia, Mauritius). These assignments covered 31.1% of the Group's outstanding loans in foreign States (measured at 30 June 2025). The missions originally planned for South Africa, Bangladesh, Nigeria and Rwanda could not be carried out due to organisational issues or the local context, and will take place in 2026.

Evaluations

AFD conducts evaluations of the projects and programmes it finances and also produces extensive evaluations of its sectoral or cross-sector strategies (set out in its intervention frameworks), on specific topics, countries and/or funding instruments. All large-scope and joint evaluations are published and the project/programme evaluation summary sheets are published on the AFD website [1] and the evaluation open data site [2] where 486 evaluated projects have been placed online. In 2025, AFD evaluated 80 projects through 51 assessments. The 2025 evaluations report, the first at AFD group level, looks back at activities in 2023 and 2024 and highlights lessons learned around three themes: planet, health and the social link.

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

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

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

In December 2025, the independent ODA evaluation commission provided for in Article 12 of the law of 4 August 2021 was launched. This independent commission strengthens the national framework for evaluating public policy on international solidarity. The implementing decree of 8 February 2025 stipulates that the commission shall work in a complementary manner with the evaluation departments of the ministries and the AFD. With its new monitoring and evaluation policy adopted in March 2024, AFD group is therefore ready to work actively with the Commission to share its strategic evaluation work-programme, make its evaluation work available, disseminate evaluation results more widely, and respond to any requests from the independent commission.

Publications

In 2025, Éditions AFD published 159 titles, more than in 2024 (120 titles): 156 titles in its own, two co-published with the World Bank, and one co-published with La Découverte. In 2025, 35 papers were published in the QDD (Question de Développement) short-form series and 56 in the Papers series. These two collections remain the most productive. Compared with 2024, the number of papers rose significantly, from 33 in 2024 to 56 in 2025, whilst QDD output remained relatively stable (35 manuscripts compared with 38 the previous year). The number of publications (on the macroeconomics of development) is similar to that of 2024, with 11 publications published that year. Three policy briefs were published in 2025, and two policy papers (the policy) (compared with seven in 2024).

Over 1,500 downloadable titles are available in the Éditions AFD catalogue. These publications are disseminated externally *via* the AFD website, while part of the catalogue is also available on the CAIRN portal. Likewise, most of them are accessible and referenced on various databases such as Ideas/RePEc and Google Scholar. A new distribution channel was set up.

The promotion of publications is carried out through a number of channels, notably *via* the new brand launched in 2025, "Savoirs AFD". The dedicated newsletter "Savoirs AFD" (which has over 30,000 subscribers to the French-language version and around 8,000 subscribers to the English-language version) was redesigned in a new format better suited to highlighting publications in line with current events. The use of various formats ("Grandes Lignes" podcast now available on YouTube with a number of views exceeding on average several tens of thousands of views; "Eco du Monde" videos and motion design, computer graphics, etc.) as well as the organisation of events around publications.

1.6.7.2 The AFD campus

The new AFD group Campus Executive Department was created on 1 January 2024. It consists of ongoing training for Group employees, and training for partners and customers. Located between Marseille and Paris, and with a strong presence in the southern regions thanks to the partnerships it is developing with universities and training centres there, the AFD group Campus strengthens synergies among its programmes, ensures their coherence, and enhances them.

The training programmes developed jointly by the Campus and its partners aim to develop or enhance the professional knowledge and skills needed to reflect on and respond to the transformations currently taking place – whether environmental, social or democratic – in an increasingly complex and uncertain world. With its 33 employees, the Campus aims to be "working by your side", a place where audiences, views and ideas meet, as well as being a vector of Group cohesion.

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

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

In 2025, the following training programmes were developed:

- providing employees and partners with the skills needed for the transformation:
  - the **launch of new, innovative hybrid programmes** designed to develop both theoretical and systemic knowledge and the ability of participants to put this knowledge into practice: examples include the "Towards the Ecological Societies of Tomorrow" programme (in partnership with the publishing house Wildproject), "IMPULSE", a hybrid programme on leadership development and technical advocacy skills; and "Think & Act Locally", a university partnership with four major universities on the African continent focusing on leadership challenges and new economic models; "designing new public spaces in Africa", launched in Cameroon; the autumn school on "food security" organised in Senegal in partnership with UM6P [1]; and Pass'Sport, a programme to train sports professionals across the African continent in collaboration with the Sport Impact platform in Dakar;
  - the **launch and hosting of new digital courses on the MOOC-Campus platform** covering "energy transitions" (available in French, English and Spanish), "African SAEs", "Public-Private Partnerships", "project management" (with FERDI [2]), and "the interdependencies between food, the environment and health" (with the NGO Santé Diabète and the Chair of Philosophy at the Hospital). **Between 2021 and 2025, the MOOC-Campus platform welcomed nearly 125,000 learners (*i.e.* around +30,000 each year)**;
- positioning AFD group in a new field of relationships with its partners:
  - **the continuation of flagship initiatives, aimed at building on the momentum generated by the Africa 2020 Season and the transformative agenda championed by the Presidency of the Republic** (dialogue, reflection, co-creation, network development, community engagement, foresight and storytelling): new seasons of the Mediterranean Talent Academy, Social & Inclusive Business Camp (in North Africa, East Africa and the Caribbean), and the Biodiversity Partnership Programme (in Southern and Northern Africa); continuation of the activities of the Foundation for Innovation in Democracy, particularly on gender and heritage issues; and continuation of the Master's degree in Development Project Management (in partnership with FERDI and the University of Clermont-Ferrand);
  - the continuation of initiatives that focus on **reflections on the post-development era**, in partnership with Académie diplomatique: educational workshops and residencies as part of the "Agir pour le vivant" festival in Arles, Yaoundé and Medellín; the completion of a MOOC exploring the "post-development" era;
  - the **publication of new multimedia content** and the organisation of meetings and discussion sessions open to the public, to explore the major challenges of today and tomorrow: new season of the podcast "Les nouvelles de demain", release of the podcast "Voix autochtones" to rethink our relationship with the living world, conference on "Democracy and development", the "Otium" lecture series – (Re)giving meaning to leisure time as a lever for individual and collective emancipation, the "Towards the ecological societies of tomorrow" webinar series – featuring philosophers, anthropologists, political scientists, publishers and researchers;
  - **the development of blended learning programmes designed for "learning together"** – bringing together AFD group staff, partners and clients – such as the "Towards the eco-friendly societies of tomorrow" programme, which encourages a fresh approach to environmental issues, and the "Community engagement" programme, which teaches participants how to mobilise a community;
- consolidating our anchoring in the field and in our operations:
  - **the roll-out of a regionalised training programme extending beyond the Campus's traditional African roots**, with the launch of new Campus courses for a mixed audience at the Regional Directorate for Southeast Asia (Play, a variant of the BIPP in Southeast Asia) and in Latin America (with the ALIDE banking network, and with the SIBC in the Caribbean), and the launch of the documentary series 'Pensées-Monde au Pays' (Thoughts-World at Home) in the French Overseas (with Patrick Chamoiseau and France Télévisions Outre-mer);
  - **the development of training programmes in collaboration with AFD's various technical divisions** to meet the Group's operational needs, including, for example, training over 200 partners in "procurement" for 2025, or the enhancement of a diploma course within the ALIDE banking network for around 40 representatives from Latin American public development banks;
  - **the roll-out of programmes closely linked to the international climate and biodiversity agenda**: the SDG School (in partnership with the IRD [3]), to be launched in 2025 on the theme of coastal resilience, with participation in the UNOC (Nice Ocean Summit);
  - **strengthening our ties with the Marseille business community**, notably by hosting the NGO Plastic Odyssey and the Regen School in our offices.

1) *Université Mohammed VI Polytechnique*
2) *Foundation for International Development Studies and Research*
3) *Research Institute for Development*

02

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2.1 General information (ESRS 2)

2.1.1 General basis for disclosures (BP-1)

2.1.1.1 Coverage of Group entities

Following the transposition into French law (Law No. 2025-391 of 30 April 2025 DDADUE) of Directive (EU) 2025/794 of the European Parliament and of the Council of 14 April 2025 amending Directives (EU) 2022/2464 and (EU) 2024/1760, entities in the AFD group are not legally required to publish a sustainability statement before 2028, the date on which Expertise France will become legally subject to this requirement. However, in the spirit of setting an example and in line with its established practice of voluntarily publishing sustainability information at a consolidated level for AFD group, it was decided to publish this sustainability statement on a voluntary basis, in accordance with the European Sustainability Reporting Standards (ESRS) currently in force, and on a consolidated basis for AFD group.

The scope of consolidation for the sustainability statement differs slightly from that of the financial statements, in that AFD does not exercise operational control, in accordance with its business model, over the entities in which it holds minority stakes: SIC, which develops and manages a property portfolio in New Caledonia; Banque Socredo (a retail bank with a branch network); and STOA S.A. (an impact investment fund financing infrastructure projects). Moreover, Soderag, which was dissolved and has been in voluntary liquidation since 1998, is not significant either from a financial perspective (given the small size of its balance sheet) or in terms of impact (as it has no operational activities). **The scope of consolidation selected for the sustainability statement therefore includes AFD, Proparco, Expertise France, Fisea and Sogefom**.

Unless otherwise stated, the information provided in this sustainability statement reflects the Group's position as a whole, unless specific details relating to one of the entities in the consolidation scope are expressly mentioned. Furthermore, unless otherwise expressly stated, the information presented for Proparco includes Fisea.

2.1.1.2 Coverage of the Group's value chain

This sustainability statement covers AFD group's upstream and downstream value chain (see Section 2.1.2.2).

2.1.2 Strategy, business model and value chain (SBM-1)

2.1.2.1 A Group strategy at the service of sustainability

2.1.2.1.1 AFD group's fifth Strategic Orientation Plan (POS V): 100% Sustainable Development Goals

AFD group implements the international partnership policy set by the French authorities [1]. Its mission is to forge positive links between France and all those who wish to cooperate with it. Its mandate is centred on a two-pronged agenda of, on the one hand, combating poverty and inequality, and safeguarding common goods such as the climate, biodiversity and global health, and, on the other, of promoting inclusive and sustainable investment in the least developed and most vulnerable countries [2], in middle-income countries and in the French Overseas Departments and Collectivities (see also Sections 1.1 and 1.2 of the Universal Registration Document).

In this context, the fifth Strategic Orientation Plan (POS V) covering the 2025-2030 period was adopted in December 2024 by AFD's Board of Directors, following participatory work carried out with the Group's teams. This POS V is also the result of 24 months of discussions with external stakeholders, including peers and partners, French and European administrations, other donors and development banks, think-tanks, civil society organisations (CSOs) and the private sector. The Group's new Strategic Orientation Plan was also the subject of several presentations and formal discussions with employee representatives (head office and network) in June 2023, October 2023, June 2024 and October 2024.

POS V defines four commitments and outlines for each a renewed ambition, approach and proposed method, taking into account the achievements of the previous POS IV and the Group's increased potential:

Working by your side: a commitment to attention, respect and contextual intelligence [3], in order to better understand the evolving contexts in which AFD group is called upon to act, and to differentiate its action according to the specific challenges and needs of countries and regions.

1) *Programming law on inclusive development and the fight against global inequalities of 4 August 2021, decisions of the Presidential Council for International Partnerships of 5 April 2025 and guidelines of the Interministerial Committee for International Co-operation and Development and the Interministerial Committee for French Overseas Departments and Collectivities.*
2) *Fragility is the combination of exposure to risks and the insufficient capacity of a state, a system and/or a community to manage, absorb or mitigate those risks. The OECD's multidimensional framework on fragility measures fragility using 56 indicators of risk and resilience, across six dimensions: economic, environmental, political, security, social and human.*
3) *Strengthening its understanding of local contexts by consolidating its network of Regional Directorates or local offices*

Particular attention will be paid to Africa in order to provide support for the emergence of sustainable economic, social and human development; to the European neighbourhood in order to contribute to European environmental, social and democratic convergence; to Asia, the Indo-Pacific and Latin America in order to help AFD group's customers as they work towards a just transition that protects global public goods; to all vulnerable countries, notably in the Pacific Island States, in order to reinforce their resilience to shocks and climate change; and to the French Overseas Departments and Collectivities, as an investor at the service of the sustainable development and regional integration of these territories. The Group is therefore specifically positioned at the intersection of the partnership requests expressed by its customers and beneficiaries and France's geo-strategic priorities.

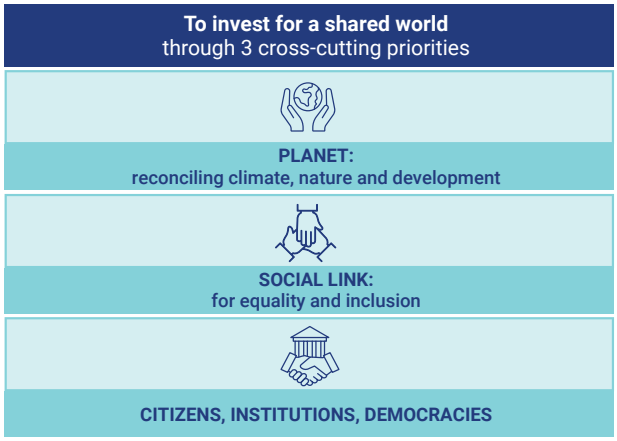
100% Sustainable Development Goals (SDGs): a commitment to quality and impact to become the first **100% SDG** [1] public development bank, whose financing, operations and management are aligned with the 2030 Agenda, ensuring that the positive impacts of financing are maximised across three key areas – climate and nature protection (dual alignment with the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework), reducing inequalities and multidimensional vulnerabilities, and institutional and democratic development – whilst ensuring that no significant harm is caused to any of these areas.

Mobilisation platform: a commitment to bringing together, amplifying and training in order to become a mobilisation platform for the greatest number of partners wishing to contribute, with France, to international development action and to the achievement of the SDGs, according to three complementary dimensions: 1) financial mobilisation, 2) increased vigilance on the channelling of financing in order to ensure that it does not benefit actors working against French strategic interests or carrying out unfair competition, and 3) citizen mobilisation and the mobilisation of expertise and knowledge to contribute to building a coherent international architecture of solidarity and sustainable investment.

Delivering on AFD group's promise: by bringing together all AFD group tools, the focus is on identifying shared interests between France and its customers and partners, whilst adapting to their needs. A pioneer in the international development finance ecosystem, AFD group now combines the capabilities of a financial institution dedicated to both the public sector (AFD) and the private sector (Proparco), alongside a technical cooperation and expertise agency (Expertise France), complemented by a training centre and capabilities in research, innovation and fostering public debate.

POS V gives rise to the establishment of three cross-cutting thematic roadmaps in order to implement its commitments [2]. Adopted by the AFD Board of Directors in July 2025, they are presented below. The 2025-2030 POS will be reviewed in 2026-27. A strategic review is therefore likely to take place following a mid-term review in 2026 and taking into account the evolution of the geopolitical and economic context in which the AFD group operates. It has a management and monitoring framework based on quantitative indicators. The strategic targets relating to climate change (E1), biodiversity (E4) and local populations (S3/S4) are defined with the French government as part of the Strategic Orientation Plan V (POS V).

2.1.2.1.2 The POS V's 100% SDG sustainable commitments are broken down through three cross-cutting roadmaps



Planet roadmap: reconciling climate, nature and development

The planet roadmap addresses the need to tackle the climate crisis and biodiversity loss, which are intrinsically linked and require far-reaching transformations of economies and societies. It aims to strengthen transformational interventions in order to generate systemic impact.

Aligning AFD group's activities with the Paris Agreement and the Kunming Montreal Global Biodiversity Framework (GBF)

As the first public development bank to align itself with the Paris Agreement, as of 2017, AFD has continued to consolidate its goals by aiming to ensure that **100% of its activities comply with the Global Biodiversity Framework**. This means that all its actions will need to be aligned with the objectives set out in the Kunming-Montreal Agreement, thereby extending the systematic alignment already in place for the Paris Agreement (see Chapter 2.2 "Environmental information"). AFD's sustainable development system aims to ensure alignment with this framework [3]: each project that receives a negative score on the climate (low-carbon transition and climate change resilience) or biodiversity dimensions when financing is approved is considered non-aligned. AFD is committed to developing all of its operational methodologies in order to achieve this dual alignment with the Paris Agreement and the Global Biodiversity Framework by 2027. For its part, Proparco is involved in the development of these methodologies and their adaptation to its specificities.

1) UN Member States adopted the 2030 Agenda for Sustainable Development, known as the 2030 Agenda. It is an agenda for people, for the planet, for prosperity and for peace, through partnerships.
2) The planet (1), social link (2), citizens-institutions-democracies (3) roadmap.
3) For the other dimensions of the sustainable development analysis, a negative score corresponds to a misalignment with other SDGs.

Seeking systemic impact

The goal is to maximise the impact of the Group's business by consolidating the share of financing dedicated to operations with transformational effects. These operations are those that contribute to triggering and accelerating the transformation of socio-economic systems and value chains. This transformational approach is based on several levers of action: public policy dialogue, the mobilisation and transformation of stakeholders, and the consolidation of knowledge. The characterisation of these transformational projects will take into account their relevance, ambition and systemic scope, as well as their sustainability and robustness.

Triple focus: adaptation/mitigation/nature

1. **Adaptation**: the Group aims to better target the most vulnerable populations and countries. The goal is to allocate **40% of the Group's climate finance** [1] to climate change adaptation, including disaster risk management and reduction (i.e. an average of €2.4bn per year between 2025 and 2028), subject to the continued availability of budgetary resources for grants. The integration of the principles of adaptation at the local level (Locally Led Adaptation) is sought, as well as the enhanced integration of the rights, knowledge and aspirations of indigenous peoples and local communities.
2. **Mitigation**: the Group acts on the levers of transformation by strengthening its actions on projects with a strong systemic impact. This includes an existing base that deals even more with the issues of employment and solidarity; energy sobriety and efficiency; the decarbonisation of hard-to-green sectors (cement, steel, maritime/air transport); and limiting methane emissions. The actions focus notably on backing partners who own fossil assets. With regard to the mitigation component, the Group has set itself a target for the volume of climate-related value-added financing (historically 50% of the total volume of commitments and €6bn from 2025 onwards, subject to the availability of budgetary resources allocated by the French State), whilst striving to maximise climate finance that has a structural and transformational impact.
3. **Nature (biodiversity)**: the Group is committed to ensuring that all of its operations result in zero net loss of biodiversity. Subject to the maintenance of budgetary resources for grants, it has set a target of **€800M** per year on average for the period 2025-2027 for financing dedicated to biodiversity. It will aim, provided that funding levels are maintained, to allocate 20% of this biodiversity funding to projects for the conservation and restoration of ecosystems, thereby contributing to the 30x30 target (protecting 30% of land and 30% of the oceans by 2030) of the Global Biodiversity Framework. AFD group also adopts a **nature-positive approach**, which involves integrating biodiversity into all its areas of activity, funding specific conservation projects, and ensuring that all operations result in **zero net loss of biodiversity**. Protecting the oceans, combating pollution, contributing to the "zero net deforestation" target and promoting nature-based solutions are priorities.

Social link roadmap: backing the development of more egalitarian and inclusive societies

The social link roadmap aims to back the development of more egalitarian and inclusive societies, recognising that social cohesion and the reduction of inequalities (including gender inequalities) are essential for a sustainable and inclusive development that enables the achievement of the SDGs.

Disparities in income or wealth – whether real or perceived – fuel social tensions and limit the impact of public policies.

Economic inequality is one of the most pressing problems in the world today and represents a macroeconomic and systemic risk (Stiglitz, 2025 [2]). 83% of countries experience high income inequality, accounting for 90% of the world's population. Since 2000, the richest 1% of the population has captured 41% of the newly created wealth, while the poorest half has received only 1%. These disparities are a major obstacle to poverty reduction efforts. They limit the effectiveness of economic, social and environmental policies. Thus, an environmental transition can only be just and improve living conditions if it is fair and includes all citizens, notably those most vulnerable to the effects of climate change.

From this perspective, **gender inequality** is one of the key issues that must be addressed in order to achieve the Sustainable Development Goals by 2030. It is a factor contributing not only to injustice but also to poverty: it hinders the sustainable development of all societies, from a political, economic and social point of view. Promoting gender equality is not only a matter of social justice but also essential for economic and social development. According to UN Women, eliminating gender inequalities in access to employment would lead to a 20% increase in per capita income. However, at the current rate, UN Women estimates that it will take another 300 years to achieve gender equality. The current rise of conservatism and anti-rights movements around the world creates an international context that is not conducive to the achievement of SDG 5 on gender equality.

Against a backdrop of multiple crises, growing multidimensional inequalities and the rise of anti-rights movements, particularly targeting women, girls and the LGBTQIA+ community, AFD group works to strengthen the social link among individuals, social groups, regions and their political institutions.

Through the social link roadmap, AFD group is therefore pursuing two cross-cutting objectives: on the one hand, the reduction of multidimensional inequalities and the promotion of inclusion; and on the other, the promotion of gender equality through a transformative feminist approach.

Reducing multidimensional inequalities and promoting inclusion

AFD group is committed to financing projects that contribute to reducing inequalities, in all their forms, and promoting social inclusion, in order to provide support for more sustainable, inclusive and redistributive development trajectories. Conversely, AFD group refrains from financing any project likely to exacerbate inequalities or promote exclusion.

1) In other words, financing activities with climate co-benefits, see Section 2.2.1.1.2 Climate finance characterisation of interventions
2) Statement from the World Inequality Lab on the G20 Extraordinary Committee of Independent Experts' Report on Global Inequality – WID – World Inequality Database.

Particular attention is paid to backing the just dimension of ecological transition policies and regions considered vulnerable (economically, climate-wise, in the face of crises and conflicts).

The goals relating to multidimensional inequalities and inclusion are broken down through three main levers:

1. **Financing and backing inclusive and redistributive policies**

   This first lever commits the Group to backing public policies that aim to reduce inequalities and achieve inclusion, whether in social sectors such as the development of public education, health and social protection services, or in projects intended to contribute to the ecological transition. It also includes support for redistributive and progressive fiscal and budgetary policies, as well as infrastructure projects that provide access to high-quality services in disadvantaged areas, for the benefit of disadvantaged and/or underserved populations.

2. **Reinforcing the just dimension of ecological transition policies**

   Through the second lever, the Group is committed to ensuring that green transition policies are fair by providing funding to back tailored policies for regions affected by climate change, as well as inclusive planning and governance of transition measures, and the progressive and redistributive nature of these policies.

3. **Systematise the consideration of equality and inclusion issues in all sectors**

   Lastly, through the third lever, the Group is strengthening its impact on the reduction of inequalities and inclusion in a cross-functional manner across all its operations. This applies in particular to funding for programmes run by public and private operators that promote equitable and high-quality access to essential services (energy, water and sanitation, transport, financial services, housing, etc.), but also policies and programmes relating to human capital development, quality employment and economic inclusion, which help to address the barriers faced by disadvantaged groups in order to ensure their full participation in social and economic life.

Promoting gender equality

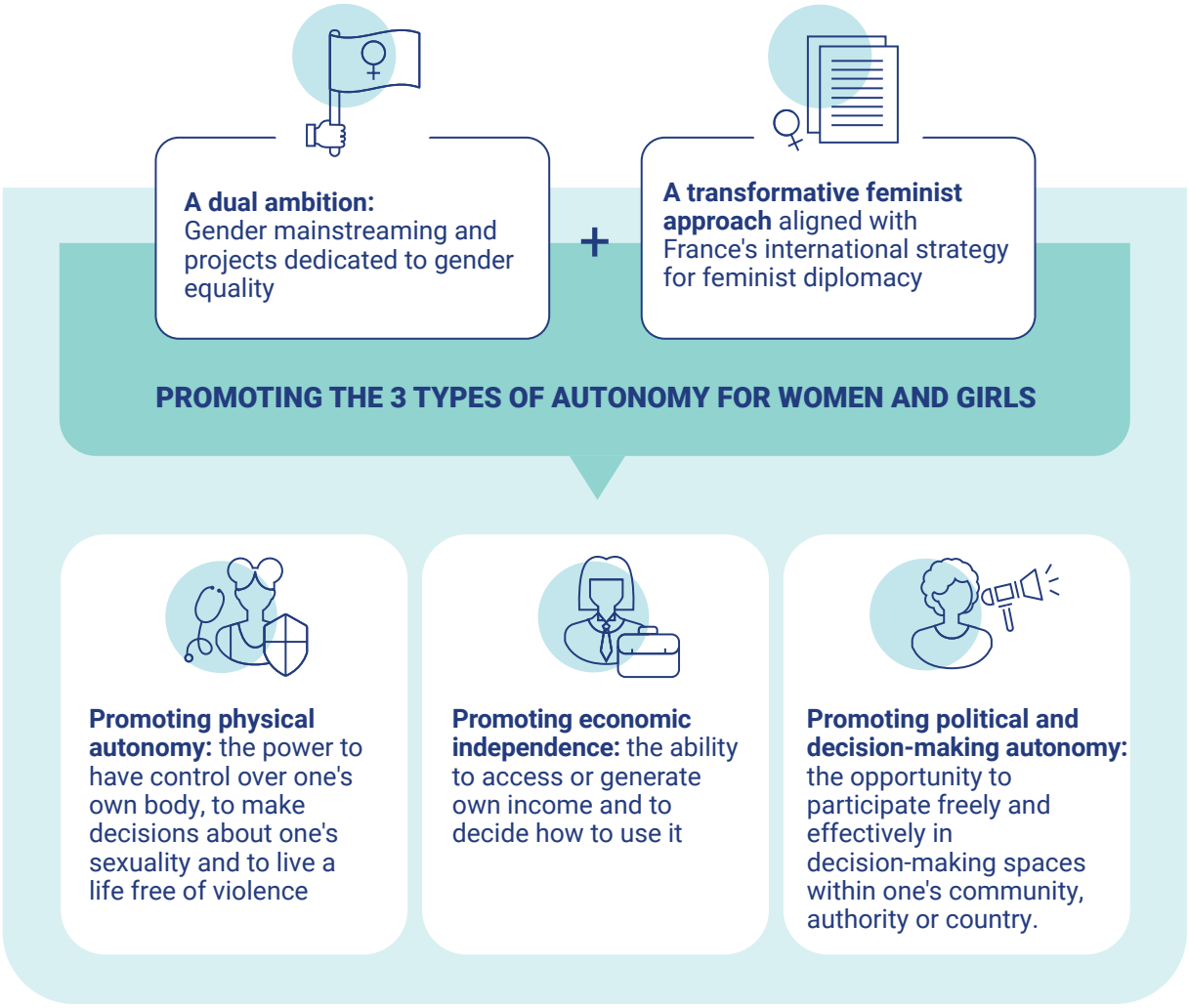
The Group's feminist approach is becoming increasingly prominent, in line with France's new international strategy for feminist diplomacy, adopted in March 2025, which places the rights of women and girls and gender equality at the heart of France's international action across all sectors.

Indeed, AFD group has made gender equality a central pillar of its strategy and helps to promote gender equality and the rights of women and girls in the countries where it operates through a two-pronged approach: 1) mainstreaming these issues across all its sectors of intervention; 2) projects specifically dedicated to gender equality.

In line with the framework of French feminist diplomacy, AFD group adopts a transformative feminist approach. This structural approach aims to bring about profound and lasting change by challenging gender-based power dynamics, the interplay of different actors and the social norms that perpetuate gender inequalities, with a view to bringing about positive change in the paradigm(s) that underlie discrimination and inequality.

AFD group applies this strategy by financing projects that aim to act on gender inequalities and promote the rights of women and girls. AFD works with a wide variety of actors, in all sectors and with all its financial instruments (loans and grants). For example, it works with governments seeking to implement structural reforms to better address gender inequalities in their public policies, with a view to ensuring a more equitable allocation of public funds in line with the specific needs of women and men. AFD also backs national banks via credit lines specifically dedicated to gender equality, which promote women's entrepreneurship and the financial inclusion of women. It also provides financial support and assistance to feminist civil society organisations that play a key role on the ground but are excluded from traditional funding channels, through the Support Fund for Feminist Organisations (FSOF), in collaboration with the Ministry for Europe and Foreign Affairs.

The Group will work to strengthen the **three types of** women's and girls' **empowerment**, taking a multifaceted approach:



AFD remains committed to the areas in which it has recognised expertise: backing women's entrepreneurship, gender-responsive budgeting, combating gender-based violence and promoting sexual and reproductive health and rights. It is also focusing on new areas such as combating technology-enabled gender-based violence and providing support for care work.

For its part, Proparco is participating in the 2X Challenge initiative, launched by development finance institutions (including Proparco) at the 2018 G7 summit in Canada, which aims to mobilise private capital for projects that reduce gender inequality.

To this end, a reference framework based on simple criteria was developed, making it possible to identify gender-sensitive investments. As part of the 2023-2027 strategy, Proparco has a 2X aligned project commitment volume indicator; for the 2026-2027 period, Proparco has set a target of €1.2bn in commitments to 2X aligned projects.

Taking into account vulnerabilities

Particular attention is paid to regions considered vulnerable. In this context, the Group offers a multidimensional analysis of vulnerabilities, including climate-related and macroeconomic vulnerabilities, as well as those linked to socio-political crises and conflicts. In contexts of crisis and conflict, specific work is carried out to ensure the effective delivery of essential services and to respond to multiple vulnerabilities. It is also a question of strengthening the Group's contribution to the Women, Peace and Security (WPS) agenda, given the exacerbated effects of crises and armed conflicts on women and girls and their key role in their prevention and in the promotion of peace. Lastly, the Group is continuing to provide support in maintaining the link between communities and institutions, including in conflict situations, notably by backing consultation frameworks and establishing collective rules recognised by the institutions.

Making culture and sport accelerators of social links

Sport and the cultural and creative industries are levers of inclusive development, promoting social cohesion and contributing to education, health and gender equality. The AFD group will strengthen its financing to support equitable and inclusive cultural and sports public policies, and will use sport and culture as levers for achieving the SDGs. Following the 2024 Sport for Sustainable Development Summit, the AFD group committed to investing €500M by 2030 in these themes and to supporting the professionalisation of local sectors.

Citizens, institutions and democracies roadmap: providing support for democratic practices to build trust

This roadmap responds to the recognition that it is unlikely that the SDGs will be achieved without effective, transparent, accountable and inclusive institutions, and without a greater focus on democratic processes. AFD group's goal is to back and reinforce the democratic practices carried out by institutions and citizens.

The goal is implemented around three operational pillars, through a 100% SDG approach:

Promoting effective citizen participation

The objective is to back citizens' participation in public action in order to better take their needs into account. The Group will seek to:

- encourage the **co-design of public action** (policies and projects) with citizens and vulnerable groups. – Integrate citizen participation mechanisms into projects as of the appraisal stage;
- back civil society initiatives for the democratic renewal of public action, notably by backing the development of civil society;
- fund multi-stakeholder dialogue and practices involving citizens, youth, women, social organisations and the private sector;
- promote **democratic innovation**, for example by backing the Foundation for Innovation for Democracy in Africa.

Strengthening the effectiveness and transparency of institutions

The Group provides support for the transformation of public institutions (ministries, local authorities, local offices, companies, financial institutions) towards greater efficiency and transparency in their actions. The goal is to identify organisational and institutional levers to enable them to achieve their strategic and operational objectives, thus contributing to the development of citizens' trust.

Actions include:

- **institutional reinforcement**: systematising support for organisational transformation processes to improve the quality of services for citizens (operational efficiency) and to transform governance practices towards greater transparency;
- **public policy**: helping to shape public policies that meet citizens' needs and expectations, notably by strengthening public policy dialogue and utilising technical support funds, as well as backing the SDG progress of institutions (ministries, businesses, local authorities and financial institutions) in the broadest sense;
- **transparency and accountability**: enhancing the transparency of public action (online reporting of results, external audits, access to data);
- **digital transformation**: backing digital transformation and technological innovation (including AI) to improve the quality of public services and enhance accountability (open government culture, e-services);
- **regional support**: a regional approach and support for local stakeholders are crucial to organisational change.

Contributing to the consolidating of the rule of law and democratic principles

The Group provides support for the consolidation of the rule of law and democratic principles across a range of areas:

- **separation of powers**: support for the three powers (executive, legislative and judicial). For the executive, this includes the fight against corruption (*via* Expertise France) and the promotion of fairer taxation. For the judicial, this concerns access to justice focused on the needs of citizens, including the most vulnerable;
- **media and information**: back the role of the media as guarantors of the right to information and freedom of expression, alongside the fight against disinformation;
- **human rights-based approach (HRBA)**: the Group will continue to integrate the HRBA into its operations, drawing on existing work on environmental rights (the right to a healthy environment, the rights of nature);
- **civic sphere**: continue to support initiatives to combat the shrinking of civic space and promote rights.

2.1.2.1.3 Operational activities: products and services and types of customers and sectors

AFD's proprietary activities and products, as well as those provided under specific mandates, are described in Section 1.3 of the Universal Registration Document. These include grants, loans, guarantees, equity investments as well as the production and valuation of knowledge on sustainability. The activities and products of the Group's other entities are addressed in Sections 1.5.2 and 1.5.3 of the Universal Registration Document. None of the Group's operational activities are prohibited in the countries where it operates; however, the Group refrains from providing support for certain activities (see exclusion list below).

The Group's customer base consists mainly of public sector customers and beneficiaries (central governments, local authorities, local offices, public enterprises and banks, and other public sector entities that are customers of AFD), Proparco's private sector customers (companies, financial institutions and investment funds), and civil society organisations (CSOs) backed by AFD and Expertise France.

Section 1.6.5 of the Universal Registration Document provides information on the **breakdown of AFD group's activities by sector**. According to the nomenclature of the Interministerial Committee for International Co-operation and Development (CICID), the Group is actively involved in the following key sectors: agriculture and food security; climate and the environment, including energy; crises and fragility; water and sanitation; education; governance; infrastructure and urban development; health; the productive sector; and others.

An **exclusion list** was established by AFD group. The list is publicly available and clearly sets out the types of activities that the Group refuses to finance on the basis of environmental or social criteria, ethical or regulatory considerations, or requirements arising from the application of regulatory standards and its strategic choices (see below – due diligence section). In particular, the following activities are excluded: those relating to the production of chemicals that are prohibited or subject to a phase-out under the regulations of the country of destination or under international regulations, as well as those relating to arms and tobacco.

2.1.2.1.4 Regions where the Group operates

AFD is active in 136 foreign countries and territories, including the French Overseas. The geographic areas where AFD is authorised to operate are listed in Appendix 1 of the Universal Registration Document, with the understanding that its operating mandate (forms of intervention, sectors, etc.) differs according to the country. AFD's activities in the 12 French Overseas Departments and Collectivities are mainly carried out through loans, grants and guarantees. They aim to contribute to the development of overseas territories and to integration in their regional environment. Proparco operates in 118 countries. Expertise France, for its part, operates in 178 countries and territories – through technical cooperation projects and the deployment of individual experts – thereby meeting the needs of its partner countries across a wide range of areas. In total, the Group operates in the French Overseas Departments and Collectivities and over 160 countries.

The geographical breakdown of the Group's 2025 business is provided in the "Our key figures" sections at the start of the Universal Registration Document, as well as in Sections 1.6.4.1 (AFD), 1.6.4.2 (Proparco) and 1.6.4.3 (Expertise France). The "Additional information" section provides further details on this information for AFD and Proparco ("Appendix 7 – Summary table of AFD and Proparco financing in foreign countries" and "Appendix 8 – Table of Proparco approvals").

The number of Group employees working in France and outside France at 31 December 2025 was as follows:

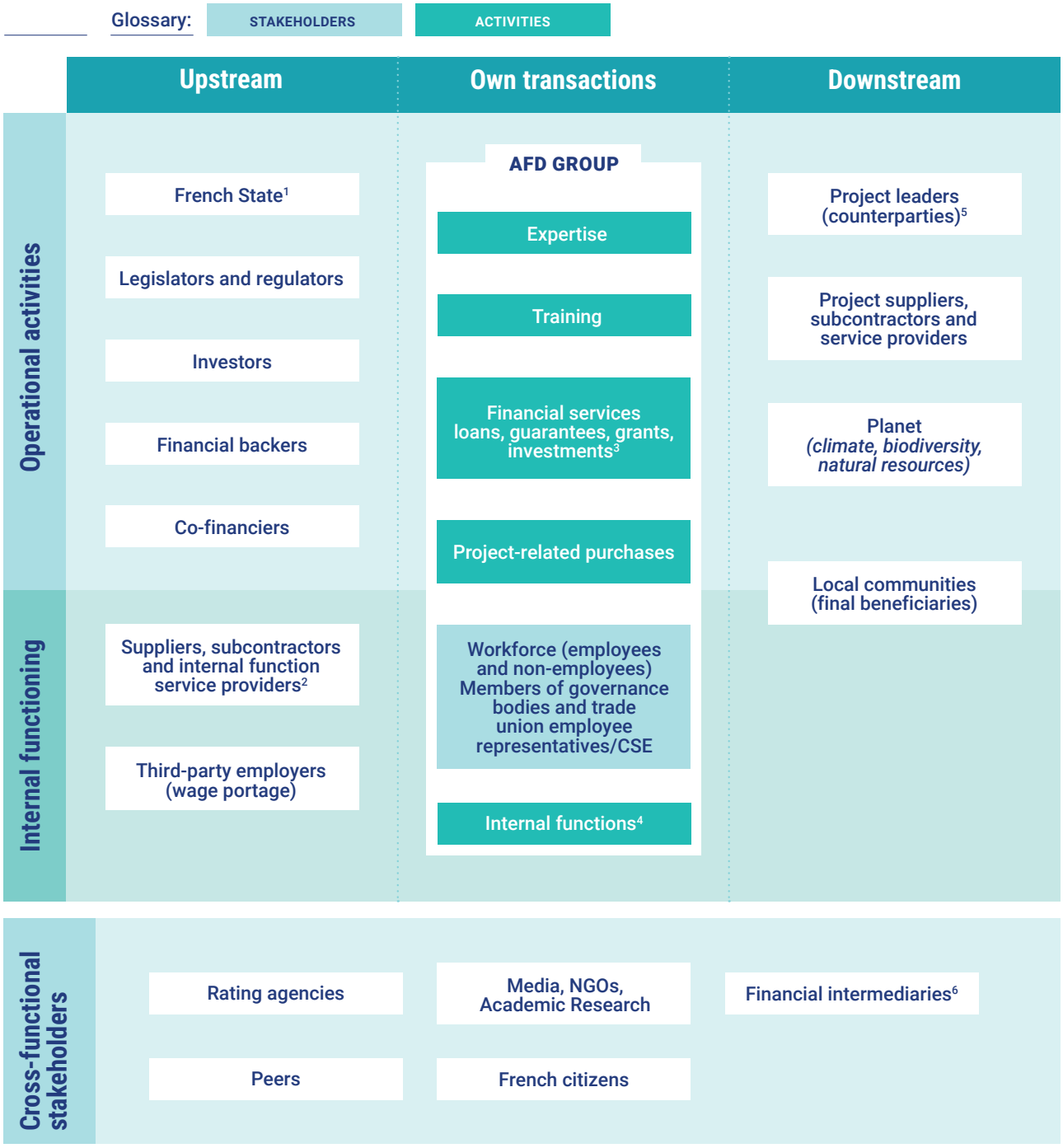
Region	Number of Group employees
France	3,180
Outside France	1,882
TOTAL	**5,062**

2.1.2.1.5 The Group's work generates a return on investment for France

AFD group's work contributes to creating true allies for France by serving national interests, building mutual interests and taking into account the interests of partners who wish to cooperate with France. In doing so, development work prepares, complements and deepens diplomatic work. This work also directly benefits France economically through the creation of opportunities for French companies. Thus, nearly 86% of the projects financed by AFD involve a French player. It also contributes to the stabilisation of strategic areas, the prevention of migration crises, the development of the French Overseas Departments and Collectivities, and the identification of innovations in the countries of intervention, which are also relevant in the national context. Finally, more than 90% of projects financed by AFD involve a French partner.

2.1.2.2 The Group's value chain

To facilitate the identification and assessment of its sustainability issues, the Group has chosen to distinguish between two sub-areas within its value chain: (1) **internal operations**, which encompass all equipment, buildings and services operated by the Group for its own professional use, and (2) **operational activities**, which include financing (loans), grants, investment, technical support and training. The Group's refinancing is also included in this sub-scope. The diagram below provides a detailed categorisation.



[1] Delegating in-house experts for certain projects: French ministries or public authorities
[2] In-house suppliers: intellectual service providers, IT, general resources, security services, etc.
[3] Group commitments, co-financing (equity investments, activities involving delegated funds and guarantees)
[4] Human resources, property management, purchases, compliance, legal, IT, etc.
[5] Direct beneficiaries of activities

2.1.2.3 AFD group's business model

AFD group's business model is based on the joint mobilisation of human, financial, intangible and relational resources, as well as on operational activities covering the full range of financing and expertise. It aims to provide effective support to public, private and civil society stakeholders in implementing projects that deliver tangible results and have a positive impact on sustainable development, whilst generating beneficial outcomes at national level. The Group is also committed to ensuring that its own internal operations set an example in terms of sustainability. The diagram below provides a detailed illustration of this framework.

The effectiveness of AFD group's business model lies in its ability to maximise positive impacts in relation to the resources mobilised, particularly the national budgetary resources entrusted to it.

In this context, it is worth noting that the AFD distinguishes between non-sovereign financing and sovereign financing. With regard to non-sovereign financing, the pricing grid includes both market-rate products (without a subsidy) and subsidised products. The subsidy level for the latter varies according to the country category, as defined by the Development Assistance Committee (DAC), and is based on the use of State budgetary funds.

At the same time, for sovereign financing, the pricing of subsidised loans is based on products incorporating a variable degree of concessionality, achieved through a subsidy and/or the use of the resources of the Directorate General of theTreasury subject to special conditions (RCS). The level of subsidisation is determined according to country and project. The Group also provides non-subsidised loans. All these mechanisms, combined with the guarantees provided by the State, enable AFD to offer financing solutions on terms tailored to the needs of least developed and vulnerable countries, thereby generating a greater societal impact than that of a financial institution of comparable size, whose activities remain primarily focused on maximising financial returns. It should be noted that the recent significant reduction in budgetary funds allocated to AFD could lead to significant changes in the Group's activities, notably in fragile or low-income countries.

Moreover, AFD draws on its proven ability to (i) issue bonds on the capital markets, (ii) mobilise financial resources and expertise from third parties (grant allocations, receipt of guarantees to share risks, co-financing, partnerships), (iii) make these resources available to projects with significant positive impacts, where negative impacts and financial and ESG risks are minimised and rigorously managed, and (iv) adopt a continuous learning and knowledge-building approach that includes, notably, the development of human capital (AFD group Campus), the sustainable development analysis and opinion (SDAO) mechanism, which ensures alignment with the SDGs for every project financed or backed, the framework for anticipated and actual results and impacts (RIF), and independent and objective ex-post evaluation.

The AFD group mobilises all its financial resources and expertise to support public, private and civil society players in their transitions and the implementation of their projects with a strong social and environmental impact.

Resources

Human

- **Employees and other staff**
- Strengthening human capital via the AFD group Campus

Financial

- **Consolidated balance sheet** = €73.9bn, including €10.1bn of equity, supported by the regular incorporation of net income
- **Borrowed capital** on the markets €8.2bn/year of which €4.8bn under the recognised SDG bond issuance framework
- **Donation resources**
  - State budget
  - EU delegated funds
- European Union **guarantees**
- **Co-financing** mobilised from partners

Intangible

- **Shared values:** commitment, integrity, openness, adaptability, respect
- **Clear strategic framework:** POS V 2025-30
- **Knowledge capitalisation**

Interpersonal

- **Stakeholder share capital confidence** in France, Europe and around the world + networks of public development banks Finance en Commun (FiCS), IDFC and EDFI
- **A dense network on the ground:** 31 regional offices and their local offices in the French Overseas Departments and Collectivities and more than 160 countries

Activities

A unified offer from the Group's entities

- Loans, equity, guarantees
- Grants, funds and facilities
- Mobilisation of expertise, design and implementation of technical cooperation
- Modelling tools and training

An impact-multiplying business model

€13.7bn
Group annual commitments
(Leverage effect on subsidies through banking activity)

+ Co-financing provided by the AFD group's partners

- **Sobre** thanks to the leverage effect of funds borrowed on the markets and co-financing mobilised
- **Responsible** through rigorous management of financial risks, selectivity and project management that avoids, reduces or offsets negative impacts
- **Efficient** thanks to a system of sustainable development analysis and opinion, guaranteeing the alignment with the SDGs of each new project

Results and Impacts

Systematic measurement of *ex-post* results and management of activities by impacts

- **New commitments made in 2025:**
- producing the **(real)** ***ex-post*** results and impacts of projects that are completed in the field
- implementation of a new **Results and Impacts Framework (IRC)** based on 22 indicators and the associated narratives
- Thus becoming the first public development bank to be fully transparent about its impact data

Meeting the growing demand for high-quality ESG investments and facilitating the financing of the Group's operational activities: the modernised SDG bond issuance framework

An issuer of climate bonds since 2014, AFD changed its thematic issuance framework from a climate issuance framework to an **SDG bond issuance framework** in 2020. Updated in 2024, this framework is an essential pillar to guide and strengthen the impact of AFD's activities in terms of sustainable development: more than €21bn in capital was raised between 2014 and 2024 and €4.7bn in 2025. In 2025, this framework covered nearly 58% of the annual borrowing programme. It thus makes a major contribution to AFD's ability to raise funds to finance its impact-generating operational activities.

In the markets, AFD's SDG bond framework stands out for its integrated approach, transparent governance, strategic alignment and focus on developing regions. These features make it an original and effective tool for ESG investors seeking to make a positive and measurable impact on sustainable development. Assessed by Moody's Ratings, the framework is aligned with the Green Bond Principles, the Social Bond Principles and the Sustainability Bond Guidelines of the International Capital Market Association (ICMA). Investor demand regularly exceeds the Group's expectations and needs.

The process for identifying and selecting loans eligible for refinancing through SDG bonds is based on strict eligibility criteria derived from the sustainability ratings of AFD and Proparco (see Section 2.1.2.6.2). They ensure that funding contributes to at least one SDG and respects general exclusions and sector-specific due diligence. Governance of the issuance framework is overseen by the Thematic Bond Monitoring Committee at AFD, which reviews and approves the eligibility of loans, proposes loan replacements and liaises with external evaluators. AFD is committed to publishing an annual report on its SDG bonds, setting out the allocation of the funds raised as well as environmental and social impact indicators, which are audited annually by an external auditor.

Mobilise fund delegations, guarantees and cofunding to accelerate sustainable transitions

AFD group has set itself ambitious objectives in terms mobilising financial resources, but also in terms of mobilising citizens and expertise (see POS V above). As regards financial mobilisation, this covers all private and public funding flows that it helps to channel towards the achievement of the SDGs in the countries where it operates. Four financial mobilisation targets should make it possible to increase mobilisation effects:

1. increase the mobilisation of partner funds ("leveraged resources", which at this stage consist mainly of resources delegated to the Group);
2. mobilise international and local public finance for solidarity investment ("associated resources");
3. increase intermediation effects ("leverage effects");
4. redirect flows ("catalytic" mobilisation).

In 2025, the Group's outreach efforts resulted in €525M worth of projects commissioned using funds from delegating partners.

Furthermore, in 2025, AFD continued to play a leading and unifying role in relation to the SDGs within the main international networks of Public Development Banks (PDBs) (1), namely the Finance in Common system (FiCS – chaired by Rémy Rioux, who is also AFD's Chief Executive Officer, and whose secretariat is hosted by AFD) and the International Development Finance Club (IDFC). Proparco plays a key role in mobilising its peers and coordinating efforts within the coalition of European EDFIs (2). More specifically, the creation of the management company EDFI MC contributed to the signing of several programmatic guarantees with the European Union (EFSD+) for the benefit of Proparco's customers and operations.

2.1.2.4 Steering backed by impact measurement and evaluation

Due to its unique raison d'être, AFD group has historically paid close attention to the results and impacts of its operational activities. The 2021 programming law on solidarity-based development and the fight against global inequalities, followed by the 10 priority policy objectives reaffirmed by the Presidential Council for International Partnerships (CPPI) in April 2025, call for a further reinforcement of impact measurement and evaluation practices. The same applies to the expectations in terms of transparency and accountability of the Group's investors, fund grantors and partners, as well as those of the general public. In this context, AFD group recently significantly strengthened its historical commitment to impact by adopting the following tools:

2.1.2.4.1 A new monitoring and evaluation policy for AFD group

This policy, adopted in 2024, reinforces a monitoring and evaluation culture aligned with AFD group's strategic orientations. It focuses on evaluations that are impactful (to inform decision-making), collaborative (centred on project leaders) and tailored (customised and integrated into a monitoring and evaluation continuum). The goal is also to improve governance and the resources allocated to ensure the efficiency and accountability of operations. The appraisal work carried out complies with the six criteria defined by the OECD's Development Assistance Committee (DAC) (relevance, coherence, effectiveness, efficiency, sustainability and impact) and with the principles governing their use.

1) FiCS – In 2020, the regional associations of public development banks, members of the International Development Finance Club (IDFC), and the multilateral development banks signed a joint declaration marking the launch of the Finance in Common (FiCS) system: https://financeincommon.org/; https://financeincommon.org/; see also Section 2.2.1.1.2 IDFC – Established in 2011, the International Development Finance Club brings together 27 national and regional development banks from around the world, most of which are active in emerging markets. Through the IDFC and in close collaboration with other development bank networks, members are joining forces to form a platform aimed at promoting and leveraging investments in sustainable development on a global scale: https://www.idfc.org/. See also Section 2.2.1.1.2.

2) EDFI's role is to promote technical and financial cooperation among its members, as well as with other bilateral, multilateral and regional development finance institutions. Cooperation with European institutions has, notably, led to several agreements governing their investments, such as the guiding principles for responsible financing and offshore financial centres. It also made possible the creation of two common funds: the European Financing Partners (EFP) dedicated to private sector financing in the African-Caribbean-Pacific (ACP) region, and the Interact Climate Change Facility (ICCF) dedicated to the development of renewable energies and energy efficiency in the Global South.

AFD group carries out several types of evaluation, positioned in a monitoring, evaluation and research continuum. Project evaluations focus on individual operations or groups of projects and aim to provide support for dialogue with stakeholders and to foster mutual learning. Broader assessments cover themes, sectors, regions, strategies or instruments and are designed to inform strategic and operational decision-making. Impact evaluations, on the other hand, seek to rigorously measure the impacts and results of the activities backed by AFD group and its partners (public and private), and most often do so by mobilising international research teams.

In 2025, the evaluation rate amounted to 52%, i.e. 80 projects evaluated for 51 appraisals (compared with 72 projects in 2024). 64% of the projects involved decentralised evaluations, 57% of the projects are part of a cluster (of projects), and 31% of the projects were evaluated ex-post. The 2025 review also includes four broad-scope evaluations, eight knowledge-sharing initiatives and reviews, and four impact evaluations.

2.1.2.4.2 A new results and impacts framework

In 2025, AFD group developed a results and impact framework to monitor and manage its main impacts and to further increase its transparency and accountability efforts vis-à-vis external stakeholders. The results and impact framework is composed of 22 key indicators that are aligned with the Group's strategic investment issues and priorities. This framework and its associated indicators therefore reflect the main development impacts sought through its operational activities and form the basis of AFD group's overall impact goal. The formulation of each issue also makes the Group's commitments to its stakeholders legible. This approach follows the Operating Principles for Impact Management (OPIM) [1] to which AFD and Proparco adhere. The alignment of AFD and Proparco's mechanisms with the impact principles is subject to an independent review.

The RIF was adopted by AFD's Board of Directors in September 2025 and is the cornerstone of the Group's results-based approach. The 2025 financial year was therefore the first year of implementation of this new system, which is expected to be evaluated and adjusted if necessary. The construction of the RIF is based on a selection of issues and indicators that make it possible to situate the Group's impact logic at the crossroads of three imperatives: 1) contributing to the policy of the French State, clarified by the 10 Development Objectives of the Presidential Council for International Partnerships (CPPI) and its requirement for results; 2) ensuring the credibility of SDG bond issues among investors; 3) providing a gateway to the Group's impact, helping to convince French citizens and stakeholders in our partner countries of the value and effectiveness of the Group's work.

The RIF sets out the Group's impact strategy as defined by the POS V: linking the three 100% SDG strategic priorities (planet, social link, citizens and institutions) with the Group's three priorities for solidarity-based and sustainable investment (PISD - priorités d'investissement solidaire et durable) (human development; sustainable economy and finance; sustainable infrastructure). To translate this thesis of impacts into measurable results, the RIF makes a rigorous selection, focusing on 22 impact issues and a limited number of 22 Results and Impact Indicators (Impact KPIs).

The structure of the RIF is thus based on three main elements:

i. the impact issues, which reflect the sectoral goals of each priority in such a way as to reflect the spectrum of AFD group's interventions and meet the three imperatives above;
ii. customer context indicators that identify the problems to which AFD responds based on shared frameworks at the international level and based on public information (World Bank, United Nations);
iii. result indicators (impact KPIs), which make it possible to measure and monitor results in response to an impact issue.

There are two main types of results and impact data monitored:

- **development targets** made when financing was approved: these are the targets corresponding to the expected results of the operations financed, which will materialise in the future;
- the **actual and measured results** generated by projects that have been concluded.

These two types of data are requested from customers and beneficiaries and monitored each year on different project portfolios: projects concluded during the year to collect actual results and impacts; projects awarded during the year to collect development targets.

The generation and collection of data are based on the contractual commitments between AFD group and its customers, which include half-yearly reporting on the financial and technical execution of projects financed or backed, and annual reporting on result indicators. Projects are equipped with a monitoring and evaluation system defined during the initial consultation with the customer, comprising a limited set of indicators relating to outputs and outcomes. The customer also submits key follow-up deliverables. An annual quality assessment campaign also supports portfolio management by identifying implementation risks and assessing progress against targets. Lastly, the Group implements an internal quality control plan to ensure the reliability and auditability of this impact data. The interoperability of similar approaches by the Group's different entities is also ensured.

In addition, AFD carries out a sustainability analysis of projects completed since summer 2023, which is included in the completion report: the sustainability impact targets made at the time of approval are compared with the results achieved in order to inform discussions on what worked well and what did not go so well in the project's implementation in terms of sustainability. Lastly, the insights gained and lessons learnt from evaluations enable projects, strategies and operational tools to be refined in order to improve their quality and enhance their impact on sustainable development, as part of a process of continuous learning. In addition to evaluation, AFD also carries out knowledge-sharing initiatives that examine the practices and experiences arising from its interventions, with a view to turning them into knowledge that can be shared.

The choice of KPIs demonstrates AFD group's focus on measuring results for beneficiaries rather than achievements (such as kilometres of roads built). This is monitored across the board by measuring the number of disadvantaged beneficiaries receiving support, the gains in women's autonomy, beneficiaries in crisis and conflict zones, and beneficiaries of measures aimed at climate change adaptation. The indicators associated with the PISD measure the improvement of human capital (health, education, etc.); access to economic opportunities and basic services (water, energy, transportation, housing, etc.). The RIF thus provides quantifiable proof that the Group's action is intrinsically focused on improving the quality of life of local populations.

1) The OPIM Principles provide a framework of best practices that investors can use to design, implement and continuously improve their impact management systems and processes: https://www.impactprinciples.org/

Contributions to the objectives of the Presidential Council for International Partnerships (PCIP)

Compliance with impact market standards (ICMA)

Investment priorities:

Human development

1. Training in the skills of tomorrow to promote equitable integration

- Number of beneficiaries of education, training and employment services created or significantly improved, % women and girls

2. Safeguarding global health through access to health systems

- Number of beneficiaries from supported health services or improved access to health services, % women

3. Enabling equal opportunities through better access to social protection

- Number of people benefiting from better social protection, % women

4. Supporting fair and opportunity creating transitions

- Number of jobs supported

Sustainable economy and finance

5. Supporting financial systems to support eco-friendly pathways to align economies with the SDGs

- Number of beneficiaries of new or improved access to appropriate financial services, % women and girls

6. Strengthening migration governance and management

- Number of organisations supported for safe, orderly and regular migration

7. Reducing global hunger through sustainable food systems

- Number of businesses/family farms with improved economic performance

8. Supporting businesses and entrepreneurship, particularly in Africa

- Number of businesses supported or created (including VSEs/SMEs, focus on Africa)

Sustainable infrastructure

9. Ensuring access to affordable, reliable and sustainable energy for all

- Number of people with improved direct or indirect access to energy, % women

10. Ensuring universal access to sustainably managed water and sanitation services

- Number of people benefiting from a safely managed drinking water supply/sanitation service, % women

11. Developing greener transport for access to services and opportunities for all

- Number of people with improved access to sustainable transport infrastructure and services, % women

12. Making digital technology work for every citizen, institution, and the planet

- Number of people who gained access or improved access to broadband and/or telecommunications, % women

13. Improving the quality of life in cities

- Number of city residents and users whose quality of life has been improved, % women

Cross-functional ambitions:

Citizens, institutions and democracy

14. Supporting the rule of law and citizen participation

- Number of regulatory frameworks/mechanisms for citizen participation established in projects/programmes, including budgetary and matrix financing

15. Supporting the transformation of players towards greater efficiency and transparency

- Number of institutions supported to improve the effectiveness of public action, transparency and resilience to crises

16. Investing in crisis and conflict prevention and response

- Number of people whose resilience to crises and violent conflicts is supported (including persons displaced), % women

Social Link

17. Promoting equality and inclusion

- Number of disadvantaged or underprivileged beneficiaries supported, % women

18. Promoting the structural reduction of gender inequalities and the empowerment of women and girls

- Number of people benefiting from specific support for the physical, economic and/or political empowerment of women and girls, % of women and girls

19. Promoting sport and the cultural and creative industries as an accelerator of social cohesion

- Number of people with better access to the sports and cultural sectors: activities, employment, training, infrastructure (including heritage), % women

Planet

20. Promoting low-carbon transitions and climate change mitigation

- Number of countries and stakeholders supported in their low-carbon transition and/or projected GHG reductions (*ex ante* tCO_2eq) enabled by earmarked financing

21. Strengthening adaptation to climate change

- Number of people whose climate resilience is increased by the project, % women

22. Promoting nature conservation and environmental sustainability

- Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity

2.1.2.5 Internal operations aimed at setting an example on sustainability

The internal workings of a group of services – and banking services in particular – are far from having as significant an impact as the operational decisions relating to the financing and project portfolio. Nevertheless, consistency and a commitment to continuous improvement and setting an example in the area of sustainability are also essential to our internal operations. AFD group has chosen to be exemplary internally, whether in terms of environmental, social or governance issues. The areas of focus include, notably:

- managing the internal carbon impact;
- an ambitious approach as a responsible employer protecting the Group's workforce, and
- zero tolerance for corruption and money laundering and the financing of terrorism.

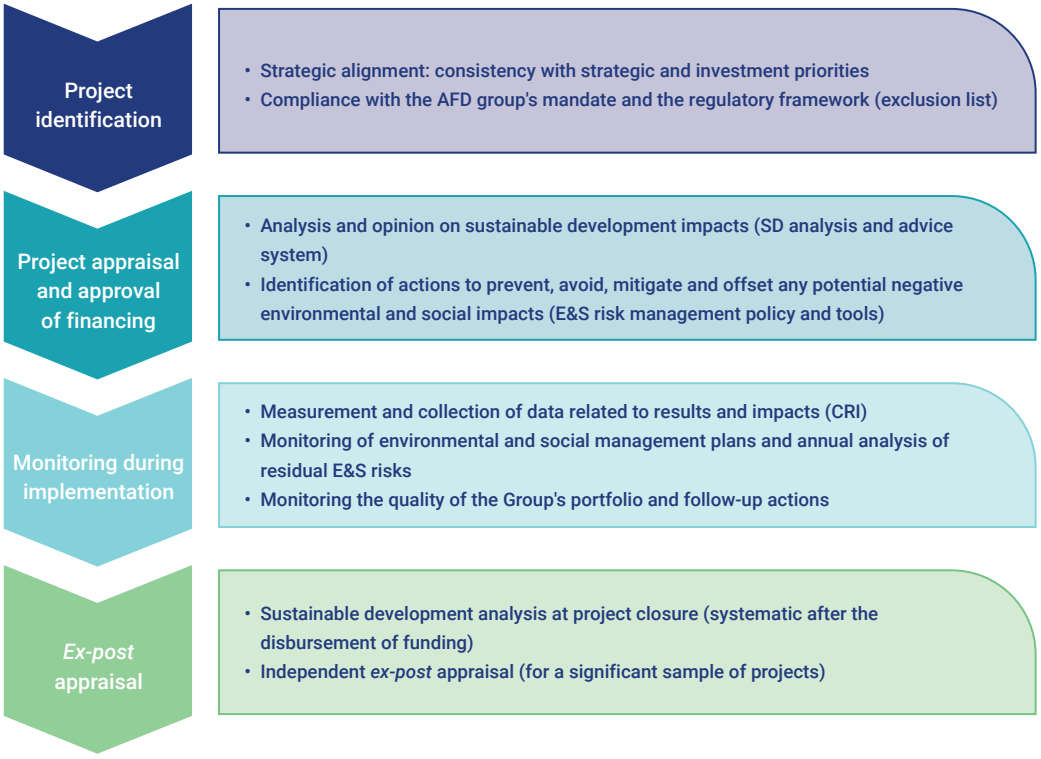
2.1.2.6 The Group's due diligence framework (GOV-4)

Several mechanisms, policies and procedures contribute to the exercise of due diligence in the face of sustainable development issues at the Group:

- the exclusion list provides upstream guidance in the creation of the portfolio of activities by defining the types of activities that the Group refuses to finance due to environmental, social, ethical or regulatory criteria, among others (Section 2.1.2.6.1);
- the sustainable development system ensures the alignment of operations with the SDGs (Section 2.1.2.6.2);
- risk management policies make it possible to avoid, reduce or offset any negative impacts of operations (Section 2.1.2.6.3);
- the environmental and social complaints system makes it possible to plan remediation when negative or unexpected environmental and social impacts could not be avoided, reduced or offset (Section 2.1.2.6.5 and Section 2.3.2 "Populations");
- and finally, the new results and impacts framework (RIF) and the evaluation policy complement them (Section 2.1.2.4).

At the same time, the Group is working to integrate climate and nature-related financial risks, both physical and transitional, into its risk analysis processes (Section 2.1.2.6.4).

The diagram below summarises the mechanisms, policies and procedures that contribute to the exercise of due diligence and the following sections briefly present them.



2.1.2.6.1 Targeted funding: exclusion lists and other tools

In order to ensure that its operations effectively contribute to the essential objectives of sustainable development, AFD group has adopted a set of tools:

Firstly, an exclusion list [1] sets out the illegal activities or those not in line with the commitments made, which the AFD group refuses to finance from the outset, thereby guiding the very composition of the portfolio of activities at an early stage. It applies to all new financing approved by all Group entities in foreign States and French Overseas Departments and Collectivities. The Group exclusion list is reviewed approximately every five years. Whilst the exclusion list is drawn up prior to the appraisal and evaluation of the initiatives in question, it also serves as a useful reference throughout the lifetime of the funded projects, and may lead to the Group withdrawing support for operations in the event of clear breaches identified during their appraisal or implementation.

Further exclusions arise from the strategic frameworks (such as climate selectivity) and sector-specific intervention frameworks, which can be viewed on the Group's website. These selectivity doctrines and positioning notes, which are updated on a regular basis, are intended for use in the project assessment process.

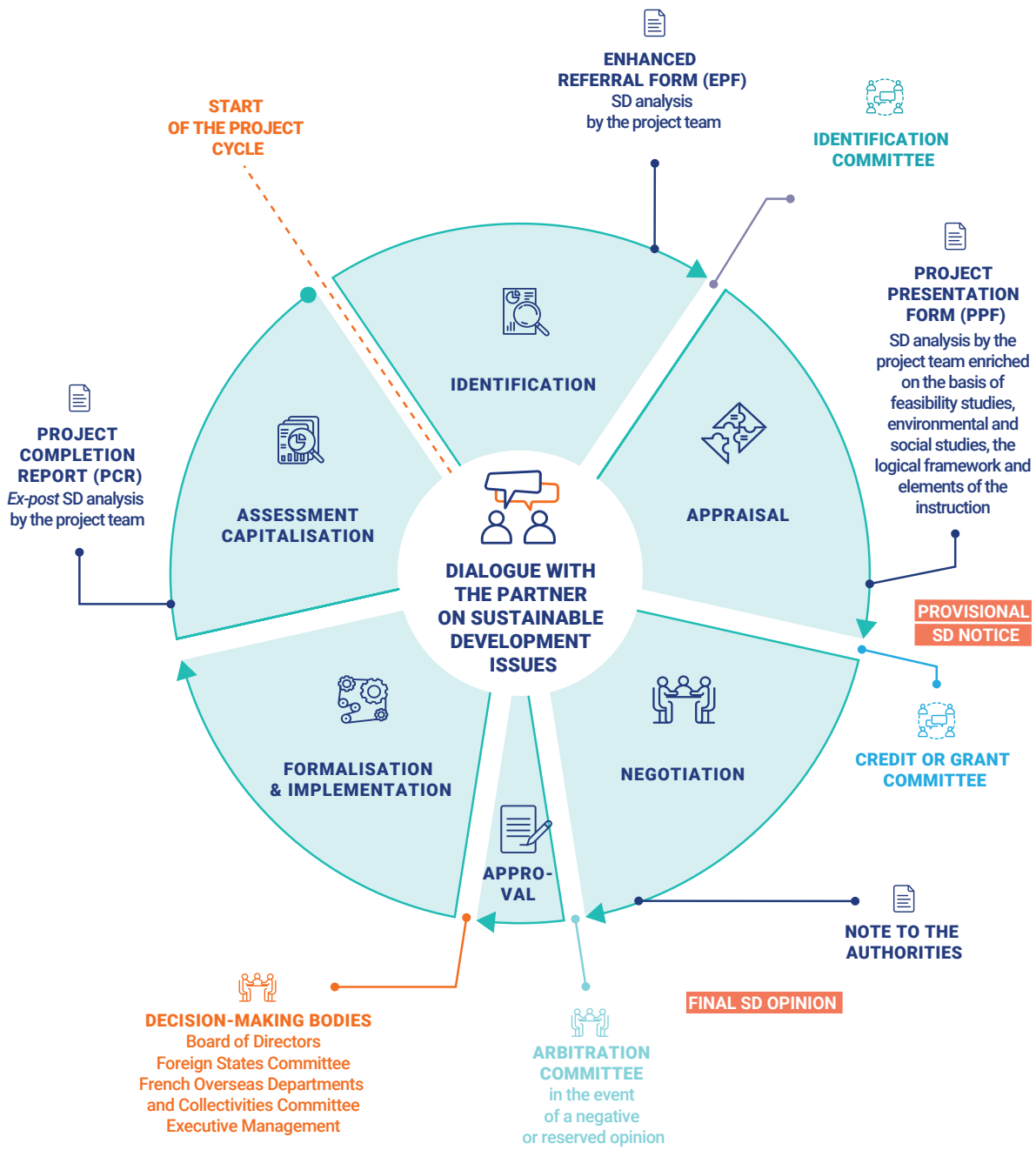
Furthermore, AFD group's activities are also governed by a **General Policy on the prevention and combating of prohibited practices**, including corruption, fraud, anti-competitive practices, money laundering and terrorist financing, as such practices constitute major obstacles to development (see Section 2.4. "Governance information", G1).

2.1.2.6.2 Sustainable development analysis and advisory system

In 2014, AFD adopted the sustainable development analysis and opinion (SDAO) mechanism, which aims to promote the consideration of sustainable development issues in AFD's financing transactions and strategies. This mechanism provides for sustainable development analysis to be carried out by the operational teams at the first level and, for the second level, for the issuance of a sustainable development opinion issued by the Sustainable Development Opinion (ADD) unit [2], a structure independent of the operational department. The sustainable development analysis and opinion mechanism consists of a detailed analysis of the project's expected impacts on each of the seven operational dimensions underpinning the three pillars of sustainable development, grouped under the terms planet, people and economy and governance: biodiversity, low-carbon transition, climate resilience, social link, gender equality, the economy and governance.

1) *www.afd.fr/sites/default/files/2023-01-10-20-06/liste-exclusion-groupe-afd.pdf*
2) *The sustainable development opinion applies to projects of a certain value (over €1.5M for grants and over €5M for loans) that may be subject to an impact assessment. Macro-fiscal consolidation aid projects – also known as general budget support – and budget support for local authorities in the French Overseas Departments and Collectivities are specifically excluded from the scope of this opinion, as are projects funded through special funding budgets: FISONG and FICOL NGO funding.*

A system integrated into the project cycle



IDENTIFICATION COMMITTEE

- Debate on SD issues
- Comments by the sustainable development analyst in the ESF
- The investigation mandate includes SD issues

CREDIT OR GRANT COMMITTEE

- Debate on SD issues
- SD analyst comments
- The negotiation mandate includes SD issues

ARBITRATION COMMITTEE

- In the event of a negative or reserved opinion, an arbitration committee chaired by Deputy Executive Management meets to decide on the transition to the project's bodies

The grid for sustainable development analysis

The analysis grid [1] makes it possible to identify the potential negative and positive impacts of the transaction according to a scale of progression: -2 (significant negative impacts), -1 (moderate negative impacts), 0 (neutral impacts), +1 (moderate positive impacts), +2 (significant positive impacts), +3 (structuring positive impacts).

Sustainable development opinion

At AFD, the ADD unit issues an independent opinion based on the data from the analysis of the operational teams, which is itself based on the content of the project (feasibility study, environmental and social impact study, diagnosis on gender, inequalities or regarding the institution's governance). The sustainable development opinion can be favourable, favourable with recommendations, reserved or negative. It is consultative and informs the decisions of the decision-making bodies (Board of Directors and its Committees). An annual report of the opinions issued is presented to the Board of Directors. Moreover, this mechanism is a tool for dialogue and is part of the appraisal process for financing, with a view to raising questions and encouraging the consideration, as early as possible, of the impacts of projects on sustainable development. With regard to the climate, it notably calls for an assessment of how the project and/or the borrower, as appropriate, has taken physical and transition risks into account.

In line with AFD group's commitment to align its activities with the requirements of the Paris Agreement, if a project is deemed to have potential negative impacts on the climate, the assessment of the project is negative. In 2025, this automatic triggering of negative impacts and the type of opinion was extended to all other dimensions to achieve AFD group's **100% SDG commitment**. If a negative or qualified opinion is issued regarding a project during the assessment phase, approval of its funding is only possible following a decision by an Arbitration Committee chaired by AFD's Executive Management. From 2020 to 2024, between 3% and 7% of sustainable development opinions issued were reserved or negative.

A Group version to take into account the specificities of subsidiaries

The sustainable development analysis approach initially developed at AFD was extended to its subsidiaries in 2023 by adapting the approach to their specificities. At **Proparco**, the framework reflects the nature of its operations and incorporates the objectives set out in the 2023–2027 strategy, whilst remaining faithful to the philosophy of the framework established at AFD and drawing on the same pillars and dimensions of analysis (biodiversity, low-carbon transition, climate change resilience, social link, gender, governance and the economy, see above). This also applies to operations financed by Fisea. The main difference in the way AFD and Proparco mechanisms operate lies in their governance methods: at Proparco, the sustainable development rating is carried out by the project teams and is not the subject of an opinion issued by an independent team. This rating analysis is nevertheless reviewed by the sustainable development department from various angles (ESG risk and positive impacts).

A negative score of -2 obtained on one of the dimensions leads to a negative opinion from either the Risk Management Department or the Compliance Department. A negative rating (-1) issued at the time of the project committee presentation must be resolved (upgraded to neutral or positive) before funding is approved or, at the latest, before the contract is signed, on the basis of evidence provided to the "support for sustainable development" department (such as an Environmental and Social Action Plan (ESAP) containing measures to prevent, reduce and/or offset the identified negative impacts, which the customer contractually undertakes to implement and ensure is implemented by its subcontractors, or satisfactory clauses in the funding agreement). Failing that, in order to be successful, the project will have to be approved by an Arbitration Committee chaired by Proparco's Executive Management.

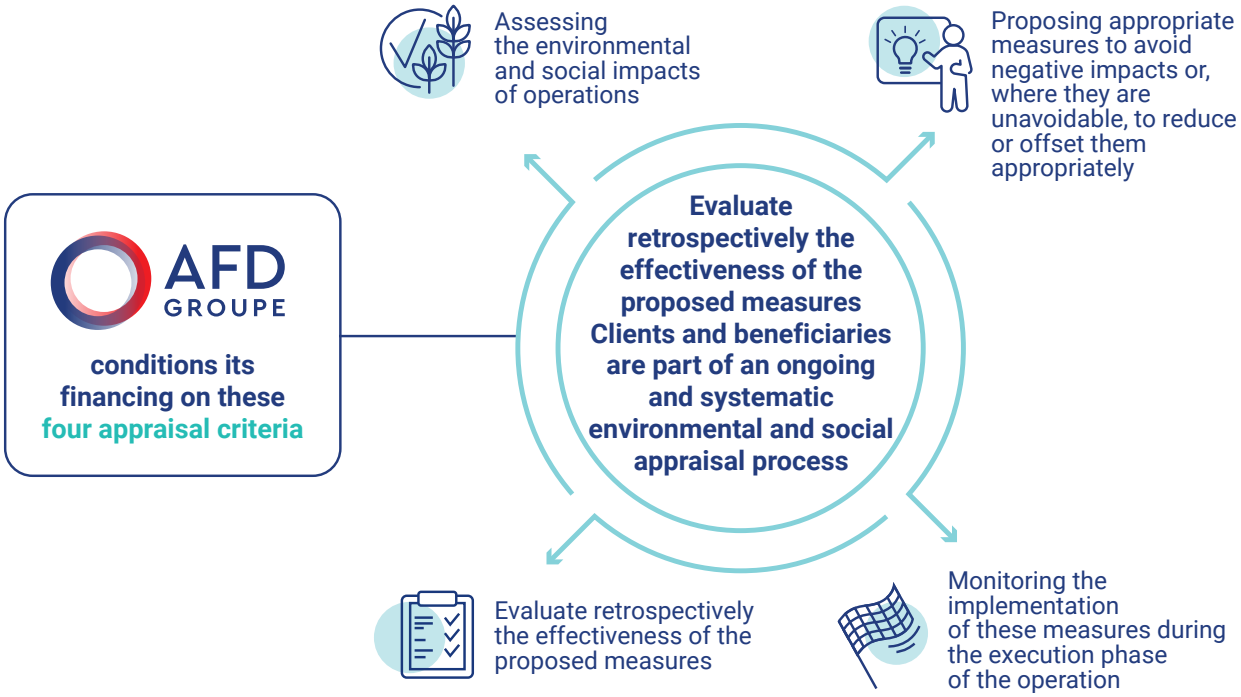
At **Expertise France**, all projects are analysed and given a sustainable development rating that is integrated into the project committee procedure. This system, taken from that of AFD and adapted to the specificities of Expertise France's business lines, aims to ensure that sustainability issues are taken into account across the board while ensuring methodological consistency and data consolidation at Group level. It serves as a tool for decision-making, management and accountability, enabling the assessment of the scope and sustainability of the expected impacts of Expertise France's projects on the basis of the seven dimensions common to AFD group (biodiversity, low-carbon trajectories, climate resilience, social cohesion, gender equality, governance and the economy), which are themselves aligned with the 17 SDGs. The rating guides the design, adjustment and validation of projects at an early stage, whilst helping to monitor Expertise France's commitments and demonstrate their alignment with the Group's priorities and international frameworks (SDGs, Paris Agreement, Global Biodiversity Framework, etc.).

The rating is established by the operational teams and then assessed and validated by the Development Committee [2], ensuring the consistency, quality and traceability of the process. The rating system, identical to that of AFD group, uses a scale ranging from -2 (significant negative impact) to +3 (structuring positive impact), thus ensuring the comparability of analyses and consolidated results at Group level. It is also aligned, where applicable, with that of the lead donor, notably with regard to the criteria set by the OECD's Development Assistance Committee (DAC), in order to ensure the consistency of data reported under Official Development Assistance.

Lastly, the thematic accountability indicators enable Expertise France to provide, a posteriori, the concrete results of projects, based on the data collected annually.

1) *The sustainable development framework is presented on the AFD website: afd.fr/fr/le-dispositif-developpement-durable, where it is also possible to download the current assessment grid.*
2) *The Development Committee is the internal validation body for Expertise France projects. Chaired by the Operations Department, it reviews the strategic coherence, quality and compliance of the analyses carried out, and approves the terms of reference for negotiations with the lessor issued to the teams, prior to the signing and implementation of the project.*

2.1.2.6.3 Managing the risks of generating negative environmental and social impacts



AFD group makes its financing conditional on the implementation by customers and beneficiaries of a continuous and systematic environmental and social appraisal process making it possible (i) to assess the environmental and social impacts of operations, (ii) to propose appropriate measures to avoid negative impacts, or when they are unavoidable to reduce or compensate for them appropriately, (iii) to monitor the implementation of these measures during the implementation phase of the transaction, (iv) to assess a *posteriori* the effectiveness of the proposed measures.

AFD thus adopted an environmental and social (E&S) risk management policy [1] for the operations it finances [2]. AFD also has a procedural corpus allowing it to operationally implement this policy. The sustainable development analysis approach initially developed at AFD was extended to its subsidiaries in 2023 by adapting the approach to their specificities.

The environmental and social risk management policy implemented in the context of development operations financed by AFD group is a continuous, differentiated and proportionate approach: it is continuous because different actions are to be carried out at each stage of the project cycle (identification, feasibility, *ex-ante* appraisal, presentation to bodies, contracting, monitoring and *ex-post* evaluation) and are part of a *continuum*. It is also differentiated and proportionate, as the nature and scope of the actions to be carried out as part of this approach are tailored to the level of environmental and social risks to be managed (risk of negative impact). This principle of proportionality applies at the various stages of the project cycle and relates notably to the choice of the applicable environmental and social regulatory framework (national regulations, whether or not supplemented by international standards from the World Bank or the International Finance Corporation [3]), to the nature and scope of the studies on negative environmental and social impacts to be produced in collaboration with the beneficiaries of AFD group financing, to the level of involvement of AFD's Environmental and Social Support (AES) Division or Proparco's Environment, Social and Governance (ESG) Division, to the support provided to the beneficiary in managing environmental and social issues, or to the robustness of the environmental and social monitoring mechanism during project implementation.

1) *This policy was adopted by AFD's Board of Directors in July 2017; it is available on the AFD website: https://www.afd.fr/en/ressources/environmental-and-social-risk-management-policy-afd-funded-operations. An internal audit was conducted in 2024 to assess its implementation. This policy was updated in 2025.*
2) *These standards include ES Standard No. 1 "E&S risk and impact assessment and management", No. 2 "Labour and working conditions", No. 4 "Community health and safety" and No. 5 "Land acquisition and involuntary resettlement", No. 7 "Indigenous peoples/traditional local communities…", and No. 10 "Stakeholder consultation and information disclosure".*
3) *IFC PS: Performance Standards on Environmental and Social Sustainability | International Finance Corporation (IFC).*

E&S classifications established at the identification stage

In order to determine, at the outset of the assessment process, the resources to be mobilised in this context by AFD and the beneficiaries of the funding, the E&S risks associated with the operations are categorised, distinguishing between four levels of potential risk for projects receiving direct funding:

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

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

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

AFD: environmental and social risks of new projects financed in 2025 (and for 2024 as a reminder) in foreign countries (in number and amount of projects awarded)

	Breakdown by number of projects allocated				Breakdown by amounts allocated			
E&S risks	Number of projects - 2025	% in 2025	Number of projects - 2024	% in 2024	Amounts allocated *(in € millions)* in 2025	% in 2025	Amounts allocated *(in € million)* in 2024	% in 2024
A	16	8.8%	16	7.0%	1,091	13.63%	1,329	15.2%
B+	49	27.1%	58	25.3%	3,757	46.9%	4,026	46.1%
B	53	29.3%	66	28.7%	1,590	19.9%	1,079	12.4%
C	46	25.4%	57	24.8%	474	5.9%	581	6.7%
FI-A	9	5.0%	18	7.8%	759	9.5%	1,210	13.9%
FI-B	5	2.8%	8	3.5%	319	4,0%	361	4.1%
FI-C	3	1.7%	7	3.0%	17	0.2%	139	1.6%
TOTAL	**181**	**100%**	**230**	**100%**	**8,009.8**	**100%**	**8,727.0**	**100%**

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

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

Mitigation measures defined during the appraisal and contracting phases

Mitigation measures may be defined as part of potential negative environmental and social impact studies. They are recorded in an **environmental and social management plan** (ESMP), which describes the measures (environmental, social, biodiversity, resettlement, etc.), the necessary resources, the associated budgets, as well as the monitoring system to be implemented. This ESMP is a contractual commitment by the customer included in the financing agreement.

E&S monitoring of projects during their implementation phase

The implementation of each environmental and social management plan (ESMP) during the execution of projects (under the responsibility of customers) requires, for AFD, monitoring that is proportional to the complexity and level of environmental and social risks (initially) or the residual environmental and social risks of the projects.

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

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

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

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

This analysis of residual E&S risks is carried out during the first half of each year and recorded in the information system for all projects classified during the identification as having high (Category A) or significant (Category B+) environmental or social risks, which were authorised and signed after 1 January 2016 and before 31 December of the previous year. It not only makes it possible to have an overview of the quality of the portfolio at a given time, but also to define specific and proportionate E&S monitoring programmes for each level of risk [1], and thus to focus on the riskiest projects.

An analysis of the portfolio's residual E&S risks carried out in 2025 addressed projects classified as A and B+, allocated between 2016 and 2024, and in progress (projects not cancelled, for which an agreement has been signed before 31/12/2024 but not completed) which amounted to a total of 333 projects. The level of E&S monitoring to be implemented was thus determined for each of these 333 projects. The breakdown by level of monitoring is as follows:

Breakdown of the levels of environmental and social monitoring of the portfolio of ongoing A and B+ projects allocated since 2016, by number of projects and by amounts*

Level of E&S monitoring	Number of projects	as a %	Amounts *(in €M)*	as a %
Project on alert requiring specific monitoring	10	3.0%	669	4.7%
Sensitive project requiring increased monitoring	163	48.9%	8,701	61.2%
Project requiring ongoing monitoring	82	24.6%	2,832	19.9%
Project requiring basic monitoring (or no monitoring)	38	11.4%	1,054	7.4%
Project for which E&S monitoring is suspended	16	4.8%	284	2.0%
Project for which E&S monitoring has been completed	24	7.2%	678	4.8%
TOTAL	**333**	**100%**	**14,217.9**	**100%**

*For the 2025 cycle, the review of residual environmental and social risks covers projects awarded and signed between 1 January 2016 and 31 December 2024, which have not been cancelled or completed

Adaptation of the E&S monitoring of projects to the specificities of the subsidiaries

The Group's subsidiaries follow similar approaches (adapted to their specific characteristics) to analysing the environmental and social risks inherent in each loan or project. In line with the practices of international financial institutions, Proparco's approach is based on the performance standards of the International Finance Corporation (IFC) [2], the standards of the International Labour Organisation (ILO) [3], the land guidelines of the Food and Agriculture Organisation of the United Nations (FAO) [4], the United Nations Guiding Principles on Business and Human Rights (UNGPs) [5] and the resources of the Corporate Governance Development Framework (CGDF) [6]

E&S due diligence is carried out by **Proparco** for each operation. Their objectives are (i) to determine the scale and severity of the E&S risks associated with the transaction, (ii) to analyse the ability of the financed/investee company to manage these risks effectively within a reasonable timeframe, and (iii) to identify, where necessary, the measures required to eliminate, reduce or mitigate these risks and impacts for the highest-risk projects. The financing or investment decision is based notably on these procedures.

An E&S ranking makes it possible, during the identification phase, to determine the level of potential E&S risks of the activities financed (directly or by a financial intermediary). This rating is assigned on a scale ranging from A (high risk) to C (low risk), as described above for the AFD; it does not change over time (unless there is a substantial change in the nature of the activity during the course of the project) and does not take into account the customer's ability to manage these risks [7] (management systems and performance) [8]. The ranking defines the principles and methods of intervention of Proparco's teams in charge of E&S issues. The higher the level of risk estimated, the greater the E&S appraisal effort.

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

The tables below present the classification of the potential E&S risk of Proparco's projects signed in 2025 and 2024 according to their number (Table. 1, N.B.: a project may be linked to several types of financing) and their amount (Table 2). The tables also provide a comparison for information with all the projects in Proparco's portfolio in 2025.

1) *This is the risk of contributing to a negative impact and not a financial risk within the meaning of the CSRD.*
2) *IFC PS: Performance Standards on Environmental and Social Sustainability | International Finance Corporation (IFC).*
3) *ILO standards: labour standards (ilo.org).*
4) *VGGT : Voluntary Guidelines on Tenure Governance of Tenure Food and Agriculture Organization of the United Nations (fao.org).*
5) *UNGPs: guidingprinciplesbusinesshr_en.pdf (ohchr.org).*
6) *CGDF: Home page – CG Development Framework.*
7) *Contributing to negative impacts.*
8) *Only customers requiring specific E&S monitoring are subject to an E&S performance assessment based on their E&S organisation, their E&S management system, and their level of compliance with the standards of the International Finance Corporation (World Bank Group) and Proparco requirements.*

Environmental and social classification of Proparco projects signed in 2024 and 2025, in terms of numbers

	2025		2024	
In numbers	Number of projects signed	% of projects signed	Number of projects signed	% of projects signed
A	6	6.1%	8	6.9%
B+	14	14.1%	27	23.3%
B	6	6.1%	10	8.6%
C	1	1.0%	5	4.3%
FI-A	28	28.3%	17	14.7%
FI-B	13	13.1%	21	18.1%
FI-C	31	31.3%	28	24.1%
TOTAL	**99**	**100%**	**116**	**100%**

Environmental and social classification of Proparco projects signed in 2024 and 2025, in terms of amounts

In millions of euros	2025		2024	
	Amount	% of projects signed	Amount	% of projects signed
A	101	4.6%	327	13.1%
B+	451	20.4%	864	34.5%
B	39	1.8%	100	4.0%
C	0	0.0%	2	0.1%
FI-A	1,004	45.5%	616	24.6%
FI-B	261	11.8%	290	11.6%
FI-C	352	15.9%	304	12.1%
TOTAL	**2,208**	**100%**	**2,504**	**100%**

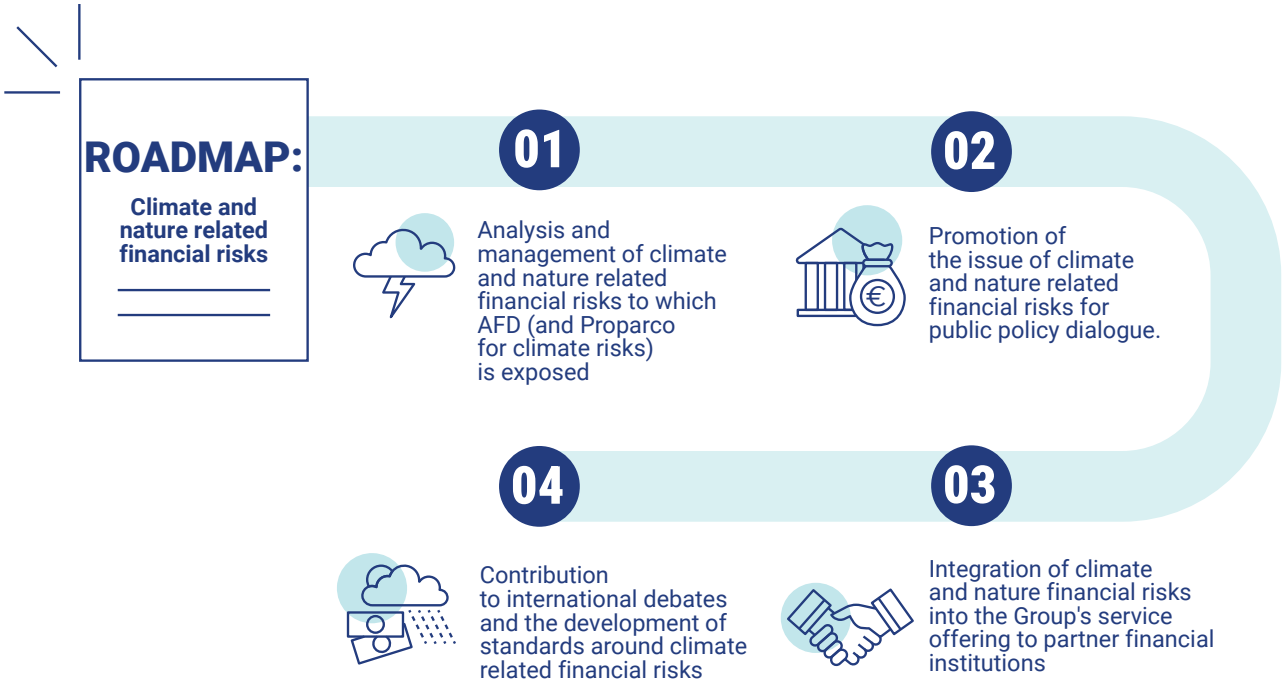
Each Proparco operation is also subject to a governance review in which a governance specialist may be involved, depending on the level of complexity. It makes it possible to determine, where applicable, the methods for improving governance (formalised in a governance action plan included in the contractual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

Lastly, when unforeseen events or significant delays in the implementation of the action plan materialise – including biodiversity studies or preservation actions – the projects under monitoring may be placed on an ESG watchlist. The purpose of this list is to draw internal attention to projects where a significant environmental, social or governance risk has been identified.

As an operator, **Expertise France** applies the environmental and social framework defined by its donors in the implementation of its projects, in accordance with their respective policies and requirements. Expertise France monitors and reports on the implementation of these requirements, in accordance with the terms provided for in the contract and in line with the Group's accountability mechanisms.

Thus, for Expertise France projects financed by AFD, the development and implementation of activities are part of AFD's environmental and social risk management procedure presented above.

2.1.2.6.4 Consideration of climate and nature-related financial risks



Since 2017, AFD group has been working to integrate climate-related financial risks, both physical and transitional, into its risk analysis processes and has developed internal and external training modules. This work is documented in an internal roadmap validated by the Executive Committee in 2019 for climate risks and in 2022 for nature risks, which is based on four pillars:

- **the first pillar focuses on the analysis and management of financial risks related to climate and nature** (1) **to which AFD and Proparco (only for climate risks) are exposed**. The Group currently has methodologies in place to monitor the climate-related risks (both physical and transition risks) of its counterparties, covering both sovereign exposures (AFD) and non-sovereign exposures (2) (AFD and Proparco) (see Section 2.2.1.1.2. Operationalisation of the AFD Group's climate commitments). Nature-related physical and transition risks, for their part, are monitored specifically only for AFD's sovereign exposures (see Section 2.2.2.4.4). The implementation of this pillar is accompanied by internal training and methodological guides to ensure a due dissemination and appropriation of the associated tools and procedures. This work is now being carried out as part of efforts to comply with the relevant regulatory requirements;
- **the second pillar concerns the mobilisation of the analysis of climate and nature-related financial risks as part of public policy dialogue**. To this end, AFD uses several modelling tools to identify macroeconomic vulnerabilities in the face of low-carbon transition schemes;
- **the third axis aims to integrate climate and nature-related financial risks into the Group's service offering to partner financial institutions**, including central banks, in order to strengthen their capabilities to analyse and manage these risks;
- **the fourth pillar of the roadmap aims to contribute to international discussions and the development of standards relating to climate and nature-related financial risks**, either directly or through the IDFC (International Development Finance Club) and FiCS (Finance in Common Summit) networks, as outlined in Section 1.2.3. This involves presenting research in this field at international events and engaging in dialogue with partners in the financial sector and associated networks, such as the Network for Greening Financial Systems (NGFS) (3), for example. The implementation of the Group's roadmap on climate and nature-related financial risks is overseen by a dedicated Steering Committee comprising teams from the Executive Departments involved in the various pillars, as well as Proparco. It meets twice a year and presents its work to the AFD Executive Committee.

1) The concept of "nature" includes not only biodiversity and ecosystems, but also the physical conditions necessary for life, such as the availability of water.
2) 'Sovereign' refers to States or public entities that benefit from a State guarantee; 'non-sovereign' refers to companies, public institutions and local authorities that do not benefit from a State guarantee.
3) Launched at the "Paris One Planet Summit" in December 2017, it is a network of central banks and regulators committed, on a voluntary basis, to sharing best practices and contributing to the development of environmental and climate risk management in the financial sector, as well as to mobilising traditional finance to back the transition to a sustainable economy.

2.1.2.6.5 Environmental and social complaints management system

AFD and Proparco's environmental and social complaints systems offer individuals or groups affected by their funded projects the opportunity to submit a non-judicial complaint, which is subject to an eligibility assessment and then addressed through conciliation or a compliance audit to ensure transparency, accountability and, where appropriate, remedial action. AFD manages complaints through an independent secretariat under the supervision of the Ethics Advisor, while Proparco uses a mechanism shared with DEG and FMO, composed of a panel of independent experts. Results, lists of eligible claims and annual reports are published. Although Expertise France does not have its own support scheme, affected individuals or groups can turn to the mechanisms provided by EF's donors, notably the AFD and the EU. See Section 2.3.2.3.1.

2.1.2.7 Interests and views of stakeholders (SBM-2)

AFD group is committed to exemplary transparency and open dialogue with its stakeholders (see above, POS V strategy – "Working by your side" section).

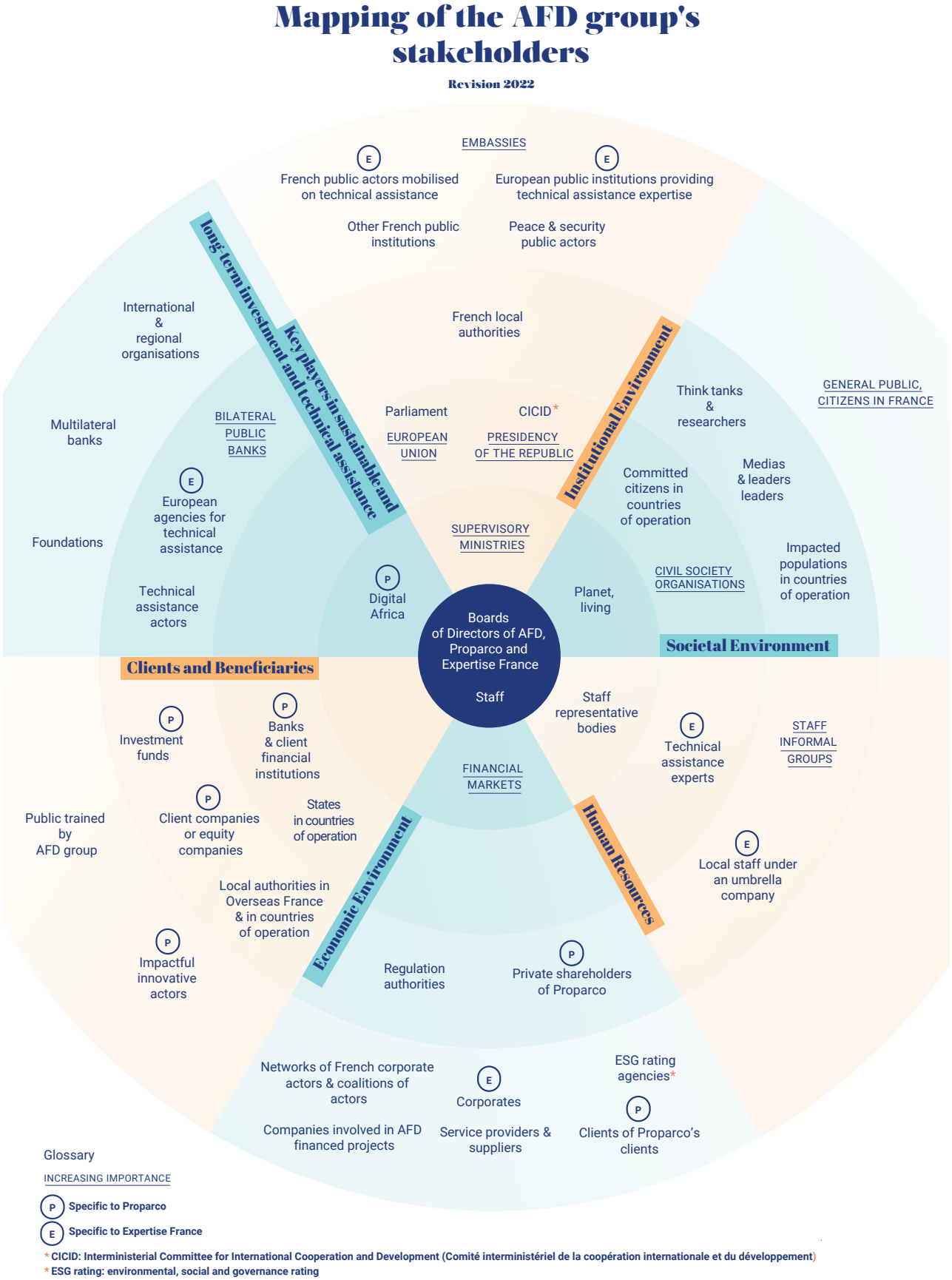
Through its current transparency policy, AFD group has aligned itself with the best practices observed among other donors and with international standards, including those of the International Aid Transparency Initiative (IATI), whilst taking into account the expectations of its stakeholders. This policy reflects the Group's commitment to responding ever more effectively to the growing demand from its stakeholders for information and explanations regarding its governance, strategy, objectives, funding allocations, development objectives and outcomes. AFD group contributes to an open data portal [1] designed to make the most of all data falling within the scope of transparency. AFD group continues to strengthen its data publication policy on its open data website. In order to better communicate on its financing, AFD publishes a "Public Communication Note on Operations (NCO)" for each project with a summary of the agreement signed and a description of the project, its stakeholders and financial information. At 31 December 2025, project data published through an NCO covered 86% of projects falling within the scope of transparency, an increase compared to 31 December 2024 (83%) and 31 December 2023 (79%).

In addition to its commitment to transparency, the Group seeks to maintain a structured dialogue with its stake holders. To this end, it regularly updates the mapping of its main stakeholders and organises a structured dialogue with them at various levels.

1) https://opendata.afd.fr

2.1.2.7.1 AFD group stakeholder mapping

Stakeholder mapping was updated in 2022 following a desk review and consultations with the Group's CSR focal points and managers of the Group's strategy and partnerships sectors to refine the identification of stakeholders and the rating of their proximity (see diagram).



2.1.2.7.2 Overview of main stakeholders, organisational arrangements, engagement objectives, and how these are integrated into the strategy and business model

Main stakeholders		Organisational arrangements	Engagement objectives	Integration into strategy
Institutional Environment	Government	Presence in the Group's governance bodies; Exchange at the meetings of the Presidential Council on International Partnerships (CPPI) and the Interministerial Committee for International Co-operation and Development (CICID)	Discussion and validation of strategic orientations; accountability; validation of cross-cutting policies and funding approvals	Definition, validation and monitoring of strategic priorities (POS V, Objectives and resources contract agreed by AFD and the State)
	Parliament	Presence on the AFD and EF Boards of Directors; Parliamentary hearings and parliamentary questions	Accountability	Consultation on the draft Objectives and resources contract agreed by AFD and the State
	European Union	Structured dialogue through the platforms set up by the EU [(1)]; regular dialogue at the level of the Executive Managements and in the framework of the JEFIC networks [(2)], EDFI and the Practitioners' Network; dialogue and accountability specific to (co-)funded EU projects	Structuring of a relevant and effective European architecture of international partnerships and cooperation; impacts of (co)-financed projects	"Mobilisation platform" POS V pillar; better strategic alignment for increased impacts; identification and monitoring of joint operations, notably in the framework of EU Global Gateway projects
	Institutional public actors	Regular or *ad hoc* consultations	Mobilise players and French expertise in the service of cooperation (expertise, cofunding, etc.)	"Mobilisation platform" POS V pillar
Societal Environment	Civil society organisation (CSO)	Regular consultations with CSO networks such as Coordination Sud; establishment of an annual strategic dialogue with key CSO partners at Executive Management level; in-depth funding discussions and dialogue within the framework of the CSO-Initiatives scheme [(3)]	Discussion of strategic orientations and identification of synergies and areas of support for CSOs	"Mobilization platform" POS V pillar; optimisation of support provided to French and local CSOs in the countries of intervention
	Local populations and citizens of the countries of intervention	E&S complaints management systems	Promotion of constructive approaches, based on the search for amicable solutions	Feedback to change operational practices
	General public & citizens in France	Awareness-raising and *ad hoc* dialogue initiatives (festivals, tilt.fr media, etc.; support for education on citizenship and international solidarity (ECSI) projects led by CSOs	Feedback and promotion of the values of education for citizenship and international solidarity	Possible inclusion in intervention procedures and priorities
Human resources (employees, non-employees and employee representatives)	Group employees and their representative bodies	Regular meetings of the Group's bodies with employee representative members; consultation of employee representative bodies; ad hoc meetings	Maintaining an inclusive dialogue, a vector of fairness, cohesion and employee commitment	Contribution to strategic orientations and priorities
	Technical assistance experts (non-employees)	International Technical Expertise Days (ETI) organised by Expertise France in conjunction with the Ministries of Foreign Affairs and the Economy	Reflection and exchange on strategic themes	Contribution to strategic orientations and priorities

Main stakeholders		Organisational arrangements	Engagement objectives	Integration into strategy
Economic Environment	Investors (buyers of securities issued by AFD and Proparco shareholders)	Regular meetings for investors, as well as *ad hoc* interactions and communication *via* the investor portal on the AFD website; meetings of Proparco's governing bodies attended by shareholders	Consideration of investors' expectations and preferences, notably on the SDG issuance framework; accountability	Contribution to the evolution of the bond issuance framework (ESG information); contribution to Proparco's strategic orientations
	Social and solidarity economy players	Implementation of cross-functional strategic dialogue; financing and in-depth bilateral dialogue	Discussion of strategic orientations and identification of synergies and areas of support for these players	POS V reaffirms AFD group's support for SSE actors, and states the goal of strengthening ties with these actors. The review of the Social and Inclusive Business Strategy, published in June 2024, assesses relations with these stakeholders
	Rating agencies	Meetings relating to financial and non-financial ratings	Responses to local office expectations and improvement of financial and non-financial communication	Contribution to the evolution of the bond issuance framework
	Regulation authorities	Regular exchanges as part of the prudential supervision mission	Compliance with the applicable regulatory and prudential framework	Periodic updating of the risk management policies and of the accountability framework, including any material ESG risks
Customers and beneficiaries	States and public actors	Ongoing dialogue, notably to feed into the country intervention frameworks (4) or to identify and implement projects	Sharing findings and taking into account partners' policies and strategies, and aligning them with AFD group's strategic priorities; taking into account the due diligence processes in place (sustainability assessments, E&S risk management, second opinions, etc.)	Alignment with national and international policies and AFD's strategic priorities and due diligence
	Banks and private corporate customers, other players	Ongoing dialogue: through conferences, with banking or corporate players during prospecting or customer visits; "Proparco Days"	Consideration of due diligence processes in line with Proparco's strategic priorities	Alignment of strategic orientations with customer expectations
International cooperation actors	Public development banks	Ongoing dialogue, including in the FiCS and IDFC networks and on a bilateral basis	Consultation and, where relevant, harmonisation of strategies and methods for positive impacts and ESG risk management	Alignment of the Group's strategies with international best practices in terms of sustainability, notably in the framework of cofunding
	International & regional organisations	Ongoing or *ad hoc* dialogue	Consultation and, where relevant, harmonisation of strategies and methods for positive impacts and ESG risk management	Alignment of the Group's strategies with international best practices on sustainability

(1) Global Gateway Forum, investment platforms, etc.
(2) AFD group is actively involved in the main networks of European development banks and agencies, which are: Joint European Financiers for International Cooperation, comprising bilateral banks and European financial institutions such as AFD; the Practitioners' Network for European Development Cooperation, bringing together implementing agencies such as Expertise France; and the Association of European Development Finance Institutions (EDFI), in which Proparco participates.
(3) The AFD's CSO Initiatives programme provides funding for international solidarity projects led by French CSOs or CSOs registered under the local law of one of the countries where the AFD operates.
(4) Developed through a participatory process and updated every four to five years, the country intervention frameworks (CIFs) guide the Group's positioning and operational priorities in a given country.

Dialogue with external stakeholders

AFD group defines and implements its initiatives through a wide range of practical partnerships and in consultation with a large number of stakeholders. It maintains close dialogue with various stakeholders in France (ministries, public bodies, civil society organisations (CSOs), social and solidarity economy (SSE) enterprises, French companies with an international focus, foundations, local authorities, private companies), as well as at European and international levels (regional and multilateral banks, UN organisations, philanthropists, etc.) as well as with local stakeholders (civil society organisations, foundations, local authorities, the private sector) within the countries where it operates (see table). For example, as part of the development of its 2025-2030 Strategic Orientation Plan, AFD group held several meetings with French civil society actors, research centres, European think tanks, peers and partners. In addition, AFD facilitates a platform for dialogue and consultation, known as the partners' committee, which brings together French and international CSOs, ministries, French think tanks and commercial banks twice a year to discuss the Group's climate and nature-related issues. Cross-cutting strategic dialogue has been established with French CSOs and stakeholders in the social and solidarity economy. Quarterly discussions are also held with selected CSOs on climate issues and corporate social responsibility. When assessing and implementing the projects it funds, the Group ensures, through contractual clauses and support measures, that the customer or beneficiary consults the various stakeholders.

Exemplary approach to populations along the value chain

As part of an exemplary approach, the Group has developed procedures designed to channel its financial resources and expertise towards projects and beneficiaries that adhere to protective social standards, including measures to prevent child labour and forced labour. This involves, for example, backing minimum working conditions that are more ambitious than certain national laws. Furthermore, the Group's exclusion list (see Section 2.1.2.6.1) and its sustainability framework (see Section 2.1.2.6.2), which form part of its due diligence procedures, also contribute to this commitment to exemplary conduct towards workers throughout the value chain. This same exemplary approach and reasonable due diligence also applies to local populations (communities benefiting from or affected by the Group's projects) in order to protect their rights. The Group's E&S complaint management systems (see Sections 2.1.2.6.5 and 2.3.2.3.1) also complement this approach.

Internal social dialogue

Social dialogue is a cornerstone of AFD group's policy and a key driver of fairness, cohesion and employee engagement. It contributes to the prevention of social risks, notably those related to employment practices, the lack of internal consultation and psychosocial risks. The Group's human resources policy promotes open, inclusive and constructive social dialogue.

2.1.2.7.3 Presentation of the views and interests of governance stakeholders

Sustainability and the SDGs are at the heart of AFD group's mandate, which consults with the main stakeholders concerned during the development of its strategies and on an *ad hoc* basis (see table above). The points of view and interests of stakeholders therefore contribute to the development of the Group's strategic framework and the Group's bodies are informed of the main findings of these consultations. Moreover, activity reports and the operation of AFD's environmental and social complaints system are presented to AFD's Board of Directors at least every three years. For its part, Proparco presents the annual reports on the system to its bodies (Risk and Audit Committee and Board of Directors).

2.1.3 Governance (GOV-3)

2.1.3.1 Composition and role of governance bodies

As AFD group's business model is intrinsically dedicated to the management of sustainability issues (see sections above), sustainability issues are dealt with by the Group's main governance bodies and not by *ad hoc* governance structures. Chapter 3 of the Universal Registration Document (corporate governance) describes the composition of these governance bodies and their roles (GOV-1 and GOV-2), notably as regards the management of IROs. See also Sections 2.1.3.3.4 and 2.1.3.3.5 for the control of ESG data and the governance sections of the thematic chapters. Furthermore, the Group set up a Steering Committee under the authority of AFD's Chief Operating Officer, in order to coordinate the preparation and publication of ESG information (CSRD, ESG Pillar 3, European taxonomy). This Steering Committee is assisted by a task force composed of representatives of the Group's various entities.

2.1.3.2 Integration of sustainability-related performance in incentive schemes

It should be noted that AFD group has not set up any incentive mechanism through remuneration for members of its Board of Directors and Executive Management; there is therefore no incentive mechanism for sustainability issues.

2.1.3.3 Risk management and internal controls over sustainability reporting

The risk assessment and internal control framework is set to evolve in order to cover the new processes associated with the recent sustainability reporting requirements. The implementation of these changes is under way at AFD group and is taking place gradually. The evolution of this system will continue in 2026 with a reinforcement of the existing system, including the implementation of controls on this new reporting process.

2.1.3.3.1 Description of AFD group's internal control system

AFD group's internal control system is based on the following three lines of defence:

The internal control of sustainability information is integrated into the existing control system following the identification and analysis of the risks in terms of sustainability reporting to which the Group is exposed. This integration process is currently being updated and will continue over the coming years.

Whilst the first and second lines of defence are currently being established for this first year of voluntary reporting, the audit plan for the periodic review is scheduled to be finalised for the 2027 report. Risk management related to sustainability information is based on the following principles:

- a review of the risks borne by the Group through the annual operational risk mapping exercise;
- the definition of the risk appetite framework;
- regular reporting to the management (Executive Committee, Risk Management Committee) and supervisory bodies (Internal Control Committee, Risk Management Committee and Board of Directors).

Chapter 4 of the Universal Registration Document presents the Group's risk management approach more generally, and more specifically it does so in the paragraph dedicated to Internal Control and risk monitoring.

2.1.3.3.2 Assessment and management of risks related to sustainability information

In order to monitor and better control all the risks to which AFD group is exposed (including those in terms of sustainability), a global management framework was developed, which covers raising awareness of risks, identifying and anticipating them, as well as a system for controlling and monitoring these risks.

The first step in this approach to sustainability risk management involves better identifying the data deemed critical to the Group in relation to sustainability, which mainly comprises:

- **data risk**: risk related to the quality, unavailability or absence of the data necessary for sustainability reporting;
- **risk related to reporting and regulatory communication**: the risk of failures in external communication (supervisory authorities, public, etc.) or failure to comply with the reporting obligations required by ESRS standards.

Thus, the operational risk framework – based on the seven Basel risk categories and a reference tool common to the Group in the internal control system – was enhanced with these clarifications on risks related to sustainability reporting.

The second change concerns the declaration and processing of operational incidents, which are identified as part of a continuous improvement approach. This is an essential component of the regulatory internal control system of credit institutions.

To enhance the system in place at the Group, operational incidents reported in 2025 were reclassified in light of the new risk labels related to sustainability information.

The third development concerns the operational risk map, which sets out the risks to which the Group is exposed and serves as the primary tool for measuring and monitoring operational risks. This mapping is updated at least annually, on the basis of incidents occurred, the results of controls, the recommendations of the General Inspection, or the progress of action plans.

The operational risk mapping exercise involves the operational departments conducting a self-assessment of the risks to which they are exposed, as identified in the framework provided by Permanent Control. For the 2026 financial year, the exercise will be carried out on the basis of the enhanced risk framework (see above), which will make it possible to better identify sustainability-related risks, specify their impacts, strengthen existing controls, and adapt control plans and related mitigation strategies.

2.1.3.3.3 Strategy to mitigate identified risks related to sustainability information

Data quality is a requirement that applies to all scopes of activity, throughout the data life cycle and through successive processing instances.

For this first reporting exercise, the main strategies identified to control this risk are as follows:

- establishment of dedicated governance and committees;
- definition of roles and responsibilities for the production and validation of information;
- implementation of a process of industrialisation of some of the indicators;
- organisation of an end-to-end pilot exercise based on 2025 data in order to test the process for preparing the sustainability statement and secure its production;
- establishment of a cross-functional Proofreading Committee comprising various business lines;
- generally, for all data, the goal of remedial work is to correct the anomalies observed.

2.1.3.3.4 Involvement of internal control in managing risks related to sustainability information

The internal control system relies on each employee and involves AFD group's three lines of defence.

For the first line of defence, first-level controls are gradually put in place by the actors in charge of manipulating/transforming data.

The second line of defence is ensured through permanent control over the entire system. As regards the control of sustainability information, two new controls were added to the Group control plan (one control on qualitative *data* points and a second on quantitative *data* points).

2.1.3.3.5 Reporting to governance bodies

The main conclusions stemming from the internal control system are communicated to the various governance bodies of the Group's constituent entities (Internal Control Committee, Risk Management Committee, Board of Directors, etc.).

2.1.4 Impact, risk and opportunity management

2.1.4.1 Identification and assessment of material impacts, risks and opportunities

2.1.4.1.1 Reminder of the definition of double materiality

In accordance with the standard, materiality refers to the current or potential impacts, whether positive or negative, caused by AFD group on people or the environment (environmental, social and governance) in the short, medium or long term, throughout the value chain.

Financial materiality refers to current or potential financial risks and opportunities that have, or could have, an impact on AFD group's financial position or performance, cash flows, access to finance or cost of capital in the short, medium or long term.

A sustainability theme is material when it is defined as material from an impact perspective, from a financial perspective, or both.

2.1.4.1.2 Organisation and overall framework

The general outline of the AFD group's dual materiality analysis process is as follows:

To carry out its double materiality assessment, the Group followed a number of steps:

1. definition of the value chain. The value chain (2.1.2.2 "Value chain") is divided into two scopes:
   - **operational activities**: financial activities (project financing, grants, investments, bond issues, etc.) and provision of expertise and/or training for projects,
   - **internal operations**: employee work, building maintenance, purchases of support functions, etc.;
1. identification and assessment of impact materiality along the value chain (2.1.4.1.3);
2. identification and assessment of financial materiality (2.1.4.1.4).

   The assessment of the materiality of the IROs according to a methodology based on internal tools, processes and expertise makes it possible to rank the IROs in order of priority on the basis of their probability and relative severity;
3. definition of the materiality threshold (2.1.4.1.5).

As this sustainability statement was prepared on a consolidated basis, AFD group developed and applied its double materiality assessment methodology at Group level rather than at the level of each individual entity.

2.1.4.1.3 Identification and assessment of impact materiality

For each sub-theme of the standard, AFD group sought to identify positive and/or negative impacts on the two scopes of its value chain (operational activities and internal operations). The assessment of the known or potential nature of the impact and its time horizon were defined on the basis of an expert opinion. The Group then assessed the impacts identified using the tools, processes and expertise available. The impact analysis was the same for all themes and covers all activities (products and regions) and the entire value chain.

The sustainable development analysis system, at the heart of the analysis of impacts on operational activities

The materiality analysis of impacts is based primarily on the sustainability analysis and assessment framework detailed in Section 2.1.2.6.2, which conducts due diligence on each project by scoring negative impacts (rated -2 or -1) and positive impacts (rated +2 or +3) across several ESG dimensions. The SDAO mechanism rating takes into account the severity and probability of impacts.

Initially, a quantitative analysis was carried out on projects validated in 2023 benefiting from an SDAO mechanism rating.

Based on the SD ratings for each project, the Group weighted the financial figures to identify the areas where it has the greatest impact: impacts of +3 and -2 carry more weight in the rating than impacts of +2 and -1. The Group thus obtains, for each theme, a positive impact percentage and an aggregated negative impact percentage for the entire 2023 portfolio. This percentage is then used to rate these impacts on a three-point scale (1 – Low or negligible / 2 – Moderate / 3 – Significant).

Following this analysis of the 2023 portfolio, a subsequent review based on an expert opinion took into account the portfolio of projects prior to 2023, thereby confirming that the ratings are consistent.

A complementary analysis, based on an expert opinion

For impacts not covered by the SDAO mechanism and for internal operations, the assessment of positive and negative impacts is carried out on the basis of an expert opinion using the tools and data available at the Group and the opinion of stakeholders. It should be noted that a negative impact relating to themes S1 and G1 gives rise to a risk that is taken into account in AFD group's operational risk mapping (presented below).

Stakeholder consultation for the assessment of the Group's impacts

Stakeholder consultation was incorporated into the approach:

- for external stakeholders, *via* a questionnaire asking them to assess each positive and negative Group impact on the two sub-scopes of the value chain. These ratings were integrated into the impact assessment at the same level as the internal analyses;
- for internal stakeholders, consultations were held with the main bodies: the Social and Economic Committee, the Executive Committee, the Group Audit and Risk Committee, and the Board of Directors.

2.1.4.1.4 Identification and assessment of financial materiality

AFD group's partners and customers may operate in environments particularly sensitive to climate shocks (physical climate risks) and to the consequences of the low-carbon transition (transition climate risks). They are also generally highly dependent on nature (natural resources, biodiversity and ecosystem services, food or health). Failure to take account of dependence on nature gives rise to physical [1] and transition [2] risks related to nature, which – just like physical and transition climate risks – can feed into AFD group's other identified risks (credit risk, reputational risk, etc.).

Risks

AFD group focused on identifying ESG-related risks for all its regions. The assessment was carried out at Group level using existing methodologies and analyses validated by the Risk Management Department:

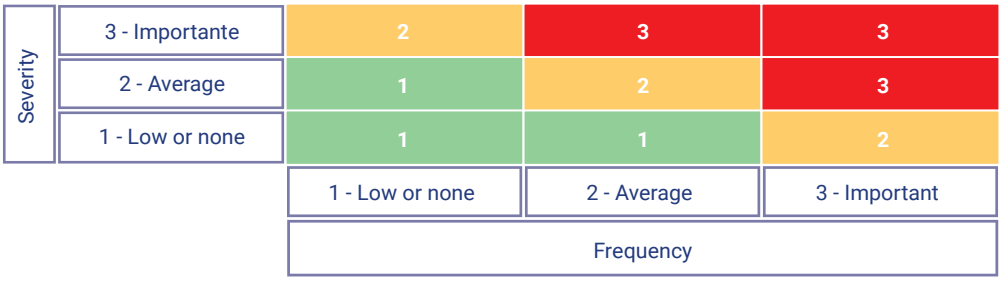
For **credit risk** on AFD and Proparco's loan portfolios:

- the analysis of physical and transitional climate-related financial risks carried out on AFD's sovereign and non-sovereign portfolio, the methodological specificities of which are presented in Section 2.2.1.1.3;
- the analysis of nature-related financial risks, which covers the physical and transitional nature-related risks on AFD's sovereign portfolio, the methodological specificities of which are presented in Section 2.2.2.3.5.

1) That is to say, the direct impacts of biodiversity loss or degradation on the human activities that depend on it, such as the depletion of natural resources, the disruption of ecosystems, or the loss of essential ecosystem services.
2) This includes economic, legal or regulatory risks associated with changes in policies, markets or behaviour aimed at protecting biodiversity, which may affect businesses or investors.

For **operational risks** across all activities, notably on regulated activities and financial transactions, the work was based on the mapping exercise of gross operational risks, covering in particular risks relating to the Group's personnel and its business conduct. This mapping made it possible to determine the gross ESG risks across the two scopes of the Group's value chain. A correlation was established between the operational risk rating scale and the risk assessment scale used in the double materiality assessment.

These tools were supplemented, based on an expert opinion, to extrapolate the scopes not covered by the analyses. To assess the overall risk qualitatively, two factors are taken into account: its severity and its frequency, prior to any mitigation measures. These two parameters are assessed on the same scale as impact materiality (1–Low or none to 3–Significant) to determine the final risk assessment.



Where no existing analysis was available at the Group, the identification and assessment of risks was carried out in consultation with in-house experts. The double materiality assessment produced does not take into account the integration of ESG risks into the Group's operational risk mapping, which is ongoing.

Opportunities

Based on an expert opinion, opportunities are identified and assessed on the basis of *ad hoc* studies, taking into account the Group's business model and its public interest mandate. The Group views the issue of opportunities as follows:

- activities angle: financial income generated through operational activities (net interest income, commissions, facilitating bond issues through sustainable development initiatives, etc.) ;
- refinancing and market position angle (reputation);
- reduction of expenses angle.

In order to assess the likelihood and the scale of opportunities, the Group drew on its strategic development priorities, as set out in its Strategic Orientation Plan and the cross-functional roadmaps, to identify the themes that generate opportunities: (i) the Planet, (ii) Social Link, and (iii) Citizens, Institutions and Democracy. These strategic goals are based on analyses of financing needs. The process was defined based on climate finance data sources and strategic development pillars.

The process of identifying, assessing and managing opportunities is integrated into the Group's overall management process. The demand for financing and support solutions from the Group's customers is particularly significant when it comes to climate issues (mitigation and increasingly adaptation). The Group's response to these needs (in 2025, around €7.8bn in financing was allocated to projects with climate co-benefits) reinforces the Group's business model.

2.1.4.1.5 Definition of materiality threshold

Using the three-point scale applied to each IRO (impacts, risks and opportunities), the Group has, based on an expert opinion, defined the materiality threshold as 3–Significant. Thus:

- a theme is material as soon as at least one of the IROs is rated 3–Significant;
- a theme is non-material if all the IROs identified for it are rated 1–Low or none, or 2–Medium.

2.1.4.1.6 Governance and internal control of the double materiality assessment

Historically responsible for drafting and coordinating the Statement of Non-Financial Performance (SNFP) as part of its remit for accountability and CSR monitoring, the Strategy, Partnerships and Institutional Relations Department within AFD's Innovation, Strategy and Research Department is responsible for coordinating the work on the double materiality assessment; it is assisted in this role by the Sustainable Development Solutions Department.

The double materiality assessment involved nearly 30 employees from the finance, risk, strategy, HR, compliance and operations departments at the three AFD group entities. It benefited from the expertise of an in-house project team dedicated to ESG reporting, which was backed by an external firm and by a Steering Committee in Group format headed by AFD's Chief Operating Officer. The methodology and results were validated by the Executive Committee and then presented to the company's works council, the Group Audit and Risk Committee and the Board of Directors.

The double materiality assessment process is not currently integrated into AFD group's overall risk management process. However, the Group Audit and Risk Committee issues an opinion on the methodology as well as on the results of the double materiality assessment, which is communicated to AFD's Board of Directors. The latter approves the work on the double materiality assessment. The double materiality assessment is then included in the sustainability statement, which is submitted to the Group Audit and Risk Committee for its opinion and to the AFD Board of Directors for approval.

The double materiality assessment will be updated annually and revised in 2027. The internal control relating to the process for identifying, assessing and validating the double materiality assessment is presented in Section 2.1.3.3 "Risk management and internal controls over sustainability reporting" (GOV-5).

2.1.4.2 Material impacts, risks and opportunities and their interaction with the strategy and the business model

The double materiality assessment was an opportunity to further develop the work carried out since 2022 to identify the non-financial issues of most relevance to AFD group. The work highlighted that AFD group's materiality is based primarily on impact, in full alignment with its mandate as set out in Section 2.1.2.1.1. The following themes have been identified as material:

	Operating activities				Internal functioning			
Topics or subtopics	**I+**	**I-**	**R**	**O**	**I+**	**I-**	**R**	**O**
E1 Adaptation	3	1	2	3	1	1	1	1
E1 Mitigation & energy	3	1	2	3	2	2	1	1
E2 Pollution	1	1	1	1	1	1	1	1
E3 Water & marine resources	2	1	1	1	1	1	1	1
E4 Biodiversity & ecosystems	3	2	2	1	1	1	1	1
E5 Resource use and circular economy	1	1	1	1	1	1	1	1
S1 Group workforce	*Not applicable*				2	3	3	1
S2 Employees in the value chain	2	2	1	1	1	1	1	1
S3 Affected local communities	3	2	1	1	1	1	1	1
S4 Consumers & end-users – Transparency	1	1	1	1	*Not applicable*			
S4 Consumers and end-users – Security	1	1	1	1	*Not applicable*			
S4 Consumers and end-users – Social inclusion	3	1	1	1	*Not applicable*			
G1 Whistle-blowers	1	1	1	1	1	1	1	1
G1 Corruption	2	3	3	1	2	3	3	1
G1 Political engagement and lobbying	*Not applicable*				1	1	1	1
G1 Relations with suppliers	1	1	1	1	2	1	1	1
G1 Animal welfare	1	1	1	1	*Not applicable*			

	Material IRO
	Non-material IRO
	IRO not applicable

Insofar as AFD group has placed the 100% Planet commitment at the heart of its Strategic Orientation Plan (climate, *via* the Paris Agreement, and nature, including biodiversity and ecosystems), the positive impacts relating to the ESRS E1 Climate Change are material with regard to both adaptation and mitigation/energy. The same applies to the positive impacts relating to ESRS E4 "Biodiversity and ecosystems", a topic of major interest to the Group, which has dedicated specific teams to it and is devoting an increasingly significant proportion of its projects to this area.

AFD group employs 5,062 employees (as at 31 December 2025) and the well-being of its staff is central to its strategy (see Section 2.1.2.1 above). In addition, employees are required to intervene in geographic areas that may be at risk. ESRS S1 "Group workforce" is therefore material; it covers employees (having an employment contract with one of the Group's entities) and non-employees (international volunteers, temporary workers and experts in wage portage).

The themes S3 "Local affected communities" and S4 "Social inclusion of consumers and end-users" are addressed by the Group under a single issue, that of local populations. They are material in view of the positive impacts sought by the Group.

Lastly, in terms of governance, the Group may have to intervene in countries or territories with potential negative impacts and associated corruption risks, including money laundering and the financing of terrorism. It strives to prevent all forms of prohibited practices through its policies, processes, training and monitoring mechanisms. Exemplary integrity is very important in the Group's operations, which explains the materiality of the ESRS G1 "Business conduct – corruption".

These positive impacts are directly linked to AFD group's strategy and business model, which aims to build a fairer, more inclusive and sustainable future with its international partners. Its action is based on a dual strategic mandate to fight poverty and inequality, and to preserve common goods (climate, biodiversity, global health).

The Group's **negative impacts** relate to internal operations:

- Involuntary contribution to unequal treatment for the Group's workforce;
- involuntary contribution to the degraded working conditions of the Group's workforce, notably during international travel (assignment) or expatriation;
- potential incidents of corruption and fraud involving AFD group employees.

These negative impacts are also directly linked to the Group's strategy and business model, which involves international banking and project finance activities.

Analyses of climate-related, physical and transition financial risks, and of the resilience of the Group's strategy and business model in this regard, are presented in the section dedicated to ESRS E1.

The work under way focuses first and foremost on the climate. The ultimate goal is to update all of AFD group's risk maps through an ESG lens, using materiality analyses, resilience and climate stress tests, and relevant performance and risk monitoring indicators. In anticipation of the EBA's guidelines on ESG risk management, AFD group has committed to carrying out an initial ESG risk mapping exercise as part of its financial risk mapping process in 2025. The existing mapping highlights certain social and governance risks, notably internal risks.

There is a strong need and demand for funding to address the climate challenges of sustainable development. In 2025, around €7.8bn in financing was allocated by the Group to projects with climate co-benefits, mainly on mitigation. Funding for adaptation is nevertheless increasing and accounts for around 40% of the Group's total climate-related approvals. Meeting this demand for funding and support for transitions reinforces the Group's business model, which in turn justifies the significance of the following **opportunities**: expansion of the Group's portfolio linked to the roll-out of solutions for climate change adaptation and mitigation.

2.1.4.2.1 Table of IROs and AFD group policies

A summary of the IROs defined by AFD group is set out below:

Material ESRS theme [ESRS 2 SBM-3.48 h)]	Description of the IRO	Time horizons	IRO management policies	Value chain
E1 Climate	Positive impact: protection or adaptation at different scales against climatic hazards related to interventions	Long term	• Planet roadmap • Exclusion list* • Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco • AFD credit policy/Proparco credit and investment policy • Roadmap on climate-related financial risks • Group monitoring and appraisal policy • Results and impacts framework • Environmental and social complaints system	*Downstream* Planet (climate, biodiversity, natural resources)
	Positive impact: reduction of greenhouse gas emissions at different scales linked to interventions	Long term		*Downstream* Planet (climate, biodiversity, natural resources)
	Opportunity: development of the Group's portfolio related to the implementation of solutions for climate change mitigation and adaptation	Long term	Planet roadmap	*Proprietary operations* Financial services (loans, guarantees, grants, investments)
E4 Biodiversity	Positive impact: protection and/or restoration of biodiversity	Long term	• Planet roadmap • Exclusion list* • Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco • AFD credit policy/Proparco credit and investment policy • Roadmap on climate-related financial risks • Group monitoring and appraisal policy • Results and impacts framework • Environmental and social complaints system	*Downstream* Planet (climate, biodiversity, natural resources)
S3 Affected communities & S4 End-consumers	Positive impact: contribution to the economic, political and social development of countries, thus contributing to the improvement of the living conditions of local populations	Long term	• Social link roadmap • Citizens, institutions and democracies roadmap • Planet roadmap • Exclusion list* • Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco • AFD credit policy/Proparco credit and investment policy • Roadmap on climate-related financial risks • Group monitoring and appraisal policy • Results and impacts framework • Environmental and social complaints system	*Downstream* Local populations (final beneficiaries)
	Positive impact: helping to improve local people's access to goods and services	Long term		*Downstream* Local populations (final beneficiaries)

Material ESRS theme [ESRS 2 SBM-3.48 h)]	Description of the IRO	Time horizons	IRO management policies	Value chain
S1 Number of employees	Negative impact of an unintentional contribution to unequal treatment or degraded working conditions	Medium term	• "Shared framework: AFD group's social policy value"	*Proprietary operations* Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECs
	Operational risks related to non-compliance with the French Labour Code, collective agreements and regulatory obligations (local law) or a deterioration in the health and safety of employees	Current		*Proprietary operations* Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECs
	Negative impact of potentially deteriorating working conditions, notably the safety of the Group's employees (assignments, expatriation, etc.)	Medium term	• "Shared framework: AFD group's social policy value"	*Proprietary operations* Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECs
	Operational risks associated with exposure to danger due to the security situation, and the risk of accidents	Short term		*Proprietary operations* Employees (salaried and non-salaried), members of governance bodies and employee representatives unions/SECs
G1 Business conduct	Negative impact of potential incidents of corruption, money laundering or terrorist financing involving an employee or as part of operations (G1)	Current or short-term depending on the risk map	• Ethics Charter* • AFD group Code of Conduct against Corruption and Influence Peddling* and EF Code of Conduct • AFD group's general policy on preventing and combating prohibited practices* • Combating money laundering and the financing of terrorism reference document* • Policy on national and international economic and financial sanctions*	*Proprietary operations* Employees (salaried and non-salaried), members of governance bodies *Downstream* Project leaders (counterparties) Suppliers, subcontractors and service providers
	Risks of corruption, misappropriation of aid, influence peddling, external or internal conflicts of interest, money laundering or terrorist financing, and failures or shortcomings in the management of suppliers and subcontractors on funded projects (G1)	Current or short-term depending on the risk map		*Upstream* Suppliers, subcontractors and service providers for internal operations *Proprietary operations* Employees (salaried and non-salaried), members of governance bodies *Downstream* Project leaders (counterparties) Suppliers, subcontractors and service providers

These policies also apply to Sogefom.

A summary of AFD group's policies is presented below:

Policies	Scope	Objectives	References to third-party standards or initiatives
Planet roadmap	AFD, Proparco, EF	Operational implementation of the Group's POS V on the planet theme; Reconciling climate, nature and development	SDGs 13 (climate), 14 (life below water), 15 (life on land) and 16 (partnerships) Paris Agreement Kunming-Montreal Global Biodiversity Framework EU: Green Deal, global gateway
Social link roadmap	AFD, Proparco, EF	Operational implementation of the Group's POS V on the social link theme (development of more egalitarian and inclusive societies) Helping to reduce multidimensional inequalities and promote inclusion Accelerating action towards gender equality through a transformative feminist approach	UN SDGs (1, 5, 10, 16) European framework: European Consensus on Development: a. Fighting inequalities, leaving no one behind, protecting human rights b. Inequality marker of the European Commission adopted in 2023 French framework: 2021 law on inclusive development and the fight against global inequalities France's International Strategy for Feminist Diplomacy (2025-2030)
Citizens, institutions and democracies roadmap	AFD, Proparco, EF	Operational implementation of the Group's POS V on the citizens, institutions, democracies theme. Backing and reinforcing democratic practices led by institutions and citizens	SDGs (16)
Exclusion list	AFD, Proparco, EF, Sogefom	Identifying the types of activities that the Group refuses to finance. Includes climate and nature criteria Ensuring that the Group's operations contribute to the core objectives of sustainable development Refusing to fund projects involving forced labour, child labour or human trafficking, forced evictions, or projects whose approach contravenes human rights	2030 Agenda for the SDGs Paris Agreement Compliance with UN, EU and France's economic sanctions AZE (Alliance for Zero Extinction) UN Guiding Principles on Business and Human Rights Council of Europe Convention on Action against Trafficking in Human Beings (2005); Directive 2011/36/EU. Compliance with CITES provisions The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes Kimberley Process
E&S risk management policy – AFD	AFD	Identifying, assessing, reducing and monitoring the E&S risks of financed operations Improving the E&S performance of these operations	a. World Bank Environmental and Social Standards b. IFC Performance Standards c. Harmonised Approaches to EDFIs
E&S assessment and monitoring approach – Proparco	Proparco	Identifying, assessing, reducing and monitoring the E&S risks of financed operations Improving the E&S performance of these operations	The IFC's Performance Standards and Guidelines on Environment, Health and Safety (EHS), as well as the ILO's core labour standards and basic employment conditions, and the UN Guiding Principles on Business and Human Rights.

Consideration of stakeholder interests	Validation/ hierarchical level	Made available
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document (summary): afd.fr/fr/commmuniques-de-presse/feuille-de-route-planete-2025-2030-lagence-francaise-de-developpement-afd
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document (summary): afd.fr/fr/thematiques/reduction-des-inegalites-et-promotion-de-linclusion#_ftn1
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	An assessment is public: afd.fr/fr/ressources/bilan-activite-2024-citoyens-institutions
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document: afd.fr/fr/ressources/liste-dexclusion-du-groupe-afd
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	Public document: afd.fr/sites/default/files/2017-10/politique-maitrise- risques-environnementaux-sociaux-afd.pdf
N/A	Executive Management	Internal document

Policies	Scope	Objectives	References to third-party standards or initiatives
AFD credit policy/ Proparco credit and investment policy	AFD/Proparco	Specifies the methods for managing credit risk. Covers the management of E&S impacts and the monitoring of climate-related financial risks	In response to the European Banking Authority (EBA) guidelines of 29 May 2020 on approving and monitoring loans (EBA/GL/2020/06)
Climate and nature-related financial risks roadmap	AFD, Proparco	Breaks down the climate strategy into four strategic areas: a. Consideration of climate-related financial risks at AFD group; b. Mobilisation of climate and nature-related financial risks for public policy dialogue; c. Contribution to the adoption of climate-related financial risk analysis tools by AFD group's financial partner customers; d. Contribution to international debates and the development of standards around climate-related financial risks.	Climate Energy Law (2019) – Energy Transition for Green Growth Law (2015)
Group monitoring and appraisal policy	AFD, Proparco and EF	Strengthens a monitoring and evaluation culture aligned with AFD group's strategic orientations	The OECD DAC's principles and standards of quality for development evaluation; the charter of Société Française de l'Évaluation (SFE) on the evaluation of public policies and programmes.
Results and impacts framework	AFD, Proparco and EF	Apply the Group's impact-driven approach across the organisation as a whole, and in particular: a. be legible and understandable; b. be a learning institution; c. be 100% SDG throughout our financial model (our SDG-linked issues are backed by "impact" assets); d. mobilising more resources	World Bank Group Scorecard Operating Principles for Impact Management (OPIM)
Environmental and social complaints system	AFD/Proparco	Any person or group of people affected from an environmental or social point of view by a project financed by AFD/Proparco can file a complaint via the environmental and social complaints management system. Through these two initiatives, AFD and Proparco are strengthening the management of environmental and social risks in the projects they finance, with a view to enhancing transparency and accountability towards their partners	IFC Performance Criteria The Equator Principles UN Guiding Principles on Business and Human Rights OECD Guidelines for Multinational Enterprises
"AFD group's social policy values" shared framework (1)	AFD, Proparco, EF	Expresses the founding values of AFD group's social policy	NA
Ethics Charter	AFD, Proparco and EF	Strengthening the Group's identity, unity and performance, facilitating the working life of employees, and protecting the Group and its employees from the risk of damage to the Group's reputation	The applicable texts govern activities in France and internationally in accordance with the Charter, the Deal, and the UN and ILO conventions

Consideration of stakeholder interests	Validation/ hierarchical level	Made available
Validated at the Board of Directors, which includes State representatives	Board of Directors	Internal document
N/A	AFD Executive Committee	Internal document
Developed in a participatory way	AFD Board of Directors	Public document: afd.fr/sites/default/files/2025-11/politique-suivi-evaluation- groupe-afd-web_0.pdf
Validated at the Board of Directors, which includes State representatives	AFD Board of Directors	The document is available in the internal procedures manual. A presentation is available online: afd.fr/fr/mesurer-nos-resultats-concrets
Civil Society Systems industry experts Development finance institutions Customers Consultants Office of the United Nations High Commissioner for Human Rights Validated at the Board of Directors, which includes State representatives	Proparco Board of Directors AFD Board of Directors	Documentation and system available online for AFD: afd.fr/fr/dispositif-de-gestion-des-reclamations-environnementales-et-sociales Proparco documentation and system available online: proparco.fr/fr/mecanisme-independant-de-traitement-des-reclamations-environnementales-et-sociales-icm
The elected staff representatives of AFD/ Proparco, as well as the elected staff representatives of Expertise France and those of the Committee of Representatives of Foreign States were consulted on the drafting of this shared framework	Chief Executive Officers of AFD, Proparco and Expertise France	Internal document
NA	Chief Executive Officers of AFD, Proparco and Expertise France	Available to the public on the AFD group website: afd.fr/sites/default/files/2023-02-11-17-52/charte-ethique-groupe-afd.pdf Available to the public on the EF website: https://www.expertisefrance.fr/fr/ethique-conformite

Policies	Scope	Objectives	References to third-party standards or initiatives
AFD group Code of Conduct against Corruption and Influence Peddling / EF Code of Conduct	AFD, Proparco/EF	Anchoring a corporate culture with zero tolerance for corruption in all its forms	The Sapin II law and all international conventions, European directives and French texts governing the fight against corruption and influence-peddling
AFD group's general policy on preventing and combating prohibited practices	AFD, Proparco + EF (expected to be formally added in 2026)	Preventing, detecting and combating any Prohibited Practices (including corruption) that would taint AFD group's activities or operations	A body of international conventions, European directives and French legislation governing the fight against corruption, fraud, money laundering and the financing of terrorism (including the Sapin II law, the French Monetary and Financial Code and the AFA guidelines)
"Combating money laundering and the financing of terrorism" reference document	AFD, Proparco	Setting out the main principles followed by the Group in the fight against money laundering and terrorist financing, and reporting on the approach adopted in relation to AML/CFT risks. It should be read in conjunction with the procedures, operating instructions and tools	A body of international conventions, European directives and French legislation governing the fight against money laundering, terrorist financing and corruption (including the French Monetary and Financial Code, the Sapin II law, and the guidelines issued by the ACPR and the AFA)
Policy on national and international economic and financial sanctions	AFD, Proparco/EF (has its own procedures, in line with the Group Policy).	Defines the principles and obligations applicable in this area	Regulations on financial and economic sanctions applicable to AFD and its subsidiaries

(1) Chapter 2.3.1 "A meaningful work environment" (S1) mentions the documents and procedures that complete the shared framework.

Consideration of stakeholder interests	Validation/ hierarchical level	Made available
The elected staff representatives of AFD/ Proparco, as well as the elected staff representatives of Expertise France and those of the Committee of Representatives of Foreign States were consulted on the drafting of this shared framework	AFD group Chief Executive Officer and Head of Compliance Chief Executive Officer of EF and Head of the Risk, Internal Control and Compliance division	Available to the public on the AFD group and EF website: AFD, Proparco: afd.fr/sites/default/files/2023-02-11-17-52/charte-ethique-groupe-afd.pdf EF: https://www.expertisefrance.fr/sites/expertise/files/2025-06/code-de-conduite-d-expertise-france.pdf
NA	Executive Management	https://www.afd.fr/sites/default/files/2020-12-02-04-02/politique-generale-groupe-afd-prevention-et-lutte-contre-pratiques-prohibees.pdf
NA	Executive Management	Internal document available in the procedures manual.
NA	Executive Management	Internal document available in the procedures manual.

2.1.4.2.2 Link to strategy

AFD group has identified two material opportunities linked to the strong financing needs and demands for the climate challenges of sustainable development. Meeting these needs strengthens the Group's business model and helps to consolidate its financial performance. In 2025, AFD group generated €7.8bn in high value-added climate financing, *i.e.* 60% of total business.

With regard to the current financial effects of material risks, the Group is working to develop training for its staff to ensure the integrity of its practices. In 2025, the Group did not receive any fines for breaches of anti-corruption legislation or acts of corruption.

With regard to the security risks identified for staff on assignment, the Group has an international security management system in place and has introduced specific training for those concerned.

With regard to climate and nature-related financial risks, internal analyses enable us to study the resilience of our model. Methodological items are presented in the relevant sections (ESRS E1 and E4).

2.1.4.3 Materiality of information

2.1.4.3.1 Explanation regarding the non-materiality of information

Non-materiality of theme E1 on internal functioning

The Group seeks to be exemplary in terms of its internal carbon footprint and aims to reduce its emissions, which are also offset. AFD group has not identified any operational risks relating to climate transition factors, as its internal carbon footprint is not significant enough to warrant this. This theme's risks for this financial year are therefore considered as infrequent and not very severe. AFD group has not identified any cost reduction opportunities related to this topic.

AFD group has not identified risks related to acute or chronic physical climatic hazards, as buildings are little or not exposed to such hazards. This theme's risks for this financial year are therefore considered as infrequent and not very severe.

Non-materiality of themes E2 "Pollution", E3 “Water & marine resources" and E5 "Circular economy and use of resources"

Whilst climate change and biodiversity are key priorities in AFD group’s activities, pollution, water, aquatic and marine resources, and the circular economy are not major focus areas; these themes were not identified as material during the double materiality assessment.

Non-materiality of theme S2 "Workers in the value chain"

The Group ensures that project managers backed by AFD group comply with applicable local labour regulations, thereby preventing negative impacts and risks. The Group does not aggregate specific data on this subject, which is not material.

Non-materiality of sub-theme G1 on relations with suppliers

In terms of its internal operations, the Group has not identified any material challenges in this area. Nevertheless, as an entity subject to the rules of public procurement, it must be exemplary and maintain good relations with its suppliers and support functions. The Purchasing Department is particularly attentive to keeping payment terms below the regulatory 30 days. In terms of operating activities, the Group has no direct contractual relationship with the suppliers of its customers and beneficiaries, nor a direct impact on payment terms.

Non-materiality of sub-theme G1 on lobbying

AFD group does not aim to protect its particular interests during French, European or local legislative processes. Lobbying expenses are therefore very low. Moreover, the Group does not finance French or European political parties. With regard to operational activities, the Group does not finance the lobbying activities of its beneficiaries, nor does it participate in this type of activity. The Group does not finance or provide expertise to local political parties.

Non-materiality of sub-theme G1 on animal welfare

AFD group's impact on animal welfare is minimal given the very low amounts dedicated to livestock farming, pharmaceuticals and cosmetics. Non-compliance with animal welfare by AFD group's customers and beneficiaries has not been identified as a factor increasing the credit risks of AFD counterparties and is therefore assessed for this exercise as infrequent and not very severe.

2.1.4.3.2 Information materiality methodology

In order to determine the materiality of the information, AFD group assessed the materiality of the Disclosure Requirements (DR) relating to metrics, and subsequently the associated data points, based on an expert opinion taking into account (i) the link to the Impacts, Risks and Opportunities identified as material following the double materiality assessment, and (ii) the significance of the indicator for the Group’s business model.

At the end of this review, certain DRs were deemed:

- non-material because they are linked to non-material IROs, such as E1-5 "Energy consumption" related to the negative impact on the energy consumption of its own operations;
- non-material as not monitored, such as E1-7 on internal carbon pricing;
- equipment and monitoring, such as E1-6 on greenhouse gas inventories.

Certain data points relating to a material DR were subsequently deemed immaterial as they were not significant given the Group’s business model; for example, data point [ESRS S1-17 104] concerning serious human rights incidents (children’s rights, forced labour).

2.2 Environmental information

2.2.1 Climate change (E1)

SUMMARY

Climate change (E1)

The Climate Transition Plan is a priority for the Group to support the transitions of its customers and beneficiaries.
This is a structural strategy, integrated into the business model since 2017, based on:

- 100% of its financed activities compatible with low-carbon and resilient development trajectories as defined by the Paris Agreement, with €6bn in annual commitments dedicated to high climate value-added projects, and support for the players in these transitions beyond the financed assets
- Management of physical and transition climate risks
- A specific system for appraising and the accountability of actions

The Group's financed emissions and internal emissions

Financed emissions:
43 $MtCO_2e$

Internal emissions:
112 $ktCO_2e$ related to the Group's operations

2025 highlights:

100%
Paris Agreement
All financed activities have been compatible with low-carbon and resilient trajectories since 2017.

€7.8bn
Volume of commitments dedicated to high climate value-added projects exceeding the target of €6bn per year set for 2025-2030, of which approximately 40% is for adaptation.

€4.6bn
Transformational climate commitments to support transition players beyond asset financing.

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter.

ESRS	Title of the IRO	Policies	Equity	Metrics & Targets
E1 Climate	**Positive impact**: protection or adaptation at different scales against climatic hazards related to interventions **Positive impact**: reduction of greenhouse gas emissions at different scales linked to interventions **Opportunity**: development of the Group's portfolio related to the implementation of solutions for climate change mitigation and adaptation	• Planet roadmap • Exclusion list • Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco • AFD credit policy/ Proparco credit and investment policy • Roadmap on climate-related financial risks • Group monitoring and appraisal policy • Results and impacts framework • Environmental and social complaints system	• Project support: examination of applications and financial or expert contribution	• **[Group]** Number of commitments that do not have a negative rating on the Resilience and Low Carbon dimensions of the SD ratings *(%)*. Target of 100% at 31/12/2025)
			• Systematic analysis of projects through a sustainable development analysis and opinion framework • Systematic analysis of investment projects through the Climate screening procedure	• **[AFD]** [RIF #20] Number of countries and players backed and/or projected GHG emissions reductions (ex ante tCO2eq) enabled by earmarked funding. No target. • **[AFD]** [RIF #21] Number of people whose climate resilience is increased by the project, (Number and % women). No target • **[AFD-PRO]** Climate co-benefits *(€/year)*: target of €6bn/year at 31/12/2025 • **[AFD-PRO]** Absolute project emissions in terms of flows *(tCO_2eq)* (no target) • **[AFD-PRO]** Project emissions avoided in terms flows *(tCO_2eq)* (no target) • **[AFD-PRO]** Financed emissions portfolio in terms of inventories *(tCO_2eq)* [E1-6] (no target)
			• Ripple effect/ mobilisation of other actors	**Cross-cutting monitoring indicators for the activity, not specific to climate change, presented in ESRS 2:** • **[AFD-PRO]** Institutional mobilisation via delegated funds *(€)*. No target

2.2.1.1 Climate transition plan

The transition plan sets out the **strategic and operational measures** put in place by AFD group to ensure that its financing and support activities are **consistently aligned with a low-carbon transition and climate resilience in the countries where it operates**; this is part of a response to the requirements of the Paris Agreement (and, more broadly, the SDGs – the Sustainable Development Goals defined by the UN) as well as those of the French State. This approach was adopted in 2017 **and structures all of the Group's activities**.

AFD group's work in support of net-zero transitions is **fully in line** with the role expected of Northern development banks under the Paris Agreement. It is firmly underpinned by a set of operational procedures that enable its implementation to be reported on and serves as a benchmark amongst its peers (the so-called **100% Paris Agreement commitment** adopted by all multilateral development banks and receiving a very favourable assessment from specialist CSOs).

More specifically, AFD group has structurally integrated the transition to a sustainable economy and the Paris Agreement's objectives regarding the limitation of global warming into its strategy and business model, through:

- its objectives of **systematically backing transitions** with:
  - **a commitment to ensure that 100% of funded activities are consistent with low-carbon and resilient development pathways** as defined by the Paris Agreement,
  - **a recurring target for the volume of climate-related value-added financing** (historically 50% of the total amount of commitments, or **€6bn from 2025 onwards**, subject to the availability of budgetary resources allocated by the French State), with a focus on maximising climate finance that has a structural and transformative impact,
  - support for the players in these transitions (countries or economic players) beyond investment financing;
- its management of **financial climate risk** (physical and transition risks) with:
  - a formal assessment of these net risks as part of a continuous evaluation at the counterparty level,
  - a policy of phasing out fossil fuels – coal, oil and gas;
- **its system for the preliminary assessment and analysis of interventions, ex-post evaluation, and accountability**.

In doing so, the strategic focus of AFD group, in accordance with its mandate (AFD/Proparco), specifically in relation to its climate mitigation efforts, is not the reduction of the Group's **financed emissions** (i.e. in the PCAF [1] sense of the term, emissions associated with the institution's portfolio, weighted by outstanding amounts and considered retrospectively) but specifically the support and financing of its customers' transitions – whether under way or in the future – to ensure they are integrated into emissions trajectories – primarily at country level – that must move towards zero (more precisely, the Paris Agreement implies global net-zero). The goal is to work with carbon-intensive actors – both sovereign and non-sovereign – by funding effective initiatives and assets as part of long-term, monitored and evaluated low-carbon transitions across all sectors of development.

AFD group's business model is therefore inextricably linked to the low-carbon and resilient development processes of its customers, whether sovereign or non-sovereign: not only does its activity fully support these processes through its range of instruments, but its risk analysis also takes into account an assessment of their effective implementation.

AFD group's transition plan is structured around the elements outlined above, in order to address the need for "an understanding of its contribution to the mitigation process and the compatibility of its strategy and business model with the transition to a sustainable economy, limiting global warming to 1.5°C in accordance with the Paris Agreement and with the aim of achieving climate neutrality by 2050", as set out notably by the CSRD framework. The transition plan does not include financed emissions targets, as these do not reflect the Group's positioning or climate action objectives. As a result, this is not a transition plan that would include a financed emissions target for 2030 within the meaning of the ESRS standards.

Pursuant to AFD group's Strategic Orientation Plan, Expertise France contributes to the implementation of the Group's climate transition plan. As a development cooperation agency, Expertise France is committed to implementing transformative projects that have a positive impact, contributing to the achievement of the SDGs and the priority policy objectives defined by the CPD and the CICID.

In 2025, Expertise France carried out an expanded Bilan Carbone® carbon assessment. On the basis of it, Expertise France is undertaking work to implement and adapt the Group's climate transition plan in line with the specific nature of its activities and operating methods. This work is under way and will make it possible to gradually clarify the relevant guidelines.

2.2.1.1.1 The Paris Agreement alignment strategy at Public Development Banks and at the Group

The Paris Agreement's expectations of development finance providers

The Paris Agreement, following on from its objectives of limiting the rise in temperature (Article 2.1a) and adaptation capacity building (Article 2.1b), introduces the formal objective of "**aligning financial flows with a trajectory towards low greenhouse gas emissions and climate-resilient development**" [2] (Article 2.1c).

The implementation of the Paris Agreement is based on the development of long-term low-carbon development strategies at the level of each country. The expectation arising from this objective 2.1c is therefore that a development financier should **ensure that each funded intervention is consistent with the strategies or plausible scenarios for low-carbon and resilient development in the country or countries concerned by the intervention**. It is also a question of identifying the catalytic and structuring effects required to redirect all financial flows in these countries, in line with these strategies and scenarios.

1) Partnership for Carbon Accounting Financials.
2) Art 2.1 (c) Making finance flows consistent with a pathway towards low greenhouse gases and resilient development.

The Paris Agreement also sets out its "means of implementation" – namely **climate finance**, technology transfer and capacity building. In this regard, it is worth noting that the COP 21 decision explicitly highlights the importance of climate finance in supporting "the implementation of policies, strategies, regulations and action plans" – specifically measures that require a shift in the allocation of funds beyond investments in the strict sense. Climate finance is also defined in Article 4 of the Paris Agreement as a means of enabling developing countries to raise their ambition in terms of a low-carbon and resilient transition.

A response framework shared by AFD group, all the Multilateral Development Banks, and IDFC

Following the Paris Agreement, the French government announced, as early as 2017, as part of its **Climate Plan** [1], that **AFD group would become the first bilateral development bank with an explicit mandate to implement the Paris Agreement across its entire portfolio of activities.** This is what AFD group has been doing since 2017.

For their part, the multilateral development banks did not define an "**approach to alignment with the Paris Agreement objectives**" [2] until their joint statement of 2018, prior to the **IDFC** publishing its **recommendations on the matter in 2021**.

The response of public development banks to the expectations of the Paris Agreement is structured around the following main complementary axes:

- **the systematic coherence of projects and interventions financed through a low-carbon development of countries within the meaning of the Paris Agreement;**
- consistency with resilient development (and consideration of resilience aspects in risk assessment);
- **support for the development of countries' low-carbon and resilient development strategies;**
- **the production of climate, mitigation and adaptation finance with a view to accelerating transitions.**

While AFD group established a strategic framework (Climate Strategy) based on the aforementioned principles [3], it did so as early as 2017 and implemented it across the following four key areas:

- a commitment to ensuring that all AFD group financing is consistent with low-carbon and resilient development, and to helping countries in establishing low-carbon and resilient pathways in line with the Paris Agreement; this commitment is summarised by the term **100% Paris Agreement** in AFD's strategy and communications;
- a recurring annual commitment to climate finance, with a target of at least 50% of total funding allocated, which from 2025 onwards will become an absolute target of €6bn (see below);
- a contribution to the reorientation of financial and investment flows; this focus reflects the unique position of a development bank such as AFD, which is able to back public policies and roll out financial instruments that mobilise private resources, and which meets the broadest interpretation of the expectations set out in Objective 2.1c of the Paris Agreement;
- the joint development of solutions and influencing standards; this focus reflects the Group's proactive and pioneering approach, and its intention to work alongside its peers and the wider development community to foster a coordinated and collaborative approach. The scale of the IDFC or FiCS network (see Section 2.1.2.3 "Business model") on these issues since 2017, as well as the complete alignment of the principles adopted by the Multilateral Development Banks with those implemented by AFD, demonstrate AFD group's contribution to optimising the positioning of public development banks in response to the expectations of the Paris Agreement. The IDFC is a vector of influence for the community of public development banks, particularly on the climate. It played a leading role in pushing the commitment to align with the Paris Agreement and the Sustainable Development Goals (SDGs) at the first edition of the Finance in Common summit in November 2020. FiCS has brought the voice of public development banks to the international stage and succeeded in gaining recognition for their unique role and potential to finance the SDGs, especially on climate and nature. At the New Financial Pact Summit in June 2023, the FiCS initiative was reaffirmed as a key component of the international financial architecture and is now part of the Paris Agenda for People and the Planet.

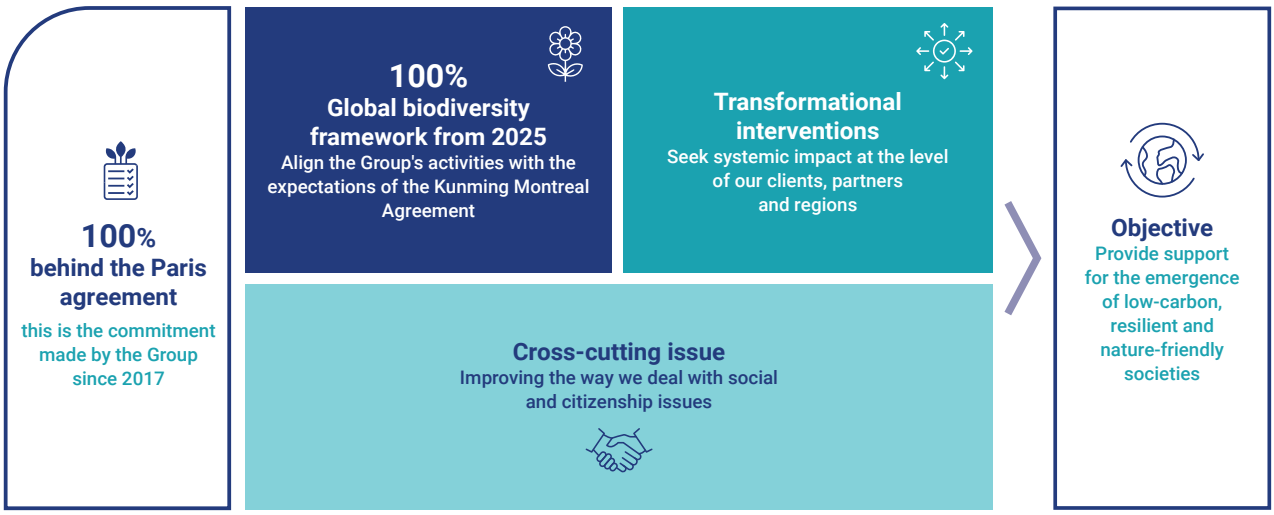
The aforementioned commitments and objectives are further **underpinned by operational due diligence processes and specific accountability mechanisms, and supplemented by a framework for assessing climate risk, as set out in the rest of the climate transition plan**.

The planet roadmap

In 2025, the Group's core strategic climate commitments outlined above were **reaffirmed in the 2025-2030 planet roadmap** and expanded to include, on the one hand, a commitment to align the Group's activities with the Global Biodiversity Framework and, on the other, a **robust definition of climate finance with systemic impact**. This final strand addresses the need to implement and demonstrate more clearly the potential added value of the activities of public development institutions such as AFD and Proparco in terms of this type of systemic impact – as targeted by the Paris Agreement under the heading of climate finance – beyond the direct effects associated with investments (see above), given its instruments, mandate and privileged position in supporting development policies in the countries where it operates.

The planet roadmap remains fully in line with French policy priorities and is also aligned with the European objectives of the Green Deal [4], the Fit for 55 legislative package [5] and the Global Gateway initiative [6]. It also takes into account issues relating to international, national, geopolitical and socio-economic uncertainties as part of its approach to backing national plans and the transformation of stakeholders. It relates to AFD, Expertise France and Proparco and covers all the regions where the Group operates, including the French overseas territories.

1) *2017.07.06 – DP Presentation of the climate plan.*
2) *The MDB's alignment approach to the objectives of the Paris Agreement : working together to catalyse low-emissions and climate-resilient development.*
3) *Climate Strategy – Development in 2017-2022 | AFD – Agence Française de Développement.*
4) *The Green Deal is an environmental roadmap that was presented in 2019 by the European Commission and which aims to make the continent climate neutral by 2050.*
5) *The "Fit for 55" package is a set of legislative measures aimed at reducing the EU's greenhouse gas emissions by at least 55% by 2030 and putting the EU on track for climate neutrality by 2050.*
6) *An initiative by the European Commission contributing to the development of the EU's emerging and developing partner countries, notably in the digital, energy and environmental sectors, by engaging the private sector.*



4 key areas of action to achieve this:

1. Maximising AFD group's impact on the Environmental SDGs
2. Providing support for sustainable trajectories and the reorientation of financial flows
3. Amplifying action through the mobilisation of actors
4. Continue to develop AFD's internal practices

The Group's renewed planet roadmap (final approval by the Board of Directors in July 2025) is now formally structured around four areas (see table above):

- **Maximising AFD group's impact on the Environmental SDGs**
  - This includes commitments:
    - ensuring that all interventions are systematically aligned with low-carbon development and climate-resilient growth (the 100% Paris Agreement commitment), underpinned by an operational mechanism – the sustainable development analysis framework – which has also been strengthened to back the new accountability (see below).
    - on climate finance (a commitment of €6bn per year over the 2025–2027 period, with a target raised to 40% for adaptation, disaster risk reduction and responses to loss and damage) structured by a proven framework (see Section 2.2.1.1.2 below) that is both consistent with and more rigorous than the international framework;
  - the planet roadmap introduces **a commitment to consolidate funding dedicated to operations with transformative impact**, with a view to ensuring that these represent the majority of the Group's climate-related initiatives on a long-term basis. With this in mind, the **framework for analysing sustainable development was overhauled** in January 2025 to **identify these interventions with a systemic impact**.
- **Providing support for sustainable trajectories and the reorientation of financial flows**
  - This involves:
    - continuing and strengthening efforts aimed at defining, financing and implementing national low-carbon, climate-resilient, nature-friendly and equitable trajectories,
    - reinforcing the transformation of national financial systems (financial institutions, regulators and supervisors),
    - backing the transformation and transition of public and private players; a condition for the achievement of national trajectories.

- **Amplifying action by mobilising public and private players, civil society and expertise**
  - This involves:
    - mobilising public banks, in particular *via* the IDFC and in Common (FiCS) coalitions,
    - mobilising private finance in a more systematic manner; notably by positioning Proparco as an anchor investor and a promoter of innovative financing solutions, including, amongst other things, risk transfer, but also by integrating business environment considerations into the support provided for transition trajectories through various forms of intervention in this area,
    - mobilising external resources (e.g. delegated funds, partnerships with foundations),
    - consolidating strategic partnerships with CSOs, research centres and think tanks, specialising in climate and biodiversity, and the Global North and South,
    - mobilising and strengthening the technical capacities of AFD group's counterparties, notably through the capabilities of projecting French expertise abroad (Expertise France), but also through the Group's partnerships and training (Campus).
- **Continuing to develop AFD group's internal practices to ensure the coherence of its actions and greater accountability**
  - This involves, among others:
    - strengthening the consistency of the framework for assessing financial risks and the appetite for climate-related financial risks in line with the Group's mandate,
    - seeking ever greater accountability regarding the implementation and impact of the Group's commitments, as well as the risks involved.

The strategic framework outlined above and the associated operational measures implemented by AFD group inherently entail an economic model that is inextricably linked to the low-carbon, climate-resilient sustainable development processes of the AFD group's sovereign and non-sovereign customers. Its activities feed into and support these transition processes in a systematic and comprehensive manner, drawing on the Group's full range of tools, whilst its approach to risk ensures that these tools are effectively implemented.

Fossil fuel exclusion policy

Beyond its commitment to ensuring that the Group's operations are consistent with low-carbon and climate-resilient development trajectories, AFD group decided, following a resolution passed by its Board of Directors in 2022 and in the wake of COP 26 in Glasgow, to exclude from its financing: exploration, production, processing or transport projects relating to fossil fuels (coal, oil, conventional and unconventional gas) and their associated infrastructure; projects involving the construction, renovation or extension of power stations generating electricity from fossil fuels, including natural gas, with the exception of mini-grid projects powered by hybrid power stations (combining renewable energy and fossil fuels); projects involving the construction, renovation or extension of new fossil fuel-fired heat generation plants (excluding the industrial and building sectors); and projects involving the construction, extension or renovation of fossil fuel-fired cogeneration or trigeneration plants. For more information on the Group's exclusion list, see Section 2.1.2.6.1.

Policies for monitoring climate-related financial risks

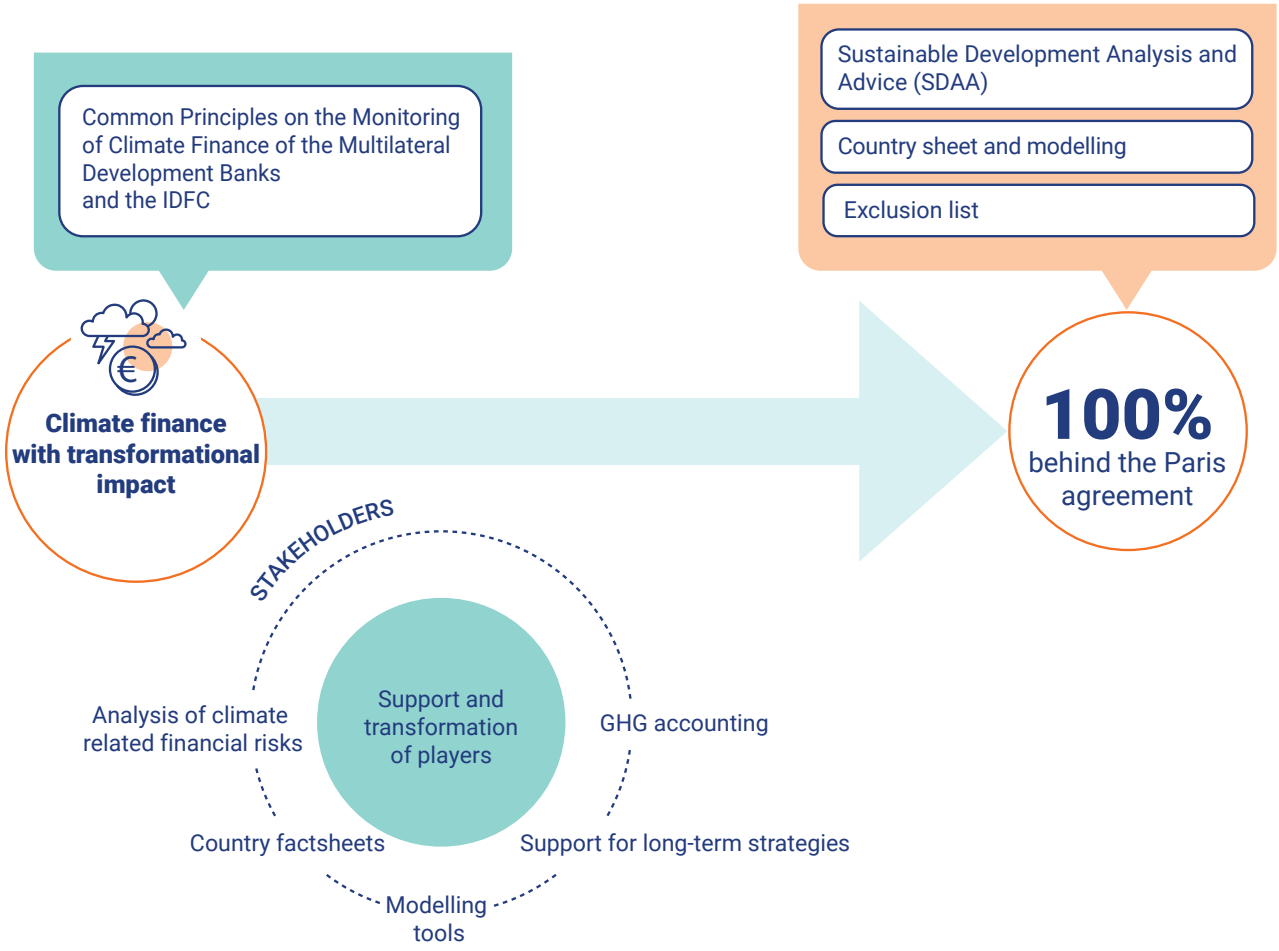
The Group's mandate to support transitions goes hand in hand with the fact that its sovereign and non-sovereign customers operate in environments that are particularly vulnerable to the consequences of climate change and the global transition. Funded projects and customers are likely to be affected by two types of financial risk:

- **physical risks**, i.e. the risk of financial loss caused by the occurrence of extreme weather events or by the physical consequences of gradual changes linked to climate change; and/or by
- **transition risks**, namely the risk of financial losses arising from stakeholders' positions being out of step with global low-carbon transition processes (in particular, a failure to anticipate changes in regulations and markets at both national and international levels).

These financial risks are, of course, analysed and monitored as such by AFD and Proparco in their capacity as financing institutions, quite apart from the fact that the Group's activities generally help customers to better understand and manage them.

Since 2019, AFD and Proparco have thus undertaken work to integrate climate-related financial risks, both physical and transitional, into risk analysis processes (see Section 2.1.2.6.4 "Consideration of climate and nature-related financial risks").

2.2.1.1.2 Implementing AFD group's climate commitments



The AFD group's commitments to climate action are implemented through:

- operational and organisational tools: (i) specific operational tools backing the implementation of the climate strategy and the planet roadmap (see Section 2.2.1.1.1), as well as the cross-cutting integration of sustainable development issues into the Group's financing operations; (ii) tools for assessing the climate-related financial risks of financed projects and clients likely to be affected; (iii) refinancing; (iv) the use of an organisational and governance structure tailored to these tools, commitments and strategic goals; and (v) the mobilisation of partners and public institutions; and
- the steering and monitoring of commitments, and the accountability for climate action.

Operational tools to implement climate action

The operational implementation of AFD group's commitments and its climate action is ensured through a range of complementary tools and mechanisms, namely: the **AFD and Proparco sustainable development analysis framework**; country profiles and support for long-term trajectories; the deployment of **proprietary macroeconomic modelling tools**; the **climate characterisation** of interventions; **greenhouse gas accounting**; and **the aforementioned fossil fuel exclusion policy**.

The sustainable development analysis framework

Introduced in 2014, the **Sustainable Development Analysis and Opinion** mechanism aims to facilitate the cross-functional integration of sustainable development issues into the Group's financing operations (see Section 2.1.2.6.2). **It evolved in 2017 to integrate the new orientations of the Climate Strategy and the analysis of the consistency of projects with the 100% Paris Agreement commitment**, and was **updated again in 2022 and then in 2025** to adapt it notably to the commitments of the planet roadmap.

For the AFD, the sustainable development analysis framework sets out, in particular, a scoring system for low-carbon and/or climate-resilient projects based on a qualitative approach, accompanied by a user guide drawn up on the basis of the literature and international practices. The rating under this sustainable development analysis and opinion framework has an amplitude of -2 to +3: the projects receiving a negative rating are those that are inconsistent with the country's low-carbon and resilience trajectory.

With regard to the low-carbon transition dimension, it provides for an analysis of interventions based on their contribution to the drivers of the transition – namely political, technological, or relating to the practices of economic and financial actors and economic agents in general.

It should be noted that, in doing so, **the assessment of an intervention's consistency with a low-carbon transition is generally not directly linked to the level of gross greenhouse gas (GHG) emissions associated with the project considered in isolation**, but rather to its consistency in terms of technological choices, compliance with sectoral policies to be developed, and stakeholder practices in order to enable a sufficiently ambitious transition. The analysis therefore focuses primarily on the **types** of projects – and **ultimately on the expected long-term impacts of the transitions** – rather than on the GHG impacts directly attributable to the projects, which are nevertheless assessed separately (see below).

Specifically, the sustainable development framework gives a negative rating to projects that lead to a lock-in effect for GHG emissions in the context of their low-carbon development.

In 2022, the Group completed a project to converge sustainable development analysis systems. Proparco and Expertise France now have analytical frameworks that are consistent with the AFD's Sustainable Development Analysis and Opinion mechanism framework and tailored to the specific characteristics of their respective fields of activity.

The 2025 update of the AFD grid for low-carbon and resilience criteria also clarified and redefined a **set of attributes** that progressively characterise the increasing intensity of a **project's transformative nature**.

- With regard to the low-carbon dimension, the goal is to better reflect – beyond the concept of **relevance** to low-carbon trajectories – the potential systemic contributions of funded projects to the transition in terms of **scope** (cross-cutting nature, removal of systemic barriers, replicability) and **sustainability** (far-reaching impacts, long-term institutional mechanisms, management of political economy issues, citizen participation, etc.). These attributes will characterise the increasing transformative impact of activities, regardless of the lever involved (transformation of public policy, transformation of stakeholders, technical levers, etc.).
- Similarly, the resilience dimension incorporates this aspect of assessing the structural impact of the intervention on the actor or system, and will enable the identification of a portion of funding for transformational adaptation.
- These developments are consistent with the position taken by the international climate finance community on this issue (notably multilateral development banks and dedicated funds such as the ICF [1], CIF [2] etc.).

From an operational point of view, the selectivity inherent in the 100% Paris Agreement commitment is first and foremost implemented by the operational teams when identifying projects on the basis of these criteria. At AFD, projects are then submitted to a dedicated division (ADD) to analyse the coherence of each operation and to issue its opinion. At Proparco, the Impact division (IMP), which focuses on the low-carbon dimension, and the ESG division, which covers other dimensions (including resilience), are responsible for assigning negative ratings, thereby assessing the alignment of projects to be financed with Proparco's financing strategy. At Expertise France, this rating is discussed during project development committees and aims to confirm that the project being designed is in line with the commitment to be 100% aligned with the Sustainable Development Goals (SDGs).

Country profiles and support for long-term strategies

In order to carry out assessments of consistency with low-carbon and climate-resilient development, an understanding of the country-specific contexts is required. To this end, AFD group's Climate strategy introduced two tools that have been implemented:

- on the one hand, the systematic production of **country profiles** for all countries where the organisation operates, setting out the relevant structural characteristics of their economies and the long-term policies being pursued or envisaged with regard to the transition; the aim is to assess plausible pathways towards low-carbon development that is resilient to climate change at country level;
- on the other, support, through the **2050** Facility [3], for countries to **develop long-term strategies for low-carbon and resilient development**; the identification and ownership by countries of long-term strategies and sequences of public policies and investments to implement them will make the coherence analyses of interventions more robust.

Modelling tools at the service of countries

AFD is developing research programmes, in close collaboration with governments, central banks and regulatory authorities, aimed at conducting in-depth diagnostics on climate-related financial risks and developing recommendations for public policies and risk management strategies. To this end, AFD is working on three **complementary modelling tools** to provide support for countries in dealing with climate risks (physical and transitional) and analyse the macroeconomic dimensions of ecological transitions. A significant proportion of the projects involving the roll-out of these models in AFD's countries of operation is funded through the 2050 Facility.

On the one hand, the ESTEEM tool examines countries' exposure and vulnerability to transition risks in terms of employment, wages, tax revenue and exports. Identifying these vulnerabilities makes it possible to anticipate the macroeconomic effects arising from the dependence of the economies concerned on industries that are major emitters of greenhouse gases. The model thus helps to inform decision-making whilst taking into account the specific economic, social and environmental characteristics of countries, so that governments can implement long-term strategies within the framework of the Paris Agreement and the 2030 Agenda [4]

1) *ICF: International Climate Finance.*
2) *CIF: Climate Investment Funds.*
3) *The 2050 Facility, endowed with €40M, is an AFD tool which has provided support since 2018. 38 of AFD's partner countries, in the development and implementation of their long-term strategies for low-carbon and climate-resilient development. A number of these exercises were submitted to the secretariat of the United Nations Framework Convention on Climate Change (UNFCCC). The processes developed involve local capacity building and the mobilisation of international expertise. The Facility's support also makes it possible to back the JET-P (Just Energy Transition) partnerships through more targeted studies or the deployment of expertise.*
4) *UN Member States adopted the 2030 Agenda for Sustainable Development, known as the 2030 Agenda. It is an agenda for people, for the planet, for prosperity and for peace, through partnerships.*

GEMMES, another dynamic quantitative modelling tool developed by AFD, makes it possible to **calibrate transition strategies by analysing the macro-financial impacts of climate change**. The model tests transition scenarios towards low-carbon horizons by generating long-term trajectories.

Both ESTEEM and GEMMES feed into the **public policy dialogue on ecological transitions**, at the national and international levels, based on the principle that the various objectives – ecological, social, economic and financial – must be taken into account simultaneously. They are also based on **multidimensional indicators**, covering both economic and biophysical aspects (land resources, water resources, greenhouse gas emissions, etc.), in order to support countries in developing pathways towards high sustainability and to guide decision-makers on how to reconcile economic, social and environmental objectives.

Lastly, AFD is also developing a **research programme on transition risks and opportunities** based on a **microeconomic and financial approach**. The country studies produced as part of this programme are intended to inform public decision-making on low-carbon transition policies across a wide range of sectors (energy, fossil fuels, transport, industry and agriculture). By analysing transition scenarios, economic relationships and stakeholder dynamics in detail, this approach also enables businesses, financial institutions and local authorities to undertake strategic planning to reduce and better manage their exposure to transition risks, and to capitalise on the opportunities presented by this transition. This research programme and the multi-stakeholder dialogue that accompanies it aim to ensure that greater account is taken of the potential economic effects of low-carbon transition processes, with a view to strengthening the financial and social stability of these processes.

Climate finance characterisation interventions

Since 2012 – that is, prior to the Paris Agreement – all of the AFD group's operations have been categorised according to whether or not they deliver climate co-benefits, that is to say, added value in terms of policies or actions aimed at mitigating or adapting to climate change, within the framework of low-carbon and climate-resilient transitions (climate finance).

In 2017, the Group set itself the target of allocating at least 50% of its annual commitments to initiatives of this kind, or €6bn per year from 2025 onwards, subject to budgetary resources remaining available, building on a similar commitment made in 2012, which allocated 50% to AFD and 30% to Proparco.

In order to categorise its operations according to whether or not they generate climate co-benefits, AFD group has adopted a taxonomy, which is broadly in line with the "IDFC-MDB Common Principles for the Accounting of Climate Finance" [1] (with two components: mitigation and adaptation respectively). It should be noted that, with regard to mitigation, these common principles are based primarily on the implementation of low-carbon projects that result in a reduction or avoidance of emissions compared with an alternative baseline scenario [2]; the framework is not, in itself, designed to assess the appropriateness or effectiveness of measures aimed at accelerating the transition in a given country [3].

This taxonomy is therefore relevant for tracking AFD group's target, set for 2025 onwards, of allocating at least €6bn in annual commitments to climate co-benefit interventions (subject to the availability of budgetary funds); but it must necessarily be combined with the Sustainable Development analysis, which remains essential to ensure consistency with a country's transition and to verify compliance with the 100% Paris Agreement commitment.

Moreover, the context surrounding international climate negotiations [4] calls for a **greater focus on improving the effectiveness of public climate finance**. Public climate finance should therefore be directed primarily towards initiatives – particularly projects with systemic effects – that are capable of accelerating the transitions and mobilising and redirecting investment flows, in line with the objectives of the Paris Agreement. It is in this respect that AFD group's planet roadmap suggested characterising (in the framework of the SDAO) and maximising the provision of this transformational finance (see Section 2.1.2.1.2).

Lastly, while Expertise France does actively, as part of its mandate to combat poverty and safeguard global public goods, contribute to protecting the planet through action to mitigate and adapt to climate change, the proportion of funding strictly dedicated to climate action is not recognised separately within its operations.

Recognising greenhouse gases (GHG)

In 2012, AFD group adopted a dedicated tool for **calculating emissions associated with projects across 30 sectors of activity**, based on a tool originally developed by Ademe (the Bilan Carbone® tool). The tool is available free of charge online and is also used by many service providers, notably in France.

It should be noted that this tool enables GHG emissions to be calculated, primarily in the context of funding allocated to physical assets. Mitigation funding directed towards technical assistance or public policy, even though it is always intended to contribute to the conditions for systemic mitigation, and thus to the **ultimate GHG reductions** necessary for the decarbonisation of the economy, can rarely be attributed a specific figure for emissions avoided due to the dilution of the causal chain between the funding – which is always partial at the level of national budgets and economies – and the actual outcomes.

1) *"MDB-IDFC Common Principles for Climate Mitigation Finance Tracking", published in July 2015 and revised in 2020 and 2023.*
2) *Most often, this refers to a 'business as usual' scenario, i.e. one involving an alternative project using standard technologies, or a situation where no project is in place.*
3) *For example: a grant-funded technical assistance project leading to a reform of standards with a significant structural impact on emissions from the building sector at national level will be valued at the amount of the grant; a loan of a higher amount for improving the energy efficiency of a single building, with limited effects on associated emissions, will de facto be valued more highly (possibly up to the amount of the loan) within this framework.*
4) *Notably, the text negotiated in Baku at COP 29 regarding North-South Climate Finance flows.*

A calculation of greenhouse gas emissions directly associated with projects and interventions – even though it therefore covers only part of AFD group's activities and can reflect only a fraction of its overall impact – remains essential in a context where:

- it generally reflects an understanding of these figures, and the reporting of **projects' direct emissions** has been in line with the practice of multilateral donors for several years;
- the **physical carbon intensity** (CO_2eq/unit produced) of projects or customers plays a significant role in assessing their position within the low-carbon transition of their markets;
- in specific contexts, some projects could also have a massive impact on emissions, which in itself could jeopardise the achievement of national mitigation targets; in certain country contexts and up to 2025 (1). AFD group had set an emissions cap of 1 MtCO_2eq per project, above which it would not participate in the project;
- an analysis of **avoided emissions** is required across a number of infrastructure sectors to substantiate the characterisation of an initiative as climate finance;
- Finally, the specific accountability requirements attached to green bonds include reporting on the calculation of emissions avoided for a set of pre-determined projects.

It should be noted, however, that while these emission calculations are reported and published, they are not subject to quantitative targets for the AFD group's climate action management.

Tools for assessing climate-related financial risks

Analysis of climate risks for sovereign customers

AFD systematically integrates the appraisal of climate-related financial risks into its country and sovereign risk analyses.

For physical risks, a methodological framework assesses countries' exposure to fourteen climate-related hazards (droughts, floods, cyclones, etc.), based on their territorial and sectoral vulnerability. The analysis is based on a worst-case scenario (IPCC RCP 8.5 (2)) and draws on international indices (ND-GAIN (3)), external reports (World Bank) and the historical impacts of climate shocks. It includes possible socio-political repercussions (migration, social tensions, food security). This analysis can be applied to different time horizons (2040, 2070, 2100). These time horizons were defined over 30-year periods to take into account climate change. Furthermore, the 2040 horizon is the most suitable with regard to the AFD portfolio, as well as the country risk and sovereign risk analysis horizon. The capacity and ambition of adaptation policies strongly influence the magnitude of these risks.

Transition risks are assessed using the country's emissions profile (greenhouse gas trajectory and sectoral composition, carbon and energy intensity, and energy mix). A model that combines country vulnerability with a sectoral score provided by the French Prudential Supervision and Resolution Authority (ACPR) assesses the extent to which economies are dependent on declining sectors in the context of the low-carbon transition. The analysis also takes into account countries' macro-financial and social vulnerabilities, as well as their transition policies, which may either mitigate or exacerbate the risk.

Climate risk analysis for non-sovereign customers

AFD integrates climate risks into the credit risk analysis, i) in the final rating for historically materialised climate-related financial risks, ii) as a non-financial score for forward-looking climate-related financial risks.

AFD's climate-related financial risk analysis tools have had no impact on counterparties' credit ratings to date. However, the structure of the projects may have been affected by the climate-related financial risks identified.

The raw climate risk vulnerability scores for AFD's non-sovereign customers are largely based on the same tools and databases as those used for analysis at the sovereign level. They enable an assessment of customers' exposure to transition risks and climate-related hazards, based on their location and sector of activity. A more detailed analysis of these risks, using a questionnaire and a qualitative, case-by-case assessment of adaptation and mitigation measures, enables a net assessment of climate-related financial risks to be carried out.

These two tools, which are integrated into the AFD's information system and applied across all of the AFD's areas of operation, enable monitoring at both the micro (customer) and macro (overall portfolio) levels.

The analysis of climate-related financial risks for Proparco's customers is based on the same approach and the same tools. It has been implemented gradually since 2025, initially covering the physical risks of the portfolio's counterparties on the debt portion, and aims to analyse the physical climate-related financial risk of the entire portfolio (excluding guarantees) by the end of 2026.

For the non-sovereign segment, the time horizon is 2050 based on the scenarios of the 2020 ACPR stress test. For sovereigns, our approach is static and based on an analysis of countries' emissions profiles, their exposure to sectors deemed to be in decline as part of the transition (the ESTEEM model), their macroeconomic and socio-political vulnerability, and national mitigation policies.

Resources: SDG refinancing

All of AFD group's interventions comply with the Group's Climate Strategy and operational requirements. *De facto*, all the resources mobilised – including, of course, SDG bond issues (see Section 2.1.2.3) – contribute to the implementation of this strategy and therefore to financing the transitions.

1) *This provision is not included in the Planet 2025-2030 roadmap.*
2) *RCP stands for "Representative Concentration Pathways", which is a scenario for the future evolution of greenhouse gas concentrations; RCP 8.5 is the most pessimistic scenario.*
3) *The Global Adaptation Institute has published a world map that summarises each country's vulnerability to climate change and other global challenges, alongside its commitment to improving resilience.*

Governance and organisational arrangements

Governance

The role of the Board of Directors

The AFD Board of Directors approved the **2017–2025 Climate Strategy and the 2025–2030 planet roadmap**, which set out all the measures underpinning the Group's response to the objectives of a transition plan.

The Board of Directors also approved the energy transition strategy, which covers the entire energy sector and sets out the Group's exclusion policy regarding fossil fuels, as well as its mid-term review in October 2021. The Board of Directors considers financial support allocated by AFD on the basis of project proposals that systematically outline the project's alignment with the climate strategy, the climate risks associated with the project, and the sustainable development assessment.

Proparco's Board of Directors determines the orientations of Proparco's activities and ensures their implementation. It validated Proparco's 2023-2027 strategy, which is a variation of the Group's strategy and includes a strong climate component, notably with a view to increasing financing for mitigation and adaptation actions, backing customer transitions and promoting innovative solutions.

The Expertise France Board of Directors is responsible for deliberating on the institution's affairs, notably its general organisational and operational procedures, its Objectives and resources contract (COM), and its strategic orientations. To this end, it supported the climate objectives set out in the Objectives and resources contract, which aim to facilitate a fairer transition and promote adaptation and mitigation in the face of climate change. The Board of Directors also discusses the financial and budgetary management of the establishment.

The Executive Committee

AFD's Executive Committee meets several times a year to address major issues relating to the Sustainable Development Goals, climate in particular. It oversees the implementation of AFD group's climate and biodiversity objectives and confirms their major guidelines. Every two years, the Executive Committee is informed of the work on climate and nature-related financial risks, pursuant to the internal roadmap on the subject.

Proparco's Executive Committee brings together Executive Management and the directors of the various departments. It discusses internal guidelines and policies and manages the activity, including its climate dimension: climate finance and alignment of operations with the Paris Agreement.

Expertise France's Executive Committee is the company's general steering body. The Chief Executive Officer relies on the Executive Committee to ensure the implementation and monitoring of the commitments set out in the Objectives and resources contract and for any question relating to the internal organisation of Expertise France, in particular with regard to climate issues. COMEX is committed to protecting the planet through initiatives aimed at mitigating and adapting to climate change, as well as preserving biodiversity. It determines the decisions and implementation arrangements for this strategy and monitors key performance indicators, including climate-related issues.

The Risk Management Committees

See Chapter 4 of the Universal Registration Document. The assessment methodologies and aggregate indicators of the non-sovereign portfolio's exposure to climate-related financial risks are presented to the **Risk Management Committee**. The climate-related physical risk analysis methodology was validated by the Country Risk Management Committee in May 2019, while the one for climate-related transition risk was validated in May 2022.

The Steering Committee on climate and nature-related financial risks is an internal committee comprising members from various Executive Departments, units and divisions at AFD group. Its role is to steer and monitor the climate and nature-related financial risks roadmap and to coordinate the work of the various teams. The Steering Committee brings together teams working in the Executive Departments in charge of Operations, Risks, Research and Strategy and includes Proparco. It meets twice a year and reports regularly to the Executive Committee on progress made on the roadmap on climate and nature-related financial risks.

Proparco's Risk and Audit Committee advises the Board of Directors on matters relating to the organisation's overall strategy and risk appetite, by regularly reviewing the associated strategies, policies, procedures, systems, tools and internal controls. As part of its remit, it assesses the main risks to which Proparco may be exposed: credit risk, balance sheet and market risks, operational risk, compliance risk and reputational risk. It also takes into account ESG and climate risks that may influence its credit, operational and reputational risks in light of regulatory and non-financial reporting requirements (CSRD).

Organisational arrangements

The operational teams

AFD's and Proparco's entire operational system feeds into the implementation of the Group's planet roadmap. The network's local offices, working at the grassroots level, enable the Group to establish initial contact with customers and beneficiaries of projects, identify potential projects, and maintain an ongoing dialogue throughout their implementation.

Forming part of the Sustainable Development Solution Department (SDD), the technical divisions take the lead on projects funded by AFD, overseeing their appraisal and the associated due diligence, as well as providing technical monitoring during the implementation phase.

The relevant AFD group teams are presented below:

AFD group organisation chart showing the structure and governance arrangements for climate and nature issues

PROPARCO registered office
Divisions involved, by Department

The Business Development & Network (PRP)

In charge of identifying new projects aligned with strategic impact objectives. It also plays a role in raising client awareness of environmental issues.

Support for Sustainable Development (A2D)

The **ESG** assumes responsibility for the environmental impact management policy and its implementation in projects

The **Impact Measurement** (IMP) **division** supports the project teams on nature-related themes and manages nature impact accountability exercises.

Financing (FNT) & Investments (INV)

Composed of project team leaders, they develop projects in line with Proparco's strategic plan mandate.
These departments also establish Proparco's sectoral strategies

EXPERTISE FRANCE registered office

Operations department

Supports teams and partners in the implementation of nature projects.

AFD registered office
Divisions involved, by Executive Management

Regions (GEO)

Management of operational activity: construction of a programme integrating Nature objectives.
The geographical departments identify and monitor operations that meet the Nature targets within their scope of intervention

Sustainable Development Solutions (SDD)

The sectoral technical divisions develop nature expertise related to their sectoral field of activity in order to include it in the instruction and monitoring of projects.They act as the link with local offices and the various support teams to achieve the Nature targets

The Climate and Nature (CLN) division oversees the implementation of the Group's Planet roadmap, identifies biodiversity co-benefits, coordinates nature accountability, supports project teams in integrating nature into projects, and participates in methodological development and dialogue with peers on Nature topics

The **Environmental and Social Support** (AES) division manages environmental (negative impacts) risks in projects

Innovation, Strategy and Research (ISR)

The **Sustainable Development and Opinion** (ADD) unit integrates the biodiversity dimension and analyses the project's alignment with the CMB

The **Economic Assessment and Public Policy** (ECO) division includes natural hazards into country analyses and manages studies on the financial impact of the low-carbon transition

The **Group Accountability and Social Responsibility** (CSR) **unit** is in charge of the environmental responsibility action plan and the environmental complaints management system

Risks management (DXR)

The **Group Risks Department** (GRD) strengthens and manages the ESG risks management system

Within this department, the Credit, **Climate and Second Opinion** (CCS) division is working on the development of methodologies for appraising nature risks in portfolio risk assessment

Mobilisation of international partnerships (MIP)

Strategic partnerships: IDFC, FICS and Peer Dialogue.
Management of **delegated external funds**

Decision-making bodies

The AFD, Proparco and Expertise France **Boards of Directors**

Committees involved in managing nature risks

The **Group Audit and Risks Committees** (GARC)

The AFD **Risks Committee** (CORIS)

The Proparco **Risks and Audit** Committee (RAC)

The **Steering Committee** (COPIL) for the Group's climate and nature financial risks

AFD, PRO and EF network

The **regional departments** steer the portfolio's nature objectives, lead regional initiatives and dialogues, and support the local offices

The **network of local offices** plays a key role in identifying, monitoring and implementing projects with biodiversity co-benefits

Network of nature officers at head office, local offices and regional directorates (AFD)

Technical teams working on climate due diligence

A team dedicated to climate issues: since 2022, the Climate and Nature Division (CLN) has unified climate and nature issues within a single entity. Comprising around twenty staff members within the Sustainable Development Solutions Department and responsible for coordinating these matters across the AFD group [1], this team is tasked with developing and monitoring the implementation of the Group's planet roadmap.

On climate and nature issues, the CLN Division has two main missions:

- it works alongside the operational teams to consolidate the recognition of climate and nature issues in all the Group's sectors and regions. To this end, it provides support for the appraisal of projects and operational strategies, ensures the deployment of five climate and nature facilities (2050 Facility, AdaptAction Programme, French Overseas Departments and Collectivities Adaptation Initiative, Blue Carbon Facility, and Nature-based Solutions in Asia), develops methodologies and tools to identify climate and nature issues for each country, and develops sustainable and fair development trajectories. It develops and updates the accounting methodologies for climate and nature finance. It calculates the anticipated contribution of projects financed by AFD to climate change mitigation and adaptation, as well as to the conservation and sustainable management of biodiversity; it ensures the accountability of this contribution;
- It helps to mobilise international climate finance, particularly through the Green Climate Fund [2], and maintains partnerships with other donors, French and international think tanks, French banks, NGOs and French government departments. It backs France's environmental diplomacy in international negotiations, engages with its peers (multilateral, national and regional banks in the IDFC Club [3] and the Finance in Common network [4]), and promotes the AFD group's climate and nature initiatives.

In line with the Group's climate goals, efforts have been made to share climate expertise. The CLN Division relies on a **network of more than 100 focal points at the head office**, in all Executive Departments and in the network of AFD local offices at the regional level as well as in certain countries. Climate and nature focal points are responsible for assisting teams in integrating climate considerations into their activities and for coordinating their respective organisations' contributions to the objectives of the climate strategy. AFD engages with the community of climate focal points through fortnightly newsletters, regular meetings and an annual seminar. The CLN Division develops and conducts internal training for staff at the head office or in the network of local offices, and externally for its partners. In addition to the climate focal points, a team of cross-functional project managers (11 employees in 2025) based in the Group's overseas network provides specific support to ensure that climate considerations are taken into account in operations right from the outset.

The **sustainable development opinion** is issued to AFD by an independent structure, housed within the Strategy Unit of the ISR Executive Department, composed of seven full-time analysts. (See Section 2.1.2.6.2).

The Economic Diagnostics and Public Policies Department manages the implementation of macroeconomic studies and the ESTEEM and GEMMES models, and the Country Risk Division develops climate risk analyses for sovereign clients.

Proparco has a dedicated department (A2D) to ensure that sustainable development issues are taken into account in its operations and by its customers, and to support the improvement of practices. It brings together Proparco's experts in three areas: Environmental, Social and Governance (ESG); impact measurement and management (IMP); and technical support and pooling of resources (ATM). These teams address a wide range of climate-related issues: assessing the physical climate risks to which projects are exposed; analysing the risk of operations being out of line with the Paris Agreement; recording the climate co-benefits of operations; mobilising delegated funds such as those from the Green Climate Fund; and working with customers in integrating climate considerations into their strategies and operations.

Expertise France has a dedicated department (Sustainable Development) to ensure that these issues are taken into account in its operations. The department is made up of four units: agriculture, energy, urban development, and the circular economy and biodiversity. It is made up of a team of about 80 people. A dedicated climate advisor is in place to assist teams and provide support for sustainable development initiatives in this department, as well as across all others. Projects from other departments can also have very good SDG climate ratings.

Mobilisation of partners and public institutions

IDFC

AFD group is particularly active in the IDFC Club, helping to monitor progress on the Ambition Declaration [5] issued at COP26, which aims to (i) end international financing for new coal-fired power plants without carbon capture, and (ii) secure a financial commitment of $1.3 trillion in green finance over the 2019–2025 period. AFD group encourages its peers to adopt and implement strategies aligned with the Paris Agreement. It helps IDFC to promote the financing of transformative interventions by public development banks, building on the Club's contribution to the work on the New Collective Quantified Goal on Climate Finance (NCQG) and the Sharm el-Sheikh dialogue (on the alignment of financial flows – Article 2.1c of the Paris Agreement).

1) *Including Proparco, which draws on this expertise and also has in-house expertise.*
2) *or Green Climate Fund; This fund is formally a financial instrument of the UNFCCC and as such is covered by the 2015 Paris Agreement and is the subject of recurrent negotiations during COPs.*
3) *International Development Finance Club – a network of 26 national, regional and bilateral development banks; see above.*
4) *Finance in Common (FiCS) – network of public development banks aimed at strengthening partnerships among development banks in order to align their financing with the Sustainable Development Goals and the Paris Agreement.*
5) *Finance in Common (FiCS) – network of public development banks aimed at strengthening partnerships among development banks in order to align their financing with the Sustainable Development Goals and the Paris Agreement.*

Finance in Common (FiCS)

AFD, which hosts the FiCS General Secretariat, aims to strengthen dialogue among the key networks in the financial ecosystem – namely public development banks, regulators in the central bank Network for Greening of the Financial System (NGFS), and private sector stakeholders – as well as with major international governance bodies such as the G20 and the United Nations. FiCS facilitates the exchange of best practices, the publication of research findings and a strong collaborative spirit, which is brought to life each year at the FiCS Summits.

AFD also places great emphasis on partnerships with civil society, researchers and think tanks as part of its work, with a view, notably, to promoting innovative approaches.

EDFI

EDFI's role [1] is to promote technical and financial cooperation among its members, as well as with other bilateral, multilateral and regional development finance institutions. Cooperation with European institutions has, notably, led to several agreements governing their investments, such as the guiding principles for responsible financing and offshore financial centres. It also made possible the creation of two common funds: the European Financing Partners (EFP) dedicated to private sector financing in the African-Caribbean-Pacific (ACP) region, and the Interact Climate Change Facility (ICCF) dedicated to the development of renewable energies and energy efficiency in the countries of the South. Steering and accountability as part of the work on low-carbon and resilient transitions.

Steering, monitoring of commitments and accountability of climate action

Steering framework

Pursuant to AFD group's established approach of systematically providing support for transitions since 2017, the main challenges identified in terms of governance and accountability fall broadly into three categories; they relate to:

- compliance with commitments and objectives regarding the coherence of interventions backing the transitions of sovereign and non-sovereign actors (the 100% Paris Agreement commitment), on the one hand, and the provision of funding generating substantial added value in this area (target of €6bn in annual commitments from 2025 onwards), on the other;
- **optimising the effects of the Group's climate action**; the measurement of the effects of AFD group's action in terms of backing the transition and the tools to guide the most efficient implementation possible in this respect are necessarily complex:
  - its activities – in line with the expectations of the Paris Agreement – go beyond financing strictly earmarked for low-carbon investments or those simply adapted to climate change, where the benefits are quantifiable and attributable, to include a significant proportion of non-earmarked financing, including public policy loans or corporate loans not directly earmarked, underpinned by the adoption of strategies and practices conducive to the transition, the effects of which, in terms of decarbonisation and resilience (including economic and social resilience), are generally deferred and difficult to attribute solely to the actions of the financiers,
  - for this reason in particular, the optimisation of effects cannot be reduced to a search for maximisation of the figures for immediate positive impacts expressed in terms of volume or intensity of greenhouse gases. However, it should also be emphasised that the unit cost of such direct investment-related impacts (in terms of mitigation or adaptation [2]) varies considerably from one sector and context to another; therefore, applying such an approach solely to the scope of investment financing could not be adopted without the risk of exacerbating the challenges faced by hard-to-abate sectors or further undermining the financing of adaptation. **No quantitative target has therefore been set for greenhouse gas emissions.**

In this context, **efforts to optimise the effects** involve, in particular:

- the robustness and accuracy of the analysis of customers, of their specific risks and opportunities in the context of a low-carbon and resilient transition, and of the analysis of **how interventions contribute to this framework**. These two aspects are at the heart of the SDAO mechanism applied to the Climate dimensions;
- the **assessment of transformational initiatives**: the sustainability rating system uses these analyses to assess transformational initiatives by distinguishing between different levels of quality (systemic scope with specific sustainability elements); **the Group's planet roadmap also sets out the ambition that 50% of the Group's climate finance by volume will achieve a transformational rating** under the sustainability analysis during the roadmap's implementation period;
- calculating project-related emissions (avoided or absolute emissions) and using this data against benchmarks in a few relevant configurations;
- monitoring of impacts *via* the results and impacts framework (RIF);
- the ongoing monitoring of customers' climate and transition initiatives, which is notably carried out as part of the **analysis of physical and transition climate-related financial risks, and for sovereign customers through country analyses (profiles)**.

Continued improvement of evaluation processes and of the associated accountability

In this regard, the 2025–2030 planet roadmap introduced, notably:

- improvements to the sustainable development analysis framework to enable a robust characterisation of transformational operations in line with the principles developed by development practitioners (notably multilateral banks and vertical funds) in this field;
- stronger support for economic stakeholders, including public enterprises and local authorities;
- real-time benchmarking of greenhouse gas intensities for projects funded in certain relevant sectors.

1) Association of European Development Finance Institutions (https://edfi.eu).
2) Expressed in €/tCO_2e avoided or €/person whose vulnerability is reduced, for example.

Moreover, the current establishment of a results and impact monitoring, knowledge management and evaluation function puts the **AFD group's monitoring and evaluation policy** into practice [1], with a target of 50% of operations being evaluated independently of the operational teams.

Financed Emissions portfolio

As part of its CSRD obligations, **AFD group carried out, for the first time in 2025, an exercise to estimate customer-related emissions weighted by their respective outstanding financing balances at the Group, covering the entire portfolio of active financing, which is reported separately in Section E1-6 of this sustainability statement**.

This exercise does not reflect emissions from financed projects, which are covered by the quantitative assessment exercises described above, but rather a portion of emissions from customers (including country customers).

The fact that a significant proportion of AFD group's operations are not earmarked, combined with the risk approach that prevails in some of these exercises, has in fact led to these issues being assessed on a customer-by-customer basis rather than a project-by-project basis under the CSRD. These figures are also assessed in absolute terms and in terms of intensity as part of CRR3 accountability Capital Requirement Regulation 3 for a sub-segment – non-financial corporate – of AFD customers.

However, portfolio issuance figures weighted by outstandings cannot be used to steer the Group's climate action for fundamental reasons relating in particular to:

- **the Group's positioning, mandate and objectives in this field:**
  - The "financed emissions" figures are based on a **retrospective**, **institution**-focused review, whereas the Group's approach is **proactive** in working with its **customers**, in line with the expectations of the Paris Agreement, which, moreover, does not impose any requirements regarding the inventories of financed emissions on financial institutions in the broad sense,
  - **the Group's objective is therefore not to reduce its own financed emissions**; rather, it is to reduce its customers' ultimate emissions as part of a sustainable, low-carbon and resilient development strategy in line with the Paris Agreement;
- **the need for project-by-project assessments carried out within their specific context** to ensure that interventions are consistently aligned with low-carbon and resilient development trajectories; monitoring based on changes in aggregate indicators such as total financed emissions or emissions intensity does not in any way provide the information required for this type of assessment;
- **an assessment of the institution's financial transition risk based on the aggregation of exposures** deemed to pose a transition risk, rather than on an aggregate of customers' carbon footprints (whether in terms of intensity or absolute figures).

In light of the above, the Group does not set itself any targets for financed emissions – whether in terms of absolute emissions or emissions intensity – as part of its mandate to back transitions or manage risks (as permitted by CSRD Guideline E.1-14 for entities).

Monitoring commitments and accountability for climate action

Meeting the 100% Paris Agreement commitment

Over the 2017-2025 period, eight projects out of approximately 5,700 projects awarded were subject to exceptional financing decisions, even though an unfavourable rating had been issued in the sustainable development opinion on one of the climate dimensions. These cases involved situations where a negative assessment at an advanced stage of the review process, which had been challenged by the technical and/or regional departments, led to a formal decision by the Arbitration Committee chaired by AFD's Executive Management before the matter was submitted to the Board of Directors for funding approval.

Quantitative evolution of projects 100% behind the Paris Agreement [2]

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	Target
Number of projects	152	181	236	193	192	217	342	348	301	
Of which projects rated as "100% behind the Paris Agreement" *via* sustainable development analysis	147	180	234	191	190	216	342	346	301	
Percentage	**96.7%**	**99.4%**	**99.2%**	**99.0%**	**99.0%**	**99.5%**	**100%**	**99.4%**	**100%**	**100%**

AFD and Proparco figures for climate finance mitigation and adaptation

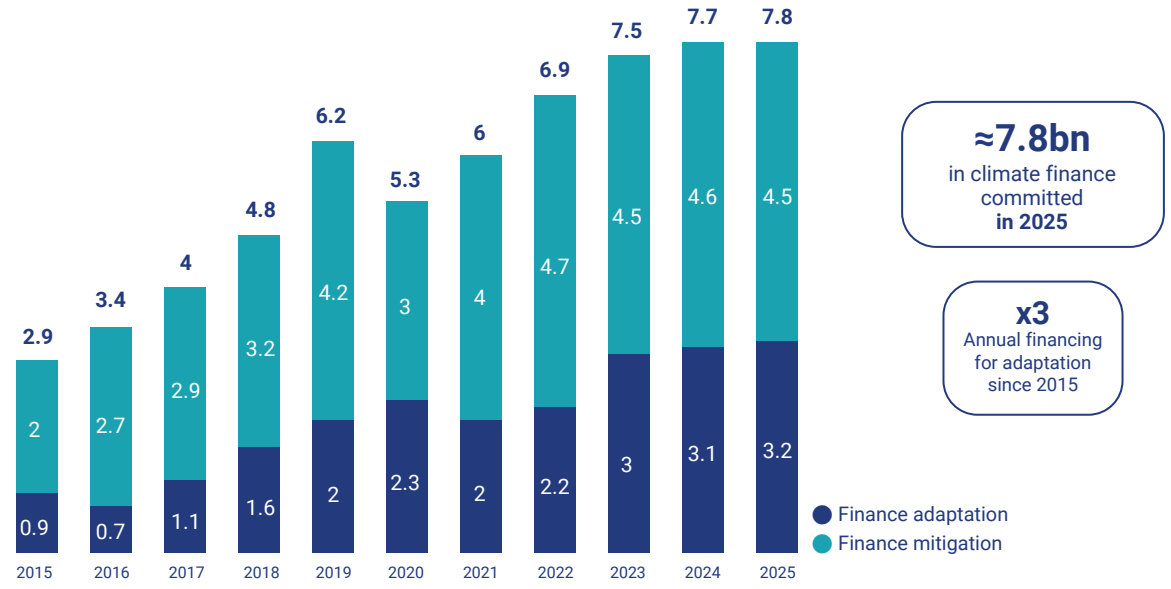
In 2025, the Group committed (financing approvals) €3.2bn to adaptation finance and €4.5bn to mitigation finance. The total climate finance figure for 2025 was therefore higher than the Group's target of €6bn set as of 2025. Despite the ambitious target set in 2017 – extending the Group-wide commitment to dedicate at least 50% of its activities to climate projects – the Group managed to meet this consolidated target every year from 2017 to 2020, and has consistently exceeded it from 2021 to 2025 (the year the commitment was revised). These figures are also monitored by region and by sector.

1) *https://www.afd.fr/sites/default/files/2025-03-11-56-49/politique-suivi-evaluation-groupe-afd-WEB.pdf*
2) *The data presented is limited to the AFD scope from 2017 to 2022 and then supplemented by data relating to the Proparco scope since 2023 and Expertise France in 2025. The 2025 data therefore corresponds to the Group scope. Furthermore, for AFD, the scope is limited to approved projects that have been subject to a sustainability assessment, which account for more than 80% of AFD's projects in terms of amounts. For Proparco, the scope is limited to projects with a SD rating representing 88% of projects.*

Quantitative change in financing characterised as Climate for the Group

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025	Target
Group climate financing *(in €bn)*	4.0	4.9	6.2	5.4	6.0	6.9	7.5	7.7	7.8	6.0
AFD	3.4	4.3	5.5	4.8	5.3	6.0	6.4	6.8	6.5	
Proparco	0.6	0.5	0.7	0.6	0.7	0.9	1.0	0.9	1.3	
% Climate Finance	49.1%	48.6%	48.0%	46.7%	53.5%	61.4%	62.1%	59.4%	63.1%	

Development of Group commitments (in €bn)



Transformational finance figures

From early 2025, the monitoring and management of the objective associated with the share of finance characterised as transformational within climate at AFD is made possible due to the implementation of the corresponding characterisation criteria within AFD's sustainable development analysis grid. A Proparco 2025 figure could only be produced on the basis of a retrospective restatement of the portfolio. The criteria and indicators for transformational finance were rolled out in early 2026 at Proparco, which will contribute to the Group indicator from the next financial year.

For 2025, the level of transformational climate finance at AFD group level is therefore net of the Proparco portion.

For 2025, €4.6bn of AFD's climate finance has been classified as transformational, representing 71% of AFD's climate finance and 59% of the Group's climate finance.

Exclusion of fossil fuel financing, other indicators of the results and impacts framework

The exclusion list contributes to the selectivity process of AFD group's interventions, in order to ensure that interventions are consistent with AFD's sustainable development mandate on environmental and social aspects.

The AFD group has adopted a results and impacts framework (IRC, see Section 2.1.2.4.2.) which makes it possible to report on some of the direct impacts of projects and programmes financed by AFD. The number of total indicators is limited in order to provide the reader with a first partial illustration of the impacts of the AFD group's action. Thus, for adaptation, the indicator selected is the number of people whose climate resilience is improved by the projects.

Indicators relating to the exclusion of fossil fuel financing and impact monitoring

Year	2025
Number of projects derogating from the exclusion list	-
Number of people whose climate resilience is improved	3,521,794

Figures for CO_2eq emissions avoided or reduced

As mentioned above, the estimated figure for emissions avoided can be calculated primarily (in particular using the AFD Bilan Carbone® tool) for funding allocated to physical assets. Since 2013, the Group has reported annually the total estimated annual average CO_2eq emissions avoided (ex-ante calculation based on an alternative scenario) or reduced (absolute reduction) attributable to mitigation projects for which a financing decision was made during the year. In the case of co-financing, the figure for emissions avoided or reduced by a project does not depend on the proportion of the project's funding provided by the Group; instead, the total annual emissions avoided by each project are stated in this context. This figure is also flawed from a physical standpoint, as it corresponds to the sum of average annual emissions associated with projects of varying durations.

The aggregate figure amounts to 54.4 $MtCO_2$eq for 2025. This figure is subject to significant year-on-year fluctuations, particularly as a few projects alone can have a major impact on this aggregate (this was the case in 2025, with a Proparco project having a significant impact on the figure, but this occurs relatively frequently - see table below; for example, the figure was 5.2 Mt in 2024, 2.8 Mt in 2023, 10.5 Mt in 2022 and 5.5 Mt in 2021 for equivalent commitment volumes).

Change in the aggregate volume of estimated CO_2eq emissions avoided (in MtCO2eq/year)

In $MtCO_2$eq/year	2020	2021	2022	2023	2024	2025
AFD	3.5	3.9	4.3	2.4	2.4	1.6
Proparco	1.1	1.6	6.2	0.4	2.9	53.0
Group	4.6	5.5	10.5	2.8	5.2	54.6

Proparco, through its impact report, monitors the achievement of the emission reductions estimated at the time the projects were approved. This exercise forms part of an annual impact monitoring process carried out over the five years subsequent to the signing of projects across the entire portfolio.

Sectoral breakdown of average annual CO_2eq emissions of projects — AFD and Proparco

This is the sum of the average annual gross emissions calculated ex-ante for projects for which a funding decision was made during the year. The same constraints as those applied when calculating avoided emissions – regarding the scope of application and the meaning of an aggregated figure – apply here as well. Changes from one year to the next, and in terms of sectoral breakdown, are also significant. The figure published for 2023 in this respect was 4.7 $MtCO_2$eq, compared with 7.4 $MtCO_2$eq in 2022.

Although almost all of the physical projects funded by the Group result in emissions (including mitigation projects, with the exception of projects such as carbon sequestration that lead to an absolute reduction), the calculation focuses on the sectors and projects with the highest emissions, which are primarily infrastructure projects.

From 2020 to 2025, the aggregate figures for calculated project emissions were as follows:

AFD - absolute emissions and sectoral breakdown

Sector	$ktCO_2$eq/ year 2020	% emissions 2020	$ktCO_2$eq/ year 2021	% emissions 2021	$ktCO_2$eq/ year 2022	% emissions 2022	$ktCO_2$eq/ year 2023	% emissions 2023	$ktCO_2$eq/ year 2024	% emissions 2024	$ktCO_2$eq/ year 2025	% emissions 2025
Agriculture	390	26.7%	109	12.7%	5,248	79.8%	569	20.0%	229	5.0%	241	47.9%
Water and sanitation	241	16.5%	248	29.1%	223	3.4%	177	6.2%	1,203	26.2%	140	27.8%
Energy	579	39.6%	130	15.3%	622	9.5%	2,004	70.5%	183	4.0%	45	8.9%
other	0	0.0%	76	8.9%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Transport	251	17.2%	124	14.5%	292	4.4%	82	2.9%	2,438	53.2%	61	12.1%
Local authorities	0	0.0%	146	17.1%	192	2.9%	11	0.4%	481	10.5%	14	2.8%
Education and health	0	0.0%	21	2.4%	0	0.0%	0	0.0%	52	1.1%	2	0.4%
TOTAL	**1,462**	**100%**	**853**	**100%**	**6,577**	**100%**	**2,843**	**100%**	**4,585**	**100%**	**503**	**100%**

Proparco - absolute emissions and sectoral breakdown

Sector	$ktCO_2$eq/ year 2020	% emissions 2020	$ktCO_2$eq/ year 2021	% emissions 2021	$ktCO_2$eq/ year 2022	% emissions 2022	$ktCO_2$eq/ year 2023	% emissions 2023	$ktCO_2$eq/ year 2024	% emissions 2024	$ktCO_2$eq/ year 2025	% emissions 2025
Agribusiness and agriculture	879	52.5%	469	15.5%	43	3.3%	857	52.8%	571	19.0%	2,613	5.0%
Energy	192	11.5%	81	2.7%	87	6.6%	49	3.0%	212	7.1%	169	0.3%
Industry	596	35.6%	1,747	57.7%	178	13.5%	54	3.3%	1,095	36.5%	45,635	87.1%
Infrastructure	6	0.4%	0	0.0%	867	65.8%	595	36.7%	771	25.7%	3,497	6.7%
Services	0	0.0%	0	0.0%	0	0.0%	68	4.2%	347	11.6%	492	0.9%
Finance	0	0.0%	562	18.5%	129	9.8%	0	0.0%	0	0.0%	0	0.0%
Other	0	0.0%	171	5.6%	13	1.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL	**1,674**	**100%**	**3,030**	**100.0%**	**1,318**	**100%**	**1,623**	**100%**	**2,995**	**100%**	**52,405**	**100%**

Beyond the limitations of interpretation associated with their literal meaning or their significant annual variability depending on the nature of annual commitments, these aggregated figures or their trends do not in themselves provide specific information regarding the quality of interventions in the context of transitions, particularly given the very small scale of the volumes calculated relative to global or regional carbon budgets, and more generally the lack of an intrinsic benchmark.

The physical CO_2eq intensity of each project – that is, the ratio of greenhouse gas emissions per unit produced – was not formally used for systematic reporting purposes until 2025. In certain sectors where the technologies required to meet the Paris Agreement's targets are rapidly converging globally, a sector-wide aggregate indicator based on this approach could demonstrate that, on average, all funded projects are aligned with the desired global trends in emission factors. This option applies only to certain industrial sectors – cement, steel and chemicals – at AFD group, representing a small proportion of its commitments.

For these sectors, the 2025–2030 planet roadmap therefore sets out a concrete proposal to align the average CO_2eq intensity per unit produced by projects funded in a given year with an overall sectoral target intensity derived from international scenarios (primarily from the International Energy Agency (IEA)) for 2030, then 2040 and 2050, and also to report, in order to demonstrate a commitment to consistency at the level of each project, the figures relating to the projects launched during the year that perform least well within their sector.

2.2.1.1.3 Managing climate-related financial risks

Roll-out of the climate risk management system

Following the work undertaken since 2017 on the assessment of climate-related financial risks, and in accordance with regulatory guidelines (in particular CRD6/CRR3 and the European Banking Authority's guidelines on ESG risk management), AFD group is continuing to roll out its climate and ESG risk management framework more broadly, which forms part of and complements its overall risk management framework.

The tools and methodologies for assessing physical and transition financial risks have been rolled out and adopted across the board at AFD, both for the approval of new financing and for portfolio monitoring, and have been under implementation at Proparco since 2025. These methodologies are regularly reviewed to improve their relevance and accuracy.

Work on identifying and assessing climate and ESG risks, going beyond what has already been achieved in relation to credit risk, is continuing. In 2025, AFD group undertook an initial exercise to map ESG risks that affect financial risk mapping, identifying physical and transitional channels through which ESG risks—notably those related to climate change—are transmitted. The long-term aim is to update all of AFD group's risk maps through an ESG lens, with the help of materiality analyses.

The work outlined above lays the foundations for a climate risk monitoring and management system: it enables the definition of relevant performance and risk monitoring indicators, and provides the data required to carry out resilience and climate stress tests.

Since 2025, AFD group's risk appetite framework has incorporated an initial ESG indicator, with the addition of an indicator measuring the vulnerability of AFD's non-sovereign portfolio to physical climate-related financial risks. It is anticipated that additional climate indicators will be gradually incorporated into future risk appetite frameworks, in line with the European Banking Authority's guidelines on ESG risk management.

In terms of transparency, AFD group publishes prudential information on ESG risks on a semi-annual basis in its Pillar 3 disclosures.

Resilience analysis

Transition risks

In 2020, AFD group (excluding EF) took part in a stress test led by the banking sector's supervisory authority (French Prudential Supervisory and Resolution Authority), to assess the French banking sector's exposure to transition risk. The work carried out concluded that there would be a limited impact on the credit ratings of the Group's counterparties, even under the most adverse scenario (assuming an accelerated transition, with carbon neutrality by 2050). The model predicts an average degradation in the portfolio's credit risk of one notch under the most adverse scenario, and of just 0.03 notches under the central scenario.

Physical risks

The physical risk assessment for each transaction (presented in Section 2.2.1.1.2, "Implementing the Group's climate commitments") enabled the calculation of an aggregate indicator of the vulnerability of AFD's non-sovereign portfolio to physical risks as at 31 March 2023. The vulnerability of the AFD portfolio to climate-related physical risks was therefore deemed to be moderate.

2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions

2.2.1.2.1 AFD group's financed emissions (E1-6)

AFD group's financed emissions amounted to 43,096 $KtCO_2eq$ in 2025. As set out in the climate transition plan, the production of emissions data is primarily driven by regulatory requirements and does not constitute a relevant management indicator for the Group, whose activities since 2017 have focused on systematically providing support for the low-carbon and resilient transition of its counterparties.

AFD group's approach to calculating its financed emissions is based on financial materiality, in line with Pillar 3 of the ESG framework and the prevailing market practice, as evidenced by the first reports published this year; and on the methodological framework established by the GHG Protocoll [1] and PCAF [2]. In practical terms, this means that AFD group has assessed its outstanding financing (gross carrying amount of outstandings, as reported in Finrep, as at 31 December 2025) at the counterparty level rather than at the project level. Investments are therefore systematically processed as "unknown use of proceeds" within the meaning of the GHG Protocol, i.e. without being allocated to a specific project.

The estimate of financed emissions covers all financial exposures directly linked to the Group's operations [3], representing a portfolio of over €59bn. The financed emissions are calculated on the basis of outstanding amounts associated with loans and equity investments, both sovereign and non-sovereign. The following are excluded:

- grants, guarantees and notional amounts of swaps that do not fall within the financial risk approach and are not recognised on the assets side of the balance sheet;
- Exposures related to cash management [4] are excluded from the scope of the calculation of financed emissions, as they do not constitute long-term economic investments within the framework of AFD group's strategy and mandate, but rather investments intended to safeguard future liquidity.

Two complementary methodologies were used to approximate the Group's financed emissions:

- **In its sovereign portfolio** (52% of outstandings, €30.63bn), **the AFD allocates a portion of domestic emissions to itself** using the PCAF formula [5]. This follows the PCAF recommendation, with the exception being that the Group relies on national territorial emissions inventories (Scope 1) from Climate Watch (2023), in the absence of consumption-based emissions inventory data (Scope 1 to 3, which adjusts emissions for international trade) in the regions where the Group operates. The macroeconomic data (GDP at purchasing power parity) are taken from the IMF's World Economic Outlook (WEO, 2022 data);
- **for the non-sovereign portfolio (corporate, financial institutions, local authorities)**, in the absence of individualised emissions data for counterparties, **the Group uses the JIM tool (Joint Impact Model** [6]). The JIM methodology, aligned with PCAF and GHG Protocol standards, is based on a macroeconomic model that incorporates emissions resulting from sectoral spillover effects along value chains (upstream Scope 3). The results generated by the JIM tool are estimates that are not based on actual figures specific to the counterparty and should be interpreted as such. The JIM tool is used to estimate financed emissions with a PCAF quality score of 4 [7] where the counterparty's financial data (balance sheet and income statement) are known [8]; and a PCAF quality score of 5 for other exposures [9]. The lack of precise or recent data – resulting notably from the lack of coordination of internal controls on projects and the automation of data collection [10] – as well as certain methodological limitations may lead to an overestimation of the financed emissions reported for AFD group.

  The data used by JIM is based on emission factors from 2017, which are due to be updated. These emission factors cover carbon dioxide (CO_2), as well as methane, nitrous oxide and fluorinated gases.

The calculation of financed emissions is based on external data, which inherently has limitations in terms of its availability and quality, as well as the methodologies used by the Group to estimate financed emissions across the value chain.

2.2.1.2.2 Management of greenhouse gas emissions associated with the Group's internal operations

Internal operational policies related to climate change mitigation and adaptation (E1-2)

As a public actor, AFD group actively participates in the State's sobriety and ecological transition efforts. In this context, AFD group adopted a new responsible purchasing policy. It aims to reduce the environmental and social impact of the goods and services purchased, to promote inclusive and local businesses, and to foster gender equality. An internal platform helps buyers integrate these criteria into their calls for tenders. In 2025, 50% of contracts notified by AFD included an environmental clause and an environmental criterion, and 45% of notified contracts worth over €221K (formal procedure) included a social clause. Lastly, the travel policies implemented across the various departments aim to prioritise the lowest-carbon modes of transport wherever possible.

1) *GHG Protocol – Category 15: Investments: Chapter15.pdf*
2) *PCAF (Partnership for Carbon Accounting Financial) – Part A (2022) on financed emissions: The Global GHG Accounting and Reporting Standard for the Financial Industry.*
3) *AFD and Proparco, including Fisea. Financed emissions are not applicable to Expertise France, which does not make loans or equity investments.*
4) *Taken in the broadest sense, i.e. assets whose investment objective is to (i) ensure operational liquidity through so-called operational liquidity portfolios; or (ii) build up a liquidity reserve through investment portfolios and medium-term liquidity investment portfolios.*
5) *Attributed emissions = (sovereign financial exposure/GDP-PPP) * national GHG emissions.*
6) *The JIM Foundation is a collaborative initiative bringing together several international financial institutions to harmonise approaches to impact measurement. It oversees the development, governance and updates of the JIM model, an online modelling tool used to estimate the direct and indirect impacts (employment, value added, GHG emissions) of an investment portfolio. Based on macroeconomic and sector-specific statistics for each country, it provides a robust estimate at portfolio level. The JIM is standardised, transparent, collaborative, secure and regularly updated. See The Joint Impact Model | Joint Impact Model*
7) *The PCAF quality score ranges from 1 (highest possible quality, for reported and audited data) to 5 (lowest possible quality, data calculated using macro-geographical and/or macro-sectoral estimates).*
8) *According to the formula: financed emissions = customer emissions * allocation factor; that is, (customer income * sectoral emissions factor) * (outstanding amount / customer balance sheet total).*
9) *According to the formula financed emissions = outstanding loans * sectoral emissions factor.*
10) *In this process, the figure used is the most recent validated figure, and not necessarily the one expected for the 2025 financial year*

Actions and resources in relation to climate change policies (E1-3)

A number of measures have already been put in place to reduce the environmental impact of the internal operations of the Group's various entities. To reduce its energy consumption, it has implemented a number of practical measures, such as partially closing its offices during certain periods, which has led to a significant reduction in electricity usage. The Group also takes steps to promote environmentally friendly travel: it encourages cycling and car sharing by providing financial support to employees who choose these modes of transport.

In its staff canteen, the AFD has introduced more vegetarian options and products from organic or fair-trade sources. It has also phased out plastic water bottles and set up a system for redistributing food that is still fit for consumption to the Food Bank. These choices are designed to reduce waste and promote more sustainable eating habits.

Furthermore, the Group is working to promote a more responsible use of digital technology. It aims to reduce energy consumption and data storage requirements, extend the lifespan of IT equipment, and raise staff awareness of these issues. All of these initiatives form part of a comprehensive strategy aimed at reducing the Group's environmental footprint whilst maintaining a good quality of life at work.

Similarly, since 2007, AFD-Proparco has been offsetting its reported residual emissions from internal operations by purchasing certified carbon credits on the voluntary carbon market. This initiative enables the Group to take better account of these emissions, as it allows it to monitor them more effectively and understand how to reduce them.

Lastly, in order to set an example, the Group is seeking to adopt a low-carbon trajectory aimed at quantifying the reduction in its residual carbon emissions from internal operations by 2030. Given the specific nature of its activities, Expertise France is committed to this emissions trajectory for its internal emissions [1]. In this context, all the policies referred to here, along with the associated measures, will be reviewed and adapted to ensure they are better monitored.

The resources deployed under internal climate change policies are primarily human resources, including:

- an FTE (full-time job) dedicated to CSR (Corporate Social Responsibility) and coordinating a network of officers in the various Executive Departments;
- one FTE dedicated to Internal Environmental Responsibility (IER), who calculates the Group's Bilan Carbone® footprint and coordinates a network of representatives across the Group's various entities;
- an FTE dedicated to responsible purchasing.

Each of these FTEs has an annual budget enabling them to run a few workshops and training sessions, and to benefit from services related to their field of intervention.

Gross internal GHG emissions (E1-6)

Calculation method

Since 2005, AFD group has used the Bilan Carbone® methodology and the corresponding tool to calculate its carbon footprint. Defined by Ademe and managed and disseminated by Association pour la transition Bas Carbone (ABC), this methodology is used to calculate the carbon emissions generated by the internal activities of AFD and Proparco (excluding Fisea), relying as far as possible on physical data extracted from our various sites or our information systems.

Scope of the calculation (AFD and Proparco)

The scope of the Bilan Carbone® calculation is as follows:

- Geographical scope:
  - head office: all physical sites, owned or rented, in Paris and Marseille, which represent six buildings;
  - network: all physical premises, whether owned or leased, in the 81 countries where we operate, whether used to house our operations or to accommodate our expatriate staff.

Scope of methodology: the Scope 3 categories covered are as follows:

Scope 3 categories according to PCAF Part A	Scope 3 categories included in the calculation of emissions
Category 1: Purchased goods	Included
Category 2: Capital goods	Included
Category 3: Activities related to fuels and energy	N/A
Category 4: Upstream transportation and distribution	N/A
Category 5: Waste generated in operations	Included
Category 6: Business travel	Included
Category 7: Employee commuting	Included
Category 8: Upstream leased assets	Included
Category 9: Downstream transportation and distribution	N/A
Category 10: Processing of products sold	N/A
Category 11: Use of products sold	N/A
Category 12: End-of-life treatment of products sold	N/A
Category 13: Downstream leased assets	N/A
Category 14: Franchises	N/A
Category 15: Investments	Included (excluding Expertise France)

1) "Internal emissions" mention specified in the paragraph on Expertise France.

Method of collecting/storing information

Data is collected directly by the Internal Environmental Responsibility (IER) Officer, who is responsible for calculating the Bilan Carbone® footprint, with their various contacts. It runs from November of year N to February of year N+1 so that the Bilan Carbone® footprint for year N can be shared from the end of February.

Presentation of estimates made

Estimates mainly concern the following items:

- purchasing: use of financial ratios (transforming euros spent into CO_2 equivalent emitted);
- commuting: based on a survey carried out regularly and not on data measured annually;
- air conditioning: replacing all coolants every 10 years;
- real estate: calculated using the square metres per use method, based on a 30-year lifespan.

Other estimates were made but have a smaller impact. For internal emissions, the use of financial ratios (estimated using emission factors) accounts for around 40% of the Bilan Carbone® head office footprint.

The internal and financed emissions (scopes 1 to 3) of SIC (Société Immobilière de la Nouvelle-Calédonie), SOCREDO and STOA S.A. - three equity accounting companies - are also included into the Group's Bilan Carbone in proportion to its equity in these three entities: SIC, SOCREDO and STOA S.A. The data used varies from entity to entity: SIC's emissions (scope 3, category 15) are estimated based on an appraisal carried out in 2011; those of SOCREDO (scopes 1 to 3) and STOA S.A. (scope 3, categories 5 and 15) are updated annually. These emissions are consolidated within scope 3 category 15 of the AFD group's Bilan Carbone.

Scope of the calculation (Expertise France)

As part of its commitment to sustainable development, Expertise France calculates its greenhouse gas (GHG) emissions using the **Bilan Carbone® methodology**, in accordance with the international standard ISO 14064 and the GHG Protocol.

This assessment follows an initial review carried out in 2022, which focused on the head office and air travel.

In 2025, the **geographical scope was expanded to cover all activities at the head office, in the field and in ongoing projects**, in accordance with the standard, and will include related Scope 1, 2 and 3 emissions.

The 2025 Bilan Carbone® assessment will therefore serve as the base year and the starting point for developing Expertise France's low-carbon trajectory, the corporate component of which will be integrated into that of AFD group.

Data collection is carried out using the Toovalu management software, a purpose-driven company certified as a B Corp. Around twenty data collectors, based both at head office and in the field, have been trained by Expertise France's CSR team to ensure that information is reported reliably and consistently. For this project, the CSR expert was assisted by a specialist consultant from the consultancy firm Terra 21, who provided methodological and technical support throughout the process. A work-study student specialising in CSR joined the team at Expertise France.

The methodological scope adopted differs slightly from that of AFD in order to best reflect the specific nature of Expertise France's activities. Expertise France operates within a framework that is distinct from that of a financier as defined by the GHG Protocol/PCAF standards, without taking into account counterparties' emissions. The carbon emissions generated by Expertise France can therefore be grouped into three main categories of activities:

- activities referred to as internal operations, which encompass all of the organisation's management and governance functions: head office operations, management, cross-functional departments, development and business development activities, as well as the institutional activities of the country departments;
- activities referred to as project engineering which cover activities which are re-invoiced to the project, i.e. the tasks and teams directly involved in the launch, implementation and closure of projects. These include the expertise and contributions of EF's project teams based in France, local teams and associated experts working on projects through travel and operations carried out in the countries of intervention (excluding the institutional dimension);
- other activities carried out, not previously listed, namely those undertaken by implementing partners or on behalf of beneficiaries, corresponding to the actions and resources made directly available to them (including those re-invoiced to the projects, beneficiaries' travel expenses, equipment and materials).

In addition to the Group's low-carbon trajectory, Expertise France will work in parallel on defining and managing the emissions trajectory for project engineering and other implementation activities. Expertise France's overall emissions trajectory will therefore result from the combination of its internal emissions trajectory – which forms part of the Group's future low-carbon trajectory – and that associated with its operations. Lastly, Expertise France's ability to plan and map out its low-carbon trajectory is constrained by budgetary and institutional limitations.

Presentation of estimates made

As the 2025 Bilan Carbone® assessment is the first to cover the full scope of the organisation's activities, estimates were made based on the list of purchases and equipment, and therefore using associated monetary ratios (a positive aspect in terms of covering all emissions, but one that significantly worsens Expertise France's carbon footprint). As we gradually roll out our GHG management system, uncertainty is expected to decrease, giving us greater flexibility when it comes to our future action plan. Apart from international purchases and travel, which were taken fully into account, Expertise France used an extrapolation method. The emissions of eight country departments, of five pilot projects and of head office were measured, then used to extrapolate the emissions of all the other projects and other international antennas.

2.2.1.2.3 Total gross greenhouse gas emissions - Group

Indicator	Year of reference	Comparative data N-1	2025	% N/N-1
Gross Scope 1 GHG emissions [tCO_2eq]				
Gross Scope 1 GHG emissions [tCO_2eq]	2025	N/A	1,576	N/A
Gross Scope 2 location-based GHG emissions [tCO_2eq]				
Gross Scope 2 location-based GHG emissions [tCO_2eq]	2025	N/A	4,142	N/A
Significant Scope 3 GHG emissions				
Total gross indirect GHG emissions (Scope 3) [tCO_2eq]	2025	N/A	43,202,354	N/A
Cat. 1 — Purchases of goods and services	2025	N/A	66,811	N/A
Cat. 6 — Business travel	2025	N/A	35,208	N/A
Cat. 2 — Capital goods	2025	N/A	1,046	N/A
Cat. 3 — Fuel-related activities	2025	N/A	769	N/A
Cat. 4 — Upstream transportation and distribution	2025	N/A	41	N/A
Cat. 5 — Waste generated in operations	2025	N/A	261	N/A
Cat. 7 — Commuting	2025	N/A	1,379	N/A
Cat. 8 — Upstream leased assets	2025	N/A	0	N/A
Cat. 9 — Downstream transport	2025	N/A	635	N/A
Cat. 10 — Processing of products sold	2025	N/A		N/A
Cat. 11 — Use of products sold	2025	N/A	0	N/A
Cat. 12 — End-of-life treatment of products sold	2025	N/A	0	N/A
Cat. 13 — Downstream leased assets	2025	N/A	0	N/A
Cat. 14 — Franchises	2025	N/A	0	N/A
Cat. 15 — Investment (banking book)	2025	N/A	43,096,203	N/A
Total GHG emissions				
Total GHG emissions (location-based) [tCO_2eq]	2025	N/A	43,208,072	N/A
Total emissions Internal functioning (location)	*2025*	*N/A*	*111,869*	*N/A*
Banking book issues	*2025*	*N/A*	*43,096,203*	*N/A*

- Regarding E1_6_02_03_M - Gross scope 1 GHG emissions: as a service group, the AFD group does not emit GHGs from its own facilities.
- Regarding E1_6_02_03_M - Gross Scope 2 market-based GHG emissions: this indicator is not published due to the impossibility of obtaining all the information concerning Guarantees of Origin (GOs) or Power Purchase Agreements (PPAs) to be applied to the countries within the Group's network.

IGHG emissions by net income

In millions of euros	2025
Net Banking Income	1,168
Net banking income used for intensity calculation	1,168
GHG intensity location-based (tCO_2eq/€M)	0.04

2.2.2 Biodiversity (E4)

SUMMARY

Biodiversity (E4)

Through its mandate on global public goods, the AFD group supports its partners in the preservation and restoration of biodiversity, as well as in the transition towards nature-positive socio-economic development. The Group's 5th Strategic Orientation Plan (2025-2030) intends to have the same high standards for nature as for the climate within a unified strategy for the planet, with the objective of:

- to aim for alignment with the Global Biodiversity Framework (GBF).

The AFD group fully places the Global Biodiversity Framework (GBF) at the heart of its work *via* a two-pronged approach:

- To exclusively finance activities that have no material negative impact on biodiversity.
- To generate net biodiversity gains through its projects and the support of its partners.

In addition, AFD has developed methodologies for appraising the physical and nature-related transition risks to which its sovereign counterparties are exposed. These data are elements of the nature-related financial risks assessment to which the Group may be exposed.

2025 highlights:

€1.3bn

financing with a positive impact on nature

far exceeding the target of the Planet roadmap of €800M/year.

42%

Nature-positive impact financing (Nature+) is operations implementing nature-based solutions in the urban, sanitation and biodiversity conservation sectors; they make it possible to improve the resilience of both climate change operations and biodiversity, by contributing to these two issues in a converging manner.

11.5 million

protected hectares

Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity.

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter

ESRS	Value chain	Title of the IRO	Policies	Equity	Metrics & Targets
E4	Operating activities	**Positive impact**: Protection and/or restoration of biodiversity	• Planet roadmap • Exclusion list • Environmental and social risk management policy (AFD) and E&S assessment and monitoring approach – Proparco • AFD credit policy and Proparco credit and investment policy • Climate and nature-related financial risks roadmap • Group monitoring and appraisal policy • Results and impacts framework • Environmental and social complaints system	• Project support: examination of applications and financial or expert contribution • Systematic analysis of projects through the sustainable development analysis and opinion framework	• **[Group]** Number of projects exempt from Article 17.ii of the exclusion list *(Number)*. Commitment at 0 at 31/12/2025 • **[Group]** Number of commitments that do not have a negative rating on the biodiversity dimension of SD ratings *(%)*. 100% at 31/12/2025) • **[AFD-PRO]** Biodiversity co-benefits *(€/year)*. Target of €800M/year over the 2025-2027 period • **[AFD-PRO]** Share of biodiversity finance dedicated to ecosystem conservation or restoration projects. 20% target over the 2025-2027 period • **[AFD-PRO]** [RIF #22] Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity *(ha)*. No target
				• Ripple effect/ mobilisation of other actors	**Cross-cutting monitoring indicator for the action, not specific to biodiversity, presented in ESRS 2:** • **[AFD-PRO]** Institutional mobilisation via delegated funds *(€)*. No target

Biological diversity, or biodiversity, is a concept that refers to all the components of the living world at three levels: ecological diversity (ecosystems), species diversity (species), genetic diversity (genes). It encompasses all natural environments and forms of life (plants, animals, fungi, bacteria, viruses, etc.), as well as their evolution and interactions. Whilst "nature" is a broader concept that also encompasses the non-living elements of the physical world (air, earth, water, rocks and minerals), the term "nature" is here restricted to its biodiversity aspect, so that the terms "nature" and "biodiversity" are used interchangeably in this document.

2.2.2.1 Governance and organisational arrangements

Governance of nature-related issues is managed by the Group's decision-making bodies and committees, which regularly review these matters as part of their respective mandates (for further details, see Section 2.1.3 "Governance"). Operational implementation relies on numerous teams at AFD, Proparco and Expertise France (see Chapter ESRS E1) mobilised to integrate Planet issues (climate and nature) into the Group's operations and due diligence.

2.2.2.2 Strategy and policies: nature fully integrated into the Group's strategy

Following the Paris Agreement, the Group's activities are aligned with the Global Biodiversity Framework

1

Projects with no impact on nature

From 2025, projects receiving a negative rating on the biodiversity dimension will be deemed non-aligned

2

A share of nature finance dedicated to ecosystem conservation and restoration projects

- **[20%]** of nature finance to **ecosystem conservation and restoration projects**
- Subject to the maintenance of budgetary resources in grants
- Strengthen actions in favour of **protected areas and sustainable management**

3

Integration of biodiversity into all AFD group activities

3 priority areas:

1. Protection and restoration of terrestrial and marine ecosystems,
2. Sustainable management of natural resources: bioeconomy, agroecology, sustainable supply chains
3. Reduction of pressures: waste, pollution, **zero deforestation**, sustainable buildings,

Oceans and seas, coastal and maritime regions

Strengthen the Group's action

- Commit to and support the development **of nature-friendly trajectories (NBSAP)**
- Develop **nature-based solutions**
- Better mobilisation of **local communities and traditional knowledge**
- **Interconnected approach:** preserving biodiversity while responding to climate and socio-economic challenges

In December 2024, AFD group adopted its **5th Strategic Orientation Plan** (POS V) for the 2025-2030 period (see Chapter 2.1 "General Information"). AFD – the first public development bank to commit in 2017 to aligning all its activities with the Paris Agreement – and more generally AFD group, intend, through POS V, to maintain the same level of requirements on climate and nature within a unified strategy for the planet. This involves three key areas: increasing the proportion of funding allocated to projects with transformative value; working towards alignment with the Global Biodiversity Framework – that is, ensuring that all its actions are consistent with the commitments made at COP15 in Kunming-Montreal; and better integrating the challenges of a just transition and of vulnerabilities.

Fully in line with POS V, the **planet roadmap** (see Section 2.1.2 "Strategy, business model and value chain" (SBM-1) reaffirms, in particular, AFD group's existing commitment to ensuring no net loss of biodiversity through its activities; it also raises the Group's goals in terms of finance for nature, aiming to ensure that its activities are "100% Global Biodiversity Framework compliant"; lastly, it promotes the reinforcement of the Group's transformational interventions to seek systemic impact across its partners, customers and regions, thereby endorsing the recommendations set out by IPBES in its latest report [1].

2.2.2.2.1 Ensuring that our activities are fully aligned with the Kunming-Montreal Global Biodiversity Framework

Alignment with the requirements of the Global Biodiversity Framework is an ongoing process that involves, notably, ensuring that the Group's actions are consistent with the biodiversity strategies and action plans defined by the countries themselves, and working with these countries to help them prepare and update these plans. This also involves gradually integrating biodiversity considerations into all of the Group's internal processes and areas of operation, by continuing initiatives in the sectors that exert the greatest pressure on biodiversity (water, agriculture, urban development), by identifying nature-friendly activities in the infrastructure and social sectors, and by seeking to achieve a transformational impact through its actions. The requirements for alignment are largely covered by the environmental due diligence procedures, including the exclusion list (see Section 2.1.2.6.1). For example, AFD group has already committed to ensuring that its activities do not result in any net loss of biodiversity, thereby contributing to the zero-deforestation target. However, some provisions of the GBF require further due diligence. The AFD group is carrying out work with this in mind.

To ensure consistency in its actions, the Group has undertaken accountability initiatives, including the production of a Biodiversity Transition Plan, which meets the TNFD reporting standards [2].

1) *https://ofb.gouv.fr/actualites/ipbes-adopte-le-premier-rapport-mondial-sur-les-liens-entre-entreprises-et-biodiversite*
2) *The international initiative led by the Taskforce on Nature-related Financial Disclosures (TNFD), in which AFD is participating, is working to develop a common framework enabling financial institutions and companies to assess, monitor and disclose the financial risks associated with the decline in biodiversity.*

2.2.2.2.2 Sectoral doctrines: agroecology, deforestation, and oceans as well as the promotion of nature-based solutions

The AFD Group's ocean scoping note

At the intersection of climate and nature, the "ocean" framework document prioritises Ocean+ projects that generate co-benefits for both biodiversity and the climate. It organises action around three main areas: improving the governance of marine and coastal spaces and resources, promoting a sustainable and inclusive ocean economy, and protecting marine and coastal ecosystems; and two cross-cutting areas: strengthening resilience through nature-based solutions and providing support for island and French overseas territories.

Combining elements of infrastructure, institutional and technical support, awareness-raising and advocacy, the activities covered by this framework note span a range of sectors: sanitation and waste management in coastal areas, maritime transport, sustainable fisheries, marine protected areas (MPAs), and coastal resilience.

The AFD group's "ocean" policy document prohibits the exploitation – including exploration – of the deep seabed, activities that increase the risk of illegal, unreported and unregulated fishing (IUU fishing), and destructive practices; furthermore, it requires high sustainability standards, particularly for aquaculture (in line with the United Nations Food and Agriculture Organisation (FAO) guidelines).

Its implementation prioritises the protection and restoration of marine and coastal ecosystems (marine protected areas (MPAs) and other area-based effective conservation measures (OECMs)), the reduction of pollution (plastic, chemical, biological) and the promotion of blue carbon, notably through the AFD's Blue Carbon Facility [1], which is structured around three complementary areas of intervention: strengthening knowledge of coastal ecosystems, integrating blue carbon into national public policies, and testing innovative financing mechanisms, including carbon credits.

The AFD Group's forest strategic orientations

As carbon sinks, reservoirs of biodiversity and a source of livelihood for millions of people, forests are a key driver for the implementation of the international climate and biodiversity agenda. AFD group addresses these challenges by combining financing, technical cooperation and public policy reform. These complementary areas of action include providing support to strategic forestry countries through country packages [2], building on experience in forest financing, conducting strategic analysis of payment mechanisms for ecosystem services, and providing enhanced support for forestry policies.

On the basis of the analysis of the current forest portfolio, the results of capitalisation and the French strategy for international cooperation on tropical forests, AFD group's forest strategic orientations were recently revised. These guidelines are based on a strong integration of forest conservation and the development of sustainable agriculture in line with the needs of local populations and the public policy objectives of partner countries. The territorial approach and the use of innovative financing aim to maximise co-benefits in terms of climate, biodiversity and sustainable development, whilst strengthening the resilience of ecosystems and communities. These strategic orientations are broken down by major region in order to best meet the needs of the partner countries and the reality of the financial tools available.

In addition to these strategic orientations on forests, AFD is currently redefining its principles of intervention for projects to back protection and conservation areas.

AFD group's strategy for agriculture, rural development and biodiversity (agroecology)

For the past twenty years, AFD has been committed to backing the agroecological transition of agricultural systems. As our understanding has evolved, AFD has funded projects promoting diversified agroecological practices, gradually adopting a regional approach. Published in September 2022, AFD group's sectoral intervention framework for "Agriculture, rural development and biodiversity" firmly commits the Group to backing the agroecological transition, on the basis that agroecological production systems combine economic, social, environmental and health outcomes – following a systems-based approach.

In 2023, AFD, in consultation with its external partners (in particular civil society), drew up a position paper entitled "Towards better integration of the agroecological transition into projects financed by AFD group", the aim of which is, on the one hand, to better define the Group's work in support of agroecology (types of projects and impacts) and, on the other, to set out operational guidelines further develop this work.

1) The Blue Carbon Facility is a €6M programme
2) "Country packages" provide specific programme support for countries with significant forest resources, including technical, financial and institutional support. French funding currently covers four countries: Congo, the Democratic Republic of the Congo, Papua New Guinea and Gabon.

The use of nature-based solutions to increase the number of initiatives that have a positive impact on nature

AFD encourages the implementation of Nature-based Solutions [1] (NbS) in the projects it funds, focusing on the restoration and conservation of ecosystem services to address societal challenges, such as combating climate change, whilst improving the state of biodiversity. Thus, AFD already finances between 10 and 15 operations with NbS components per year, mainly in the agriculture, water and sanitation and sustainable cities sectors.

Going a step further, the AFD has committed in its new 2025-2030 planet roadmap to ensuring that the potential for implementing Nature-based Solutions (NbS) within projects is systematically assessed, on a par with technological solutions, in the feasibility studies of projects for which such solutions might be appropriate.

Furthermore, AFD promotes the adoption of best practices for the design and implementation of NbSs and has thus contributed to the development of the IUCN global standard on NbSs, as part of the France-IUCN partnership. To put this strategy for deploying nature-based solutions into practice through a collaborative approach, AFD has joined forces with several initiatives and partnerships focused on NbSs, such as the Asian Development Bank's Nature Solution Finance Hub. Lastly, AFD has also collaborated with The Nature Conservancy (TNC) to facilitate the financing of NbSs for water security through the development of a guide entitled "Financing Nature for Water Security – A How-to guide". Within the urban sector, in 2022 AFD published a best practices guide "Biodiversity in the city" which lists many opportunities to mobilise NbSs and how to adapt them to the specific contexts of cities.

AFD group has also developed a special partnership [2] with the French Global Environment Facility (FGEF), which finances projects that contribute to preserving biodiversity, the climate, international waters, land and the ozone layer, and to combating pollution.

2.2.2.2.3 Working alongside our partners and customers

Integrating nature into the operations of the Group's customers

The Group considers biodiversity as a development solution. It thus set up a nature offering to work with its partners through all phases of their transition with a view to contributing to the achievement of the GBF's objectives.

Firstly, AFD group offers to support private and public sector stakeholders in identifying and mitigating the negative impacts of their activities through technical assistance programmes designed to assess their environmental and social management systems and develop associated action plans. Furthermore, based on analyses carried out by the Group's Research Department, it offers interested countries the opportunity to model their transition risks, drawing notably on the identification of economic activities that exert pressure on the natural environment and an analysis of their significance within national socio-economic systems. For interested States, the Group can provide support in implementing their National Biodiversity Strategies and Action Plans (NBSAP [3]) across their high-pressure economic sectors (for example, through the BIODEV2030 initiative led by Expertise France).

AFD also intends to continue developing a specific approach aimed at public authorities, notably regulators and supervisors of financial systems (central banks, financial market regulators, etc.) to drive the adoption of public policies that contribute to the greening of financial systems, for example by supporting the establishment of regulatory frameworks that incorporate these dimensions (such as the Fin4Bio initiative in Thailand, which aims to integrate biodiversity considerations into the green taxonomy currently being developed at national level) and by supporting financial sector players in appraising their nature-related financial risks.

With regard to financial institutions and public and private companies, in line with its strategy to strengthen its support for systemic approaches that deliver transformative impacts, AFD group works alongside these actors during their environmental transition, through matrix or transformational loans where disbursements are conditional upon the implementation of activities geared towards their environmental transition: these correspond notably to the four pillars of the TNFD (identifying and managing risks and dependencies on nature among stakeholders, either directly or throughout their value chains; approving ambitious nature-positive strategies; implementing tools and products that support ecosystem services; training operational and managerial teams in their use; integrating nature-based solutions into their activities, particularly to mitigate the climate risks they face, etc.). The implementation of these activities is generally carried out through technical assistance programmes. For example, AFD is assisting the OCP group [4] in Morocco, the Development Bank of Latin America and the Caribbean (CAF), and the Colombian development bank Bancóldex with their environmental transition. In addition, it launched ITP [5] Africa, an initiative aimed at supporting suppliers to major global buyers in developing countries in adopting more sustainable environmental and social practices.

Lastly, AFD provides support for local authorities in the implementation of their territorial action plans in favour of nature: in addition to several Colombian municipalities (Bogotá, Barranquilla), it is setting up multi-tranche facilities for the benefit of local authorities in the French Overseas Departments and Collectivities, to assist them in drawing up their green budget annexes (including biodiversity) and in taking steps to improve their activities that may be detrimental to biodiversity as part of multi-year initiatives.

1) *UNEP/EA resolution. 5/Res.5 defines NbS as follows: "Nature-based solutions are measures focused on the protection, conservation and restoration, as well as the sustainable use and management of natural or modified terrestrial, freshwater, coastal and marine ecosystems, which effectively and flexibly address social, economic and environmental challenges, whilst simultaneously delivering benefits in terms of human well-being, ecosystem services, resilience and biodiversity".*
2) *Through AFD's hosting of the FFEM secretariat, notably, the exchange of skills, the integration of the fund into AFD's ISR Executive Department, and AFD's participation in the fund's investment committees.*
3) *National Biodiversity Strategies and Action Plans.*
4) *Office Chérifien des Phosphates.*
5) *Impact Trade Partnership.*

To bring about transformative change in the field of biodiversity, it is crucial to move away from one-off or isolated actions towards systemic and sustainable approaches that engage all stakeholders. To achieve this, the Group also intends to engage with indigenous peoples and local communities at regional and local levels, draw on their knowledge of ecosystems, encourage the development of community projects, and strengthen the governance of local initiatives. The goal is to back the transformation of socio-economic systems and sectors that rely on the exploitation of natural resources – such as agriculture, industry and urban planning – through interconnected approaches, ambitious policies and a concerted effort to preserve and restore biodiversity.

Mobilisation of climate and nature-related financial risks for public policy dialogue

Discussions on the links between financial institutions and biodiversity are still in their infancy; as such, AFD is dedicating resources to research on topics such as robust sustainability, the analysis of risks and dependencies in sovereign operations, and the analysis of the various metrics available, in order to respond more effectively to the challenges of integrating biodiversity considerations and, notably, to the objectives of the GBF.

With this in mind, AFD developed and published a method for assessing the socio-economic exposure of most countries worldwide to both physical and nature-related transition risks, using open-access databases [1]. This method serves both to inform AFD's country risk analysis teams and to feed into research carried out with various partners. It enabled the country risk team to finalise its methodological framework for addressing physical and biodiversity transition risks in 2024, resulting in the creation of Climate and nature country profiles that analyse climate and biodiversity risks. The method has also been applied, for example, to South Africa in collaboration with the South African Reserve Bank (SARB). At the latter's request, an analysis of exposure to physical and transition risks linked to the degradation of the natural environment in most SADC (Southern African Development Community) countries was carried out and presented to a working group of SADC central bank governors, which it chairs.

Moreover, internal research is currently under way to use the Environmental Sustainability GAP (ESGAP) approach to develop scenarios for physical risks. On transition risks, AFD has just launched a research programme with the Centre for Sustainability Transition at the University of Stellenbosch in South Africa, in order to build pro-nature trajectory scenarios (AFOLU) and simulate their socio-economic effects on biodiversity.

Lastly, AFD has developed forward-looking modelling tools relating to ecological transitions: GEMMES and ESTEEM [2] (see Section 2.2.1.1.2); these tools are then adapted to different contexts in partnership with national institutions (ministries, central banks and academic institutions) to identify the macro-financial risks and opportunities associated with these transitions. These studies have been published in institutional [3] or academic [4] journals.

This goal also involves helping our partners to implement the CMB by providing support for the implementation of their National Biodiversity Strategies and Action Plans (NBSAP), as well as helping to reform public policies to limit subsidies that are harmful to nature. The analyses described in the previous paragraph can also contribute to enhancing the NBSAPs.

Using these tools and analyses, AFD has begun developing a free, open-access web portal that assesses the exposure of 150 countries to nature-related physical and transition risks (similar to the World Bank's open data portal, which provides access to development data for every country in the world). Ultimately, this web portal aims to disseminate and raise awareness of the method for analysing sovereign risk linked to environmental degradation developed by AFD, and to facilitate the initiation of public policy dialogues with the Group's partner countries.

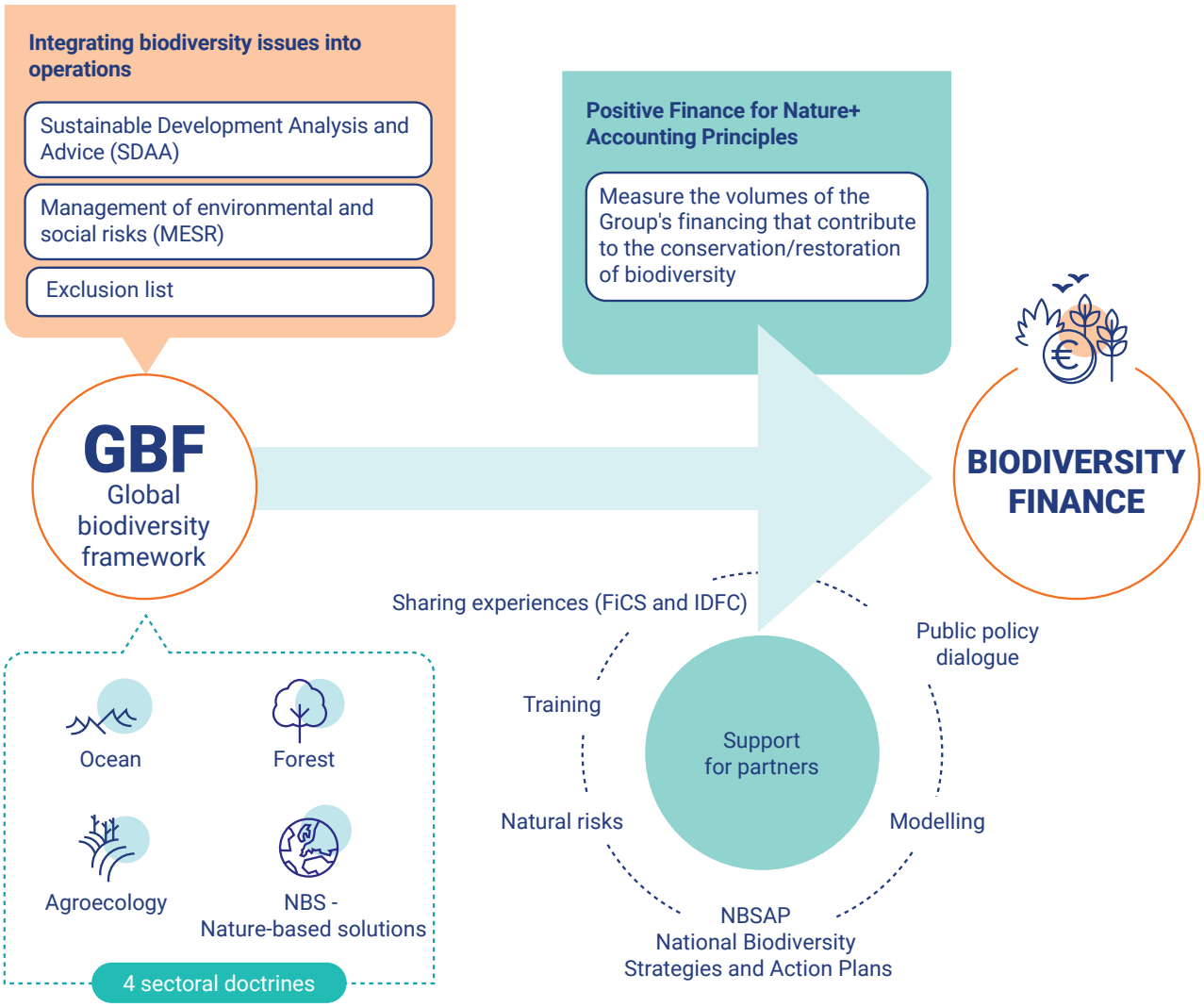
Working and sharing experiences with public banks through IDFC and FiCS

In addition to its work on dialogue and technical assistance regarding biodiversity and natural hazards with its customers and partners, the AFD group also seeks to amplify its impact through its active participation in coalitions of stakeholders such as the European Development Financial Institutions (EDFI), the Finance in Common (FiCS) network, and the International Development Finance Club (IDFC) – see the description of these organisations in Chapter 2.2.1 "Climate change" – in order to promote alignment with the Global Biodiversity Framework, as well as through strategic partnerships aimed at mobilising the private sector and other financial institutions.

IDFC allocated US$8bn to biodiversity finance in 2024. At the COP15 biodiversity conference, the club collectively committed to providing US$100bn in biodiversity funding over five years, through to 2027. It plays a leading role in promoting alignment with the Global Biodiversity Framework.

1) *Research Paper No. 360. https://www.afd.fr/en/resources/assessing-economic-exposure-nature-related-risks*
2) *https://www.afd.fr/fr/outils-modelisation-macroeconomique-transition-ecologique. These are tools for modelling climate and biodiversity transitions (the range of public policies and behavioural changes that enable or aim to reduce all (or most) of the pressures identified by IPBES (land use, GHGs, overexploitation of species, pollution)).*
3) *For example, in the Colombian Ministry of Finance's medium-term tax framework of 2025, pp. 77-84, https://img.lalr.co/cms/2025/06/13232122/Marco-Fiscal-Mediano-Plazo-2025.pdf.*
4) *For example, in the journal Ecological Economics for the study on Tunisia: https://www.sciencedirect.com/science/article/pii/S0921800924004099.*

2.2.2.3 Implementation of AFD group's nature commitments



2.2.2.3.1 An exclusion list that takes the environmental dimension into account

AFD group has an exclusion list [1], which forms part of its ESG policy, designed to clearly identify the types of activities that the Group refuses to finance on the basis of environmental or social criteria, whether of an ethical or regulatory nature, or arising from the Group's interpretation of regulatory requirements and strategic choices (see Chapter 2.1 "General information"). Under this framework, two activities are specifically excluded: (i) fishing using a drift net longer than 2.5 km, and (ii) the production, use or trade of hazardous materials (including pesticides and herbicides – the production or use of which is prohibited or subject to a phase-out under the regulations of the country of destination or international regulations). Furthermore, one provision of the exclusion list concerns the protection of biodiversity: Article 17 [2] of the exclusion list deals with activities that are not in line with AFD group's commitments to sustainable development.

In addition to this exclusion list, the Group has put in place other tools to ensure the selectivity of its operations. Special conditions also arise from sector-specific strategic and intervention frameworks – such as those for bioenergy, aviation or desalination – and are in addition to the standard due diligence procedures for managing environmental and social risks. These selectivity doctrines and tools, which are updated on a regular basis, are intended to be used in the context of project appraisal.

1) See Section 2.1.2.6.1 for further details. The exclusion list is available on the AFD website: https://www.afd.fr/fr/ressources/liste-dexclusion-du-groupe-afd

2) 17. Biodiversity: (i) Any operation in (a) Alliance for Zero Extinction (AZE) sites, (b) natural and mixed sites registered on the UNESCO World Heritage List, and (c) legally protected areas (IUCN categories), and (ii) Any operation resulting in a residual, negative and irreversible impact on a critical habitat; (iii) Any forestry project or agricultural project with a large area (> 100 ha) that does not implement a methodology ensuring zero deforestation.

2.2.2.3.2 Due diligence measures to manage environmental and social impacts at project level

The approach to managing environmental risks is presented in ESRS 2 (2.2.1.2.6.3).

Any sustainable solidarity investment operation has potential negative environmental and social (E&S) impacts. AFD group, drawing on an E&S risk management policy adopted in 2017 (see Section 2.1.2.6.3), makes its financing conditional upon project owners or customers implementing an approach that enables them (i) to assess the E&S impacts of operations, (ii) to define appropriate measures to avoid negative impacts, or, where these are unavoidable, to mitigate them, and (iii) to implement and monitor these measures. Where the reduction is insufficient, AFD endeavours to mitigate these residual negative impacts in an appropriate manner. To this end, AFD group carries out E&S due diligence to assess the arrangements for managing the E&S risks associated with the financed operation. These assessments are carried out systematically for every transaction and help to integrate environmental and social considerations into financing decisions, as well as to better manage the financial and reputational risks faced by the customer and the Group. These due diligence measures form part of an E&S risk management approach that is proportionate to the level of E&S risks associated with the operation and applies to all stages of the operation's financing cycle.

The implementation of this E&S risk management approach takes into account and analyses the potential negative impacts on biodiversity

The biodiversity analysis only concerns operational activities.

AFD's assessment of the risks of negative impacts on biodiversity

A system for classifying potential risks (based on the nature, scale and intensity of negative impacts) determines the level of detail required for due diligence, involving levels of expertise and skills specific to the identified impacts. See also Section 2.1.2.6.1 on the exclusion list.

Measures to mitigate negative impacts on biodiversity are recorded in an environmental and social management plan (ESMP) which describes the measures, the necessary resources, the associated budgets, as well as the monitoring system to be implemented. This ESMP is a contractual commitment included in the financing agreement. In the cases where the risks are the greatest, the ESMP may include a specific biodiversity action plan, or even a management plan for compensatory measures. The implementation of these commitments is the subject of monitoring reports drawn up by the project managers and submitted to AFD at intervals determined by the scale of the risks analysed, as set out in the financing agreement.

Annual appraisal of the residual negative impacts of projects under implementation by AFD

The risk-based approach is also applied during the implementation of the funding. Residual negative environmental impacts are analysed annually based on four criteria: the scale of environmental impacts, taking into account the project's progress; the quality of environmental management and compliance with environmental commitments; the sensitivity of the local context; and the occurrence of major environmental incidents. It is carried out annually and recorded in the information system for all projects posing high or significant environmental risks, awarded after 2016 and signed before 31 December of the previous year, or for any project posing a moderate risk where, in the opinion of a member of the project team, one of the criteria warrants an appraisal. This appraisal makes it possible to classify projects into four levels of environmental monitoring: projects requiring specific monitoring, sensitive projects requiring enhanced monitoring, projects requiring routine monitoring, or projects requiring basic monitoring (or no monitoring). It also makes it possible to assess the level of environmental risk associated with the portfolio of projects under monitoring and to identify the requirements necessary to ensure this monitoring.

Proparco's assessment of the risks of negative impacts on biodiversity

For every project that poses a risk of significant negative impact on biodiversity or forests, Proparco's ESG division carries out an initial assessment of these risks using databases (screening). Particular attention is paid to protected areas and to identified but unprotected sensitive areas (potential critical habitats, such as migration corridors, breeding grounds, and areas providing important ecosystem services, etc.). This step makes it possible, notably, to flag up the risk of triggering the exclusion list and to determine the appropriate level of due diligence.

2.2.2.3.3 The biodiversity dimension of the sustainable development analysis and opinion mechanism

In 2014, AFD established a "sustainable development analysis and opinion" (SDAO) mechanism, which aims to ensure that sustainable development issues, including biodiversity, are taken into account in AFD's financing operations and strategies. The sustainable development analysis approach was extended to Proparco and Expertise France in 2023 (see Chapter 2.1 "General information").

The SDAO mechanism makes it possible to assess whether the project has no negative impact on nature and its ability to contribute to biodiversity, using a progressive scale that prioritises the following objectives:

- improve the health and preservation of ecosystems;
- improve the management of natural resources;
- provide solutions to the five causes of biodiversity loss identified by IPBES [1]: changes in land and sea use, the direct exploitation of certain organisms (plants and animals), climate change, pollution and invasive alien species;
- promote the inclusion of local populations in the management of natural environments and resources;
- develop or consolidate a policy, regulatory and governance framework favourable to biodiversity that takes into account local populations.

Where a negative or qualified opinion is issued on a project during the appraisal phase, approval of its financing is only possible following a decision by an Arbitration Committee chaired by AFD's Executive Management (the projects concerned are included in Section 2.2.2.4.1 "Project alignment with the 'net zero' objective") and following a decision by the Board of Directors.

The SDAO ratings are based on environmental impact management analyses and due diligence (see Section 2.1.2.6.3) and are characterised in relation to a regional context. In the case of Proparco, if a negative rating is assigned, it must be reassessed to a neutral level no later than the date of contract signing, based on evidence provided to the satisfaction of the E&S risk management teams. Failing that, the project will also have to be approved by an Arbitration Committee chaired by Proparco's Executive Management.

2.2.2.3.4 Natural hazards are among the risks covered by the Group's credit policy and ESG risk mapping

Given the nature of its activities, AFD group is exposed, through its operations, to most of the environmental and social risks faced by financial institutions. AFD group's credit policy manages these risks by specifically incorporating environmental, social and governance (ESG) issues and risk factors, with environmental issues being addressed through the E&S risk management framework described above.

In accordance with the EBA's guidelines on ESG risk management, the AFD group is undertaking an initial environmental risk mapping exercise on its traditional operational and financial risks, and will continue with a similar approach for social and governance risks.

2.2.2.3.5 AFD group's monitoring of climate and nature-related financial risks

AFD group is committed to integrating the nature-related financial risks of its counterparties, both physical and transition-related, into its risk analysis processes. The Group's sovereign and non-sovereign counterparties [2] operate in environments that are particularly vulnerable to the consequences of environmental degradation. As a result, the counterparties financed are likely to be affected by two types of nature-related financial risks:

- physical risks, i.e. the direct impacts of environmental degradation on the human activities that depend on it, such as the depletion of natural resources, the disruption of ecosystems or the loss of essential ecosystem services;
- transition risks, i.e. the economic, legal or regulatory risks associated with changes in policies, markets or behaviour aimed at protecting nature, which may affect economic operators.

This work is documented in a roadmap dedicated to financial risks approved by AFD's Executive Committee in March 2022 (see Section 2.1.2.6.4).

The implementation of this roadmap is monitored by a dedicated Steering Committee that brings together the teams working in the Executive Departments involved in the four pillars of this roadmap, as well as Proparco. It meets twice a year and presents its work to the AFD Executive Committee.

The first priority of this roadmap focuses notably on the analysis and management of nature-related financial risks by AFD group. In this respect, a distinction should be made between the monitoring of nature-related financial risks at the customer level and the monitoring and management of negative and positive impacts at the project level.

Together with its research teams, AFD has developed methodologies for assessing nature-related physical and transition risks among its customers. For its sovereign customers, these are based on a sector-specific analysis of the interdependencies between economic activities and the natural environment, as well as the impacts of these activities on the natural environment. The methodologies also take into account the state of biodiversity and ecosystem services, as well as public conservation policies. An analysis of these risks is systematically incorporated across the entire sovereign portfolio.

Unlike climate-related financial risks (see Chapter 2.1 "General information"), physical and transition **risks are not currently analysed as part of the credit risk approval or review processes for non-sovereign counterparties, either at the level of AFD or the level of Proparco.** However, using the tools described below (for analysis at the sovereign level), an initial assessment of the overall exposure of the non-sovereign portfolio to dependencies on ecosystem services was carried out in 2024.

1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.
2) A distinction should be made between the monitoring of nature-related financial risks at the customer level and the monitoring and management of negative and positive impacts at the project level.

Analysis of physical biodiversity risks for sovereign counterparties

The framework for analysing natural hazards is based on the observation that biodiversity is declining and ecosystem services are being eroded. The degradation of these services may therefore undermine the ability of economic activities to generate added value. If a sector is highly dependent on an ecosystem service that is not provided in sufficient quantities by ecosystems, that sector will be vulnerable to a shock.

An analytical framework has therefore been established to identify economic activities that are heavily or very heavily dependent on ecosystem services and which would therefore be exposed to physical and biodiversity risks. Modelling makes it possible to estimate the contribution of these sectors to exports, government revenues, jobs and wages, and national production.

In addition, there is the quantitative appraisal of the region's capacity to provide the different ecosystem services, which takes into account the region's coverage according to different categories of soil (wooded cover, vegetation cover, arid zones, etc.) and the general state of biodiversity (cross-referencing between several indicators on integrity and biodiversity).

The goals and capacity to implement in terms of biodiversity conservation policies are taken into account and can mitigate or amplify these risks.

Analysis of biodiversity transition risk for sovereign counterparties

The framework for analysing biodiversity transition risks is based on the ecological transition dynamics of countries that will develop national biodiversity conservation strategies, alongside sectoral policies (such as regulatory, fiscal or trade reforms) aimed at reducing pressures on biodiversity, catalysing technological change and promoting more nature-friendly behaviours. These policies can target and negatively impact the sectors that exert the greatest pressure on biodiversity. In some countries, sectors exposed to the ecological transition could contribute significantly to key macroeconomic indicators, exposing these countries to the material risks associated with the ecological transition.

An analytical framework has been established to identify the economic activities that contribute the most to the pressures and threats to biodiversity, and which therefore would be exposed to transition risks. Modelling makes it possible to estimate the contribution of these sectors to exports, government revenues, jobs and wages, and national production. The goals and capacity to implement in terms of biodiversity conservation policies are taken into account and can mitigate or amplify these risks.

Both the physical and transitional financial risk analyses are static and assess countries' exposure to biodiversity risks on the basis of historical data. In addition to the collaborative work carried out by researchers in AFD's Economic Diagnostics and Public Policy Department, environmental considerations are now incorporated into the analytical work carried out in AFD's countries of operation, with discussions taking place with governments, other donors and civil society on environmental issues.

2.2.2.3.6 Taking ownership of nature conservation objectives

To ensure that the planet roadmap is widely made their own by all AFD group employees and implemented by all Executive Departments, the following activities are carried out on a regular basis or at the request of the technical and regional teams:

- training initiatives focused on biodiversity (challenges relating to the integration of biodiversity into operations, nature finance, and issues concerning the oceans and blue finance) or incorporating biodiversity considerations (for example, internal training on country risk featuring a session dedicated to physical and nature-related transition risks);
- initiatives to disseminate information and promote mainstreaming, i.e. to strengthen the cross-cutting integration of nature-related issues across all sectors and regions (information events on specific topics related to biodiversity, changes in methodologies or the international framework, organisation of "Biodiversity Murals" events, etc.).

In addition, many other in-house training courses address biodiversity issues from a more sector-specific perspective (courses on climate, financial systems, water and sanitation, sustainable cities, environmental and social risk management, etc.)

Lastly, with regard to online training, the Group also embarked on the production of digital self-training capsules (mini-MOOCs) intended for external and internal audiences on nature-related financial risks, with the collaboration of CDC [1].

1) https://campus.groupe-afd.fr/formation/risques-financiers-lies-a-la-nature-mooc/

2.2.2.4 AFD group's biodiversity measurement tools and targets

2.2.2.4.1 Project alignment with the net zero objective

Within AFD group's portfolio, the proportion of projects expected to have a positive impact on biodiversity has remained stable over the past two years. Over the 2024–2025 period, an average of 31% of approved projects subject to the sustainability assessment (i.e. 401 projects) are expected to make a significant or transformative contribution to the conservation, protection or restoration of biodiversity (scoring +2 or +3 on the biodiversity dimension of the sustainability assessment grid).

In line with its commitment to eventually align itself with the Global Biodiversity Framework, AFD's objective is to only finance:

- no approved projects with an estimated negative impact (below 0) on the biodiversity dimension of the sustainable development assessment framework; and
- no project that is incompatible with Article 17.ii of the exclusion list.

In 2025, three approved projects received negative sustainable development ratings – one on grounds relating to environmental risks or potential harm to biodiversity. This rating is based on environmental and social due diligence that had not been finalised at the time the project was approved. In such cases, conditions precedent may be included in the agreements to ensure that the project does not start without the necessary studies or analyses. For certain sensitive projects, the need for vigilance remains throughout implementation, and E&S monitoring is continuous until the end of the project. **No project with a -2 rating on biodiversity under the SDAO received funding in 2025**. In the event of a negative rating, the Executive Management, meeting in an Arbitration Committee, decides whether or not to present the project to the decision-making bodies.

In 2025, no project funded by AFD group was exempt from Article 17.ii of the exclusion list [1].

The "avoid-reduce-offset" sequence is systematically applied to nature-based operations in line with the "net zero" target. AFD group monitors offsetting measures at project level. No aggregate monitoring indicator was established, as it was not considered relevant.

The notion of an "ecological threshold" – which refers to a specific activity in a given environment – is meaningless for a financial institution such as AFD. AFD, however, relies on a sustainability analysis to determine whether the "net zero" criterion is met within the scope of the project (no negative rating).

2.2.2.4.2 The positive nature Approach (Nature+)

The Group's Nature+ approach measures the amount of AFD group funding that contributes to the protection or restoration of biodiversity. This Nature+ approach thus serves as a driving force for the Group as it pursues its dual goal of increasing investment in the effective protection of biodiversity and promoting a nature-positive society and economy across all its regions and sectors of operation.

These principles also make it possible to manage the amount of funding and its leverage effect on other stakeholders, in particular the private sector and financial institutions. They are aligned with the objectives of the Global Biodiversity Framework (notably Target 19: to increase the total volume of international biodiversity-related finance from developed countries, including Official Development Assistance, domestic resources, the private sector, etc.), and incorporate the regulatory provisions of the European Regulation on sustainable finance.

The Nature+ analytical framework is fully compatible with the guidelines established by the OECD for monitoring Official Development Assistance in support of the Convention on Biological Diversity. Consequently, only investments that meet the criteria for the OECD/DAC1 and 2 [2] Rio biodiversity markers – as identified on the basis of the sustainability assessment rating (+2 or +3 for the biodiversity dimension) – are included in AFD's finance Nature+ programme. To be considered a Nature+ investment, any project must, on the one hand, comply with the highest standards for managing negative impacts, where appropriate by implementing an avoid, reduce, offset approach that ensures there is no net loss of biodiversity; and, secondly, be explicitly designed with a view to producing a net gain in biodiversity – or a Nature+ impact – compared with the situation prevailing prior to the project.

The analysis is conducted according to an ad hoc methodological standard that is currently evolving and should ultimately make it possible to validate the alignment of the investment with the GBF. The methodology is based on two GBF goals – nature conservation and nature-positive society and economy – to which three action levers directly derived from the GBF theory of change are each attached. For each area of action, the Nature+ approach [3] sets out the eligibility criteria and monitoring indicators used to verify that a project does indeed contribute to that action lever.

Applicable across all investment sectors, this analytical framework identifies projects that contribute to a positive development for nature within a country, a region or at the level of a community, an investment sector, a company or a financial institution. Work to roll out the eligibility criteria for the six action levers by sector consolidates a robust internal taxonomy of Nature+ investments for AFD group's sectors of operation.

1) *Clarification regarding the scope of AFD indicators: the scope is limited to approved projects that have been subject to a sustainability assessment, representing over 80% of AFD projects in terms of amounts.*
2) *To be considered pro-climate or pro-biodiversity, Bilateral Official Development Assistance must respect the definition of the Rio markers defined by the OECD's Development Assistance Committee (DAC).*
3) *This approach promotes development that is in harmony with nature – in other words, "Nature+" – meaning it is beneficial to nature and biodiversity.*

Nature+ action levers and eligibility criteria

	Action lever	Eligibility criteria
Nature conservation	1 - Effective protection or conservation of terrestrial, aquatic and marine ecosystems and/or natural species	The operation contributes to: a. the extension and/or restoration of natural spaces and species benefiting from permanent protection or other effective conservation measures (OECMs), OR b. capacity building for and strengthening the resources of their governing bodies, as well as of the conditions and means necessary to maintain the areas concerned in a satisfactory state of conservation on a sustainable basis, OR c. the conservation (*in situ* or *ex situ*) of healthy and resilient populations of natural species and/or their genetic heritage.
	2 - Restoration of natural terrestrial, aquatic and marine ecosystems	The operation generates net gains in biodiversity, ecosystem functions or services in degraded ecosystems through an approach aimed at: a. the active ecological restoration of the state of conservation of ecosystems, OR b. a significant reduction, on a coherent scale, of the human pressures primarily responsible for the observed degradation in the state of conservation of the ecosystem concerned (e.g. invasive species, pollution, fragmentation, overexploitation of natural resources, etc.).
	3 - Integrated spatial planning of rural and urban areas	The operation leads to an increase in the area covered by integrated spatial planning that takes biodiversity into account and/or to a reinforcement of the regulations governing human and economic activities in the area, so that the following are preserved in a sustainable and simultaneous manner: the due functioning of ecological areas and networks, as well as the sustainability of natural capital and ecosystem services, including where these are exploited for productive purposes.
Nature -positive society and economy	4 - Integrated policies and strategies, biodiversity governance and the mobilisation of financial resources for biodiversity	The operation substantially strengthens governance and implementation goals, effectiveness and resources: a. public strategies, policies and action plans (State or competent authority) for biological diversity, aligned with the GBF and its monitoring framework, OR b. strategies adopted by private sector actors (companies, financial institutions or civil society organisations) to integrate biodiversity considerations into all their activities and reduce their overall biodiversity footprint
	5 - Sustainable management of natural resources (quantity and quality) and value chains	The operation yields a significant and measurable net improvement in the environmental efficiency of extraction, production, processing and supply chains, as well as the lifecycle of products derived from or dependent on natural capital, thereby making a measurable contribution to the sustainability of the natural capital that is exploited or utilised (in terms of quantity or quality). These net gains can be achieved through strategies targeting: a. the transition of production or processing sectors or industries that rely on natural resources (agriculture, forestry, fisheries, manufacturing) towards practices and technologies that demonstrate their ability to manage negative impacts on the natural environment, and that promote nature and nature-based solutions, OR b. the implementation of master plans and investment programmes designed to reduce, on a large scale, the pollution and waste generated by economic activities (reduction at source, treatment, and recovery through the circular economy).
	6 - The specific environmental efficiency of an investment or a significant reduction in a specific and chronic anthropogenic pressure leading to environmental degradation	The operation yields a net gain in biodiversity, but its impact on the ecological quality of the habitats or ecological functions it influences is localised or limited, either because the activities promoting biodiversity are isolated within an intervention framework that does not follow an integrated approach to addressing biodiversity issues (projects with an isolated biodiversity component), or because the factor(s) of degradation that are substantially reduced are of a one-off, chronic or local nature in relation to biodiversity.

AFD's and Proparco's nature finance amounted €1,255M (rounded to €1.3bn) in 2025. Subject to the continued availability of budgetary resources for grants, AFD group will maintain its biodiversity funding at an average of €800M per year over the 2025–2027 period. Equally, subject to the continued availability of budgetary resources, it will aim to allocate an average of 20% of its biodiversity funding to ecosystem conservation and restoration projects. The recognition of biodiversity co-benefits in financing relates to commitments made by AFD and Proparco; it is only recognised where the SDAO biodiversity rating is 2 or higher, indicating a positive, intentional and measurable contribution by the operation to improving biodiversity, and follows the Nature+ methodology described in this section.

Capitalising on ten years of monitoring the Group's investments in this area, AFD's finance Nature+ method is inspired by the best standards available to date in terms of biodiversity-friendly finance.

The method applies a weighting factor of 20% to 100% to the corresponding investment, in order to measure its contribution to AFD group's annual Nature+ finance. Using the framework put forward by the OECD to monitor Official Development Assistance (ODA) for biodiversity, the project's financial contribution to the AFD's Nature+ finance initiative is calculated using a flat-rate weighting factor applied to the committed funding for projects eligible for a key action lever:

Biodiversity action lever	Weighting factor	Main degradation driver identified
LAB 1: Protection and conservation	**100%**	Net loss of natural habitats
LAB 2: Ecological restoration	**80%**	Degradation of ecosystems
LAB 3: Integrated spatial planning	**60%**	Fragmentation of ecological corridors
LAB 4: Policy and governance	**50%**	Weakness of biodiversity governance
LAB 5: Sustainable management of resources	**40%**	Overexploitation of resources and pollution
LAB 6: Specific ecological efficiency	**20%**	Cumulative chronic pressures

The progressive nature of the weighting factors is based on the hierarchy of pressures proposed by IPBES [1] in its 2019 report on the state of ecosystems. These six levers represent action strategies designed to reduce the six factors of degradation identified by IPBES as the main causes of the accelerated global degradation of biodiversity: the net loss of natural habitats, their degradation and fragmentation, the overexploitation of resources and their pollution, and, more broadly, the weakness of regulatory and environmental governance frameworks. The weighting factor applied to a biodiversity action lever is greater the more the degradation factor is regarded by scientific data as a key driver of the overall decline in biodiversity.

By systematically applying the Nature+ standard to all its investments, the AFD group is able to explicitly state the amount of its investments that contribute to achieving the targets of the Global Biodiversity Framework.

Furthermore, operations relating to the agroecological transition are covered by a separate methodology. A link has been established between this framework for characterising agroecological transition projects and the AFD's system for accounting for biodiversity co-benefits, making it possible to quantify the contribution of agroecology to the achievement of the GBF's objectives.

Annual amounts of co-benefits by nature – 2017/2025 [2]

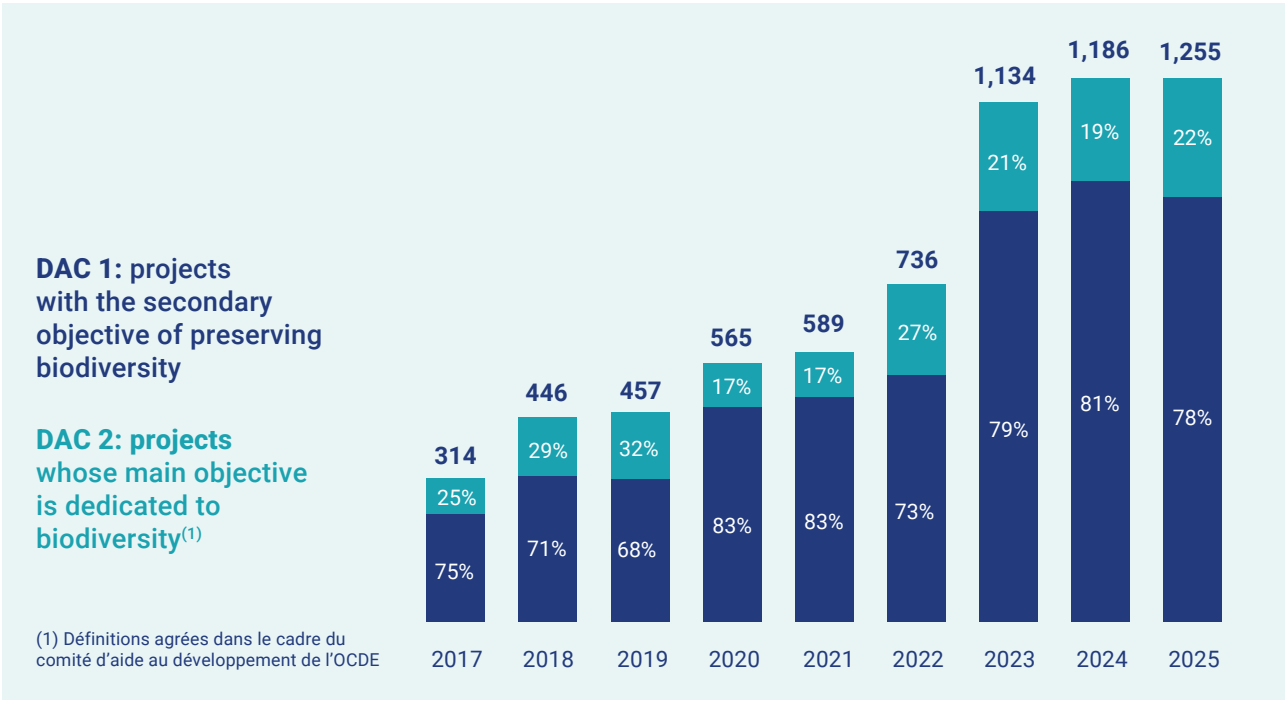
										Group
In millions of euros	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Target**
Amount of nature co-benefits aligned with the biodiversity financing objective	302	431	449	571	589	736	1,134	1,186	1,255	800
of which AFD	302	431	449	571	589	736	1,032	1,145	1,196	
of which Proparco							103	41	60	
Share of co-benefits by nature	3.7%	4.3%	3.5%	5.0%	5.2%	6.5%	9.4%	9.1%	10.2%	

Analysis of projects according to the biodiversity dimension [3]

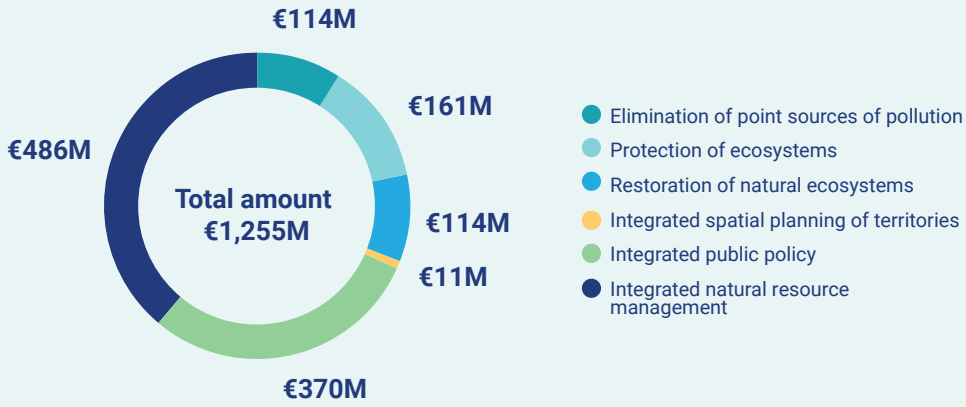
										Group
Number of projects	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**Target**
Share of projects without a reducing negative rating Biodiversity	97.4%	94.5%	92.8%	94.3%	97.4%	97.7%	96.2%	98.0%	99.0%	
Number of projects without a reducing negative rating Biodiversity	148	171	219	182	187	212	329	341	391	100%

1) Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.
2) The table explains the amount of co-benefits by nature, classifying the operations granted each year according to the Finance Nature + methodology. The percentage shown at the bottom of the table corresponds to the share of this annual amount, in relation to the annual amount of the AFD group's approvals. The data presented is limited to the AFD scope from 2017 to 2022, supplemented by data relating to the Proparco scope since 2023. Clarification regarding the scope of AFD indicators: the scope is limited to approved projects that are subject to a sustainable development viewpoint, representing more than 80% of AFD projects.
3) The data presented is limited to the AFD scope from 2017 to 2022 and then supplemented by data relating to the Proparco scope since 2023 and Expertise France in 2025. The 2025 data therefore corresponds to the Group scope. In addition, for AFD, the scope is limited to approved projects that are the subject of a sustainable development viewpoint, representing more than 80% of AFD's projects. For Proparco, the scope is limited to projects with a SD rating, representing 88% of projects.

A significant increase in commitments (In millions of euros)



Breakdown of nature-friendly financing, by sectors identified by IPBES, in 2025



2.2.2.4.3 Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity

With a view to measuring, monitoring and reporting on the impacts of its financing in line with the impact goals of POS V, AFD set up a system of indicators to allow the implementation of the planet roadmap. These indicators are incorporated into the logical frameworks of the operations and help to structure the impact thesis specific to each operation. With regard to biodiversity, the following indicator was used: areas benefiting from protection actions, conservation to restore terrestrial, aquatic and marine biodiversity (ha) [1]. This is a monitoring indicator, without a target, covering AFD and Expertise France.

The AFD group has adopted a Results and Impacts Framework (IRC) which makes it possible to report on some of the direct impacts of projects and programmes financed by AFD. The number of total indicators is limited in order to provide the reader with a first partial illustration of the impacts of the AFD group's action. Thus, for biodiversity, the indicator selected is the area benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity.

Areas benefiting from measures to protect, conserve or restore terrestrial, aquatic and marine diversity

	Group
Indicator	**2025**
Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic and marine biodiversity (ha)	11,493,788

2.2.2.4.4 Indicators for monitoring the portfolio's nature-related financial risks

To date, AFD's Economic Diagnostics and Public Policy Department has carried out an analysis of the physical and transition financial risks of 59 countries out of the 60 it monitors.

The nature risk levels measured as part of these analyses do not, at this stage, allow us to conclude that the associated financial risks are material. These analyses provide input for the Climate and nature fact sheets, but have no direct impact on sovereign risk ratings.

2.2.3 European taxonomy

No activity is declared as being associated with economic activities that may be considered environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (the Taxonomy Regulation).

AFD group would also like to clarify the following elements:

- Through the financing it approves and the technical assistance it provides, AFD group contributes to the transition to a more sustainable world. It provides support for the European Green Deal's efforts to finance the transition to a green economy. As a development bank, its main areas of operation are in low- and middle-income countries outside the European Union;
- moreover, the projects backed by AFD are implemented in contexts where socio-economic and technological conditions, as well as the availability of information, make it difficult to meet certain current technical criteria of the European Green Taxonomy. However, AFD group ensures that all of its activities are aligned with the expectations of the Paris Agreement and ultimately with those of the Kunming-Montreal Global Biodiversity Framework (see Sections 2.1.2.1.1, 2.1.2.1.2 and 2.1.2.6.2, as well as the chapters on climate change (E1) and biodiversity (E4));
- moreover, since 2015, the Group has been applying an internal taxonomy that is consistent with the Common Principles developed by the multilateral development banks and the members of the International Development Finance Club (IDFC);
- Together with its development bank partners, AFD group is closely monitoring initiatives aimed at promoting interoperability between the European Green Taxonomy standards and the various taxonomies that have been developed or are currently being developed in the regions where it operates;
- lastly, to date, AFD group's exposures falling within the scope of the GAR (Green Asset Ratio) following the Taxonomy 2026/73 Delegated Act of 4 July 2025 are well below the 10% materiality threshold that has been introduced.

1) This is ex-ante data on projects awarded in 2025. From 2027, the Group will publish ex-ante data on 2026 approvals and ex-post data for projects completed in 2026.

2.3 Social information

2.3.1 A meaningful work environment (S1)

SUMMARY

A meaningful work environment (S1)

AFD group deploys an ambitious social policy with regard to its staff, beyond compliance with labour laws and regulations. This policy is characterised by the desire for its employees to benefit from an environment conducive to skills development and quality of life at work.

- **Inclusion:** an inclusive social policy for all employees regardless of their age, gender, origin or health.
- **Zero tolerance:** a zero-tolerance policy regarding any situation of harassment, discrimination, gender-based or sexual violence
- **Social dialogue:** a policy that fosters a rich social dialogue and includes advantageous social protection systems.
- **Health and safety:** a policy committed to the health and safety of staff in all circumstances, particularly in deteriorating safety contexts (dedicated systems in terms of resources, processes, training).

2025 highlights:

6.9/10

Well-being at work

According to the 2025 social barometer, a significant increase on the 2023 social barometer.

3

New agreements signed

Unanimously: QVTC (quality of life, training by trained agent and working conditions), GEPP (management of jobs and career paths), fixed-term contracts.

21

Average number of hours of training per trained employee

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter.

ESRS	Title of the IRO	Policies	Equity	Metrics & Targets

S1 Equal treatment	**Negative impact** of an unintentional contribution to unequal treatment or degraded working conditions
	
	Operational risks related to non-compliance with the French Labour Code, collective agreements and regulatory obligations (local law) or deterioration in the health and safety of employees
		"AFD group's social policy values" shared framework	• Reporting prohibited conduct
			• Awareness-raising initiatives, training, use of an external counselling service, participation in an inclusion survey
			• Mapping of discrimination risks
			• Social dialogue (inclusion of people with disabilities and LGBT+, compensation)
				• Diversity [S1-9]: distribution by sex and age *(number and %) [No target]*
				• Disability [S1-12]: employees with disabilities *(%)* [Group6% of employees]
				• Training and skills development [S1-13]:
				  • Percentage of employees who participated in regular performance appraisals *(%)* [100% of employees assessed annually]
				  • Average number of hours of training per employee and by gender *[No target]*
				• Compensation:
				  • Gender pay gap *(%)* [Target of 0%] [S1-16]
				  • Ratio between the highest compensation and the median compensation *(number)* [limitation of *8 in the bylaws]
				• Incidents of discrimination including harassment [S1-17]:
				  • Number of incidents of discrimination, including harassment *(number)* [100% of alerts handled]
				  • Number of complaints lodged through channels *(number) [target of 0]*
				  • Total amount of fines, penalties and compensation for damages resulting from complaints *(€) [Target of €0]*

S1 Working conditions	**Negative impact** of potentially deteriorating working conditions, notably the safety of the Group's employees (assignments, expatriation, etc.)
	
	Operational risks related to endangerment due to the safety context, risk of accidents, etc.
			• Establishment of the Health, Safety and Working Conditions Committee, the Committee of Foreign Residents' Representatives and Local Social Dialogue Partners
			• Implementation of measures related to the physical safety of workers
			• Design and implementation of a workload assessment and regulation tool
			• Social dialogue (caregivers, working conditions)
			• Improvement of quality of life at work (action plans following the social barometer)
				• Collective bargaining and social dialogue [S1-8]:
				  • Percentage of employees covered by collective agreements *(%) [No target]*
				  • Existence of an employee representation agreement (yes/no)
				• Social protection [S1-11]: coverage for sickness, unemployment, workplace accidents, parental leave, retirement. (Table) [100% of countries covered by the Group's social protection plan; 100% application of regulatory texts on unemployment, workplace accidents, etc.]
				• Health and safety [S1-14]:
				  • Percentage of staff covered by the health management system (%) [Target of 100%],
				  • Number of deaths due to occupational accidents and illnesses *(number)* [Target of 0],
				  • Workplace accidents (*number and* %) [Target of 0],
				  • Days lost *(number)* [Target of 0]
				• Work-life balance [S1-15]:
				  • Percentage of employees entitled to family leave *(%)* [Target of 100%]
				  • Percentage of employees who took such leave, broken down by gender *(% M-F)*

The "AFD group's social policy values" shared framework is broken down into a number of documents and procedures:

- in the field of health and safety for AFD – Proparco (General Crisis Management Plan and Local Office Security Policy); Single document for the assessment of occupational risks (psychosocial risks and physical risks), Annual programme for preventing professional risks and improving working conditions, Quality of Life and Working Conditions Agreement) and Expertise France (Safety Standards Note applied to business travel missions);
- in terms of professional equality (Professional Equality Agreement);
- to promote the employment, integration and continued employment for people with disabilities (Disability Agreement);
- as regards quality of life at work (AFD-Proparco social report, AFD-Proparco social barometer) – in terms of social protection (provident insurance, supplementary insurance, retirement, etc.);
- as regards training ("AFD group Campus" training platform).

It should be noted that Sogefom and Fisea have no employees and are therefore not relevant for this section of the sustainability statement.

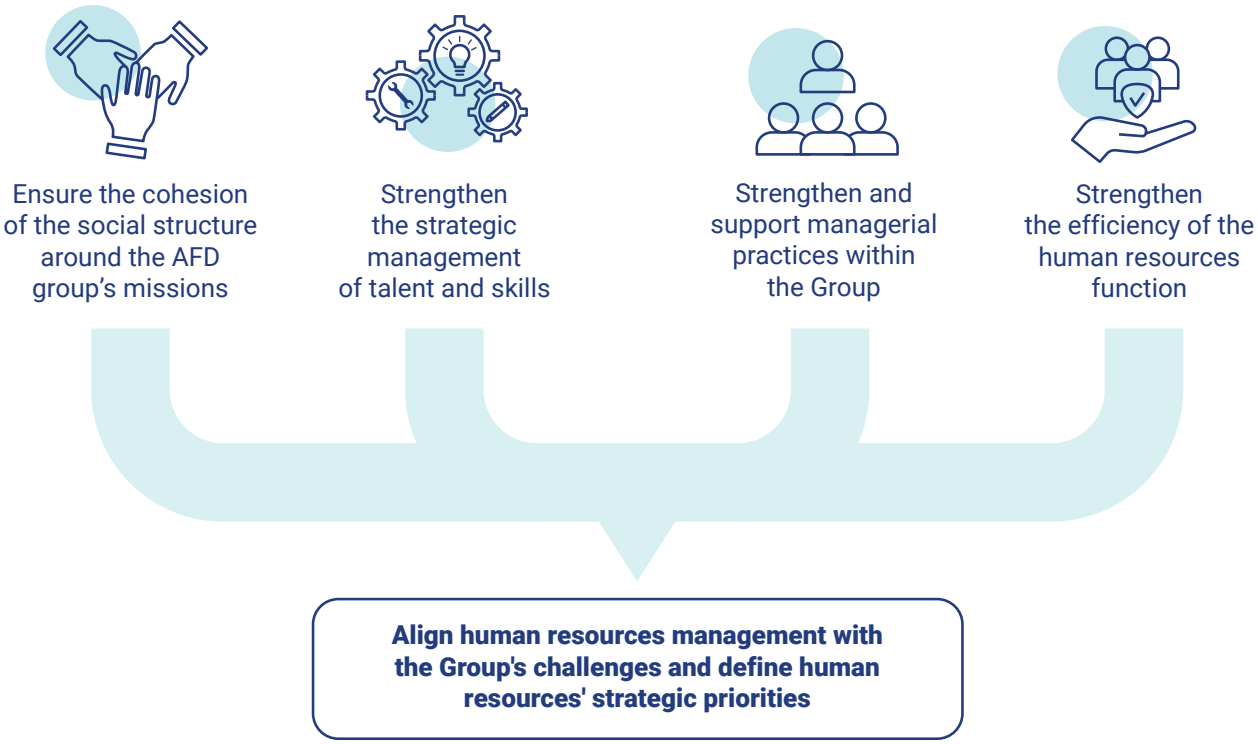
The precise scope of the S1 indicators is specified for each table and summarised in Appendix 2.5.4.

2.3.1.1 Policies related to own workforce

The primary value of human capital at AFD group

AFD-Proparco and Expertise France each have their own Human Resources Department (HRD). AFD makes staff available to Proparco, which has a local HR unit.

These Human Resources Departments (HRDs) have defined a strategy aimed at reaffirming the paramount importance of the Group's human capital in achieving its strategic, operational, functional and financial objectives. Which is why the HR strategy sets human collective performance as its first goal. The four strategic priorities identified enable human resources management to be aligned with the Group's challenges and help define its strategic priorities in the area of human resources: ensuring staff cohesion around the AFD group's missions; strengthening the strategic management of talent and skills; strengthening and backing managerial practices across the Group; and enhancing the efficiency of the human resources function. The Group's impacts on the workforce (see below) therefore result from the strategy as much as they feed into it, as the HR Department is keen to take these positive or negative impacts into account as part of a continuous improvement approach.



Respect for human rights and labour law

The Group complies with all French and international laws and regulations relating to labour law and human rights, in particular the French Labour Code, legislation on health and safety at work, the fundamental principles of the International Labour Organization (ILO), international human rights conventions such as the Universal Declaration of Human Rights, and the relevant European requirements.

As an employer, the Group is not involved in forced labour or child labour; it is therefore unlikely to have any negative impact on the human rights of its workers and, as such, does not have a specific policy on this matter.

Prevention of occupational risks

AFD group set up a workplace accident prevention system designed to identify, prevent and reduce occupational risks that could affect the health and safety of employees and non-employees involved in its activities.

This system is based first and foremost on an occupational risk assessment approach formalised in the Single Occupational Risk Assessment Document (DUERP), which is regularly updated. This assessment helps to identify high-risk situations, both at head office and during assignments and postings abroad, and to tailor preventive measures accordingly.

Prevention actions are set out in the annual programme for occupational risk prevention and the improvement of working conditions (PAPRIPACT), which defines the measures for prevention, collective and individual protection, as well as awareness-raising and information actions for employees.

The framework is supplemented by internal security policies and procedures, notably for international operations, as well as by systems for managing incidents and emergencies. All of these measures aim to limit the occurrence of workplace accidents and reduce their consequences when they occur.

Afnor certification of the AFD group's social policy

AFD-Proparco implements an ambitious and structured social policy based on the principles of non-discrimination, diversity and inclusion, which are enshrined in HR policies and collective agreements. This policy is translated into operational initiatives implemented across the Group, notably in terms of quality of life and working conditions, professional equality, social protection and skills development, and is regularly monitored using HR indicators and tracking mechanisms. Recognition through the Afnor certification attests to the effectiveness and maturity of this approach. The impacts of these policies are analysed, notably in terms of HR attractiveness, employees' career development and the prevention of discrimination based on age, disability, sexual orientation, social and ethnic background, sex and gender identity, with a view to continuous improvement.

Other information (Article L.22-10-35 of the French Commercial Code)

At this stage, AFD is not implementing any specific system or dedicated programme to promote the commitment of its employees to the operational reserve or the National Guard. However, in compliance with its legal obligations and the individual rights of its employees, AFD allows the employees concerned to carry out their civic commitments, notably when these are provided for by the applicable regulations. To date, AFD does not have the "partner employer for local democracy" certification mentioned in Article L.1621-6 of the French General Code for Local Authorities and does not implement any specific mechanism to promote this commitment. Nevertheless, AFD remains attentive to initiatives likely to promote citizen participation and the involvement of its employees in democratic life.

2.3.1.2 Cross-functional and descriptive information on AFD group's workforce

AFD group's scope includes all employees, both contract workers and expatriates governed by French or local law (unless specified otherwise below); local law employees represent around 16% of the Group's total workforce. Non-employees, notably consultants, external service providers, and employees employed by third-party employers are not included in the salaried workforce but may be taken into account in other reporting scopes. The people making up the Group's salaried workforce are of legal age.

2.3.1.2.1 Characteristics of AFD group employees (S1-6)

Table of the number of employees by gender and geographic area for the year 2025

Countries where the Company has at least 50 employees, representing at least 10% of its total number of employees

31/12/2025	AFD & Proparco		Expertise France		Group		Total
Indicator	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**	
Number of employees	1,354	1,770	864	1,074	2,218	2,844	5,062
Of which permanent employees	1,253	1,630	322	633	1,575	2,263	3,838
Of which temporary employees	101	140	542	441	643	581	1,224
Number of employees leaving the company	145		74		219		219
Employee turnover rate	4.6%		4.4%		4.6%		4.6%

Methodology for calculating the salaried workforce – cross-functional information in indicators S1-6:

S1-6 only covers employees (therefore non-employees are excluded from the scope of indicators S1-6).

The data presented in this section relate to the scope of consolidation comprising the Group's three entities (AFD, Proparco and Expertise France) surveyed as part of the social data collection campaign for the financial year ended 31 December 2025. The Sogefom and Fisea entities have no employees of their own.

The S1-6 indicators, with the exception of the total number of employees that have left the Group, cover the entire scope of the AFD group's workforce: namely, staff employed under French law and local law . AFD group does not employ any staff on non-guaranteed-hour contracts, as this type of contract does not form part of the Group's business model.

The staff figures are taken from the information systems of the Group's Human Resources Department (AFD and Expertise France) and have been supplemented by local HR teams as part of data collection campaigns (for Expertise France).

The figures refer to the number of employees (headcount) rather than full-time equivalents (FTEs) and relate to the 2025 financial year.

Reconciliation with the workforce presented in the Universal registration document

The Group's headcount is also presented in Section 1.6.2. Information on locations and activities as at 31 December 2025; Universal Registration Document.

The difference between the two pieces of information is mainly due to a difference in calculation methodology, as paragraph 1.6.2 is based on the average workforce for the year, whereas the S1-6 reporting is based on the workforce at the end of the reporting period.

Employees by gender, contract type and geographic area

The scope of employees includes permanent contracts, fixed-term contracts – including work-study students (apprenticeship and professional training contracts) – civil servants (on a compensation scale or fixed-salary basis), as well as seconded staff (outgoing). Note: interns were not included in the scope insofar as in France interns are not considered employees of the company.

The genders "women" and "men" are reported; current capabilities do not yet allow for the identification of the categories "undeclared" and "other" at Group level.

With the exception of France, AFD group does not operate in countries where it has more than 50 employees representing at least 10% of its total number of employees.

Definitions of key terms

- Executive corporate officers: an executive corporate officer (Chief Executive Officer or Deputy Chief Executive Officer) is a person who holds a corporate office on behalf of the legal entity they represent and who is paid for the work they do in this capacity.
- Permanent contract: open-ended contract, including local employees.
- Temporary contract: fixed-term contract including work-study students, CIFRE contracts, as well as local employees under fixed-term contracts, and excluding interns and international volunteering.

Total number of employees leaving the Group during the reference period

The indicator presented is limited to permanent contracts. The total number of employees who left the Group during the reference period, for Expertise France, is limited to employees subject to French law. Data on employees under local law will be included in the scope of the next publication.

The following reasons for leaving were included in the calculation of the indicator: resignation, end of probationary period, mutual termination of contract, retirement and individual early retirement, dismissal and death. Outflows related to internal mobility were not included in the calculation of the indicator.

Turnover of employees during the reference period

This indicator covers all employees on permanent contracts, expressed as natural persons. Temporary contracts were excluded from the calculation of this indicator as their presence at the Group is by definition temporary.

The turnover rate presented corresponds to the exit rate.

It is calculated as follows: number of permanent staff leaving during the reference period/number of permanent staff as at 31 December of the reference year.

Gender equality at AFD group

The Group does not set a numerical target for female or male employees, but implements an active and structured policy to promote gender equality. It is based, particularly in the case of AFD and Proparco, on commitments set out in their gender equality agreement, which aims, notably, to ensure there is no discrimination in recruitment, to promote gender diversity across all sectors and levels of responsibility, to guarantee equal compensation for equal work, and to broaden women's access to senior management positions. A project was launched at Expertise France to enable the organisation to establish a system similar to the one in place at the AFD. Taken together, these measures represent a path of continuous progress, aimed at achieving a sustainable balance in the representation of women and men.

2.3.1.2.2 Management of non-employees

In accordance with the transitional measure provided for by the applicable regulations, this indicator was not published for the 2025 reference year.

The action plan for future publications is as follows:

- define the concept of "non-employee" and identify the groups concerned;
- identify the resources available to monitor said people;
- implement an appropriate monitoring process to collect and improve the reliability of the corresponding data.

2.3.1.3 Social dialogue at AFD group (S1-2)

The Group relies on a structured, multi-channel social dialogue, enabling employees – either individually or through their representatives – to contribute to the development and refinement of social, organisational and HR policies, as well as to the identification and management of their social impacts. This dialogue informs the Group's decision-making processes and is in line with AFD group's social values, as set out in the Shared Framework [1] (active listening, quality of social dialogue, protection of individual and collective rights, equality, and support for career development).

As part of operational risk management and efforts to prevent any adverse effects on human resources, the measures implemented are determined in consultation with the Social and Economic Committee for head office staff and with employee representatives for staff employed under local law.

A dialogue conducted both directly and via employee representatives

AFD group recognises several forms of staff expression:

Formal representative dialogue

The staff is represented by the elected representatives of the various trade union organisations in the following legal bodies:

- Institutions' Social and Economic Committees (SEC) [2];
- Central Social and Economic Committee (CSEC) for AFD only;
- Representation of elected staff members on the Board of Directors (for AFD and Expertise France).

Operating agreements for the SEC and CSEC set out in detail the procedures governing their composition, information and consultation processes, and the thematic committees that help ensure employees' views are taken into account (the Health, Safety and Working Conditions Committee, the Committee on Support and Respect for Individual and Collective Rights, the Committee on Employment and Skills Development, the Local Liaison Committee, etc.).

Spaces for direct expression (AFD/PRO, EF)

In addition to the legal bodies, several other mechanisms allow staff to express their views:

- a biennial social barometer [3] to collect social perceptions, expectations and risks;
- internal reporting mechanisms, notably through managers, the occupational health services, the social support services or the reporting units (e.g. the monitoring unit for psychosocial risks – governed by an addendum to the SEC agreement for the AFD; see Section 2.3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or gender-based and sexual violence"");
- team meetings, business workshops, QLWC (Quality of Life at Work) approaches;
- additions from the social report [4] including HR indicators to monitor the state of the social climate.

Moments, frequency and type of dialogue

The procedures for dialogue are clearly defined at each entity:

- Head office SEC: monthly meetings, including four meetings focusing on health, safety and working conditions, with the possibility of holding extraordinary meetings,
- Health, Safety and Working Conditions Committee: at least once every three months.

AFD has also set up additional bodies to diversify its dialogue bodies, taking into account its specific characteristics:

- SEC of the French Overseas Departments and Collectivities for AFD: bimonthly meeting, with the possibility of extraordinary meetings;
- Central SEC for AFD-Proparco: chaired by the Chief Operating Officer, regular meetings on strategic orientations, mandatory information-consultation blocks and cross-cutting issues:
  - specialised committees, meeting at a defined frequency:
    - Health, Safety and Working Conditions Committee: at least quarterly,
    - Committee on Support and Respect for Individual and Collective Rights: every two months,
    - Committee on Employment and Skills Development: according to the needs of the consultations.

These various forums provide an opportunity to combine collective feedback, individual input, risk analysis and consultation on projects affecting staff.

1) The Shared Framework is an internal document, adopted on 21 April 2022 by AFD, Proparco and Expertise France, which aims to express the founding values of AFD group's social policy.
2) 1 SEC for AFD and Proparco and 1 SEC for Expertise France.
3) Survey conducted among all employees at the head office and the network to better understand the assets, the challenges and the difficulties encountered by employees.
4) The social report summarises in a single document the key figures needed to assess the company's social performance, record its achievements and measure the changes that have taken place over the past year and the two preceding years.

Function responsible for ensuring dialogue and integrating its outcomes

The operational responsibility for social dialogue falls to the Executive Department of Human Resources. It is explicitly identified in the AFD SEC/CSEC operating agreement as the central point of contact for staff representatives and the body responsible for ensuring that information and consultation obligations are fulfilled.

The HR Departments:

- organise meetings and disclosures/consultations;
- co-construct agendas with the secretaries of the SECs;
- answer questions (e.g. Committee on Support and Respect for Individual and Collective Rights/ Local Liaison Committee);
- lead the Appeals Committee;
- follow up on the commitments resulting from discussions.

At AFD, the HR Department:

- also oversees the Appeals Committee;
- helps to ensure that employee feedback informs decisions affecting employment, working conditions, organisational changes and quality of life at work.

Collective agreements allowing employee points of view to be taken into account

AFD-Proparco has entered into a series of agreements to organise social dialogue and facilitate an understanding of employees' expectations and needs. The agreements in force include:

- agreement on the functioning of the SECs and the CSEC;
- agreements on quality of life at work/QLWC;
- professional equality agreement;
- disability agreement;
- teleworking agreement;
- donation of days, caregivers agreement;
- incentive agreement;
- agreement on the penalty payment scheme, electronic voting, appeals committee, etc.

These agreements establish formal channels for dialogue and set out explicit mechanisms for consultation, monitoring and employee participation in decisions that affect them.

The Staff Regulations of Agence Française de Développement [1] are themselves based on a principle of consultation and transparency, notably with regard to compensation, staff mobility, job classification, appeals, risk prevention, etc.

For its part, Expertise France has also entered into the following agreements which remain in force with employee representatives:

- agreement on the functioning of the SEC;
- company agreement;
- teleworking agreement;
- agreement on the target-based bonus scheme;
- incentive agreement;
- agreement on the annual fixed number of days;
- agreement on the Mandatory Annual Negotiation.

Assessing the effectiveness of social dialogue

AFD-Proparco assesses the effectiveness of its social dialogue through several complementary mechanisms:

Social barometer (every two years)

It makes it possible to identify:

- the overall perception of the social climate;
- the quality of dialogue with management;
- weak signals on social risks (psychosocial risks, work intensity, team functioning, etc.).

In 2025, the social report showed that AFD's overall situation has improved since 2023, and reached its most favourable level since the launch of the scheme in 2020. The well-being at work indicator was 6.9/10, an increase compared to 2023 (6.3/10).

Annual social report indicators

They help measure the impact of social dialogue on:

- changes in the workforce and mobility;
- training and development;
- working conditions (absenteeism, accidents, etc.);
- professional diversity and equality;
- quality of life at work;
- monitoring of collective agreements.

Some committees (e.g. The Health, Safety and Working Conditions Committee, the Committee on Employment and Skills Development and the Committee on Support and Respect for Individual and Collective Rights [2] regularly review the implementation of these commitments and make recommendations.

Feedback on the SEC/CSEC consultations

Feedback on the SEC/CSEC consultations takes place via the verbatim transcripts of the sessions., which enable the quality of discussions, the number and nature of the opinions issued during SEC/CSEC contributions to be measured, and adjustment measures to be implemented by management.

Recourse mechanisms

The Joint Committee (staff regulations, Article 4.2.3), which corresponds to the implementation of the agreement on the Appeals Committee, also makes it possible to assess the fairness of HR decisions and the remediation of contentious individual situations.

1) Decree of 22 December 2022 approving the Staff Regulations of Agence Française de Développement (AFD), available online: https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000046846396
2) Committee on Support and Respect for Individual and Collective Rights.

2.3.1.3.2 Systems put in place by AFD group to manage and mitigate its negative impacts and material risks in relation to its staff (SBM-3)

Inclusion of all relevant staff in the scope

During its double materiality assessment, AFD group included all staff members likely to be materially affected by its activities. This involves:

- head office staff;
- staff based in local offices in the French Overseas Departments and Collectivities;
- expatriate staff;
- local managers employed in country offices when they are under the direct responsibility of the company in respect of the Group's HR management or social responsibility schemes;
- non-employees treated as employees, insofar as they are affected by social provisions (volunteers, apprentices, trainees, etc.).

This scope takes into account the specific features of AFD group's bylaws and the social values stipulated, for AFD, in the Shared Framework (equality, security, fundamental rights, risk prevention, support for career pathways) as well as in the staff regulations of Agence Française de Développement. All the impacts, risks and opportunities identified concern the entire workforce, without distinction.

AFD group, and in particular AFD, as a public institution subject to French law, operating within a rigorous ethical framework (Ethics Charter and Shared Framework), does not generate systemic negative impacts such as forced or compulsory labour or child labour, or serious violations of fundamental rights.

The Group identified two potential negative impacts leading to two operational risks, described below.

Involuntary contribution to degraded working conditions and/or unequal treatment

The Group's activities may potentially have negative impacts on its workforce, mainly in relation to:

- occupational risks to employees, notably psychosocial risks identified through the Health, Safety and Working Conditions Committee, the monitoring unit and the DUERP [1];
- individual situations of tension or unease at work, dealt with notably in the framework of the Committee on Support and Respect for Individual and Collective Rights or the Appeals Committee;
- specific organisational repercussions related to changes in the business lines, tools or internal reorganisations (prepared *via* the Committee on Employment and Skills Development).

These potential and unintended impacts are managed and mitigated by several workforce management actions detailed in sections 3.1.3 "Promotion of professional equality and diversity" and 3.1.4 "Working conditions and employee safety".

Potential deterioration in working conditions, notably with regard to the safety of the Group's employees (assignments, expatriation, etc.)

Given the nature of its strategy and the countries where it operates, the Group may contribute to potential negative impacts on the safety of its employees, notably those on assignment or working abroad.

AFD group therefore identified as a potential risk the exposure of certain employees – notably those on assignment or working abroad – to working conditions that may deteriorate due to unstable security situations (high-risk areas, socio-political unrest, security incidents).

Procedures to provide solutions and remedy negative impacts

Should a situation arise or be identified that could jeopardise an employee's safety or working conditions, the Group implements the following procedures:

- activation of security and crisis management systems, in accordance with the General Crisis Management Plan and applicable security policies (Group Security Policy, Local Office Security Policy);
- an immediate assessment of the individual's situation, including an analysis of the level of risk and the conditions under which the mission is to be carried out;
- appropriate protective measures, which may include adjustments to working arrangements, the temporary suspension of activities, or the repatriation or relocation of the employee;
- HR support and, where necessary, medical or psychological support, notably after a security incident;

These procedures apply to all the staff concerned, whether employees or non-employees working on behalf of the Group.

1) Employers are required to assess the occupational risks (physical and psychosocial) to which their staff are exposed and to record them in a document known as the Single Occupational Risk Assessment Document (DUERP - document unique d'évaluation des risques professionnels). The purpose of this assessment is to implement actions to prevent the risks that were identified.

Operational risks relating to Group staff

The main material operational risks identified are:

- operational risks related to non-compliance with the French Labour Code, collective agreements and regulatory obligations (local law) or to the deterioration of the health and safety of employees.
  - These operational risks stem from several factors: (i) psychosocial risks identified in the single occupational risk assessment document and monitored by the Health, Safety and Working Conditions Committee and the monitoring unit, (ii) risks arising from insufficient skills in the face of changes in the workplace, and (iii) risks linked to structural reforms, which may lead to organisational tensions;
  - These risks are taken into account and managed through a number of internal processes: (i) the forward-planning processes for jobs and career paths (GEPP), which are currently under negotiation, (ii) the work of the Committee on Employment and Skills Development regarding changes in job roles, and (iii) the individual support measures provided for in the staff regulations;
- operational risks associated with exposure to danger due to the security situation, and the risk of accidents.
  - These risks are caused notably by (i) fatigue and psychosocial risks associated with travel, (ii) safety or health risks depending on the country, (iii) isolation or mental strain, and (iv) the impact on work-life balance (personal and professional).
  - These risks potentially affect a single group of staff who are more vulnerable to negative safety-related impacts: namely, employees who are required to go on international assignments. The Group was able to identify this increased exposure by analysing operational contexts in terms of security, health constraints, climate risks and travel conditions.
  - These risks give rise to mitigation measures such as mission safety procedures, medical support, international assistance and pre-departure preparation; these measures are described in more detail in Section 3.1.4.4 "Health and safety" (S1-14). It should be noted that these assignments also enable the Group's workforce to develop inter-cultural skills and enhance their professional development.

AFD group has not anticipated any impact on its employees as a result of the climate and environmental transition aimed at aligning its activities with the objectives of the Paris Agreement.

2.3.1.4 Promotion of professional equality and diversity

2.3.1.4.1 Promotion of diversity (S1-9)

With a view to improving equal opportunities for all, AFD and Proparco signed a "professional equality" agreement with the social partners in January 2021. This agreement guarantees access to employment; career progression and development; equal compensation; the organisation of work and work-life balance; training and awareness-raising on gender equality in the workplace; and measures to combat domestic violence.

Notably, the work of the AFD-Proparco Human Resources departments focuses on access to training and skills development, as well as inclusive and strengthened social dialogue through a number of dedicated committees. AFD has also been implementing a structuring approach to promote diversity and inclusion since 2019, which was recognised when it obtained the Afnor diversity label in July 2021, which was confirmed by a mid-cycle audit in July 2023.

With regard to quality of life at work, the Group's Human Resources Departments implement measures to prevent psychosocial risks, provide support in difficult situations and optimise the functioning of the unit responsible for monitoring workplace distress. New procedures for reporting and dealing with cases of bullying, discrimination, and gender-based and sexual violence have been in place since 2024. Social barometers are carried out at the three entities.

The agreement covering AFD and Proparco staff on gender equality in the workplace sets out ambitious targets and implements structural measures in several key areas: recruitment, the representation of women in management and across the network, compensation, combating gender stereotypes and sexist behaviour, as well as taking parental responsibilities into account. These commitments demonstrate AFD and Proparco's commitment to placing professional equality at the heart of their HR policy and corporate social responsibility approach.

Structuring actions include:

All HR processes incorporate requirements relating to non-discrimination and gender equality: gender-neutral job advertisements, training for managers involved in recruitment (hiring without discriminating), and regular analyses of any gender gaps. The gender equality index calculated in 2025 for 2024 was 93/100, reflecting the level of commitment achieved.

Table of employees by age group

		31/12/2025
Age groups	**Number of employees (workforce)**	**%**
< 30	480	9.5%
≥ 30 and < 50	3,325	65.7%
≥ 50	1,257	24.8%
TOTAL Employees	**5,062**	**100%**

This indicator covers:

- the entire scope for AFD/Proparco;
- a partial scope for Expertise France; an action plan has been put in place to ensure comprehensive data collection from the next publication onwards (strengthening the system for reporting information from country managers to Expertise France's head office).

The breakdown of employees by age group is calculated as follows: number of employees in each age group divided by the total number of employees (as defined by indicator S1-6 and in accordance with the reporting scope set out above).

Table of employees at senior management level by gender and age

		31/12/2025
Senior management	**Number**	**Share**
Employees at senior management level	114	-
Of which women	40	35.1%
Of which men	74	64.9%

The indicators presented cover the entire scope: employees under French and local law.

For AFD/Proparco, the criteria for belonging to this population are as follows:

- managerial category: executive, operational manager, local manager, and strategic manager;
- relevant positions within these categories: Chief Executive Officer, Chief Operating Officer, Chief Executive Officer of a subsidiary, Deputy Chief Executive Officer, Executive Director, Deputy Executive Director, Regional Director and Department Manager, SIR Unit Manager, and Secretary General of the FGEF (French Global Environment Facility).

For Expertise France, the criterion used is the number of employees with a managerial function and sitting on the Expertise France Management Committee.

The calculation of the senior management indicator is as follows:

Percentage of women in senior management: number of women in senior management/total number of employees in senior management.

Percentage of men in senior management: number of men in senior management/total number of employees in senior management.

2.3.1.4.2 Proactive measures taken by AFD group to support employees with disabilities (S1-12)

AFD and Proparco have made an ambitious commitment to the employment of people with disabilities and reaffirmed their commitment by signing the 4th Disability Agreement, approved by the Regional Directorate for the Economy, Employment, Labour and Solidarity (DREETS) in 2024 (valid until 2026). This structured and proactive approach aims to improve the integration, retention and career progression of employees with disabilities, by combining recruitment initiatives, personalised support, workplace adaptations, training, raising awareness amongst work teams, and promoting responsible procurement from the sheltered and adapted sector.

This agreement applies to all staff at the AFD and Proparco head office (including seconded staff) as well as at their offices in Guadeloupe, Martinique, French Guiana, Mayotte and Réunion, and forms part of a proactive initiative aimed at promoting diversity and equal opportunities within the organisation.

AFD has set itself ambitious objectives to promote the inclusion of people with disabilities, including:

- increase the representation of people with disabilities in its workforce, by promoting their recruitment, integration and retention in employment;
- raise awareness and train all employees on disability issues in order to create an inclusive and caring work environment;
- adapt workstations and premises to ensure accessibility for all, in collaboration with specialised partners;
- support managers in addressing disability-related issues by providing them with the necessary tools and resources;

Through this policy, AFD reaffirms its role as a committed advocate for a more inclusive society, where every individual, regardless of their circumstances, can thrive professionally and contribute fully to the institution's mission.

Five priority areas for action structure AFD's disability policy:

- **the recruitment plan**: direct employment to integrate people with disabilities into teams, and indirect employment by backing adapted companies and French ESATs (Établissement et services d'aide par le travail), which are key partners in AFD group's ecosystem; the objective of hiring, on permanent contracts and/or fixed-term contracts of more than six months' duration, at least 13 people covered by the employment obligation [1], including at least eight permanent contracts, by the end of the 2024–2026 Disability Agreement;
- **the job retention** scheme designed to support every employee facing a disability and safeguard their career progression;
- **training** in order to develop skills and back everyone's career progression;
- communication and awareness-raising to change views and promote an inclusive culture;
- **working with organisations that focus on people with disabilities**: work-based support centres and services, sheltered workshops, temporary employment agencies for people with disabilities, and self-employed people with disabilities, to pool our resources and innovate together. AFD will spend €700,000 (excl. tax) per year on disability-related purchases over the duration of the 2024–2026 agreement.

Employees with disabilities

	Group
Indicator	**2025**
Share of employees with disabilities (%)	2.8%
Number of people with disabilities (Number)	117

The monitoring of this indicator is currently limited to the scope of employees under French law.

Employees with disabilities are defined in the Agreement on the Employment and Integration of People with Disabilities (those holding RQTH status, recipients of the adult disability allowance or a disability pension, war victims, etc.).

In order to maintain consistency between this indicator and the other indicators published under the CSRD, the "workforce" data should be considered in terms of the number of employees present (number of contracts).

Employees with disabilities voluntarily declare their RQTH status (Reconnaissance de la Qualité de Travailleur Handicapé - Recognition of the Disabled Worker Status) either directly to the AFD and Proparco's Disability Unit or to their payroll administrators. This declaration is confidential and stored in the employee's HR file. Payroll administrators note the RQTH status in the employee's file. They declare this information in the DSN (Déclaration Sociale Nominative - Nominative Social Declaration), a monthly file sent to social organisations (including Urssaf). The DSN enables the RQTH status of employees to be officially recorded.

The percentage of employees with disabilities is calculated as follows: workforce with disabilities at 31 December of the reference year/workforce present at 31 December of the reference year.

Within the Group, the target is 6% of workers with disabilities, in line with legal requirements and the commitments to inclusion. This target is set on the basis of the applicable regulatory framework and an analysis of the workforce situation. It is monitored regularly by measuring the employment rate as a proportion of the total workforce and tracking how this changes over time. Analysing the results makes it possible to identify any discrepancies and adjust the measures put in place, notably in relation to recruitment, staff retention and workplace adjustments. This approach aims to ensure that the inclusion of people with disabilities is part of a process of continuous improvement and the prevention of situations of exclusion.

1) The quota system for the employment of workers with disabilities is a scheme designed to encourage private and public sector employers to hire workers with disabilities.

Working with Agefiph, Expertise France carried out a disability assessment to identify needs, analyse its practices and gather feedback from its employees with disabilities (RQTH), from managers and from head office employees. The findings of this participatory assessment enabled the development of an action plan structured around several key areas, including job retention, recruitment and integration. This policy, which will be implemented in 2026, addresses the regulatory, human and social responsibility (CSR) challenges that are at the heart of the agency's commitments.

The Mandatory Declaration of Employment of Disabled Workers (DOETH - Déclaration obligatoire d'emploi des travailleurs handicapés) is a legal requirement for companies with 20 or more employees, which must employ at least 6% of disabled workers (or pay a financial contribution). A single DOETH is completed for AFD and Proparco as a whole, as they are considered as a single employer for this declaration.

2.3.1.4.3 A training and skills development policy adapted to the Group's challenges (S1-13)

The training policy aims to strengthen the skills needed to navigate transitions and achieve the Sustainable Development Goals whilst maintaining a high standard of core competencies essential for operational excellence. It is based on three areas: developing expertise, renewing relationships with partners in the Global South and strengthening internal cohesion.

The AFD group Campus is the training centre of the Agence Française de Développement (AFD) group, dedicated to building shared knowledge, exchanging experiences and developing the skills required to design, back, finance and implement transition projects and policies in the Global South. Based in Marseille and Paris, it brings together AFD group's training programmes and promotes training that transforms perceptions by incorporating creativity, critical thinking, collective intelligence, and systemic approaches. Based in Marseille and Paris, it brings together AFD group's training programmes and promotes training that transforms perceptions by incorporating creativity, critical thinking, collective intelligence, and systemic approaches.

It is an educational innovation laboratory that designs, tests and deploys, in partnership, innovative learning formats adapted to strengthening the knowledge, know-how and interpersonal skills of those who, in Africa, Asia, Latin America and the French Overseas Departments and Collectivities, as well as at AFD group and among development partners in the North, work towards a sustainable world.

Teaching methods are evolving towards more engaging face-to-face learning, hands-on learning and digital learning (MOOCs, e-learning, virtual classrooms). The mix of internal and external participants serves as a catalyst for shared learning and mutual enrichment. The programme covers AFD group's core competencies, sector-specific and banking expertise, as well as cross-functional skills. The skills required to tackle transformational challenges complement the fundamental knowledge and expertise essential for project management and quality assurance.

AFD group promotes and encourages skills development by offering its staff a wide range of training opportunities. The extent of the offering reflects the variety and multitude of skills issues that arise throughout the organisation: for a new employee who needs to familiarise himself or herself with the way AFD group works, for a mobile employee who needs to acquire new skills, for a manager faced with new working methods, for a profession that is constantly forced to integrate regulatory changes, for a department that wants to maintain its level of expertise, for an employee who aspires to progress in his or her field, to adapt to an increasingly complex and uncertain environment, etc.

Training and skills development

	Group
Training	**2025**
Total number of hours of training	106,359
Of which men	42,350
Of which women	64,009
Average number of hours of training/employee	21
Of which men	19
Of which women	23

The indicators presented cover the entire scope: employees under French law and local law.

The calculation is based on the number of training hours completed and finalised during the reference year (compulsory or voluntary training, delivered in person or via e-learning) for people with open-ended and temporary contracts as defined in S1-6. The duration of the training course corresponds to its theoretical duration.

The average number of hours of training per employee is calculated as follows: number of hours of training completed in the reference year/total workforce present at 31 December of the reference year.

The target set for monitoring training programmes is 100%, as these programmes involve activities that must be fully implemented to ensure the compliance and effectiveness of the relevant systems.

Performance is tracked using a training management tool that measures completion rates by target group. Regular reviews identify any deviations from the 100% target, leading to follow-up actions and, where necessary, corrective measures. This system ensures effective and documented monitoring of compliance.

Regular performance and career development reviews

	Group	
	2024	Target
% of employees who participated	92.8%	100%
Of which men	92.8%	
Of which women	92.8%	
Total number of employees who participated in reviews	3,486	
Of which men	1,463	
Of which women	2,023	

The indicator covers the entire scope for AFD/Proparco and a partial scope for Expertise France.

As the annual evaluation campaign for year N (2025) runs from mid-December of year N to mid-March of year N+1 (2026), data for the reference year are not available. The data presented for N (2025) correspond to the results of the N-1 campaign (2024).

The annual appraisal interview conducted between an employee and their manager to assess performance over the past year against the employee's objectives applies only to permanent contracts. This interview also aims to determine objectives for the coming year.

The data is updated in the Group's HRIS and can be accessed via an extraction of "completed" interviews.

The percentage of employees who have taken part in regular performance and career development reviews is calculated as follows: the number of employees who have completed their annual review divided by the total workforce as at 31 December of year N-1 (excluding employees who left the Group between 1 January and 31 March of year N). This adjustment is intended to exclude employees who were unable to complete their appraisal because they left the organisation before the appraisal cycle was officially closed.

2.3.1.4.4 Principle of equal compensation among employees (S1-16)

The principle of equal compensation for women and men with equivalent skills, responsibilities and performance is a cornerstone of equality in the workplace. This principle applies from the recruitment phase. With this in mind, AFD group is committed to offering equal compensation to women and men from the moment they are hired, based solely on objective criteria such as educational qualifications, experience and the skills required for the role. The goal is to ensure strict gender compensation equality at AFD and for equivalent roles.

With regard to action plans, the pay gaps are closely monitored by the Human Resources Department, which carries out specific analyses based on individual circumstances and career paths. The aim is to gradually address unjustified pay gaps and prevent new disparities from arising through the annual pay review. A budget is also dedicated to salary gaps identified during this annual review.

Indicators for measuring equality in terms of employee compensation

	Group	
Indicator	2025	Target
Gender pay gap (%)	7.4%	0%
Max/median compensation ratio	2.19	8

In terms of remuneration, the scope is limited to AFD/Proparco (head office, expatriates and French Overseas Departments) on permanent contracts (permanent contracts of more than six months). Employees of Expertise France, employees of the French Overseas Territories and employees governed by local law are excluded from the scope. A roadmap aimed at improving the reliability of operational data and data relating to staff employed under local law will be implemented as of the next financial year.

Compensation was calculated on a 100% basis (full-time equivalent, assuming a 100% employment rate) and includes: basic compensation (basic salary, bonus, holiday pay), guaranteed compensation components (family allowance and length-of-service allowance), performance-related compensation (profit-sharing and variable collective performance bonus) and employment-related benefits (travel allowance, remote working allowance and the face value of meal vouchers).

All other forms of compensation are excluded (expatriation allowances, one-off payments (for weddings, births, etc.), employer contributions, payment for days off, employer contributions to health insurance and pension schemes, etc.)

Data is taken from the individualised social report (reflecting the annual summary of individual compensation). This data comes from AFD's Human Resources Information System (HRIS).

The gender pay gap indicator is calculated as follows: (average gross compensation of male employees – average gross compensation of female employees)/(average gross compensation of male employees) * 100.

The total annual remuneration ratio indicator is calculated as follows: total annual compensation for the highest-paid individual/median total annual compensation (excluding the highest-paid employee).

The target set for the gender compensation gap is 0, in line with the Group's commitment to equal compensation. AFD's bylaws set a maximum compensation gap of *8 between the highest and lowest salaries.

The achievement of the compensation gap target is monitored through periodic analyses comparing the compensation of women and men, overall and by comparable categories. The discrepancies identified give rise, where necessary, to corrective measures included in the salary campaigns. This system ensures regular and documented monitoring of performance in terms of equal compensation.

2.3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or gender-based and sexual violence (S1-17)

AFD group advocates a zero-tolerance policy towards any situation of discrimination, harassment, or gender-based and sexual violence. It has put in place procedures for reporting and dealing with all such situations, which apply to all staff at head office and across the network, regardless of their employment status. A guide is available on the company's intranet setting out the procedure for this scheme. It specifies the special legal protection available to persons who report facts. Employees can consult it freely. The various people employees interact with (staff representatives, the HR manager, line managers, etc.) can regularly remind them of this scheme.

HR cases or incidents are handled through a formalised system, overseen by the Human Resources Department, based on procedures for reporting, analysis and, where necessary, investigation, ensuring confidentiality, impartiality and the protection of those involved.

Staff can contact the team responsible for handling these reports by sending an email to a dedicated address.

The report is then processed and, as a minimum, the person making the report, the alleged victim (if they are not the person making the report) and the person against whom the allegations are made are interviewed separately, with the interviews recorded in a written statement.

Once the reported facts have been analysed, the team responsible for handling the case informs each party of its conclusions. These are forwarded to the head of Human Resources.

The whistle-blower is entitled to protection, even if it transpires that the situation involving harassment, discrimination or gender-based and sexual violence does not constitute a legal offence.

Exception: should it be clearly established that false information was brought to the attention of the unit responsible for processing reports for the sole purpose of harming the person concerned, disciplinary action may be taken against the person who made the report.

Table of incidents, complaints, and severe human rights impacts

	Group	
Indicator	**2025**	**Targets**
Reports of serious human rights incidents (Number)	33	
Complaints (Number)	16	
Serious human rights cases (Number)	0	0
Amount of fines or penalties for breaches (€)	0	0
Target: % of alerts processed	100%	100%

Alerts come from the alert reporting system (dedicated email address).

The percentage of alerts processed is calculated as follows: number of alerts processed / total number of alerts from the reporting system.

The total number of reported incidents of discrimination, including cases of harassment (reports confirmed as substantiated following an investigation and resulting in disciplinary action), refers to the total number of substantiated incidents recorded through the reporting system.

The total number of complaints reported through specific channels includes criminal complaints or cases referred to a court. This figure represents the number of cases referred to industrial tribunals or any other court during the reference year relating to discrimination and/or harassment.

The total amount of fines and financial penalties associated with a conviction of the Group resulting from an incident of discrimination is calculated as follows: the total amount of financial penalties associated with a conviction of the Group resulting from an incident of discrimination.

AFD group has a centralised HR complaint management system, overseen by a dedicated team. The scheme's objectives focus on the accessibility, quality and traceability of the complaints-handling process. Performance monitoring is based on tracking volumes, types of cases and processing times, enabling trends to be identified and informing initiatives for the continuous improvement of HR practices. The Group aims to process 100% of alerts

2.3.1.5 Working conditions and employee safety

2.3.1.5.1 Coverage of employees by collective agreements and social dialogue (S1-8)

AFD group strives to prevent negative impacts on its workforce by relying on a structured social framework. Employees are covered depending on the entity:

- By a collective agreement (SYNTEC for Expertise France – head office);
- Staff Regulations set by ministerial decree (AFD and Proparco);
- Or by the French Labour Code, which includes specific benefits for staff hired internationally.

In the case of employees governed by foreign law, the concept of a collective agreement as defined in this indicator does not apply, as their contractual relationship is governed by the applicable local law and does not fall within the scope of a comparable collective agreement.

100% of employees in the European Economic Area (mainland France, French Overseas Departments and COM) are represented by employee representatives as provided for by applicable labour law.

AFD group is not required to establish a European Economic and Social Committee.

The effectiveness of these measures is assessed in terms of the coverage of all employees under a defined employment framework, the effectiveness of employee representation, and the implementation of a shared social framework that strengthens social protections for different groups: 100% of employees in the European Economic Area (Metropolitan France, French Overseas Departments) are represented by staff representatives as provided for by the applicable labour law.

The Group has not identified any material risks or opportunities arising from the impact on its staff or its reliance on them.

As its service sector activities require academic skills, the Group is not involved, as an employer, in forced labour or child labour.

Table on collective bargaining and social dialogue

	Collective bargaining coverage*		Social dialogue *
	Employees - EEA	Employees - outside the EEA	Workplace representation (EEA only)
0-19%		NA*	
20-39%		NA*	
40-59%		NA*	
60-79%		NA*	
80-100%	France (100%)	NA*	France (100%)

** Outside France, subsidiaries are not affected by French collective agreements (EEA only).*

The data relating to AFD and Proparco are limited to employees under French law. Data relating to Expertise France will be published over the next reporting period.

With regard to employee representation

AFD group complies with the rule applicable in French law regarding employee representation. In France (including the French Overseas Departments), all employees under French law are covered by an SEC (Social and Economic Committee).

With regard to employees governed by local law, the Group does not currently have consolidated information regarding their coverage by employee representation bodies under the applicable local legal frameworks. An analysis of the methods of collecting and making reliable this information will be carried out in order to assess its relevance and feasibility for future publications.

2.3.1.5.2 Access to adequate wages (S1-10)

Exhaustive information on adequate wages is not available to AFD group at this stage, as its definition has not be stabilised to date, due to the numerous countries in which the Group operates. In order to publish this data in future, plans are in place to establish a process for estimating the level of an adequate wage in the countries and territories where the Group operates, and to benchmark and monitor employees' compensation against this adequate wage. The disclosure of the data has been deferred to a subsequent report.

2.3.1.5.3 Coverage of employees with appropriate social protection (S1-11)

AFD group, as a responsible employer that places particular emphasis on ensuring its staff have access to social services of general interest, such as social protection, fulfils all its obligations as an employer in accordance with the local social standards applicable to its various locations. This includes affiliation to all social protection schemes that are compulsory under national law.

It also operates a comprehensive social protection scheme that enables all employees, regardless of their status or location, to benefit from high-quality healthcare cover, personal protection cover for disability, death and long-term sick leave, as well as retirement cover.

Its various regulations provide for replacement benefits in the event of workplace accidents or occupational illnesses, as well as arrangements for paid leave in the event of the birth or adoption of a child.

Collective agreements and social security cover (i) expatriate and secondment assignments and (ii) non-employees of Expertise France who are employed by third-party employers in the countries where Expertise France operates (these staff are subject to local labour law and collective agreements, where applicable, and are covered by local social protection schemes).

Social protection of Group employees

	AFD/Proparco		Expertise France	
As a %	**French law**	**Local law**	**French law**	**Local law**
Illness	100%	100%	100%	NA
Unemployment	100%	NA	100%	NA
Workplace accidents	100%	NA	100%	NA
Parental leave	100%	NA	100%	NA
Retirement	100%	100%	100%	NA

NA: not available

Guaranteed social protection services

AFD regularly compares the company's systems with those of comparable entities and manages them through management committees and regular monitoring bodies.

AFD group guarantees all its employees access to social protection services that comply with the applicable local social standards in the countries where it operates, notably by enrolling them, upon being hired, in all the statutory schemes provided for under national law and in its specific internal health and pension schemes.

In France, all employees are covered by social security provisions addressing the four major life events, without a significant difference between the events or the entities: illness, workplace accidents and disability, parental leave, and retirement. Employees subject to French law are covered by the social security system and a private health insurance scheme.

Furthermore, its status as a public body has led AFD to enter into an agreement with France Travail to ensure that any employee leaving AFD or Proparco is eligible for unemployment insurance.

In the various countries where we operate, the social security and employee benefits schemes available to staff take into account not only the applicable laws and regulations, but also industry best practice. The Group has not identified a risk of non-compliance with applicable local regulations.

The unemployment coverage indicator for employees under local law is excluded from the 2025 reporting scope.

A roadmap designed to analyse the regulations and entitlements applicable in each country of operation will need to be deployed to ensure that all Group employees are adequately covered for the four major life events as defined by the indicator.

AFD group aims to ensure that all its employees are fully covered by a Group social protection scheme and to comply with all local regulatory requirements (unemployment, workplace accidents, sickness, parental leave, retirement, etc.). Performance is monitored using coverage and compliance indicators. All employees are covered by a social protection scheme for all major life events, with no significant difference depending on the event or entity.

Thus, 100% of countries are covered and 100% of regulatory texts are applied. This monitoring feeds into a continuous improvement process aimed at preventing any shortcomings and strengthening worker protection.

2.3.1.5.4 Health and safety (S1-14)

AFD group ensures the safety of employees and non-employees. Given the nature of its strategy and the countries where it operates, the Group may contribute to potential negative impacts on the safety of its employees, notably those on assignment or working abroad. Employees work in geographic areas that may be at risk (accidents, safety incidents, socio-political unrest, etc.). Activities at head office do not pose any safety risks to the Group's staff.

The security of AFD group's people and property is based on several internal policies and texts which have been regularly updated since 2021 to take account of changes at the Group; in particular the General Crisis Management Plan was validated at the end of 2023 and the Local Office Security Policy was validated at the end of 2024. In order to cover the entire AFD spectrum, these texts cover activities in France and abroad (Group security policy, security policy for sites in mainland France). These documents are made available to all Group employees and can be consulted on the intranet.

The Operational Security Department, which reports to the Executive Management of Expertise France, is responsible for ensuring the protection of Expertise France's staff, operations and assets abroad. It designs and updates the overall security policy, the operational security management system and security standards. Every employee – whether an expatriate, a local employee or a specialist, internal or external – is subject to an individual security policy that sets out the requirements for expatriation, local recruitment or short-term deployment. This doctrine requires the maintenance of appropriate units, the provision of protective equipment and, more generally, the implementation of safety measures. It illustrates the agency's ongoing commitment to safeguarding the physical and psychological well-being of its staff, whilst also anticipating reputational risks. The Operational Security Department is also responsible for countering interference and cyberattacks that could have a direct impact on the safety of staff and projects. It acts as a specialised operational function, aligned with the pace of operations, and serves as a tool to ensure the continuity and compliance of interventions.

Risk prevention is underpinned by a structured framework covering all activities in France and internationally, including a Single Occupational Risk Assessment Document (DUERP) and an annual programme for occupational risk prevention and the improvement of working conditions (PAPRIPACT), both of which are shared with employee representatives.

International security management system

The Group has an international security management system in place, overseen by the department responsible for security and regularly audited by AFD's Internal Audit Department. This system, pursuant to the international security risk prevention strategy (2017), positions the Regional Directorates at the heart of the system. This makes it possible to take into account the diversity of security situations in the network, and to have a system that is as adapted as possible to the security situations concerned, guaranteeing responsiveness in the event of an incident, whatever its severity.

In addition to the security standards and the process for ensuring the safety of staff travelling abroad – updated in 2023 – AFD has deployed human resources dedicated exclusively to providing support to the network. Regional Security Advisers – whose number increased from five to six in 2022, one of whom is based within the Middle East Regional Directorate in Amman – are on permanent standby for the Regional Directorates to ensure constant vigilance on security matters and to proactively adapt local security measures. Security advisors also help to strengthen the safety culture in the field and take part in AFD's crisis units.

The main mission of Expertise France's operational security system is to ensure the safety of activities in all the countries where it operates. This includes the protection of people and assets and the preservation of operational continuity.

The Operational Security Department implements comprehensive safety strategies, draws up contingency and response plans, ensures the implementation of specific safety measures, and works closely with the various operational units. In addition, it ensures an effective chain of command, promoting the decentralisation of the organisation on the ground and subsidiarity in decision-making. It also provides ongoing staff training and crisis management, and contributes to innovation in relation to security.

The Operational Security Department is structured around three units and a decentralised implementation of its actions:

The Operational Anticipation Unit assesses threats and determines the measures and protocols designed to prevent them from materialising or to limit their impact.

The Operational Security Support Unit plays a key role in providing support for projects and activities in the field.

It consists of four specialised cells:

- Employee Operational Monitoring Cell;
- Administration, Finance and Logistics Cell;
- Technical Support & Innovation Cell;
- Training Cell.

The Geographic Security Network Unit is tasked, notably, with building and strengthening the security network deployed on the ground. This unit, which is dedicated to decentralising security operations, includes, notably, operational security coordinators and security officers. It also relies on the security focal points.

Safety training

Since 2022, security training and awareness-raising efforts have been stepped up at the head office and in the network. All newly arrived employees are made aware of AFD's security issues and how the protection measures they use work on a daily basis; special attention is paid to international volunteers in administration (VIA) who generally have less field experience. The regional directors were systematically trained in their specific responsibilities in terms of security. In addition, training standards were drawn up and published in 2024. They set out the expectations and requirements regarding safety training at AFD and Proparco.

In order to raise awareness among employees of international security risks, the department responsible for security has rolled out a series of compulsory e-learning courses that must be completed before any staff member is sent on a mission: depending on the risk level in the AFD employee's destination area, the traveller will be required to complete one or more modules containing scenario-based exercises.

Since December 2023, following a change in the provider of the travel monitoring solution, travellers must now monitor up to three modules, depending on the risk level of the country they are travelling to.

In addition, AFD has expanded its "risk management in the field" training programme (Hostile Environment Awareness Training – HEAT): sessions are organised at least once a month in France and across the network, as required.

These training courses cover employees (on AFD contracts) and non-employees (AIV) of AFD and Proparco. Permanent service providers and consultants are not concerned by these training courses.

No distinction is made between AFD and Proparco employees, who have the same requirements with regard to this training.

Occupational health and safety – Coverage, accidents, and occupational illnesses (Group)

	Group	
Indicator	**2025**	**Targets**
Health and safety management system coverage		
Employees covered by a health/safety management system (%)	100%	100%
Workplace accidents		
Recordable workplace accidents (Number with lost time)	19	
Workplace accident rate (%)	3.1%	
Deaths related to accidents and occupational illnesses (Number)	0	0
Days lost — accidents and health problems (Number)	325	
Occupational illnesses		
Cases of occupational illnesses that can be recorded (Number)	0	0

Health and safety management system

For employees subject to French law, the regulations require that all employees be covered by a health and safety management system.

For employees under local law, AFD group has implemented a set of policies designed to cover all staff during working hours. The coverage rate is 100% for all AFD group employees.

The data presented covers all employees, whether based a t the head office or travelling abroad.

Frequency rate of workplace accidents

This indicator is limited to employees under French law. Current information systems do not allow for comprehensive reporting on local employees. A roadmap is currently being considered at Group level to enable the collection and reporting of this data.

Workplace accidents include accidents occurring at the workplace as well as accidents on the journey between the employee's home and their place of work, with time off work declared to the French Social Security; they are calculated as follows: total number of workplace accidents/total number of hours worked * 1,000,000.

Occupational illnesses are those recognised as such by a healthcare professional in accordance with the applicable regulatory framework.

Health and safety training courses

AFD group has set itself the objective of providing systematic training for its employees on safety issues, particularly in high-risk areas. Performance is monitored using coverage indicators, with 100% of network staff having completed a safety e-learning course and 100% of staff in high-risk areas having received training in risk management (HEAT). This monitoring feeds into a process of continuous improvement of prevention systems.

2.3.1.5.5 Work-life balance indicators (S1-15)

AFD Staff Regulations provide for various types of family leave (maternity leave, adoption leave, paternity leave, and leave for family events, parental and caregiver leave) and include measures designed to promote a healthy work-life balance, notably through the use of remote working and a formal discussion between manager and employee during the annual performance review.

The actions relate to the formalisation and consolidation of these policies, the monitoring of their use by means of HR indicators (use of leave, teleworking) and the analysis of differentiated impacts, notably in terms of professional equality. These areas are subject to annual review and continuous improvement, alongside ongoing social dialogue.

In France, all leave provided for by French regulations is accessible to employees (100% coverage rate). At local level, a detailed analysis of the relevant regulations must be carried out to enable the disclosure of information. The work-life balance indicator is therefore limited to employees subject to French law (excluding seconded employees).

A roadmap is currently being considered at Group level to enable the collection and reporting of this data.

The percentage of eligible employees who took leave for family reasons is calculated as follows: number of employees who took family leave/total number of employees under French law (excluding employees on secondment).

Leave requests are made and validated in the Group's Human Resources Information Systems. The information is therefore collected through data extraction.

AFD group has set a target of ensuring that all eligible staff have access to and can make effective use of family leave. Performance is monitored using coverage and usage indicators, with 100% of employees eligible for family leave and 100% of eligible employees having actually taken such leave, broken down by gender. This monitoring contributes to the continuous improvement of equality and work-life balance practices.

100% of employees are entitled to family leave, 100% of employees concerned have taken such leave, with breakdown by gender

Table of employees covered by social protection for each type of major life event

	Group	
Reporting period	**2025**	**Targets**
Employees entitled to family leave	**100%**	**100%**
Employees who took family leave	5.1%	
Of which women	5.8%	
Of which men	**4.2%**	

2.3.2 Populations: affected local communities and consumers and end-users (S3/S4)

SUMMARY

Affected local communities and consumers and end-users (S3/S4)

The AFD group places local communities at the heart of its strategy, combining the fight against poverty and inequality with the preservation of common goods. This ambition is set out in the 2025-2030 strategic orientation plan and through the three cross-functional roadmaps:

Social link

Citizens, institutions and democracy

Planet

Supporting the development of more equal and inclusive societies

Reducing inequalities is a key driver for justice and sustainable social and economic efficiency. Gender equality in particular is a fundamental human rights issue and a factor of inclusive economic development.

Supporting and strengthening democratic practices promoted by institutions and citizens

Effective, transparent, accountable and inclusive institutions with a stronger focus on democratic processes are essential to achieving the SDGs.

2025 highlights:

58%

Projects awarded by AFD have a significant or structuring contribution to the reduction of multidimensional inequalities and inclusion.

74%

Share of AFD's committed funding whose primary or significant objective is democratic and inclusive governance.

€643M

Volume of financing for Proparco projects aligned with the 2X Challenge, whose objective is to mobilise the private sector to contribute to the development of women as entrepreneurs, business leaders and employees, but also so that they can have equitable access to financing.

68%

Of projects launched by AFD in 2025 in foreign countries with an objective of promoting gender equality.

The management of each material IRO is presented in this summary table, then presented in detail in the rest of the chapter.

ESRS	Title of the IRO	Policies	Equity	Metrics & Targets
S3 Affected communities	**Positive impact**: Contributing to the economic, political and social development of countries, thereby helping to improve the living conditions of their populations	• Social link roadmap • Citizens, institutions and democracies roadmap • Planet roadmap • Exclusion list • Environmental and social risk management policy and E&S assessment and monitoring approach – Proparco • AFD credit policy/ Proparco credit and investment policy • Roadmap on climate-related financial risks • Group monitoring and appraisal policy • Results and impacts framework • Environmental and social complaints system	Promotion of **social link**: • increase the impact of operations on social links • mobilisation of partners • internal transformation at the Group: Skills development and tools	• **[AFD]** Number of annual commitments that do not have a negative sustainable development rating (-2 or -1) on the social link: reduction of inequalities and inclusion, gender equality or governance dimensions *(number)*. Target of 100% from 31/12/2025 until 2030. **Resource indicators** Social link: • **[AFD] (Equality & Inclusion)** Share of commitments *(in number of projects)* whose main or secondary objective is the reduction of multidimensional inequalities and inclusion *(%)*. Target of 50% at 31/12/2025 and of 50% by 2026 • **[AFD] (Gender)** Share of commitments marked DAC 1 and DAC 2 in loans and grants in foreign States *(%)*. Target of 55% over the 2025-2027 period • **[PRO] (Gender)** Proparco's commitments to 2X-qualified projects *(€)*. Target of €1.2bn over two years (2026-2027) • **[EF]** Share of new projects signed on French funding whose main or significant objective is gender equality (marked OECD DAC 1 or DAC 2) (%). Target of 60% in 2024 and 75% in 2025 and 2026 Citizens, Institutions, Democracy: • **[AFD] (Gender)** Share of AFD commitment approvals where democratic and inclusive governance is the primary or significant objective *(%)*. Target of 55% in 2025 **Result and impact indicators** [The definition of these indicators is specified in paragraph 1.2.4] • **[AFD-PRO]** [RIF #1] • **[AFD-PRO]** [RIF #2] • **[AFD]** [RIF #3] • **[AFD-PRO]** [RIF #4] • **[AFD-PRO]** [RIF #5] • **[AFD]** [RIF #6] • **[AFD]** [RIF #7] • **[AFD-PRO]** [RIF #8] • **[AFD-PRO]** [RIF #9] • **[AFD-PRO]** [RIF #10] • **[AFD-PRO]** [RIF #11] • **[AFD-PRO]** [RIF #12] • **[AFD-PRO]** [RIF #13] • **[AFD]** [RIF #19]
S4 Consumers & end-users	**Positive impact**: helping to improve local people's access to goods and services		Promoting **citizens, institutions and democracy**: Providing support for project teams: • on democratic practices in the operations that the Group finances or implements • qualifying the methods of consolidating democratic practices and citizen participation • providing support for project teams to improve the effectiveness of institutions in projects • backing the development of more egalitarian and inclusive societies • providing support for teams in integrating issues relating to the reduction of multidimensional inequalities and the promotion of gender equality throughout AFD's portfolio • managing project E&S risks	

2.3.2.1 Local populations: at the heart of AFD group's strategy

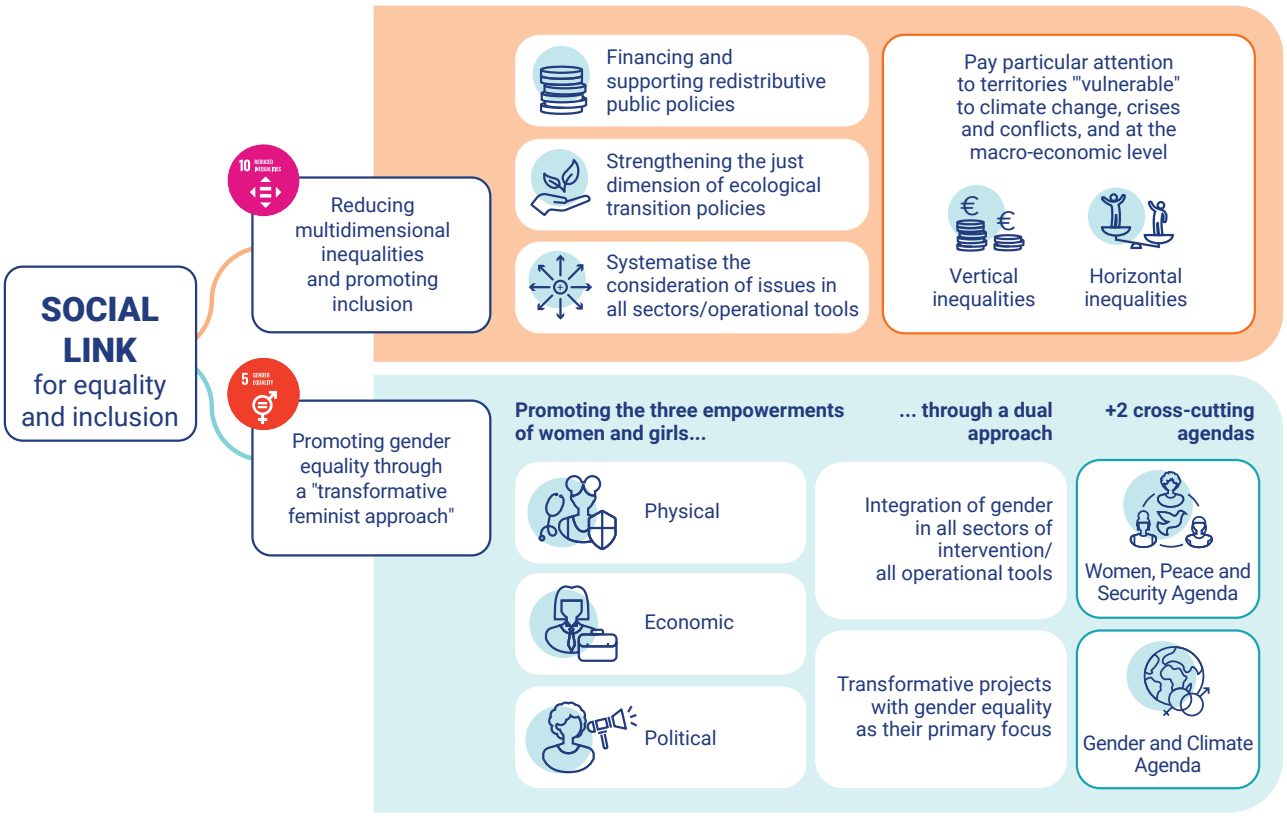
All the Group's initiatives seek to improve the living conditions of local populations, who are the ultimate beneficiaries of all funding.

This goal is reflected in:

i. POS V: overall strategic orientations (see General Information, Section 2.1.2.1.1);
ii. the country intervention frameworks guide the Group's positioning and operational priorities in a given country (see "General information", Section 2.1.2.1.4);
iii. the three cross-functional roadmaps (social link; citizens, institutions and democracies; planet) set out the Group's strategic goals in three areas of the POS V;
iv. the 10 sectoral action plans set out the sectoral objectives, the goals and the intended results and impacts in the relevant sectors (see notably the section on result and impact indicators below).

The social link roadmap

Section 2.1.2.1.2 outlines the content of this social link roadmap, which addresses the recognition that it is impossible to achieve the Sustainable Development Goals without social cohesion and effective institutions. The social link roadmap is presented below:



In terms of governance, AFD has set itself the following objective:

- **reducing multidimensional inequalities and promoting inclusion:** in 2026, ensure that at least 50% of its annual commitments (in terms of the number of projects) have the reduction of multidimensional inequalities and the promotion of inclusion as their primary or secondary objective. In 2026, this goal will be reviewed and rolled out across each of the Group's entities, through to 2029;
- **promoting gender equality:** for AFD, this goal is reflected in a key indicator: a target of 55% on average of commitment approvals allocated to projects where gender equality is a significant objective (marked DAC 1 by the OECD Development Assistance Committee) or the main objective (marked DAC 2) [1] over the 2025–2027 period.

1) Rating according to the OECD's DAC (Development Assistance Committee) marker: DAC 1 for projects for which gender equality is a significant objective, and DAC2 for those for which gender equality is the main objective.

Citizens, institutions and democracies roadmap

Section 2.1.2.1.2 provides a more detailed description of the content of this roadmap, which addresses the recognition that it is impossible to achieve the SDGs without effective, transparent, accountable and inclusive institutions, and without a greater focus on democratic processes. The citizens, institutions, democracy roadmap is presented below:

In terms of project management, the Group is committed to ensuring that 55% of AFD's commitment approvals are classified as DAC 1 or DAC 2 under the DAC indicator democratic and inclusive governance, subject to the continued availability of budgetary resources for grants.

The planet roadmap

See Section 2.1.2.1.2 and Section 2.2.1.1.1.

2.3.2.1.1 Managing impacts on local populations is a key priority for the AFD group (S3.SBM-3 & S4.SBM-3)

The two ESRS themes - S3 and S4 - are treated jointly under the term "local populations".

Local populations are directly or indirectly impacted by AFD group's activities. AFD group's principles for managing impacts, risks and opportunities also apply to local populations. Consequently, taking into account the positive and negative, actual and potential impacts of its actions on local populations is a key priority for AFD group, whose objective is to maximise positive impacts on local populations: improving the living conditions of local populations through better access to essential services (health, education, water, energy, etc.) by increasing their incomes (training/jobs, support for entrepreneurship, etc.) and by promoting equality (gender, inclusion) whilst respecting institutions and fostering civic dialogue.

The management of impacts, risks and opportunities for local populations is based on four pillars (see Section 2.1.2.6 "The Group's due diligence framework"): the exclusion list, the environmental and social risk management (ESRM) mechanism, the sustainable development analysis and opinion (SDAO) mechanism, the assessment and the results and impacts framework (RIF).

Moreover, in 2025, AFD group set up an *ad hoc* internal committee tasked with developing a policy on combating sexual exploitation, abuse and harassment (PSEAH) in AFD group's operations and with exploring ways to strengthen the integration of PSEAH considerations into AFD's operational policies and procedures.

All local populations on which the projects financed by AFD group are likely to have material impacts, including users and people affected by the project, are included in the scope of the published information. The environmental and social risk management policies and the environmental and social complaints management system, which are open and accessible to all, contain provisions to ensure this.

Each policy takes into account all local populations, including vulnerable groups (economically, climatically, and in the face of crises and conflicts) and indigenous peoples [1], in its implementation. The Group takes steps to prevent potential negative impacts on local populations, notably by excluding certain projects, by involving all local populations in its operations, and by providing them with a mechanism for lodging environmental and social complaints.

The environmental and social complaints management system provides for the suspension of AFD funding if the secretariat or the Ethics Advisor considers that a project could cause serious and irreversible harm to local populations, including indigenous peoples (see below).

These policies are implemented through 10 sectoral action plans covering AFD group's key sectors: health and social protection; education, employment and vocational training; energy; governance; rural development and agriculture; urban development and local authorities; transport and mobility; water and sanitation; financial systems; and productive systems. They present the main sectoral orientations validated by the SDD Executive Department and then put online on the AFD website. Each sectoral action plan is associated with a results framework comprising a series of indicators, some of which (the key indicators) are included in the RIF.

AFD group has an **exclusion list** which forms the basis of its commitment to human rights (see Section 2.1.2.6.1). This list, which is regularly updated and made public, prohibits the financing of activities that contravene the United Nations Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Notably, it covers:

- serious human rights violations (forced labour, child labour, forced evictions, etc.);
- environmental damage (trafficking of protected species, illegal management of hazardous waste, etc.);
- activities that are illegal or contrary to the international commitments of the country of destination.

This exclusion list is part of an approach to **preventing negative impacts** on local populations. This is supplemented by due **diligence mechanisms** built into the project appraisal and monitoring processes, ensuring effective compliance with the criteria set out in the exclusion list.

When assessing project financing or development proposals, AFD group analyses the purpose, key drivers and potential impacts of projects, taking into account international conventions ratified by France, the Universal Declaration of Human Rights, and international conventions ratified by France (or, in the case of Proparco, environmental and social standards issued by the World Bank or the IFC). The Group also verifies that companies' practices comply with the United Nations Guiding Principles on Business and Human Rights (UNGP), in particular by requiring formal commitments and through due diligence processes to identify, prevent and remedy adverse impacts.

1) AFD defines indigenous peoples in accordance with the "Indigenous and Tribal Peoples Convention, 1989 (No. 169)".

Each entity within the Group relies on several teams spread across various departments to identify, measure and manage the various impacts, risks and opportunities relating to local populations. This structure is shown in the following diagram:

PROPARCO head office
Divisions involved, by Department

The Business Development & Network (PRP)

It is responsible for identifying new investment projects for Proparco. It plays a leading role in selecting projects which are aligned with the strategic impact objectives. It also plays a role in raising client awareness of ESG issues.

Support for Sustainable Development (A2D)

ESG assumes responsibility for the environmental and social risk management policy and its implementation in projects.
Impact Measurement (IMP) is responsible for validating the alignment of projects with the Paris Agreement and for supporting the project teams, particularly on climate, nature, and inequality issues. The IMP division is also in charge of leading impact accountability exercises.

Risks (DRI)

The Risk Department (DRI): strengthens and manages Proparco's ESG risk management system.
Within it, the **Risk and Second Opinion** (CSO) division, which will conduct a second-level control over the classification of financial climate risks, as well as the **Risk Monitoring** (CSR) unit, which may provide feedback on this topic as part of the portfolio's monitoring.

Financing (FNT) & Investments (INV)

Project team leaders are accountable to the Proparco's stragetic plan mandate.
These departments also establish Proparco's sectoral strategies, in line with the global strategic roadmap and the Group's climate/nature and social link cross-functional roadmaps.

The **compliance** function is endorsed by a division directly reporting to the executive direction

AFD head office divisions involved in ESG,
by Executive Department

Regions (GEO)

Regional departments ensure that targets are met in their own portfolios.

The **Operational Activity Management** division monitors and ensures the achievement of our objectives at portfolio level.

Sustainable Development Solutions (SDD)

Sectoral technical divisions: composed of project team leaders, they develop projects that are in line with AFD's strategic plan mandate.

The **cross-cutting SDG divisions** Climate and Nature (CLN), Social Link (CLS), Citizens and Institutions (CIN) provide support for the project teams and ensure the implementation of their respective roadmaps.

The **Environmental and Social Support** (AES) division manages E&S risks in projects.

Executive Finance (DEF)

It collects market resources by issuing climate and sustainable development bonds and is responsible for the Group's financial communication.

Risk management (DXR)

The **Group Risks Department** (DRG) strengthens and manages the ESG risks management system.

Within it, the **Credit, Climate and Second Opinion** (CCS) division assesses the financial climate risks of non-sovereign transactions.

Compliance manages non-compliance risk and issues an opinion during the appraisal process.

Innovation, Strategy and Research (ISR)

The **Sustainable Development Analysis and Opinion** (ADD) unit promotes the consideration of sustainable development issues in transactions.

The **Economic Assessment and Public Policy** (ECO) division includes climate risk into its country analyses and manages studies on the financial impact of the low-carbon transition.

The **Accountability, Responsibility and Transparency** (RRT) division is in charge of, in particular, the social, societal and environmental responsibility action plan and the E&S complaints management system.

AFD Group network

The Group's 17 **Regional Directorates** and 85 local **offices** provide its representation in 115 countries. They play a key role in identifying, monitoring, and implementing projects.

Notably, they are responsible for the roll-out of the Climate Screening tool and for the first dialogue on the ESG risks of AFD's clients.

Decision-making bodies

The *AFD and Proparco* **Boards of Directors**

Committees involved in ESG risk management

The *AFD Group* Risks **Management Committee** (CRG)

The *AFD Group* **Audit Committee**

The *AFD* **Risks Committee** (CORIS)

The *Proparco* **Audit and Risk Committee** (CRA)

The *Proparco* **Internal Counterparty Risk Committee**

The *AFD Group* Financial **Steering Committee** for Financial, Climate and Nature Risks (COPIL)

2.3.2.2 Taking the views of local populations into account in AFD group's decision-making processes

Given their status as financial institutions, AFD and Proparco do not directly reach out to local populations during the preparation and implementation of their financing. However, the views of local populations inform decisions and activities at various levels:

1. Consideration of local populations by public institutions funded by the international community

AFD group relies on the legitimacy of public institutions that apply the political orientations of a government. This recognition of different perspectives is consistent with the commitments made by the international community (the 2030 Agenda) and the French government's policy guidelines (the 2025 Presidential Council for International Partnerships). In its 2025-2030 Strategic Orientation Plan (POS V), Agence Française de Développement sets out an ambitious cross-cutting goal: to back effective, accountable and inclusive institutions, notably by fostering citizen participation (SDG 16).

2. Consultations with representative institutions

During the preliminary work (assessments, feasibility studies, etc.), the Group consults the stakeholders, including the representative bodies (local authorities, associations, trade unions). This approach ensures institutional representation of collective interests.

3. Citizen participation

In line with the "Citizens, Institutions, Democracies" ambition carried by the POS V, the Group emphasises the importance of prioritising approaches that encourage public participation in the development of operations, including public policies, public infrastructure or just transition programmes, for example. Citizen participation is defined as a democratic practice that aims to involve citizens, residents and service users in the public decision-making process, beyond the scope of elections alone. It refers to all the mechanisms (participatory budgeting, citizens' assemblies or conventions) that enable citizens to contribute to the design, implementation and evaluation of public policies and projects.

It is based on the belief that sincere and structured dialogue leads to fairer decisions and more sustainable and better-suited public projects and policies. The Group is therefore committed to strengthening social dialogue and encouraging the widest possible participation, beyond identified stakeholders and civil society, by adapting the scope for public participation in each sector of intervention and providing support for its implementation, which may take place both during the planning stage to define the project's direction or activities, and during the implementation phase, for example to develop terms of use or governance arrangements.

In this context, local populations are involved in managing actual and potential impacts, in line with the project's requirements. The citizen participation mechanism is the subject of discussions with the partner organisation, which receives advice and, in some cases, dedicated funding to support participatory activities. AFD group's CIN team contributes directly to the implementation of citizen participation approaches and monitors their impacts. Unlike the standardised approach to environmental and social due diligence, these consultation activities can take a wide variety of forms and focus on a range of issues: they are not only aimed at preventing negative impacts but can also help to improve projects by shedding light on them from a wider range of perspectives, anticipating future uses, and optimising acceptance by future users, whilst equipping stakeholders for the long term.

These activities are complementary to dialogue with stakeholders which is also carried out through the environmental and social risk management system. As part of the environmental and social due diligence, the project teams ensure that customer institutions consult local populations, notably through formalised documentation requirements. This mobilisation is carried out in a targeted manner according to the subjects. The implementation involves reporting that is integrated into the provisions of the environmental and social commitment plan. Additional details are provided in Section 2.1.2.6.

The integration of stakeholders' perspectives is also reflected in the Environmental and Social Management Plans (ESMP), which customers must develop and implement in accordance with the provisions of AFD's E&S Risk Management Policy. Depending on the project's specific challenges, these plans may include measures to facilitate dialogue and remediation with local populations, as well as a public participation mechanism designed to consult more widely with the communities adversely affected. More broadly, stakeholders are also consulted in order to maximise the impact of public policy (see also Section 2.1.2.6.3 for further details).

Feedback from local populations is gathered through the customers acting as project managers, for example through workshops or online public engagement initiatives. The Group can assist its customers in this area, whether in terms of methodology or financially.

Lastly, these perspectives are incorporated into the formulation of customer requirements during the identification phase (which is the responsibility of local offices), regardless of the type of funding: whether it be budgetary funding for public policy or programmes, or funding for investment projects. This consideration forms an integral part of the appraisal process and, as such, is incorporated into the sustainability analysis and assessment, as well as into the preparation of feasibility studies. Then, the monitoring carried out for each funding project during the implementation phase ensures that the original objectives are met (including, therefore, the views of local populations).

As part of ongoing efforts to improve the complaints handling process, a questionnaire was sent to those whose complaints, processed since 2017, had been resolved. The feedback received has helped to improve the scheme.

For Expertise France, the views of local populations inform the design, implementation and monitoring of projects. A qualitative needs assessment, carried out in consultation with local stakeholders (authorities, community representatives, civil society organisations, beneficiaries), helps to identify the potential impacts and the expectations of local populations. These elements are set out in the theory of change and the logical framework, which translate the identified needs into measurable activities and outcomes.

The project is being implemented as part of the sustainable development framework, in accordance with Expertise France's internal decision-making procedures, to ensure that social, environmental and governance issues are taken into account. During implementation, the teams apply the quality criteria set out in the Practical Guide to Project Management, notably those relating to participation, ongoing dialogue and consideration for vulnerable groups, thereby ensuring regular monitoring of the impact on local communities.

Thus, although AFD group is not in direct and systematic contact with local populations, it ensures through these procedures that it meets their needs and upholds the principles of accountability, transparency and the right of appeal for local populations.

2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns

2.3.2.3.1 Environmental and social complaints system

Two mechanisms for processing environmental and social complaints, respectively for AFD and Proparco, help to manage, where appropriate, an operational risk. Where negative or unexpected environmental and social impacts could not be avoided, mitigated or offset in accordance with AFD and Proparco's environmental and social risk management policy, these grievance mechanisms may be activated. These mechanisms do not serve as avenues of appeal against AFD or Proparco. Their role is to provide the public with an additional and alternative means of redress, through (a) mediation and/or (b) a compliance audit, in order to address, as far as possible and within the customer's means, the negative environmental and social impacts of a funded project. They also help to strengthen transparency and accountability practices by drawing on the experience of other donors, notably through exchanges within the international IAMnet (Independent Accountability Mechanism Network), in which AFD participates. Furthermore, in order to better address the risk of retaliation against those using the complaints mechanism, the mechanism attended the quarterly meeting on this subject within the IAMnet network. Furthermore, when handling a complaint, the confidentiality of the complainant is guaranteed from the very first point of contact with the system, and anonymity measures may also be arranged for those at risk of reprisals.

At **AFD**, the environmental and social complaints management mechanism is an extra-judicial mechanism allowing any individual or group of individuals affected by a project financed by AFD, from an environmental or social point of view, to file a complaint. It promotes a constructive approach based on seeking out-of-court solutions. This mechanism is managed by a secretariat independent of the Executive Management of the operations and is placed under the supervision of the Ethics Advisor. External experts are involved at various phases of the complaint processing process. Complaints can be submitted online, in person or by post, and must be submitted by one or more natural or legal persons affected by a project financed by AFD. They relate exclusively to the environmental and social aspects of the project concerned, for a project carried out in a foreign state, and intervene as a last resort, when the author of the complaint has exhausted the possibilities of dialogue and extra-judicial remedies with the customer or the AFD. Once the declaration has been received, the Secretariat undertakes to acknowledge receipt of the complaint within ten working days of its receipt, and confidentiality is guaranteed to those who request it. The complaint is registered under certain conditions (identification of the complainant, explicit description of the project and its impacts, description of the efforts made by the complainant to settle the dispute). The complaints registered are then subject to a detailed eligibility study, according to the criteria defined in the regulations. The eligibility decision is made by an Eligibility Committee, composed of a representative from the following AFD teams: compliance, legal, transparency and accountability. It is chaired by the Ethics Advisor. When a claim is deemed eligible, two methods to process them are provided. The first is conciliation, which offers the intervention of a neutral, independent and impartial third party to help find an agreement between the complainant, or their representative, and the beneficiary of AFD financing with regard to the dispute giving rise to the complaint. Conciliation is concluded when the parties concerned reach an agreement or when, in the opinion of the conciliator, no further progress is possible towards resolving the dispute. The second processing method provided is a compliance audit, which aims to determine whether AFD complied with its approach to managing environmental and social risks, and to recommend corrective measures if it did not. An action plan is then proposed, the implementation of which is monitored.

The list of eligible complaints, as well as information on how they are being processed and followed up on, is made public. The system's activities are the subject of an annual public report [1] and regular presentations to AFD's Board of Directors.

Since 2019, **Proparco** has also had a complaints-handling mechanism in place, enabling any individual or group of individuals who believe they have been adversely affected by a project financed by Proparco to lodge a complaint and have their case heard by a panel of independent experts. This mechanism, the Independent Complaints Mechanism (ICM), is shared by Proparco and its German and Dutch counterparts, DEG – the German bilateral private sector development bank, a member of the KfW Group – and FMO – the Dutch bilateral private sector development bank.

If the complaint meets the simple eligibility criteria described in the Independent Mechanism for processing Complaints (MIR) heading on the Proparco website [2], it is forwarded to a panel of independent experts who, first of all, decide on its eligibility. At a second stage, the panel of experts may either facilitate dispute resolution through dialogue with Proparco's customer, the complainants and Proparco, or conduct a compliance review, which consists of an in-depth examination of Proparco's adherence to its environmental and social risk management policies and procedures, potentially leading to recommendations by the independent experts for the establishment of a Management Action Plan by Proparco aimed at resolving the cases of non-compliance identified. An annual report is published in the MIR section of Proparco's website. The ongoing review of the policy governing this mechanism involves consultation with stakeholders and is expected to result in the adoption of a new version by Proparco, FMO and DEG in March 2026.

Expertise France does not currently have its own environmental and social complaints mechanism. Nevertheless, in the context of the projects it implements, it ensures compliance with the requirements and procedures of its donors, notably those of the AFD and the European Union, as set out in the financing agreements. For projects financed by AFD, affected individuals or communities can file a complaint directly through AFD's environmental and social complaints system, pursuant to the contractual terms in force. Expertise France ensures that the project remains visible to local stakeholders and cooperates with the donor in the event of a complaint being lodged.

2.3.2.3.2 Sustainable development system: dimensions relating to local populations

During the appraisal phase, **the sustainable development system** analyses the expected impacts of each of the Group's loans on seven sustainability dimensions, as detailed in the General Information chapter, Section 2.1.2.6 "The Group's due diligence framework".

As regards local populations, they are assessed on the following dimensions:

i. Social link: reduction of inequalities and inclusion": conflict prevention and social cohesion, access to goods and services, decent work, redistributive policies and a social protection floor, participation and inclusion in political and social life, combating discrimination, etc. This dimension analyses, in particular, the socio-economic context in the region of intervention (i.e. people on low incomes, including the poorest 40% of the population (the Bottom 40)), the coherence of the financing plan, the detailed contextual analysis of the level of multidimensional poverty inequalities in the country/project intervention area, and the risks of worsening inequalities, notably with regard to human rights;
ii. Gender equality: refers to equitable access to essential goods and services, gender equality in terms of access to rights, socio-economic opportunities and resources, gender equality in terms of civil and political rights, risks of gender-based violence, political empowerment; etc. ;
iii. Democratic and inclusive governance: public consultation and participation, transparency, alignment of the project with public policies and institutions, etc.;
iv. Biodiversity: see Chapter 2.2.2 "Biodiversity" (E4);
v. Low carbon transition" Chapter 2.2.1 "Climate change" (E1);
vi. Resilience to climate change: see Chapter 2.2.1 "Climate change" (E1);
vii. Economy: balanced regional development, local economy, inclusive economy, etc.

The Group has set itself the objective of ensuring that all projects financed are aligned, i.e. that they have a positive or neutral rating at the time of signature.

It should be noted that each AFD group entity has developed its own sustainable development analysis and rating grid in order to adapt it to the specificities of its intervention. Equally, the nature and level of detail of the analyses vary from one entity to another in order to best capture the impacts of its financing.

2.3.2.3.3 Due diligence measures to manage the social impacts of projects on local populations

AFD group makes its financing conditional on the implementation by customers of a continuous and systematic environmental and social appraisal process making it possible (i) to assess the environmental and social impacts of operations, (ii) to propose appropriate measures to avoid negative impacts, or when they are unavoidable to reduce or compensate for them appropriately, (iii) to monitor the implementation of these measures during the implementation phase of the transaction, (iv) to assess *a posteriori* the effectiveness of the proposed measures. See also the approach to managing environmental risks, which is presented in Section 2.1.2.6.3.

This environmental and social assessment approach is applied at each stage of the project cycle.

1) Environmental and social complaints management system | AFD – Agence Française de Développement
2) Independent Complaints Mechanism (ICM) to process environmental and social complaints | AFD – Proparco.

Assessment of the risks of negative impacts on populations

A risk classification system (based on the nature, scale and intensity of negative impacts) determines the scope of due diligence, involving levels of expertise and skills specific to the identified impacts. Impact assessments analyse the extent of a project's potential negative social impacts and aim to propose, for each identified risk, measures to avoid or mitigate it, or even to compensate for it where avoidance or mitigation measures are insufficient.

The E&S risk management system may also lead to the drafting of measures to mitigate negative social impacts, recorded in an Environmental and Social Management Plan (ESMP) which describes the measures, the necessary resources, the associated budgets, as well as the entity responsible for the follow-up to be implemented. Any actions remaining to be carried out at the time of signature (additional studies, continuous process of engagement of stakeholders (local populations), implementation of the ESMP) are recorded in a Commitment Plan/E&S Action Plan. This ESMP/ESAP is a contractual commitment included in the financing agreement. Its implementation is the responsibility of the customer.

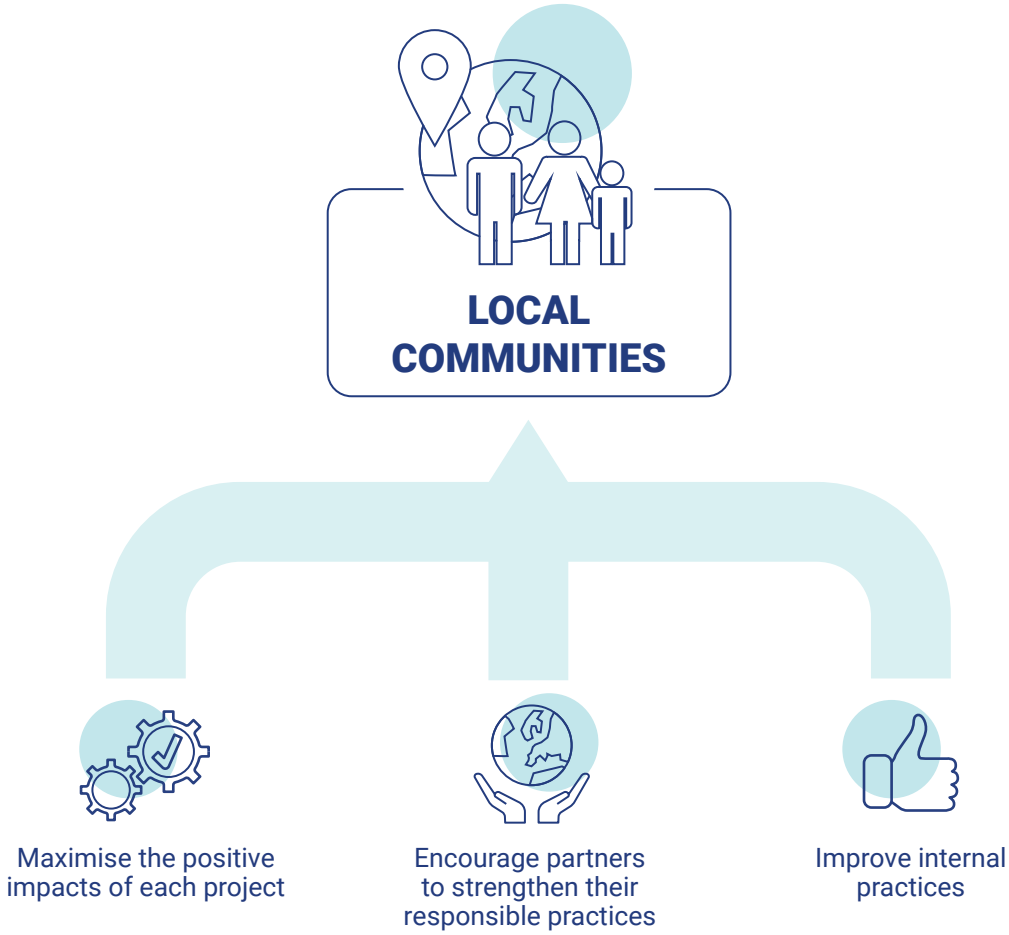
Annual appraisal of the residual negative social impacts of projects under implementation by AFD

Depending on the nature of the projects, the E&S documentation may be supplemented by an action and resettlement plan where a significant number of people affected by the project face involuntary displacement, whether physical or economic, permanent or temporary. Such a plan sets out the remedial measures to be implemented to offset the negative impacts.

Accordingly, a compensation mechanism is planned in the event that negative impacts arise. If any negative findings are identified, specific remedial measures are put in place. As soon as human rights complaints arise and are reported, they are dealt with by the system and the operational teams. These reports are confidential. However, the annual report is available on the AFD website and is described in the "General Information" chapter, Section 2.1.2.6.3 (see also 2.3.2.3.1). If any negative findings are identified, specific remedial measures are put in place. This reporting, supplemented by specific follow-up measures, enables an annual analysis of any remaining negative social impacts. This analysis is based on four criteria on the AFD side: the scale of environmental impacts, taking into account the project's progress; the quality of E&S management and compliance with social commitments; the sensitivity of the context; and the occurrence of major social events. This appraisal makes it possible to classify projects into four levels of E&S monitoring: projects requiring specific monitoring, sensitive projects requiring enhanced monitoring, projects requiring routine monitoring, or projects requiring basic monitoring (or no monitoring at all), and to identify the resources needed for their implementation. At Proparco, monitoring is based on four criteria: E&S organisation, E&S management system, E&S performance, and E&S effectiveness. When combined with intrinsic risk, these criteria enable the level of residual risk and the level of involvement of the ESG team to be assessed at least once a year.

2.3.2.4 Actions relating to material impacts on local populations

The Group's activities are fundamentally aimed at generating positive outcomes and impacts for local populations. Three main initiatives are therefore being implemented: (i) maximising the positive impact of each project, (ii) encouraging partners to strengthen their responsible practices, and (iii) improving internal practices.



2.3.2.4.1 Maximising the positive impacts of projects

With this in mind, the Group prioritises projects that generate positive impacts by ensuring robust project design, overseen by technical experts (project team leaders and project officers from cross-functional technical divisions, cross-functional project officers within the network for AFD, and support from the Support Sustainable Development Department (A2D) at Proparco). The appraisal process is designed to meet the needs of customers and local populations, and to maximise impacts on their behalf. AFD's Development Results and Impacts Division (SDD/RID) supports experts in defining expected results and impacts, whilst Proparco's Impact Measurement division (A2D/IMP) is responsible for doing so at Proparco.

In addition to the process described above, technical experts can draw on funds for project preparation (during the appraisal phase) and technical assistance (during the implementation phase) to maximise impacts.

In particular, during the project appraisal phase, AFD project teams can thus benefit from varying levels of support from cross-functional technical teams on issues such as reducing inequalities and citizen participation, etc.

Conducting diagnostics to support projects

As part of the feasibility studies carried out and the preparatory work undertaken to ensure that the impact on local populations is maximised, specific support may be provided in the following areas: inequalities (analysis of the context of multidimensional inequalities, poverty and, where relevant, the determinants of inequality in the country and/or project area, as well as a fiscal impact analysis); the mainstreaming of gender across all the Group's sectors of intervention (toolkits for each sector) and the reduction of gender inequalities (gender analyses and assessments, analysis of the risks of gender-based violence, gender-responsive budgeting (public finances)); and consideration of institutional strengthening/transformation to improve the effectiveness of public action and the challenges of citizen participation.

The various diagnoses thus provide an overview of the different cross-cutting issues (inequalities, gender, citizens/institutions), put forward a number of recommendations, and identify the additional financial resources required to support implementation. AFD teams are involved in selecting the consultancy firm, monitoring the conduct of the study and helping draft the recommendations.

Encouraging projects to maximise their positive impact

To secure and maximise the expected benefits for local populations, various tools are used to encourage customers to implement project improvement actions.

Subsidies to finance diagnostics or supplement a loan to implement the necessary recommendations

AFD operates five cross-cutting project preparation and monitoring support funds (FAPS - Fonds d'appui à la préparation et au suivi des projets), specifically dedicated to public sector reform and citizen participation; budgetary financing and public policy dialogue; climate, biodiversity and disaster risk reduction; and gender and the social link. Their aim is to ensure that these key cross-cutting issues are given greater consideration in projects and to support the assessment of budgetary funding applications. They enable the funding of studies and technical support at every stage of the project cycle (from identification through to monitoring during implementation), improve the quality of projects, and provide flexible and responsive support. These FAPS also aim to streamline processes, prevent the dispersal of resources and facilitate access to expertise through framework agreements.

In short, these resources make it possible to:

- provide support for the teams during the appraisal phase by financing additional studies on pre-feasibility, feasibility, and/or diagnostics;
- help customers and projects in the start-up/implementation phase to achieve positive impacts relating to populations. The FAPS budget is therefore used to fund technical assistance or capacity building within the projects.

Other FAPS may be dedicated to specific forms of support, such as the "Minka peace and resilience" initiative, which aims to prevent and respond to crises and conflicts in order to improve the living conditions of local populations and social links, and to strengthen their resilience as well as that of institutions.

Proparco also provides technical assistance and training for its customers. They aim to build their capacity to support the transformation of their businesses and the creation of positive impacts, notably in relation to gender, climate change and the improvement of environmental and social practices. Proparco works with the customer to identify their support requirements, after which technical experts capable of delivering the appropriate services are brought in. This support can be financed by drawing on funds delegated to Proparco (primarily national and European resources).

Financing arrangements that encourage customers to take local populations into account

The Group provides its customers with a range of financial instruments designed to encourage them to maximise their positive impact across all the cross-cutting dimensions described above:

- project loans, AFD group's traditional instrument, which aim to finance investment projects in all sectors;
- budgetary financing, the objective of which is to provide support for public policies or sectoral reforms;
- transformational loans [1] for local and regional banks or local public enterprises;
- subsidies (State resources or delegated funds);
- equity investments in companies or investment funds;
- guarantees.

Funding of local CSOs: the example of the Support Fund for Feminist Organisations (FSOF) [2]

The FSOF finances projects that contribute to gender equality and the empowerment of women and girls by strengthening local civil society organisations (CSOs). It finances and strengthens the technical, administrative and financial capacities of CSOs committed to the rights of women and girls. AFD uses several funding mechanisms under this fund: calls for thematic projects to select consortia of CSOs with the technical and financial capacity to back local organisations; calls for expressions of interest for CSOs (French or local) that can submit projects on their own initiative; and the certification of projects arising from AFD's sectoral programming to encourage the cross-cutting integration of funding for local feminist organisations.

The first phase of the FSOF was successfully completed, with €137M allocated to projects providing support for 1,400 feminist civil society organisations in 75 countries. A second five-year phase (2023-2027), with a target amount announced by France of €250M, is being implemented, subject to the continued availability of budgetary resources for grants.

Socially oriented investments

The Group invests in investment funds or provides dedicated credit facilities to finance women's entrepreneurship and thereby contribute to women's economic and financial empowerment. Proparco incorporates gender equality considerations into the projects it backs, drawing on the 2X Challenge framework to guide its work. Proparco invests in social bonds (Social or Gender Bonds) or Development Impact Bonds that incorporate a gender, inequality or climate dimension. These products help issuers to establish accountability and performance monitoring frameworks in accordance with ICMA [3] principles (see Section 2.1.2.3 "Business model").

Monitor projects and ensure compliance with established criteria

Once the projects have been approved, the Group carries out regular monitoring to ensure that the recommendations are being implemented and to measure the results and impacts.

1) Loans backing the customer's transformation.
2) FSOF's areas of focus: promoting and defending sexual and reproductive health and rights and sexuality education; combating gender-based and sexual discrimination and violence; women's empowerment and participation in economic life; social and political leadership; access to education; the Women, Peace and Security agenda; and gender and climate.
3) International Capital Market Association.

2.3.2.4.2 Engaging partners

AFD group is committed to strengthening its cooperation with its partners – lenders, donors and organisations working on related issues – in order to magnify its positive impact.

Encouraging and promoting best practices

AFD group promotes best practices for engaging with local populations, particularly in terms of inclusion, reducing inequalities – including gender inequality – and fostering democratic practices that encourage the involvement of stakeholders from diverse backgrounds in the international debate, through dialogue with partners and active participation in bodies and forums, with a view to achieving environmental and social justice. These relationships are also built through cooperation with French and international stakeholders involved in cultural, sporting and diplomatic initiatives, as well as through strategic dialogue with international organisations (e.g. UNESCO, UN Women, UNODC). In 2025, AFD group participated in (i) the World Summit for Social Development organised by the UN in Doha, Qatar, (ii) the Commission on the Status of Women (CSW) led by the United Nations Economic and Social Council (ECOSOC), and (iii) the World Forum for Democracy organised in Strasbourg by the Council of Europe. These international meetings are an opportunity for the Group to share its roadmaps and tools.

Channelling financial flows

AFD group is committed to channelling financial resources towards a social and democratic agenda, notably by seeking cofunding from multilateral and bilateral cooperation agencies. Notably, the Group engages public development banks from the Finance in Common (FICS) global network and the World Bank, and promotes cofunding with the European Union and other European countries, notably within the framework of the Team Europe Initiatives, which encourage coordinated and concerted efforts by European donors to achieve greater impact, as well as to strengthen advocacy and the implementation of concrete actions.

Mobilising research

AFD group also mobilises research, which it has in-sourced within the Group, by focusing its work on its strategic and operational priorities. The fight against inequality, the green transition, the sound management of shared resources, and economic assessments of the countries in which we operate are at the heart of research at AFD group. Whilst enabling public decision-makers and civil society to draw on their findings, studies and research help to ensure that AFD group's operational and strategic decisions are more effective. This work feeds into operations, and this positioning represents a significant source of added value for the Group.

For example, since 2017, the EU-AFD Research Facility on Inequality has enabled the Group to develop recognised and influential scientific expertise, which informs national policy trajectories and underpins public reforms.

2.3.2.4.3 Improving internal practices

Skills development through training

The Group provides training courses aimed at Group employees, partners and mixed audiences to ensure a thorough understanding of governance, gender equality and social inclusion. This offering is delivered through the AFD Campus, which provides training designed by the Group or in partnership with external organisations, such as the International Labour Organization.

Internally, AFD group's objective is to consolidate the integration of social and democratic issues in projects. This includes training on multidimensional inequalities, inclusion and gender equality, as well as knowledge and skills in geographical intelligence, advocacy, community engagement and leadership.

Externally, MOOCs (Massive Open Online Courses), training courses and workshops are offered on an open-access basis to promote collaborative educational design, as well as being aimed at partners, such as training on feminist organisational transformation.

Available expertise tools

Various tools are available to AFD's technical and regional teams to inform the process of assessing needs and planning the necessary project activities.

Level at which tools are used	Tools
Sector level	Maps that identify the various levers for promoting inclusion and reducing inequalities across different sectors and sub-sectors of intervention Sector-specific gender toolkits containing practical resources and tools tailored to sector-specific issues and needs (governance, transport and mobility, health, energy, education and vocational training, water and sanitation, urban development, the private sector, agriculture and rural development). Thematic notes and factsheets on gender, summarising key concepts, data and issues relating to certain key topics (e.g. thematic factsheet on gender and climate change). Sector-specific impact factsheets on the theme of equality and inclusion, enabling the identification of impacts according to sector of activity.
Country scale	Bottom 40 country profiles providing access to key socio-demographic and economic information on the composition and geographical distribution of the poorest 40% of the population. Multidimensional assessments of inequality and analyses of the tax impact to enhance our understanding of inequality and inform tax reforms. Multidimensional inequality assessments are comprehensive, primarily quantitative reports on multidimensional inequalities produced in collaboration with statistical offices using available surveys and censuses. The tools also include (i) applied research programmes that inform public policy dialogue with partner countries and (ii) analytical tools made available to partners and the international community. Country-specific gender profiles analyse the context (key data, legislation, national strategies), the main stakeholders in the field of gender equality, and the integration of gender considerations into AFD's operations. A gender prospecting kit (2020) mainly targeting AFD local offices in order to provide the necessary tools to establish a dialogue on gender equality and the identification of projects.
Project/ programme level	A toolkit and an inequality checklist are used to structure the stages and questions involved in project assessment, as well as to identify the relevant tools to be used. Proparco also has a tool in the form of a gender analysis checklist for projects. Tools for analysing the distributional effect (1) make it possible to better understand the impact of projects or public policies on inequalities: a. the tool for analysing the fiscal and budgetary impact on inequality and poverty, which breaks down the impact of fiscal measures (taxes, exemptions and subsidies) and social measures (transfers, contributions and benefits) on poverty and inequality; and b. the Equity Tool or the Distributional Impact Assessment Tool, in order to assess the position of the projects' direct beneficiaries within the national (urban or rural) distribution of wealth; c. A guide on gender-sensitive AFD projects": from identification to evaluation, providing practical factsheets to help better incorporate gender considerations into projects and programmes; Model terms of reference for gender analyses and gender-sensitive feasibility studies in the appraisal of AFD projects.

(1) The distributive effect refers to the way in which the costs and benefits of certain actions are distributed among different social, economic, cultural or geographical groups. The effect may be regressive if the measure widens the gap, or progressive if, conversely, it benefits lower-income groups to a greater extent. The distributional impact of a tool or policy reflects the differences in its effects across different groups (by income, gender, age, etc.).

For issues relating to the reinforcement of institutions, public policy reform in the context of budgetary funding, or citizen participation, various tools are also available at the project level:

Strengthening/ transforming public institutions	• Institutional flash diagnosis, in-depth organisational diagnosis, transformation plan • Diagnostic matrix for leadership and project management skills • Effective, Transparent and Resilient Institutions and Access to Communication checklists, used to identify examples of activities and key questions during project assessment in order to maximise impact • Standard terms of reference for diagnostic and feasibility studies that include an institutional capacity-building component are available to back the appraisal of AFD projects • A transformation kit for ministries • A digital transformation kit

Citizen participation	• Diagnosis of CIN's citizen participation practices, which seeks to identify:
	  • existing or past consultation practices
	  • relevant information and engagement channels,
	  • a map of the actors who will be involved in the project
	  • the ability of consultation to drive the process
	• Citizen participation checklist used to identify examples of activities and key questions during the project planning phase in order to maximise impact
	• Standard terms of reference for diagnostic and feasibility studies that include an institutional capacity-building component are available to back the appraisal of AFD projects
	• A position paper on public participation in projects enables operational implementation
	• Existing cross-cutting factsheet: citizen participation in just transitions
	• A kit on citizen participation in projects

Public policy reforms in the context of budgetary financing	• Assessment of the stability of the macroeconomic framework • Fiduciary risk study • Public policy (PP) or programme maturity analysis tool • Stakeholder relations analysis • Standard terms of reference for diagnostic and feasibility studies that include an institutional capacity-building component are available to back the appraisal of AFD projects • Financial governance checklist used to identify examples of activities and key questions during the project planning phase in order to maximise impact

The Group is implementing measures to prevent and reduce exposure to negative impacts and to manage identified risks, pursuant to the processes described above (see Section 2.3.2.3 on the process aimed at remedying negative impacts and channels enabling local populations and end-users to voice their concerns). No specific material opportunities or risks relating to local populations were identified.

2.3.2.5 Metrics and targets (S3-5 & S4-5)

2.3.2.5.1 Project monitoring indicators validated during the year

Proportion of projects with no explicit negative rating	2024	2025	2025 target
Social link: reduction of inequalities and inclusion	100%	100%	100%
Of which AFD	100%	100%	100%
Of which Proparco	100%	100%	100%
Gender equality	100%	100%	100%
Of which AFD	100%	100%	100%
Of which Proparco	100%	100%	100%
Governance	100%	100%	100%
Of which AFD	100%	100%	100%
Of which Proparco	100%	100%	100%

As explained in Section 2.3.2.3.2 “Sustainable development rating”, the Group aims to avoid participating in projects that have a negative impact on local populations.

2.3.2.5.2 AFD group's performance indicators across various dimensions relating to local populations

In order to manage its activities, each AFD group entity has defined a number of key performance indicators across various dimensions relating to local populations:

Entity	Dimension	2024	2025	2025 target	2026 target	2027 target
AFD	Equality and inclusion — Share of commitments (in number of projects) whose main or secondary objective is the reduction of multidimensional inequalities and inclusion	49.1%	58.2%	50.0%	50.0%	NA
	Gender — Share of amounts committed marked CAD1 and CAD2 in loans and grants in foreign States	61.0%	68.1%	55.0%	55.0%	55.0%
	Governance — Share of AFD commitment approvals where democratic and inclusive governance is the primary or significant objective	55.3%	74.4%	55.0%	55.0%	55.0%
Expertise Farnce	Gender — Share of new projects signed on French funding whose main or significant objective is gender equality (marked OECD DAC 1 or DAC 2).	-	85.7%	75.0%	75.0%	75.0%

In defining its targets, AFD group draws on the guidelines issued by the Presidential Council, and the on sectoral roadmaps. The targets are set in line with the POS V Strategic Orientation Plan and are part of a trajectory based on the historical performance of the portfolio and the Group's ability to identify realistic signs of progress.

In addition, structured dialogue with partner public institutions and customers, beginning at the project prospecting and identification stages, is based on the logical framework underpinning the funding.

For Proparco, the goal to help reduce inequality is also set out as one of the pillars of its 2023–2027 strategy. This goal was reflected in two indicators:

- through a commitment target of €234M per year in projects targeting disadvantaged populations belonging to the Bottom 40. In 2025, projects financed by Proparco amounted to €253M. This objective will be reviewed during the preparation of the next strategic plan in order to take into account a wider range of projects contributing to the equality and inclusion dimension of the strategy's 'reducing inequalities' pillar;
- through a commitment indicator for 2X-aligned projects (€), a goal also set out in the 2023–2027 strategy. The 2025 target, set at €634M, was exceeded, with a total of €643M in 2X-aligned projects in 2025. In 2026–2027, a target of over €1.2bn in commitments to 2X-qualified projects [1] was set following the mid-term review of the strategy.

2.3.2.5.3 Result and impact indicators of the AFD group's activities on local populations

AFD group ultimately aims to have an impact on local populations, as measured through the Results and impact framework set out in Chapter "General information", Section 2.1.2.4 "Steering backed by impact measurement and evaluation". It covers the overall result and impact indicators defined at Group level), which serve both as internal management tools and as a platform for accountability and external communication.

To ensure effective management of funding, these indicators are monitored in the Group's information system from the moment funding is approved (*ex-ante*) and for projects completed during the year (*ex-post*). For this first sustainability statement, only the *ex-ante* indicators were produced. The *ex-post* indicators will be produced as part of the following report [2].

Given the nature of its funding and the inherent difficulty in measuring very-long-term impacts (such as changes in national statistics), AFD focuses its monitoring on intermediate result and impact indicators. These Results and Impacts Framework (RIF) indicators are chosen to capture direct transformations attributable to AFD group's specific intervention, providing a measurement of the effectiveness of its actions while demonstrating how each project contributes to the Group's overall impact thesis.

1) *An initiative launched by the G7's development finance institutions (including Proparco) at the 2018 G7 summit in Canada, with a view to collectively committing to and mobilising resources for projects that reduce gender inequality. The 2X criteria were developed to help members identify compatible investments.*
2) *Joint work by Expertise France and AFD made it possible to identify correspondences between the indicators of the Results and Impacts Framework (RIF) and the aggregatable Expertise France (THEMA) indicators. The THEMA system, designed in line with Expertise France's role as a project implementation body, is based primarily on an annual collection of non-cumulative ex-post results, using a methodology standardised across Expertise France. In this context, for projects not funded by AFD, Expertise France is not currently in a position to provide ex-ante values for this first report for all RIF indicators for which there is a correspondence between the two indicator systems. For projects financed by AFD, results are included in the values reported by AFD.*

HUMAN DEVELOPMENT

01* Training in the skills of tomorrow to promote equitable integration

IMPACT TARGET

736,963

Number of beneficiaries of education, training and employment services created or significantly improved

02* Safeguarding global health through access to health systems

IMPACT TARGET

26,993,685

Number of beneficiaries of supported health services or improved access to care

03 Enabling equal opportunities through better access to social protection

IMPACT TARGET

24,076,714

Number of people benefiting from improved social protection

04* Supporting fair and opportunity-creating transitions

IMPACT TARGET

1,616,212

Number of jobs supported or created

SUSTAINABLE ECONOMY AND FINANCE

05* Supporting financial systems to support eco-friendly pathways to align economies with the SDGs

IMPACT TARGET

728,217

Number of beneficiaries of new or improved access to an appropriate financial service

06 Strengthening migration governance and management

IMPACT TARGET

39

Number of organisations supported for safe, orderly and regular migration

07 Reducing global hunger through sustainable food systems

IMPACT TARGET

702,124

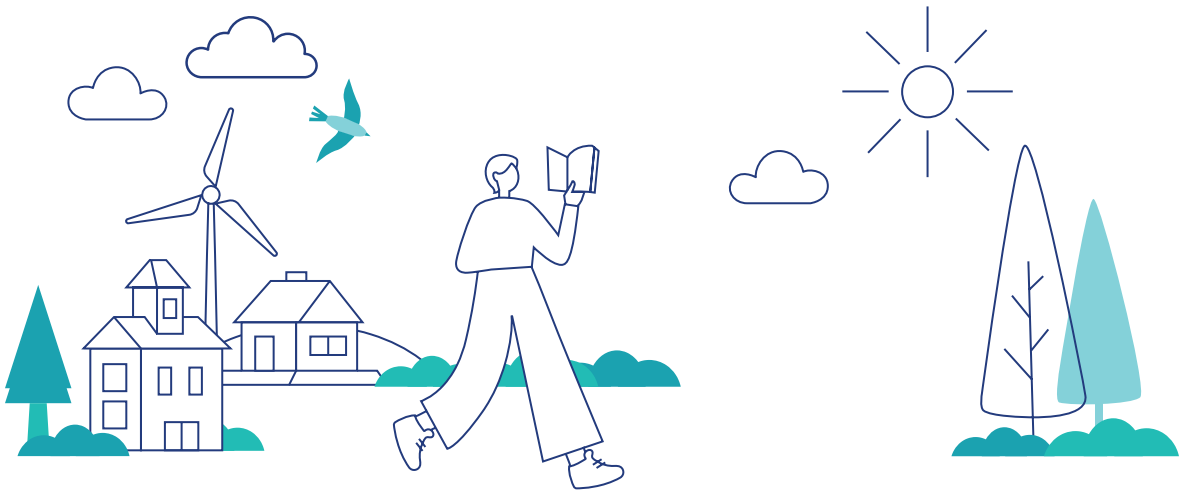
Number of businesses/ family farms with improved economic performance

08* Supporting businesses and entrepreneurship

IMPACT TARGET

80,892

Number of businesses supported or created (including VSEs/SMEs, focus on Africa)



* These indicators are within the scope of AFD and Proparco – the others are within the scope of AFD

SUSTAINABLE INFRASTRUCTURE

Ensuring access to affordable, reliable and sustainable energy for all 09*

IMPACT TARGET

13,553,781

Number of people whose direct or indirect access to energy is improved

Ensuring universal access to sustainably managed water and sanitation services 10*

IMPACT TARGET

24,827,959

Number of people with access to safely managed drinking water and sanitation services

Developing greener transport for access to services and opportunities for all 11*

IMPACT TARGET

3,099,586

Number of people benefiting from improved access to sustainable transport infrastructure and services

Making digital technology work for every citizen, institution, and the planet 12*

IMPACT TARGET

46,360,563

Number of people who gained access or improved access to the Internet and/or telecommunications

Improving the quality of life in cities 13*

IMPACT TARGET

22,591,868

Number of city residents and users whose quality of life has improved

SOCIAL LINK

Promoting sport and the cultural and creative industries as an accelerator of social cohesion 19

IMPACT TARGET

6,449,415

Number of people with better access to the sports and cultural sectors: activities, employment, training, infrastructure (including heritage)

* These indicators are within the scope of AFD and Proparco – the others are within the scope of AFD

2.4 Governance information (G1)

SUMMARY

Governance information (G1)

Integrity is at the heart of the AFD group's action, particularly in an international environment where the Group may be exposed to risks of corruption, non-compliance or damage to its reputation.

The Group thus maintains a zero tolerance policy towards any prohibited practices*, in accordance with its legal obligations, its ethical commitments and its role as a public player in development financing.

This requirement extends to the entire value chain: customers, partners, beneficiaries, suppliers, co-financiers and financial intermediaries.

The management of integrity and compliance risks is based on robust policies and procedures as well as the commitment of management bodies.

To promote these integrity values, the AFD group provides training to its teams on compliance and ethics issues.

Professional whistleblowing and information reporting systems enable allegations of misconduct to be reported. These reports are analysed and following investigations, and when the facts are proven, may lead to appropriate measures being taken.

* * Defined in the «AFD group's General Policy on the Prevention and Fight against Prohibited Practices»

2025 highlights:

0
Conviction
for breach of integrity
(France and country of intervention)

0 €
Amount of fines
for breaches of anti-corruption legislation and acts of corruption

100%
of employees identified as working in a high-risk function are covered by anti-corruption training

2.4.1 Corporate culture (G1-1)

An overview of the management of each material IRO is provided below, with further details set out in the rest of this chapter.

Title of the IRO	Policies	Equity	Metrics & Targets
Negative impact of potential incidents of corruption, money laundering or terrorist financing involving an employee or as part of operations (G1) **Operational risks. Risks of corruption, misappropriation of aid, influence peddling, external or internal conflicts of interest, money laundering or terrorist financing, and failures or shortcomings in the management of suppliers and subcontractors on funded projects (G1)**	• Ethics Charter • AFD group Code of Conduct against Corruption and Influence Peddling and EF Code of Conduct • AFD group's general policy on preventing and combating prohibited practices – AFD and PRO • "Combating money laundering and the financing of terrorism" reference document (1) • Policy on national and international economic and financial sanctions	• Systems for reporting reprehensible practices • Procedure for preventing and managing conflicts of interest • Customer KYC due diligence system • Assessment of corruption risks in relations with third parties • Internal regulations • Monitoring of third parties (customers, suppliers) and transactions • Mandatory anti-money laundering and combating the financing of terrorism (AML-CFT) and anti-corruption training	• **Cases of corruption** (concerning AFD group) (G1-4) • Convictions for corruption offences *(number)* • Amount of corruption offences *(€)* Targets AFD group has zero tolerance for any prohibited practices in the course of its activities and operations.

(1) EF is not subject to the tax.

2.4.1.1 Mechanisms in place to identify, report and investigate concerns about unlawful behaviour or behaviour contrary to its Code of Conduct

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

To this end, **the AFD group promotes a culture of integrity** and ensures, in particular, **compliance with applicable regulations and internal systems** in terms of:

- **AML/CFT:** Avoidance and combating money laundering and the financing of terrorism.

- **Fight against corruption:** Fight against corruption, related offences and prohibited practices.

- **Sanctions:** Compliance with international and national financial and trade sanctions.

- **Banking ethics:** Management of conflict of interest, conduct of banking and financial activities.

- **Personal data:** Protection of clients' privacy and personal data.

Moreover, being subject to banking regulations on the fight against money laundering and the financing of terrorism, AFD, its subject subsidiaries or AFD on behalf of its non-subject subsidiaries, may make a suspicion report to Tracfin [1].

AFD group has also established several reporting mechanisms enabling internal and/or external stakeholders to report misconduct (see Section 2.4.2.2 "Whistle-blowing systems and other types of reporting (protection, investigation procedures, communication of findings)").

Checks made during a project's life cycle

Prior to funding any projects, a thorough review is conducted of the counterparty and, where applicable, its relevant shareholders and beneficial owners, as required by banking and anti-corruption regulations.

Politically exposed persons, and in some cases public officials, are also identified.

As part of its project monitoring process, the Group set up a number of controls designed to ensure that resources are used appropriately. Moreover, the procedures for reimbursing or receiving payments of any kind — including, notably, dividends — or for divesting equity investments (sale of equity investments) are closely monitored, as they may reveal prohibited practices.

At the time of the examination, and then throughout the life of the projects, the Group provides its employees with filtering tools which consolidate information such as the financial and commercial sanctions adopted by France, the European Union, the United States and the UN. At AFD, this filter is also integrated into the payment processing chain managed by the Finance Department.

The objective is to ensure that no counterparty, beneficiary of financing, supplier or successful tenderer of a call for tenders financed by AFD is facing financial sanctions, or operates in sectors under embargo.

Third-party commitments

As regards customers and beneficiaries, AFD group's financing (or co-financing) agreements contain a number of clauses requiring them to undertake commitments relating to the fight against corruption, fraud, collusion, money laundering and the financing of terrorism, and to comply with French and international financial and trade sanctions. These clauses notably oblige customers and beneficiaries to inform the relevant AFD group corporate entity of cases of alleged prohibited practices or potential or proven reprehensible practices, and to take remedial action in accordance with the Group's expectations. In the absence of remedial action, the Group reserves the right to terminate the business relationship. It can suspend payments, cancel the portion of its financing in relation to which improper or non-compliant practices have been detected and demand early repayment of all or part of a loan or repayment of all or part of a grant paid. The Group may also decide to take the matter to the French courts or to the local courts where the project is being carried out.

Controls in the context of foreign public contract awards by AFD

When AFD finances a project in a foreign State, the customer or beneficiary contractually undertakes to comply with the "Guidelines for the award of contracts financed by AFD in foreign States", the purpose of which is to establish the best practices expected by AFD and to specify the scope and methods of the verifications that AFD carries out concerning compliance with the conditions for the provision of its financing.

Compliance checks in relation to these directives notably take the form, depending on risk criteria, of the issuance of letters of no objection (LNO) and are carried out *ex-ante* at specific stages of the procurement process. In some cases, *ex-post* checks may also be carried out for certain procurement processes.

In addition to these checks, AFD imposes ineligibility criteria on contractors, over and above those that exist in local legislation.

Notably, a person may not be awarded a contract financed by the AFD if that person, or any subcontractor, director, employee or agent acting on their behalf, has engaged in a prohibited practice (such as an act of corruption), either directly or indirectly, with a view to securing that contract.

These criteria are known to bidders because they are required to submit a declaration of integrity by way of which they acknowledge that they meet the eligibility criteria set by the AFD.

2.4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations

AFD group rolled out a risk management framework designed to prevent, detect and address any suspected misuse of its funding, both at AFD and within its subsidiaries, including Proparco and Expertise France. This system is based first and foremost on a set of procedures in terms of financial security and professional ethics, which notably includes policy documents such as:

- the Ethics Charter;
- AFD group Code of Conduct against Corruption and Influence Peddling and EF Code of Conduct;
- AFD group's general policy on preventing and combating prohibited practices;
- the Group's whistle-blowing system and Expertise France's internal whistle-blowing system;
- the general policy for the prevention, detection and management of conflicts of interest;
- the Combating money laundering and the financing of terrorism reference document;
- the policy on national and international economic and financial sanctions;

1) Tracfin is the financial intelligence service under the authority of the Ministry of the Economy, Finance and Industrial, Energy and Digital Sovereignty.

- the Guidelines applicable to the conduct of investigations carried out by the Investigation Unit of the AFD group's Compliance Department in the event of reports of prohibited practices;
- as well as various internal procedures and contractual provisions present in all its template financing agreements.

Policies on preventing and combating misconduct, including corruption, are available to all staff members (regardless of their status) via the intranet of AFD and its subsidiaries, whilst those intended for external stakeholders are published on the websites of AFD and its subsidiaries (notably on the page dedicated to the fight against corruption).

In addition, the content of the policies is explained through training sessions, some of which are aimed at all staff, others at expatriate staff, and others tailored to staff who are particularly at risk of corruption. This programme is complemented by annual e-learning modules [1] and practical resources designed to ensure understanding and implementation.

A Code of Conduct, appended to the internal regulations, is shared with each new employee.

2.4.2 Anti-corruption (G1-3)

2.4.2.1 Functions most exposed to the risk of corruption and bribery payments

AFD group entities identify the functions most exposed to the risk of money laundering/terrorist financing and of corruption/misappropriation of aid.

2.4.2.2 Whistle-blowing systems and other types of reporting (protection, investigation procedures, communication of findings)

AFD group has also established several reporting mechanisms enabling internal and/or external stakeholders to report misconduct.

Whistle-blowing system

AFD group has established a **whistle-blowing system** in accordance with the requirements of the so-called "Sapin II" law and the applicable legislation transposing Directive (EU) 2019/1937 into French law (the Waserman law).

This mechanism, set out in a formal procedure, is designed notably to ensure that these individuals benefit from whistle-blower protection, specifically by providing:

Internal reporting channel

- A confidential and secure system is accessible to all data subjects via a secure email address.
- All AFD and Proparco employees receive training on this system every year as part of an e-learning course.
- The entry point of the system is the AFD group Ethics Advisor. Appointed by AFD's Executive Management and endowed with an independent status and a three-year term, they have sufficient competence, authority and resources to carry out their missions. To this end, they fully fulfil the duties of collecting and processing the admissibility of the alert and remain independent with regard to the various persons who may be concerned.
- Reports of corruption or any other prohibited practices affecting projects financed by the Group or its non-project-related proprietary activities are handled by the Investigation Unit of AFD's Compliance Department or by the relevant department at Expertise France. Staff working in the Investigation Unit have the key knowledge required to perform their duties. Keeping this skill up to date requires them to undertake regular professional development activities.
- The handling of whistle-blowing reports concerning discrimination, harassment, or breaches of health and safety legislation that jeopardise the physical and mental health of employees, and more broadly of social legislation, shall, with certain exceptions, fall within the remit of the Group's Human Resources Departments (see notably Section 2.3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or gender-based and sexual violence).
- The processing of alerts relating to other areas authorised by the system and which would not *a priori* fall under the responsibility of the Compliance Departments, the Human Resources Departments or the General Inspection are assigned by the Ethics Advisor to the appropriate entity.

The Ethics Advisor in charge of receiving professional alerts was appointed by the AFD group's Chief Executive Officer. Having trained in mediation at the Conservatoire national des arts et métiers (CNAM) in 2022, following more than 15 years of legal expertise at AFD and Proparco, she went on to hold the positions of General Counsel at Proparco, Head of Permanent Control and Compliance at AFD, and subsequently Secretary General at Proparco. More recently, she established and headed Proparco's Communications, Transformation, Property and Logistics department until September 2024.

1) AFD and Proparco.

Other reporting mechanisms

In addition, there are several other reporting mechanisms at AFD group that allow employees to report misconduct:

- employees working for AFD and Proparco:
  - have access to an operating incident declaration mechanism which collects and centralises all shortcomings identified by employees (including AML/CFT, and reports of corruption and fraud),
  - must also report any suspected irregularities in projects or in the activities of the three entities to the Compliance team through the line management reporting mechanism. The processing of these reports is managed by the Investigation Unit of the Compliance Department in order to have an exhaustive overview of the cases encountered, and to ensure a consistent response to them.
  - also have the option of contacting the director of that department directly whenever they believe they have identified a situation that poses a risk of non-compliance;
- Expertise France's internal whistle-blowing and reporting system is open to employees. It is the subject of a procedure and appears on its intranet site.

A reporting mechanism for prohibited practices is available to third parties associated with the Group. Details on how to submit a report can be found on the AFD's institutional website.

Protection against retaliation under the whistle-blower protection scheme: internal and external staff are protected by their employer against any sanctions, dismissal or direct or indirect discriminatory measures relating to employment (notably compensation, incentive schemes, training, redeployment, assignment, qualifications, classification, career progression, working hours, performance appraisal, transfer or contract).

- Information that could identify the whistle-blower may only be disclosed with the whistle-blower's written consent.
- More generally, anyone using the workplace whistle-blowing mechanism will be entitled to the legal protection afforded to "whistle-blowers", provided that they raise a concern in accordance with the provisions of Directive (EU) 2019/1937 and the French transposing legislation (the Waserman law). "

Procedures for investigating business conduct reports under the whistle-blowing system

The Ethics Advisor acknowledges receipt of the alert within **seven working days** at the latest and decides on its formal admissibility within fifteen working days, and assigns the processing to the appropriate entity.

The whistle-blower shall be informed in writing, within a maximum of three months from the date of acknowledgement of receipt, of **the measures planned or taken** to assess the accuracy of the allegations and, where appropriate, to address the subject matter of the report, as well as the reasons for such measures.

When the alert has been completed, the Ethics Advisor shall inform the issuer of the alert, in writing, of the terms and conditions of the closure based on the information provided to them by the entities responsible for handling the alert.

With regard to the system for handling reports of prohibited practices, the investigation unit within the Group's Compliance Department is responsible for conducting an investigation to verify the veracity of any allegations brought to its attention, provided that these relate to a project funded by the Group or concern one of the Group's entities or one of its employees who may be the victim of such acts (identity theft, CEO fraud, etc.).

In the event of misconduct by Group employees, this task is primarily assigned to the Group's General Inspection, but also to the HR Departments on referral by the Executive Management.

The investigation unit conducts its investigations in accordance with the "Guidelines applicable to the conduct of investigations", available on the AFD group website.

Independence of the Investigation Unit

AFD group's policies and procedures provide for the independence of investigators in the relevant management chain. This organisation ensures an impartial and objective investigation, with the possibility of using independent external experts where necessary. Furthermore, specific provisions relating to conflicts of interest are provided for in internal procedures and allow the implementation of management measures (including deportation) if a conflict-of-interest situation is identified.

Communication of results **to AFD group's governance bodies**: as part of their annual activity report, the Ethics Advisor anonymously includes the number of cases and the type of whistle-blowing cases. It is presented to the Executive Management of the relevant Group entities.

With regard to the scope covered by the AFD's Investigation Unit, the Head of Compliance communicates all reports of fraud or corruption to AFD's Executive Management at least once a month. The number of cases referred to Compliance, the nature of these allegations and the related procedures are also presented at internal audit and risk committees, including those of AFD and Proparco's Executive Management.

The Head Compliance presents, at least twice a year and whenever invited to do so, the activities of the Investigation Unit to AFD's Board of Directors.

All of this information is included in the internal control report sent to the French Prudential Supervisory and Resolution Authority, as well as in the Compliance activity report.

Expertise France's Head of Compliance reports to Executive Management on the processing of reports at Executive Committee meetings, and regularly at each meeting of the Internal Control and Compliance Committee and of the Audit and Risk Committee of the EF Board of Directors. Moreover, the number of cases and their type are also shared with the Group Risk Management Committee of the parent company AFD.

2.4.2.3 Training on business conduct and anti-corruption

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

These training courses, which include familiarisation with codes of conduct, are delivered through e-learning courses, face-to-face sessions and webinars (synchronous training).

i. E-learning courses on anti-money laundering and combating the financing of terrorism: all AFD and Proparco staff (at head office and across the network, whether new hires or existing staff) were required to complete one or two e-learning modules, depending on their exposure to this risk.

ii. Moreover, since 2023, completion of Module 1 of the e-learning training courses on anti-money laundering and combating the financing of terrorism has been included as an indicator in the calculation of the Group's profit-sharing scheme and is highlighted as a key focus during annual performance reviews.

iii. E-learning training on combating corruption and influence peddling, and on the management of conflicts of interest: every year, all staff of AFD and Proparco must complete two compulsory modules on combating corruption and influence peddling, and on the management and handling of conflicts of interest.

iv. Training delivered in person or through webinars in terms of compliance: these complement the self-study programme and are designed to provide staff – particularly those in high-risk roles – with all the regulatory and legislative knowledge they need to carry out their duties at AFD group.

v. Expertise France is rolling out a core e-learning course on the Code of Conduct and the fight against corruption, as well as all practices that contravene the Code of Conduct. An e-learning course aimed at employees who are particularly exposed to the risk of corruption will be introduced in 2026.

The training courses are tailored to the profile of the participants, as they take into account staff assignments as part of the induction process for new hires, as well as the career moves undertaken by AFD group employees.

Training of the Group's directors and executives

An e-learning training course is dedicated to managing AML-CFT risks in the context of the exercise of the duties of director. The training programme also includes a specific focus on conflicts of interest and the responsibilities of directors and corporate officers, notably in the event of non-compliance with anti-corruption regulations.

2.4.2.4 Conviction for corruption or bribery (G1-4)

AFD group has zero tolerance for any prohibited practices in the course of its activities and operations.

	Group	
Violation of anti-corruption and anti-bribery laws	**2025**	**2024**
Number of convictions	0	0
Amount of fines	0	0

Corruption risk mapping enables action plans to be defined to mitigate identified major or critical risks. In 2024, AFD put in place an action plan on the risk of corruption or misappropriation of aid in the context of financing projects. It included four main actions, namely:

- improving information systems by assigning a third-party anti-corruption score, as part of the project to establish a third-party benchmark;
- raising awareness among certain target audiences such as the Purchasing Department and local managers through training;
- physical training in the network (Regional Directorates or local offices);
- the implementation of additional anti-corruption procedures. To date, the last three actions have been rolled out in full.

Non-compliance with anti-corruption procedures and standards

AFD's permanent control centralises incidents of non-compliance with internal procedures, notably with regard to the risk of corruption. These incidents are reported using a database tool and processed. Failures could result either in sanctions (like a formal reminder of the rules to the teams concerned) or in the implementation of reinforced controls.

2.5 Appendices to the sustainability statement

2.5.1 Disclosures in relation to specific circumstances (BP-2)

2.5.1.1 Time horizons

The time horizons specified in the report correspond to the definition of the short, medium and long term indicated in the standard (respectively less than one year, up to five years, and more than five years).

Subject	Description of disclosure requirement	Corresponding information	CSRD section
Time horizons	**9.a** Disclosure of medium- or long-term time horizons in the event of deviations from the defined time horizons **9.b** Disclosure of the reasons why the application of these time horizons definitions is different	• Assessment of climate-related financial risks	2.2.1 Climate change 2.2.1.1.2. Implementation of AFD group's climate commitments

2.5.1.2 Value chain estimates

This report uses value chain estimates that are made using the following sources, among others:

- when this data is available, the Group uses third parties (rating agencies, recognised databases);
- for financing allocated to projects, AFD and Proparco collect data directly from project leaders, as far as possible;
- the Group seeks to use the latest data available for the year, but there may be a time lag between customer and beneficiary data and the data for the year. When information is not available at 31 December 2025, data from an interim date has been used to represent the situation for 2025 as a whole;
- in the absence of data, proxies, mainly sectoral and geographical, may be used. This leads to uncertainty in the data. The key indicators concerned are exposure to physical and transition risks relating to climate and nature, and emissions;
- furthermore, where actual data is not available for the outcome and impact indicators of funded or supported projects, the Group relies on estimates based, notably, on official statistics or similar projects. Further details regarding the use of assumptions and estimates are provided in the notes to the relevant indicators.

Subject	Description of disclosure requirement	Corresponding information	CSRD section
Value chain estimates	**10.a** Disclosures of the indicators used, including data on upstream and downstream value chains estimated using indirect sources, such as sectoral averages or other approximations **10.b** Description of the basis of preparation used for these indicators, which include data relating to the upstream and downstream value chain that are estimated using indirect sources **10.c** Description of the level of accuracy derived from indicators that include data relating to the upstream and downstream value chain, estimated using indirect sources	• Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions • GHG emission intensity (total GHG emissions per net banking income) • Average annual CO2eq emissions of projects	2.2.1 Climate change 2.1.2.3 Total gross greenhouse gas emissions and Group monetary carbon intensity
	10.d Where applicable, a description of the measures planned to improve the accuracy of indicators that include data relating to the upstream and downstream value chain, which are estimated using indirect sources		2.2.1 Climate change 2.1.1.3.6 Average annual CO_2eq emissions of projects

2.5.1.3 Sources of estimation and outcome uncertainty

The estimates referred to in the point above give rise to uncertainties in the data, the extent of which cannot yet be calculated with any precision. These levels of uncertainty also depend on each indicator. These uncertainties also depend on whether the customers and beneficiaries of the interventions are directly or indirectly involved (as in the case of cascading financing via local banks, for example). Indicators measuring access to infrastructure typically use proxies to identify a potential pool of beneficiaries, so the margin of error is greater. By contrast, the figures relating to beneficiaries of training or capacity-building initiatives are generally more closely linked to the project's direct activities and are therefore more reliable. Work to develop the collection of actual data and thereby reduce the reliance on estimates and proxies takes place on an ongoing basis.

Subject	Description of disclosure requirement	Corresponding information	CSRD section
Sources of estimation and outcome uncertainty	**11.a** Disclosure of quantitative indicators and monetary amounts subject to a high degree of measurement uncertainty **11.b.i** Disclosure of information on sources of measurement uncertainty **11.b.ii** Disclosure of assumptions, approximations and judgements used by the entity to measure quantitative indicators and monetary amounts	• Scope 3 GHG • Total number of employees leaving the company • Employee turnover rate • Number of beneficiaries of education, training and employment services created or significantly improved, % of women and girls • Number of beneficiaries of backed health services or of improved access to care, % of women • Number of people benefiting from better social protection, % of women • Number of jobs backed or created • Number of beneficiaries of new or improved access to an adapted financial service, % of women • Number of organisations for safe, orderly, and regular migration backed • Number of businesses/family farms with improved economic performance • Number of businesses backed or created (including VSEs/SMEs, focus on Africa) • Number of people with improved direct or indirect access to energy, % of women • Number of people benefiting from safely managed drinking water and sanitation services, % of women • Number of people benefiting from improved access to sustainable transport infrastructure and services, % of women • Number of people who gained access or improved access to the Internet and/or telecommunications, % of women	2.2.1 Climate change 2.2.1.2.1 AFD group's financed emissions 2.3.1 A meaningful work environment 2.3.1.2.1 Characteristics of AFD group employees 2.3.2 Populations: affected local communities and consumers and end-users 2.3.2.5.3 Result and impact indicators

Subject	Description of disclosure requirement	Corresponding information	CSRD section
		• Number of inhabitants and users of cities whose quality of life improved, % of women • Number of regulatory frameworks/ mechanisms for citizen participation established in projects/programmes, including budgetary and matrix financing • Number of institutions backed in order to enhance the effectiveness of public policy, transparency, and resilience in the face of crises • Number of people whose resilience to violent crises and conflicts is backed (of which displaced), % of women • Number of disadvantaged or underprivileged beneficiaries supported, % women • Proparco: The "Number of Bottom 40 beneficiaries" has been replaced by the "Number of projects with an SDG rating of +2 or +3 on the social dimension". • Number of people benefiting from specific support for the physical, economic, and/or political empowerment of women and girls, % of women and girls • Number of people with improved access to the sports and cultural sectors: activities, employment, training, facilities (including heritage sites) • Number of countries and stakeholders backed in their low-carbon transition, including projected GHG emissions reductions (ex-ante tCO2eq) enabled by the allocated funding • Number of people whose climate resilience is developed by the project, % of women • Areas benefiting from actions to protect, conserve or restore terrestrial, aquatic, and marine biodiversity	2.2.1 Climate change 2.2.1.1.3 Steering and accountability as part of the work on low-carbon and resilient transitions 2.2.2 Biodiversity 2.2.2.4.3 Areas benefiting from the protection, conservation or restoration of terrestrial, aquatic and marine biodiversity actions

2.5.1.4 Changes in preparation or presentation of sustainability information

This report presents AFD group's first CSRD-compliant sustainability statement. Its preparation led to a great deal of methodological work including the double materiality assessment, gap analysis, the definition and production method of quantitative indicators, etc. This methodological work, in line with the CSRD, limits the comparability of the data with the Statement of Non-Financial Performance (SNFP) published by the Group for previous years.

Option: cross-reference table with the previous SNFP

Table of contents - AFD group 2025 sustainability statement	Contents of the AFD group 2024 SNFP
2.1 General information (ESRS 2)	
2.1.1 General basis for disclosures (BP-1)	No direct equivalent
2.1.2 Strategy, business model, and value chain (SBM-1)	No direct equivalent
2.1.2.1. A Group strategy focused on sustainability	2.4 Contribution of the Group's activity to sustainable development
2.1.2.2. Group value chain	2.1 The business model
2.1.2.3. AFD group's business model	2.1 The business model
2.1.2.4. Steering backed by impact measurement and evaluation	2.4 Contribution of the Group's activity to sustainable development
2.1.2.5. Internal operations aimed at setting an example on sustainability	2.4 Contribution of the Group's activity to sustainable development
2.1.2.6. The Group's due diligence framework (GOV-4)	2.3 Managing the risks and impacts of our action
2.1.2.7. Interests and views of stakeholders (SBM-2)	2.5 Transparency and dialogue with stakeholders 2.6 Coordination with development actors: partnership by design
2.1.3 Governance (GOV1 to GOV3)	No direct equivalent
2.1.3.1. Composition and role of governance bodies	No direct equivalent
2.1.3.2. Integration of sustainability-related performance in incentive schemes	No direct equivalent
2.1.3.3. Risk management and internal controls over sustainability reporting	No direct equivalent
2.1.4 Management of Impacts, Risks & Opportunities	No direct equivalent
2.1.4.1. Identification and assessment of material impacts, risks, and opportunities	2.2 Identification of the main non-financial issues and risks-
2.1.4.2. Material impacts, risks and opportunities and their interaction with strategy and business model	2.4 Contribution of the Group's activity to sustainable development
2.1.4.3. Materiality of information	No direct equivalent
2.2 Environmental information	No direct equivalent
2.2.1 Climate change (E1)	2.4.4 Impact of the Group's activity on climate change and biodiversity
2.2.2 Biodiversity (E4)	2.4.4 Impact of the Group's activity on climate change and biodiversity
2.2.3 European taxonomy	No direct equivalent
2.3 Social information	
2.3.1. A meaningful work environment (S1)	2.8 Working environment
2.3.2. Populations: affected local communities and consumers and end-users (S3/S4)	2.4.5 Impacts related to the Group's activity in strengthening the social link 2.6 Coordination with development actors: partnership by design
2.4 Governance information	2.7 Fair practices
2.5 Appendices to the sustainability statement	No equivalent (specific ESRS requirements not covered by the SNFP)

2.5.1.5 Reporting errors in prior periods

As this is AFD group's first sustainability statement, no errors were identified with regard to the previous period.

2.5.1.6 Disclosure of information derived from other legislative acts or generally accepted sustainability reporting frameworks

Some CSRD *data* points are required by other pieces of EU legislation, as listed below:

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS 2 GOV-1 Gender diversity in the governance bodies, paragraph 21, point d)	Indicator 13, Table 1, Appendix I		Annex II of European Commission Delegated Regulation (EU) 2020/1816;		Chapter 3 of the URD
ESRS 2 GOV-1 Percentage of independent directors, paragraph 21, point e)			Annex II to Commission Delegated Regulation (EU) 2020/1816		Chapter 3 of the URD
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator 10, Table 3, Appendix I				2.5 Appendices to the sustainability statement 2.5.2 Statement on due diligence
ESRS 2-SBM-1 Involvement in activities related to fossil fuel activities, paragraph 40, point d) i)	Indicator 4, Table 1, Appendix I	Article 449 bis of Regulation (EU) 575/2013; European Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
ESRS 2-SBM-1 Involvement in activities related to chemical production, paragraph 40, point d) ii)	Indicator 9, Table 2, Appendix I		Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.1 General information 2.1.2 Strategy, business model and value chain
ESRS 2-SBM-1 Involvement in activities related to controversial weapons, paragraph 40, point d) iii)	Indicator 14, Table 1, Appendix I		Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.1 A Group strategy at the service of sustainability 2.1.2.1.3 Operational activities: products and services and types of customers and sectors

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS 2-SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40, point d) iv)			Delegated Regulation (EU) 2020/1818, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1816, Annex II.		2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.1 A Group strategy at the service of sustainability 2.1.2.1.3 Operational activities: products and services and types of customers and sectors
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14				Article 2, paragraph 1, of Regulation (EU) 2021/1119	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
ESRS E1-1 Undertakings excluded from Paris Agreement-aligned Benchmarks, paragraph 16, point g)		Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12, paragraph 1, (d) to (g), and Article 12, paragraph 2, of Delegated Regulation (EU) 2020/1818		2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.1.1 The Paris Agreement alignment strategy at Public Development Banks and at the Group
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator 4, Table 2, Appendix I	Article 449 bis of Regulation (EU) 575/2013, Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Transition risks related to climate change: alignment indicators	Article 6 of Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator 5, Table 1, and Indicator 5, Table 2, Appendix I				Not applicable
ESRS E1-5 "Energy consumption and energy mix" paragraph 37	Indicator 5, Table 1, Appendix I				Not applicable
ESRS E1-5 "Energy intensity associated with activities in high climate impact sectors" paragraphs 40 to 43	Indicator 6, Table 1, Appendix I				Not applicable

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS E1-6 Gross Scope 1, 2 and 3 GHG emissions and total GHG emissions, paragraph 44	Indicators 1 and 2, Table 1, Appendix I	Article 449 bis of Regulation (EU) 575/2013, European Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 5, paragraph 1, Article 6 and Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.2 Environmental information 2.2.1 Climate change 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions 2.2.1.2.3 Total gross greenhouse gas emissions and Group monetary carbon intensity
ESRS E1-6 Gross GHG emission intensity, paragraphs 53 to 55	Indicator 3, Table 1, Appendix I	Article 449 bis of Regulation (EU) 575/2013, European Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book - Transition risks related to climate change: alignment indicators	Article 8, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.2 Environmental information 2.2.1 Climate change 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions 2.2.1.2.3 Total gross greenhouse gas emissions and Group monetary carbon intensity
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Article 2, paragraph 1, of Regulation (EU) 2021/1119	Non-material
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Annex II to Delegated Regulation (EU) 2020/1818, Appendix II to Delegated Regulation (EU) 2020/1816		Implementation of the phased-in entry into force
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66, point a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66, point c)		Article 449 bis of Regulation (EU) No 575/2013, European Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47, Template 5: Banking book – Physical risk related to climate change: exposures subject to physical risk			Implementation of the phased-in entry into force

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67, point c)		Article 449 bis of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraph 34, Template 2: Banking book – Climate change transition risk: Loans secured by immovable property – Energy efficiency of collateral			Implementation of the phased-in entry into force
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69			Annex II to European Commission Delegated Regulation (EU) 2020/1818		Implementation of the phased-in entry into force
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator 8, Table 1, Appendix I; indicator 2, Table 2, Appendix I, Indicator 1, Table 2, Appendix I; Indicator 3, Table 2, Appendix I				Non-material
ESRS E3-1 Water and marine resources, paragraph 9	Indicator 7, Table 2, Appendix I				Non-material
ESRS E3-1 Dedicated policy, paragraph 13	Indicator 8, Table 2, Appendix I				Non-material
ESRS E3-1 Sustainable oceans and seas, paragraph 14	Indicator 12, Table 2, Appendix I				Non-material
ESRS E3-4 Total water recycled and reused, paragraph 28, point c)	Indicator 6.2, Table 2, Appendix I				Non-material
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations, paragraph 29	Indicator 6.1, Table 2, Appendix I				Non-material

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS 2-SBM-3 – E4 paragraph 16, point a) i)	Indicator 7, Table 1, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2.2.3.4 Due diligence measures to manage environmental impacts at project level
ESRS 2-SBM-3 – E4 paragraph 16, point b)	Indicator 10, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2.2.3.4 Due diligence measures to manage environmental impacts at project level
ESRS 2-SBM-3 – E4 paragraph 16, point c)	Indicator 14, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2.2.3.4 Due diligence measures to manage environmental impacts at project level
ESRS E4-2 Sustainable land/ agriculture practices or policies, paragraph 24 point b)	Indicator 11, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2.2.2.1 Implementing and adapting the planet roadmap
ESRS E4-2 Sustainable oceans/ seas practices or policies, paragraph 24, point c)	Indicator 12, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2.2.2.1 Implementing and adapting the planet roadmap

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS E4-2 Policies to address deforestation, paragraph 24, point d)	Indicator 15, Table 2, Appendix I				2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2.2.2.1 Implementing and adapting the planet roadmap
ESRS E5-5 Non-recycled waste, paragraph 37, point d)	Indicator 13, Table 2, Appendix I				Non-material
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator 9, Table 1, Appendix I				Non-material
ESRS 2-SBM-3 – S1 Risk of incidents of forced labour, paragraph 14, point f)	Indicator 13, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.1 Coverage of employees through collective bargaining and social dialogue
ESRS 2-SBM-3 – S1 Risk of incidents of child labour, paragraph 14, point g)	Indicator 12, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.1 Coverage of employees through collective bargaining and social dialogue
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator 9, Table 3, and Indicator 11, Table 1, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3.1.2.2 Processes for engaging with own workforce and workers' representatives about impacts

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S1-1 Policies on due diligence regarding matters covered by International Labour Organization Core Conventions No. 1 to 8, paragraph 21			Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator 11, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.1.1.1 Policies related to own workforce
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator 1, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce
ESRS S1-3 Grievance/ complaints handling mechanisms, paragraph 32, point c)	Indicator 5, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3.1.2.2 Processes for engaging with own workforce and workers' representatives about impacts
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88, points b) and c)	Indicator 2, Table 3, Appendix I		Annex II to European Commission Delegated Regulation (EU) 2020/1816		2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.4 Health and safety
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88, point e)	Indicator 3, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety 2.3.1.4.4 Health and safety

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S1-16 Unadjusted gender pay gap, paragraph 97, point a)	Indicator 12, Table 1, Appendix I		Appendix II to Delegated Regulation (EU) 2020/1816		2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.3.4 Principle of equal compensation among employees
ESRS S1-16 Excessive CEO compensation ratio, paragraph 97, point b)	Indicator 8, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.3.4 Principle of equal compensation among employees
ESRS S1-17 Incidents of discrimination, paragraph 103, point a)	Indicator 7, Table 3, Appendix I				2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.4.5 Zero tolerance at AFD group towards any form of discrimination, harassment, or sexist and sexual violence
ESRS S1-17 Failure to comply with the Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 104, point a)	Indicator 10, Table 1, and Indicator 14, Table 3, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		Non-material
ESRS 2-SBM-3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11, point b)	Indicators 12 and 13, Table 3, Appendix I				Non-material
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator 9, Table 3, and Indicator 11, Table 1, Appendix I				Non-material
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators 11 and 4, Table 3, Appendix I				Non-material

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S2-1 Failure to comply with the Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Indicator 10, Table 1, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		Non-material
ESRS S2-1 Policies on due diligence regarding matters covered by International Labour Organization Core Conventions No. 1 to 8, paragraph 19			Appendix II to Delegated Regulation (EU) 2020/1816		Non-material
ESRS S2-4 Human rights issues* and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator 14, Table 3, Appendix I				Non-material
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator 9, Table 3, Appendix I, and Indicator 11, Table 1, Appendix I				2.3.2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management 2.3.2.2 Stakeholder dialogue process
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines, paragraph 17	Indicator 10, Table 1, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator 14, Table 3, Appendix I				2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.3.1 Environmental and social complaints system

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS S4-1 Policies related to consumers and end-users, paragraph 16	Indicator 9, Table 3, and Indicator 11, Table 1, Appendix I				2.3.2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management 2.3.2.2 Stakeholder dialogue process
ESRS S4-1 Failure to comply with the Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph, 17	Indicator 10, Table 1, Appendix I		Annex II of Delegated Regulation (EU) 2020/1816, Article 12, paragraph 1, of Delegated Regulation (EU) 2020/1818		2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1.1 Impact, risk and opportunity management
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator 14, Table 3, Appendix I				2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.3.1 Environmental and social complaints system
ESRS G1-1 United Nations Convention against Corruption, paragraph 10, point b)	Indicator 15, Table 3, Appendix I				2.4 Governance information 2.4.1 Business conduct 2.4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations

Disclosure requirements and related data points	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU European Climate Law	Sustainability statement reference (section or non-material)
ESRS G1-1 Protection of whistle-blowers, paragraph 10, point d)	Indicator 6, Table 3, Appendix I				2.4 Governance information 2.4.1 Business conduct 2.4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24, point a)	Indicator 17, Table 3, Appendix I		Appendix II to Delegated Regulation (EU) 2020/1816		2.4 Governance information 2.4.2 Fight against corruption 2.4.2.4 Conviction for corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery, paragraph 24, point b)	Indicator 16, Table 3, Appendix I				2.4 Governance information 2.4.2 Fight against corruption 2.4.2.4 Conviction for corruption or bribery

Moreover, AFD group's sustainability meets other French publication requirements:

Disclosure requirements	Description of disclosure requirement	Chapter/Section (in the sustainability statement)
Article L.232-1 of the French Commercial Code	"7° Where the company is a large undertaking within the meaning of Article L.230-1, [the management report] shall include information on its key intangible assets, the extent to which its business model is fundamentally dependent on those assets, and how they constitute a source of value creation for the company."	2.1.2.3. AFD group's business model
Article L.22-10-35 of the French Commercial Code	In companies whose securities are admitted to trading on a regulated market, the management report presented by the Board of Directors or the Management Board to the Ordinary Annual General Meeting, as referred to in the second paragraph of Article L.225-100, shall include, in addition to the information referred to in Section II of Article L.232-1, the following information: 2° Initiatives aimed at fostering the relationship between the nation and its armed forces and to backing participation in the National Guard reserves; 3° Measures aimed at promoting citizens' engagement in local democracy and, where applicable, the award of the "local democracy partner employer" label referred to in Article L.1621-6 of the French General Code for Local Authorities. Where applicable, the group management report referred to in Article L.233-26 of this Code shall include the information referred to in points 1° to 3° of this Article, relating to all the undertakings included in the consolidation. The information referred to in 7° of II of Article L.232-1 applies to companies whose securities are admitted to trading on a regulated market and which are small or medium-sized enterprises within the meaning of Article L.230-1.	2.3.3.1 Policies related to own workforce

2.5.1.7 Incorporation by reference

Certain specific data points required by a disclosure requirement have been incorporated by reference:

Disclosure requirements	Description of disclosure requirement	Chapter/Section (in the sustainability statement)	Chapter/Section (outside the sustainability statement)
ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies	[ESRS 2 GOV-1 20, 21, 22, 23] 20. The purpose of this disclosure requirement is to understand: a. the composition and diversity of the administrative, management and supervisory bodies; b. the roles and responsibilities of the administrative, management and supervisory bodies in overseeing the process of managing material impacts, risks, and opportunities, including the role of management in these processes; and c. the expertise and skills of the administrative, management and supervisory bodies in relation to sustainability issues, or their ability to acquire such expertise and skills.	2.1.3 Governance 2.1.3.1 Composition and role of governance bodies	Chapter 3 of the Universal Registration Document (corporate governance)
	21. The Company discloses the following information on the composition and diversity of the members of the company's administrative, management and supervisory bodies: u. the number of executive and non-executive members; v. the representation of employees and other workers; w. the experience acquired that is relevant to the company's sectors, products, and geographical locations; x. the percentage by gender and other factors of diversity that the company takes into account. Gender diversity in the governance bodies (13) is represented by the average ratio of women to men in the governance bodies; and y. the percentage of independent directors (14). or companies with a one-tier board structure, this corresponds to the percentage of independent non-executive directors; for those with a two-tier board structure, it corresponds to the percentage of independent members on the supervisory body.		
	22. The company publishes the following information on the roles and responsibilities of its administrative, management and supervisory bodies: a. the identity of the administrative, management and supervisory bodies (such as a committee of the Board of Directors or a similar committee) or of a person within a body who is responsible for monitoring impacts, risks, and opportunities; b. the way in which the responsibilities of each body or individual regarding impacts, risks and opportunities are set out in the company's mission statements, the Board of Directors' duties and other relevant policies; c. a description of management's role in the governance processes, controls and procedures used to monitor, manage, and oversee impacts, risks and opportunities, specifying: i. whether this role is delegated to a specific position or committee at management level and the way in which supervisory authority is exercised over that position or committee, ii. information regarding the reporting hierarchy structure to the administrative, management and supervisory bodies, iii. whether special controls and procedures are applied for the management of impacts, risks, and opportunities and, if so, the way in which these controls and procedures are integrated into the other internal functions; d. the way in which the administrative, management and supervisory bodies, and senior management, oversee the setting of targets relating to material impacts, risks, and opportunities, and how they monitor progress towards achieving them.		

Disclosure requirements	Description of disclosure requirement	Chapter/Section (in the sustainability statement)	Chapter/Section (outside the sustainability statement)
	23. The information published must include a description of how the administrative, management and supervisory bodies determine whether the skills and expertise available are appropriate or will be developed to oversee sustainability issues, notably: a. sustainability expertise that the bodies, as a whole, possess directly or can acquire, for example through experts or training; and b. the link between these skills and expertise, on the one hand, and the company's material impacts, risks and opportunities, on the other.		
ESRS 2 GOV-5 Risk management and internal controls over sustainability reporting	[ESRS 2 GOV-5 36 a] The company discloses the content, key features and main elements of its risk management and internal control processes and systems relating to sustainability reporting	2.1.3 Governance 2.1.3.3. Risk management and internal controls over sustainability reporting 2.1.3.3.1. Description of AFD group's internal control system	Chapter 4 of the Universal Registration Document presents the Group's risk management approach more generally, and more specifically it does so in paragraph 4.3.1 "Internal control and risk monitoring".
ESRS E1-1 Transition plan for climate change mitigation	[E1-1.16i] The information required in paragraph 14 on the climate change mitigation transition plan indicates whether the transition plan is approved by the company's administrative, management and supervisory bodies	2.2.1 Climate change 2.2.1.1. Climate transition plan 2.2.1.1.1. The Paris Agreement alignment strategy at Public Development Banks and at the Group 2.2.1.1. 2. Implementation of AFD group's climate commitments	The Executive Committee: Chapter 3 of the Universal Registration Document Risk Management Committees: Chapter 4 of the Universal Registration Document
ESRS 2-SBM-3 Material impacts, risks and opportunities and their interaction with the strategy and the business model	[SBM-3.19a] The company describes the resilience of its strategy and business model with regard to climate change. This description covers the scope of the resilience analysis	2.2.1 Climate change 2.2.1.1. Climate transition plan 2.2.1.1.3. Managing climate-related financial risks	Pillar 3 "ESG risks" chapter: Chapter 4 of the Universal Registration Document

2.5.1.8 Use of transitional provisions

The transitional arrangements are indicated line by line in the second table of Section 2.5.3 below

2.5.2 Due diligence cross-reference table (GOV-4)

The Group is subject to Law No. 2017-399 of 27 March 2017 on the duty of care. Each year, a vigilance plan is defined to comply with it.

Core elements of due diligence	Sections in the sustainability statement
a. Embedding due diligence in governance, strategy and business model	2.1.2.6 The Group's due diligence framework
b. Engaging with affected stakeholders in all key steps of the due diligence	2.1.2.7 Interests and views of stakeholders
c. Identifying and assessing adverse impacts	2.1.4.1Identification and assessment of material impacts, risks and opportunities
d. Taking actions to address those adverse impacts	2.1.2.3 AFD group's business model
e. Tracking the effectiveness of these efforts and communicating	2.1.2.4 Steering backed by impact measurement and evaluation

2.5.3 ESRS disclosure requirements covered by this sustainability statement according to the results of the materiality assessment (IRO-2)

AFD group has complied with the following disclosure requirements in preparing the sustainability statements, based on the results of the materiality assessment.

Covered Disclosure Requirements (DR)	CSRD section
ESRS 2: General information to be published	
BP-1 – General basis for the preparation of sustainability statements	2.1 General information 2.1.1 General basis for disclosures
BP-2 – Disclosures in relation to specific circumstances	2.5 Appendices to the sustainability statement 2.5.1 Disclosures in relation to specific circumstances
GOV-1 – The role of the administrative, management and supervisory bodies	2.1 General information 2.1.3 Governance 2.1.3.1 Composition and role of governance bodies
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	2.1 General information 2.1.3 Governance 2.1.3.1 Composition and role of governance bodies 2.1 General information 2.2.1.4 Impact, risk and opportunity management 2.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
GOV-3 – Integration of sustainability-related performance in incentive schemes	2.1 General information 2.1.3 Governance 2.1.3.2 Integration of sustainability-related performance in incentive schemes
GOV-4 – Statement on due diligence	2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.6 The Group's due diligence framework 2.5 Appendices to the sustainability statement 2.5.2 Statement on due diligence
GOV-5 – Risk management and internal controls over sustainability reporting	2.1 General information 2.1.3 Governance 2.1.3.3 Risk management and internal controls over sustainability reporting 2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
SBM-1 – Strategy, business model and value chain	2.1 General information 2.1.2 Strategy, business model and value chain
SBM-2 – Interests and views of stakeholders	2.1 General information 2.1.2 Strategy, business model and value chain 2.1.2.1 A Group strategy at the service of sustainability

Covered Disclosure Requirements (DR)	CSRD section
SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.2 Material impacts, risks and opportunities and their interaction with the strategy and the business model
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities
IRO-2 – ESRS disclosure requirements covered by the company's sustainability statement	2.1 General information 2.1.4 Impact, risk and opportunity management 2.1.4.3 ESRS disclosure requirements covered by corporate sustainability statements 2.5 Appendices to the sustainability statement 2.5.3 ESRS disclosure requirements covered by this sustainability statement
ESRS E1: Climate change	
ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes	2.1 General information 2.1.3 Governance 2.1.3.2 Integration of sustainability-related performance in incentive schemes
E1-1 – Transition plan for climate change mitigation	2.2 Environmental information 2.2.1 Climate change
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
E1-2 – Policies related to climate change mitigation and adaptation	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions
E1-3 – Actions and resources in relation to climate change policies	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions
E1-4 – Targets related to climate change mitigation and adaptation	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan
E1-6 – Gross Scopes 1, 2, 3 emissions and total GHG emissions	2.2 Environmental information 2.2.1 Climate change 2.2.1.1 Climate transition plan 2.2.1.2 Greenhouse gas emissions financed by AFD group and the Group's own emissions
ESRS E4: Biodiversity and ecosystems	
E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies: Nature at the heart of the Group's strategy 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts

Covered Disclosure Requirements (DR)	CSRD section
E4-2 – Policies related to biodiversity and ecosystems	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.2 Strategy and policies 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
E4-3 – Actions and resources related to biodiversity and ecosystems	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.3 Risk management actions and operational processes and their impacts 2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
E4-4 – Targets related to biodiversity and ecosystems	2.2 Environmental information 2.2.2 Biodiversity 2.2.2.4 Measurement tools and targets
ESRS S1: Own workforce	
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-1 – Policies related to own workforce	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.1 Policies related to own workforce 2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce
S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce
S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce 2.3.1.3 Promotion of professional equality and diversity
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	2.3 Social information 2.3.1 A meaningful work environment
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity 2.3.1.4 Working conditions and employee safety
S1-6 – Characteristics of the undertaking's employees	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.2 Cross-functional and descriptive information on AFD group's workforce
S1-8 – Collective bargaining coverage	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-9 – Diversity indicators	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity

Covered Disclosure Requirements (DR)	CSRD section
S1-10 – Adequate wages	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-11 – Social protection	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-12 – Persons with disabilities	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
S1-13 – Training and skills development indicators	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
S1-14 – Health and safety indicators	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-15 – Work-life balance metrics	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.4 Working conditions and employee safety
S1-16 – Remuneration metrics (pay gap and total remuneration)	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
S1-17 – Zero tolerance at AFD group towards any form of discrimination, harassment, or sexist and sexual violence	2.3 Social information 2.3.1 A meaningful work environment 2.3.1.3 Promotion of professional equality and diversity
ESRS S3: Affected communities	
ESRS 2-SBM-2 – Interests and views of stakeholders	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S3-1 – Policies related to affected communities	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S3-2 – Processes for engaging with affected communities about impacts	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users
S3-3 – Processes aimed at remedying negative impacts and channels enabling affected communities to voice their concerns	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.4 Actions relating to material impacts on local populations
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.5 Metrics and targets

Covered Disclosure Requirements (DR)	CSRD section
ESRS S4: Consumers and end-users	
ESRS 2-SBM-2 – Interests and views of stakeholders	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
ESRS 2-SBM-3 – Material impacts, risks and opportunities and their interaction with the strategy and the business model	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S4-1 – Policies related to consumers and end-users	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.1 Integration into the strategy and business model
S4-2 – Processes for engaging with consumers and end-users about impacts	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.2 Stakeholder dialogue process
S4-3 – Processes aimed at remedying negative impacts and channels enabling consumers and end-users to voice their concerns	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.3 Processes aimed at remedying negative impacts and channels enabling local populations to voice their concerns 2.3.2.4 Actions relating to material impacts on local populations
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	2.3 Social information 2.3.2 Populations: Affected local communities and consumers and end-users 2.3.2.5 Metrics and targets
ESRS G1: Business conduct	
G1-1 – Corporate culture and business conduct policies	2.4 Governance information 2.4.1 Business conduct 2.4.2 Fight against corruption
G1-2 – Management of relationships with suppliers	2.4 Governance information 2.4.2 Fight against corruption
G1-3 – Prevention and detection of corruption and bribery	2.4 Governance information 2.4.1 Business conduct 2.4.1.2 Procedures put in place to prevent and detect instances of prohibited practices, including corruption, and to handle allegations 2.4 Governance information 2.4.2 Fight against corruption 2.4.2.2 Whistle-blowing systems and other types of reporting (protection, investigation procedures, communication of findings) 2.4.2.3 Training on business conduct and anti-corruption
G1-4 – Incidents of corruption or bribery	2.4 Governance information 2.4.2 Fight against corruption 2.4.2.4 Conviction for corruption or bribery

2.5.4 Scope of publication of S1 indicators

Scope of publication

DR	Name of the DR	S1-1 indicators	AFD/Proparco	Expertise France
S1-6	Characteristics of the undertaking's employees	Total number of employees in the workforce, broken down by gender	Total	Total
S1-6	Characteristics of the undertaking's employees	Total number of permanent employees in the workforce, broken down by gender	Total	Total
S1-6	Characteristics of the undertaking's employees	Total number of temporary employees in the workforce, broken down by gender	Total	Total
S1-6	Characteristics of the undertaking's employees	Total number of employees leaving the company	Total	Partial
S1-6	Characteristics of the undertaking's employees	Employee turnover rate	Total	Partial
S1-8	Collective bargaining coverage and social dialogue	Percentage of employees covered by collective agreements	Total*	Partial
S1-8	Collective bargaining coverage and social dialogue	Total percentage of employees covered by employee representatives	Total*	Partial
S1-9	Diversity metrics	Total number of employees at senior management level, broken down by gender	Total	Total
S1-9	Diversity metrics	Percentage of employees at senior management level, broken down by gender	Total	Total
S1-9	Diversity metrics	Breakdown of employees (workforce) under the age of 30	Total	Total
S1-9	Diversity metrics	Breakdown of employees (workforce) between the ages of 30 and 50	Total	Total
S1-9	Diversity metrics	Breakdown of employees (workforce) over 50 years old	Total	Total
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (illness)	Total	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (unemployment)	Partial	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (workplace accident)	Partial	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (parental leave)	Partial	Partial
S1-11	Social protection	Percentage of employees covered by social protection for each type of major life event (retirement)	Total	Partial
S1-12	Persons with disabilities	Percentage of employees with disabilities	Partial	Partial
S1-13	Training and skills development metrics	Percentage of employees who took part in performance reviews and career development initiatives, broken down by gender	Total	Partial
S1-13	Training and skills development metrics	Average number of hours of training completed by employees, broken down by gender	Total	Total
S1-14	Health and safety metrics	Percentage of workers covered by the company's health and safety management system	Total	Total
S1-14	Health and safety metrics	Number of deaths due to occupational accidents and illnesses (number)	Partial	Partial

Scope of publication

DR	Name of the DR	S1-1 indicators	AFD/Proparco	Expertise France
S1-14	Health and safety metrics	Number of workplace accidents	Partial	Partial
S1-14	Health and safety metrics	Workplace accident rate	Partial	Partial
S1-14	Health and safety metrics	Number of occupational illnesses	Partial	Partial
S1-14	Health and safety metrics	Number of days lost for employees due to workplace accidents, deaths due to workplace accidents, occupational illnesses, deaths due to occupational illnesses	Partial	Partial
S1-15	Work-life balance metrics	Percentage of employees authorised to take leave for family reasons	Partial	Partial
S1-15	Work-life balance metrics	Percentage of eligible employees who took leave for family reasons	Partial	Partial
S1-15	Work-life balance metrics	Percentage of employees entitled to leave for family reasons, by gender	Partial	Partial
S1-16	Compensation metrics	The gender pay gap	Partial	NA
S1-16	Compensation metrics	Ratio of the total annual compensation of the highest paid person to the median annual total compensation of all employees	Partial	NA
S1-17	Serious human rights cases, complaints, and incidents	Total number of reported incidents of discrimination, including harassment	Total	Total
S1-17	Serious human rights cases, complaints, and incidents	Total number of complaints reported through specific channels	Total	Total
S1-17	Serious human rights cases, complaints, and incidents	Total amount of fines and other financial penalties resulting from incidents of discrimination and complaints	Total	Total

* *The indicator does not apply to employees under local law*
NA: not available for the 2025 report.

2.5.5 List of acronyms

Acronym	Definition
EBA	European Banking Authority
DMA	Double Materiality Assessment to identify material ESRS and IROs for the Group
PDB	Public Development Bank(s)
C02	Carbon dioxide
BD	Board of Directors
CapEx	Capital Expenditure
CBD	Convention for Biological Diversity
EC	European Commission
CICID	Interministerial Committee for International Co-operation and Development.
CRF	Country intervention framework – Developed through a participatory process and updated every four to five years, the country intervention frameworks (CIFs) guide the Group's positioning and operational priorities in a given country.
ESG Steering Committee	AFD group ESG reporting Steering Committee
CRR	Regulation (EU) No 757/2013 of the European Parliament and of the Council (Capital Requirements Regulation)
DMA	Double Materiality Assessment to identify material ESRS and IROs for the Group
DP	(Data Point) ESRS or Group-specific data point
DR	Disclosure Requirement according to the CSRD directive
DR BP-1	Disclosure Requirement – General basis for disclosures on sustainability
DR BP-2	Disclosure Requirement – Disclosures in relation to specific circumstances
DR GOV-1	Disclosure Requirement – The role of the administrative, management and supervisory bodies
DR GOV-2	Disclosure Requirement – Information submitted to the company's administrative, management and supervisory bodies and sustainability issues addressed by these bodies
DR GOV-3	Disclosure requirement – Integration of sustainability results into incentive schemes
DR GOV-4	Disclosure Requirement – Sustainability due diligence statement
DR GOV-5	Disclosure Requirement – Risk management and internal controls over sustainability reporting
DR IRO-1	Disclosure requirement – Description of procedures for identifying and assessing material impacts, risks and opportunities
DR IRO-2	Disclosure Requirement – ESRS disclosure requirements covered by corporate sustainability statements
DR SBM-1	Disclosure Requirement – Market position, strategy, business model(s) and value chain
DR SBM-2	Disclosure requirement – Interests and views of stakeholders
DR SBM-3	Disclosure requirement – Material impacts, risks and opportunities and their relationship to strategy and business model(s)
ESRS	European Sustainability Reporting Standard
ESRS 1	European Sustainability Reporting Standard 1 General requirements
ESRS 2	European Sustainability Reporting Standard 2 General disclosures
ESRS E1	European Sustainability Reporting Standard E1 Climate change
ESRS E2	European Sustainability Reporting Standard E2 Pollution
ESRS E3	European Sustainability Reporting Standard E3 Water and marine resources
ESRS E4	European Sustainability Reporting Standard E4 Biodiversity and ecosystems
ESRS E5	European Sustainability Reporting Standard E5 Resource use and circular economy
ESRS G1	European Sustainability Reporting Standard G1 Business conduct
ESRS S1	European Sustainability Reporting Standard S1 Own workforce
ESRS S2	European Sustainability Reporting Standard S2 Workers in the value chain
ESRS S3	European Sustainability Reporting Standard S3 Affected communities
ESRS S4	European Sustainability Reporting Standard S4 Consumers & end-users
FTE	Full-time equivalent

Acronym	Definition
FiCS	Finance in Common System/Summit
GAR	Green Asset Ratio – ratio of green assets according to the EU taxonomic nomenclature
GHG	Greenhouse gases
IPCC	Intergovernmental Panel on Climate Change
IDFC	International Development Finance Club
Retirement lump sum	International Finance Corporation
IPBES	Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
IRO	Impact – Risk – Opportunity: IROs are the sustainable development issues identified by the Group. They may or may not be considered material for the Group within the framework of the DMA
ISO	International Organization for Standardization
Kg	Kilogram
LGBTQI	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex
MDB	Multilateral Development Banks
UN	United Nations
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goals
ILO	International Labour Organization
NGOs/CSOs	Non-Governmental Organisations/Civil society organisation
OpEx	Operating Expenditure
PCAF	Partnership for Carbon Accounting Financial
GWP	Global warming potential
RIF	Results and impacts framework
	Science Based Targets Initiative
SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council (Sustainable Finance Disclosures Regulation)
POS V	Strategic Orientation Plan, 2025-2030
TNFD	Taskforce on Nature-related Financial Disclosures
EU	European Union
IUCN	International Union for Conservation of Nature
CIV/AIV	Company/Administration International Volunteers
GBV	Gender based violence

2.5.6 Glossary

Vocabulary	Definition
Transformative feminist approach	A structuring approach aimed at profound and lasting transformations by questioning the power relations based on gender, the interplay of actors, and the social norms that promote gender inequalities.
Matrix financing	Initiatives with significant transformative potential to provide tailored support solutions that meet the needs of stakeholders, thereby accelerating progress towards the SDGs. The principle of matrix lending is based on the conditionality of disbursements and/or margin adjustments, which are not directly linked to specific phases or components of a given project or investment programme, but are determined on the basis of a matrix of progressive objectives to be achieved, as agreed by AFD and the customer. The funds are not earmarked for specific projects; they are fungible, but they are disbursed subject to the achievement of a series of SDG trajectory and stakeholder transformation objectives (objectives set out in a disbursement matrix). Matrix loans are not intended to be used to finance specific projects undertaken by the stakeholder. The stakeholders concerned are financial institutions and public companies.
Impacts	Impacts correspond to the effects of an intervention on populations or ecosystems. Impact assessments aim to measure these impacts and explain the mechanisms that have brought them about, and to rigorously analyse the causal link between the intervention and these effects.
Expertise France Objectives and resources contract (COM) indicators	These indicators are designed to break down policy and strategic guidelines and translate them into operational and ambitious objectives, indicators and targets, with a view to maximising AFD group's quantitative and qualitative contribution (some of the COM indicators were derived from existing THEMA indicators).
Expertise France's THEMA indicators	THEMA is Expertise France's system of aggregable indicators, designed to collect key data from ongoing projects in a standardised manner. It provides a consolidated annual overview of Expertise France's operational achievements, making it easier to showcase these results to internal and external stakeholders. The system is based on annual data collection, focusing on the ex-post results of projects under way in the previous calendar year. The data collected is not cumulative: the results reported for a given year relate solely to that year's achievements, and not to the cumulative results since the project began. Joint work by Expertise France and AFD made it possible to identify correspondences between the indicators of the Results and Impacts Framework (RIF) and the THEMA indicators, with a view to promoting interoperability between the two indicator systems. It is important to note that the collection and aggregation methods currently implemented in THEMA are not fully compatible with the RIF methodology, notably as regards the production of ex-ante values and the aggregation of cumulative results. Further work is needed on the aggregation methodology and the scope of reporting at Group level.
Multidimensional inequalities	The accumulation by a single individual or group of individuals of multiple forms of inequality, whether vertical (inequalities in income or wealth among individuals or between households) or horizontal (inequalities among groups sharing a common identity: ethnicity, religion, gender, disability, age, etc.). These inequalities may include economic inequalities (in terms of wealth, income, and assets), as well as inequalities in access to essential goods and services, quality employment opportunities, political participation, a healthy environment, etc.
Contextual intelligence	AFD group's knowledge of contexts through the consolidation of its network of Regional Directorates or local offices
E&S risk management	According to AFD group's terminology, it is the risk of contributing to negative impacts. It should be noted that AFD's E&S risk management policy (and its equivalent within the subsidiaries Proparco and Expertise France) does not cover financial risks as defined by the CSRD standard, but aims to reduce the occurrence of negative impacts or positive impacts that are less significant than anticipated.
Approvals	Financing approvals decided by AFD group bodies.
Indigenous peoples	This term is used by AFD group in accordance with the definition set out in the Indigenous and Tribal Peoples Convention, 1989 (No. 169).
Results	These are the concrete results and direct changes made possible by the projects financed or backed.

2.6 Report on the certification of sustainability information and on the verification of the publication requirements set out in Article 8 of Regulation (EU) 2020/852 of Agence Française de Développement, relating to the financial year ended 31 December 2025

For the year ended December 31, 2025

This is a translation into English of the statutory auditors' report on the sustainability statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Board of Director of Agence Française de Développement,

This report is issued in our capacity as statutory auditors of Agence Française de Développement. It relates to the sustainability information and the information required under Article 8 of Regulation (EU) 2020/852, relating to the financial year ended 31 December 2025, included in Section 2 "Sustainability Statement" of the Group Management Report (hereinafter the "Sustainability Statement").

Our work on this information was carried out in an evolving context characterised by uncertainties regarding the interpretation of the texts and the development of market practices.

In accordance with Article L.233-28-4 of the French Commercial Code, Agence Française de Développement is required to include the above-mentioned information in a separate section of its Group Management Report.

This information is intended to enable an understanding of the impacts of the Group's activities on sustainability matters, as well as how these matters affect the development of its business, its performance and its financial position. Sustainability matters include environmental, social and governance issues.

In accordance with paragraph II of Article L.821-54 of the above-mentioned Code, our engagement consists in performing the work necessary to express a conclusion providing limited assurance on:

- compliance with the requirements arising from the sustainability reporting standards adopted by the European Commission pursuant to Article 29a of Directive (EU) 2013/34 of the European Parliament and of the Council of June 26, 2013, as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (the "ESRS" – European Sustainability Reporting Standards), of the process implemented by Agence Française de Développement to determine the information published, including, where applicable, the obligation to consult the Social and Economic Committee provided for in the sixth paragraph of Article L.2312-17 of the French Labour Code;
- the compliance of the sustainability information included in the Sustainability Statement with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS; and
- compliance with the publication requirements set out in Article 8 of Regulation (EU) 2020/852, pursuant to Article 7(9) of Regulation (EU) 2021/2178, as amended by Regulation (EU) 2026/73.

The engagement was performed in accordance with ethical requirements, including independence requirements, and quality standards set out in the French Commercial Code.

It is also governed by the guidelines of the High Authority for Audit entitled "Engagement for the certification of sustainability information and verification of the publication requirements set out in Article 8 of Regulation (EU) 2020/852".

In the three separate sections that follow, we present, for each component of our engagement, the nature of the procedures performed, the conclusions drawn, and, in support of these conclusions, the matters that received particular attention and the work performed in relation to those matters. We draw your attention to the fact that we do not express a separate conclusion on these matters taken individually, and that the procedures described should be considered within the overall context of forming the conclusions expressed for each component of our engagement.

Finally, where we consider it necessary to draw your attention to one or more sustainability information items provided by Agence Française de Développement in its Group Management Report, we include an emphasis of matter paragraph.

Limitations of our engagement

As our engagement aims to express limited assurance, the nature of the procedures (choice of audit techniques), their scope and their duration are less extensive than those required to obtain reasonable assurance.

This engagement does not aim to guarantee the viability or the quality of the management of Agence Française de Développement, nor to provide an assessment – beyond compliance with the ESRS information requirements – of the relevance of the choices made by Agence Française de Développement with respect to action plans, targets, policies, scenario analyses and transition plans.

Furthermore, forward-looking information is inherently uncertain, and actual outcomes may differ significantly from the forward-looking information presented in the Universal Registration Document.

Nevertheless, our engagement enables us to express conclusions regarding the process for determining the sustainability information published, the information itself, and the information published pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence or presence of errors, omissions or inconsistencies of such significance that they could influence decisions made by users of the information subject to our work.

Our engagement does not cover comparative information.

Sustainability information and the information required under Article 8 of Regulation (EU) 2020/852 may be subject to inherent uncertainty due to the current state of scientific knowledge and the quality of external data used. Certain information is sensitive to methodological choices, assumptions and/or estimates used in its preparation and presented in the Universal Registration Document.

Compliance with ESRS requirements of the process implemented by Agence Française de Développement to determine the information published, including the obligation to consult the Social and Economic Committee as expected in the sixth paragraph of Article L. 2312-17 of the Labor Code

Nature of procedures performed

- the process defined and implemented by Agence Française de Développement, including the obligation to consult the Social and Economic Committee expected in the sixth paragraph of Article L.2312-17 of the French Labour Code, enabled it, in accordance with the ESRS, to identify and assess its sustainability-related impacts, risks and opportunities, and to identify those that are material and have led to the publication of sustainability information in the Sustainability Statement; and
- the information provided on this process is also compliant with the ESRS.

Conclusion

Based on the procedures performed, we did not identify any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Agence Française de Développement with the ESRS.

Matters that received particular attention

Below, we present the matters that received particular attention from us with regard to the compliance with the ESRS of the process implemented by Agence Française de Développement to determine the information disclosed.

Identification of stakeholders

The information relating to the identification of stakeholders is presented in Section 2.1.2.7.1 “AFD group stakeholder mapping” of the Sustainability Statement.

We obtained an understanding of the analysis performed by the entity to identify:

- stakeholders that may affect the entities within the reporting scope or may be affected by them, through their activities and direct or indirect business relationships within the value chain;
- the main users of the sustainability statements (including the main users of the financial statements).

We held discussions with management and other persons we considered appropriate and inspected the available documentation. Our procedures notably consisted of:

- assessing the consistency of the main stakeholders identified by the entity with the nature of its activities and its geographical footprint, taking into account its business relationships and value chain;
- exercising professional judgement to assess the representativeness of the stakeholders identified by the entity.

Identification of impacts, risks and opportunities ("IRO")

The information relating to the identification of impacts, risks and opportunities is presented in Section 2.1.4.1 "Identification and assessment of material impacts, risks and opportunities" of the Sustainability Statement.

We obtained an understanding of the process implemented by the entity for the identification of impacts (negative or positive), risks and opportunities ("IRO"), whether actual or potential, in connection with the sustainability matters referred to in paragraph AR 16 of the "Application Requirements" of ESRS 1 and, where applicable, those that are entity-specific, as presented in Section 2.1.4.1 of the Sustainability Statement.

In particular, we assessed the approach implemented by the entity to determine its impacts and dependencies, which may give rise to risks or opportunities, including, where applicable, the dialogue conducted with stakeholders.

We also assessed the completeness of the activities included within the scope selected for the identification of IROs.

We obtained an understanding of the mapping of identified IROs prepared by the entity, including in particular the description of their distribution across the entity's own activities and the value chain, as well as their time horizons (short, medium or long term), and assessed the consistency of this mapping with our knowledge of the entity and, where applicable, with the risk analyses performed by the Group entities.

We:

- assessed the combined approach used by the entity to collect information from subsidiaries;
- assessed how the entity considered the list of sustainability matters set out in ESRS 1 (AR 16) in its analysis;
- assessed the consistency of the actual and potential impacts, risks and opportunities identified by the entity with available sector analyses;
- assessed the consistency of the current and potential impacts, risks and opportunities identified by the entity, in particular those that are entity-specific, as they are not covered or are insufficiently covered by the ESRS, with our knowledge of the entity;
- assessed how the entity took into consideration the different time horizons, in particular with respect to climate-related matters;
- assessed whether the entity took into account risks and opportunities that may arise from both past and future events resulting from its own activities or its business relationships, including actions taken to manage certain impacts or risks;
- assessed whether the entity considered its dependencies on natural, human and/or social resources in the identification of risks and opportunities.

Assessment of impact materiality and financial materiality

The information relating to the assessment of impact materiality and financial materiality is presented in Section 2.1.4.1 "Identification and assessment of material impacts, risks and opportunities" of the Sustainability Statement.

Through discussions with management and inspection of the available documentation, we obtained an understanding of the process implemented by the entity to assess impact materiality and financial materiality, and assessed its compliance with the criteria set out in ESRS 1.

In particular, we assessed how the entity established and applied the information materiality criteria defined by ESRS 1, including those relating to the setting of thresholds, in order to determine the material information disclosed:

- with respect to indicators relating to material IROs identified in accordance with the relevant thematic ESRS;
- with respect to entity-specific information.

Compliance of the sustainability information included in the Sustainability Statement with Article L.233-28-4 of the French Commercial Code, including the ESRS

Nature of the procedures performed

Our procedures consisted of verifying that, in accordance with applicable legal and regulatory requirements, including the ESRS:

- the information provided enables an understanding of the preparation and governance arrangements for the sustainability information included in the Sustainability Statement, including the processes used to determine information relating to the value chain and the disclosure exemptions applied;
- the presentation of this information ensures its readability and understandability;
- the scope selected by Agence Française de Développement with respect to this information is appropriate; and
- provided and the expectations of its users, such information does not contain material errors, omissions or inconsistencies, i.e. matters that could influence the judgement or decisions of users of this information.

Conclusion of the procedures performed

Based on the procedures performed, we did not identify any material errors, omissions or inconsistencies with respect to the compliance of the sustainability information included in the Sustainability Statement with the provisions of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Observations

Without calling into question the conclusion expressed above, we draw your attention to:

- the information disclosed in Section 2.2.1.2.1 "AFD group financed emissions" of the Sustainability Statement, which describes the scope used for the calculation of financed emissions relating to the value chain (scope 3, category 15 within the meaning of the GHG Protocol). This section highlights the limitations related to data availability and data quality, as well as the evolving nature of the methodologies applied to the estimates relating to the greenhouse gas emissions inventory;
- the information disclosed in Section 2.3.1.5.2 "Access to a living wage", which describes the specific circumstances of the Sustainability Statement in the context of the first year of application of the CSRD and sets out the limitations relating to data collection.

Matters that received particular attention

Information provided in accordance with the environmental standards (ESRS E1 to E5)

The information disclosed with respect to climate change (ESRS E1) is presented in Section 2.2.1 "Climate change (E1)" of the Sustainability Statement.

Below, we present the matters that received particular attention from us with regard to the compliance of this information with the ESRS.

Our procedures notably included:

- based on interviews conducted with management and the relevant persons, in particular the Climate and Nature Technical Division (CLN), assessing whether the description of the policies, actions and targets implemented by the entity covers the following areas: climate change mitigation, climate change adaptation, and energy efficiency;
- assessing the appropriateness of the information presented in the environmental section of the sustainability information included in the Universal Registration Document and its overall consistency with our knowledge of the entity.

With respect to the information disclosed in relation to the greenhouse gas emissions inventory:

- we obtained an understanding of the internal control and risk management procedures implemented by the entity to ensure compliance of the information disclosed;
- we assessed the consistency of the scope considered for the evaluation of the greenhouse gas emissions inventory with the scope of the consolidated financial statements, activities under operational control, and the upstream and downstream value chain;
- we obtained an understanding of the greenhouse gas emissions inventory protocol used by the entity to prepare the greenhouse gas emissions inventory and assessed its application, on a selected basis of emission categories and sites, for scope 1 and scope 2.
- With respect to scope 3 emissions, we assessed:
  - the justification for the inclusion and exclusion of the various categories and the transparency of the related disclosures;
  - the data collection process;
  - the methodology used to calculate financed emissions included in scope 3, category 15.
- we assessed the appropriateness of the emission factors used and the related conversion calculations, as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the current state of scientific or economic knowledge and the quality of the external data used;
- we held discussions with management to understand the main changes in activities during the financial year that could have an impact on the greenhouse gas emissions inventory;
- With respect to the estimates that we considered to be key in the preparation of the greenhouse gas emissions inventory:
  - through discussions with management, we obtained an understanding of the methodology used to calculate estimated data and the information sources on which such estimates are based;
  - we assessed whether the methods were applied consistently or whether there were changes compared to the prior period, and whether such changes were appropriate.
- we verified the arithmetic accuracy of the calculations used to prepare this information.

Information provided in accordance with the social standard ESRS S1

The information disclosed with respect to the company's workforce (ESRS S1) is presented in Section 2.3 "Social information" of the Sustainability Statement.

Below, we present the matters that received particular attention from us with regard to the compliance of this information with the ESRS.

Our main procedures relating to this information consisted of:

- based on interviews conducted with management and other persons we considered appropriate;
- obtaining an understanding of the data collection and aggregation process used to process qualitative and quantitative information for the purpose of publishing material information in the Sustainability Statement;
- examining the available supporting documentation;
- performing procedures to verify the proper consolidation of this data;
- assessing whether the description of the policies, actions and targets implemented by the entity covers the following areas: diversity, talent retention, remuneration, health and safety, and social dialogue;
- assessing the appropriateness of the information presented in Sections 2.3.1 to 2.3.2 of the Social section of the sustainability information included in the Group Management Report and its overall consistency with our knowledge of the entity.

We also:

- obtained an understanding of the internal control and risk management procedures implemented by the entity to ensure compliance of the published information, noting that we did not review the operational effectiveness of these controls;
- examined the geographical and legal scope on which the information was prepared;
- examined, on a sample basis, the supporting documentation underlying the corresponding information;
- verified the arithmetic accuracy of the calculations used to prepare this information, where applicable, after the application of rounding rules.

Compliance with the publication requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures performed

As Agence Française de Développement has opted for the temporary exemption from preparing the information required under Article 8 of Regulation (EU) 2020/852 pursuant to Article 7(9) of Regulation (EU) 2021/2178 as amended by Regulation (EU) 2026/73, our procedures consisted in verifying compliance with the conditions required to benefit from this exemption, including the related disclosure included in section 2.2.3 "European Taxonomy" of the Sustainability Statement.

Conclusion

Based on the procedures performed, we did not identify any material errors, omissions or inconsistencies regarding compliance with the requirements of paragraph 9 of Article 7 of Regulation (EU) 2021/2178 as amended by Regulation (EU) 2026/73, which allow the entity not to publish the information required under Article 8 of Regulation (EU) 2020/852.

Matters that received particular attention

We determined that there were no matters to be reported in our report.

Paris la Défense, April 22, 2026

KPMG S.A.

Valéry Foussé
Associé

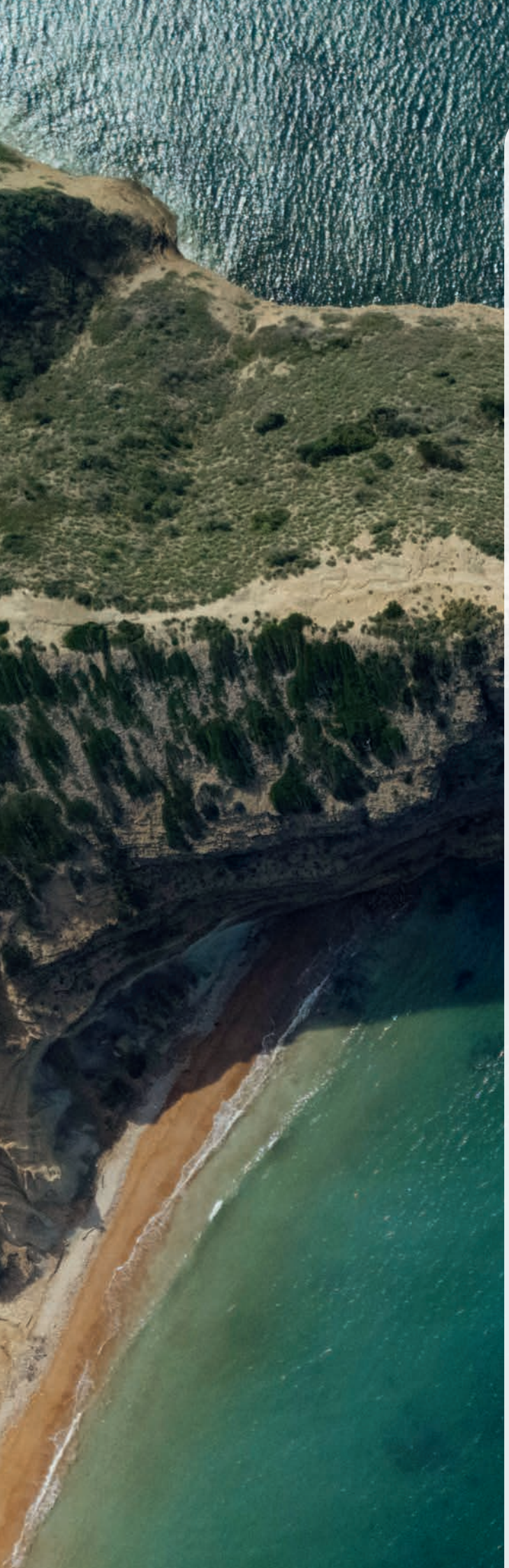
Isabelle Lhoste
Associée

Paris, April 22, 2026

BDO Paris

Benjamin Izarié
Associé

Audrey Leroy
Associée



03

Report on corporate governance and internal control

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3.1 Report on corporate governance

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

3.1.1 Separation of the functions of Chairperson and Chief Executive Officer

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

At 31 December 2025, the Executive Management [1] team was as follows:

	AFD position appointment	Other offices held
Rémy Rioux	AFD Chief Executive Officer For three years, decree of 26 September 2022 published in the JORF (government gazette of the French Republic) on 27 September 2022; the term has been continued on an interim basis since 2 October 2025.	• Director, Chairperson of the Board of Directors of Proparco • Legal representative of AFD, which is a shareholder; • Director, Chairperson of the Board of Directors of Expertise France; • Académie des sciences d'outre-mer: Full member of the 2nd section since 01/10/2021; • International Olympic Committee (IOC): Member of the Public Affairs and Social Development through Sport Commission; • La France s'engage: Director on the Board; • Association FICS, Chairperson of the Board of Directors
Marie-Hélène Loison	Chief Operating Officer For an indefinite period, AFD/DGL Instruction Notes NI-2021-46 of 9 June 2021 and NI-2021-55 of 17 June 2021 Position held until August 2025.	• Director of Proparco (until August 2025) • As of 01/09/2025, new function: Regional Director Southern Africa and Country Director South Africa
Bertrand Walckenaer	Chief Operating Officer For an indefinite period, AFD/DGL Instruction Notes NI-2021-46 of 9 June 2021 and NI-2021-55 of 17 June 2021	Proparco: • Director, Vice-President of the Board of Directors; • Chairperson of the Investment Advisory Committee; • Chairperson of the Proparco Appointments Committee. Fisea: • Permanent representative of AFD, shareholder, director; • Chairperson of the Board of Directors and President of Fisea. Expertise France: • Representative of AFD on the Board of Directors of EF as an observer. Cirad: • Director
Tristan-Aurel Mouline	Deputy Chief Executive Officer For an indefinite period, AFD/DGL Instruction Notes NI-2025-138 of 12/10/2025 As of 23/10/2025	• AFD: Director • Proparco: Director appointed by AFD

Chief Executive Officer: Rémy Rioux

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

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

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

In June 2016, he took over as head of the Agence Française de Développement Group and was reappointed for a second term in 2019 and a third term in 2022; the role has been filled on an interim basis since 2 October 2025. He also chaired the International Development Finance Club from 2017 to 2023, and currently serves as its Vice-President.

1) The Chief Executive Officer, the Chief Operating Officers and the Deputy Chief Executive Officers are the executive officers within the meaning of Article L.511-13 of the French Monetary and Financial Code.

Chief Operating Officer: Marie-Hélène Loison

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

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

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

She took up her duties as Chief Operating Officer on 8 July 2021 and served until August 2025.

Since 1 September 2025, Marie-Hélène has taken on new positions: Regional Director Southern Africa and Country Director South Africa.

Chief Operating Officer: Bertrand Walckenaer

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

Deputy Chief Executive Officer: Tristan-Aurel Mouline

Tristan-Aurel Mouline is a graduate of the University of Oxford (Master of Science in Global Governance and Diplomacy), Sciences Po (Master in European Affairs) and the London School of Economics (Master of Science in Political Economy of Europe). After working in the field of institutional relations at two French groups, in Brussels and then in Paris, he joined the press service of the French Embassy in the United States. In Washington, he also worked for the World Bank in the field of the business environment and after became an auditor of the National Endowment for Democracy. He then joined the Agence Française de Développement Group, first in the Three Oceans department and then in the office of the Chief Executive Officer, which he has been managing since 2022. At the same time, he has taught at the University of Nanterre, the Parsons School of Design, and the University of Paris I Panthéon-Sorbonne.

Since October 2025, Tristan-Aurel Mouline has been Deputy Chief Executive Officer of Agence Française de Développement.

3.1.2 Executive Committee

Members of AFD's Executive Committee are appointed by the Chief Executive Officer (CEO). In 2025, in addition to Rémy Rioux, Chief Executive Officer, the following people are members of the Executive Committee (6 women and 9 men):

- the Chief Operating Officer (COO): Bertrand Walckenaer;
- the Chief Operating Officer: Marie-Hélène Loison (until August 2025);
- the Deputy Chief Executive Officer: Tristan-Aurel Mouline (since 23 October 2025);
- the Chief Operating Officer of Les Géographies: Valérie Vouland-Aneini (acting in the role since 23 October 2025 following the departure of Philippe Orliange);
- the Sustainable Development Solutions Executive Director: Laurent Biddiscombe;
- the General Secretariat Executive Director: Sylvie Boyer;
- the Finance Department Executive Director: Bokar Cherif;
- the Human Resources Executive Director: Tanguy Denieul;
- the Chief Risk Officer: Dominique Heurtevent;
- the Compliance Executive Director: Anne Muxart;
- the Chief Operating Officer of Mobilization, Partnerships and Communication: Adama Mariko (acting since October 23, 2025, following the departure of Mr. PA Sarr);
- the Innovation, Strategy and Research Executive Director: Thomas Melonio;
- the Head of the General Inspection Department: François Parmantier;
- the Chief Executive Officer of Proparco: Françoise Lombard;
- the Chief Executive Officer of Expertise France: Jérémie Pellet.

The Chief Executive Officer, Chief Operating Officer and Deputy Chief Executive Officer attend Board meetings without voting rights.

At 31 December 2025, the gender breakdown of the appointed permanent members of the Executive Committee was 38% (women) and 62% (men). The members of the Executive Committee, due to their training and previous positions, have acquired skills and the qualities necessary to carry out their duties, including in terms of managing sustainability issues.

3.1.3 The Board of Directors

3.1.3.1 Composition of the Board of Directors

In accordance with Article R.515-17 of the French Monetary and Financial Code, the Board of Directors includes the following members, aside from its Chairperson:

- five members representing the French State;
- four members appointed for their expertise in economic and financial matters;
- one member appointed for his expertise in ecological and sustainable development issues;
- one member appointed for their expertise in migration matters;
- four members of Parliament (two deputies and two senators);
- two elected representatives of AFD's employees.

Each member of the Board of Directors can be substituted by an alternate, who is appointed under the same conditions as the permanent member, in the event of a scheduling conflict or absence.

Each director possesses, by virtue of their training, the previously-held positions, acquired skills and qualities required to fulfil their duties. The diverse backgrounds of the directors enable the Board of Directors to take a broad view of sustainability issues, including matters relating to the environment, climate change, social inclusion, and the fight against corruption and money laundering.

The Chairperson of the Board of Directors is appointed by presidential decree based on the report of the French Minister in charge of the Economy, the French Minister in charge of Cooperation, the French Minister in charge of the French Overseas Departments and Collectivities and the French Minister in charge of Immigration. The age limit applicable to the Chairperson of the Board of Directors is 70 years of age. He or she casts the deciding vote in the event of a tie. If the Chairperson is absent, he or she is replaced by the eldest of the State representatives.

Members of the Board of Directors have a three-year term. However, the term on the Board of Directors of members of Parliament ends when they cease to be members of the assemblies to which they were elected. Members of the Board of Directors are not paid.

AFD strives to better meet the principle of balanced representation of women and men on the Board, in particular when appointing directors. As at the end of December 2025, out of 33 members, 28 of whom had been formally appointed (16 permanent members and 12 alternate members), 15 were women (8 permanent members and 7 alternate members), representing 50% of the permanent positions.

Furthermore, 50% of the permanent members of the Board of Directors appointed as at 31 December 2025 may be classified as independent.

At 31 December 2025, the Board of Directors had the following members:

Director	Term on the Board appointment	Address	Current position and other positions
Philippe Le Houérou	Chairperson Decree published on 10/01/2022	Agence Française de Développement 5, rue Roland-Barthes 75598 Paris Cedex 12	• Chairperson of the AFD Board of Directors • Consultant at the African Development Fund (ADF) of the African Development Bank
Members representing the French State (5)			
Thomas Revial	Permanent 25/09/2025	Ministry of the Economy and Finance Directorate General of the Treasury 139, rue Bercy 75572 Paris Cedex 12	Head of the "Multilateral affairs and development" team at the Directorate General of the Treasury
Shanti Bobin	Alternate 20/11/2023	Ministry of the Economy and Finance Directorate General of the Treasury 139, rue Bercy 75572 Paris Cedex 12	Deputy Head of Multilateral Financial Affairs and Development • Permanent Member of the Board of Directors of Expertise France • Member of the Board of Directors of BEAC (Banque centrale des États d'Afrique centrale) • Vice-President of the Paris Club (informal club of official bilateral creditors) • Representative for France at the IDA – concessional budget of the World Bank (IDA Deputy) • Member of the FID (Fonds d'innovation pour le développement) Management Board • Chairperson of the FGEF (French Global Environment Facility) Steering Committee • *Ad hoc* representative for France at the meetings of the Governors of the Multilateral Development Banks (notably the African Development Bank, the Asian Development Bank, the Inter-American Development Bank, the European Bank for Reconstruction and Development)

Director	Term on the Board appointment	Address	Current position and other positions
Louis Pasquier de Franclieu	Permanent 16/04/2024	Ministry of the Economy and Finance Directorate General of the Treasury 139, rue Bercy 75572 Paris Cedex 12	Deputy Head of the Budget Department • Director at the AEFE (Agence pour l'enseignement français à l'étranger) • Director of GIE PMU • Alternate Director on the Board of Directors of OFPRA • Member of the Board of Directors of OFII • Director of Office national des forêts (which is an EPIC) *Other than PMU, these are not companies but public institutions.*
Vacant	Alternate		Awaiting appointment by decree
Anne Grillo	Permanent 20/02/2025	Ministry of Europe and Foreign Affairs 27, rue de la Convention 75732 Paris Cedex 15	Director-General for Globalisation Director/Permanent Member of the following Boards of Directors: • Agence pour l'enseignement français l'étranger (AEFE) • Institut français (IF) • Agence française pour le développement d'ALULA (AFALULA) • Établissement public chargé de la reconstruction de Notre-Dame de Paris • Cité internationale universitaire de Paris (CIUP)
Patrick Lachaussée	Alternate 06/02/2024	Ministry of Europe and Foreign Affairs 27, rue de la Convention 75732 Paris Cedex 15	Director of Management and Strategy the Globalisation DG • Member of the Board of Directors of Expertise France, Director • Appointed full member of the IRD Board of Directors by order of the MEAE dated 26 August 2024, as representative of the Minister for Cooperation No other mandates in any other public or private association or organisation
Emmanuelle Blatmann	Permanent 06/02/2024	Ministry of Europe and Foreign Affairs 37, quai d'Orsay 75007 Paris	Head of Africa and the Indian Ocean • No other office or function
Myriam Saint-Pierre	Alternate 08/10/2024	Ministry of Europe and Foreign Affairs 37, quai d'Orsay 75007 Paris	Deputy Director of the Asia-Oceania Department • Deputy Head of Human Rights and Humanitarian Affairs, at the United Nations, International Organisations, Human Rights and La Francophonie Department (September 2022 to November 2023) • Number two position (first counsellor) of the French embassy in Indonesia, East Timor and with ASEAN in Jakarta (August 2019 to the end of August 2022)
Vacant	Permanent		Awaiting appointment by decree
Astrid Jeffrault	Alternate 08/09/2025	Ministry of French Overseas Departments and Collectivities 27, rue Oudinot 75007 Paris	Deputy Director of Economic Policies, Employment and Sustainable Development at the Directorate General for French Overseas Departments and Collectivities • 2025: Ministry of French Overseas Departments and Collectivities, General Directorate for French Overseas Departments and Collectivities (DGOM) 2021–2025: Ministry of the Interior, Directorate for Territorial Administration and Senior Management (DMATES) – Sub-Directorate for State Territorial Administration (SDATE) 2020–2021: Ministry of the Interior, Office of the Minister of State for Citizenship attached to the Minister of the Interior 2017–2020: Var Prefecture
Person appointed for their expertise in migration matters (1)			
Jean-Yves Tolot	Permanent 15/05/2024	27, rue Singer 75016 Paris	• Chairperson of Œuvre d'Orient (1901 non-profit group) • Director of the SEE Santé En Entreprise association • National Mediator Delegate for Business Mediation (Ministry of the Economy and Finance)
Vacant	Alternate		Awaiting appointment by decree

Director	Term on the Board appointment	Address	Current position and other positions
Persons appointed because of their expertise in economic and financial matters (4)			
Jean-Jacques Santini	Permanent 29/09/2023	BNP Paribas Group 16, boulevard des Italiens 75009 Paris	Executive Advisor to the Chairperson and the Executive Management • Vice-President of the National Committee of French Foreign Trade Advisors, member of the Executive Board and director • Vice-President of the Fonds de Garantie des Dépôts et des Resolutions and Chairperson of its Audit Committee • Director and Chairperson of the Audit Committee and the Risk Management Committee of Agence Française de Développement • Director of Aspen France • Chairperson of the Board of Directors of BNP Paribas El Djezair (Algeria)
Vacant	Alternate		Awaiting appointment by decree
Olivier Bruyeron	Permanent 17/03/2025	Southern Coordination 14, passage Dubail 75010 Paris	Current terms of office held on behalf of Coordination SUD: • Director of Le Mouvement associatif • Director of IEDES – University of Paris 1 Panthéon Sorbonne • Member of the Associations Committee and member of the Executive Committee of the CNDSI (Conseil national du développement et de la solidarité internationale) Head of Partnerships and Innovative Projects at Gret, Expert in Nutrition and Social Entrepreneurship: • Technical Assistant at the social enterprise specialising in nutrition, Nutri'zaza, Madagascar (since 2013) • Steering or participating in strategic discussions at Gret, providing support for teams on social entrepreneurship issues, monitoring projects in the field, participating in collaborative groups Current positions carried out on behalf of Gret: • Chairperson of the Board of Directors of Nutri'zaza (Malagasy social enterprise) • Gret's legal representative in the Burmese microfinance institution Thitsar Ooyin • Director, member of the Board of the Cité du développement durable • Member of the Steering Committee and Evaluation Committee of the AgroParisTech CoPack Chair (for eco-responsible food packaging) (since 2021) • Current term of office *intuitu personae*: Member of the Social Link Committee of the Fondation de France (since 2025)
Vacant	Alternate		Awaiting appointment by decree
Isabelle Delamour	Permanent 29/09/2023	Caisse des Dépôts 56, rue de Lille 75356 Paris	Director of the DEOF (Department of Economic and Financial Operations) at Caisse des Dépôts She holds one corporate office • Permanent representative of Caisse des Dépôts et Consignations on the Board of Directors and at the General Meeting of the Victoires Paiements economic interest group
Sylvie Le Maire	Alternate 11/07/2024	Syndicat du Sucre de La Réunion CS81036 33, rue Emmerez-de-Charmoy 97495 Sainte-Clotilde Cedex Reunion Island	General Delegate of Syndicat du Sucre de La Réunion • Member of the Bureau of the CPCS (Comité paritaire de la canne et du sucre) • Director of eRcane (Sugar industry research institute) • Member of the Board of Directors of SAFER • Member of the Board of Directors of ODEADOM • French Foreign Trade Advisor – Vice-President of the Réunion Committee • MEDEF representative on the Board of Directors of QUALITROPIC
Vacant	Permanent		Awaiting appointment by decree
Vacant	Alternate		Awaiting appointment by decree

Director	Term on the Board appointment	Address	Current position and other positions
Person appointed because of his/her knowledge of ecological and sustainable development issues (1)			
Anne-Marie Levraut	Permanent 05/05/25	5, allée des Eiders 56860 Séné	Risk-environment expert Sits on the Board of Directors of two associations: • Association française pour la prévention des catastrophes naturelles et technologiques (AFPCNT), as Vice-President • Haut comité français pour la résilience nationale (HCFRN), as director These two associations are recognised as being of general interest • Chairperson of the ANSES Nanomaterials Dialogue Committee These activities are carried out on a voluntary basis
Maya Leroy	Alternate 05/05/2025	AgroParisTech 648, rue Jean-François Breton BP-44494 34093 Montpellier Cedex 5	Head of UFR Gestion de l'Environnement Member of Scientific Boards: • French Scientific Committee on Desertification (CSFD), United Nations Convention (UNCCD); • Scientific and Technical Board of the French Global Environment Facility (FGEF) • Chairperson of the Scientific Council of GIP ECOFOR (Forest ecosystems) • Scientific Board of the French Biodiversity Office (OFB) • National Parks Scientific Commission • Member of Académie de l'agriculture de France
Members of Parliament (4)			
Frédéric Petit	Permanent 06/11/2024	National Assembly 3, rue Aristide-Briand 75007 Paris	Deputy for French citizens established outside France (7th) • No other office or function
Dominique Potier	Alternate 06/11/2024	National Assembly 126, Rue de l'Université 75007 Paris	Member of Parliament for the 5th district of Meurthe-et-Moselle • Chairperson of the non-profit group Esprit Civic • Chairperson of the non-profit group Le Pays Terres de Lorraine • Director of Enercoop Grand-Est
Catherine Ibled	Permanent 09/12/2025	National Assembly 3, rue Aristide-Briand 75007 Paris	Member of Parliament for the 13th district of Paris • Councillor of Paris for the 15th arrondissement.
Marine Hamelet	Alternate 06/11/2024	National Assembly 15, rue de Vaugirard 75006 Paris	Member of Parliament for Tarn et Garonne since 2022 • Manager of an SCI: TEESA, which is no longer in operation
Isabelle Briquet	Permanent 07/11/2024	Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senator of Haute-Vienne No other office or function
Olivier Cadic	Alternate 19/02/2024	Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senators representing French nationals established outside France • Since 2017: Vice-President of the Committee on Foreign Affairs, Defence and the Armed Forces • Since 2020: President of the France-Gulf States Inter-Parliamentary Friendship Group • Since 2021: Chairperson of ANEFE (Association nationale des écoles françaises à l'étranger) • Since 2021: Member of the Board of Directors of Institut Français
Alain Joyandet	Permanent 07/11/2024	Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senator of Haute-Saône • Member of the Les Républicains group • Member of the Committee on Foreign Affairs, Defence and the Armed Forces • Regional Councillor for Burgundy – Franche-Comté; • Manager of Eurl Joy Développement

Director	Term on the Board appointment	Address	Current position and other positions
Sophie Briante Guillemont	Alternate 01/10/2024	Palais du Luxembourg 15, rue de Vaugirard 75006 Paris	Senator for French nationals established outside France Member of the Rassemblement Démocratique et Social group / Member of the Commission on Constitutional Laws, Legislation, Universal Suffrage, Rules of Procedure and General Administration / Member of the Commission on European Affairs • General Secretary of Alliance solidaire des Français de l'étranger (ASFE) • Member of the French Section of the Parliamentarian Assembly of La Francophonie (APF) • Secretary of Groupe français de l'Union interparlementaire (U.I.P.) • Member of the Board of Directors of Agence Française de Développement • Member of the High Council for Gender Equality
AFD employee representatives (2)			
Lucille Lauvernier	Permanent 13/12/2025	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee • No other office or function
Jean-Michel Keravel	Alternate 13/12/2025	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee • No other office or function
Anne-Laure Ullmann	Permanent 13/12/2025	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee, • No other office or function
Jildaz Evin	Alternate 13/12/2025	AFD 5, rue Roland-Barthes 75012 Paris	• AFD employee • No other office or function
Government commissioner			
Didier Janci	Permanent 01/10/2024	Ministry of the Economy and Finance 139 rue de Bercy, Télédoc 534, 75572 Paris Cedex 12	Government Commissioner, pursuant to the French Monetary and Financial Code for financial institutions (Article L.615-1) • Proparco • Société de Crédit et de Développement de l'Océanie (Socredo) • Institut d'émission d'outre-mer (IEOM) • Sociétés pour le financement de l'industrie cinématographique et audiovisuelle (Sofica) Cofinova Indefilms Cineventure • General Economic and Financial Controller • Expertise France

3.1.3.2 The Directors' Charter

A charter sets out the rights, obligations and principles applicable to each member of the Board of Directors, a specialised committee or the Audit Committee of Agence Française de Développement. All directors, both permanent and alternate, agree to adhere to the guidelines set out in the Charter (confidentiality, banking secrecy and the duty of circumspection, duty to inform, duty of vigilance, etc.) and to apply them when acting as individuals and as members of a company body called upon to make collective decisions.

3.1.3.3 Conditions for the preparation and organisation of the work of the Board of Directors

Pursuant to Article R.515-18 of the French Monetary and Financial Code, the Board of Directors deliberates on the institution's strategic orientations implementing the objectives entrusted to it by the State. It approves: the Objectives and resources contract agreed with the State; the agreements listed in Article R.515-12 (management on behalf and at the risk of the State); the financial aid mentioned in Articles R.515-9, R.515-10 and R.515-11 (proprietary loans), as well as the regulations provided in the latter article (regulation on the distribution of the annual credit delegated by the State to AFD for the financing of projects proposed by non-governmental organisations); the agreements entered into pursuant to the second, third, fourth and fifth paragraphs of Article R.515-13 (management on behalf of a third party); the annual amount of loans to be taken out by the Agency; the statement of estimates of operating income and expenses; the general terms and conditions on financial aid; the annual financial statements and the management report prepared by the Chief Executive Officer; the purchase and sale of properties; the creation or abolition of local offices or representations; transactions on Agency interests and arbitration clauses; and the appointment of Statutory Auditors. The Board of Directors is informed of evaluations, analyses and quality assessments relating to the Agency and its operations through the annual validation programme, which the Board of Directors validates each year; some evaluations are analysed by the Board. The collection is freely available to administrators on the Agency's website.

The Board of Directors' operations are formally set out in the internal regulations, in accordance with Article R.515-19 II of the French Monetary and Financial Code. The internal regulations define the procedure for consultation of the Board's members by the Chairperson remotely for urgent deliberations. This procedure at the least defines a minimum consultation time, quorum rules and the right of any member of the Board and the Government Commissioner to oppose this consultation procedure.

3.1.3.4 Conflicts of interest

To AFD's knowledge:

- there are no family ties between AFD's corporate officers. Moreover, over the last five years, no corporate officers have been subject to a conviction for fraud, bankruptcy, receivership or liquidation, an official public accusation and/or penalty pronounced by the legal or regulatory authorities, nor have been prevented by a court from acting as a member of an administrative, management or supervisory body or from managing company affairs;
- there are no potential conflicts of interest regarding the duties of any of the Directors vis-à-vis AFD and their private interests and/or other duties;
- at the date of this Document, no corporate officer was related to AFD or one of its subsidiaries by a service contract that provided for the allocation of any benefits.

3.1.3.5 Specialised committees of the Board of Directors

The Board of Directors may delegate a part of its powers, to the degree that it determines, to three specialised committees (for operations in the French Overseas Departments and Collectivities, for operations in foreign countries and for supporting the initiatives of non-governmental organisations). The specialised committee for activities in the French Overseas Departments and Collectivities includes three representatives of the French State, two of whom are appointed by decree of the Minister responsible for the French Overseas Departments and Collectivities and the third appointed by decree of the Minister of the Economy. The specialised committee for activities in foreign countries includes five representatives of the French State, two of whom are appointed by decree of the Minister of Foreign Affairs, a further two of whom are appointed by the Minister of the Economy and the fifth appointed by decree of the Minister of Immigration. The specialised committee for supporting the initiatives of non-governmental organisations includes five representatives of the French State, two of whom are appointed by decree of the Minister of Foreign Affairs, a third appointed by decree of the Minister of the Economy and the fourth appointed by the Minister of Immigration. In addition, each specialised committee includes two qualified experts appointed by the Board of Directors (one of whom sits on the Board) and one of the employee representatives on the Board of Directors chosen by these representatives. These specialised committees may be supplemented by one or several members of the Board of Directors at its own discretion.

The specialised committee for operations in the French Overseas Departments and Collectivities and the specialised committee for operations in foreign countries are chaired by the Chairperson of the Board of Directors. The specialised committee for supporting the initiatives of non-governmental organisations is chaired by the Chairperson of the Board of Directors or by a member of the Board of Directors appointed from among the representatives of the French State. For the members of specialised committees, other than the Chairperson and the members of the Board of Directors, an alternate is appointed under the same conditions as the permanent member. The term limit for members of the specialised committees and the conditions for their possible replacement are the same as those set for the members of the Board of Directors. The specialised committees may decide to submit any business within their remit to the Board of Directors. In such cases, they give the Board their opinion on the business referred to it.

The Board of Directors may also delegate a part of its powers to the Chief Executive Officer, who reports back to the Board about the decisions made under this delegation.

The Board of Directors appoints an Audit Committee and a Group Risk Management Committee, composed of between three and five members qualified in financial analysis, risk evaluation and, now, in sustainability information. Following the new requirements introduced by the CSRD Directive, the Audit Committee's remit was extended to include the oversight of sustainability reporting, as well as **the annual *ex-ante* validation of the Group's double materiality analysis and voluntary sustainability report**. In 2024, the Audit Committee revised all regulatory texts in order to integrate these new responsibilities and specify the oversight methods.

The Audit Committee monitors the preparation and control of accounting, financial and sustainability information. It serves as the Board of Directors' primary advisory body for the review and preliminary validation of the Group's double materiality analysis and voluntary sustainability report.

The Risk Management Committee advises the Board of Directors on AFD group's overall risk strategy, notably on risk appetite, the consistency of the risk management framework and the associated oversight mechanisms.

The Agency borrows over the short, medium and long term in France and abroad, either through financial organisations, or by issuing bonds, notes, securities or any other debt instrument. It performs all financial transactions required for its activities. The Agency's transactions are recorded in accordance with the rules concerning trade and in compliance with regulations governing credit institutions. A Government Commissioner, appointed by the Minister of the Economy, performs for the Agency the duties set out in Article L.615-1 and Articles D.615-1 to D.615-8 of the French Monetary and Financial Code. The Agency's financial statements are audited by two Statutory Auditors, appointed pursuant to the provisions of Articles L.511-38, D.511-8, D.511-9 and D.612-53 to R.612-60 of the French Monetary and Financial Code. The Statutory Auditors are subject to the obligations provided for in Article L.511-38.

Article R.515-19 of the French Monetary and Financial Code provides that the Board of Directors meets at least four times a year when convened by its Chairperson. During 2025, the Board of Directors and its specialised committees met 37 times.

3.1.3.6 Directors' skills and training

All members of the Board of Directors undertake training on optimising the role of directors as part of their term of office on the AFD Board of Directors.

This training is provided in digital format. Its purpose is to equip AFD's directors with the tools they need to successfully perform their duties. This 15-hour course is divided into four sections: Development, Finance, Risk Management (including Anti-Money Laundering and Combating the Financing of Terrorism) and the Director's Responsibilities. Each section is composed of individual digital modules, dealing with general issues, and then the specificities of AFD.

3.1.4 Compensation and benefits of the executive corporate officers, the Chief Operating Officers and the Deputy Chief Executive Officer

Pursuant to Law No. 2005-842 of 26 July 2005 on the confidence in and the modernisation of the economy, the compensation paid in 2025 to each corporate officer is shown below:

Total gross compensation (in euros)

- Rémy Rioux, Chief Executive Officer (start of term 2 June 2016): €255,150.
- Bertrand Walckenaer, Chief Operating Officer (start of term 14 February 2019): €187,285.
- Marie-Hélène Loison, Chief Operating Officer (term began on 8 July 2021 and ends on 29 August 2025): €96,277.
- Tristan Mouline, Deputy Chief Executive Officer (term of office begins on 23 October 2025): €31,148.

There are no benefits in kind, special retirement schemes or stock option plans for AFD's corporate officers.

3.1.5 Compensation and benefits of the corporate officers

The directors of AFD, with the exception of the Chairperson of the Board of Directors, are not remunerated and do not receive any benefits in kind. The Board of Directors may award a penalty and care allowance to the members of the Audit Committee and the Risk Management Committee, subject to legal and regulatory provisions applicable to each. The Board of Directors shall then fix the amount.

3.1.6 Other information

3.1.6.1 Possible limitations that the Board of Directors can place on the powers of the Chief Executive Officer (Articles L.225-37-4 and L.22-10-10 of the French Commercial Code)

Unlike commercial companies, AFD's status as an EPIC (public industrial and commercial establishment) does not permit it to limit the powers granted to the Chief Executive Officer by the Board of Directors. The powers granted to the Chief Executive Officer are laid down in AFD's bylaws and the Chief Executive Officer exercises them with respect for the rights of the Board of Directors.

3.1.6.2 Summary table of the valid delegations granted by the general meeting of the shareholders with respect to capital increases, pursuant to Articles L.225-129-1 and L.225-129-2 of the French Commercial Code, showing how those delegations were used during the financial year

Not applicable.

3.1.6.3 Specific terms and conditions of shareholder participation in the general meeting or provisions of the bylaws that provide for such terms and conditions (Articles L.225-37-4 and L.22-10-10 of the French Commercial Code)

Not applicable.

3.1.6.4 Report by the Statutory Auditors prepared pursuant to Article L.22-10-71 of the French Commercial Code on the Board of Directors' report on corporate governance

As part of the specific verifications, the Statutory Auditors verify the fairness and consistency of the information given in the Board of Directors' report on corporate governance.

3.1.6.5 Items likely to have an impact in the event of a takeover or exchange offer (Article L.22-10-11 of the French Commercial Code)

Not applicable.

3.1.6.6 Presentation of the draft resolutions relating to the principles and criteria for determining, allocating and distributing the fixed, variable and exceptional items comprising the total compensation and benefits of all kinds attributable to the Chairperson, Chief Executive Officers, Deputy Chief Executive Officers, in respect of their mandate (Article L.22-10-8 of the French Commercial Code).

Not applicable to AFD insofar as the Chairperson of the Board of Directors receives a service allowance, the amount of which is set by a joint decree of the Ministers responsible for the Economy, Cooperation, and the French Overseas Departments and Collectivities (Art. R.515-17, IV of the French Monetary and Financial Code). The Chief Executive Officer receives a gross annual compensation set by decision of the Minister of the Economy.

3.1.6.7 Agreements entered into, directly or by proxy, between, firstly, a corporate officer or a shareholder holding over 10% of a company's voting rights and, secondly, another company in which the former owns, directly or indirectly, more than half of the share capital, with the exception of agreements relating to current transactions and entered into under normal conditions

Name of the convention	Additional information
Agreements and commitments approved in previous financial years which continued to be performed	
WITH SOGEFOM	
Service agreement entered into between AFD and Sogefom	Compensation for AFD in 2025: €1,797K
WITH THE THREE DEPARTMENTAL CREDIT COMPANIES (SDCS)	

Refinancing and guarantee agreement for the customer loan portfolio taken over by the three SDCs from Soderag	• Loans outstanding at 31 December 2025:
	  • Sodema: €9,298K
	  • Sodega: €12,555K
	  • Sofideg: €534K
	• Compensation received by AFD in 2025:
	  • Sodema: €0K
	  • Sodega: €0K
	  • Sofideg: €0K
	• The credit risk supported by AFD is covered by a provision of €12,418K as at 31/12/2025, i.e. a net reversal of €756K

WITH PROPARCO	
Framework agreement for the management of private sector financing activities	Private sector impact in 2025: €7,210K of which €47K for the PEEBCOOL mandate and €31K for the E-Motion mandate
Sub-investment cofunding framework agreement	Impact in 2025: €7,881K
Service agreement between AFD and Proparco for the administrative and financial monitoring of certain investments	Impact in 2025: €199K
AFD/Proparco services agreement	Impact in 2025: €97,440K
Mandate agreement relating to the "transforming financial systems for the climate" (TFSC) programme	Impact in 2025: €1,147K
MENA-facilitated framework agreement	Impact in 2025: €387K
Financing framework agreement on the 110 and 209 programmes	Impact in 2025: €4,856K
WITH NGOS	
None	
New agreements authorised by the Board of Directors	
WITH NGOS	
None	
WITH PROPARCO	
None	

3.2 Compensation policy and practices

3.2.1 Governance of the compensation policy

Article L.511-89 of the French Monetary Code, resulting in particular from the implementation of the CRDIV directive, requires that credit institutions and financing companies of "significance" establish an Appointments Committee and a Compensation Committee and refers to a decree from the Minister of the Economy for the definition of "significance".

Article 104 of the Decree of 3 November 2014 uses, as the sole criteria for determining "significance", the fact that the total company or consolidated balance sheet exceeds €5bn, meaning that these provisions apply to AFD, while the CRDIV directive contains provisions that have not been transposed and which would exempt AFD from establishing these committees.

However, the establishment of Appointments Committees and Compensation Committees conflicts with certain bylaw and legal provisions and certain organisational rules on State public undertakings applicable to AFD.

With regard to the Compensation Committee, pursuant to Article 76-2 and Article 95-1 of the CRDIV directive, governments are only obliged to stipulate that Compensation Committees are established in undertakings that are "significant" in terms of their size, but also in terms of their internal organisation and the nature, scope and complexity of their activities. These derogations and criteria established by the CRDIV directive and Article L.511-89 of the French Monetary and Financial Code were not specified in the Decree of 3 November 2014.

It should be noted that the compensation paid to all AFD employees, including the Executive Committee and "individuals whose activities have a significant impact on the company's risk profile", is determined by AFD's regulations. Moreover, no variable compensation is awarded in relation to individual performance. This particular characteristic of AFD, together with the partial transposition of the CRDIV directive into French law, argues in favour of exempting AFD from establishing a committee which would, ultimately, not have the power to exercise the prerogatives expected by the regulator.

The HR function is the only entity involved in designing and implementing the compensation policy. The reason for this is that no AFD employee receives variable compensation (except for profit sharing).

New Staff Regulations came into force on 1 January 2023. It replaces, in all its provisions, the Staff Regulations approved by the ministerial vote of 5 August 1996 as well as any subsequent amendments thereto, and applies to all employees of Agence Française de Développement whose employment contract is governed by French law applicable in Metropolitan France and in the French Overseas Departments and Collectivities (thus excluding notably the law applicable in the French Overseas Collectivities).

3.2.2 Main features of the compensation policy

3.2.2.1 Setting of compensation

The compensation of each AFD employee is essentially determined by their grade, experience, expertise and scarcity in the labour market: upon hiring, a job grade (comprising a basic salary range) is assigned to each individual, in accordance with the strict definitions set out in the Staff Regulations. The basic salary is then determined, within this range, according to:

- their individuality, which means taking into account their know-how and interpersonal skills when they arrive and during their career;
- internal salary grids to ensure fairness within the Group's teams;
- external salary grids in order to remain competitive with the market for certain functions.

3.2.2.2 Compensation structure

Compensation comprises the following items:

Basic salary (Article 3.2.1 of the Staff Regulations)

Each employee receives a basic salary.

A minimum amount of the gross basic salary is set according to the employee's classification, by a collective agreement or, failing that, by a unilateral rating from management.

For employees linked to Agence Française de Développement by an employment contract, whether permanent or fixed-term, the amount of the highest basic salary (on a full-time basis) may not be more than eight times higher than the amount of the lowest basic salary (on a full-time basis) applied at Agence Française de Développement.

Awards and bonuses (Article 3.2.1)

In addition to the basic salary, for employees who meet the required conditions, the following awards and bonuses are calculated *pro rata* to the actual working time.

Year-end bonus

It will be calculated on December's basic salary as defined in Article 3.2.1 and multiplied by 1.4. For each employee, it is in line with the number of paid days over the year.

Holiday bonus

The amount is identical for every employee. It is paid monthly. For each employee, it is in line with the number of paid days over the year.

Professional bonus

It is related to holding a type of position and is paid to every employee who holds this type of position. The types of positions in question and the corresponding bonus amounts are decided by the Chief Executive Officer (CEO). The bonus stops being paid if the employee is transferred to a position to which the professional bonus does not apply:

- managerial professional bonus, exclusively for manager employees;
- specific professional bonus, paid to non-manager employees who hold a specific role. The specific criteria are described in the Guide on the Specific Professional Bonus.

Variable collective performance bonus (Article 3.2.2)

A variable collective performance bonus may be added to the fixed compensation. The amount paid depends on the achievement of collective performance targets. The eligibility conditions and the methods for calculating and paying the collective variable performance bonus are set by collective agreement or, failing this, by a unilateral note from management.

- No employee (including directors) receives individual variable compensation, whether deferred or not (e.g. bonus, shares, stock options, etc.);
- Employees also enjoy employment benefits, such as supplementary defined contribution retirement plans, health fees and insurance, and housing loans financed entirely or partly by AFD;
- Expatriate employees also enjoy several allowances related to their expatriate status.

Lastly, any employee on a fixed term or indefinite-term contract, whether full or part-time, who has three months of service within AFD (excluding employees whose contracts were entered into locally and are not governed by French law), receives, in addition to their fixed compensation, an annual profit sharing component calculated using indicators related to the Group's operations, cost control, efficiency and overall effectiveness.

Transitional measures

In order to implement the new compensation policy published on 1 January 2023, transitional measures were adopted to facilitate the transition to the new compensation structure for all permanent employees whose employment contract with Agence Française de Development and governed by French law applicable in Metropolitan France and in the French Overseas Departments and Collectivities (thus excluding notably the law applicable in the French Overseas Collectivities) was concluded before the entry into force of the new Regulations. These measures do not concern employees with an employment contract entered into as of the entry into force of the new Regulations, for whom only the compensation arrangements indicated in Title III of the new Regulations apply, as well as the agreements in force at the company or institution concerned.

For employees in Metropolitan France

Family supplement (Article 12.2.3 of the former Staff Regulations of 1996)

The amount of the monetary equivalent of the family supplement is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the family supplement are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of the amount of the family supplement he or she was entitled to the month before the new Regulations came into force.

The monetary equivalent of the family supplement will decrease on the basis of the provisions that were applicable under the former Staff Regulations of 1996. Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the family supplement the month preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the family supplement.

Seniority bonus (Article 12.2.4 of the former Staff Regulations of 1996)

The monetary equivalent of the seniority bonus and the mechanisms for increasing it, in accordance with the scale applicable the month preceding the entry into force of the new Regulations, shall be maintained for the employees concerned who actually benefited from this bonus, in view of their seniority, the month preceding the entry into force of the new Regulations.

Employees who, because of their seniority, did not receive the seniority bonus in the month preceding the entry into force of the new Regulations, may also benefit from the monetary equivalent of this bonus, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition provided for in Article 12.2.4 of the former Staff Regulations of 1996, provided that they do not cease, as from the entry into force of the new Regulations, even temporarily, to belong to the categories covered by this text (categories A to C under the former Staff Regulations of 1996, assessed in the light of the equivalent categories in the new classification determined in application of the new Regulations).

For employees of local offices in Guadeloupe and Martinique

Regarding the monetary equivalent of the seniority bonus

As a preliminary point, it should be noted that the seniority bonus referred to here is that referred to in Article 31 of the former regulations of the AFD office in Guadeloupe and Martinique. The monetary equivalent of the seniority bonus and the mechanisms for increasing it, in accordance with the scale applicable the month preceding the entry into force of these Regulations, shall be maintained for the employees concerned who actually benefited from this bonus, in view of their seniority, the month preceding the entry into force of these Regulations. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

Employees who, because of their seniority, did not receive the seniority bonus in the month preceding the entry into force of these Regulations, may also benefit, provided that they do not cease as from the entry into force of these Regulations, even temporarily, to meet the eligibility conditions (excluding seniority), from the monetary equivalent of this bonus, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition that was provided for in Appendix VI of the former staff regulations of the AFD office in Guadeloupe and Martinique. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

It should be noted that permanent employees holding an employment contract entered into as from the entry into force of these Regulations are not entitled to any monetary equivalent of the seniority bonus.

The monetary equivalent of this bonus will disappear once all the beneficiary employees have left Agence Française de Développement.

Regarding the monetary equivalent of the special family allowance

As a preliminary point, it should be noted that the special family allowance referred to here is the one referred to in the service notes (notably former service notes No. 05/2021 of 18 May 2021, in respect of 2021 for Martinique, and No. 04/2011 of 25 May 2011 for Guadeloupe).

The amount of the monetary equivalent of one twelfth (see above) of the special family allowance is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the special family allowance are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of one twelfth of the amount of the special family allowance received during the twelve months preceding the entry into force of the new Regulations.

The monetary equivalent of one-twelfth of the amount of the special family allowance will be changed downwards on the basis of the provisions that were applicable under the terms of the service notes that were applicable (for the purposes of comparison, by dividing the amount that would have resulted therefrom by twelve). Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the special family allowance during the 12 months preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the special family allowance.

For employees of local offices in French Guiana and Reunion Island

Regarding the monetary equivalent of the seniority bonus and the additional seniority bonus

As a preliminary point, it should be noted that the seniority bonus and the additional seniority referred to here are those referred to in part G5 (point 22) of the former “practical guide” and in former service note No. 2018/07 of 20 April 2018 concerning Reunion Island, and in part G4 of the former “practical guide” and in former service note No. 21-2020 of 23 July 2020 concerning French Guiana.

The monetary equivalent of the seniority bonus, the additional seniority bonus and the mechanisms for increasing them, in accordance with the scale applicable the month preceding the entry into force of the new Regulations, shall be maintained for the employees concerned who actually benefited from these bonuses, in view of their seniority, the month preceding the entry into force of the new Regulations. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of these bonuses if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

Employees who did not benefit from the seniority bonus and/or the additional seniority bonus in the month preceding the entry into force of the new Regulations, will also be able to benefit from the monetary equivalent of these bonuses, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition provided for in part G5 (point 22) of the former “practical guide” and in former service note No. 2018/07 of 20 April 2018 concerning Reunion Island, and in part G4 of the former “practical guide” and in former service note No. 21-2020 of 23 July 2020 concerning French Guiana, provided that, as from the entry into force of the new Regulations, they do not cease, even temporarily, to belong to the categories referred to in these texts (indices lower than or equal to grade A3 for Reunion Island and French Guiana, assessed with regard to the equivalent categories in the new classification determined in application of the new Regulations). In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of these bonuses if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

It should be noted that permanent employees holding an employment contract entered into as from the entry into force of the Regulations are not entitled to any monetary equivalent of the seniority bonus.

The monetary equivalent of these bonuses will disappear once all the beneficiaries have left Agence Française de Développement or the job categories previously eligible for this bonus (assessed with regard to the equivalent categories under the new classification, determined in application of the new Regulations).

Regarding the monetary equivalent of the family supplement (including additional family benefits)

As a preliminary point, it should be noted that the family supplement (including additional family benefits) referred to here is that referred to in part G7 (point 24) of the former "practical guide" concerning Reunion Island and part G8 (point 24) of the former "practical guide" concerning French Guiana.

The amount of the monetary equivalent of the family supplement (including additional family benefits) is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the family supplement (including additional family benefits) are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of the amount of the family supplement (including additional family benefits) he or she was entitled to the month before the new Regulations came into force.

The monetary equivalent of the family supplement (including additional family benefits) will decrease on the basis of the provisions that were applicable with regard to the terms of part G7 (point 24) of the former "practical guide" concerning Reunion Island and part G8 (point 24) of the former "practical guide" concerning French Guiana. Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the family supplement (including additional family benefits) the month preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the family supplement (including additional family benefits).

For employees of the local office in Mayotte

Regarding the monetary equivalent of the seniority bonus

As a preliminary point, it should be noted that the seniority bonus referred to here is that referred to in Article 29 of the former regulations applicable to the AFD office in Mayotte.

The monetary equivalent of the seniority bonus and the mechanisms for increasing it, in accordance with the scale applicable the month preceding the entry into force of the new Regulations, shall be maintained for the employees concerned who actually benefited from this bonus, in view of their seniority, the month preceding the entry into force of the new Regulations. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

Employees who, because of their seniority, did not receive the seniority bonus in the month preceding the entry into force of the new Regulations, may also benefit, provided that they do not cease as from the entry into force of the new Regulations, even temporarily, to meet the eligibility conditions (excluding seniority), from the monetary equivalent of this bonus, under the same conditions as those mentioned in the previous paragraph, when they meet the seniority condition that was provided for in Appendix II of the provisions of the former regulations applicable to the AFD office in Mayotte. In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

It should be noted that permanent employees holding an employment contract entered into as from the entry into force of the Regulations are not entitled to any monetary equivalent of the seniority bonus.

The monetary equivalent of this bonus will disappear once all the beneficiary employees have left Agence Française de Développement.

Regarding the monetary equivalent of the family supplement

As a preliminary point, it should be noted that the family supplement referred to here is that referred to in the instruction note of 2022 relating to the "implementation of the family supplement and the additional allowance at the Mayotte local office".

The amount of the monetary equivalent of the family supplement is set at the date of entry into force of the new Regulations for beneficiary employees, and may only be changed downwards.

Thus, the rules for upward changes that may have applied to the family supplement are no longer applicable. As from the entry into force of the new Regulations, the increase in the number of persons dependant on an employee of Agence Française de Développement does not lead to an increase in the monetary equivalent of the amount of the family supplement he or she was entitled to the month before the new Regulations came into force.

The monetary equivalent of the family supplement will decrease on the basis of the provisions that were applicable under the instruction note of 2022 relating to the "implementation of the family supplement and the additional allowance at the Mayotte local office". Thus, for example, it could disappear when the dependants reach the age limit for eligibility or when the beneficiary employees leave Agence Française de Développement.

It should be noted that employees who did not benefit from the family supplement the month preceding the entry into force of the new Regulations or permanent employees holding an employment contract concluded as from the entry into force of the new Regulations will not be entitled to any monetary equivalent to the family supplement.

In all circumstances, these employees will definitively cease to benefit from the monetary equivalent of this bonus if they cease to meet the eligibility conditions, regardless of whether they subsequently meet them again.

The monetary equivalent of this bonus will disappear once all the beneficiaries have left Agence Française de Développement or the job categories previously eligible for this bonus (categories A to C under the former staff Regulations of 1996, assessed in the light of the equivalent categories under the new classification determined in application of the new Regulations).

3.2.2.3 Changes in compensation

The arrangements for implementing the compensation policy place a significant emphasis on informing, consulting and negotiating with social partners.

Management examines the possibility of an increase in compensation each year.

Where applicable, this revaluation is carried out through a collective and/or individual increase. It is not systematic or periodic.

General increases together with the budget for individual increases are negotiated on an annual basis during the Mandatory Annual Negotiations (NAO) and are subject to the limits established by the framework of AFD's shareholder. Collective increases benefit from a safeguard clause, linking AFD's collective increase in level to the collective increase in level applied for the Civil Service over a period of three years.

An assessment of the revaluation measures is presented each year to the employee representatives, for information purposes.

A promotion is the professional development of an employee from one professional category to a higher one, or from one classification level to a higher one.

An individual pay rise values the employee's professional development within the same professional category and the same classification level. It takes the form of an increase in the basic salary. A promotion and an individual pay rise may be concurrent.

The terms and conditions for individual promotions and pay rises are set out in a collective agreement or, failing that, by our unilateral management decision, in compliance with Article 3.1 of these Regulations.

In addition to the specific appeal against a proposed dismissal, set out in Article 5.1.2 of these Regulations, employees affected by an individual decision relating to an individual pay rise, promotion or geographical mobility have a consultative appeals procedure at their disposal. To this end, an Appeals Committee was set up for all professional categories in each establishment separate from Agence Française de Développement. The Appeals Committee is composed of an equal number of management and employee representatives. Employee representation on the Appeals Committee is ensured by a number of members equal to the maximum number of representative trade unions at the Company. This appointment is made for each institution from among the elected members of the SEC of each of these institutions, for the duration of the terms of office of the elected SECs. This appointment results from a vote at the SEC meeting by a majority of the elected members of the SEC present at this meeting and having voting rights. In the event of early termination of the term of office, a new appointment will be organised according to the same procedures. The members representing the Management are appointed by it and their number is at most equal to the number of employee representatives. The procedures for referral and operation of the Appeals Committee are set by collective agreement or, failing this, by a unilateral note from Management.

The case of any employee who has not benefited from an individual pay raise for the past three years must be examined during the fourth year by the Appeals Committee of the institution to which the employee is attached, as provided for in (A) of this article.

This review takes place without the person having to request it, on the basis of a file including:

- the written agreement of the person concerned, requested by Management, for their case to be examined by the Appeals Committee. In the absence of a written agreement from the person concerned, the Appeals Committee does not examine their situation;
- an explanatory note from each of the employee's direct line managers during the period in question;
- a written opinion from Management.

3.2.2.4 Early termination of the employment contract

Compensation for early termination of the employment contract is defined in Title V of the Staff Regulations.

In the event of dismissal for economic reasons, or of professional incompetence or following a notice of medical unfitness, the compensation for dismissal paid to the employee is equal to the legal compensation for dismissal, which will be subject to one of the following increases:

- an increase of one month's average salary if the employee has served between four and ten years inclusive at the date of termination of the employment contract;
- an increase of two months' average salary in the event of at least eleven years of service at the date of termination of the employment contract.

This legal termination indemnity is also increased by one month's average salary for employees aged 55 or over at the date of termination of the employment contract. However, this increase is not due when the employee has reached the age at which they are entitled to receive their full pension.

This increase is paid regardless of the employee's length of service and may therefore be combined with the first one.

The average salary is assessed in accordance with the legal provisions relating to the calculation of the legal compensation for dismissal.

Other changes

A dismissal for another reason will result in the payment of compensation, the amount of which is calculated in accordance with legal provisions.

The same will apply in the event of termination of the employment contract producing the effects of dismissal without real and serious cause or of dismissal invalidated by a court decision.

3.2.3 Information regarding the compensation of executive officers and individuals whose professional activities have a significant impact on the company's risk profile

As previously stated, the compensation principles and changes described above are applicable to all AFD employees, including the Executive Committee and "individuals whose activities have a significant impact on the company's risk profile".

At AFD, executive officers and individuals whose professional activities have a significant impact on the company's risk profile belong to the following categories:

- the Executive Committee (including Proparco's Chief Executive Officer);
- the Management Committee, notably including:
  - the Deputy Executive Directors,
  - the Departmental Directors,
  - the Communications Department and FGEF (French Global Environment Facility) managers and the Director of the Office to the Chief Executive Officer (CEO) (who are also members of the Management Committee),
  - the Head of the Secretariat of Proceedings (SIR),
  - the Deputy Heads of the DCO (Compliance), ROC (Permanent Control) and IGE (General Inspection) Departments,
  - the managers of the CCS (Climate and Second Opinion), CLN (Climate and Nature) and CCC (Crises and Conflicts) divisions, and the manager of the CLS (Social link) unit,
  - the Regional Directors;
- the Chairperson of the Board of Directors;
- the Chief Executive Officer of Sogefom;
- the head of Proparco's compliance function;
- the Data Protection Officer;
- the head of information systems security; and
- the employee representatives on the Board of Directors.

The total amount of compensation of any kind paid during the 2025 financial year to all people falling within these categories (92 positions and 89.2 full-time employees) amounted to **€12,699,723**.

Moreover, the total compensation paid to the effective officers (Chief Executive Officer, Chief Operating Officers), the Chief Risk Officer, the Head of Compliance and the Head of Permanent Control amounted to **€938,916** for the 2025 financial year (for those in office as at 31 December). These amounts are the total compensation amounts of any kind paid during the 2025 financial year to all individuals within these categories.

03

04

Risk report

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4.1 Introduction

4.1.1 Regulatory framework

Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 ("CRR"), as amended for the first time by Regulation (EU) No. 2019/876 ("CRR2") and then, with effect from 1 January 2025, by Regulation (EU) No. 2024/1623 ("CRR3"), which is immediately applicable, sets out the implementation of the Basel III framework in Europe.

More generally, reference will be made in the following document to the "CRR".

For the AFD group, the application of Part Eight of the CRR entails the publication of additional information ("Pillar 3") to the minimum equity requirements ("Pillar 1") and the prudential supervision process ("Pillar 2").

The AFD group is exempted by the ACPR from applying prudential requirements on an individual basis, under the conditions set out in Article 7 of the CRR. The information presented in the following section is therefore exclusively based on the prudential scope of consolidation. Pursuant to Article 19 of the CRR, the prudential scope of consolidation is identical to the accounting scope of consolidation.

Article 7 of the Decree of 23 December 2013 on the prudential regime for finance companies stipulates that finance companies are required to comply with the provisions applicable to credit institutions pursuant to Regulation (EU) No. 575/2013 of the European Parliament, subject to the derogations set out in this Decree.

These exemptions relate to:

- the leverage ratio;
- the liquidity management ratios (LCR and NSFR);
- the BRRD directive and its resulting MREL on the resolution of banking institutions in the EU.

This report presents information on the AFD group's risks; the format of the "Pillar 3" tables complies with the technical standards defined by Implementing Regulation (EU) No. 2024/3172.

4.1.2 Risk typology

4.1.2.1 General framework

The AFD group has defined a risk typology to identify, assess, measure, monitor and steer in a consistent manner all the material risks to which it is exposed in the exercise of its mandate.

The Group's typology covers financial risks (which may affect profit, liquidity and solvency), non-financial risks (which may result in direct or indirect losses, operational disruptions or penalties), and cross-cutting risks, including ESG risk, which may manifest itself across several risk categories.

4.1.2.2 Main risk categories

4.1.2.2.1 Financial risks:

- Credit and concentration risk
  - Risk of loss related to the default of a borrower or counterparty, including concentration risk (counterparties, sectors, geographic areas, instruments, guarantees, large exposures), which may amplify losses in the event of a shock.
- Market counterparty and concentration risk
  - Risk of loss related to the default of a counterparty in the context of market transactions (investments, derivatives, similar transactions) or the associated concentrations.
- Market and foreign exchange risk
  - Risk of an adverse impact on earnings and/or the financial position resulting from changes in exchange rates affecting positions and flows denominated in foreign currencies.
- Interest rate risk in the banking portfolio (IRRBB)
  - Risk of current or future deterioration in equity and/or earnings as a result of adverse changes in interest rates affecting banking book positions.
- Liquidity risk
  - Risk of not being able to meet payment obligations when they are due, or of having to obtain financing on significantly less favourable terms.
- Solvency risk
  - Risk of insufficient capital with regard to prudential requirements and the risk profile, resulting in a deterioration of regulatory and/or internal ratios.
- Profitability risk
  - Risk of a lasting decrease in earnings capacity (margins, cost of risk, expenses), likely to affect internal capital generation and the financial trajectory.

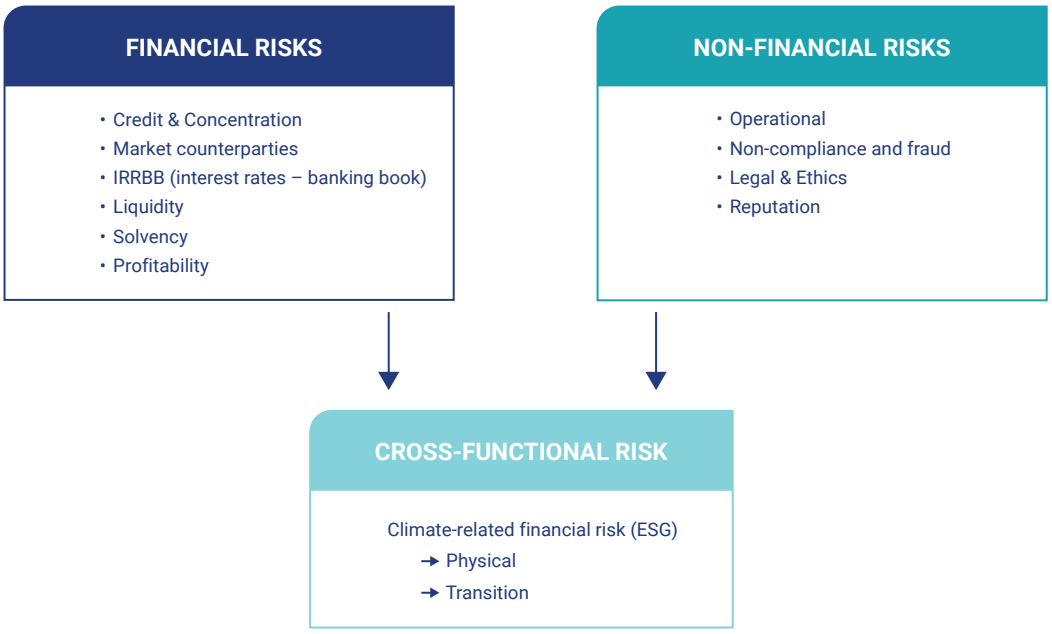
4.1.2.2.2 Non-financial risks

- Operational risk
  - Risk of loss (or negative impact) resulting from inadequate or flawed internal processes, human error, inadequate systems or external events. This risk includes business continuity, information systems and cybersecurity, as well as the management of outsourced services.
- Risks of non-compliance and of fraud
  - Risk of sanctions, financial losses or damage to reputation resulting from non-compliance with legal and regulatory provisions, internal standards, or internal/external acts of fraud. It includes, in particular, AML-CFT, international sanctions and conduct.
- Legal risk
  - Risk of loss resulting from legal uncertainty, litigation, or non-compliance of deeds/contracts, which could affect results and/or reputation.
- Ethical risk
  - Risk of negative impacts related to breaches of ethical principles, liable to result in sanctions, losses and/or a damage to reputation.
- Reputational risk
  - Risk of loss of stakeholder confidence (supervisor, donors, investors, customers, partners, public opinion), likely to affect the Group's ability to implement its mandate, access financing and preserve its credibility.

4.1.2.2.3 Cross-cutting risk

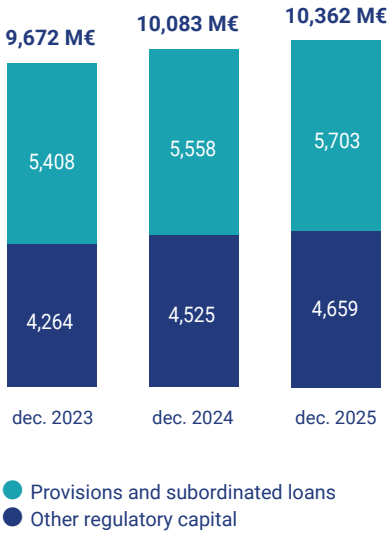
- ESG risk
  - Risk of financial loss (or deterioration in the risk profile) resulting from:
    - physical risks (extreme weather events and chronic changes),
    - transition risks (regulatory, technological, market and stakeholder expectations).

This risk is cross-functional: it may materialise *via* credit and concentration risk, counterparty risk, profitability, operational risk and/or reputational risk.

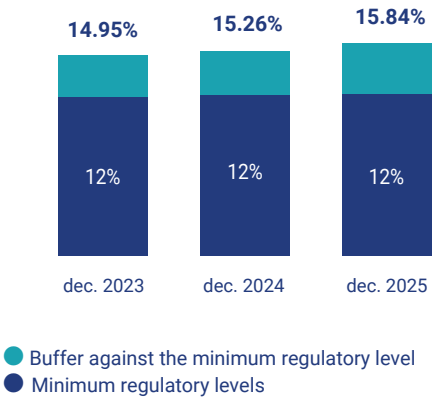


4.1.3 Financial strength profile

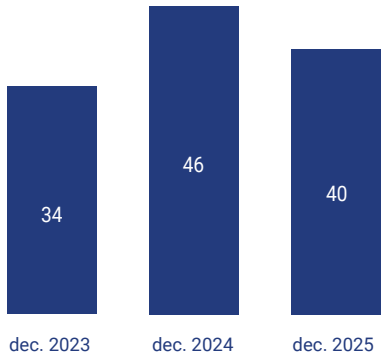
Change in regulatory capital in €M



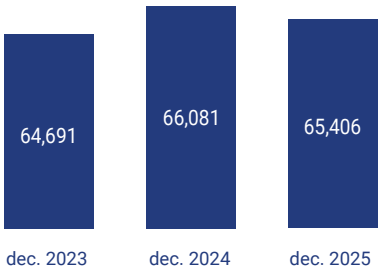
Change in the capital adequacy ratio



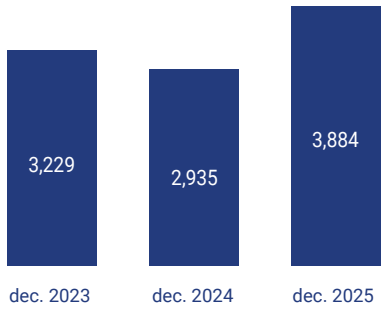
Change in cost of risk in €M



Change in risk-weighted exposures in €M



Amounts of non-performing exposures in €M



4.1.4 KEY FIGURES

TEMPLATE EU KM1 – KEY METRICS TEMPLATE [1]

The table provides an overview of the key prudential and regulatory indicators covered by CRR, in accordance with Article 447, points a) to g), "Disclosure of information on key indicators" and Article 438, point b), "Disclosure of information on capital requirements and risk-weighted exposure amounts".

		a	b	c	d	e
	In millions of euros	31/12/2025	30/09/2025	30/06/2025	31/03/2025	31/12/2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	9,522	9,406	9,304	9,325	9,243
2	Tier 1 capital	10,362	10,246	10,144	10,165	10,083
3	Total capital	10,362	10,246	10,289	10,165	10,083
	Risk-weighted exposure amounts					
4	Total risk exposure amount	65,406	64,683	64,383	65,432	66,081
4a	Total risk exposure pre-floor	65,406	64,683	64,383	65,432	66,081
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio *(%)*	14.56%	14.54%	14.45%	14.25%	13.99%
5b	Common Equity Tier 1 ratio considering unfloored TREA *(%)*	14.56%	14.54%	14.45%	14.25%	13.99%
6	Tier 1 ratio *(%)*	15.84%	15.84%	15.76%	15.54%	15.26%
6b	Tier 1 ratio considering unfloored TREA *(%)*	15.84%	15.84%	15.76%	15.54%	15.26%
7	Total capital ratio *(%)*	15.84%	15.84%	15.98%	15.54%	15.26%
7b	Total capital ratio considering unfloored TREA *(%)*	15.84%	15.84%	15.98%	15.54%	15.26%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage *(%)*	1.25%	1.25%	1.25%	1.25%	1.25%
EU 7e	of which: to be made up of CET1 capital (percentage points)	0.70%	0.70%	0.70%	0.70%	0.70%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	0.94%	0.94%	0.94%	0.94%	0.94%
EU 7g	Total SREP own funds requirements *(%)*	9.25%	9.25%	9.25%	9.25%	9.25%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer *(%)*	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State *(%)*	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer *(%)*	0.36%	0.24%	0.30%	0.30%	0.35%
EU 9a	Systemic risk buffer *(%)*	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer *(%)*	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer *(%)*	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement *(%)*	2.86%	2.74%	2.80%	2.80%	2.85%
EU 11a	Overall capital requirements *(%)*	12.11%	11.99%	12.05%	12.04%	12.10%
12	CET1 available after meeting the total SREP own funds requirements *(%)*	5.36%	5.35%	5.23%	5.03%	4.73%

1) Pursuant to Article 7 of the Decree of 23 December 2013 on the prudential regime for finance companies, AFD is required to comply with the provisions applicable to credit institutions under Regulation (EU) No. 575/2013 of the European Parliament, unless otherwise provided for in that Decree. These exemptions relate to the leverage ratio, liquidity coverage ratios (LCR, NSFR), as well as the BRRD Directive and its associated requirements (MREL) on the resolution of EU banking institutions.

4.2 Governance and risk management framework

Summary risk statement on the risk profile

The AFD group operates with a risk profile compatible with its mandate and an appetite framework governed by the Risk Appetite Framework. Exposures are managed by means of indicators and limits, with escalation mechanisms and corrective actions. Balance sheet management aims to hedge interest rate and foreign exchange rate risks and maintain a robust liquidity position, through a non-speculative approach.

4.2.1 Internal control system (audited)

AFD's internal control system is intended to provide Executive Management with reasonable assurance of the implementation of the following three objectives: (i) implementation and optimisation of transactions, (ii) reliability of financial information, and (iii) compliance with laws and regulations.

It includes the four targets set out in the Decree of 3 November 2014, namely (i) the quality and reliability of accounting and financial information, (ii) the compliance of transactions, organisation, and internal procedures with legal and regulatory provisions, (iii) the quality of information systems, and (iv) compliance with decisions made by Executive Management.

At AFD, the internal control system is managed by the Operational Risk and Permanent Control Department (ROC), housed in the Group's Executive Risk Department (DXR), and by the General Inspection Department (IGE), which reports to Executive Management, for periodic control.

4.2.2 Permanent control system (audited)

The Director of AFD's Operational Risk and Permanent Control (ROC) Department is designated by name as the person responsible for the permanent monitoring of AFD and its subsidiaries Proparco and Sogefom subsidiaries, pursuant to Article 16 of the Decree of 3 November 2014. As such, their identity is communicated to the French Prudential Supervisory and Resolution Authority (ACPR) pursuant to Article 22 of the Decree of 3 November 2014.

The AFD group's permanent control system is based on:

i. any Group employee, at headquarters and within the international network, who may be required to contribute, identify and assess risks, perform first- and second-level controls, report an operational incident and/or ensure its processing;

ii. the Group's managers – responsible for permanent monitoring at the first line of defence and risk control within their structure – and who are, as such, the primary points of contact for the Permanent Control Function, (iii);

iii. the Operational Risk and Compliance Officers, appointed within the Group's subsidiaries, executive departments and Regional Directorates and who strengthen the first line of defence, (iv);

iv. the Permanent Control Function (including the AML-CFT Permanent Control Function) – housed within the ROC Department and which constitutes the second line of defence – responsible for coordinating and supervising the AFD group's permanent control system, ensuring its consistency and effectiveness, and (v);

v. the members of the Executive Committees and Executive Management of AFD and the subsidiaries, who manage risks, the Board of Directors and the Audit and Risk Committees, which constitute the third line of defence at Group level, AFD and subsidiaries, all employees, at headquarters and in the international network, likely to contribute to the identification and assessment of risks, to carry out first- and second-tier controls and to report/deal with operational incidents.

The AFD group's permanent control system uses the following tools:

- operational risk mapping, which reports on the risks to which the Group is exposed and which is the main tool for measuring and monitoring operational risks;
- an operational incident database that is part of a continuous improvement approach and which is one of the additional tools of the risk monitoring system;
- a control system that covers all Group risks (operational, credit, market, reputation, non-compliance, etc.) at two levels:
  - so-called level 1 controls, which are tasks integrated into the processes and which are described as such in the business line procedures,
  - so-called level 2 controls, which correspond to controls carried out a posteriori of the completion of the process, by a separate entity and independently of the entities awarded the tasks;
- a Group management plan which lists all the action plans monitored by the Permanent Control Function and enabling better control of the risks to which the Group is exposed;
- two IT applications dedicated to permanent control.

The scope of AFD's permanent control is exhaustive since it aims to ensure that all risks generated by the Group's activities, whatever they may be, are indeed subject to an appropriate control system. Lastly, with regard to the specific disbursement control system, the Disbursement Control Division (DCV) of the ROC Department is tasked with ensuring the second-level control a posteriori of disbursements on AFD's financing projects. It is the specialised unit, independent of the operational structures, responsible for controlling payment requests, in accordance with Article 14 of the Decree of 3 November 2014.

4.2.3 Periodic control system (audited)

The General Inspection Department (IGE) is in charge of the periodic control of transaction compliance, the actual risk level incurred, the respect of procedures, and the efficiency and suitability of the permanent control systems set up by AFD. It serves AFD's internal audit function and has jurisdiction over all of the company's activities, including outsourced activities. In view of the independence rules for the function it performs, the General Inspection Department (IGE) must not be subject to any interference in the definition of its scope of intervention, the performance of its work or the communication of its results and conclusions, and confirms compliance with this independence each year when the annual activity report is prepared.

4.2.4 Risk governance (audited)

The Group's risk management is governed through three main bodies:

- the Board of Directors;
- committees set up by the Board of Directors and placed under its oversight:
    - The Group Risk Committee, formed in 2015 to meet the requirements of the Decree of 3 November 2014, is responsible in particular for: (i) regularly reviewing the strategies, policies, procedures, systems, tools and limits and underlying assumptions and reporting its conclusions to the Board of Directors; (ii) asses all significant risks as listed by regulations and the risk management policies, and the changes made thereto; to this end, it is informed of significant incidents identified by the internal control procedures and of any significant anomalies detected by the anti-money laundering and anti-terrorist financing monitoring and analysis system, as well as any shortcomings of this system; (iii) assess the measures taken to ensure business continuity and (iv) advise the Board of Directors on the AFD group's overall strategy and current and future risk appetite and assist the supervisory body in monitoring the implementation of this strategy by senior management;
    - The Group Audit Committee, which monitors matters relating to the preparation and control of accounting and financial information, is responsible in particular for: (i) verifying the clarity of the financial information and assessing the appropriateness of the accounting methods adopted for the preparation of the individual and consolidated financial statements; (i) to issue an opinion on the institution's financial statements; (iii) to assess the internal control system on accounting and financial aspects and (iv) to supervise the selection of the Statutory Auditors, and to establish a direct relationship with them, in order to be acquainted with their work programme and to discuss the conclusions of their work with them.

The composition of these two committees was as follows as at 31 December 2025:

Name	First name	Organisation	Date of Resolution	Term ends	Position/function
Chairperson of the Group Audit Committee and Risk Management Committee					
Santini	Jean-Jacques	Qualified person	07/10/2023	06/10/2026	Chairperson, Permanent Director on the AFD Board of Directors
Members of the Group Audit Committee					
Bobin	Shanti	Directorate General of the Treasury, MINEFI	23/11/2023	22/11/2026	Representative of the Directorate General of the Treasury Alternate Director on the AFD Board of Directors
Pasquier de Franclieu	Louis	Budget Department, MINEFI	12/12/2024	11/12/2027	Representative of the Budget Department Deputy Director on the AFD Board of Directors
Delamour	Isabelle	CDC	19/10/2023	18/10/2026	Permanent Director on the AFD Board of Directors
Members of the Group Risk Management Committee					
Bobin	Shanti	Directorate General of the Treasury, MINEFI	23/11/2023	22/11/2026	Representative of the Directorate General of the Treasury Alternate Director on the AFD Board of Directors
Pasquier de Franclieu	Louis	Budget Department, MINEFI	12/12/2024	11/12/2027	Representative of the Budget Department Deputy Director on the AFD Board of Directors
Delamour	Isabelle	CDC	19/10/2023	18/10/2026	Permanent Director on the AFD Board of Directors

- The Internal Control Committee: a body within which the heads of Periodic Control, Permanent Control, Compliance and the Risk Management function of the AFD group, appointed pursuant to Articles 16, 17, 28 and 74 of the Decree of 3 November 2014, report on the performance of their duties to the executive directors as defined in Article 10 (a) of the Decree of 3 November 2014 in accordance with Articles 23, 31 and 77 of the same Decree.

The IGE periodically communicates the results of its activities to the Group's bodies. The reports on the assignments as well as the annual review of the IGE's activity are communicated to the AFD group's Risk Management Committee and to Proparco's Risk and Audit Committee, as well as to the AFD and Proparco Internal Control Committees (COCINT) for the assignments that concern them. The results of the follow-up of recommendations are presented to each COCINT concerned, as well as twice a year to the AFD group Risk Management Committee, to the AFD Board of Directors and to Proparco's Risk Management and Audit Committee. In addition, the IGE's annual report dashboards are presented to COCINT and the Group Risk Management Committee at least once a year. The latter is also systematically informed of the decisions taken by the Executive Management concerning the possible refusal of the implementation of corrective actions identified as part of the assurance missions.

4.2.5 Risk monitoring (audited)

Risk monitoring is carried out by the Group Risk Management Department within the Executive Risk Department: by the Credit, Climate and Second Opinion Division at the individual credit risk level, and by the Risk Monitoring Division at a consolidated level, covering both credit risks and market operations. This monitoring is not exclusive to this department: among other mechanisms, the half-yearly review of non-sovereign counterparties is initiated in the Geographical Departments, and the Finance Department provides strategic and financial management (DEF/PFG).

4.2.6 Declaration on the adequacy of the system

The Board of Directors confirms that the risk management and internal control systems are suited to the Group's risk profile and strategy, and enable effective management of material risks.

The system covers all material risks (including credit and concentration, ALM/liquidity/interest rate/foreign exchange, operational, non-compliance/AML-CFT, fraud, reputational, and climate/ESG) through the use of indicators, risk maps, controls and reporting to governance bodies.

Key features of the measurement and reporting systems:

Indicators and reports are produced at appropriate intervals, with reviews by committees and presentations to the supervisory body. The risk appetite framework (RAF) structures governance through limits and, where appropriate, thresholds, accompanied by escalation mechanisms and action plans; the results of controls and audits are monitored and reported.

- Risk management strategies and processes

  Material risks are managed through dedicated policies, procedures, tools and limits, implemented by the operational functions and overseen by the control functions (ongoing monitoring, compliance, periodic review) and the relevant committees.

- Mitigation measures and monitoring of effectiveness

  Mitigation is based on limits, first/second level controls, compliance measures and internal audit. Effectiveness is monitored through risk mapping, the incident database, the control plan and the follow-up of recommendations, with regular reporting to the competent bodies.

4.3 Management body and governance system

In accordance with the provisions of Article 435(2) of the CRR concerning the management body, information relating to the Board of Directors is set out in sections 3.1.1 and 3.1.3 of this Universal Registration Document.

As at 31 December 2025, AFD's Board of Directors had 33 members, including 15 women (45%) and 18 men (55%), a composition close to parity.

In the framework of the EBA guidelines (EBA/GL/2021/05), the AFD group implements measures to ensure equal opportunities, regardless of gender, and to improve the representation of the under-represented gender within the management body. With this in mind:

- each year, AFD measures the proportion of female managers by hierarchical level, both at head office and in overseas positions;
- gender diversity targets, by management level and for overseas positions, are set out in the agreement on professional equality;
- AFD conducts an annual review of its HR career management processes (mobility, progression, promotion), presenting the results broken down by gender; these processes are managed with this criterion in mind, notably during campaigns.

4.4 Profitability risks and macroeconomic and geopolitical risks (audited)

4.4.1 Profitability risk

4.4.1.1 Definition of profitability risk

Agence Française de Développement defines profitability risk as the risk of generating insufficient income to support its equity and, consequently, to ensure its financial autonomy.

4.4.1.2 AFD's economic and financial model

AFD's economic and financial model is built on the principle of moderate profitability and normative pricing in view of its long-term credit activity in favour of entities and projects falling under Solidarity and Sustainable Driven Investments (ISD).

The normative pricing of its credit activity essentially consists of covering, on the basis of actual costs:

- refinancing costs;
- operating costs;
- the cost of risk (estimated over a long historical period).

4.4.1.3 Exposure to profitability risk

The Group carries out its mission within the banking regulatory framework applicable to financing companies and in an international environment subject to external crises and shocks.

The AFD group may suffer a fall in its net income due to the cumulative effect of:

- an increase in one-off provisions (individual and collective) for credit risk;
- the decrease in the valuations of equity investments;

without the possibility of rapidly offsetting them by increasing credit margins (viscosity and moderation of the price effect).

4.4.1.4 The role of the French State in risk management

This particularity of the economic and financial model is assumed and supported by the French State, AFD's sole shareholder.

The impact of such a risk (solvency in particular) is taken into account by the shareholder, as part of the dialogue and medium-term strategic management.

4.4.2 Macroeconomic and geopolitical risk

4.4.2.1 AFD's exposure to international crises

Owing to the scope of its operations, Agence Française de Développement is exposed to the emergence of crises of political, geopolitical or macroeconomic origin.

(Geo)political risk refers to all political or administrative events or decisions, whether national or international, that could result in economic, commercial or financial losses for companies that import, export or invest abroad.

4.4.2.2 Main risk factors identified for 2026

The main risk factors identified for 2026 (see § 1.6.1 International economic context) are:

i. an escalation of the trade war, notably between China and the United States, turning into a currency war;
ii. increased geopolitical conflict;
iii. the independence, the credibility and even the monetary sovereignty of central banks – starting with the Federal Reserve – are being called into question;
iv. the tech financial bubble around AI bursting and/or bonds in the United States crashing;
v. a marked slowdown in the Chinese economy;
vi. the socio-economic and even socio-political consequences for the countries where AFD operates of the tightening of Official Development Assistance and the weakening of multilateral cooperation.

4.4.2.3 Risk framework and management

AFD scales and caps its level of intervention in a given region according to the risk appetite framework relating to concentration risk.

AFD also follows the framework rules set by the French State for the approval of sovereign financing.

In addition, it should be noted that any sovereign debt restructuring initiative, when necessary, is carried out within the framework of the Paris Club and under the authority of the French State with regard to AFD.

4.4.2.4 Illustration of risk in the countries of operation

By way of illustration, the table below presents the main countries of operation sensitive to external economic and financial shocks through the external debt service indicator compared to the generation of currencies in the current account (Source: World Bank).

Country[1]	Potential weaknesses related to total external debt[1]	Potential weaknesses related to public external debt[2]	Outstanding loans (sovereign and non-sovereign) *(in millions of euros)*	Risks (sovereign and non-sovereign) *(in millions of euros)*
Mozambique	✓		157	376
Pakistan	✓	✓	488	1,003
Argentina	✓	✓	135	395
Colombia	✓		2,292	2,540
Brazil	✓		1,732	2,752
Egypt	✓	✓	1,425	2,012
Uzbekistan	✓		1,039	1,344
Angola	✓	✓	340	736
Senegal	✓	✓	1,342	1,924
Tunisia	✓	✓	963	1,371
Georgia	✓		841	930
Indonesia	✓		1,406	1,671
Kenya	✓	✓	798	1,300
Turkey	✓		1,773	2,160
Cameroon	✓	✓	1,041	1,304
Uganda	✓		386	578
Sri Lanka	✓	✓	26	68
Ecuador	✓	✓	842	992
Côte d'Ivoire	✓		1,147	2,054
Jordan	✓		1,064	1,432

(1) Total external debt service ratio greater than 20%.
(2) Public external debt service ratio above 15% and/or poor payment history.

The 20 countries listed are ranked in descending order based on the ratio of total external debt service/(export revenues + primary revenues), among the AFD group's countries of operation for which the committed exposure signed at 31 December 2025 is higher than €100M.

4.5 Capital management and capital adequacy

In accordance with the CRD V Directive and its transposition into French law (Decree of 3 November 2014), AFD updated its ICAAP (Internal Capital Adequacy Assessment Process) framework in 2024, which assesses capital adequacy in relation to the material risks associated with its business activities, business model and business plan. The ICAAP (Internal Capital Adequacy Assessment Process) report will be submitted for approval to the Board of Directors on 23 April 2026 and will apply to all entities in the prudential scope. Governance is based on the preparation/approval of the ICAAP, capital management and capital planning;

The Group Risk Management Committee oversees its implementation and updating, and the Board of Directors provides final approval. Capital requirements are analysed using a regulatory approach (Pillar 1 and Pillar 2, including notably the IRRBB) and an internal approach; the projection exercise is mainly centred on the regulatory approach, which is considered more conservative.

Capital planning is carried out over a horizon of at least three years, using a central scenario and adverse scenarios (idiosyncratic and systemic), the impacts of which result in an increase in RWA and a decrease in equity (*via* the cost of risk and retained earnings).

AFD easily meets the minimum capital requirements set out in Pillar 1, with a capital adequacy ratio of 15.84% at 31 December 2025, up compared to 2024 (15.26%).

Moreover, since 1 January 2024, the calibration of the reserve account has been considered as a sovereign risk hedging mechanism. The ACPR notice of 2022 specifies that, in accordance with European regulations (CRR and EU Delegated Regulation No. 183/2014), adjustments for credit risk are limited to losses related to credit risk and which are deducted from Tier 1 capital (CET1). With the introduction of IFRS 9, the European Banking Authority has indicated that all provisions for expected credit losses under this standard are considered as specific adjustments for credit risk.

4.5.1 Solvency risk (audited)

The Group defines solvency risk as the risk of having insufficient equity which does not allow it to meet its regulatory requirements. As part of its business plan, the AFD group therefore ensures that it maintains a sufficient level of equity for the development of its business, in order to meet regulatory requirements.

A change in regulatory and prudential regulations, which could result in a significant increase in the equity required for AFD's banking activities, could therefore have several significant impacts for the AFD group: first, a strategic impact on the business programme, with the discontinuation or significant reduction of certain types of products, but also a business model impact linked to the reallocation of human resources to other activities/products. Changes to the legislative framework remain largely unforeseeable like the introduction of Basel III, following the financial crisis.

Furthermore, ahead of the entry into force of the CRR3 Regulation on 1 January 2025, the Group has been conducting in-depth analyses since 2024 to identify and assess the changes introduced by this new prudential framework, notably with regard to risk weighting and changes to calculation methods.

Based on these analyses, operational implementation work was carried out jointly by the Risk and Finance Departments to adapt internal procedures and ensure the Group's compliance with the new regulatory requirements applicable from 2025.

Under Pillar 2, AFD has developed a process for assessing the adequacy of its capital called "ICAAP" (Internal Capital Adequacy Assessment Process) in accordance with the requirements imposed by the European CRDIV Directive and its transposition into French law in the Decree of 3 November 2014.

AFD has organised and built its ICAAP taking into account the regulatory texts while adapting it to its economic and financial model.

AFD has also taken into account the guidelines proposed by the European and French authorities to design its ICAAP, notably:

- the EBA guidelines on ICAAP EBA/GL/2016/10;
- the ACPR notice.

Since the initiation of this process and the first declaration in 2016, the methodological approach has been adapted and the exercise updated in order to be in line with the change of AFD's certification as a financing company and its risk profile.

Since 2019, AFD has prepared and submitted the ICAAP declaration to the French Prudential Supervisory and Resolution Authority (ACPR).

As part of this internal process, AFD could use the following two approaches to measure its capital adequacy:

- the regulatory approach which is based on regulatory capital ratios;
- the internal approach, which relies on the economic capital adequacy ratio and on the resources of the reserve account to cover its sovereign exposures.

Of the two approaches, the most restrictive is used as a priority in decision-making processes relating to managing capital such as forward-looking assessments and the allocation of capital.

The process applied is therefore that of a projection exercise focused on the regulatory approach, which is more conservative than the economic approach, which essentially differs in that it takes into account, in the definition of internal capital, instruments with a capacity to absorb loss, *i.e.* the reserve account.

In the regulatory approach, a materiality threshold was determined to identify tangible risks (AFD defines as tangible any risk that may have a significant impact on its solvency). This materiality threshold was set at a loss level equal to 10 basis points of the regulatory capital adequacy ratio.

Capital planning includes capital ratio projections in a central scenario and an adverse scenario established in conjunction with the Risk and Economic Departments over the same time horizon.

The Internal Capital Adequacy Assessment Process (ICAAP) enables the AFD group to ensure that its capital is adequate to cover the tangible risks to which it is exposed, in terms of its activity, its economic model and its business plan.

The update of the 2025 ICAAP (Internal Capital Adequacy Assessment Process) was carried out during the first quarter of 2026, will be presented to the Board of Directors for approval on 23 April 2026 and will apply to all entities within the AFD group's prudential scope.

Regulatory capital is determined in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council on prudential requirements (CRR), as amended. They are structured around three compartments ranked according to their capacity to absorb losses.

Common Equity Tier 1 (CET1) constitutes the main core of equity. It is composed of the highest quality share capital items, essentially equivalent to the accounting equity of the institution, subject to the application of the prudential filters and regulatory deductions provided for by the CRR, relating in particular to intangible assets as well as Prudent Valuation Adjustments (PVA). Non-controlling interests are included within the limits of the eligibility ceilings defined by the regulations.

Additional Tier 1 (AT1) includes perpetual debt instruments, free from any redemption incentive or obligation, whose eligibility criteria are strictly regulated by the CRR, in particular with regard to the absorption of losses in a going concern situation, discretion on the payment of coupons and the absence of any incentive to repay.

Tier 2 (T2) consists of subordinated debt instruments that meet the eligibility criteria defined by the CRR. Historically, the Special Conditions Resource (RCS) paid by the French Treasury to AFD was eligible for this compartment. As this resource is now converted into share capital incrementally, AFD no longer presents Tier 2 elements in its regulatory capital structure.

As a reminder, the French State holds all of AFD's share capital, which is a structuring characteristic of the composition of its regulatory capital.

There is no difference in the accounting and prudential scopes. The consolidation scope and methods are defined in Paragraph 6 "Consolidated financial statements prepared in accordance with IFRS adopted by the European Union"; Note 6.2.3.1 "*Consolidation scope and methods*".

TEMPLATE EU LI3 - OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION (ENTITY BY ENTITY)

	a	b	c	d	e	f	g	h
			Method of prudential consolidation					
Data as at 31/12/2025	Name of the entity	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity-accounted method	Neither consolidated nor deducted	Deducted	Description of the entity
	Proparco	Full consolidation	X					Investment funds and similar financial entities
	Fisea	Full consolidation	X					Fund management
	Sogefom	Full consolidation	X					Guarantee fund
	Sic	Equity-accounted items			X			Société immobilière de Nouvelle-Calédonie
	Socredo	Equity-accounted items			X			Other monetary intermediation
	Expertise France	Full consolidation	X					Public agency for technical cooperation
	Soderag	Full consolidation	X					Equity financing for businesses in the departments of Guadeloupe, French Guiana and Martinique
	STOA S.A.	Equity-accounted items			X			Impact investment funds

	a	b	c	d	e	f	g	h
			Method of prudential consolidation					
Data as at 31/12/2024	Name of the entity	Method of accounting consolidation	Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	Description of the entity
	Proparco	Full consolidation	X					Investment funds and similar financial entities
	Fisea	Full consolidation	X					Fund management
	Sogefom	Full consolidation	X					Guarantee fund
	Sic	Equity-accounted items			X			Société immobilière de Nouvelle-Calédonie
	Socredo	Equity-accounted items			X			Other monetary intermediation
	Expertise France	Full consolidation	X					Public agency for technical cooperation
	Soderag	Full consolidation	X					Equity financing for businesses in the departments of Guadeloupe, French Guiana and Martinique

Moreover, there are no restrictions on transferring funds or regulatory capital within the Group.

Under the LI1 and LI2 templates, total assets amounted to €73.9bn, constant compared to 2024 (2% change), mainly consisting of financial assets measured at amortised cost, including loans and receivables from credit institutions and similar institutions. Total exposures stood at €85.4bn at 31 December 2025.

The information presented in templates LI1 and LI2 shows a difference due to off-balance sheet amounts, credit conversion factors (CCF) and provisions.

In accordance with Article 436 of the Capital Requirements Regulation III (CRR3), the AFD group publishes information on the scope of application of the prudential system and the regulatory scope of consolidation. This information aims to present the reconciliation between the accounting scope of consolidation and the regulatory scope of consolidation and to explain the main differences, if any, between the carrying amounts and exposure amounts used for prudential purposes.

The AFD group sets its prudential requirements primarily on a consolidated basis, in accordance with the provisions of the CRR. Certain Group entities benefit from an exemption from the application of capital requirements on an individual basis, pursuant to the exemption provided for in Article 7 of the CRR, as the requirements are monitored and managed at the consolidated Group level.

4.5.2 Quantitative information on capital management and capital adequacy

TEMPLATE EU LI1 - DIFFERENCES BETWEEN THE ACCOUNTING SCOPE AND THE SCOPE OF PRUDENTIAL CONSOLIDATION AND MAPPING OF FINANCIAL STATEMENT CATEGORIES WITH REGULATORY RISK CATEGORIES

		a	b	c	d	e	f	g
				Carrying values of items				
	Data as of 31/12/2025 *(in millions of euros)*	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	ASSETS							
1	Cash, due from central banks	792	792	792	-	-	-	-
2	Financial assets at fair value through profit or loss	3,268	3,268	2,833	-	221	-	-
3	Hedging derivatives	2,701	2,701	-	867	-	-	-
4	Financial assets at fair value through other comprehensive income	4,272	4,272	4,272	-	-	-	-
5	Debt securities at amortised cost	2,248	2,248	2,248	-	-	-	-
6	Financial assets at amortised cost	55,946	55,946	57,607	-	-	-	-
7	*Loans and receivables due from credit institutions and equivalent at amortised cost*	13,176	13,176	13,235	-	-	-	-
8	*Loans and receivables due from customers at amortised cost*	42,769	42,769	44,372	-	-	-	-
9	Revaluation differences on interest rate-hedged portfolio	-	-	-	-	-	-	-
10	Current tax assets	3	3	3	-	-	-	-
11	Deferred tax assets	24	24	24	-	-	-	-
12	Accruals and other miscellaneous assets	3,240	3,240	3,240	-	-	-	-
13	Equity stakes in companies accounted for by the equity method	249	249	249	-	-	-	-
14	Fixed assets property, plant and equipment	969	969	969	-	-	-	-
15	Intangible assets	224	224	-	-	-	-	224
16	Goodwill	-	-	-	-	-	-	-
17	**TOTAL ASSETS**	**73,936**	**73,936**	**72,237**	**867**	**221**	**-**	**224**

		a	b	c	d	e	f	g
				Carrying values of items				
	Data as of 31/12/2025 *(in millions of euros)*	**Carrying values as reported in published financial statements**	**Carrying values under scope of prudential consolidation**	**Subject to the credit risk framework**	**Subject to the CCR framework**	**Subject to the securitisation framework**	**Subject to the market risk framework**	**Not subject to own funds requirements or subject to deduction from own funds**
	LIABILITIES							
1	Central banks	-	-	-	-	-	-	-
2	Financial liabilities at fair value through profit or loss	140	140	-	-	-	-	-
3	Hedging derivatives	4,105	4,105	-	867	-	-	-
4	Financial liabilities at amortised cost	54,356	54,356	-	-	-	-	-
	Debt securities in issue at amortised cost	54,325	54,325	-	-	-	-	-
	Debts to credit institutions and equivalent at amortised cost	29	29	-	-	-	-	-
	Debts to customers at amortised cost	2	2	-	-	-	-	-
5	Interest rate-hedged portfolio revaluation gain	35	35	-	-	-	-	-
6	Current tax liabilities	3	3	-	-	-	-	-
7	Deferred tax liabilities	12	12	-	-	-	-	-
8	Accruals and other miscellaneous liabilities	3,303	3,303	-	-	-	-	-
9	Provisions	1,056	1,056	-	-	-	-	-
10	Subordinated debt	843	843	-	-	-	-	-
12	Equity Group share	9,886	9,886	-	-	-	-	-
	Provisions and related retained earnings	5,323	5,323	-	-	-	-	-
	Consolidated retained earnings and other	4,054	4,054	-	-	-	-	-
	Gains and losses recognised in other comprehensive income	121	121	-	-	-	-	-
	Earnings for the period	388	388	-	-	-	-	-
13	Non-controlling interests	196	196	-	-	-	-	-
14	**TOTAL LIABILITIES**	**73,936**	**73,936**	**-**	**867**	**-**	**-**	**-**

		a	b	c	d	e	f	g
				Carrying values of items				
	Data as of 31/12/2024 *(in millions of euros)*	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	ASSETS							
1	Cash, due from central banks	864	864	864	-	-	-	-
2	Financial assets at fair value through profit or loss	4,740	4,740	4,514	-	191	-	-
3	Hedging derivatives	3,341	3,341	-	953	-	-	-
4	Financial assets at fair value through other comprehensive income	2,274	2,274	2,274	-	-	-	-
5	Debt securities at amortised cost	3,148	3,148	3,148	-	-	-	-
6	Financial assets at amortised cost	53,772	53,772	55,552	-	-	-	-
7	*Loans and receivables due from credit institutions and equivalent at amortised cost*	13,303	13,303	13,303	-	-	-	-
8	*Loans and receivables due from customers at amortised cost*	40,469	40,469	42,249	-	-	-	-
9	Revaluation differences on interest rate-hedged portfolio	45	45	45	-	-	-	-
10	Current tax assets	6	6	6	-	-	-	-
11	Deferred tax assets	28	28	28	-	-	-	-
12	Accruals and other miscellaneous assets	2,908	2,908	2,908	-	-	-	-
13	Equity stakes in companies accounted for by the equity method	160	160	160	-	-	-	-
14	Fixed assets property, plant and equipment	858	858	858	-	-	-	-
15	Intangible assets	183	183	-	-	-	-	183
16	Goodwill	-	-	-	-	-	-	-
17	**TOTAL ASSETS**	**72,327**	**72,327**	**70,357**	**953**	**191**	**-**	**183**
	LIABILITIES							
1	Central banks	-	-	-	-	-	-	-
2	Financial liabilities at fair value through profit or loss	482	482	-	-	-	-	-
3	Hedging derivatives	3,663	3,663	-	953	-	-	-
4	Financial liabilities at amortised cost	53,477	53,477	-	-	-	-	-
	Debt securities in issue at amortised cost	53,465	53,465	-	-	-	-	-
	Debts to credit institutions and equivalent at amortised cost	10	10	-	-	-	-	-
	Debts to customers at amortised cost	2	2	-	-	-	-	-
5	Interest rate-hedged portfolio revaluation gain	-	-	-	-	-	-	-
6	Current tax liabilities	14	14	-	-	-	-	-
7	Deferred tax liabilities	14	14	-	-	-	-	-
8	Accruals and other miscellaneous liabilities	3,330	3,330	-	-	-	-	-
9	Provisions	882	882	-	-	-	-	-
10	Subordinated debt	843	843	-	-	-	-	-
12	Equity Group share	9,422	9,422	-	-	-	-	-
	Provisions and related retained earnings	5,178	5,178	-	-	-	-	-
	Consolidated retained earnings and other	3,787	3,787	-	-	-	-	-
	Gains and losses recognised in other comprehensive income	114	114	-	-	-	-	-
	Earnings for the period	344	344	-	-	-	-	-
13	Non-controlling interests	200	200	-	-	-	-	-
14	**TOTAL LIABILITIES**	**72,327**	**72,327**	**-**	**953**	**-**	**-**	**-**

TEMPLATE EU LI2 - MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS

		a	b	c	d	e
			Items subject to			
	Data as of 31/12/2025 *(in millions of euros)*	**Total**	**Credit risk framework**	**Securitisation framework**	**CCR framework**	**Market risk framework**
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**73,326**	**72,237**	**221**	**867**	**-**
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	**867**	**-**	**-**	**867**	**-**
3	**Total net amount under the scope of prudential consolidation**	**72,459**	**72,459**	**221**	**-**	**-**
4	**Off-balance sheet amounts**	**19,897**	**19,897**			
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	(518)	(518)	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	-	-	-	-	-
9	Differences due to credit conversion factors	(7,087)	(7,087)	-	-	-
10	Differences due to Securitisation with risk transfer	-	-	-	-	-
11	Other differences	(221)	(221)	-	-	-
12	**Exposure amounts considered for regulatory purposes**	**85,396**	**84,529**	**221**	**867**	**-**

		a	b	c	d	e
			Items subject to			
	Data as of 31/12/2024 *(in millions of euros)*	**Total**	**Credit risk framework**	**Securitisation framework**	**CCR framework**	**Market risk framework**
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	**71,501**	**70,357**	**191**	**953**	**-**
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	**953**	**-**	**-**	**953**	**-**
3	**Total net amount under the scope of prudential consolidation**	**70,548**	**70,548**	**191**	**-**	**-**
4	**Off-balance sheet amounts**	**20,466**	**20,466**	**-**	**-**	**-**
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	(318)	(318)	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	-	-	-	-	-
9	Differences due to credit conversion factors	(6,708)	(6,708)	-	-	-
10	Differences due to Securitisation with risk transfer	-	-	-	-	-
11	Other differences	(191)	(191)	-	-	-
12	**Exposure amounts considered for regulatory purposes**	**84,750**	**83,796**	**191**	**953**	**-**

TEMPLATE EU CC1 - COMPOSITION OF REGULATORY OWN FUNDS [1]

The table provides a breakdown of the components of regulatory capital, in accordance with Article 437, points a), d), e), and f), of the CRR, "Disclosure of information on equity".

		31/12/2025	31/12/2024
In millions of euros		Amounts	Amounts
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	4,863	4,718
	of which: capital instruments	4,863	4,718
2	Retained earnings	2,748	2,532
3	Accumulated other comprehensive income (and other reserves)	1,887	1,829
5	Minority interests (amount allowed in consolidated CET1)	171	164
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	118	187
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	9,788	9,429
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(8)	(7)
8	Intangible assets (net of related tax liability) (negative amount)	(224)	(183)
27a	Other regulatory adjustments	(34)	4
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(266)**	**(186)**
29	**Common Equity Tier 1 (CET1) capital**	**9,522**	**9,243**
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	840	840
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**840**	**840**
Additional Tier 1 (AT1) capital: regulatory adjustments			
44	**Additional Tier 1 (AT1) capital**	**840**	**840**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**10,362**	**10,083**
Tier 2 (T2) capital: instruments			
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	-
51	**Tier 2 (T2) capital before regulatory adjustments**	-	-
Tier 2 (T2) capital: regulatory adjustments			
58	**Tier 2 (T2) capital**	**-**	**-**
59	**Total capital (TC = T1 + T2)**	**10,362**	**10,083**
60	**Total Risk exposure amount**	**65,406**	**66,081**
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 (CET1) capital	14.56%	13.99%
62	Tier 1 capital	15.84%	15.26%
63	Total capital	15.84%	15.26%
64	Institution CET1 overall capital requirements	8.06%	8.05%
65	of which: capital conservation buffer requirement	2.50%	2.50%
66	of which: countercyclical capital buffer requirement	0.36%	0.35%
67	of which: systemic risk buffer requirement	0.00%	0.00%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	0.00%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	5.16%	5.16%
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	5.36%	4.73%
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	290	287
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	220	248

1) In order to make the tables easier to read, the rows for which the amounts associated with AFD exposures have a value of 0 have been hidden.

TEMPLATE EU CC2 - RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

The table illustrates the link between the balance sheet published in the financial statements and the figures used in the statement of the composition of equity required by Table EU CC1, in accordance with Article 437, point a), of the CRR, 'Publication of information on equity'.

		31/12/2025		31/12/2024	
		a	b	a	b
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Balance sheet as in published financial statements	Under regulatory scope of consolidation
In millions of euros		As at period end	As at period end	As at period end	As at period end
Assets – Breakdown by asset classes according to the balance sheet in the published financial statements					
1	Cash, due from central banks	792	792	864	864
2	Financial assets at fair value through profit or loss	3,268	3,055	4,740	4,704
3	Hedging derivatives	2,701	867	3,341	953
4	Financial assets at fair value through other comprehensive income	4,272	4,272	2,274	2,274
5	Debt securities at amortised cost	2,248	2,248	3,148	3,148
6	Financial assets at amortised cost	55,946	57,607	53,772	55,552
7	Revaluation differences on interest rate-hedged portfolio	-	-	45	45
8	Current tax assets	3	3	6	6
9	Deferred tax assets	24	24	28	28
10	Accruals and other miscellaneous assets	3,240	3,240	2,908	2,908
11	Equity stakes in companies accounted for by the equity method	249	249	160	160
12	Fixed assets property, plant and equipment	969	969	858	858
13	Intangible assets	224	-	183	-
	Total assets	**73,936**	**73,325**	**72,327**	**71,501**
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements					
1	Central banks				
2	Financial liabilities at fair value through profit or loss	140	140	482	482
3	Hedging derivatives	4,105	4,105	3,663	3,663
4	Financial liabilities at amortised cost	54,356	54,041	53,477	52,844
5	Interest rate-hedged portfolio revaluation gain	35	35	-	-
6	Current tax liabilities	3	3	14	14
7	Deferred tax liabilities	12	12	14	14
8	Accruals and other miscellaneous liabilities	3,303	3,303	3,330	3,330
9	Provisions	1,056	1,056	882	882
10	Subordinated debt	843	843	843	843
11	Equity Group share	9,886	9,616	9,422	9,265
12	Non-controlling interests	196	171	200	164
	Total liabilities	**73,936**	**73,325**	**72,327**	**71,501**
Shareholders' Equity					
1	Provisions and related retained earnings	5,323	5,323	5,178	5,178
2	Consolidated retained earnings and other	4,054	4,054	3,787	3,787
3	Gains and losses recognised in other comprehensive income	121	121	114	114
4	Earnings for the period	388	118	344	187
5	Non-controlling interests	196	171	200	164
	TOTAL SHAREHOLDERS' EQUITY	**10,083**	**9,788**	**9,622**	**9,429**

Under the CC1 and CC2 templates, equity amounts to €10,362M (compared with €10,083M at 31 December 2024) for risk exposures of €65,406M (compared with €66,081M at end-2024). Equity, made up exclusively of Tier 1 capital, comprises 91.9% of CET1 (€9,522M), reflecting a high-quality capital structure.

TEMPLATE EU OV1 – OVERVIEW OF TOTAL RISK EXPOSURE AMOUNTS

The table provides an overview of total RWAs included in the denominator of risk-based capital requirements in accordance with Article 438, point d), of the CRR, "Disclosure of information on capital requirements and risk-weighted exposure amounts". The total amount of exposures amounts to €65.4bn, of which the main risk is credit risk excluding CCR, representing 94.4% of exposures.

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
In millions of euros		31/12/2025	31/12/2024	31/12/2025
1	**Credit risk (excluding CCR)**	**61,740**	**62,665**	**4,939**
2	Of which the standardised approach	61,740	62,665	4,939
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which slotting approach	-	-	-
Eu 4a	Of which equities under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	**Counterparty credit risk - CCR**	**229**	**297**	**18**
7	Of which the standardised approach	97	178	8
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	108	119	9
9	Of which other CCR	24	-	2
10	**Credit valuation adjustments risk – CVA risk**	**223**	**203**	**18**
EU 10a	Of which the standardised approach (SA)	223	203	18
EU 10b	Of which the basic approach (F-BA and R-BA)	-	-	-
EU 10c	Of which the simplified approach	-	-	-
15	Settlement risk	-	-	-
16	**Securitisation exposures in the non-trading book (after the cap)**	**728**	**610**	**58**
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	728	610	58
EU 19a	Of which 1,250%/deduction	-	-	-
20	**Position, foreign exchange and commodities risks (Market risk)**	**-**	**320**	**-**
21	Of which the Alternative standardised approach (A-SA)	-	-	
EU 21a	Of which the Simplified standardised approach (S-SA)	-	320	-
22	Of which Alternative Internal Model Approach (A-IMA)	-	-	-
EU 22a	Large exposures	-	-	-
23	Reclassifications between the trading and non-trading books	-	-	-
24	**Operational risk**	**2,486**	**1,985**	**199**
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
26	Output floor applied (%)	-	-	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-
29	**TOTAL**	**65,406**	**66,081**	**5,232**

TEMPLATE EU CCYB2 - AMOUNT OF INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER

The table shows the amount of the institution-specific countercyclical capital buffer in accordance with Article 440, point b), of the CRR, "Disclosure of information on countercyclical capital buffer".

		31/12/2025	31/12/2024
In millions of euros		a	a
1	Total risk exposure amount	65,406	66,081
2	Institution-specific countercyclical capital buffer rate	0.36%	0.35%
3	Institution-specific countercyclical capital buffer requirement	233	232

4.6 Credit risk

Credit risk is defined as the risk that a borrower will not repay all or part of their loan on the due dates set out in the contract signed by them and the AFD group. By extension, this risk also concerns the guarantees issued by the AFD group to cover the loan commitments of some of its banking partners. Exposure to credit risk includes balance sheet risk, notably exposure to loans, equity investments, financial instruments and derivatives, as well as off-balance sheet exposures (financing commitments and guarantees given). The AFD group's credit risk is defined as the probability that a borrower will be unable to repay the loans allocated. By extension, this risk also concerns the guarantees issued by the AFD group to cover the loan commitments of some of its banking partners.

This risk is broken down into four risk sub-classes in the Group's risk mapping:

- sovereign credit risk on sovereign outstanding loans and commitments;
- AFD non-sovereign credit risk on AFD non-sovereign outstanding loans and commitments;
- private sector credit risk relating to Proparco's outstandings and commitments and AFD sub-participations;
- overall credit risk on all of the Group's outstandings and commitments.

The level of credit risk (credit rating [1]) reflects the probability of the borrower defaulting on their obligations. This risk is assessed during the credit check and forms the basis of the decision on whether to approve the loan combined with the institution's risk appetite and the system of regulatory and internal operational limits (individual, geographical, sectoral, etc.) in place.

This level of risk is reassessed periodically, and at least once a year, to identify any degradation of that risk subsequent to the loan being approved and to provision accordingly. This provisioning is based on the estimated recovery rate of the receivable, according to two methodologies distinguishing performing and sensitive loans from non-performing loans. It makes it possible to determine the institution's cost of risk by also taking into account write-offs.

Exposure to credit risk includes balance sheet risk, notably exposure to loans, equity investments, financial instruments and derivatives, as well as off-balance sheet exposures (financing commitments and guarantees given).

Regarding risk stemming from loans, exposures that are in arrears, *i.e.* primarily loan risk, are monitored in the information system and are automatically downgraded as non-performing loans, in accordance with arrears rules defined by the regulations, and impairments are recorded. The approaches adopted for specific and general provisions and impairments are presented in Paragraph 6.2.3.2 on the main accounting principles and methods of the consolidated financial statements. Ratings are reviewed on a periodic basis to ensure individual monitoring of counterparties. The review of information on risks is presented in Paragraph 6.2.5.1 on credit risk.

For the Group, concentration risk is the risk of significant losses in relation to its risk profile, business model and solvency, as well as to the continuation of its activities due to the joint default of counterparties over several risk categories (group, country, sector, etc.) The defaults of counterparties to which the Group is highly exposed (*i.e.* with a high level of concentration) may have a material impact on the Group's results.

In the financial risk mapping, concentration risk is broken down into two risk sub-classes:

- risk related to large exposures (regulatory limit set at 25% of regulatory capital for large exposures);
- risk related to concentration by country and/or sector of the Group's market and credit counterparties.

By virtue of its mandate and as a public development bank, the AFD group is required to operate in high-risk regions, with high-risk counterparties and over long time horizons. In line with its strategy, the Group has seen strong growth in its annual approval volumes in recent years; whilst these have now stabilised, they continue to result in a significant increase in the portfolio of sovereign and non-sovereign loans. This effectively means that the Group is exposed to a higher level of credit risk.

For its sovereign-related operations, the AFD benefits from the "Reserve Account" scheme, which is funded by the French State, and has historically been compensated by the French State for the amount of sovereign debts that have been written off following decisions taken by the French State, either under Paris Club agreements or as a result of bilateral decisions. Furthermore, in order to approve sovereign loans without adversely affecting the debt sustainability of the countries concerned or the robustness of their economic models, AFD applies the so-called "Le Maire" doctrine, in force since 1 January 2024, which sets out the conditions for intervention on a country-by-country basis.

The Group also exercises particular vigilance over its non-sovereign business portfolio, with the aim, on the one hand, of maintaining the average credit rating of its counterparties and, on the other, of diversifying its non-sovereign loan portfolio, even though its appetite for concentration risk remains structurally high due to the difficulty of identifying, in the regions where it operates, counterparties that are financially sound and have the financial capacity to implement large-scale projects with significant impact.

In line with its strategic priorities, the Group has a greater appetite for risk-taking when it comes to the private sector – as evidenced by:

- the fact that the non-sovereign limits per counterparty and per counterparty group are identical regardless of whether the exposure is public or private, with the expected loss in the event of default being higher for a private counterparty; or
- the thresholds governing the non-performing loan ratio within the framework of Proparco's risk appetite – whilst monitoring and keeping a close watch on trends in non-performing loans, write-offs and the resulting cost of risk.

The Group's appetite for credit risk and concentration risk is closely linked to its development mandate.

1) As defined on a scale similar to that of FITCH and Standard & Poor's.

Breakdown of credit risks on the AFD group's loans, receivables and commitments by level of risk and associated provisions

In millions of euros	Balance sheet 31/12/2025	Off-balance sheet 31/12/2025	Total 31/12/2025	Breakdown of commitments 31/12/2025
Healthy risk (stage 1)	44,164	16,713	60,877	79%
IFRS 9 provisions(*)	163	47	210	9%
Sensitive risk (stage 2)	9,013	1,687	10,699	14%
IFRS 9 provisions(*)	421	96	517	22%
Doubtful risk (stage 3)	3,997	1,417	5,414	7%
Individual provisions(*)	1,210	441	1,651	69%
Outside the scope of collective provisioning	222	11	233	0.3%
TOTAL RISK	**57,395**	**19,828**	**77,223**	**100%**
TOTAL PROVISIONS	**1,794**	**584**	**2,378**	**100%**

(*) *Including reserve account calibration.*

The table presents data that reflects the management data monitored by the Group's Risk Management Department, which may differ from the data appearing in the consolidated financial statements due to the restatements required by the IFRS standards.

4.6.1 Factors affecting credit risk

Owing to its remit and the nature and location of its borrowers in emerging or developing countries, the AFD group is particularly exposed to macroeconomic fluctuations and geopolitical and regional financial events that may have a significant impact on the activities and financial solvency of its borrowers, thus potentially generating a high risk that is, by nature, volatile. For example, in 2024 and 2025, the AFD group's portfolio was impacted by the riots in New Caledonia and the cyclone in Mayotte.

However, the Group's credit risk is naturally mitigated owing to:

- the global geographical diversity of the portfolio (operations in 101 countries) as presented below, within the framework of the Group's limit system;
- the diversification of the portfolio by type of counterparty, also governed by the Group's system of limits;
- the proportion of the Group's activity in French Overseas Departments and Collectivities for which the associated credit risk is significantly reduced owing to the implicit support of the French State for most of the counterparties in question (local authorities in particular). Risk exposure in French Overseas Departments and Collectivities accounted for 33% of the Group's non-sovereign risk as of end 2025.

Breakdown of risks on the AFD group's loans, receivables and commitments by geographic area

In millions of euros	Central and Southern Africa	Latin America, Central America and Caribbean	Asia-Pacific	Middle East/Africa	Europe	Multi-country foreign	French Overseas Departments and Collectivities	Total
AFD Sovereign	16,412	7,546	11,915	7,018	3,247	-	-	46,138
AFD non-sovereign	4,733	5,229	1,284	1,752	1,839	2,011	8,296	25,145
Proparco	1,457	1,322	722	296	805	1,053	-	5,656
Sogefom	-	-	-	-	-	-	284	284
TOTAL GROUP	**22,602**	**14,097**	**13,922**	**9,066**	**5,891**	**3,064**	**8,581**	**77,223**

Breakdown of risks on the AFD group's loans, receivables and commitments by type of counterparty

Loans (in millions of euros)	2025
Local authorities	7,843
Public institutions	44,026
Public financial institutions	8,187
Private financial institutions	5,068
Private non-financial entities	5,816
Public non-financial entities	6,283
TOTAL	**77,223**

The system in place to measure and monitor credit risk is described in Paragraph 6.2.5 “Risk Information”.

The system of operational limits is described in Paragraph 6.2.5.1.

The monitoring of the risks of sovereign counterparties is described in Paragraph 6.2.5.1.

The monitoring of the risks of non-sovereign counterparties is described in Paragraph 6.2.5.1.

Information regarding the methods and principles used for the recognition, appraisal and management of financial instruments, as well as loans to credit institutions and customers, is set out in Sections 6.2.3.2.3 "Financial instruments", 7.2 "Accounting principles and assessment methods" and 7.2.4 "Loans to credit institutions and customer loans".

AFD secures the repayment of its loans to non-sovereign counterparties by taking into account collateral (bank account pledges, receivables pledges, Dailly assignments for French Overseas Departments and Collectivities, joint sureties, first demand guarantees, etc.) and by signing payment mechanism agreements, which organise privileged access to cash generated by the borrower's activity for the benefit of AFD.

Specialist operations lawyers help AFD to structure its financing and, for counterparties based in a foreign country, they consult local lawyers on the legitimacy of the loan agreement and related agreements before the first payment is made.

Bank account pledges are subject to periodic valuation taken into account in provisioning.

Moreover, AFD records exposure guaranteed by the French State on its balance sheet and off-balance sheet.

4.6.2 Credit risk: portfolios under the standardised approach and regulatory weighting

AFD chose the standardised method to calculate the risks used to determine the capital adequacy ratio. The weightings applied depend on the ratings given to countries or entities by external bodies (Moody’s, FITCH and Standard & Poor’s) and to the type of counterparty (third-party asset class). As a significant portion of the non-sovereign counterparties do not have a rating from an external body and are weighted at 100% or 150% for non-performing loans.

The weightings applied by the Group for rated counterparties are as follows:

Weighting used to calculate credit risks

Rating Asset class	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	Lesser than or equal to CCC+	Not rated
Sovereign	0%	20%	50%	100%	100%	150%	100%
Banks	20%	30%	50%	100%	100%	150%	*
Corporates	20%	50%	75%	100%	150%	150%	100%

*	*Level A*	*Level B*	*Level C*
Long-term > 3 months	*30%/40%*	*75%*	*150%*

Thus, in accordance with Article 444, point d) of Regulation (EU) No. 575/2013 (CRR), balance sheet exposures are weighted directly, whilst off-balance-sheet commitments are converted into credit equivalent amounts using a conversion factor (CCF) before risk weights are applied.

In the absence of an eligible external rating, exposures are weighted in accordance with the specific provisions set out in the CRR for each exposure class.

4.6.3 Quantitative credit risk information

TEMPLATE EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

The table provides a comprehensive overview of the credit quality of performing and non-performing exposures, including their cumulative impairment, provisions and negative changes in fair value due to credit risk, and the amount of collateral and financial guarantees received by portfolio and exposure class, in accordance with Article 442, point c) and e), of the CRR, "Disclosure of information on credit risk and dilution risk exposures".

	a	b	c	d	e	f	g	h	i	j	k	l	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				
Data as of 31/12/2025 *(in millions of euros)*	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	On performing exposures	On non-performing exposures
Cash balances at central banks and other demand deposits	**1,743**	**1,743**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**53,744**	**43,812**	**9,030**	**3,872**	**374**	**3,466**	**(524)**	**(149)**	**(375)**	**(1,187)**	**(32)**	**(1,155)**	**6,001**	**16**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	37,027	30,411	6,616	2,891	281	2,590	-	(79)	(182)	(752)	(23)	(729)	5,654	-
Credit institutions	5,211	4,418	485	122	-	119	(55)	(31)	(24)	(72)	-	(72)	277	16
Other financial corporations	4,469	4,297	125	16	-	16	(14)	(7)	(6)	(12)	-	(12)	-	-
Non-financial corporations	7,037	4,686	1,803	842	93	741	(194)	(31)	(163)	(351)	(9)	(342)	70	-
Of which SMEs	894	513	353	127	30	96	(48)	(2)	(46)	(40)	(4)	(36)	-	-
Debt securities	**5,883**	**5,805**	**-**	**12**	**-**	**1**	**(6)**	**(6)**	**-**	**-**	**-**	**-**	**-**	**-**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	926	926	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	2,758	2,681	-	-	-	1	(2)	(2)	-	-	-	-	-	-
Other financial corporations	149	149	-	-	-	1	(1)	(1)	-	-	-	-	-	-
Non-financial corporations	2,050	2,049	-	11	-	-	(3)	(3)	-	-	-	-	-	-
Off-balance -sheet exposures	**18,460**	**17,248**	**1,200**	**1,437**	**86**	**1,336**	**14**	**6**	**9**	**57**	**1**	**56**	**-**	**-**
General governments	12,500	11,515	973	1,249	86	1,153	9	3	6	55	1	54	-	-
Credit institutions	2,107	2,075	32	1	-	28	1	1	-	1	-	1	-	-
Other financial corporations	1,164	1,163	1	1	-	1	-	-	-	-	-	-	-	-
Non-financial corporations	2,690	2,496	194	154	-	154	4	2	2	-	-	-	-	-
TOTAL	**79,830**	**68,608**	**10,230**	**5,321**	**460**	**4,802**	**(544)**	**(160)**	**(384)**	**(1,244)**	**(32)**	**(1,211)**	**6,001**	**16**

Data as of 31/12/2024 *(in millions of euros)*	a	b	c	d	e	f	g	h	i	j	k	l	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				
	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	On performing exposures	On non-performing exposures
Cash balances at central banks and other demand deposits	**2,076**	**2,076**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**52,514**	**42,042**	**9,331**	**2,915**	**303**	**2,595**	**(549)**	**(1,145)**	**(405)**	**(1,170)**	**(23)**	**(1,145)**	**5,500**	**16**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	35,993	29,579	6,414	2,062	263	1,797	(27)	(728)	(193)	(751)	(21)	(728)	5,084	-
Credit institutions	5,262	4,033	708	140	-	135	(68)	(81)	(39)	(81)	-	(81)	372	16
Other financial corporations	4,352	4,177	137	25	3	21	(10)	(17)	(3)	(18)	(1)	(17)	-	-
Non-financial corporations	6,907	4,252	2,071	688	37	641	(195)	(318)	(170)	(320)	(2)	(318)	44	-
Of which SMEs	701	410	245	135	15	120	(20)	(81)	(19)	(82)	(1)	(81)	-	-
Debt securities	**6,242**	**4,578**	**-**	**20**	**-**	**8**	**(16)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Public authorities	495	495	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	3,416	1,947	-	-	-	8	(9)	-	-	-	-	-	-	-
Other financial corporations	333	333	-	-	-	8	(4)	-	-	-	-	-	-	-
Non-financial corporations	1,999	1,804	-	12	-	-	(4)	-	-	-	-	-	-	-
Off-balance -sheet exposures	**19,977**	**18,423**	**1,481**	**880**	**120**	**755**	**(29)**	**(54)**	**(19)**	**(57)**	**(3)**	**(54)**	**-**	**-**
General governments	13,700	12,572	1,070	682	110	572	18	50	12	52	2	50	-	-
Credit institutions	2,400	2,253	131	13	-	22	3	3	2	3	-	3	-	-
Other financial corporations	1,412	1,377	35	13	10	3	2	-	1	-	-	-	-	-
Non-financial corporations	2,465	2,221	244	158	-	158	7	1	4	1	-	1	-	-
TOTAL	**80,810**	**67,119**	**10,811**	**3,815**	**423**	**3,358**	**(594)**	**(170)**	**(425)**	**(1,226)**	**(26)**	**(1,199)**	**5,500**	**16**

TEMPLATE EU CR1-A: MATURITY OF EXPOSURES

The table provides a breakdown of net exposures by residual maturity and exposure class, in accordance with Article 442, point g), of the CRR, "Disclosure of information on credit risk and dilution risk exposures".

Data as of 31/12/2025 *(in millions of euros)*	a	b	c	d	e	f
	Net exposure value					
	On-demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	-	3,499	7,968	62,101	-	73,568
Debt securities	-	806	592	2,538	-	3,936
TOTAL	**-**	**4,305**	**8,560**	**64,639**	**-**	**77,504**

Data as of 31/12/2024 *(in millions of euros)*	a	b	c	d	e	f
	Net exposure value					
	On-demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
Loans and advances	-	3,599	12,013	52,943	-	68,556
Debt securities	-	300	723	409	-	1,433
TOTAL	**-**	**3,900**	**12,737**	**53,353**	**-**	**69,989**

TEMPLATE EU CR10.5: EXPOSURES IN THE FORM OF SHARES SUBJECT TO THE SIMPLE WEIGHTING METHOD

The table sets out equity exposures pursuant to Article 133(3) to (6) and Article 485a(3) of the CRR.

Categories Data as of 31/12/2025 *(in millions of euros)*	On-balance-sheet exposures	Off-balance-sheet exposures	Risk weighting	Exposure value	Risk-weighted exposure amount	Expected loss amount
	a	b	c	d	e	f
Equity capital investment	825	-	[100% - 250%]	825	825	-
Listed equities	126	-	[100% - 250%]	126	175	-
Unlisted equities	957	-	[100% - 250%]	957	1,313	-
TOTAL	**1,908**	**-**	**[100% - 250%]**	**1,908**	**2,312**	**-**

Categories Data as of 31/12/2024 *(in millions of euros)*	On-balance-sheet exposures	Off-balance-sheet exposures	Risk weighting	Exposure value	Risk-weighted exposure amount	Expected loss amount
	a	b	c	d	e	f
Equity capital investment	1,185	-	[100% - 250%]	1,185	1,391	-
Listed equities	134	-	[100% - 250%]	134	156	-
Unlisted equities	734	-	[100% - 250%]	734	893	-
TOTAL	**2,053**	**-**	**[100% - 250%]**	**2,053**	**2,440**	**-**

TEMPLATE EU CQ1: CREDIT QUALITY OF FORBORNE EXPOSURES

The table provides an overview of the quality of forborne exposures, in accordance with Article 442, point c), of the CRR, "Disclosure of information on credit risk and dilution risk exposures".

	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne						
Data as of 31/12/2025 *(in millions of euros)*	Performing forborne	Total	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Total	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	1,120	471	471	385	(50)	(168)	-	-
Central banks	-	-	-	-	-	-	-	-
General governments	745	66	66	66	(7)	-	-	-
Credit institutions	-	12	12	12	-	(11)	-	-
Other financial corporations	-	13	13	13	-	(12)	-	-
Non-financial corporations	375	379	379	293	(43)	(144)	-	-
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	1	7	7	7	-	-		-
TOTAL	**1,121**	**478**	**478**	**392**	**(50)**	**(168)**	**-**	**-**

	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne						
Data as of 31/12/2024 *(in millions of euros)*	Performing forborne	Total	Of which defaulted	Of which impairment	On performing forborne exposures	On non-performing forborne exposures	Total	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	597	358	358	335	(49)	(184)	-	-
Central banks	-	-	-	-	-	-	-	-
General governments	177	-	-	-	(4)	-	-	-
Credit institutions	-	12	12	12	-	(11)	-	-
Other financial corporations	-	18	18	18	-	(16)	-	-
Non-financial corporations	420	328	328	304	(44)	(157)	-	-
Debt Securities	-	-	-	-	-	-	-	-
Loan commitments given	2	8	8	8	-	-	-	-
TOTAL	**599**	**366**	**366**	**343**	**(49)**	**(184)**	**-**	**-**

TEMPLATE EU CQ3: CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
Data as of 31/12/2025 *(in millions of euros)*	Total performing	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total non-performing	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	**1,743**	**1,743**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**53,744**	**53,466**	**278**	**3,872**	**2,919**	**151**	**219**	**172**	**381**	**19**	**10**	**3,872**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	37,027	36,749	278	2,891	2,301	134	160	76	220	-	-	2,891
Credit institutions	5,211	5,211	-	122	70	-	6	16	31	-	-	122
Other financial corporations	4,469	4,469	-	16	3	-	-	10	3	-	-	16
Non-financial corporations	7,037	7,037	-	842	545	16	54	70	127	19	10	842
Of which SMEs	894	894	-	127	99	14	5	-	9	-	-	127
Households	-	-	-	-	-	-	-	-	-	-	-	-
Debt securities	**5,883**	**5,883**	**-**	**12**	**12**	**-**	**-**	**-**	**-**	**-**	**-**	**12**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	926	926	-	-	-	-	-	-	-	-	-	-
Credit institutions	2,758	2,758	-	-	-	-	-	-	-	-	-	-
Other financial corporations	149	149	-	1	1	-	-	-	-	-	-	1
Non-financial corporations	2,050	2,050	-	11	11	-	-	-	-	-	-	11
Off-balance-sheet exposures	**18,460**			**1,437**								**1,437**
Central banks	-			-								-
General governments	12,500			1,249								1,249
Credit institutions	2,107			33								33
Other financial corporations	1,164			1								1
Non-financial corporations	2,690			154								154
TOTAL	**79,830**	**61,092**	**278**	**5,321**	**2,931**	**151**	**219**	**172**	**381**	**19**	**10**	**5,321**

Data as of 31/12/2024 *(in millions of euros)*	a	b	c	d	e	f	g	h	i	j	k	l
	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Total performing	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total non-performing	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Cash balances at central banks and other demand deposits	**2,076**	**2,076**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Loans and advances	**52,514**	**52,445**	**70**	**2,915**	**1,895**	**80**	**31**	**602**	**277**	**21**	**11**	**2,915**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	35,993	35,990	3	2,062	1,320	71	-	494	177	-	-	2,062
Credit institutions	5,262	5,262	-	140	94	-	16	21	8	-	-	140
Other financial corporations	4,352	4,352	-	25	7	-	-	3	15	-	-	25
Non-financial corporations	6,907	6,840	67	688	474	9	14	83	77	21	11	688
Of which SMEs	701	701	-	135	95	-	-	9	31	-	-	135
Households	-	-	-	0	-	-	-	-	-	-	-	0
Debt securities	**6,242**	**6,242**	**-**	**20**	**20**	**-**	**-**	**-**	**-**	**-**	**-**	**20**
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	495	495	-	-	-	-	-	-	-	-	-	-
Credit institutions	3,416	3,416	-	-	-	-	-	-	-	-	-	-
Other financial corporations	333	333	-	8	8	-	-	-	-	-	-	8
Non-financial corporations	1,999	1,999	-	12	12	-	-	-	-	-	-	12
Off-balance-sheet exposures	**19,977**			**880**								**880**
Central banks	-			-								-
General governments	13,700			682								682
Credit institutions	2,400			27								27
Other financial corporations	1,412			13								13
Non-financial corporations	2,465			158								158
TOTAL	**80,810**	**60,763**	**70**	**3,815**	**1,915**	**80**	**31**	**602**	**277**	**21**	**11**	**3,815**

TEMPLATE EU CQ4: QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

	a	b	c	d	e	f	g
	Gross carrying/nominal amount						
		Of which non-performing					
Data as of 31/12/2025 *(in millions of euros)*	Total nominal	Total non-performing	Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On-balance-sheet exposures	**65,254**	**3,884**	**3,884**	**64,254**	**(1,717)**		**-**
AFR - Africa	17,903	2,833	2,833	17,653	(1,092)		-
AML - Latin America	9,644	490	490	9,468	(226)		-
AMN - North America	1,964	1	1	1,964	(1)		-
EUO - Western Europe	9,543	6	6	9,150	(8)		-
OCN - 3 Oceans	10,062	356	356	10,004	(200)		-
ORE - Orients	16,139	197	197	16,016	(191)		-
Off-balance-sheet exposures	**19,897**	**1,437**	**1,437**			**(71)**	
AFR - Africa	9,397	1,334	1,334			(59)	
AML - Latin America	2,477	21	21			(4)	
AMN - North America	360	-	-			-	
EUO - Western Europe	393	1	1			-	
OCN - 3 Oceans	1,371	50	50			(2)	
ORE - Orients	5,899	32	32			(6)	
TOTAL	**85,151**	**5,321**	**5,321**	**64,254**	**(1,717)**	**(71)**	**-**

	a	b	c	d	e	f	g
	Gross carrying/nominal amount						
		Of which non-performing					
Data as of 31/12/2024 *(in millions of euros)*	Total nominal	Total non-performing	Of which defaulted	Of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
On-balance-sheet exposures	**63,768**	**2,935**	**2,935**	**60,940**	**(1,735)**		**-**
AFR - Africa	17,651	1,657	1,657	17,276	(939)		-
AML - Latin America	9,718	565	565	9,424	(221)		-
AMN - North America	1,346	2	2	1,346	-		-
EUO - Western Europe	11,091	13	13	9,223	(10)		-
OCN - 3 Oceans	9,146	306	306	9,010	(177)		-
ORE - Orients	14,816	392	392	14,662	(387)		-
Off-balance-sheet exposures	**20,857**	**880**	**880**			**(86)**	
AFR - Africa	10,178	751	751			(54)	
AML - Latin America	2,206	54	54			(10)	
AMN - North America	327	-	-			-	
EUO - Western Europe	702	1	1			-	
OCN - 3 Oceans	1,308	20	20			(2)	
ORE - Orients	6,136	54	54			(19)	
TOTAL	**84,625**	**3,815**	**3,815**	**60,940**	**(1,735)**	**(86)**	**-**

TEMPLATE EU CQ5: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

The table presents the information referred to in Article 442, points c) and e), of the CRR "Disclosure of information on credit risk and dilution risk exposures". In accordance with Implementing Regulation (EU) No. 2024/3172, the table below (EU CQ5) shows the breakdown of loans and receivables on the balance sheet on the scope of non-financial corporations. It does not take into account all exposures to central governments and central banks, credit institutions and financial corporations.

	a	b	c	d	e	f
	Gross carrying amount					
		Of which non-performing		Of which loans and advances subject to impairment		Accumulated negative changes in fair value due to credit risk on non-performing exposures
Data as of 31/12/2025 *(in millions of euros)*	Total nominal	Total non-performing	Of which defaulted		Accumulated impairment	
Agriculture, forestry and fishing	149	6	6	114	(3)	-
Mining and quarrying	83	48	48	83	(32)	-
Manufacturing	832	47	47	670	(30)	-
Electricity, gas, steam and air conditioning supply	3,056	278	278	2,918	(185)	-
Water supply	761	51	51	760	(43)	-
Construction	163	-	-	163	(4)	-
Wholesale and retail trade	85	-	-	72	(1)	-
Transport and storage	1,144	183	183	1,099	(70)	-
Accommodation and food service activities	119	43	43	119	(28)	-
Information and communication	152	6	6	117	(9)	-
Financial and insurance activities	140	3	3	16	(3)	-
Real estate activities	518	37	37	518	(67)	-
Professional, scientific and technical activities	157	50	50	157	(25)	-
Administrative and support service activities	17	17	17	17	(2)	-
Public administration and defence, compulsory social security	33	-	-	33	-	-
Education	87	23	23	87	(11)	-
Human health services and social work activities	241	49	49	241	(33)	-
Arts, entertainment and recreation	10	-	-	10	-	-
Other services	130	-	-	130	(1)	-
TOTAL	**7,879**	**842**	**842**	**7,323**	**(545)**	**-**

Data as of 31/12/2024 *(in millions of euros)*	a	b	c	d	e	f
	Gross carrying amount					
		Of which non-performing				
	Total nominal	Total non-performing	Of which defaulted	Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
Agriculture, forestry and fishing	166	7	7	121	(4)	-
Mining and quarrying	85	48	48	85	(32)	-
Manufacturing	714	53	53	536	(26)	-
Electricity, gas, steam and air conditioning supply	3,060	247	247	2,858	(189)	-
Water supply	482	53	53	481	(20)	-
Construction	186	-	-	186	(6)	-
Wholesale and retail trade	90	-	-	19	(0)	-
Transport and storage	1,203	94	94	1,146	(68)	-
Accommodation and food service activities	114	50	50	114	(26)	-
Information and communication	174	9	9	139	(10)	-
Financial and insurance activities	58	6	6	58	(6)	-
Real estate activities	553	28	28	553	(58)	-
Professional, scientific and technical activities	122	11	11	122	(11)	-
Administrative and support service activities	20	-	-	20	(1)	-
Public administration and defence, compulsory social security	99	-	-	99	(7)	-
Education	93	32	32	88	(14)	-
Human health services and social work activities	233	50	50	233	(39)	-
Arts, entertainment and recreation	-	-	-	-	-	-
Other services	143	-	-	143	(0)	-
TOTAL	**7,595**	**688**	**688**	**7,001**	**(515)**	**-**

4.6.4 Risks associated with the use of credit risk mitigation techniques

AFD can secure the repayment of its non-sovereign loans by taking real collateral (pledges of bank accounts, pledges of receivables, Dailly assignments relating to overseas operations, for example), personal guarantees (surety, first-demand guarantee, etc.) or by signing payment facility agreements that provide the AFD with preferential access to the cash flow generated by the borrower's operations.

Specialist operations lawyers help AFD to structure its financing and, for counterparties based in a foreign country, they consult local lawyers on the legitimacy of the loan agreement and related agreements before the first payment is made.

Pledges of bank accounts and asset pledges are valued periodically so that they can be taken into account when determining the level of provisions. Guarantors are also subject to an annual review.

TEMPLATE EU CR4 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE AND CRM EFFECTS

The table illustrates the effects of credit risk mitigation techniques on the calculation of capital requirements under the standardised approach for credit risk by exposure class, in accordance with Article 453, points g), h) and i), of the CRR, "Disclosure of information on the use of credit risk mitigation techniques" and Article 444, point e), of the CRR, "Disclosure of information on the use of the standardised approach". The RWA density provides a summary measure of the level of risk of each portfolio.

	Exposure classes Data as of 31/12/2025 *(in millions of euros)*	Exposures before CCF and before CRM		Exposures post CCF and post CRM			
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	Risk weighted assets	Weighted average (%)
		a	b	c	d	e	f
1	Central governments or central banks	29,947	11,886	34,600	7,266	31,526	75%
2	Non-central government public sector entities	8,061	724	6,348	327	2,769	41%
EU 2a	Regional governments or local authorities	7,763	670	6,081	297	2,595	41%
EU 2b	Public sector entities	298	54	267	29	174	59%
3	Multilateral development banks	1,305	159	1,305	159	104	7%
EU 3a	International organisations	-	-	-	-	-	0%
4	Institutions	5,679	556	5,564	311	3,514	60%
5	Covered bonds	247	-	247	-	25	10%
6	Corporates	19,071	5,147	17,113	3,462	17,121	83%
6.1	Of which: Specialised Lending	1,554	31	1,369	29	1,576	113%
7	Subordinated debt exposures and equity	1,253	15	1,253	6	1,729	137%
EU 7a	Subordinated debt exposures	125	15	125	6	196	150%
EU 7b	Equity	1,128	-	1,128	-	1,533	136%
10	Exposures in default	2,743	893	1,874	761	2,824	107%
EU 10b	Collective investment undertakings (CIU)	1,732	-	1,732	-	2,128	123%
12	**TOTAL**	**70,037**	**19,379**	**70,037**	**12,292**	**61,740**	**75%**

	Exposure classes Data as of 31/12/2024 *(in millions of euros)*	Exposures before CCF and before CRM		Exposures post CCF and post CRM			
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	Risk weighted assets	Weighted average (%)
		a	b	c	d	e	f
1	Central governments or central banks	28,664	12,629	33,392	8,485	33,484	80%
2	Non-central government public sector entities	6,886	981	5,710	489	2,734	44%
EU 2a	Regional governments or local authorities	6,565	906	5,390	444	2,564	44%
EU 2b	Public sector entities	321	76	320	45	170	46%
3	Multilateral development banks	1,392	170	481	150	118	19%
EU 3a	International organisations	-	-	-	-	-	0%
4	Institutions	14,412	3,239	13,762	2,265	10,305	64%
5	Covered bonds	254	-	254	-	64	25%
6	Corporates	10,100	2,601	8,961	1,618	9,910	94%
6.1	Of which: Specialised Lending	-	-	-	-	-	-
7	Subordinated debt exposures and equity	959	-	959	-	1,140	119%
EU 7a	Subordinated debt exposures	-	-	-	-	-	-
EU 7b	Equity	959	-	959	-	1,140	119%
10	Exposures in default	1,899	527	1,048	433	1,610	109%
EU 10b	Collective investment undertakings (CIU)	3,591	-	3,591	-	3,300	92%
12	**TOTAL**	**68,157**	**20,147**	**68,157**	**13,439**	**62,665**	**77%**

TEMPLATE EU CR5 – STANDARDISED APPROACH – CREDIT RISK EXPOSURE BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTING

Exposure classes ***Data as at 31/12/2025*** *(in millions of euros)*	**Risk weight**													**Total**	**Of which unrated**
	0%	**4%**	**10%**	**20%**	**30%**	**40%**	**50%**	**75%**	**100%**	**130%**	**150%**	**250%**	**1,250%**		
	a	**c**	**d**	**e**	**f**	**h**	**j**	**m**	**p**	**s**	**t**	**u**	**x**	**z**	**aa**
Central governments or central banks	6,674	133	-	1,141	-	-	6,395	-	26,384	-	1,141	-	-	41,867	3,169
Non-central government public sector entities	2,695	-	-	1,239	-	-	517	-	2,146	-	78	-	-	6,674	5,203
Regional governments or local authorities	*2,688*	-	-	*1,164*	-	-	*391*	-	*2,072*	-	*63*	-	-	*6,378*	*4,909*
Public sector entities	*7*	-	-	*75*	-	-	*126*	-	*73*	-	*15*	-	-	*296*	*293*
Multilateral development banks	943	-	-	521	-	-	-	-	-	-	-	-	-	1,464	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	5	-	71	1,532	2,166	223	139	-	2,577	-	29	-	-	6,741	520
Covered bonds	-	-	247	-	-	-	-	-	-	-	-	-	-	247	69
Corporates	137	-	-	3,746	-	-	735	1,626	12,846	843	643	-	-	20,577	14,357
Of which: Specialised Lending	*76*	-	-	-	-	-	-	-	*479*	*843*	-	-	-	*1,398*	*1,398*
Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	858	-	131	270	-	1,259	1,126
Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	*131*	-	-	*131*	*97*
Equity	-	-	-	-	-	-	-	-	*858*	-	-	*270*	-	*1,128*	*1,029*
Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	2,258	-	378	-	-	2,635	800
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investment undertakings (CIU)	30	1	2	88	11	-	19	24	1 245	-	167	124	22	1,732	1,514
TOTAL	**10,482**	**134**	**319**	**8,267**	**2,177**	**223**	**7,805**	**1,650**	**48,314**	**843**	**2,566**	**394**	**22**	**83,196**	**28,155**

Exposure classes *Data as at 31/12/2024* *(in millions of euros)*	Risk weight													Total	Of which unrated
	0%	4%	10%	20%	30%	40%	50%	75%	100%	130%	150%	250%	1,250%		
	a	c	d	e	f	h	j	m	p	s	t	u	x	z	aa
Central governments or central banks	6,539	-	-	1,017	-	-	6,051	-	24,301	-	3,970	-	-	41,877	3,146
Non-central government public sector entities	2,383	-	-	1,229	-	-	364	-	2,058	-	165	-	-	6,199	-
Regional governments or local authorities	*2,383*	-	-	*970*	-	-	*364*	-	*1,975*	-	*142*	-	-	*5,834*	*4,642*
Public sector entities	-	-	-	*259*	-	-	-	-	*83*	-	*23*	-	-	*365*	*365*
Multilateral development banks	42	-	-	588	-	-	-	-	-	-	-	-	-	631	-
International organisations	-	-	-	-	-		-	-	-	-	-	-	-	-	-
Institutions	25	-	-	6,097	-	-	2,082	-	7,377	-	445	-	-	16,027	9,276
Covered bonds	-	-	113	110	-	-	-	-	31	-	-	-	-	254	68
Corporates	103	-	-	180		-	1,141	-	8,671	-	484	-	-	10,579	8,018
Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	838	-	-	121	-	959	948
Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	*838*	-	-	*121*	-	*959*	*948*
Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	1,221	-	260	-	-	1,480	1,046
Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Collective investment undertakings (CIU)	265	-	-	534	-	-	657	-	1,668	-	192	253	22	3,591	2,115
TOTAL	**9,357**	**-**	**113**	**9,756**			**10,295**	**-**	**46,164**		**5,516**	**374**	**22**	**81,596**	**29,625**

TEMPLATE EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

The table provides information on the degree of use of credit risk mitigation techniques (CRMs) in accordance with Article 453, point f), of the CRR, "Disclosure of information on the use of credit risk mitigation techniques".

Data as of 31/12/2025 *(in millions of euros)*		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	51,632	6,016	-	6,016	-
2	Debt securities	5,889	-	-	-	
3	Total	57,521	6,016	-	6,016	-
4	Of which non-performing exposures	2,712	-	-	16	-
EU-5	Of which defaulted	-	-			

Data as of 31/12/2024 *(in millions of euros)*		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	50,271	5,516	-	5,516	-
2	Debt securities	6,246	-	-	-	-
3	Total	56,517	5,516	-	5,516	-
4	Of which non-performing exposures	1,782	-	-	16	-
EU-5	Of which defaulted	-	-			

4.7 Large exposures

The AFD group's system of operational limits governs the main products not backed by the French State and consolidates the net exposures of AFD, Proparco and Fisea. It is based on three levels of monitoring: regulatory, internal and early warning, with an annual review by the Board of Directors. Monitoring is carried out by the Executive Risk Department, in particular the Group's Risk Monitoring Division (DSR) and Risk Monitoring and Reporting Division (SRG), which monitor the pre-approval limits and submit a quarterly review to the Risk Management Committee.

Exposures exceeding €300M per counterparty or related group must be reported to the regulator. At 31 December 2025, the AFD group was in compliance with the individual large exposure ratio set out by banking regulations, *i.e.* a maximum of 25% of risk-based consolidated equity.

4.8 Counterparty risk

AFD uses derivatives to hedge its interest rate and exchange rate risks. Transactions are restricted to counterparties that sign French (AFB or FBF) or international (ISDA) framework agreements. AFD has negotiated collateral agreements with almost all of its active counterparties; these agreements are triggered without any rating conditions, with an immediate trigger threshold and no deductible. AFD does not carry out credit derivatives transactions.

In accordance with Articles 273 to 275 of CRR, AFD manages its counterparty risk through extensive collateralisation, prudent valuation and robust operational control systems.

Indeed, pursuant to Articles 285 to 295 of CRR, AFD has set up collateral agreements with almost all of its counterparties, with margin calls predominantly on a daily basis. Thus, the collateral exchanged, exclusively in euro cash and with no initial margin, makes it possible to significantly reduce the exposure to counterparty risk. Moreover, positions are regularly reconciled with counterparties.

Furthermore, with regard to Articles 105, 273 and 274 of CRR, AFD carries out a daily valuation of its OTC derivatives according to a DCF methodology based on external market data. In addition, regular controls are carried out to guarantee the reliability and prudence of the valuations.

Furthermore, in accordance with Articles 292 and 293 of CRR, AFD maintains a formalised monitoring process for disputes relating to valuations and collateral. In this respect, materiality thresholds of €15M/$20M and a target resolution period of 15 days are applied. However, the disputes observed remain rare, non-recurring and non-material.

In addition, as provided for in Article 291 of CRR, AFD promptly confirms transactions and reconciles portfolios on a daily basis. A structured deviation management process ensures effective resolution of anomalies.

Finally, in line with the provisions of Articles 306 to 311 of CRR, AFD uses central clearing via segregated accounts opened with a clearing house, thus contributing to a further reduction in counterparty risk.

TEMPLATE EU CCR1 – ANALYSIS OF CCR EXPOSURE BY APPROACH

The table provides a comprehensive overview of the methods used to calculate the regulatory requirements applicable to counterparty risk, as well as the main parameters used for each method, in accordance with Article 439, points f), g) and k), of the CRR, "Disclosure of counterparty credit risk exposure disclosures". The table excludes capital requirements for CVA (credit valuation adjustment) risk (Part Three, Title VI of the CRR) and exposures to a central counterparty (Part Three, Title II, Chapter 6, Section 9 of the CRR) as defined for the purposes of the EU CCR8 table.

		a	b	c	d	e	f	g	h
Data as of 31/12/2025 *(in millions of euros)*		**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWA**
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	40	191		1.4	327	327	327	97
2	IMM (for derivatives and SFTs)			-	2	-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**TOTAL**					**327**	**327**	**327**	**97**

		a	b	c	d	e	f	g	h
Data as of 31/12/2024 *(in millions of euros)*		**Replacement cost (RC)**	**Potential future exposure (PFE)**	**EEPE**	**Alpha used for computing regulatory exposure value**	**Exposure value pre-CRM**	**Exposure value post-CRM**	**Exposure value**	**RWEA**
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	89	166		1.4	360	360	360	178
2	IMM (for derivatives and SFTs)			-	2	-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**TOTAL**					**360**	**360**	**360**	**178**

TEMPLATE EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS

Exposure classes Data as at 31/12/2025 *(in millions of euros)*		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	325	3	-	-	-	-	538	866
7	Corporates	-	-	-	-	-	-	-	-	1	-	-	1
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**TOTAL EXPOSURE VALUE**	**-**	**-**	**-**	**-**	**325**	**3**	**-**	**-**	**1**	**-**	**538**	**867**

Exposure classes Data as at 31/12/2024 *(in millions of euros)*		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	601	351	-	-	-	-	-	952
7	Corporates	-	-	-	-	-	-	-	-	2	-	-	2
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**TOTAL EXPOSURE VALUE**	**-**	**-**	**-**	**-**	**601**	**351**	**-**	**-**	**2**	**-**	**-**	**953**

TEMPLATE EU CCR5 – COMPOSITION OF COLLATERAL FOR CCR EXPOSURES

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of collateral provided		Fair value of collateral received		Fair value of collateral provided	
	Collateral type **Data as at 31/12/2025** *(in millions of euros)*	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation
1	Cash – national currency	-	401	-	1,819	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	National sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	General government debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**TOTAL**	**-**	**401**	**-**	**1,819**	**-**	**-**	**-**	**-**

		a	b	c	d	e	f	g	h
		Collateral used in derivatives transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of collateral provided		Fair value of collateral received		Fair value of collateral provided	
	Collateral type **Data as at 31/12/2024** *(in millions of euros)*	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation	Subject to segregation	Not subject to segregation
1	Cash – national currency	-	467	-	1,467	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	National sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	General government debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**TOTAL**	**-**	**467**	**-**	**1,467**	**-**	**-**	**-**	**-**

TEMPLATE EU CCR8 – EXPOSURES TO CCPS

The table provides an overview of exposures to central counterparties, in accordance with Article 439, point i), of the CRR, "Disclosure of information on counterparty credit risk exposures".

		31/12/2025		31/12/2024	
		a	b	a	b
In millions of euros		Exposure value	RWA	Exposure value	RWA
1	**Exposures to QCCPs (total)**		**108**		**119**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	234	47	251	50
3	*i) OTC derivatives*	*234*	*47*	*251*	*50*
4	*ii) Exchange-traded derivatives*	-	-	-	-
5	*iii) SFTs*	-	-	-	-
6	*iv) Netting sets where cross-product netting has been approved*	-	-	-	-
7	Segregated initial margin	-		-	
8	Non-segregated initial margin	306	61	343	69
9	Prefunded default fund contributions	-	-	-	-
10	Unfunded default fund contributions	-	-	-	-
11	**Exposures to non-QCCPs (total)**		**-**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13	i) OTC derivatives	-	-	-	-
14	ii) Exchange-traded derivatives	-	-	-	-
15	iii) SFTs	-	-	-	-
16	iv) Netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-		-	
18	Non-segregated initial margin	-	-	-	-
19	Prefunded default fund contributions	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-

4.9 Information on securitisation positions

TEMPLATE EU-SEC1 - SECURITISATION EXPOSURES IN THE NON-TRADING BOOK

		l	m	n	o
		Institution acting as investor			
		Traditional		Synthetic	Sub-total
Data as at 31 December 2025 *(in millions of euros)*		STS	Non-STS		
1	**TOTAL EXPOSURES**	**-**	**221**	**-**	**221**
2	Retail (total)	-	-	-	-
3	Residential mortgage	-	-	-	-
4	Credit cards	-	-	-	-
5	Other retail exposures	-	-	-	-
6	Re-securitisation	-	-	-	-
7	Wholesale (total)	-	-	-	-
8	Loans to corporates	-	221	-	221
9	Commercial mortgage	-	-	-	-
10	Leases and receivables	-	-	-	-
11	Other wholesale	-	-	-	-
12	Re-securitisation	-	-	-	-

The Group does not act as an originator or a sponsor.

		l	m	n	o
		Institution acting as investor			
		Traditional		Synthetic	Total
Data as at 31 December 2024 *(in millions of euros)*		STS	Non-STS		
1	**TOTAL EXPOSURES**		**191**	**-**	**191**
2	Retail (total)	-	-	-	-
3	Residential mortgage	-	-	-	-
4	Credit cards	-	-	-	-
5	Other retail exposures	-	-	-	-
6	Re-securitisation	-	-	-	-
7	Wholesale (total)	-	-	-	-
8	Loans to corporates	-	191	-	191
9	Commercial mortgage	-	-	-	-
10	Leases and receivables	-	-	-	-
11	Other wholesale	-	-	-	-
12	Re-securitisation	-	-	-	-

The Group does not act as an originator or a sponsor.

The policy set out here applies solely to Proparco in its capacity as an investor in securitisation transactions, and not as an originator or sponsor. Under the relevant European framework, securitisation is a transaction or mechanism whereby the credit risk associated with an exposure or a portfolio of exposures is divided into tranches, with payments depending on the performance of the underlying assets and the subordination of the tranches determining the allocation of losses over the life of the transaction. An investor, for their part, is a natural or legal person who holds a securitisation position. In this context, Proparco therefore acts as an exposure holder within a securitisation structure, without itself transferring the risk as an originator.

This policy focuses primarily on investments in structured funds (senior, mezzanine, junior), which are increasingly used in development finance, notably in blended finance. These transactions enable Proparco to play a role in mobilising private capital, either by investing in subordinated tranches to improve the risk/return profile of the senior tranches, or by investing in the senior tranche as an anchor investor to attract other investors.

These investments also enable Proparco to gain access to high-impact assets that it would find difficult to finance directly, for example through smaller counterparties or in sectors that are still under-served. They are therefore of strategic, financial and prudential interest, as they combine considerations of risk, return, capital consumption and impact.

From a regulatory perspective, Proparco applies the European framework set out in the CRR and Regulation (EU) 2017/2402. Pursuant to Article 254 of the CRR, the calculation of capital requirements applicable to securitisation positions is based, notably, on the SEC-SA approach where required by the prudential framework. Before making any investment, Proparco must carry out a thorough due diligence review of the quality of the underlying assets, the fund's investment criteria and the structure of the transaction. Throughout the life of the investment, it must continuously monitor risks, establish written procedures, inform Executive Management of significant risks, and be able to demonstrate to the ACPR that it has a sound understanding of and control over risk.

Moreover, the AFD group may occasionally be exposed to transactions whose structure incorporates different levels of subordination and remuneration. The criteria for classification under securitisation are then sought.

Transparency

The risk exposure of the securitisation tranches is intrinsically linked to that of the underlying assets. The Group monitors changes in the quality of the underlying assets throughout the life of the programme concerned.

Weighting

To determine the weighting applicable to the securitisation position, the standardised approach (SEC-SA) is used by taking into account the capital charge of the underlying portfolio and the proportion of defaulted assets in this portfolio.

Supervision

Securitisation transactions are subject to the approval of the credit committees. Exposures are monitored to ensure they do not exceed the limits set.

TEMPLATE EU-SEC4 - SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS - INSTITUTION ACTING AS INVESTOR

The table provides a breakdown of exposures in accordance with Article 449, point k) ii), of the CRR, "Disclosure of information on exposures to securitisation positions". The Group only uses the standardised approach (SEC-SA) to calculate capital requirements for securitisation exposures; it does not use either the external ratings-based approach (SEC-ERBA) or the internal ratings-based approach (SEC-IRBA), and does not engage in any synthetic securitisation transactions.

	a	b	c	d	e	h	i	l	m	EU-p	EU-q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)		RWEA (by regulatory approach)		Capital charge after cap	
Data as of 31/12/2025 *(in millions of euros)*	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1,250% RW	1,250% RW/ deductions	SEC-SA	1,250% RW/ deductions	SEC-SA	1,250% RW/ deductions	SEC-SA	1,250% RW/ deductions
Total exposures	**35**	**56**	**17**	**82**	**31**	**190**	**31**	**337**	**391**	**27**	**31**
Traditional securitisation	**35**	**56**	**17**	**82**	**31**	**190**	**31**	**337**	**391**	**27**	**31**
Securitisation	35	56	17	82	31	190	31	337	391	27	31
Retail underlying	-	-	-	-	-	-	-	-			
Of which STS	-	-	-	-	-	-	-	-			
Wholesale	-	-	-	-	-	-	-	-			
Of which STS	-	-	-	-	-	-	-	-			
Re-securitisation	-	-	-	-	-	-	-	-			
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			
Securitisation	-	-	-	-	-	-	-	-			
Retail underlying	-	-	-	-	-	-	-	-			
Wholesale	-	-	-	-	-	-	-	-			
Re-securitisation	-	-	-	-	-	-	-	-			

	a	b	c	d	e	h	i	l	m	EU-p	EU-q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)		RWEA (by regulatory approach)		Capital charge after cap	
Data as of 31/12/2024 *(in millions of euros)*	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1,250% RW	1,250% RW/ deductions	SEC-SA	1,250% RW/ deductions	SEC-SA	1,250% RW/ deductions	SEC-SA	1,250% RW/ deductions
Total exposures	**22**	**65**	**-**	**88**	**15**	**175**	**15**	**419**	**192**	**33**	**15**
Traditional securitisation	**22**	**65**	**-**	**88**	**15**	**175**	**15**	**419**	**192**	**33**	**15**
Securitisation	22	65	-	88	15	175	15	419	192	33	15
Retail underlying	-	-	-	-	-	-	-	-	-	-	-
Of which STS	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-
Of which STS	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-
Synthetic securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Securitisation	-	-	-	-	-	-	-	-	-	-	-
Retail underlying	-	-	-	-	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-	-	-	-	-
Re-securitisation	-	-	-	-	-	-	-	-	-	-	-

4.10 Liquidity, interest rate, market and foreign exchange risks

Balance sheet management covers the management of liquidity, interest-rate and foreign exchange risks as well as counterparty risk management for financial activities. AFD is responsible for financing the operations of its main subsidiaries and holds most of the Group's balance sheet management risks on its balance sheet. The teams of the Finance Department ensure the due management of these risks and the "Market Risk and Balance Sheet Management" team within the Risk Monitoring Division oversees these risks and updates the system of limits and the risk appetite framework.

The key components of AFD's financial and balance sheet management strategy are submitted to the Board of Directors every year for approval. These guidelines can be summarised as follows:

- limiting exposure to liquidity risk;
- ensuring sustainable and steady interest revenue streams for AFD;
- limiting exposure to foreign exchange risk to the minimum necessary for temporary operational needs;
- limiting counterparty risk exposure from financial activities by carrying out market and investment operations with only the counterparties that have the highest credit ratings.

Limits and management criteria are set based on guidance from AFD's Board of Directors.

4.10.1 Liquidity risk (audited)

The AFD group's liquidity risk could materialise through:

- the Group's inability to finance the development of its assets (disbursements) and to repay the commitments made at the time when such financing or repayments arise;
- a temporary inability to raise capital at a reasonable cost.

The measures put in place by AFD to protect itself against refinancing risks (notably the liquidity management indicators included in the limit system but also in the risk appetite framework) mean that these risks are limited to situations of lasting systemic crisis.

AFD seeks to preserve its liquidity so that it can intervene as a countercyclical lessor in difficult financial market contexts.

Since 2017, following its change of status to a financing company, AFD is no longer subject to the leverage ratio or the prudential liquidity ratios provided for by the CRR/CRD framework.

The liquidity ratios concerned are:

- Liquidity Coverage Ratio (LCR);
- Net Stable Funding Ratio (NSFR).

However, it remains vigilant in managing its liquidity through an internal management system tailored to the nature and complexity of its activities.

4.10.1.1 Liquidity risk governance and framework

Liquidity risk is managed as part of balance sheet management and the Risk Appetite Framework (RAF). It falls under Pillar 2 and is part of the ILAAP, ICAAP and the Preventive Recovery Plan (PRP) plans. The ILAAP is reviewed annually and the results are presented to the Board of Directors.

Liquidity risk monitoring is based on a set of regulatory and internal indicators:

- Regulatory indicators:
  - COEF_LIQ (ratio of available liquidity to one-month liabilities), reported to the regulator; as at 31 December 2025: 206.55% (AFD) against a minimum requirement of 100%,
  - INFO_LIQ (seven-day forecast balance of receipts and payments), reported to the supervisor;

AFD carries out liquidity stress tests according to three scenarios: idiosyncratic, systemic and combined, reviewed at least annually. The contingency mechanism is based on an Emergency Funding Plan (EFP) and the PRP, defining trigger thresholds and graduated measures (short/medium/long-term issuance and/or mobilisation of the liquidity buffer). The EFP was not triggered in 2025.

4.10.2 Interest rate risk

4.10.2.1 Management of structural interest rate risk (audited)

Interest rate risk in the banking book (IRRBB) refers to the current or future risk to the AFD group's equity and income arising from adverse movements in interest rates affecting positions in the banking book.

The AFD group does not have a trading book and does not engage in speculative transactions. Its exposure to interest rate risk relates exclusively to the banking book.

For information purposes, the Economic Value of Equity (EVE) sensitivity is calculated quarterly according to six regulatory scenarios, compared to a central scenario:

- parallel increase in interest rates (+200 basis points);
- parallel decrease in interest rates (-200 basis points);
- rise in short-term interest rates;
- fall in short-term interest rates;
- steepening of the yield curve;
- flattening of the yield curve.

The sensitivity of revenues, measured through net interest income (NII), is also calculated quarterly according to two parallel shock scenarios (+200 and -200 basis points).

The Group has no trading book and no portfolio of so-called speculative transactions. Its exposure to interest rate risk is therefore solely linked to its lending activities and falls within the "banking book". Interest rate risk in the banking book refers to current or future risk to which the AFD group's equity or profits are exposed owing to adverse fluctuations in interest rates which influence the positions of the institution's banking book.

AFD oversees the management of balance sheet risks (liquidity, interest rates and foreign exchange) in accordance with the applicable prudential standards (CRD/CRR and local ACPR variations) and in the framework of the RAF.

The Board of Directors sets the limits annually, approves the internal control system and instructs the Executive Management to establish the management tools. Balance sheet management is steered by the Executive Finance Department, through COGAP (ALM decisions), with operational implementation by the treasury/refinancing/hedging teams and second-level control ensured by risk monitoring (validation of models and control of limits).

In terms of global interest rate risk (IRRBB), AFD operates exclusively on a hedging basis (with no speculative activity), through micro and macro-hedging, the natural offsetting of certain fixed-rate positions, and the use of market instruments (swaps, cross-currency swaps; caps/swaptions where appropriate). Monitoring is based on regulatory and internal indicators, which are reported at least quarterly.

TEMPLATE EU IRRBB1 - INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES

The table assesses the interest rate risk of non-trading book activities using the internal risk measurement system method, the standard method, or the simplified standard method, as appropriate, in accordance with Article 84 of Directive 2013/36/EU, taking into account the shock scenarios applied for supervisory purposes and the common modelling assumptions and parametric assumptions referred to in Article 98, paragraph 5 *bis*, of said Directive. The instructions were drafted on the basis of the requirements of Article 448 of the CRR "Disclosure of information on exposures to interest rate risk for positions not held in the trading book".

		31/12/2025			
		a	b	c	d
Supervisory shock scenarios *(in millions of euros)*		Changes of the economic value of equity		Changes of the net interest income	
		Current period	Last period	Current period	Last period
1	Parallel up	(901)	(1,006)	(51)	(35)
2	Parallel down	672	797	40	27
3	Steepener	(266)	(317)	-	-
4	Flattener	94	135	-	-
5	Short rates up	(136)	(111)	-	-
6	Short rates down	105	117	-	-

4.10.3 Market and foreign exchange risk

4.10.3.1 Market risk (audited)

The AFD group's market counterparty risk is the risk of default by counterparties involved in derivatives transactions as well as in cash investments and capital investment portfolios.

This risk is divided into three main categories:

- the risk on the operational cash portfolio;
- medium-term liquidity risk on investment portfolios;
- interest rate and currency hedging portfolio risk.

To manage its liquidity requirements, the Group holds a cash portfolio comprising deposits and liquid financial securities. The outstandings in this portfolio increased to support the growth in the Group's loan activity and undisbursed balance, as well as to meet internal liquidity management requirements.

The market risk monitoring system is based on a first line led by the Executive Finance Department and a second independent line within the Risk Monitoring Division (DSR). It is based on limits relating to counterparties, foreign exchange, asset quality, diversification and liquidity, which are reviewed annually by the Board of Directors.

In addition to credit risks (counterparty risks) and operational risks, market risks must also be capitalised through equity in accordance with the CRR (Regulation No. 575/2013). Market risks include the foreign exchange and commodity risks of an institution as well as position risks (interest rate risks and equity risks) in the trading book.

AFD does not have a speculative operations portfolio. However, it recognises in accounting trading hedging instruments that cannot be accounted for using fair value hedge accounting and hedging instruments with a deferred start and/or that have been stripped of their hedging function.

For the Group, market risk therefore corresponds solely to exposures related to the risk of losses arising from changes in market prices, including exchange rates or commodity prices.

Capital requirements for market risk positions, in accordance with the CRR, are currently based on the standardised approach specified by the supervisory authority (Art. 326-361 CRR).

4.10.3.2 Foreign exchange risk (audited)

AFD does not hold any speculative portfolios and, in view of its positions, is not subject to a significant capital requirement in respect of market risk. Its market operations are primarily aimed at achieving three objectives: managing its liquidity, securing its refinancing, and hedging the interest rate and foreign exchange risks associated with its business. Derivatives are therefore used exclusively for hedging purposes, whether for micro-hedging or, since 2022, macro-hedging on a portion of fixed-rate euro-denominated loans.

The AFD group defines foreign exchange risk as the current or future risk to which its equity and profits are exposed as a result of adverse movements in exchange rates.

For the AFD group, foreign exchange risk has two complementary dimensions:

- a market view, corresponding to the change in the value of financial instruments caused by exchange rate fluctuations;
- an ALM overview, linked to the existence of unhedged structural foreign exchange positions resulting from changes in foreign currency flows.

Exposure to this risk can increase occasionally due to internal events, such as the disbursement of small amounts of currency that are not hedged, but above all to external events, such as arrears, counterparties defaulting on a loan in a local currency or the receipt of share dividends in local currency.

In order to limit the volatility of its results arising from fluctuations in foreign exchange markets, the Group applies a policy of systematic micro-hedging of cash outflows whenever a suitable hedging instrument is available. In the event of unwanted exposure to foreign exchange risk, the Group endeavours to close the corresponding positions as soon as possible.

The internal foreign exchange limits are:

- internal limit by currency – 1.5% of regulatory capital;
- internal limit for all currencies – 3% of regulatory capital;
- alert limit for all currencies – 2.5% of regulatory capital.

4.10.3.3 Risk on equities and other financial instruments

The methods for valuing and recording equity investments held by the Group are presented in Paragraph 6.2.3.2 of the financial statements and in the following notes thereto: Note 1 "*Financial assets and liabilities at fair value through profit or loss*" and Note 3 "*Financial assets at fair value through equity*" (Paragraph 6.2.4.1). The accounting standards for equity-accounted equity investments are outlined in Paragraph 6.2.3.1.2 "*Accounting principles and methods*".

The amount of capital gains (losses) realised on disposals and liquidations during the period under review is presented in Notes 15 and 16 to the consolidated financial statements (Paragraph 6.2.4.2).

Realised gains and losses are recorded as gains or losses on assets at fair value through profit and loss (Note 15) or at fair value through other comprehensive income (Note 16).

4.10.4 Quantitative information on market risk

As at 31 December 2025, the sum of the Group's overall net foreign currency position, calculated in accordance with the CRR, remained under 2% of total equity. The Group therefore falls below the de minimis threshold set out in Article 351 of the CRR and is consequently not subject to any capital requirement in respect of foreign exchange risk.

TEMPLATE EU MR1 - MARKET RISK UNDER THE STANDARDISED APPROACH

The table publishes the information referred to in Article 445 of the CRR "Disclosure of information on market risk exposures under the standardised approach".

		31/12/2025	31/12/2024
		a	a
In millions of euros		RWEAs	RWEAs
	Outright products		
1	Interest rate risk (general and specific)	-	-
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	178	320
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus approach	-	-
7	Scenario approach	-	-
8	**Securitisation (specific risk)**	-	-
9	**TOTAL**	**178**	**320**

TEMPLATE EU MR3 - MARKET RISK UNDER THE SIMPLIFIED STANDARDISED APPROACH (SSA)

The table discloses the information referred to in Article 445 of the CRR, under the Simplified Standardised Approach (SSA).

		31/12/2025				31/12/2024			
		a	b	c	d	a	b	c	d
		Own Funds Requirements				Own Funds Requirements			
		Outright products	Options			Outright products	Options		
In millions of euros			Simplified approach	Delta-plus approach	Scenario approach		Simplified approach	Delta-plus approach	Scenario approach
1	Interest rate risk (general and specific)	-	-	-	-	-	-	-	-
2	Equity risk (general and specific)	-	-	-	-	-	-	-	-
3	Commodity risk	-	-	-	-	-	-	-	-
4	Foreign exchange risk	14	-	-	-	26	-	-	-
5	Securitisation (specific risk)					-			
6	**TOTAL OFR SSA**	**14**	**-**	**-**	**-**	**26**	**-**	**-**	**-**

4.11 Operational risk

4.11.1 Scope and definition of operational risk

It should be noted that operational risk is the risk of losses (direct or indirect) arising from the inadequacy or failure of processes, staff, internal systems or external events (Basel II Committee).

According to Basel regulations, operational risk covers seven families:

1. internal fraud;
2. external fraud;
3. employment practices and workplace safety;
4. customers, products and business practices;
5. damage to physical assets;
6. business disruption and system failures;
7. execution, delivery and process management.

4.11.2 Governance and organisation of the system

The AFD group's operational risk monitoring and management system relies on all employees, managers, operational risk and compliance officers, as well as on the Permanent Control Function, which constitutes the second line of defence. Managers ensure continuous monitoring within their own departments, whilst the Permanent Control Function oversees the system at Group level, utilising tools for risk mapping, incident tracking, monitoring and action plans.

Permanent control provides regular reports to the Group Risk Management Committee and Internal Control Committee .

4.11.3 Management framework and steering tools

This framework is underpinned by several key tools: an operational risk map, an incident database, a Group control plan, a risk management plan, and the ISIMAN tool, which is used to report and track incidents, document control results, monitor action plans and update the risk map. Since 2024, the Verso tool has complemented this system for scheduling and monitoring payments, with a selection of cases based on a risk-based approach.

Operational risk management at the AFD group (identifying and evaluating risks, rating risk management data, reporting, procedure for declaring operational incidents) is described in detail in Paragraph 4.2 “Internal control and risk monitoring”.

The measurement and management of operational risk is incorporated in the permanent control system.

The framework is formalised through a comprehensive set of procedural frameworks, including charters, policies, procedures, operating methods and methodologies shared at Group level. In 2024, this framework was strengthened by formalising methodologies for monitoring control plans and master control plans, as well as by updating the procedures relating to payments as part of the simplification work undertaken by Executive Management.

4.11.4 Operational risk mapping and measurement

At the same time, the Permanent Control Function provided support for the update of the mapping in 34 Group structures. During the 2025 financial year, five consolidated risk maps were produced, including the operational risk map, which serves as the primary tool for measuring and monitoring risks.

The operational risk map is based on the seven Basel categories and relies on a common reference framework, the Operational Risk Glossary. It assesses gross and net risks, according to their probability, potential impact and the control systems in place. Group-wide consolidation shows an average risk level of 7.99 gross and 4.39 net, which generally reflects the mitigating effect of the control and management systems implemented.

4.11.5 Main categories of operational risks

4.11.5.1 Reputational risk (audited)

Reputational risk is understood as the risk arising from a negative perception (whether justified or not) on the part of AFD’s counterparties, its shareholders, its stakeholders, its investors or the regulator, which may adversely affect its income, its operations and its ability to maintain or establish business relationships, the continuity of its access to sources of funding, or lead to litigation or other costly legal proceedings.

This reputational risk should be reflected in the accountability expected of AFD in its financing actions from its stakeholders (customers, the French State, citizens) insofar as AFD is the operator of a public policy, that of development aid for France. It is therefore incumbent upon it to assure its stakeholders that the debt and grant financing it approves meet the objectives and purpose assigned to it. Otherwise, AFD incurs a reputational risk.

For the AFD group – as for all players in the development sector – reputational risk is among the major risks that could have a significant impact on activities and the economic and financial model. Reputational risk is particularly high for three reasons: first, the purpose of the Group’s financing is often to respond to environmental and social issues in the countries where we operate. These sectors, which affect the most vulnerable populations and areas, are closely monitored by civil society organisations. Finally, the geographical scope of the Group’s operations exposes it to certain countries where the business environment is impaired, particularly in terms of corruption and financial security (see below, 4.1.2.2). Finally, owing to its public interest remit as set out in its bylaws and agreements with institutions signed in countries where it operates, the AFD group has a duty of accountability and to lead by example in implementing the best practices in financing development assistance.

Also, the following are likely to entail a reputational risk for AFD:

- failure to ensure that its customers comply (or that AFD itself complies) with the environmental and social commitments that condition the aid that AFD approves, a point of special attention in civil society with whom AFD has entered into a strategic dialogue;
- the fact that the aid is embezzled for personal enrichment within the customer (fraud, corruption, money laundering) or is simply diverted from its contractual allocation point (non-compliance with the purpose of the financing) or that the aid ultimately ends up in the hands of terrorists or people placed under financial sanctions by the international community or France, with regard to the regions where the AFD group operates;
- failure to comply with the commitments made in terms of accountability to AFD's stakeholders and the exemplary nature of the actions that guide it.

A reputational attack on its business would have a major impact that would damage the credibility of the AFD group as an operator, reduce the funding allocated to it and reduce demand among our partners and customers through the loss of trust that would follow.

In addition to quality and risk management requirements, at the heart of the procedure for processing and monitoring loans and grants awarded, the Board of Directors which includes, in particular, qualified independent experts or representatives from civil society, is an additional bulwark in the event of a failure to identify or measure a risk of this nature.

4.11.5.2 Risks related to the information system and cybersecurity (audited)

As is the case of all financial institutions, AFD's exposure to the risk of data breaches, cyber-crimes or IT failures has increased in recent years due to a combination of a number of factors: the increasing use of "cloud" solutions; the use of numerous technical assistance service providers to support AFD's growth and associated IS needs; the growing number of cyberattacks, whose operating methods are increasingly sophisticated; and lastly, the AFD group's desire to become a "digital lessor". The digital transition has indeed been identified as one of the six major transitions introduced as part of the Strategic Orientation Plan for 2018-2022 and changes made since, particularly the mass introduction of paperless documents and processes, as well as the generalisation of telework, have increased the Group's reliance on IT resources.

The Group cannot completely eliminate risks of the malfunction or outage of its systems, failure of its IT providers or malicious acts on the part of its own employees or third parties (particularly the risk of leaks of confidential data in the event of piracy and the risk of destruction of data centre software). Although, to date, AFD has never been the victim of a cyberattack on this scale, were these risks to materialise, they would have significant impacts on the Group's activity, its reputation (in the case of a leak of confidential or personal data for example), on its ability to respond to certain regulatory requirements and engender non-negligible financial losses (in the event of a misuse of AFD funds for example, or an IT failure exposing AFD to a fine).

In addition to the consequences of the risk of a cyberattack, the AFD group is beginning a major overhaul of a significant part of its IT system, with a dual objective of making efficiency savings and developing functionality tailored to future regulatory requirements and expansion. The IT Strategic Orientation Plan No. 4 (POSI IV) validated in July 2021 describes this transformation phase and the associated objectives for the coming years, concerning notably the Finance and Risk activities (Fabrik programme launched in 2020), the Operations activities, the opening of IS to the outside world (PSN Project), and a vast programme to improve IS security (Securis).

Like any transformation phase, it carries risks, notably in terms of compliance with budgets and deadlines for the delivery of new tools and/or changes to the tools in place. POSI IV has thus redefined a global governance for information systems, put in place at the end of 2021, with a stronger management, capable of addressing the underlying issues, involving the Executive Committee through the creation of an IS Advisory Executive Committee, the half-yearly definition and review of business line trajectories, changes in the composition and role of the IS Investment Committee (Cosi), and coordination with the governance of dedicated programmes, modelled on the Fabrik Finances and Risk programme (a dedicated programme team, a dedicated Steering Committee under the chairmanship of Executive Management, and the provision of full-time teams).

The Group's operational risk mapping identifies three main categories of risks related to the information system.

The risk of IS obsolescence or inadequacy concerns certain critical applications and data management, with projects underway to remedy this.

The risk of unavailability or malfunction of the tools relates to applications, infrastructures and networks, which are subject to continuous improvement.

The risk of cyberattacks and external intrusion includes breaches of the confidentiality, integrity and availability of data, handled *via* reinforced security systems.

These risks are monitored within the framework of the ISMS, in accordance with the ISO 27001 standard.

4.11.6 Information systems security and business continuity

4.11.6.1 Information systems security (audited)

The SEC Department is responsible for coordinating matters relating to IT risks, including IS security and IT business continuity. To this end, the head of the department is supported by the AFD group's head of IT system security (RSSI). The assessment of these risks is carried out in collaboration with the Information Technologies Department (DSI) and the Operational Risk and Permanent Control Department (ROC).

An analysis of ITC (information and communication technologies) risks is carried out at least once a year under the IS risk governance system. Security risks are extracted from it and processed under the IT security management system (SMSI), in compliance with ISO 27001. The SMSI provides a framework for addressing AFD's IT-related risks, from appraisal of the risks to implementing remedial measures and ongoing IT system security checks. After the annual risk analysis, AFD's operational risk map and the ISS triennial security project plan are updated. In 2022, AFD decided to organise its ISS evolution trajectory in the form of a five-year ISS master plan to be managed in programme mode. This programme, called Securis, jointly carried out by the SEC and DSI Departments, began in December 2022.

The information system security policy (ISSP), which is compliant with ISO 27001 and ISO 27002, defines the 20 security rules needed to protect AFD's information systems. The application of each rule is stipulated by a set of internal security standards and procedures, in compliance with best practices in the field.

This ISSP is accompanied by an IT user charter which has been enforceable for all users since it was included in the rules and regulations.

Measures to raise awareness of ISS, in the form of regular talks and digital training, ensure that all Group users are familiar with the main rules for use.

In accordance with the ISSP, each substantial change in the information system on its business components or infrastructure is subject to a risk analysis. This approach allows for protection measures to come into effect in line with security requirements during the design and active use stages of a given system. The most sensitive information systems regularly undergo a security approval certification procedure.

The management of security incidents is overseen by a specific ISS incident management policy that sets management rules for a security incident. This makes it possible to coordinate (i) the procedure for managing IT incidents (to ITIL standards), (ii) the "user" incident alert system run by the DSI and (iii) the Security Department (SEC). The DSI coordinates and operates all security incident handling actions with the support of the SEC department and the RSSI.

In March 2025, the AFD suffered a cyberattack in which a zero-day vulnerability was exploited to compromise a VPN (Virtual Private Network) device, and in October, it suffered another cyberattack in the form of a distributed denial-of-service (DDoS) attack targeting its extranet devices. The crisis mechanism was triggered in these two cases. These attacks did not penetrate or compromise the AFD's internal network; they caused only minor disruptions for remote users due to the repair and reinstallation of hardware.

4.11.6.2 Emergency and business continuity plan (audited)

The AFD group has a Business Continuity Plan (BCP) intended to cover all of the AFD group's business lines and activities, including its Proparco and Sogefom subsidiaries. This plan is intended to ensure the continuation of the Group's business in the aftermath of a disaster of low likelihood but with critical impact.

Feedback from the Covid-19 health crisis showed that teleworking was appropriate and effective in several of the scenarios of the emergency and business continuity plan (BCP). While, on the one hand, teleworking methods have become standardised and perfected, on the other hand, the long-term effects, including in terms of Quality of Working Life (QWL) and psychosocial risks, have not yet all been identified and identifiable. Moreover, while the drastic reduction in assignments did not prevent the implementation of the business plan over these past few years, it could have a medium-term effect on the origination of new operations; lastly, the all-digital world towards which we are being thrown by the events impacting business continuity makes us all the more vulnerable to cyberattacks, new frauds using information system vulnerabilities, and of course the risk of digital blackouts.

Business continuity could also be severely hampered by the occurrence of a 100-year flood in Paris; it is characterised by slow floods (10 to 15 days of floods, or even more before the water level drops) of which the biggest was in 1910 (+8.62 metres). AFD is exposed to this risk since its registered office, made up of a number of buildings, is located in Paris, not far from the Seine. The AFD buildings, which have several floors and basements, are less than 400 m from the bed of the Seine, and are located in an area where, according to the City of Paris Flood Risk Prevention Plan, the height of water would be more than 30 metres in the event of a 100-year flood (in relation to the reference level used to calculate the level of the Seine). Such flooding would prevent staff from accessing buildings, would put some of our archives at risk.

The Group has a comprehensive business continuity system, structured around the recovery and business continuity policy and a general crisis management plan, supplemented by operational plans for each entity. The BCP identifies several crisis scenarios, in particular related to the unavailability of sites, personnel and the information system (including cyberattacks).

Standardised procedures ("BCP kits") ensure the continuity of essential activities, including in reduced functionality mode. A pandemic plan, integrated into the overall system, strengthens resilience to health crises.

The IT recovery plan (ITRP) guarantees the continuity of the IS thanks to recently reinforced backup infrastructures (new backup site and data centre), with conclusive tests in 2025.

Governance is provided by the Security Department, with a structured impact analysis (BIA) process to regularly update business line systems and priorities.

Lastly, an on-call and crisis management system enables the emergency plan to be activated quickly in the event of a major incident, under the supervision of the management. The mechanism also covers Proparco and Sogefom.

4.11.6.3 Risks related to employee security (audited)

Owing to the geographical scope of its operations and locations, AFD is particularly vigilant regarding the risks to which its staff in the field may be exposed. In addition to staff recruited locally, AFD sends employees overseas either as expatriates or on assignment, for the purposes of local representation and to monitor financing projects. Employees working in the network (staff recruited locally and expatriated) account for around a fourth of AFD's total headcount. AFD operates in 115 countries. This means it is liable as an employer irrespective of the extent of existing risks on the ground.

These risks vary in nature according to the country: climate risks, seismic or volcanic risks, risks of accidents (traffic accidents in particular), risks linked to inadequate public health and safety infrastructure. But the biggest potential risks remain the risk of political instability and terrorism (attacks, kidnapping, uprisings, etc.). Indeed, AFD is present in certain regions that are particularly exposed (Sahel, Iraq, Lebanonm Autonomous Palestinian Territories, Pakistan, Haiti, Democratic Republic of Congo, etc.), in which the risk of danger to its employees is deemed to be very high, despite the operational security measures in place and continuously adapted to changing contexts of vulnerability or crisis. Certain events could lead AFD to reduce its activity in certain countries, to rely on degraded systems (as was the case in China – in early 2020 – where the Beijing local office had to set up remote working methods to deal with the lockdown of Chinese staff imposed by the local authorities in response to the coronavirus epidemic), or even to totally or partially close certain local representations (as was the case temporarily in Haiti, at the end of 2019 – or in Pakistan, in 2021 – or in Niger in 2023), and in certain cases, in response to deteriorating security contexts, AFD has decided to temporarily close its local offices to avoid exposing its staff.

4.11.7 Other operational risks and control systems

In addition to the risks detailed above, the Group's permanent control system seeks to cover all risks within the remit of Basel categories 1 to 7 to which the Group is exposed (risks relating to (i) internal and (ii) external fraud, (iii) human resources; concerning (iv) the Group's financing activity, (v) personal and property safety, (vi) information systems and (vii) management, processes and procedures).

This system for monitoring and mitigating all operational risks is based on:

- operational risk mapping, which is the main tool used to measure and monitor these risks;
- recording of operational incidents, enabling the implementation of corrective actions and new controls aimed at (i) preventing any repeated dysfunction or limiting their impact and (ii) improving operational risk mapping;
- first and second level controls;
- action plans to correct high-risk areas;
- permanent monitoring of New Products/New Activities, *via* participation in dedicated Committees to ensure that a comprehensive risk assessment has been carried out;
- monitoring of outsourced services and the implementation of procedures to manage associated risks.

Permanent control provides regular reports to the Group Risk Management Committee and Internal Control Committee.

4.11.8 Quantitative operational risk information

Since 1 January 2025, with the entry into force of CRR3, the equity requirement for operational risk has been the result of a new standardised, non-model-based approach applicable to all EU institutions. It is the result of the calculation of a single indicator, the "BIC" (Business Indicator Component), determined by applying increasing marginal coefficients to the "BI" (Business Indicator), itself based on data from the financial statements. The "BI" is the sum of three components, averaged over three years, based respectively on interest, leases and dividend components ("ILDC"), services component (SC) and financial and market activities (FC, Financial Component).

TEMPLATE EU OR1 - OPERATIONAL RISK LOSSES

		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	
		a	b	c	d	e	f	g	h	i	j	k
In thousands of euros		T	T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	Ten-year average
Using threshold between €20,000 and €100,000												
1	Total amount of operational risk losses net of recoveries (no exclusions)	494	377	432	340	198	269	477	262	27	-	287
2	Total number of operational risk losses	9	8	11	7	4	6	10	5	1	-	6
3	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	
4	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	
5	Total amount of operational risk losses net of recoveries and net of excluded losses	494	377	432	340	198	269	477	262	27	-	287
Using €100,000 threshold												
6	Total amount of operational risk losses net of recoveries (no exclusions)	7,316	15,196	2,859	9,986	2,073	9,430	122	-	-	-	4,698
7	Total number of operational risk losses	9	7	6	7	3	3	1	-	-	-	4
8	Total amount of excluded operational risk losses	-	-	-	-	-	-	-	-	-	-	
9	Total number of excluded operational risk events	-	-	-	-	-	-	-	-	-	-	
10	Total amount of operational risk losses net of recoveries and net of excluded losses	7,316	15,196	2,859	9,986	2,073	9,430	122	-	-	-	4,698

TEMPLATE EU OR2 - BUSINESS INDICATOR, COMPONENTS AND SUBCOMPONENTS

		a	b	c	d
BI and its subcomponents *In millions of euros*		2025	2024	2023	Average value
1	**Interest, lease and dividend component (ILDC)**				**356**
EU 1	**ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3)**				**356**
1a	Interest and lease income	4,533	5,003	3,717	4,418
1b	Interest and lease expense	4,055	4,502	3,628	4,062
1c	Total assets/Asset component	68,198	67,143	63,242	66,194
1d	Dividend income/ dividend component	17	7	16	13
2	**Services component (SC)**				**1,069**
2a	Fee and commission income	137	119	154	137
2b	Fee and commission expense	2	3	11	5
2c	Other operating income	974	803	1,018	932
2d	Other operating expense	554	449	408	471
3	**Financial component (FC)**				**101**
3a	Net profit or loss applicable to trading book (TB)	23	(64)	(33)	(25)
3b	Net profit or loss applicable to banking book (BB)	53	197	129	126
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				-
4	**Business indicator (BI)**				**1,526**
5	**Business indicator component (BIC)**				**199**

Total equity requirements for operational risk amounted to €199 million at the end of 2025, up €40 million compared to the end of 2024. The implementation of CRR3 since the beginning of 2025 has led to the determination of capital requirements using a different standardised approach and explains this increase. The table below shows the Group's risk-weighted exposures and the corresponding capital requirements at 31 December 2025.

TEMPLATE EU OR3 - OPERATIONAL RISK OWN FUNDS REQUIREMENTS AND RISK EXPOSURE AMOUNTS

In millions of euros		31/12/2025
1	Business Indicator Component (BIC)	199
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	199
4	Operational Risk Exposure Amounts (REA)	2,486

4.11.9 Legal, tax and insurance risks

4.11.9.1 Legal risks

The Legal Department oversees the management of the Group's legal risks. It covers all legal areas (with the exception of Human Resources, taxation and non-compliance risks).

The Legal Department provides legal support:

- in financing, guarantee and equity investment transactions, at all stages of the project cycle, as well as in implementation monitoring, recoveries, restructuring, pre-litigation and litigation;
- in cross-cutting issues and innovative projects (Group risk prevention, international government agreements, relations with other financial stakeholders, guarantee funds, partnerships, relations with subsidiaries and equity investments, new products, climate finance, digital, etc.);
- in market transactions;
- in institutional matters (bylaws, governance, relations with the French State and supervisory bodies, etc.);
- regarding banking and finance regulations;
- in criminal matters, on all subjects where the AFD group or its directors may be held liable;
- by providing consulting services for all AFD entities.

To AFD's knowledge, there are no governmental, legal or arbitration proceedings, whether suspended or pending, that could have or have had a material effect on the financial situation or the profitability of AFD and/or the AFD group over the last 12 months.

4.11.9.2 Insurance – coverage for risks incurred by AFD

AFD has a "civil liability" insurance policy that also covers Proparco, an "executives civil liability" policy, a "labour relations" policy, a "property damage – 2 lines" policy that also covers Proparco and VAL, an "all exhibition risks – works of art" policy, and a "IGRS-specific corporate officers civil liability" policy.

All of the network's local offices are covered by locally underwritten insurance policies (multi-risk residential and office, and civil liability for office activities).

These policies are accompanied by vehicle insurance covering head office (head office policy) and the network (local policies) plus "worldwide" "individual accident" insurance guaranteeing disbursement of share capital in case of death or disability caused by an accident with a vehicle belonging to or rented by AFD.

4.11.9.3 Internal control procedures and organisation of the audit trail for the processing of accounting and financial information

The AFD group's accounting is handled by the Regulatory Accounting Consolidation Department of the AFD Finance Department (DEF).

The activities of this department include:

- the accounting registration of transactions initiated at the head office on the accounts payable, fixed assets, investments and services functions;
- auditing of local office and Regional Directorate accounts;
- the control of the centralisation in the general accounting of ancillary accounts and the implementation of accounting controls on all sectors;
- tax returns with the exception of those relating to wages and the building;
- the preparation of the parent company financial statements in accordance with French standards and the consolidated financial statements in accordance with IFRS;
- regulatory reporting (mainly SURFI, FINREP and COREP statements);
- for the subsidiaries, Sogefom, Proparco and Soderag: bookkeeping using French standards, the production of the half-year financial statements (quarterly in the case of Proparco) and of fiscal and regulatory declarations (SURFI – Balance of payments).

The accounting recognition of loans, grants and guarantees granted is carried out by the Accounting Controls Support Division of the Funding Financial Management Department. Accounting controls are carried out by the Regulatory Accounting Consolidation Department.

The accounting recognition of market transactions (borrowings, derivatives and equity securities) is carried out by the Post-Market Division of the Treasury and Financial Markets Department. Accounting controls are carried out by the Regulatory Accounting Consolidation Department.

Salary and employee benefit expenses and provisions are recognised in the accounts by the Compensation, Welfare and Expatriation Division of the Human Resources Department. Accounting controls are carried out by the Regulatory Accounting Consolidation Department.

The separation between the engagement, accounting and execution functions for treasury operations is maintained by both the organisation of services and the implementation of procedures.

Accounting entry is largely decentralised (international offices, other head office services).

Accounting control is split between banking operations and general expenses.

The Regulatory Accounting Consolidation Department is in contact with the external auditors (statutory auditors, tax authorities, French Prudential Supervisory and Resolution Authority).

An accounting procedures manual that includes procedures and accounting schematics for all transactions is available on the intranet site. It includes a procedure for accounting controls. With regard specifically to the audit trail, its functioning is described below.

The accounting system is structured around a multi-company and multi-currency accounting software package powered by business applications and auxiliary accounting systems.

The conversion of foreign currency transactions is performed by a specific module of the accounting software package, which publishes control reports at each step of the conversion and calculation of foreign exchange differences. A procedure describes the controls to be performed at each stage of the conversion treatment for the exchange positions until the determination of foreign exchange differences.

An “Infocentre” application makes it possible to retrieve the accounting information for balances and accounting movements for each transaction or at the desired aggregated level.

In accordance with Article 85 of the Decree of 3 November 2014, the audit trail allows the unitary event to be traced back to the accounting aggregate or, conversely, from the accounting aggregate to the corresponding unit events. In the case of a grouping of accounting movements within an upstream interface, the audit trail also makes it possible to retrieve the unit events that make up those grouping movements.

In addition, all IT applications owned by the Regulatory Accounting Consolidation Department have IT security classification in terms of (i) availability (availability required in the event of an extreme shock and current service availability), (ii) integrity (capacity to prevent unauthorised modification of the information), (iii) confidentiality (ownership of information that should not be available or disclosed to unauthorised individuals, entities or processes) and (iv) proof (ability to identify the individual, entity or automated process from whom or which access to information originated).

4.12 Risks of non-compliance and AML-CFT

4.12.1 Purpose and risk context (audited)

As a key player in French public policies in terms of development and international solidarity, the AFD group is particularly attentive to the proper allocation of its financing and does its utmost to ensure that they serve their intended purpose. This concern is intrinsically linked to its remit as set its bylaws and strategic orientations under which its fundamental mission is to combat poverty and promote growth in its areas of operation. Corruption, fraud and any form of misuse of public and private assistance would have a significant impact on such missions. The same is true of any financing that would result in the Group inadvertently supporting money-laundering or the financing of terrorism.

The AFD group operates in a very specific environment: in particular it supports countries that are in crisis, are vulnerable, have limited capacity and/or are stigmatised in the corruption perception index produced by civil society. It often supports weak public contracting authorities, in areas of public finances where the regulatory environment is weak or, in a number of countries, operates in sectors, particularly banking and finance, that are weak or lack maturity in terms of regulation and control. The Group also approves its financing in countries that are subject to international, Community or national economic and financial sanctions measures or that are stigmatised in “blacklists” for the failure of their regulatory environment in terms of the fight against money laundering, terrorist financing by GAFI or the European Union.

The AFD group is particularly aware of the unique features and complexity of this operational context.

Despite this robust set of risk management measures, the Group may be faced with the predation of its funding or could inadvertently support money laundering or the financing of terrorism. This situation could give rise to a significant legal and financial risk for the Group and damage its image and reputation, the impact of which is detailed above. To date, the AFD group is not involved in any disputes in France or abroad for non-compliance with regulations on financial security, corruption or non-compliance with economic and financial sanctions.

4.12.2 Policy on non-cooperative jurisdictions (audited)

Keen to participate in the French policy to combat fraud and tax evasion as promoted by France within the framework of the G7, the G20, or the Interministerial Committee for International Cooperation and Development (CICID), the AFD group has, since 2009, had a rigorous policy, redefined in 2023, with regard to non-cooperative jurisdictions (NCJ) in tax matters and anti-money laundering/combating the financing of terrorism (AML/CFT). This policy provides a framework for operations carried out and projects financed in NCJs as well as operations involving one or more NCJs and/or more broadly one or more jurisdictions considered as offshore centres.

When a project involves one or more fiscal NCJs or AML/CFTs, the AFD group's policy sets out the categories of operations prohibited, authorised or eligible for Group financing as well as the specific diligence to be performed: depending on the case, the presence of fiscal NCJs may be authorised subject to conditions or strictly prohibited.

4.12.3 Governance of the AML-CFT system

The anti-money laundering system, which falls under the responsibility of the Compliance function at AFD (AFD and Sogefom) and at Proparco, is based on a set of procedures, regular training for all employees on AML-CFT risks and internal procedures, and a control plan. This system is supplemented by the ongoing AML-CFT monitoring function, which operates under the authority of the Deputy Director of the Operational Risk and Permanent Control Department (ROC), who is specifically designated as the person responsible for the ongoing monitoring of the anti-money laundering and counter-terrorist financing (AML/CFT) framework, as well as the freezing of assets and the prohibition on the availability or use of funds or economic resources (hereinafter the "person responsible for ongoing AML/CFT monitoring") at AFD and its subsidiaries Proparco and Sogefom, pursuant to Article 15 of the Decree of 6 January 2021.

4.12.3.1 Division of responsibilities

The business lines are responsible for compiling due diligence files for customer identification purposes, screening payment flows, and identifying unusual transactions and suspicious transactions.

The validation of customer due diligence files in the event of red flags, the obligation to report suspicious transactions to the relevant authorities (*via* suspicious activity reports, amongst other means), the implementation of national and international guidelines for the freezing of assets belonging to individuals or entities suspected of money laundering or terrorist financing, and the decision to initiate enhanced vigilance in the event of the detection of adverse findings regarding a customer fall within the remit of the Compliance Department.

4.12.3.2 Permanent AML-CFT control

AFD's Compliance function is carried out by the Compliance Department (DCO). This department also performs this function on behalf of its financial subsidiary, Sogefom. The Compliance Department is independent of operational staff, and is responsible for managing non-compliance risk as defined by the revised Decree of 3 November 2014, for all sectors, operations and geographical areas of AFD and Sogefom operations. Its ultimate aim is to ensure that non-compliance risks and risks to their reputation are monitored and managed, including personal data protection. It also heads the compliance function for the Group's subsidiaries and affiliates as defined by French regulations.

The Compliance function's remit includes (i) determining the AFD group's financial security policy, (ii) ensuring that AFD and Sogefom comply with the provisions relating to the prevention of money laundering, terrorist financing and with financial and economic sanctions, through second-level controls, as well as with those governing the prevention of corruption and those governing the conduct of banking and financial activities and associated ethical standards (notably market abuse and the management of conflicts of interest) as well as those ensuring the protection of customers' personal data.

In 2025, AFD's Compliance Function did not change in its reporting position (reporting to AFD's Executive Management since 1 July 2022). Its scope of responsibility has not changed since 2025 either, and AFD's compliance still provides certain services in the name and on behalf of the subsidiary Proparco as well as for FISEA, its non-financial subsidiary managed on behalf of AFD by Proparco.

The Compliance Department is made up of two divisions: the Operational Compliance Division (DCO/COP) and the Monitoring, Investigations and Legal Division (DCO/VIJ), which groups together the other Compliance functions that are functionally similar:

a. the person in charge of regulatory monitoring;

b. fraud and corruption investigations officers;

c. compliance lawyers.

In addition, within the department, the Compliance Director has a project manager in charge of Compliance Function Processes and Systems, who is responsible for meeting the specific needs of the Compliance function as part of changes to the information system, a personal data protection officer (DPO) and a personal data protection officer.

AML-CFT permanent control exercises second-line oversight of the entire system through some 50 controls covering the various processes involved: customer and supplier due diligence, monitoring of unusual transactions, screening of financial flows and third parties, reporting of suspicious activity, training of Group employees, and regulatory reporting and disclosures.

4.13 Prudential information on environmental, social and governance (ESG) risks

4.13.1 ESG in the AFD group's strategy

The Agence Française de Développement Group (AFD group) finances and drives the transition to a fairer and more resilient world. Climate, biodiversity, peace, education, urban planning, health, governance... The AFD group thus contributes to the commitment of France and the French people to the Sustainable Development Goals (SDGs).

This commitment to the SDGs is presented in the new Strategic Orientation Plan (POS). The commitments of POS V are described in detail in Section 2.1.2.1.1 "AFD group's fifth Strategic Orientation Plan (POS V) - 100% Sustainable Development Goals (SDGs)" of the sustainability statement.

The POS V is broken down into roadmaps, adopted by the AFD Board of Directors in July 2025: the "Planet" roadmap, the "Social Link" roadmap and the "Citizens, Institutions and Democracies" roadmap. Each of them is described in Section 2.1.2.1.2 "The POS V's commitments are broken down through three cross-cutting roadmaps".

The alignment of financed operations with the SDGs is managed by means of the sustainable development analysis and opinion mechanism. Moreover, the appraisal, financing decision and monitoring of projects financed by the AFD group are carried out in accordance with the Group's credit policy, the list of exclusions, compliance with international standards in terms of environmental and social risk management, and strict compliance rules.

Lastly, specifically on climate-related financial risks, given the strategic challenge and regulatory expectations in this area, a steering committee reporting to the AFD group's Executive Committee has been set up to implement the "climate-related financial risks" roadmap.

4.13.1.1 The Sustainable Development Analysis and Opinion (SDAO) mechanism to steer alignment with the SDGs

In 2014, AFD adopted the SDAO mechanism, which aims to promote the consideration of sustainable development issues in AFD's financing transactions and strategies. This mechanism provides for sustainable development analysis to be carried out by the operational teams at the first level and, for the second level, for the issuance of a sustainable development opinion issued by the Sustainable Development Analysis and Opinion (SDAO) unit, a structure independent of the operational department. The sustainable development analysis and opinion mechanism consists of a detailed analysis of the project's expected impacts on each of the seven operational dimensions underpinning the three pillars of sustainable development, grouped under the terms "planet", "people" and "economy and governance": biodiversity, low-carbon trajectory, resilience to climate change, social link, equality and inclusion, gender equality and autonomy of women and girls, and economy and governance.

The SDAO mechanism at AFD and its adaptation for Proparco are described in Section 2.1.2.6.2 "Sustainable Development Analysis and Opinion mechanism".

4.13.1.2 A credit policy aligned with this strategy

Pursuant to the European Banking Authority (EBA) guidelines of 29 May 2020, the AFD group considers credit risk in a broad sense, including for equity investments. In line with the institution's Risk Appetite Framework (see 4.13.3.6) (and that of its subsidiary Proparco, which applies it) and with the mechanism of limits in place, both regulatory and internal operational (individual and large exposures, by group, geographical, sectoral, on subordinated or equity in financial institutions, in local currency, etc.), all risks related to credit and investment transaction are thus taken into account when potential financing is identified, appraised and approved.

As a result of its activity, AFD is exposed to most of the risks encountered by institutions in the banking sector and by companies making equity investments in its activities. Given the specificities of its regions of intervention and its mandate to finance the SDGs, AFD must more specifically integrate geopolitical and macroeconomic, climatic and non-financial issues and risk factors, including in relation to counterparty governance, environmental and social issues, or those related to the operation financed. Thus, in addition to credit, concentration, solvency, profitability, non-compliance and fraud, operational and reputational risks, AFD's credit policy refers to:

- the control of ESG risks, which materialise whenever social, environmental and governance variables affect AFD's financial position or operational performance.
- the policy for controlling environmental and social risks in operations financed by AFD. The approach to managing environmental and social risks is based on the responsibility of project owners. It is continuous, differentiated and proportionate, and consists of identifying, preventing or mitigating environmental and social damage ("Avoid, Reduce, Offset" sequence). It takes place at every stage of the project cycle;
- climate-related financial risks, which include physical risks (risks of financial loss caused by the occurrence of extreme climate hazards or by the physical consequences of gradual changes related to climate change), transition risks (risks of financial loss caused by the transition to a low-carbon economy), and risks related to physical risks induced by the degradation of biodiversity.
- compliance risks, in particular on issues corresponding to the risks incurred in terms of corruption, money laundering or terrorist financing.

4.13.1.3 The exclusion list

The AFD group has an exclusion list [1], the purpose of which is to clearly indicate the types of activities that the Group refuses to finance due to environmental, social, ethical or regulatory criteria, or resulting from the translation of the Group's normative requirements and strategic choices. It is reviewed approximately every five years. In addition to this exclusion list, the Group has equipped itself with other tools for selecting the operations it finances: additional exclusions thus result from strategic frameworks (*e.g.* climate selectivity) and sectoral intervention frameworks, which can be consulted on the Group's website. These selectivity doctrines, which are updated on a regular basis, are intended to be used in the context of project appraisal.

The exclusion list presents three types of activities:

- firstly, illegal activities, which include the activities of production or trade of any illicit product, as well as any illegal activity under the legislation of the country of destination or of France, national or international regulations applicable in the country of destination or in France, as well as international conventions or agreements creating commitments for the country of destination or for France. This includes any equipment, sector or service subject to economic sanctions imposed by the United Nations, the European Union or France, as well as production or activities involving forced labour, child labour or human trafficking;
- secondly, activities that are not aligned with the AFD group's commitments to sustainable development: these include projects to build, extend or renovate electricity generation plants using fossil fuels, and projects for the exploration, production or processing of coal, gas and oil, or operations resulting in a negative and irreversible residual impact on a critical habitat;
- the third type of activities covered by the exclusion list is applicable to the financial institutions with which the AFD group collaborates, requiring them to apply exclusions to all of their own financing (exclusion of activities of production or trade in illicit products, etc.).

4.13.1.4 Alignment with the highest international standards in terms of environmental and social risk management of operations financed

AFD makes its financing conditional on the implementation by the beneficiary project owners of a continuous and systematic environmental and social appraisal process making it possible (i) to assess the environmental and social impacts of operations, (ii) to propose appropriate measures to avoid negative impacts, or when they are unavoidable to reduce or compensate for them appropriately, (iii) to monitor the implementation of these measures during the implementation phase of the transaction, (iv) to assess a posteriori the effectiveness of the proposed measures.

In 2017, AFD adopted a policy to manage environmental and social risks for the operations it finances. As part of the follow-up to the 2005 Paris Declaration on Aid Effectiveness, and in line with the 2014 Orientation and Programming Law on Development and International Solidarity Policy, AFD has chosen to harmonise the principles of its policy for managing environmental and social risks related to operations financed in foreign States and to coordinate its actions with the environmental and social framework of multilateral donors. For this reason, it has chosen to align with the World Bank's environmental and social standards for projects with high or significant environmental and social impacts. This policy defines the framework and guiding principles applicable to environmental and social risk management. AFD also has a procedural corpus allowing it to operationally implement this policy.

Taking into account the specificities of its private sector financing mandate, Proparco has adopted an approach similar to that of AFD by aligning itself with the practices of international financial institutions. Proparco relies on the performance standards of the International Finance Corporation (IFC), the standards of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGPs), as well as on the resources of the Corporate Governance Development Framework (CGDF).

This system is explained in Section 2.1.2.6.3 "Managing the risks of generating negative environmental and social impacts".

4.13.1.5 Particular attention is paid to the compliance of transactions

As set out in Section 2.4 "Governance information (G1)", the AFD group complies with applicable regulations and strives to promote the highest standards of integrity: fair business practices, financial transparency, accountability for its financing, and zero tolerance towards fraud, corruption and any prohibited practice in all its operations.

The AFD group is aware that it operates in a very specific environment: notably, it provides supports for countries that are in crisis, are vulnerable, have limited capacity and/or are stigmatised in the corruption perception index produced by civil society. It often supports weak public contracting authorities, in areas of public finances where the regulatory environment is weak or, in a number of countries, operates in sectors, particularly banking and finance, that are weak or lack maturity in terms of regulation and control. The Group also approves financing in countries that are subject to international, European or national economic and financial sanctions, or that have been criticised by the GAFI or the European Union for shortcomings in their regulatory framework regarding the fight against money laundering and terrorist financing.

In this unique and complex context, a risk management mechanism is deployed to prevent, detect and deal with any suspicion that its financing is being misused. (for more details on the compliance risk management mechanism, refer to Section 4.13.3.5).

1) The exclusion list is available on the AFD website: https://www.afd.fr/fr/ressources/liste-dexclusion-du-groupe-afd

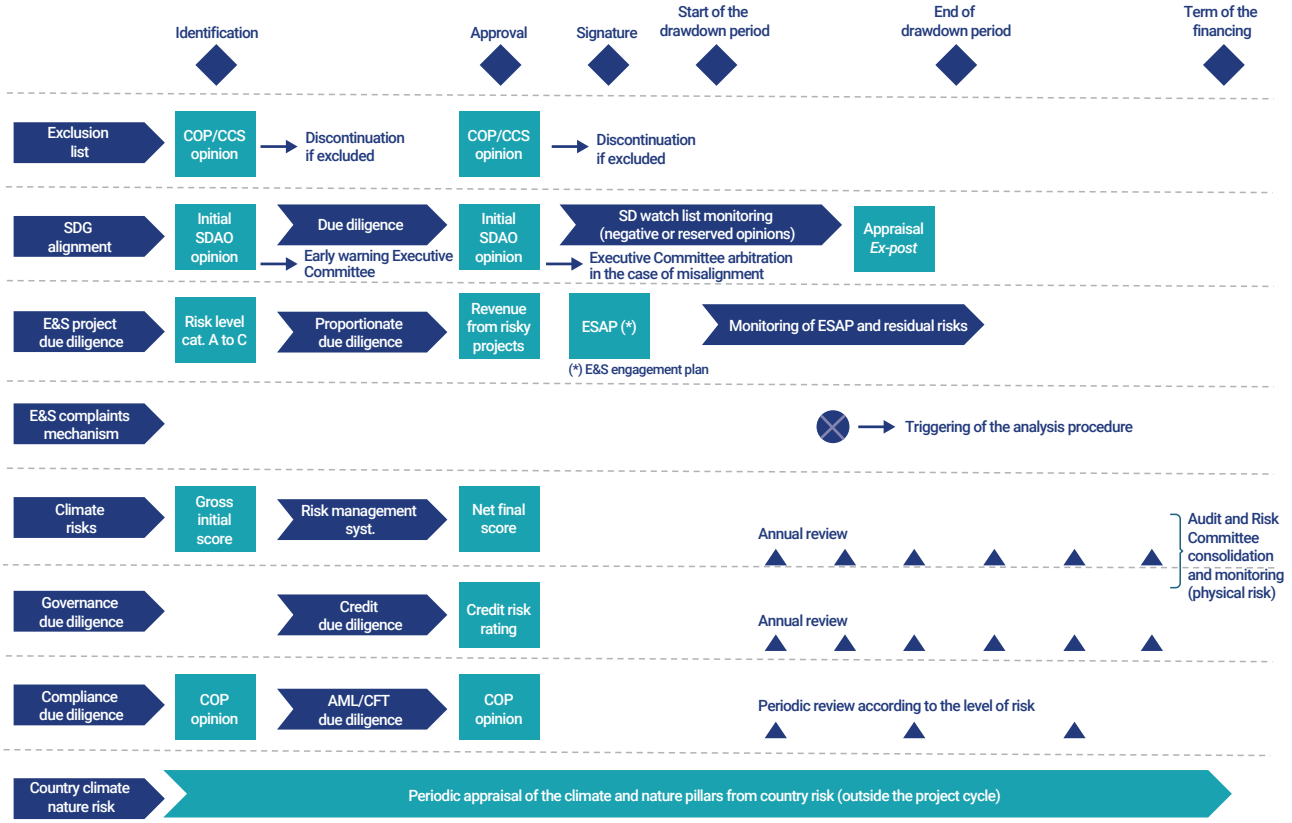
4.13.1.6 A specific roadmap on financial risks related to climate and nature

Since 2017, the AFD group has been working to integrate climate-related financial risks, both physical and transition, into its risk analysis processes through various projects, and has developed internal and external training modules.

This work is documented in a roadmap, which is based on four pillars, described in Section 2.1.2.6.4 "Taking into account climate and nature-related financial risks".

4.13.2 ESG risk governance at the AFD group

The AFD group disseminates the management of ESG risks in its organisation, with the establishment of teams, committees and bodies involved in the matter, with specific adapted procedures, and the implementation of monitoring and alert mechanisms. AFD's remuneration model is also explained at the end of this section.

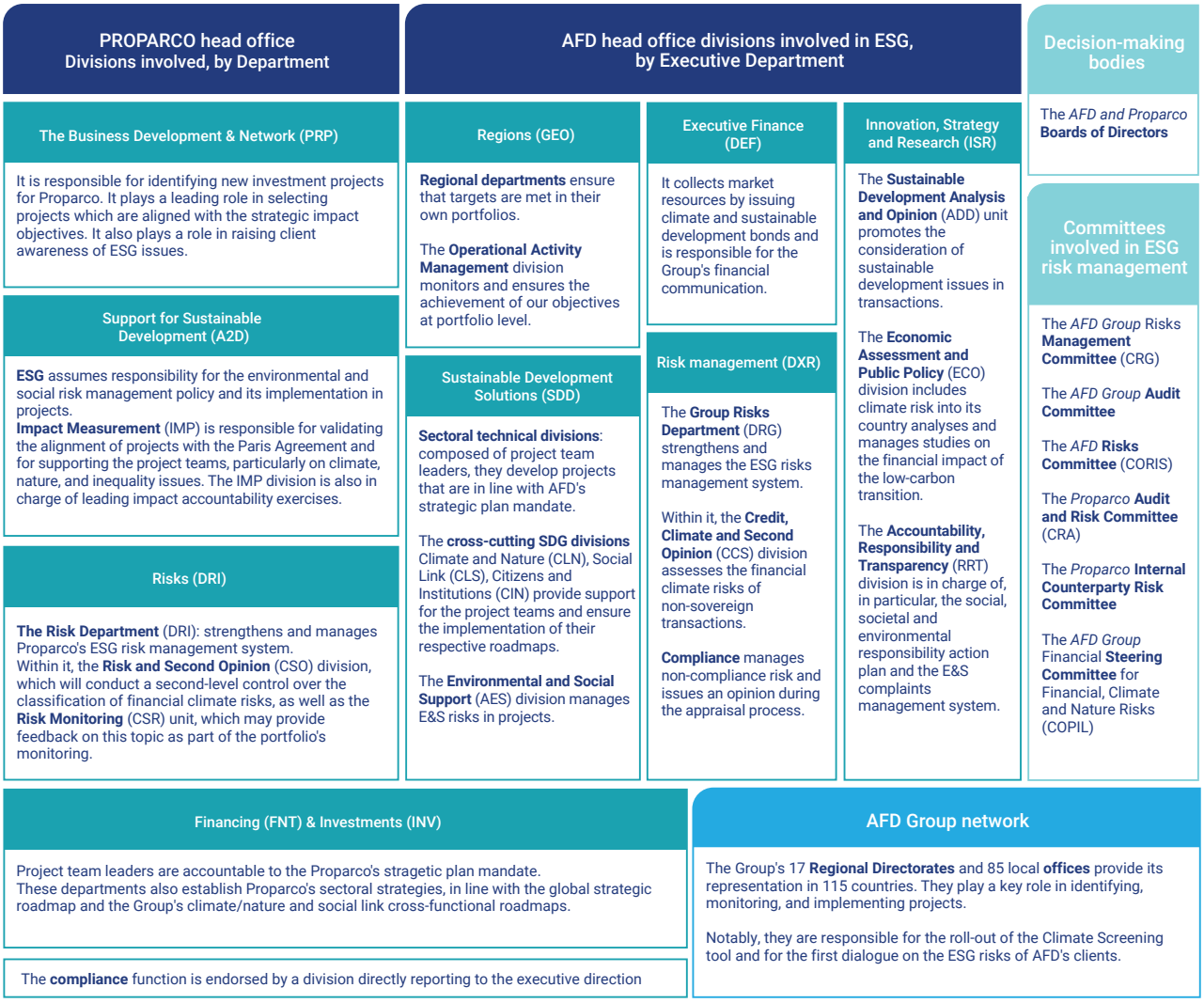


The graph above summarises the various mechanisms and tools relating to ESG topics at each stage of projects financed by AFD, from their identification to the end of financing. For further details, references to the paragraphs in this document are provided under each device name.

4.13.2.1 Actors and organisation

The organisation chart presented below shows the AFD group's main organisation, listing the departments and teams involved in ESG risk management. This section also presents the main decision-making bodies at AFD and Proparco, as well as the committees involved in risk management.

It also includes the AFD group network. AFD, the Group's parent company, is present on five continents where it finances and drives development projects in 136 countries. It has a network of 85 local offices and 17 Regional Directorates around the world, including in the French Overseas and in Brussels. Proparco's network, an AFD subsidiary, is highly integrated with that of AFD, and has its own teams spread over 14 Regional Directorates and a dozen local offices. The local offices, as close as possible to the field, make it possible to initiate the first contact with the beneficiaries of projects, to identify projects, and to maintain a dialogue throughout their implementation. During the identification phase, local offices have the opportunity to highlight the first points of attention on the environmental and social issues of a project. As soon as they are identified, the local offices can call on project managers positioned in the Regional Directorates and housing cross-functional expertise, such as on environmental and social issues: their knowledge of the regulatory context and local practices also allows a more detailed analysis of these issues. The Proparco network does not include cross-functional project managers but relies on Proparco's head office teams from the A2D department in the identification phase, for a preliminary analysis of the issues.



The Group's **decision-making bodies** (AFD and Proparco Boards of Directors and Executive Committees) are presented in Chapter 3 of the Universal Registration Document (corporate governance).

Some **committees** at the Group are involved in the ESG risk management system, whose functioning, composition and terms of office are addressed in Chapter 4 "Risk management". At AFD, specifically on ESG matters, the Audit Committee and the Group Audit and Risk Committee are informed quarterly on the indicators of the Risk Appetite Framework, including ESG indicators. Similarly, the Group Audit and Risk Committees validates regulatory publications, and notably this "Pillar 3" report. AFD's Risk Management Committee validates the methodologies for assessing climate-related financial risks and is informed of the aggregated indicators, allowing it to have an overall view of the exposure of AFD's portfolio to these risks.

At Proparco, specifically with regard to ESG, the Risk and Audit Committee advises the Board of Directors on matters relating, notably, to the risks and financial implications associated with Proparco's overall strategy, the framework for managing, monitoring, overseeing and controlling the risks to which the entity is exposed, and the entity's risk appetite. It is regularly informed of the work carried out at the level of the AFD group or Proparco itself, with a view to complying with changes in standards (regulatory or accounting) applicable to the institution, notably with regard to the management of environmental, social and governance risks. The Internal Counterparty Risk Committee, for its part, meets quarterly and its main purpose is to analyse the credit risks borne by Proparco. Aggregate indicators of the portfolio's exposure are regularly presented for different portfolio dimensions (geographical, sectoral, etc.). Twice a year, Proparco's ESG division gives a presentation on the ESG quality of the portfolio, as well as on highlights of the period. One of the ESG items examined is the list of projects on the ESG Watchlist (portfolio of projects that have had unforeseen events related to ESG issues) as well as changes in this list. The projects presented in this Watchlist are classified according to three alert thresholds, each threshold being associated with a degree of involvement of the teams in charge of monitoring the project, or the implementation of specific actions according to scenarios.

4.13.2.2 The loan appraisal cycle

This section presents the loan appraisal cycle, from their identification to their presentation to the final decision-making bodies, and specifies the due diligence and interventions of the various issuers of ESG opinions.

At AFD

The project financing cycle comprises three main phases in which credit risk management structures in the broad sense of the term are involved.

The identification phase

On the basis of referral forms produced by the local offices and validated by the Regional Directorates, the Identification Committee decides whether to continue appraising financing proposals. It organises the project teams according to the nature of the projects and the counterparties involved. The project teams bring together, in addition and as necessary, the relevant support services (or cross-functional contributors) who contribute, within their field of competence, to the appraisal or implementation of financing transactions within the project team: climate and nature experts, specialists in environmental issues, gender and/or equality and inclusion experts (from the CLS division), environmental and social experts (from the AES division), Citizens and Institutions experts (from the CIN division), legal experts, specialists in procurement issues, etc.

Lastly, the Identification Committee defines the project team's investigation mandate, making it possible to ensure that the negative environmental and social impacts of the proposed transaction are controlled. Comments on aspects relating to compliance, credit risk, climate risk and the scope of the second-opinion regulatory opinion, as well as comments on alignment with the sustainable development framework, are then included and taken into account in the mandate. A sustainable development visa, equivalent to a favourable final opinion, may be issued by the unit at the identification committee stage for projects whose intervention logic is aligned with AFD's strategic orientations, which do not present a risk of negative sustainable development impacts, and whose sustainable development issues are clearly identified and optimised upon identification.

The appraisal phase

The project team implements the mandate given to it during the appraisal phase and then presents the transaction to the Credit Committee, which examines the financing proposals, drawn up in the form of a project presentation sheet. The presentation to the Credit Committee takes place after the feasibility of the transaction has been established (technical and economic studies and associated due diligence, including environmental and social studies), and the financial analysis due diligence has been carried out for the rating of credit risk on non-sovereign risks. The Credit Committee also analyses the opinion formalised upstream by the Finance Department on the financial conditions proposed (pricing, management methods, etc.). Lastly, the Credit Committee defines the negotiation mandate given to the project team to finalise the terms of the financing with the customer counterparty.

Following the appraisal process for proposals to finance projects and programmes involving credit risk, the decision to approve financing requires mandatorily the collection of the provisional second opinion, and, depending on the risk level of the operation, the collection of the provisional compliance opinion and the provisional development opinion. These three opinions are said to be provisional because they are likely to include additional procedures and recommendations on the negotiation mandate and on the terms for structuring the financing (notably, for the second opinion, on the basis of the rating and structuring report prepared by the credit risk, climate and second opinion team).

The presentation phase to the final decision-making bodies (Board of Directors or Foreign States Committee)

Further due diligence will enable the opinions' issuers to provide final opinions to the decision-making bodies based on the finalised presentation note. If one of the final opinions is reserved, negative or unfavourable, or if the operational teams wish to contest the recommendations, conditions precedent or consecutive rights issued by the issuers, the case is presented to the arbitration committee. This committee, chaired by Executive Management, examines the file to decide whether or not to present it to the decision-making body, based on the note to the decision-making bodies and the final opinions.

Once the transaction has been approved by the body, the project teams then formalise the financing documentation and respond to any follow-up requirements, in order to then be able to sign the documentation and enter the phase of disbursement of funds and of implementation of the project.

At Proparco

The financing or investment project approval cycle comprises four main phases in which the wider credit risk management structures are involved: (i) the identification phase, (ii) the appraisal phase, (iii) the approval phase and (iv) the formalisation phase. Proparco's appraisal process is broadly similar to that of AFD, with only the specific features relating to opinion issuers and ESG being discussed below.

The identification phase

It makes it possible to select, among financing applications, projects that are in line with Proparco's intervention strategies as defined in the business plan and in line with Proparco's exclusion list.

On the basis of project identification notes drafted by Proparco's Regional Directorates (or the operational divisions housed at the head office in some cases), the Identification Committee (IC), chaired by the head of the operational division concerned, decides on the continuation of the examination of financing proposals and defines the mandate for the project team. This decision is based in particular on the analyses carried out by the divisions of the A2D department (the ESG division and the Impact Measurement (IMP) division). Experts from the ESG division carry out contextual research for the Identification Committee (screening of climate risks, biodiversity, reputation, gender, human rights, etc.) which complements the initial ESG risk analysis elements collected by the project identification sheet's drafter. All of these elements serve as the basis for determining the IC classification of ESG risk according to the scale described in the appropriate procedure, which includes four categories for direct projects (A, B+, B, C) and three for projects of financial intermediaries (FI-A, FI-B, FI-C) (see Section 1.3.1). This classification determines the level of E&S requirements to be applied during the subsequent phases of the project cycle, and the level of involvement of the ESG division. The IC is also an opportunity to validate the compliance of the project proposal with the requirements of the AFD group exclusion list, the terms of use of which are described in an internal exclusion list application guide. In some cases, this validation is not possible at the CID stage and requires additional analyses to be carried out during the appraisal phase.

For its part, the IMP division is involved in validating the project's alignment with the Paris Agreement. This analysis is carried out on the basis of information collected upstream of the IC, through an interaction with the offices or project managers responsible for the appraisal. IMP also provides support to the IC for the identification of the positive impacts of financing proposals, notably with regard to their contribution in terms of climate finance (mitigation, adaptation), biodiversity finance or their gender classification according to the 2X methodology indicators [1].

The appraisal phase

The ESG division is involved in the project team for projects classified as A, B+ and FI-A. This phase aims to implement the investigation mandate set out at the Identification Committee and results in the establishment of an overall analysis of the environmental and social impacts described in an Environmental and Social Shuttle Form, which is reviewed at the time of approval. The appraisal phase aims to confirm compliance with the exclusion list, and also helps to identify gaps between the customer's performance and the rules and standards that Proparco is committed to respecting in its projects. These differences are transcribed in Environmental and Social Action Plans (ESAP) integrated into the contractual financing documentation (at the formalisation stage). The due implementation of these action plans is monitored throughout the life of the project, with the involvement of the ESG teams. The appraisal phase is also used to validate the positive impact elements identified at the Identification Committee stage (validation carried out by the Impact Measurement (IMP) division at the time of the approval phase).

Following the process for examining financing proposals for projects and programmes involving credit risk, the decision to approve financing requires the collection of compliance opinions (issued by Proparco Compliance team), and of the Second Opinion (CSO team) opinions that include the ESG dimension in their respective opinion scopes.

4.13.2.3 ESG alert systems and monitoring mechanisms

Early warning mechanism

At AFD, at the Identification Committee meetings, the Sustainable Development Analysis and Opinion (SDAO) team has the option to issue an "early warning" to the AFD Executive Committee for projects identified as possibly out of alignment with the SDGs at the time of the Identification Committee and likely to receive a negative sustainable development opinion. It is a mechanism that makes it possible to check the alignment of each line of financing with the expectations of the Paris Agreement and the Global Biodiversity Framework. The Executive Committee is then called upon to decide whether to continue the appraisal and the associated conditions and mandate, or whether to abandon one or more components, or even the entire project.

During the appraisal and before the decision is taken, if the opinion remains reserved or negative, the project is submitted to the decision of an arbitration committee chaired by Executive Management, which decides whether or not to present the project as it stands to the final decision-making bodies.

Moreover, for projects that have benefited from a "sustainable development visa" at the identification stage, *i.e.* for projects that have received a final favourable opinion from the Identification Committee, any person or entity participating in the decision-making process will be able to exercise a mechanism known as a "rappel rope" in the event of a major change between the Identification Committee and the Credit Committee, if the environmental and social risk management framework is not complied with or if the instruction does not address the sustainable development issues identified at the time of the Identification Committee The project will then be subject to a sustainable development opinion by ADD in due form.

At Proparco

Unfavourable opinions are expressed by the teams of the A2D department during the identification committee. On this basis, it is left to the discretion of the project team to decide whether to continue the investigation or to request the opinion of the Executive Management on the continuation of the investigation.

Annual monitoring of sustainable development issues

AFD's Sustainable Development Analysis and Opinion mechanism provides for specific monitoring of financing transactions that have received a final, reserved or negative SDAO opinion. These projects are monitored specifically after approval as part of the "sustainable development watchlist" led by AFD's middle office team.

Lastly, since 2023, the project teams carry out a sustainable development analysis upon completion of projects. Based on the ratings set at the time of the approval, they update the sustainable development analysis according to the actual achievements carried out as part of the project. This re-rating process also aims to contribute to learning about the sustainable development analysis and opinion mechanism.

Monitoring of residual environmental and social risks

AFD's Environmental and Social Support (AES for *Appui Environnemental et Social* in French) division and Proparco's ESG division carry out an annual appraisal of the residual environmental and social risks of projects under implementation, with the support of the operational teams. The methodology of this analysis is described in Section 4.13.3.1.

For projects under implementation

As part of AFD's risk monitoring, the update of the credit risk and climate risk ratings of all non-sovereign and indirect sovereign counterparties in the portfolio (and of guarantor entities when the personal guarantee improves credit risk) is carried out by the project teams and verified by the Executive Risk Department. This update is carried out on the basis of the Risk Appraisal Sheet completed by the local office, the Regional Directorate, and then by the operational middle office or the country manager. The rating, according to the intrinsic and credit rating methodology, must be updated as soon as any major event affecting the risk borne occurs and, at least, quarterly for counterparties under surveillance (registered in the watchlist), and annually for all counterparties. For counterparties in AFD portfolio, there are two methods for reviewing ratings: a less stringent review for the counterparties considered to be the least risky, and a traditional review for the others. The review of ratings involves a review of the exposure to climate-related financial risks, both physical and transition risks, using the same tools as those used during the appraisal. The respect of the commitments made by the beneficiary as part of its Environmental and Social Commitment Plan (ESAP) is the responsibility of AFD's operational teams. As such, the AES division's E&S experts conduct an annual analysis of residual risks on the projects deemed the riskiest during the initial analysis (see previous paragraph).

1) *https://www.2xchallenge.org*

At Proparco

The mechanism for monitoring counterparties is based notably on continuous monitoring and a rating of counterparties over time, at least once each year. These ratings are carried out by Proparco's operational teams or by the Regional Directorates, which apply rating methodologies adopted by the Group (similar to those used for the Risk Appraisal Sheets mentioned above), and are then reviewed by the Second Opinion (CSO, for *Crédit & Seconde Opinion* in French) division. The ratings may be reviewed, notably by the Risk Department, in the event of new circumstances impacting the financial position and credit quality of the counterparties.

The risk situation is the subject of a half-yearly presentation to the Internal Counterparty Risk Committee, to the Risk and Audit Committee and to Proparco's Board of Directors. The indicators of the risk appetite framework are reviewed quarterly.

4.13.2.4 Compensation

The compensation of the AFD group employees consists mainly of a basic salary, various bonuses and awards (end-of-year bonuses, holiday bonuses, function bonuses) and a collective performance variable bonus. Specific conditions apply to employees and representatives in mainland France as well as for those in local offices in Guadeloupe, Martinique, French Guiana, Reunion Island and Mayotte.

The amount of the variable collective performance bonus paid depends on the achievement of collective performance targets. The eligibility conditions and the methods for calculating and paying the variable collective performance bonus are set out in a unilateral note from management.

4.13.3 ESG risk management mechanisms (audited)

The effects of climate change lead to an increase in climate events (cyclones, drought, etc.), in terms of frequency and intensity. The erosion of biodiversity also jeopardises the various ecosystem services useful to our societies and businesses. As a result of its intervention in geographical areas heavily affected by these climate events, and because it supports the decarbonisation of the economy in many of its countries of operation, AFD is increasingly exposed to severe climate hazards and to the resulting erosion of biodiversity, through:

- physical risks: risks of financial losses caused by extreme climate events or by the physical consequences of gradual changes related to climate change;
- transition risks: risks of financial losses caused by the transition to a low-carbon economy;
- risks related to the consequences of biodiversity degradation.

Since 2018, AFD has been deploying a system for measuring and taking into account climate financial risks, across their various components, in the analysis of the credit quality of its customers. In response to the increasingly stringent requirements of the banking regulator on the subject, AFD has two objectives: (i) to promote the transition of economies towards low-carbon trajectories that are resilient to the effects of climate change, and (ii) to strengthen its financial stability. The financial climate risk tools and processes currently in place at AFD involve producing a customer-level analysis to identify the counterparty's own risks, as well as any mitigation or adaptation strategies put in place to combat the risks identified: The tools and methodologies associated with these risks are described in more detail in Section 2.2.1.1 ("Climate transition plan - sections "Climate risk analysis for sovereign customers" and "Climate risk analysis for non-sovereign customers") and in Section 2.2.2.3.5 "The AFD group's monitoring of financial, climate and nature risks" for risks related to the degradation of biodiversity.

To date, climate risks have not led to a significant degradation in the risk profile of AFD's portfolio.

4.13.3.1 Management of the negative environmental and social impacts of projects financed by the AFD group

AFD makes its financing conditional on the implementation by customers and beneficiaries of a continuous and systematic environmental and social appraisal process making it possible (i) to assess the environmental and social impacts of operations, (ii) to propose appropriate measures to avoid negative impacts, or when they are unavoidable to reduce or compensate for them appropriately, (iii) to monitor the implementation of these measures during the implementation phase of the transaction, (iv) to assess a posteriori the effectiveness of the proposed measures. AFD has thus adopted an environmental and social (E&S) risk management policy for the operations it finances. This policy defines the framework and guiding principles applicable to E&S risk management. AFD also has a procedural corpus allowing it to operationally implement this policy.

Notwithstanding a few specificities, Proparco follows an approach similar to that of AFD in its system for controlling negative environmental and social impacts in its financed operations (due diligence at the appraisal stage, classification by risk level, annual assessment of residual risks of projects being implemented).

Proparco has introduced an "ESG watchlist": should unforeseen events or significant delays in the implementation of the action plan arise, projects under review may be placed on this watchlist and are then flagged as "E&S-G Alert". The purpose of this list is to draw internal attention to projects where a significant E&S or G risk is proven. This risk may lead either to a proven case of non-compliance with the commitments made by Proparco in its sustainable development strategy, or to a deterioration in the financial health of the project, or an external reaction damaging Proparco's reputation (media, NGO, etc.). It is fed by E&S-G monitoring, as well as the E&S monitoring carried out by the ESG division. It is presented to the Internal Counterparty Risk Committee twice a year and disseminated internally by the Risk Department.

The environmental and social risk management systems for operations financed by AFD and Proparco are described in Section 2.1.2.6.3 "Managing the risks of generating negative environmental and social impacts" of the sustainability statement.

4.13.3.2 Complaints management

Two mechanisms for processing environmental and social complaints, respectively for AFD and Proparco, help to manage, where appropriate, an operational risk. These mechanisms make it possible to explore remediation when negative or unexpected environmental and social impacts could not be avoided, reduced or offset according to the provisions of the environmental and social management plans of projects financed by AFD or Proparco. These mechanisms help to strengthen the AFD's transparency and accountability practices, drawing on the experience of other financial stakeholders, thanks to exchanges within the IAMnet international network (Independent Accountability Mechanism Network).

The two mechanisms are described in Section 2.3.2.3.1 "Environmental and social complaints system" of the sustainability statement.

4.13.3.3 The AFD group's management of financial risks related to climate and nature

At the AFD group, climate risks are approached from different angles: the type of climate risks considered (physical or transition), the scope studied (at the counterparty level, or at the level of a country).

At country level, the Economic Assessment and Public Policy (ECO) Division systematically integrates the appraisal of financial risks related to climate change and gradually integrates the assessment of financial risks related to biodiversity into its country risk and sovereign risk assessments.

For non-sovereign financing, climate-related financial risks are assessed in two ways: firstly, through credit risk assessments during the project appraisal stage and annual reviews of the project portfolio; and secondly, through specific climate risk analysis tools.

The tools for assessing climate-related financial risks are described in Section 2.2.1.1.2 "Operationalisation of AFD group's commitments", as regards the AFD group's sovereign and non-sovereign customers.

Similarly, the tools for assessing financial risks related to biodiversity are addressed in Section 2.2.2.3.5. "AFD group's assessment of nature-related financial risks" as regards the AFD group's sovereign customers.

At Proparco, the analysis of customers' climate risks is based on the same approach as that of the AFD presented above: for physical climate-related risks, an automatic assessment is carried out systematically, and an in-depth review of these risks has been carried out since 2025 within the scope of debt financing. The analysis of the transition risks of Proparco's customers is also based on the tools developed by AFD. These risks are assessed as part of the process of completing or updating the Risk Appraisal Sheets.

Financial risks relating to biodiversity are not currently analysed by the AFD group as part of the lending or credit risk review processes for non-sovereign counterparties. However, AFD has developed a methodology for assessing the physical risks related to nature degradation, by coupling a sectoral approach (analysis of the dependencies of economic activities on the services provided by ecosystems) with a geographical approach (analysis of data on the state of these ecosystem services at the country level). An initial mapping of the global exposure of the non-sovereign portfolio to physical nature risks was drawn up in 2024.

4.13.3.4 Consideration of governance risks in project ratings

The challenges of the capacity of project owners to carry out projects financed by AFD and, more generally, of the governance of the entities financed, are key success factors for the projects and major risk factors for AFD's customers. The local office therefore developed methods for assessing and monitoring these risks at both the project and customer levels.

The appraisal of risks related to counterparties' organisational maturity and the institutional governance of their projects is fully integrated into AFD's non-sovereign counterparties rating process as part of the credit risk rating during the project appraisal and the production of the annual Risks Appraisal Sheets: this is one of the main lines of qualitative analysis considered when assigning a credit rating to a counterparty. For these analyses, the governance of the listed entity is the first pillar of the counterparty's qualitative rating. The elements analysed depend on the type of counterparty and include assessments of the entity's governance (influence of shareholders on the management of the company, functioning of bodies, quality of management) and the organisation and quality of controls (quality of the organisation and internal processes, quality of internal control and quality of external audit). These assessments contribute to the counterparty's intrinsic rating and, consequently, to its final credit rating.

4.13.3.5 Preventing corruption, fraud, money laundering, terrorist financing and tax evasion

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

To this end, the AFD group promotes a culture of integrity and notably ensures compliance with applicable regulations and internal provisions on (i) the prevention of money laundering and the financing of terrorism (AML/CFT), (ii) the fight against corruption and related offences, as well as fraud or anti-competitive practices, (iii) compliance with international and national financial and commercial sanctions, (iv) banking ethics, the conduct of banking and financial activities, and (v) the protection of the privacy and personal data of customers. The AFD group also rolled out a risk management mechanism aimed at preventing, detecting and dealing with any suspicion of predation of its financing. This system is based first and foremost on a set of procedures in terms of financial security and professional ethics. This system and the associated training courses are presented in Section 2.4.1.2 "Procedures put in place to prevent, detect and deal with cases of prohibited practices". Section 2.4.1.1 “Mechanisms in place to identify, report and investigate concerns regarding unlawful conduct or conduct contrary to its Code of Conduct” provides further details on this subject and covers controls throughout the project lifecycle, third-party engagements, and controls in the context of international public procurement. Lastly, AFD, in its capacity as a parent company, oversees and steers its subsidiaries and strategic equity investments in compliance with the legal framework applicable to it.

Moreover, being subject to banking regulations on the fight against money laundering and the financing of terrorism, AFD, its subject subsidiaries or AFD on behalf of its non-subject subsidiaries, may make a suspicion report to Tracfin [1].

The systems for reporting reprehensible practices (professional whistleblowing system, declaration of operational incidents, alerts through the reporting line, system for reporting prohibited practices) make it possible, for their part, to effectively report information at the AFD group and are described in Section 2.4.2.2. "Whistleblowing system and other types of reporting (protection, investigation procedures, communication of results)" of the sustainability statement.

Lastly, in order to take action to prevent tax evasion, and keen to participate in the French policy to combat fraud and tax evasion as promoted by France within the framework of the G7, the G20, or the Interministerial Committee for International Cooperation and Development (CICID), the AFD group has, since 2009, had a rigorous policy, redefined in 2023, with regard to non-cooperative jurisdictions (NCJ) in tax matters and anti-money laundering/combating the financing of terrorism (AML/CFT). This policy provides a framework for operations carried out and projects financed in NCJs as well as operations involving one or more NCJs and/or more broadly one or more jurisdictions considered as offshore centres.

When a project involves one or more fiscal NCJs or AML/CFTs, the AFD group’s policy sets out the categories of operations prohibited, authorised or eligible for Group financing as well as the specific diligence to be performed: depending on the case, the presence of fiscal NCJs may be authorised subject to conditions or strictly prohibited.

4.13.3.6 Integrating ESG risks into risk management mechanisms

The cross-functional integration of ESG risks into the various branches of the AFD group's risk management system is addressed by the following projects.

Risk appetite framework

AFD's risk appetite framework covers the Group's entire scope; Proparco is also governed by its own risk appetite framework, established in line with that of AFD.

Since 2025, AFD's Risk Appetite Framework has proposed a first ESG indicator, with the addition of an indicator on the vulnerability of AFD's non-sovereign portfolio to climate-related financial risk. It is anticipated that additional ESG indicators will be gradually incorporated into future risk appetite frameworks.

Gradually updating mapping from an ESG perspective

In 2025, the AFD group undertook an initial exercise to map ESG risks within its financial risk framework by identifying environmental transmission channels, and within its operational risk framework by highlighting environmental operational risks. The ultimate goal is to update all of the AFD group's risk maps through an ESG lens, using materiality analyses, resilience and climate stress tests, and relevant performance and risk monitoring indicators.

Climate transition risk exposure stress test

Furthermore, in 2020, AFD took part in a stress test led by the ACPR to assess the French banking sector's exposure to transition risk. The work carried out concluded that the impact on credit ratings is limited, even in the most adverse scenario (considering an "accelerated" transition, with carbon neutrality in 2050). Indeed, the model results in an average deterioration of one notch for the most adverse scenario, and only 0.03 of a notch in the central scenario. These results are a natural consequence of the 100% Paris Agreement policy adopted by AFD and of the exclusion policies mentioned above.

1) Tracfin is the financial intelligence service under the authority of the Ministry of the Economy, Finance and Industrial, Energy and Digital Sovereignty.

4.13.4 Cross-reference tables with qualitative tables

TABLE 1 — QUALITATIVE INFORMATION ON ENVIRONMENTAL RISK

	Economic strategy and processes	
a)	Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning	4.13.1 ESG in the AFD group's strategy 4.13.1.6 A specific roadmap on financial risks related to climate and nature
b)	Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes	4.13.1 ESG in the AFD group's strategy 4.13.1.1 The Sustainable Development Analysis and Opinion (SDAO) mechanism to steer alignment with the SDGs 4.13.1.2 A credit policy aligned with this strategy 4.13.1.3 The exclusion list 4.13.1.6 A specific roadmap on financial risks related to climate and nature
c)	Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities	4.13.1.1 The Sustainable Development Analysis and Opinion (SDAO) mechanism to steer alignment with the SDGs
d)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks	4.13.3.1 Management of the negative environmental and social impacts of projects financed by the AFD group 4.13.3.3 The AFD group's management of financial risks related to climate and nature
	Governance	
e)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels	4.13.2 ESG risk governance at the AFD group 4.13.2.1 Actors and organisation
f)	Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions	4.13.2.3 ESG alert systems and monitoring mechanisms
g)	Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels	4.13.2.3 Early warning mechanism 4.13.2.1 Actors and organisation
h)	Lines of reporting and frequency of reporting relating to environmental risk	4.13.2.3 Early warning mechanism 4.13.2.1 Actors and organisation
i)	Alignment of the compensation policy with institution's environmental risk-related objectives	4.13.2.4 Compensation
	Risk management	
j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework	4.13.3.6 Integrating ESG risks into risk management mechanisms
k)	Definitions, methodologies and international standards on which the environmental risk management framework is based	4.13.1.4 Alignment with the highest international standards in terms of environmental and social risk management of operations financed 4.13.3.3 AFD group's management of financial risks related to climate and nature
l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels	4.13.1.1 The Sustainable Development Analysis and Opinion (SDAO) mechanism to steer alignment with the SDGs 4.13.1.2 A credit policy aligned with this strategy 4.13.2.3 Annual monitoring of sustainable development issues 4.13.3.1 Management of the negative environmental and social impacts of projects financed by the AFD group 4.13.3.3 The AFD group's management of financial risks related to climate and nature

m)	Activities, commitments and exposures contributing to mitigate environmental risks	4.13.1.3 The exclusion list
n)	Implementation of tools for identification, measurement and management of environmental risks	4.13.2.3.1 Early warning mechanism 4.13.2.3 Annual monitoring of sustainable development issues 4.13.2.3 Monitoring of residual environmental and social risks 4.13.2.3 For projects under implementation
o)	Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile	4.13.3.3 The AFD group's management of financial risks related to climate and nature 4.13.3.6 Integrating ESG risks into risk management mechanisms
p)	Data availability, quality and accuracy, and efforts to improve these aspects	4.13.3.3 The AFD group's management of financial risks related to climate and nature
q)	Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits	4.13.3.6 Integrating ESG risks into risk management mechanisms
r)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	4.13.3.6 Integrating ESG risks into risk management mechanisms

TABLE 2 — QUALITATIVE INFORMATION ON SOCIAL RISK

	Economic strategy and processes	
a)	Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning	4.13.1 ESG in the AFD group's strategy
b)	Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward- looking information in the design of business strategy and processes	4.13.1 ESG in the AFD group's strategy 4.13.1.1 The Sustainable Development Analysis and Opinion (SDAO) mechanism to steer alignment with the SDGs 4.13.1.2 A credit policy aligned with this strategy 4.13.1.3 The exclusion list
c)	Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities	4.13.1.2 A credit policy aligned with this strategy 4.13.2.2 The loan appraisal cycle 4.13.3.1 Management of the negative environmental and social impacts of projects financed by the AFD group
	Governance	
d)	Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:	4.13.2. ESG risk governance at the AFD group 4.13.2.1 Actors and organisation
i)	• Activities towards the community and society	
ii)	• Employee relationships and labour standards	
iii)	• Customer protection and product responsibility	
iv)	• Human rights	
e)	Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body	4.13.2. ESG risk governance at the AFD group 4.13.2.1 Actors and organisation 4.13.3.5 Preventing corruption, fraud, money laundering, terrorist financing and tax evasion
f)	Lines of reporting and frequency of reporting relating to social risk	4.13.2.3 Early warning mechanism 4.13.2.3Annual monitoring of sustainable development issues 4.13.2.3 Monitoring of residual environmental and social risks 4.13.2.3 For projects under implementation
g)	Alignment of the compensation policy in line with institution's social risk-related objectives	4.13.2.4 Compensation

	Risk management	
h)	Definitions, methodologies and international standards on which the social risk management framework is based	4.13.1.4 Alignment with the highest international standards in terms of environmental and social risk management of operations financed
i)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels	4.13.1.1 The Sustainable Development Analysis and Opinion (SDAO) mechanism to steer alignment with the SDGs 4.13.1.2 A credit policy aligned with this strategy 4.13.2.3 Annual monitoring of sustainable development issues 4.13.3.1 Management of the negative environmental and social impacts of projects financed by the AFD group
j)	Activities, commitments and assets contributing to mitigate social risk	4.13.3.1 Management of the negative environmental and social impacts of projects financed by the AFD group
k)	Implementation of tools for identification and management of social risk	4.13.3.1 Management of the negative environmental and social impacts of projects financed by the AFD group
l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits	4.13.3.6 Integrating ESG risks into risk management mechanisms
m)	Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework	4.13.3.6 Integrating ESG risks into risk management mechanisms

TABLE 3 — QUALITATIVE INFORMATION ON GOVERNANCE RISK

	Governance	
a)	Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics	4.13.1 ESG in the AFD group's strategy
b)	Institution's accounting of the counterparty's highest governance body's role in non-financial reporting	4.13.3.4 Consideration of governance risks in project ratings
c)	Institution's integration in governance arrangements of the governance performance of their counterparties including:	4.13.3.4 Consideration of governance risks in project ratings
i)	• ethical considerations	
ii)	• strategy and risk management	
iii)	• inclusiveness	
iv)	• transparency	
v)	• management of conflict of interest	
vi)	• internal communication on critical concerns	
	Risk management	
d)	Institution's integration in risk management arrangements the governance performance of their counterparties in terms of:	4.13.3.5 Preventing corruption, fraud, money laundering, terrorist financing and tax evasion
i)	• ethical considerations	
ii)	• strategy and risk management	
iii)	• inclusiveness	
iv)	• transparency	
v)	• management of conflict of interest	
vi)	• internal communication on critical concerns	

4.13.5 Quantitative tables

In the European context of the simplification of regulatory requirements relating to ESG, and following the publication by the European Banking Authority on 6 August 2025 of a no-action letter, quantitative templates 6 to 10 will not be published until the end of 2026. Similarly, the taxonomic alignment information is not completed in Template 1 (column c) and Template 4 (column c).

TEMPLATE 1: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

	a	b	c	d	e	f	g	h
		Gross carrying amount				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
Data as of 31/12/2025 *(in millions of euros)* Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1 **Exposures towards sectors that highly contribute to climate change***	7,709	1,069		1,705	817	485	157	303
2 A - Agriculture, forestry and fishing	**205**	**-**		**8**	**6**	**3**	**0**	**0**
3 B - Mining and quarrying	**35**	**-**		**11**	**-**	**-**	**0**	**-**
4 B.05 - Mining of coal and lignite	-	-		-	-	-	-	-
5 B.06 - Extraction of crude petroleum and natural gas	11	-		11	-	-	0	-
6 B.07 - Mining of metal ores	24	-		-	-	-	-	-
7 B.08 - Other mining and quarrying	-	-		-	-	-	-	-
8 B.09 - Mining support service activities	-	-		-	-	-	-	-
9 C - Manufacturing	**971**	**-**		**124**	**105**	**64**	**4**	**57**
10 C.10 - Manufacture of food products	114	-		0	26	14	0	13
11 C.11 - Manufacture of beverages	1	-		-	1	1	-	1
12 C.12 - Manufacture of tobacco products	-	-		-	-	-	-	-
13 C.13 - Manufacture of textiles	110	-		4	-	1	-	0
14 C.14 - Manufacture of wearing apparel	23	-		-	-	-	-	-
15 C.15 - Manufacture of leather and related products	-	-		-	-	-	-	-
16 C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	36	-		-	13	9	-	9
17 C.17 - Manufacture of pulp, paper and paperboard	-	-		-	-	-	-	-
18 C.18 - Printing and service activities related to printing	2	-		-	2	-	-	-

	i	j	k	l	m	n	o	p
	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *(in tons of CO_2 equivalent)*							
		Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity
1	11,260,075	2,455,391	0%	1,618	2,442	3,486	163	9
2	**79,634**	**38,931**	**0%**	**95**	**110**	**1**	**-**	**5**
3	**21,227**	**6,349**	**0%**	**11**	**24**	**-**	**-**	**4**
4	0	0	0%	-	-	-	-	
5	14,023	1,495	0%	11	-	-	-	1
6	7,204	4,854	0%	-	24	-	-	5
7	0	0	0%	-	-	-	-	
8	0	0	0%	-	-	-	-	
9	**597,943**	**348,832**	**0%**	**397**	**352**	**222**	**0**	**6**
10	71,049	65,619	0%	87	26	1	-	3
11	423	358	0%	1	-	-	-	0
12	0	0	0%	-	-	-	-	
13	69,463	53,361	0%	13	97	-	0	5
14	3,852	3,128	0%	23	-	-	-	3
15	0	0	0%	-	-	-	-	
16	13,578	8,525	0%	13	-	24	0	10
17	0	0	0%	-	-	-	-	
18	931	890	0%	2	-	-	-	1

Data as of 31/12/2025 *(in millions of euros)* Sector/subsector	a	b	c	d	e	f	g	h
	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
19 C.19 - Manufacture of coke oven products	-	-		-	-	-	-	-
20 C.20 - Production of chemicals	49	-		-	13	1	-	1
21 C.21 - Manufacture of pharmaceutical preparations	307	-		92	-	1	1	-
22 C.22 - Manufacture of rubber products	1	-		-	1	-	-	-
23 C.23 - Manufacture of other non-metallic mineral products	241	-		28	-	3	2	-
24 C.24 - Manufacture of basic metals	57	-		-	49	33	-	33
25 C.25 - Manufacture of fabricated metal products, except machinery and equipment	-	-		-	-	-	-	-
26 C.26 - Manufacture of computer, electronic and optical products	-	-		-	-	-	-	-
27 C.27 - Manufacture of electrical equipment	10	-		-	-	-	-	-
28 C.28 - Manufacture of machinery and equipment n.e.c.	-	-		-	-	-	-	-
29 C.29 - Manufacture of motor vehicles, trailers and semi-trailers	-	-		-	-	-	-	-
30 C.30 - Manufacture of other transport equipment	-	-		-	-	-	-	-
31 C.31 - Manufacture of furniture	-	-		-	-	-	-	-
32 C.32 - Other manufacturing	19	-		-	-	-	-	-
33 C.33 - Repair and installation of machinery and equipment	-	-		-	-	-	-	-
34 D - Electricity, gas, steam and air conditioning supply	**3,039**	**1,069**		**632**	**284**	**185**	**62**	**108**
35 D35.1 - Electric power generation, transmission and distribution	2,968	1,069		632	284	185	62	108
36 D35.11 - Production of electricity	2,817	1,069		617	210	172	62	96
37 D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	71	-		-	-	-	-	-

	i	j	k	l	m	n	o	p
	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *(in tons of CO_2 equivalent)*							
		Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity
19	0	0	0%	-	-	-	-	
20	153,202	49,976	0%	37	12	-	-	3
21	80,670	57,366	0%	168	139	-	-	4
22	694	624	0%	1	-	-	-	1
23	180,460	91,553	0%	19	25	196	-	10
24	12,618	7,583	0%	4	53	-	-	7
25	-	-	0%	-	-	-	-	
26	195	132	0%	0	-	-	-	1
27	5,620	5,208	0%	10	-	-	-	0
28	1	1	0%	0	-	-	-	3
29	-	-	0%	-	-	-	-	
30	-	-	0%	-	-	-	-	
31	-	-	0%	-	-	-	-	
32	5,188	4,509	0%	19	-	-	0	2
33	-	-	0%	-	-	-	-	
34	**7,588,061**	**1,430,195**	**0%**	**455**	**1.031**	**1,477**	**75**	**10**
35	7,522,063	1,417,604	0%	443	972	1,477	75	10
36	-	-	0%	414	882	1,458	63	10
37	65,998	12,590	0%	12	59	-	-	7

Data as of 31/12/2025 (*in millions of euros*) Sector/subsector	a	b	c	d	e	f	g	h
	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
38 D35.3 - Steam and air conditioning supply	-	-		-	-	-	-	-
39 E - Water supply; sewerage, waste management and remediation activities	**980**	**-**		**327**	**72**	**57**	**25**	**29**
40 F - Construction	**217**	**-**		**65**	**-**	**3**	**2**	**-**
41 F.41 - Construction of buildings	69	-		19	-	1	1	-
42 F.42 - Civil engineering	147	-		46	-	2	1	-
43 F.43 - Specialised construction activities	-	-		-	-	-	-	-
44 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	**144**	**-**		**-**	**17**	**1**	**-**	**-**
45 H - Transportation and storage	**1,392**	**-**		**143**	**251**	**73**	**14**	**60**
46 H.49 - Land transport and transport *via* pipelines	730	-		12	114	11	1	9
47 H.50 - Water transport	29	-		1	1	1	-	-
48 H.51 - Air transport	54	-		16	28	28	2	26
49 H.52 - Warehousing and support activities for transportation	531	-		115	108	33	12	25
50 H.53 - Postal and courier activities	47	-		-	-	-	-	-
51 I - Accommodation and food service activities	**158**	**-**		**27**	**43**	**29**	**4**	**24**
52 L - Real estate activities	**569**	**-**		**368**	**38**	**70**	**45**	**24**
53 Exposures towards sectors other than those that highly contribute to climate change*	**56,035**	**-**		**5,170**	**3,102**	**1,299**	**266**	**931**
54 K - Financial and insurance activities	**16,180**	**-**		**615**	**127**	**167**	**31**	**91**
55 Exposures to other sectors (NACE codes J, M - U)	39,854	-		4,555	2,974	1,133	234	840
56 TOTAL	**63,744**	**-**		**6,875**	**3,918**	**1,784**	**423**	**1,234**

(1) In accordance with Commission Delegated Regulation (EU) No. 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmark Regulation – Preliminary Point 6: sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No. 1893/2006

	i	j	k	l	m	n	o	p
	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) *(in tons of CO_2 equivalent)*							
		Of which Scope 3 financed emissions	GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity
38	-	-	0%	-	-	-	-	
39	**2,178,844**	**213,931**	**0%**	**95**	**162**	**722**	**0**	**12**
40	**51,858**	**49,227**	**0%**	**132**	**44**	**40**	**0**	**5**
41	23,194	21,758	0%	56	6	8	-	4
42	28,664	27,469	0%	76	39	33	0	6
43	-	-	0%	-	-	-	-	
44	**28,682**	**23,609**	**0%**	**112**	**32**	**-**	**-**	**3**
45	**594,363**	**234,968**	**0%**	**186**	**503**	**702**	**0**	**10**
46	342,341	121,804	0%	44	211	475	0	10
47	77,520	34,020	0%	1	29	-	-	8
48	94,813	24,271	0%	34	18	2	-	4
49	73,140	49,056	0%	61	245	225	-	10
50	6,548	5,817	0%	47	-	-	-	1
51	**72,126**	**68,822**	**0%**	**63**	**93**	**2**	**-**	**5**
52	**47,337**	**40,527**	**0%**	**70**	**91**	**321**	**87**	**13**
53				**11,464**	**15,325**	**26,119**	**3,127**	**10**
54				**8,634**	**4,546**	**1,768**	**1,233**	**6**
55				2,830	10,779	24,351	1,893	12
56				**13,082**	**17,768**	**29,605**	**3,289**	**10**

Paris-Aligned Benchmark (PAB)

The regulation requires the identification of exposures excluded from the Paris-Aligned Benchmark (PAB) index, as defined by Article 12.1 of Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020. An internal methodology had to be developed for this purpose, as the geographical distribution of the AFD group's portfolio in developing or emerging countries makes it difficult to use an index calculated by an external data provider: the business sector of the counterparties was identified on the basis of their NACE codes, and made it possible to distinguish between (i) counterparties active in the fossil fuel sector (coal, oil or gas), and (ii) those active in the electricity generation sector. For the few counterparties in the first category, an analysis of the composition of their revenue was carried out. For electricity operators, data on their production mix was collected from several sources: in operators' reports or from the AFD group's technical experts. These analyses led to a list of exposures excluded from the PAB index. However, two important remarks should be noted about the composition of the AFD group's portfolio:

- exposure to counterparties operating in the fossil fuel sector is very limited, as the AFD group's exclusion list was tightened in this regard in 2022 (see Section 4.13.1.3). In addition to the depreciation and amortisation of the existing portfolio, there may also be renewable energy development support projects for these same players;
- through its mandate, the AFD group finances integrated electricity operators that do not currently meet the definition of the PAB index, precisely with a view to backing them during their low-carbon transition.

Greenhouse gas (GHG) emissions financed

The regulation also requires the disclosure, by sector of activity, of GHG emissions attributable to the AFD group's financial exposures. In line with Part A "financed emissions" of the Partnership for Carbon Accounting Financials (PCAF) standard, the AFD group rolled out two complementary processes:

- information is collected for the investment portfolio from external reports on their ESG performance. This method of collection corresponds to a Level 1 or 2 PCAF data quality score;
- the use of a tool for estimating financed emissions, the Joint Impact Model (JIM) v.4.0, aligned with the PCAF methodology, for all other counterparties in its portfolio. This model generates data with a PCAF quality score of 4 or 5. The JIM's methodology is based on macroeconomic modelling that estimates the carbon intensity of investments by economic sector and country. The results are therefore estimates and should be interpreted as such. The estimates were produced using version 4.0 of JIM, which now includes the downstream scope 3 calculation (with the exception of categories 11 and 12). The increase in financed emissions is due to the use of this new version.

Two methods of estimating emissions are proposed. In the Individual Customer method, a customer's emissions are estimated based on their revenue, to which a sectoral and geographical carbon intensity factor is applied. This gives an estimate of the company's total emissions. AFD then allocates a share of these emissions which is proportional to its financing, calculated pro rata of the outstandings on the company's total balance sheet. In the Sector Exposure method, emissions are directly allocated in proportion to outstanding financing without using a more individualised estimate based on revenues.

There are some limitations to using the JIM tool. Firstly, emissions from the water and sanitation sector are estimated using sectoral data that also aggregate data for the waste management sector. This implies estimates that are significantly higher than the averages for the Water and Sanitation sector alone observed elsewhere. Secondly, the tool does not provide an estimate of emissions for biomass power plants. In the absence of other information, these plants have been treated as conventional power plants. Methodological work is under way to better understand the calculation of emissions for these two sectors. Work on data quality is also under way to better estimate and calculate the emissions of integrated electricity operators, which represent the largest share in the AFD group's portfolio.

TEMPLATE 2 – BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY — ENERGY EFFICIENCY OF THE COLLATERAL

The regions in which the AFD group operates do not allow for an easy valuation of real estate collateral, which is most often taken on a defensive basis, for a limited number of financing transactions. The AFD group does not provide real estate financing, or only does so very marginally. For these reasons, Template 2 "Banking book — Indicators of potential climate change transition risk: Loans collateralised by real immovable property – Energy efficiency of the collateral" is not provided here.

TEMPLATE 3: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: ALIGNMENT METRICS

Data as of 31/12/2025
(in millions of euros)

	a	b	c	d	e	f	g
Sector		**NACE Sectors**	**Portfolio gross carrying amount**	**Alignment metric**	**Year of reference (2024)**	**Distance to IEA NZE2050 in %**	**Target (year of reference + 3 years)**
1	Power	3511-3512-3513	2,968	Average tonnage of CO_2eq/MWh – Scope 1	0.272	46%	No target
2	Fossil fuel combustion	620-1920-2014-3522-3523	94	N/A(1)	N/A	N/A	N/A
3	Automotive	-	-	N/A(2)	N/A	N/A	N/A
4	Aviation	5110-5223	291	Percentage of Sustainable Aviation Fuel (SAF) used by airlines and airports	0	100%(3)	No target
5	Maritime transport	5010-5020-5222-5224-5229	320	Annual Efficiency Ratio (AER) of fleets(4) – Scope 1, 2	N/A(5)	N/A	No target
6	Cement, clinker and lime production	0,0	241	Tonnes of CO_2eq per tonne produced – Scope 1 and 2 "inclusive"(6)	0.607	35%	No target
7	Iron and steel, coke, and metal ore production	729-2445	81	Tonnes of CO_2eq per tonne produced – Scope 1 and 2 (steel and aluminium only)	N/D(7)	N/D	No target
8	Chemicals	2014-2015-2059	49	Tonnes of CO_2eq per tonne produced – Scope 1 and 2 "inclusive"(6)	N/D(8)	N/D	No target
9	Potential additions relevant to the business model of the institution						

(1) Fossil fuels are now part of the AFD group's exclusion list, therefore the suggested alignment parameters for this sector do not apply. In addition to fossil-fuel-related assets, which are declining and expected to disappear, this line also includes renewable energy production assets - linked to entities whose revenues are mostly derived from fossil fuels - that AFD may continue to finance.
(2) The AFD group does not finance projects in this sector.
(3) This indicator is not monitored by AFD. According to experts, the SAF rate is close to 0%.
(4) Indicator equivalent to the IMO's Carbon Intensity Indicator (CI) (CO_2eq/tonne-kilometre).
(5) Currently, AFD does not finance non-sovereign fleets. Projects in this sector mainly benefit port authorities and terminals.
(6) The notion of Scope 1 and 2 "inclusive", as defined by ADEME, adds to Scope 1 and 2 GHG emissions the imported emissions linked to incompressible inputs such as limestone or cement.
(7) The IEA has defined alignment benchmarks for the production of steel and aluminium. At present, the AFD group's portfolio does not include any counterparty whose production is focused on these minerals.
(8) Data collection is ongoing.

With a view to managing transition risks, the table above shows, for certain particularly emitting sectors, the positioning of the carbon intensity of financed activities in line with the carbon neutrality trajectories by 2050 (NZE 2050) defined by the International Energy Agency (IEA). It includes eight sectors whose carbon intensity is considered significant by the European Banking Authority (EBA), namely fossil fuel combustion, power, iron and steel, cement, automotive, maritime transport, aviation and chemicals. The table consolidates all outstandings associated with the NACE codes proposed by the EBA for each sector. However, it should be noted that the scope of the alignment parameter only covers the relevant NACE codes and not necessarily the entire financial exposure, *i.e.* outstandings linked to NACE 3511 codes for electricity generation. Carbon intensity can be calculated for three sectors, which can be compared with the NZE2050 trajectory, in accordance with regulatory requirements. The AFD group's main sector of exposure is the power sector, with an outstanding amount of just over €3bn. Emission factors were obtained either directly from counterparties or using estimates (derived from the energy mix for certain electricity producers). Pending the generation of data of a better quality, conservative values have sometimes been used, notably for emission factors that also cover Scopes 2 and 3. Five sectors are not, or are no longer, covered by the AFD group's scope of intervention (fossil fuels; automotive); do not currently appear in its portfolio as it is (steel or aluminium production; fleets); or do not yet have consolidated data to date (chemical products). It should be noted that the IEA's decarbonisation pathways are carried out on a global scale, while the AFD group's activities focus on developing and emerging countries, which, under the Paris Agreement, can follow differentiated pathways towards carbon neutrality.

Alignment with the Paris Agreement was adopted as a guiding principle in 2017, and structures all of the Group's actions. The AFD group's commitment to "net zero" transitions is to be understood in view of the role expected of development banks in the Global North under the Paris Agreement, robustly underpinned by a set of operational due diligence processes, tested since 2017, making it possible to report on their implementation and which analyse the consistency of interventions in relation to low-carbon economic development trajectories. Projects are analysed using existing methodologies for alignment with national low-carbon and resilient development trajectories, and specific doctrines have been consolidated for the maritime and aviation sectors, as well as for energy operators. This "100% Paris Agreement" commitment has been taken up by all multilateral development banks, and well received by specialised civil society organisations. With regard specifically to the management of climate transition financial risks, an ongoing appraisal is conducted at counterparty level, enabling a formal assessment of net risks (see Section 4.13.3.3). This measure is complemented by a policy to phase out fossil fuels—coal, oil and gas (see section 4.13.1.3). No sectoral carbon intensity target has been adopted by the AFD group. The indicators presented are complementary diagnostic elements, and are not intended for the strategic or operational management of the activity.

TEMPLATE 4: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS

	a	b	c	d	e
Data as of 31/12/2025 *(in millions of euros)*	**Gross carrying amount (aggregate)**	**Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)***	**Of which environmentally sustainable (CCM)**	**Weighted average maturity**	**Number of top 20 polluting firms included**
1	43	0.07%	-	11	1

* *For counterparties among the top 20 carbon emitting companies in the world.*

This table identifies the financial exposure to companies that are among the world's top 20 emitters of greenhouse gases. Among the sources proposed by the regulations, the AFD group retained data from the Climate Accountability Institute, referring to the most recent annual data.

No funding was allocated to the parent companies of the groups on this list. In addition, the financing granted to subsidiaries of these groups is exclusively for renewable electricity generation projects.

TEMPLATE 5 – BANKING BOOK – INDICATORS OF POTENTIAL PHYSICAL RISK LINKED TO CLIMATE CHANGE: EXPOSURES SUBJECT TO PHYSICAL RISK

AFD updated its system for measuring physical climate risks as of 1 July 2025. Thus, whilst the first publication was based on the measurement of five climate hazards (cyclones and extreme precipitation as acute hazards; heat stress, water stress, and sea level rise as chronic hazards), this and subsequent publications will focus on the measurement of 14 hazards. This methodological change is also accompanied by a more developed geographical granularity, now on a regional scale.

- **Acute hazards measured**

Coastal flooding: submersion of the coastline with a minimum water depth of 0.5 m, taking into account sea-level rise, tidal levels and land subsidence.

River flooding: flooding of a watercourse with a water depth of at least 0.5 m, taking into account factors derived from meteorological data (*e.g.* rainfall and evaporation).

Heat stress: the likelihood of extreme heat and humidity – conditions in which it is difficult for the human body to cool itself down.

Cold-related stress: the likelihood of cold temperatures – conditions in which it is difficult for the human body to stay warm.

Forest fires: likelihood of weather conditions conducive to fires.

Tropical storms: Beaufort scale 9 tropical storms (wind speeds of 82 km/h).

immovable propertyCyclones: category 3 cyclone (wind speed of 178 km/h).

Landslides: a combined index of landslide susceptibility and rainfall risk, indicating the annual probability of landslides.

Extreme precipitation: events of high intensity precipitation.

- **Chronic hazards measured**

Erosion: annual rate of topsoil erosion across all land-use types, based on the revised universal soil loss equation.

Erosion of cultivated land: annual rate of topsoil erosion across all land-use types.

Drought: the number of extreme meteorological drought events per decade, based on the normalised precipitation-evapotranspiration index.

Water stress: freshwater availability versus local water withdrawal.

Land subsidence: the potential overall subsidence index – a combination of susceptibility to subsidence and groundwater depletion.

As the Group does not hold any loans secured by immovable property or any real estate collateral obtained through repossession within its banking portfolio, these categories of exposure are not disclosed in this template.

In the "Africa" geographic area

This area includes the projects attached to the Regional Directorates of North Africa, the Greater Sahel, the Gulf of Guinea, Central Africa, East Africa and Southern Africa.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Data as of 31/12/2025 *(in millions of euros)*	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events										Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Breakdown by maturity bucket												
Variable: Geographical area subject to climate change physical risk - acute and chronic events		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1 A - Agriculture, forestry and fishing	81	19	59	-	-	6	-	18	61	6	2	2	0	-
2 B - Mining and quarrying	11	11	-	-	-	1	-	-	11	11	-	0	0	-
3 C - Manufacturing	403	116	59	196	0	8	-	300	71	28	40	16	2	12
4 D - Electricity, gas, steam and air conditioning supply	1,047	139	271	637	0	11	-	839	208	394	185	103	41	55
5 E - Water supply; sewerage, waste management and remediation activities	298	22	63	213	-	11	-	54	244	194	50	46	18	27
6 F - Construction	58	15	-	-	-	5	-	-	15	15	-	1	1	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	48	15	-	-	-	0	-	-	15	-	-	-	-	-
8 H - Transportation and storage	808	11	99	269	0	11	271	109	-	67	71	29	7	20
9 L - Real estate activities	177	41	2	-	0	3	-	43	-	8	14	11	0	10

In the "Latin America" geographic area

This zone includes the projects attached to the Regional Directorates of Mexico, Cuba and Central America, the Andes and Brazil Southern Cone.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
Data as of 31/12/2025 *(in millions of euros)*		Breakdown by maturity bucket										Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
Variable: Geographical area subject to climate change physical risk - acute and chronic events		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1 A - Agriculture, forestry and fishing	56	8	37	-	-	6	3	-	41	-	4	1	-	0
2 B - Mining and quarrying	-	-	-	-	-		-	-	-	-	-	-	-	-
3 C - Manufacturing	75	46	8	-	-	3	-	50	4	-	13	10	-	9
4 D - Electricity, gas, steam and air conditioning supply	814	58	414	342	-	10	-	603	210	35	-	9	6	-
5 E - Water supply; sewerage, waste management and remediation activities	388	18	-	337	0	15	-	354	1	-	-	2	-	-
6 F - Construction	34	-	-	-	-		-	-	-	-	-	-	-	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1	-	-	-	-		-	-	-	-	-	-	-	-
8 H - Transportation and storage	108	0	108	-	0	9	-	108	-	-	-	1	-	-
9 L - Real estate activities	3	-	3	-	-	8	3	-	-	3	-	0	0	-

In the "Three Oceans" geographic area

This zone includes the projects attached to French overseas territories and neighbouring foreign states in three geographical basins corresponding to Regional Directorates: Atlantic Ocean, Indian Ocean and Pacific Ocean.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Data as of 31/12/2025 *(in millions of euros)*	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events										Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Breakdown by maturity bucket												
Variable: Geographical area subject to climate change physical risk - acute and chronic events		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1 A - Agriculture, forestry and fishing	1	-	-	-	-		-	-	-	-	-	-	-	-
2 B - Mining and quarrying	-	-	-	-	-		-	-	-	-	-	-	-	-
3 C - Manufacturing	75	1	49	25	0	9	-	51	24	-	51	35	-	35
4 D - Electricity, gas, steam and air conditioning supply	365	5	91	181	55	13	-	307	26	88	30	10	6	3
5 E - Water supply; sewerage, waste management and remediation activities	143	5	1	66	0	14	33	39	-	42	2	4	3	2
6 F - Construction	66	10	20	9	-	9	-	39	-	8	-	1	1	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3	3	-	-	-	3	-	3	-	-	-	0	-	-
8 H - Transportation and storage	245	40	31	145	-	11	0	216	-	18	98	30	2	27
9 L - Real estate activities	389	24	47	198	87	15	-	353	3	239	6	35	31	4

In the "Orients" geographic area

This zone includes the projects attached to the Regional Directorates of South-East Asia, South Asia, East Asia, the Near and Middle East, and the European Enlargement and Neighbourhood.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Data as of 31/12/2025 *(in millions of euros)*	**Gross carrying amount**													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket										**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**		
Variable: Geographical area subject to climate change physical risk - acute and chronic events		**<= 5 years**	**> 5 years <= 10 years**	**> 10 years <= 20 years**	**> 20 years**	**Average weighted maturity**	**of which exposures sensitive to impact from chronic climate change events**	**of which exposures sensitive to impact from acute climate change events**	**of which exposures sensitive to impact both from chronic and acute climate change events**	**Of which Stage 2 exposures**	**Of which non-performing exposures**		**Of which Stage 2 exposures**	**Of which non-performing exposures**
1 A - Agriculture, forestry and fishing	54	54	-	-	-	2	26	3	25	2	1	0	0	-
2 B - Mining and quarrying	24	-	24	-	-	5	-	24	-	-	-	0	-	-
3 C - Manufacturing	150	53	97	-	-	4	-	150	-	4	-	1	0	-
4 D - Electricity, gas, steam and air conditioning supply	598	160	160	276	0	9	0	323	273	76	54	57	6	49
5 E - Water supply; sewerage, waste management and remediation activities	150	44	46	60	-	8	-	121	29	29	-	2	1	-
6 F - Construction	-	-	-	-	-		-	-	-	-	-	-	-	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	46	17	-	-	-	4	-	17	-	-	17	0	-	0
8 H - Transportation and storage	29	-	-	-	-		-	-	-	-	-	-	-	-
9 L - Real estate activities	-	-	-	-	-		-	-	-	-	-	-	-	-

In other regions

This table groups together projects not covered in the regions presented above; these are essentially multi-regional projects and therefore not allocated to a specific geographic area.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Data as of 31/12/2025 *(in millions of euros)*	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events										Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Breakdown by maturity bucket												
Variable: Geographical area subject to climate change physical risk - acute and chronic events		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures
1 A - Agriculture, forestry and fishing	14	14	-	-	-	0	-	14	-	-	-	0	-	-
2 B - Mining and quarrying	-	-	-	-	-		-	-	-	-	-	-	-	-
3 C - Manufacturing	268	129	139	-	0	4	-	265	3	92	1	2	1	1
4 D - Electricity, gas, steam and air conditioning supply	215	56	94	22	-	6	6	116	50	32	15	4	2	2
5 E - Water supply; sewerage, waste management and remediation activities	-	-	-	-	-		-	-	-	-	-	-	-	-
6 F - Construction	59	42	17	-	-	4	-	-	59	-	-	0	-	-
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	47	47	-	-	-	2	-	3	44	-	-	0	-	-
8 H - Transportation and storage	200	2	22	-	-	5	-	24	-	-	2	2	-	2
9 L - Real estate activities	-	-	-	-	-		-	-	-	-	-	-	-	-

4.14 Compensation policy

The items relating to compensation are addressed in Sections 3.1.4, 3.1.5, 3.1.6 and 3.2 of the Universal Registration Document. These sections describe notably the principles of governance, the structure of fixed and variable compensation, as well as the provisions applicable to senior executives

Governance of the compensation policy

Pursuant to Article L.511-89 of the French Monetary and Financial Code and the Decree of 3 November 2014, AFD falls within the scope of institutions considered to be of significant importance, due to a total balance sheet of more than €5bn. However, the establishment of an Appointments Committees and Compensation Committees is hampered by the specific statutory and organisational characteristics of the AFD as a public institution. More specifically with regard to compensation, AFD emphasises that the compensation of all its staff, including the executive officers and the employees who have a significant impact on the risk profile, is governed by its Staff Regulations, with no individual variable compensation.

The compensation policy is mainly based on fixed and statutory items. Basic compensation is determined according to the job grade, experience, expertise and market conditions, in line with internal and external pay scales. It includes a basic salary, to which may be added certain bonuses and gratuities provided for by the Staff Regulations, as well as a collective performance variable bonus. However, no employee (including directors) receives individual variable compensation, whether deferred or not (*e.g.* bonus, shares, stock options, etc.). Employees may also receive annual profit-sharing bonuses based on collective performance indicators, as well as various employee benefits.

A new set of Staff Regulations came into force on 1 January 2023, with transitional measures to back its roll-out among staff already in place. Changes in compensation are based on structured social dialogue, including mandatory annual negotiations, and may take the form of collective and/or individual increases, within the limits of the budget approved by the Board of Directors. Individual pay rises are based on an assessment of performance in the role and are allocated fairly. An Appeals Committee allows employees to contest a decision relating to their compensation.

Payments for early termination of an employment contract are defined in the Staff Regulations and supplement, where necessary, the applicable legal provisions. The compensation principles described apply to all AFD staff, including executive officers and individuals whose activities have a significant impact on the organisation's risk profile.

For the 2025 financial year, the total compensation package of all kinds paid to categories of staff identified as risk-takers or equivalent amounts to €12.7M. In addition, the total compensation paid in 2025 to the executive directors, the Chief Risk Officer, the Head of the Compliance Department and the Head of the Permanent Control Department amounted to €0.94M.

TEMPLATE EU REM1 - REMUNERATION AWARDED FOR THE FINANCIAL YEAR

Data as of 31/12/2025 *(in millions of euros)*			a MB Supervisory function	b MB Management function	c Other senior management	d Other identified staff
1		Number of identified staff members	16	42	17	15
2		Total fixed remuneration	2,258	5,040	3,344	1.916
3		Of which: cash-based	2,258	5,040	3,344	1.916
4		(Not applicable in the EU)	-	-	-	-
EU-4a	**Fixed remuneration**	Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU- 5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)	-	-	-	-
7		Of which: other forms	-	-	-	-
8		(Not applicable in the EU)	-	-	-	-
9		Number of identified staff	-	-	-	-
10		Total variable remuneration	61	45	18	16
11		Of which: cash-based	61	45	18	16
12		Of which: deferred	-	-	-	-
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a	**Variable remuneration**	Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	**TOTAL REMUNERATION (2 + 10)**		**2,319**	**5,086**	**3,362**	**1,933**

TEMPLATE EU REM5 - INFORMATION ON REMUNERATION OF STAFF WHOSE PROFESSIONAL ACTIVITIES HAVE A MATERIAL IMPACT ON INSTITUTIONS' RISK PROFILE (IDENTIFIED STAFF)

	a	b	c	d	e	f	g	h	i	j
	Management body remuneration			Business areas						
Data as of 31/12/2025 *(in millions of euros)*	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All others	Total
1 Total number of identified staff members	16	42	58					15	17	90
2 Of which: members of the MB	16	42	58							
3 Of which: other senior management									17	
4 Of which: other identified staff								15		
5 Total remuneration of identified staff	2,319	5,086	7,405					1,933	3,362	
6 Of which: variable remuneration	61	45	107					16	18	
7 Of which: fixed remuneration	2,258	5,040	7,298					1,916	3,344	

4.15 Index of regulatory disclosures under Pillar 3

Regulatory code	Title	Section
Qualitative regulatory informations		
EU OVC	ICAAP information	4.5
EU OVA	Institution risk management approach	4.2
EU OVB	Disclosure on governance arrangements	4.3
EU LIA	Explanations of differences between accounting and regulatory exposure amounts	4.5.1
EU LIB	Other qualitative information on the scope of application	4.5.1
EU CCA	Main features of regulatory own funds instruments and eligible liabilities instruments	4.5.1
EU LIQA	Liquidity risk management	4.10.1
EU CRA	General qualitative information about credit risk	4.6
EU CRB	Additional disclosure related to the credit quality of assets	4.6
EU CRC	Qualitative disclosure requirements related to CRM techniques	4.6.4
EU CRD	Qualitative disclosure requirements related to standardised model	4.6.2
EU CCRA	Qualitative disclosure related to CCR	4.8
EU SECA	Qualitative disclosure requirements related to securitisation exposures	4.9
EU MRA	Qualitative disclosure requirements related to market risk	4.10.3
EU ORA	Qualitative information on operational risk	4.11
EU IRRBBA	Qualitative information on interest rate risks of non-trading book activities	4.10.2.1
EU REMA	Remuneration policy	4.14
Quantitative regulatory informations		
EU KM1	Key metrics template	4.1.3
EU OV1	Overview of total risk exposure amounts	4.5.2
EU LI1	Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories	4.5.2
EU LI3	Outline of the differences in the scopes of consolidation (entity by entity)	4.5.1
EU LI2	Main sources of differences between regulatory exposure amounts and carrying values in financial statements	4.5.2
EU CC1	Composition of regulatory own funds	4.5.2
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EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	4.6.4
EU CR4	Standardised approach – Credit risk exposure and CRM effects	4.6.4
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Regulatory code	Title	Section
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EU CCR1	Analysis of CCR exposure by approach	4.8
EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights	4.8
EU CCR5	Composition of collateral for CCR exposures	4.8
EU CCR8	Exposures to CCPs	4.8
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EU OR1	Operational risk losses	4.11.8
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EU IRRBB1	Interest rate risks of non-trading book activities	4.10.2
EU REM1	Remuneration awarded for the financial year	4.1.4
EU REM5	Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	4.1.4
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05

Financial information

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5.1 Recent changes and future outlook

5.1.1 Recent changes

AFD group commitments in 2025 amounted to €13.7bn (including delegated funds of around €525M and Proparco's Trade Finance for €176M).

AFD's activity amounted to slightly over €10bn (including €8.3bn in foreign States and €1.7bn in the French Overseas Departments and Collectivities) and Proparco's commitments amounted to €3.2bn (1).

AFD loans and grants recorded an overall decrease. It represented -5% for lending activities between 2024 and 2025 and -36% for grants. The decrease was most significant for subsidised sovereign loans, with a decrease of -12% (volume of €3bn in 2025), and -35% for non-sovereign loans with AFD subsidies (volume of €560M at the end of 2025) as a result of the reduction in the EA subsidy budget to €820M for AFD group in 2025.

AFD's non-subsidised lending activity increased by 7% for sovereign loans and 16% for non-sovereign loans, to reach a volume of €2bn and €1.4bn respectively in 2025.

The seasonal pattern of business in 2025 continued to improve, although it remains characterised by a concentration of approvals towards the end of the year, with 36% of commitments made in the final quarter, compared with 46% in the final quarter of 2024.

5.1.2 Future outlook

AFD outlook

The 2026 business plan is based on the following budgetary resources:

- Programme 209: the reduction in commitment approvals for Programme 209 was significant. The programme is based on a volume of €285M announced in the draft budget law (before the freeze), of which €220M for the project donation and €65M for the CSO budget. All AFD regional directorates had to undertake a complex prioritisation exercise, taking into account: i) the July 2025 guidance note; ii) the presence of vulnerable countries; and iii) the potential contribution to the COM (2) and PDC (3) sectoral objectives. The number of projects receiving subsidies is clearly decreasing and it is becoming complicated to meet all of the CPPI's expectations (4);
- Programme 110: it will also be down (€650M in the draft budget law, of which +/-10% earmarked for related aid instruments). In 2026, the use of concessional financing will continue in order to meet ODA eligibility criteria (5) in LDCs (6), but it will no longer be applied systematically in MICs (7). This optimisation of resource 110 will free up funds to increase the leverage effect of the premiums for MICs;
- Programme 123: the envelope of Programme 123 should remain unchanged for 2026.

On this basis, the Group's business plan for 2026 is between €11.2bn and €11.8bn (including delegated funds), *i.e.* a decrease of between €0.5bn and €1bn compared to 2025. Its structure logically continued its transformation;

- the amount of loans to foreign States is expected to reach between €6.6bn and €7.3bn. Within this volume, subsidised loans, around €2.4bn, were down sharply compared to 2025 (€3.5bn). They will be mobilised mainly to respond to the challenges of LDCs and vulnerable countries, and the geographical objectives of the CPPI. Several concessional loans not yet geographically located (between €125M and €150M) will be loans mobilising resources in subsidies for direct aid instruments, in accordance with AFD's new mandate on economic influence;
- the goal for 2026 is to reach a target of between €4.3bn and €4.9bn in non-subsidised loans, which represents a significant additional production effort (between +€0.7bn and +€1.3bn compared to 2025);
- lastly, business in the French Overseas will be down slightly in 2026, to around €800M.

Concerning the outlook for intervention by geographic area:

For 2026, AFD group foresees a business plan of around €11.5bn including delegated funds.

Even more so than in 2025, AFD's 2026 activities on the African continent will inevitably continue to be impacted by the budgetary context, resulting in a collapse in the resources of Programme 209 (around -50% announced) and a reduction in Programme 110. Admittedly, the overall business plan is becoming ever less reliant on State resources, but geographical imbalance will continue in Africa under these circumstances.

Thus, AFD's loan activity in Africa could experience a slight rebound, but only in the event of:

- optimising public resources, based on the approach of useful public flows in MICs and the pooling of subsidised and unsubsidised resources in response to clients' needs in LDCs;
- controlled use of requests for exemption from the Le Maire doctrine within a framework of enhanced dialogue with the Directorate General of the Treasury and through a transactional approach;
- the effective implementation of the business plan in certain countries in Southern and East Africa, which, for different reasons, could be complicated in 2026 due to external factors that weigh relatively heavily on our programming.

1) Including trade finance.
2) Objectives and resources contract.
3) Presidential Development Council.
4) Presidential Council for International Partnerships.
5) Official Development Assistance.
6) Least Developed Countries.
7) Middle-income countries.

The 2026 forecast programme for project grants in Africa was drawn up on the basis of extensive dialogue with partners on the ground (both with local counterparts and with diplomatic missions, notably in the framework of local development committees and Équipe France's Solidarity and Sustainable Investment Strategies) and is aligned with and consistent with the geographical and sectoral priorities set out in the MEAE's framework letter.

In the Orients region, AFD anticipates a decline in concessional financing due to several factors: firstly, the fall in subsidies and subsidy resources, but also the continued upward trend in tariff conditions, the doctrine of sustainable debt, as well as geopolitical tensions. This decrease will be partially offset by an increase in non-concessional financing, both sovereign and non-sovereign, in the MCIs [1]. In the face of long-term economic and environmental challenges, the Agency wishes to expand its activities in 2026 to promote the convergence of the Balkan and Caucasus countries with the European Union, the integration of Central Asian countries into the objectives of the Paris Agreement and connectivity, the energy transition and the protection of biodiversity in South and South-East Asia (with particular emphasis on the continuation of the JET-P [2]) and in China, in line with France's Indo-Pacific strategy.

In 2026, AFD's commitments in the Three Oceans are estimated at €1.2bn, including €700M for the French overseas territories (excluding State-guaranteed loans and private sector guarantee funds), to which could be added a new State-guaranteed loan (SGL) in New Caledonia (in the amount of €200M). In the French overseas territories, business with the public sector is likely to somewhat run out of steam in a context of erosion of AFD's competitiveness, even if the level of subsidised loans could be maintained. AFD will continue to deploy financial and technical engineering capacity in the French overseas territories through increased resources *via* the French Overseas Departments and Collectivities Fund (FOM).

In foreign States, financing is expected to increase significantly to around €500M for all instruments combined, through significant volumes of non-subsidised loans in the Dominican Republic and Mauritius. Business in subsidised loans is expected to decline slightly due to the reduction in subsidy funds under Programme 110. Lastly, grant activities will decrease drastically, as its P209 budget will be halved compared to 2024.

Lastly, 2026 is shaping up to be another year of strong mobilisation for AFD in Latin America, with a business plan targeting €2bn in commitments. The activity will not mobilise any budgetary resources in the form of project grants or subsidies. It will be marked by a reinforced capacity for innovation in the service of French and European priorities.

The Agency will therefore, alongside Expertise France, support the first sovereign public policy financing initiative dedicated to bolstering security policies in Ecuador, a country severely affected by drug trafficking and rising insecurity.

In addition, co-financing will play a central role in 2026: nearly 40% of the new commitments will be made with European donors — KfW, Italian CDP and EIB — and with the Global Gateway label.

Public development banks will represent a significant share of commitments, particularly in the Andean region. Financing for green investments and local authorities will continue in Brazil, while our activities in Argentina will back the development of transition minerals, notably in the province of San Juan.

Proparco outlook

In 2026, Proparco's business plan should reach €3bn in approvals for long-term activities, mainly driven by debt business and risk sub-sharing (for around €2.3bn).

The financial institutions sector is expected to remain the largest beneficiary of lending activities. In terms of guarantee activities, recorded on the AFD balance sheet, ARIZ guarantees should amount to €230M. Trade Finance should amount to €220M in approvals.

Equity investment activities should continue to be a growth driver of Proparco's business, reaching €430M in business on the Proparco and Fisea scope, maintaining an underlying objective of rebalancing towards direct equity investments.

Equally, 2026 marks the start of the second phase of the 2023–2027 strategy, which had set out impact targets for a three-year period (2023–2025).

New impact objectives were set for 2026 and 2027. While the key strategic orientations for 2023–2025 remain valid and relevant, it is being proposed that a few clarifications and adjustments be made for the 2026–2027 period to take account of certain sectoral, geographical and commercial trends: (i) Africa: monitoring the indicator in terms of volume rather than as a share of the business plan, whilst maintaining a strong ambition for business on the continent of €2.5bn over two years. (ii) Transition finance: expansion of the methodological framework to better back the transition of players and enhance the intentionality of Proparco's clients; (iii) Inequality and Inclusions: abandonment of the Bottom 40 indicator, which is not well suited to private sector activities, in favour of a set of Inequality & Inclusion criteria (access, employment, territory, value chain); and (iv) Enhanced monitoring of projects involving French companies in order to better promote Proparco's action in this field.

At the international level, 2026 will be marked by the Africa Forward Summit in May 2026, which will provide an opportunity to highlight Proparco's work and goals on the continent.

1) *Middle-income countries.*
2) *Just Energy Transition Partnership.*

Expertise France outlook

For its part, despite tight budgetary constraints, Expertise France is expected to see a slight increase in business in 2026 (+1.2%) following the very strong growth achieved in 2025, reflecting both the significant momentum in the number of projects signed by the agency and, at the same time, the scaling back of certain activities funded by France. The agency's work continues to extend across all areas of cooperation: governance, justice, culture, health and education, employment, sustainable development, as well as peace and security With a view to ensuring the long-term sustainability of its development, the agency is continuing its decentralisation programme. With the creation of an eleventh country office (Madagascar) on 1 January 2026 and the consolidation of activities across the 10 offices established since 2024, it continues to strengthen its network. Other initiatives are under way in 2026 (Angola, Ethiopia) or are under consideration (Benin-Togo), ensuring that projects are managed in close alignment with local realities and partners on the ground.

5.1.3 Trend information

There has been no significant deterioration in the financial position of the issuer and its subsidiaries (considered as a whole) since the last audited financial statements of 31 December 2025.

5.1.4 Significant change in the issuer's financial position

There has been no significant change in the financial position of the issuer and its subsidiaries (considered as a whole) since the last audited financial statements of 31 December 2025.

5.2 Events after the reporting period

The Group's direct exposure to the areas most affected by the crisis in the Middle East (Egypt, Iraq, Jordan, Lebanon and Palestine) represents a limited share of AFD's exposures (€4.3bn or 5.4% of the portfolio at the end of 2025, the vast majority of which, €3.6bn, relates to sovereign commitments in Egypt, Jordan and Iraq). In particular, Lebanon and Palestine, countries directly affected, represent a limited share of €111M, of which 56% has already been provisioned. At this stage, no direct material impact has been identified; risk management measures have been put in place to monitor and assess any indirect effects on portfolio counterparties.

No other significant events impacting on the Company's financial position have occurred since the reporting period ended 31 December 2025.

5.3 Economic presentation of the financial statements

The analysis below aims to provide an economic overview of AFD group's development, by type of activity, based on the parent company and consolidated accounting data.

A detailed description of the changes in the financial statements is provided in the notes to the parent company and consolidated financial statements.

5.3.1 Consolidated economic balance sheet

Assets

In millions of euros	2025	2024
Loans (net outstanding)	53,193	50,872
• Gross outstandings	54,631	52,336
• Individual impairment	(1,429)	(1,424)
of which calibration of the reserve account	*(969)*	*(930)*
• Collective impairment	(282)	(304)
• Accrued interest	273	263
Financial hedging derivatives and collateral	5,007	5,072
Accruals and other assets	1,242	1,292
Equity investments and other securities	3,739	3,433
Short-term cash assets	9,563	10,618
Fixed assets	1,193	1,041
TOTAL ASSETS	**73,936**	**72,327**

Liabilities

In millions of euros	2025	2024
Market borrowings	54,326	53,466
Treasury loan	843	843
Financial hedging derivatives and collateral	4,681	4,611
Accruals and other liabilities	2,947	2,903
Provisions	1,056	882
• *of which calibration of the reserve account*	*468*	*285*
Equity (Group share)	9,886	9,422
• *off which Group income*	*388*	*344*
Non-controlling interests	196	200
TOTAL LIABILITIES	**73,936**	**72,327**

Assets

The +€1,609M increase in total balance sheet assets was mainly due to the +€2,321M increase in net outstandings and the + €305M increase in equity investments and other securities held by AFD group, which was partly offset by a decrease in AFD group's cash and cash equivalents of -€1,055M.

The **AFD group's net loans** outstanding totalled €53,193M at 31 December 2025, *i.e.* 72% of the consolidated balance sheet, an increase of €2,321M (+5%) compared with the previous financial year.

The change in gross outstandings was due to:

- the +€1,875M increase in the Group's at-risk oustandings, including +€1,472M for sovereign outstanding loans, +€366M for non-sovereign oustandings and +€43M for French Overseas Departments and Collectivities;
- +€585M increase in outstandings at the State's risk, primarily due to the €800M loan granted to New Caledonia;
- a fair value effect of loans hedged by derivatives of -€168M.

	2025		2024	
In millions of euros	**Amount**	**in %**	**Amount**	**in %**
Loans at AFD group's risk	**50,822**	**90%**	**48,947**	**91%**
• of which foreign countries	44,461	79%	42,623	79%
Sovereign	*29,838*	*53%*	*28,366*	*53%*
Non-sovereign	*14,622*	*26%*	*14,257*	*26%*
• of which French Overseas Departments and Collectivities	6,188	11%	6,145	11%
• of which other outstanding loans	173	0%	179	0%
Loans at the State's risk	**5,589**	**10%**	**5,003**	**9%**
State-guaranteed loans	*5,589*	*10%*	*5,003*	*9%*
Loans granted by the State		*0%*		*0%*
Fair value adjustment	**(1,780)**		**(1,612)**	
CONSOLIDATED GROSS OUTSTANDINGS	**54,631**		**52,336**	

Non-sovereign outstanding loans at the Group's risk were impaired in the amount of €796M, or a coverage rate of 4%.

Performing sovereign loans were covered for the amount of €1,804M at 31 December 2025, mainly by the reserve account (€1,736M), which represents a pre-coverage rate of 6%.

Summary of outstandings and impairments

In millions of euros	**Outstandings**	**Impairment**
Foreign countries		
Sovereign	29,838	1,804(1)
of which doubtful	*2,572*	*744*
Non-sovereign	14,622	664
of which doubtful	*730*	*311*
French Overseas Departments and Collectivities		
Non-sovereign	6,188	132
of which doubtful	*298*	*132*
Other outstanding loans	173	
TOTAL	**50,822**	**2,600**
of which doubtful	*3,600*	*1,187*

(1) Impairment and provisions corresponding to the reserve account

The change in total assets was also due to the -€1,055M change in cash.

Short-term cash assets *In millions of euros*	**2025**	**2024**	**Change**
AFD	9,012	10,046	(1,034)
Proparco	121	179	(58)
Fisea	57	17	40
Soderag	7	7	-
Sogefom	16	32	(16)
Expertise France	350	336	13
GROUP TOTAL	**9,563**	**10,618**	**(1,055)**

Other assets include the following items:

- hedging instruments and collateral amounted to €5,007M at the end of 2025 compared to €5,072M at the end of 2024, mainly due to the decrease in the fair value of derivatives;
- fixed assets were up and amounted to €1,193M at the end of 2025 compared to €1,041M at the end of 2024, mainly as a result the disbursements as part of the project for the Group's future head office in the amount of €118M.

Liabilities

AFD group **borrowings** totalled €55,169M in 2025. They are composed of the following items:

- outstanding market borrowings, which amounted to €54,326M at 31 December 2025, up €860M compared to the end of 2024. This increase in borrowings is mainly related to:
  - issues totalling €8,198M: of the 29 issues carried out since the start of the year, 13 were denominated in euros for €6,002M, eight in US dollars for €1,346M, three in Turkish lira for €89M, three in pounds sterling for €516M, one in Australian dollars for €23M and one in Indian rupees for €46M,
  - issues arriving at maturity: -€6,818M, including 10 loans in euros for -€3,170M, six loans in US dollars for -€2,727M and two loans in pounds sterling for -€619M,
  - changes on deposit certificates amounting to €1,586M,
- outstandings on borrowings from the French Treasury amounted to €843M, stable over the period.

Other liabilities include the following items:

- hedging instruments and collateral amounted to €4,681M at the end of 2025 compared to €4,611M at the end of 2024, mainly due to the increase in the fair value of derivatives;
- accruals and other liabilities amounted to €2,947M at the end of 2025 compared to €2,903M at the end of 2024, *i.e.* an increase of €44M in relation to lower disbursements on grants;
- provisions amounted to €1,056M (including €468M for the calibration of the reserve account in respect of financing commitments) compared to €882M in 2024 (including €285M for the calibration of the reserve account).

The contribution of the Group's various companies to its consolidated **net position** excluding non-controlling interests is as follows:

Net position *In millions of euros*	**2025**	**2024**	**Change**
AFD	9,472	8,903	570
Proparco	535	579	(44)
Expertise France	14	12	2
Soderag	(120)	(120)	-
Sogefom	3	1	1
Fisea	(152)	(111)	(41)
Other subsidiaries	135	159	(24)
GROUP TOTAL	**9,886**	**9,422**	**464**

"Regulatory" equity (1) amounted to €10,362M at 31 December 2025 compared to €10,083M at the end of 2024. Tier 1 capital (CET1) amounted to €9,522M in 2025 (€9,240M in 2024), and Tier 2 capital (AT1) to €840M.

The **dividend paid** by AFD to the French State amounted to €54M in 2025, compared to €65M in 2024 and €73M in 2023 (payout rate stable at 20%).

Non-controlling interests (share of equity) were down and amounted to €196M at 31 December 2025, compared with €200M at 31 December 2024.

In accordance with Article L.441-6 of the French Commercial Code, the due dates of the trade payables at 31 December 2025 are shown below:

	31/12/2025					31/12/2024				
	Unmatured debt					Unmatured debt				
In millions of euros	0-30 days	31-60 days	61 days and over	Matured debt	Total	0-30 days	31-60 days	61 days and over	Matured debt	Total
Trade payables	5.3	1.8	-	4.2	11.4	3.6	1.3	-	4.4	9.3

1) *Equity is established in accordance with Directive 2013/36/EU and EU Regulation No. 575/2013.*

5.3.2 Consolidated economic income statement

In millions of euros	2025	2024	Change
NET BANKING INCOME	**1,168**	**1,118**	**50**
Overheads	644	629	15
• Salary and employee benefit expenses	466	448	18
• Taxes and other general expenses	177	181	(4)
Depreciation and amortisation charges and prov. on fixed assets	71	64	7
Non-banking operating expenses	**715**	**693**	**22**
GROSS OPERATING INCOME	**453**	**424**	**29**
Cost of risk	**(40)**	**(46)**	**6**
• Impairment of performing and sensitive loans	33	39	(6)
• Impairment of individual non-sovereign loans	(48)	43	(91)
• Capital losses on bad loans	(26)	(132)	106
• Other provisions	-	4	(4)
OPERATING INCOME	**413**	**379**	**34**
Share of earnings from companies accounted for by the equity method	(8)	(1)	(7)
Net gains or losses on other assets	-	1	(1)
PRE-TAX INCOME	**406**	**378**	**28**
Corporate tax	(18)	(15)	(3)
NET INCOME	**388**	**363**	**25**
Non-controlling interests	-	(19)	19
NET INCOME – GROUP SHARE	**388**	**344**	**44**

Net banking income

Net Banking Income amounted to €1,168M in 2025, up €50M compared to 2024 due to the combined effect of the following items:

Net Banking Income (NBI) *In millions of euros*	2025	2024	Change
Net interest margin	966	877	89
Commissions	120	128	(8)
Equity income	(55)	101	(156)
Income from financial instruments	65	(88)	154
Other financial income and expenses (including income from foreign exchange differences)	71	100	(29)
GROUP TOTAL	**1,168**	**1,118**	**50**

The change in net banking income was mainly due to:

- the increase in the net interest margin (+€89M);
- the decrease in **net income on equity** (-€156M) due mainly to the decrease in the valuation of the equity portfolio (-€172M) offset by the increase in income from equity investments +€15M;
- the increase in **income from hedging instruments** (+€154M).

The contribution of the Group's various companies to its net banking income (NBI) is as follows:

Net Banking Income (NBI) *In millions of euros*	2025	2024	Change
AFD	1,077	900	176
Proparco	201	197	4
Expertise France	72	62	9
Fisea	(2)	(9)	7
Other entities	5	7	(1)
IFRS entries	(185)	(40)	(145)
GROUP TOTAL	**1,168**	**1,118**	**50**

Gross operating income

Gross operating income totalled €453M in 2025 compared to €424M in 2024. This €29M increase is linked to the growth in NBI (+€50M), partially offset by the +€22M increase in non-banking operating expenses.

Non-banking operating expenses amounted to €715M, up + €22M at the end of 2025. Proportionally, this 3% increase was related:

- for 84% of it, to the increase in payroll (+€18M);
- for 33% of it, to the increase in depreciation and amortisation (+€7M);
- for -16% of it, to the decrease in external expenses (-€4M).

Cost of risk

The **cost of risk** improved in comparison with the previous financial year. It represented a -€40M expense compared with a -€46M expense in 2024 (see consolidated financial statements), and breaks down as follows:

Cost of risk *In millions of euros*	2025	2024
Impairment on performing and sensitive loan outstandings	33	39
Impairment of non-performing loans net of write-offs	(73)	(89)
Other provisions	-	4
GROUP TOTAL	**(40)**	**(46)**
of which AFD	*10*	*16*
of which Proparco	*5*	*(31)*
of which other subsidiaries	*(1)*	*(4)*
of which transition to IFRS	*(53)*	*(27)*

The cost of risk for the financial year was mainly due to:

- individual impairments net of provisions for losses of -€73M, due notably to downgrades on companies, mainly in Africa;
- Impairments on performing and non-performing loans, with a reversal of +€33M, primarily due to the update of IFRS parameters (+€17M), the update of the forward-looking framework (-€4M), and changes in outstandings in the portfolio (-€45M).

Operating income

Operating income increased by €34M over the financial year to €413M, compared to €379M in 2024.

Pre-tax income

The share of equity-accounted companies [1] fell by €7M compared with the previous financial year, due to the inclusion of STOA S.A. in the scope of consolidation. Pre-tax income thus amounted to €406M in 2025 (compared to €378M in 2024).

Net income

Taking into account income tax (€18M compared with €15M in 2024) and interest from the minority shareholders of Proparco and Sogefom (€0M compared with €19M in 2024), income (Group share) amounted to €388M at the end of 2025 (compared to €344M in 2024).

1) Corresponding to the share of net income of equity-accounted companies in the Group's consolidated financial statements.

5.3.3 AFD parent company economic income statement

In thousands of euros	2025	2024	Change
Net banking income	1,077	900	176
Non-banking operating expenses	637	624	13
Gross operating income	439	276	163
Cost of risk	10	16	(7)
Operating income	449	292	156
Gains or losses on fixed assets	(31)	(22)	(9)
NET INCOME	**417**	**270**	**147**

AFD's **net banking income** amounted to €1,077M in 2025, up +€176M compared to 2024. The change in net banking income was mainly due to:

- the +€196M increase in net interest margin, mainly driven by the increase in capital gains on UCITS disposals of +€64M and in loan fees of +€20M, offset by;
- the -€55M decrease in foreign exchange income in relation to the depreciation of the dollar, from a foreign exchange gain in 2024 of +€27M to a foreign exchange loss in 2025 of -€28M;

Non-banking operating expenses were up €13M and amounted to €637M. The change is mainly explained by the increase in employee benefits expenses.

The **cost of risk** was a €10M reversal at the end of December 2025 compared to a €16M reversal at the end of December 2024. It mainly breaks down as follows:

- individual impairments net of write-offs with a provision of -€10M;
- impairments on performing and sensitive loans with a reversal of +€19M.

Operating income therefore amounted to €449M at the end of December 2025, compared to €292M at the end of December 2024.

Gains or losses on fixed assets amounted to -€31M compared to -€22M at 31 December 2024, *i.e.* a change of -€9M. They mainly comprise the net impairment of Fisea (-€25M) and STOA S.A. (-€6M) equity investments.

Thus, AFD's **net income** at the end of December 2025 amounted to €417M compared to €270M at the end of December 2024.

06

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

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6.1 Consolidated financial statements

6.1.1 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 stood at €4,863M as at 31 December 2025.

Registered office address:5, rue Roland-Barthes – 75598 Paris Cedex 12 – France

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

The Group's consolidated financial statements at 31 December 2025 were approved by the Chief Executive Officer on 20 March 2026.

These financial statements are presented in thousands of euros.

6.1.2 Balance sheet at 31 December 2025

Assets

In thousands of euros	Notes	31/12/25	31/12/24	Change
Cash, due from central banks		792,262	863,504	(71,242)
Financial assets at fair value through profit or loss	1	3,268,498	4,739,783	(1,471,285)
Hedging derivatives	2	2,700,763	3,341,422	(640,660)
Financial assets at fair value through other comprehensive income	3	4,272,234	2,273,869	1,998,365
Debt securities at amortised cost	5	2,247,940	3,148,432	(900,492)
Financial assets at amortised cost		55,945,800	53,772,227	2,173,573
Loans and receivables due from credit institutions and equivalent at amortised cost	5	13,176,463	13,303,340	(126,877)
On-demand		*951,402*	*1,213,880*	*(262,478)*
At maturity		*12,225,061*	*12,089,460*	*135,601*
Loans and receivables due from customers at amortised cost	5	42,769,336	40,468,886	2,300,450
Other loans to customers		*42,769,336*	*40,468,886*	*2,300,450*
of which calibration of the reserve account		*(968,821)*	*(930,187)*	*(38,633)*
Revaluation differences on interest rate-hedged portfolio		-	45,209	(45,209)
Current tax assets		2,909	5,966	(3,057)
Deferred tax assets		24,063	27,513	(3,450)
Accruals and other miscellaneous assets	7	3,240,269	2,907,962	332,308
Accruals		*91,999*	*53,516*	*38,482*
Other assets		*3,148,271*	*2,854,445*	*293,825*
Equity stakes in companies accounted for by the equity method	20	248,718	160,320	88,398
Fixed assets property, plant and equipment	8	968,868	858,161	110,708
Intangible assets	8	223,820	182,597	41,223
TOTAL ASSETS		**73,936,144**	**72,326,964**	**1,609,179**

Liabilities

In thousands of euros	Notes	31/12/25	31/12/24	Change
Financial liabilities at fair value through profit or loss	1	140,439	481,623	(341,185)
Hedging derivatives	2	4,105,049	3,662,740	442,309
Financial liabilities at amortised cost		54,355,859	53,477,032	878,827
Debt securities in issue at amortised cost	9	54,325,281	53,465,351	859,930
Interbank market securities		*2,440,960*	*809,211*	*1,631,749*
Bonds		*51,884,321*	*52,656,140*	*(771 819)*
Debts to credit institutions and equivalent at amortised cost	9	28,662	9,556	19,106
On-demand		*28,122*	*9,016*	*19,106*
At maturity		*540*	*540*	-
Debts to customers at amortised cost	9	1,916	2,125	(209)
Revaluation differences on interest rate-hedged portfolio		35,071	-	35,071
Current tax liabilities		2,557	14,441	(11,884)
Deferred tax liabilities		11,779	13,872	(2,093)
Accruals and other miscellaneous liabilities	7	3,303,494	3,330,294	(26,800)
Allocated public funds		*82,301*	*87,110*	*(4,809)*
Other liabilities		*3,221,193*	*3,243,184*	*(21,991)*
Provisions	10	1,055,858	882,354	173,504
of which calibration of the reserve account		*468,142*	*285,324*	*182,818*
Subordinated debt	11	843,459	842,617	842
Total debts		**63,853,563**	**62,704,972**	**1,148,591**
Equity Group share	(Tab 1)	9,886,336	9,422,346	463,990
Provisions and related retained earnings		5,322,999	5,177,999	145,000
Consolidated retained earnings and other		*4,054,365*	*3,786,818*	*267,547*
Gains and losses recognised in other comprehensive income		*120,904*	*113,918*	*6,986*
Earnings for the period		388,068	343,612	44,456
Non-controlling interests	(Tab 1)	196,245	199,646	(3,402)
Total equity		**10,082,581**	**9,621,992**	**460,588**
TOTAL LIABILITIES		**73,936,144**	**72,326,964**	**1,609,179**

6.1.3 Income statement at 31 December 2025

In thousands of euros	Notes	31/12/25	31/12/24	Change
Interest and related income	**13**	**4,533,197**	**5,003,239**	**(470,042)**
Transactions with credit institutions		1,711,476	2,230,066	(518,589)
Transactions with customers		1,297,494	1,302,778	(5,284)
Bonds and other fixed-income securities		208,475	201,873	6,603
Other interest and related income		1,315,751	1,268,523	47,229
Interest and related expenses	**13**	**4,014,911**	**4,500,792**	**(485,881)**
Transactions with credit institutions		1,115,546	1,141,582	(26,036)
Transactions with customers		1,214	1,127	86
Bonds and other fixed-income securities		1,253,190	1,141,019	112,171
Other interest and similar expenses		1,644,960	2,217,064	(572,104)
Commissions (income)	**14**	**137,332**	**119,400**	**17,932**
Commissions (expenses)	**14**	**2,109**	**2,503**	**(394)**
Net gains or losses on financial instruments at fair value through profit or loss, net of foreign currency impact	**15**	**109,535**	**106,690**	**2,845**
Net gains or losses on financial assets recognised at fair value through other comprehensive income	**16**	**17,087**	**7,146**	**9,941**
Income from other activities	**17**	**974,244**	**830,085**	**144,159**
Expenses on other activities	**17**	**586,618**	**445,379**	**141,239**
Net banking income		**1,167,756**	**1,117,886**	**49,871**
Overheads	18	643,673	629,322	14,351
Salary and employee benefit expenses		466,258	448,318	17,940
Other administrative expenses		177,416	181,005	(3,589)
Provisions for amortisation of intangible assets and depreciation of property, plant and equipment	8	71,109	64,074	7,035
Gross operating income		**452,974**	**424,489**	**28,484**
Cost of credit risk	19	(39,638)	(45,974)	6,336
Operating income		**413,335**	**378,515**	**34,820**
Share of earnings from companies accounted for by the equity method	20	(7,740)	(1,370)	(6,369)
Net gains or losses on other assets		138	999	(860)
Pre-tax income		405,734	378,144	27,590
Corporate tax	**21**	**(18,052)**	**(15,399)**	**(2,653)**
NET INCOME		**387,682**	**362,745**	**24,937**
Non-controlling interests		**(386)**	**19,133**	**(19,519)**
NET INCOME – GROUP SHARE		**388,068**	**343,612**	**44,456**

6.1.4 Net income, gains and losses recognised directly as equity as at 31 December 2025

In thousands of euros	31/12/25	31/12/24
Net income	**387,682**	**362,745**
Net gains and losses directly recognised in other comprehensive income to be recycled in profit or loss	**17,866**	**(25,336)**
Net gains or losses on debt securities recognised in other comprehensive income to be recycled in profit or loss	17,866	(25,336)
Net gains and losses directly recognised in other comprehensive income not to be recycled in profit or loss	**(14,455)**	**29,400**
Actuarial gains and losses on retirement benefits	14,254	8,389
Net gains and losses on equity instruments recognised in other comprehensive income not to be recycled in profit or loss	(28,709)	21,010
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN OTHER COMPREHENSIVE INCOME	**3,411**	**4,063**
Net income and gains and losses recognised directly in other comprehensive income	**391,093**	**366,808**
of which Group share	*395,054*	*343,485*
of which non-controlling interests	*(3,962)*	*23,323*

6.1.5 Statement of changes in equity from 1 January 2024 to 31 December 2025

In thousands of euros	Provisions	Funding reserves	Consolidated reserves	Income for the financial year	Unrealised or deferred gains or losses	Equity – Group share	Equity – Non-controlling interests	Total consolidated equity
EQUITY AT 01/012024	**4,567,999**	**460,000**	**3,476,966**	**371,271**	**114,044**	**8,990,281**	**164,905**	**9,155,186**
Share of 2023 income allocated to retained earnings	-	-	371,271	(371,271)	-	-	-	-
Dividends paid	-	-	(65,075)	-	-	(65,075)	-	(65,075)
Other changes	-	-	770	-	-	770	(2,279)	(1,509)
Changes related to put options	-	-	2,460	-	-	2,460	21,493	23,953
AFD capital increase	150,000	-	-	-	-	150,000	-	150,000
Change in scope	-	-	425	-	-	425	(7,795)	(7,370)
2024 net income	-	-	-	343,612	-	343,612	19,133	362,745
Gains and losses recognised directly in other comprehensive income in 2024	-	-	-	-	(127)	(127)	4,190	4,063
EQUITY AT 31/12/2024	**4,717,999**	**460,000**	**3,786,818**	**343,612**	**113,917**	**9,422,346**	**199,646**	**9,621,992**
Share of 2024 income allocated to retained earnings	-	-	343,612	(343,612)	-	-	-	-
Dividends paid	-	-	(54,013)	-	-	(54,013)	-	(54,013)
Other changes	-	-	(2,355)	-	-	(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 the 2025 financial year	-	-	-	-	6,986	6,986	(3,575)	3,411
EQUITY AT 31/12/2025	**4,862,999**	**460,000**	**4,054,365**	**388,067**	**120,905**	**9,886,336**	**196,245**	**10,082,581**

6.1.6 Cash flow statement at 31 December 2025

In thousands of euros	31/12/25	31/12/24
PRE-TAX INCOME (A)	**405,734**	**378,144**
Net depreciation/amortisation expenses on property, plant and equipment and intangible assets	52,725	56,109
Net depreciation/amortisation provisions on fixed assets related to the application of IFRS 16	18,483	17,919
Provisions net of other provisions (including technical insurance provisions)	116,006	67,872
Share of earnings from companies accounted for by the equity method	7,740	1,370
Net loss/(net gain) on investment activities	(55,164)	(47,362)
Net loss/(net gain) on financing activities	43,592	188,624
Other items	(21,760)	187,457
TOTAL NON-CASH ITEMS INCLUDED IN NET PRE-TAX INCOME AND OTHER ITEMS (B)	**161,621**	**471,989**
Cash received from credit institutions and equivalent	321,097	(888,261)
Cash received from customers	(2,416,952)	(2,575,698)
Cash flows from other operations affecting other financial assets or liabilities	705,458	(878,107)
Cash flows from operations affecting non-financial assets or liabilities	(309,664)	1,346,136
Taxes paid	(15,890)	(14,298)
= NET INCREASE (DECREASE) IN CASH-RELATED ASSETS AND LIABILITIES FROM OPERATING ACTIVITIES (C)	**(1,715,951)**	**(3,010,229)**
Net cash flows from operating activities (A+B+C)	**(1,148,596)**	**(2,160,097)**
Cash flows from financial assets and equity investments[1]	(193,328)	(314,375)
Cash flows from property, plant and equipment and intangible assets	(205,964)	(325,311)
Net cash flows from investment activities	**(399,293)**	**(639,687)**
Cash flows related to the application of IFRS 16	(17,322)	(9,805)
Cash flows from shareholders[2]	145,000	173,063
Cash flows to shareholders[3]	(44,412)	(50,952)
Other net cash flows from financing activities[4]	1,112,007	1,843,744
Net cash flows from financing activities	**1,195,273**	**1,956,051**
Net increase/(decrease) in cash and cash equivalents	**(352,616)**	**(843,733)**
Opening balance of cash and cash equivalents	**2,066,243**	**2,909,976**
Net balance of cash accounts and accounts with central banks[5]	863,504	2,497,287
Net balance of on-demand loans and deposits from credit institutions and customers[6]	1,202,739	412,689
Ending balance of cash and cash equivalents	**1,713,627**	**2,066,243**
Net balance of cash accounts and accounts with central banks	792,262	863,504
Net balance of on-demand loans and deposits from credit institutions and customers	921,365	1,202,739
Change in cash and cash equivalents	**(352,616)**	**(843,733)**

(1) Cash flows from financial assets and equity investments mainly come from the equity investment activity of the Proparco subsidiary and correspond to the flows during the period between acquisitions, disposals and fund raising.
(2) Cash flows from shareholders correspond to RCS issues.
(3) Cash flows to shareholders correspond to the dividends paid by AFD to the French State and to non-controlling shareholders by the Proparco subsidiary.
(4) Other net cash flows from financing activities correspond to market borrowings carried out by AFD to meet the growth in its operating activity.
(5) Composed of the net balance of "Cash accounts and accounts with central banks" as it appears in the Group's consolidated balance sheet.
(6) Net balance of "On-demand receivables and payables from/to credit institutions".

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6.2.1 Significant events at 31 December 2025

6.2.1.1 Financing of the activity

To finance its own activities, AFD issued six bonds in 2025 in the form of public issues, and seven private placements, as well as sixteen tap issues, for a total volume of €8.2bn.

6.2.1.2 Appropriation of income for the 2024 financial year

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

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

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

This proposal was rendered enforceable by order of the Minister of the Economy and Finance and the Minister of Public Action and Accounts, published on 30 April 2025. The dividend was paid by AFD to the French State on 19 May 2025.

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

6.2.1.3 AFD capital increase by conversion of resources subject to special conditions

On 10 July 2025, AFD signed an agreement with the French State authorising an increase in AFD's share capital of €145M, in order to strengthen the Agency's equity.

This share capital increase was carried out by the disbursement by the French State of a share capital provision of €145M in the first half of 2025, then by the early repayment to the French State of the resource with special conditions (RCS) in the books of AFD for the second half of 2025, in accordance with the order of 12 May 2025 published in the Official Journal.

Thus, AFD's initial provision, which was €4,718M at 31 December 2024, stood at €4,863M at 31 December 2025.

6.2.1.4 FISEA share capital increase

On 12 December 2025, Fisea carried out a €30M share capital increase by creating ordinary shares fully subscribed by AFD and fully paid up over the period.

Fisea's share capital, 100% owned by AFD, was thus increased from €380M to €410M.

6.2.1.5 Creation of the VAT Group

AFD has set up a Single Taxable Person (STP) with its subsidiaries Proparco and Fisea with effect from 1 January 2025. Services between members of the STP are invoiced without VAT.

6.2.1.6 Consolidation of STOA SA using the equity-accounting method

Since 31 December 2025, STOA S.A. has been consolidated by the equity-accounting method. The Group exercises significant influence within the meaning of IAS 28, enabling it to participate in the financial and operating decisions of the entity, without holding control. The Group's shareholding amounted to 33.33%. The impact on the consolidated financial statements was limited, with a share of income of -€6.1M.

6.2.2 Accounting standards applicable to Agence Française de Développement

6.2.2.1 Application of accounting standards adopted by the European Union

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

The consolidated financial statements of the AFD group at 31 December 2025 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The accounting standards used in the preparation of AFD's financial statements at 31 December 2025 are described in Section 6.2.3.1.2.

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

The standards and interpretations used in the financial statements at 31 December 2025 were supplemented by the provisions of IFRS as adopted by the European Union and with mandatory application for the first time during this period. They relate to:

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

Unless otherwise stated, when application of the standards and interpretations adopted by the European Union is optional for a period, AFD group does not take up the option.

Amendments to IAS 21 "Non-Convertibility"

IAS 21 "Effects of Changes in Foreign Exchange Rates" generally requires an entity to use a spot exchange rate when reporting foreign currency transactions or the results and financial position of a foreign operation in its financial statements. The spot exchange rate corresponds to the exchange rate for immediate delivery: "A currency is convertible into another currency when the entity is able to obtain that other currency within a period of time that may include a normal administrative period and through markets or foreign exchange regimes in which a foreign exchange transaction creates would have enforceable rights and obligations".

IAS 21 specifies the exchange rate to be used by the entity to present transactions in foreign currencies when convertibility between two currencies is temporarily suspended, but does not provide any indication concerning cases where the lack of convertibility is not temporary.

In August 2023, the IASB published Amendments to IAS 21 "Non-exchangeability", applicable to financial years beginning on or after 1 January 2025, to clarify the accounting treatment when one currency cannot be exchanged for another. An entity must determine whether a currency is truly tradable by taking into account economic and practical factors (market availability, time frames, restrictions). If a currency is not exchangeable, the entity must estimate a spot exchange rate reflecting the rate at which an orderly transaction would have taken place between market participants at the closing date.

The main objective is to reduce differences in accounting practices in the accounting treatment of non-exchangeable currencies and to improve the comparability and transparency of financial statements.

The amendments to IAS 21 "Lack of exchangeability" were applied in the Group's financial statements at 31 December 2025.

The other standards and interpretations applicable at 1 January 2025 had no significant impact on the Group's financial statements at 31 December 2025.

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

The IASB has published standards and amendments, not all of which have been adopted by the European Union as at 31 December 2025. They will become mandatory for financial years beginning on or after 1 January 2026 at the earliest, or their adoption by the European Union. They were therefore not applied by the Group as at 31 December 2025.

Standards applicable to future financial years	Provisional date of application
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	1 January 2026
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 "Annual Improvements – Volume 11"	1 January 2026
IFRS 18 "Presentation and Disclosures in Financial Statements"	1 January 2027
IFRS 19 "Subsidiaries with no public disclosure obligation: Disclosures"	1 January 2027

6.2.3 Principles for the preparation of the consolidated financial statements of AFD group at 31 December 2025

6.2.3.1 Consolidation scope and methods

6.2.3.1.1 Scope of consolidation

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

The following are not included in the consolidation scope:

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

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

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

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

The list of companies in which AFD or Proparco directly or indirectly holds an equity investment that exceeds 20% of the company's share capital is presented below.

In thousands of euros	Localisation	% control 2024	% interest 2024	% control 2025	% interest 2025	Balance sheet total[1]	Total net income	Contribution to net income[2]
AFD						**71,826,294**		**421,258**
Fully consolidated companies								
Soderag	Antilles	100.00	100.00	100.00	100.00	7,482		58
Proparco	Paris	85.21	85.21	85.21	85.21	9,220,096		(7,926)
Expertise France	Paris	100.00	100.00	100.00	100.00	1,255,944		2,928
Sogefom – AFD share	Paris	58.69	58.69	58.69	58.69	102,559		1,406
Sogefom – Socredo share	Paris	1.31		1.31				
Fisea	Paris	100.00	100.00	100.00	100.00	328,230		(21,916)
Companies accounted for by the equity method								
• ***Non-financial corporations***								
Société Immobilière de Nouvelle-Calédonie	New Caledonia	50.00	50.00	50.00	50.00	27,411		(6,063)
• ***Financial entities***								
Banque Socredo	Polynesia	35.00	35.00	35.00	35.00	128,724		4,437
STOA S.A.	Paris	33.33	33.33	33.33	33.33	674,323		(6,113)
Other non-consolidated subsidiaries								
• ***Stakes held by Proparco in entities abroad***								
Bredev SAS	Multi-country	100.00	100.00	100.00	100.00	695	(6,093)	-
Digital Africa SAS	Multi-country	100.00	100.00	100.00	100.00	6,600	(198)	-
Tiba Education Holding BV	Multi-country	100.00	100.00	100.00	100.00	4,311	809	-
Other non-consolidated investments								
• ***Foreign state-owned or partially state-owned entities***								
Banque nationale de Développement Agricole	Mali	22.67	22.67	22.67	22.67	1,355,474	11,904	-
Banque de Développement des Seychelles	Seychelles	20.41	20.41	20.41	20.41	71,783	1,412	-
• ***Stakes held by Proparco in entities abroad***								
Acon Alaof V	Multi-country	29.04	29.04	29.04	29.04	77,587	7,662	-
Africa Telecom Infrastructure Services	Multi-country	20.40	20.40	21.28	21.28	60,129	(11,172)	-
Africinvest III SPV I	Multi-country	21.82	21.82	21.82	21.82	102,938	1,758	-
Afrigreen Debt Impact Fund SLP[3]	Multi-country	24.96	24.96	15.60	15.60	NA	NA	-
Amethis Milling SPV	Mozambique	26.43	26.43	26.43	26.43	70,032	(254)	-
Ashmore Andean Fund III, LP	Multi-country	22.11	22.11	22.11	22.11	60,781	(5,369)	-
August Energy Investment Co Pte. Ltd.	India	-	-	33.80	33.80	6,662	(2,410)	-
Averrhoa Nature Based Solutions, SCA SICAV-RAIF	Multi-country	-	-	25.00	25.00	NA	NA	-

In thousands of euros	Localisation	% control 2024	% interest 2024	% control 2025	% interest 2025	Balance sheet total[1]	Total net income	Contribution to net income[2]
Averroes Africa	Multi-country	27.12	27.12	27.12	27.12	15,788	(224)	-
Averroes Finance II	Multi-country	50.00	50.00	50.00	50.00	59,807	(228)	-
Averroes Finance III	Multi-country	50.00	50.00	50.00	50.00	11,353	(74)	-
Axa Im Natural Capital Opportunities Fund SICAV-RA	Multi-country	-	-	40.00	40.00	NA	NA	-
Brompton Holco Ltd	Multi-country	48.50	48.50	48.50	48.50	13,143	1,674	-
Creed Healthcare Holco Ltd	Multi-country	7.50	7.50	20.26	20.26	137,715	(361)	-
Divercity Urban Property Fund Proprietary Limited[3]	South Africa	23.12	23.12	17.48	17.48	NA	NA	-
Elgon Healthcare Ltd	Kenya	29.80	29.80	36.00	36.00	43,053	(1,312)	-
Falcon Holding Inversiones II SAC	Peru	44.21	44.21	44.21	44.21	331,253	(3,398)	-
FE II Delta 1 K/S	Multi-country	20.83	20.83	20.83	20.83	25,359	2,467	-
Franco-African Fund 3	Multi-country	-	-	21.66	21.66	NA	NA	-
GEF Latam Climate Solutions Fund III, LP[3]	Brazil	20.16	20.16	12.23	12.23	NA	NA	-
Holdco Solarise Africa Ltd	Multi-country	22.45	22.45	22.45	22.45	22,859	(2,388)	-
Ilera Holdings	Multi-country	31.68	31.68	33.39	33.39	80	NA	-
IT Holding	Multi-country	23.87	23.87	23.87	23.87	16,026	92	-
Lightrock Latam Biomass Fundo de Investimento EM P	Brazil	-	-	28.57	28.57	NA	NA	-
Mambo Retail Ltd[3]	Kenya	20.72	20.72	16.25	16.25	NA	NA	-
MC IV Pharma	Morocco	3.90	3.90	22.73	22.73	NA	NA	-
Mekong Solar Asset Management PTE. Ltd.	Multi-country	30.00	30.00	30.00	30.00	28,379	(1,764)	-
Meridiam Infrastructure Africa Parallel Fund II SLP	Multi-country	25.00	25.00	25.00	25.00	344,093	3,068	-
Metier AMN Partnership LP	Mauritius	22.19	22.19	22.19	22.19	27,827	(6,644)	-
Ocsaden Investment Limited	Multi-country	25.30	25.30	25.30	25.30	70,491	21,477	-
Osiris Pharma	Multi-country	-	-	27.43	27.43	NA	NA	-
PEF Pharaoh	Egypt	-	-	34.72	34.72	NA	NA	-
Seaf India Agribusiness International Fund	Multi-country	33.36	33.36	33.36	33.36	1,726	77	-
TLG Finance SAS	Multi-country	22.84	22.84	22.84	22.84	3	(0)	-
Vinci Climate Change A, LP	Brazil	29.10	29.10	29.10	29.10	8,615	3,847	-
• ***Stakes held by Fisea in entities abroad***								
AB Bank Zambia Limited	Zambia	22.50	22.50	22.50	22.50	32,705	1,154	-
Ascent DBH Ltd	Multi-country	46.54	46.54	46.54	46.54	23,987	8,719	-
Catalyst Mattress Africa	Multi-country	20.90	20.90	20.90	20.90	18,217	608	-
Chain Hotel Conakry	West Africa	23.17	23.17	23.17	23.17	29,030	37,263	-
I&P Africa Entrepreneur 3	Mauritius	-	-	34.15	34.15	NA	NA	-
Metier Capital Growth International Fund II	Multi-country	28.91	28.91	28.91	28.91	32,007	(6,558)	-
Moringa	Multi-country	21.58	21.58	21.58	21.58	5,436	(5,067)	-
Salt Equity 1 LP[3]	Multi-country	22.86	22.86	15.30	15.30	NA	NA	-
Saviu II	Mauritius	23.92	23.92	23.92	23.92	24,742	42	-
Virunga Scular Holco	Mauritius	24.90	24.90	23.40	23.40	NA	NA	-
INCOME GROUP SHARE								**388,068**

(1) The balance sheet total indicated corresponds to the balance sheet total before restatement of intra-group entries.
(2) Before elimination of intra-group transactions.
(3) Outside the consolidation scope in 2025 because the % of ownership was less than 20%.

Non-controlling interests

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

	31/12/25			31/12/24		
In thousands of euros	% of control and vote held by non-controlling interests	Share of net income	Share of equity (including income)	% of control and vote held by non-controlling interests	Share of net income	Share of equity (including income)
Proparco	14.79%	(1,376)	190,805	14.79%	18,868	195,196
Other subsidiaries		990	5,440		265	4,450
TOTAL NON-CONTROLLING INTERESTS		**(386)**	**196,245**		**19,133**	**199,646**
TOTAL GROUP SHARE		**399,182**	**9,886,336**		**343,612**	**9,422,346**

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

6.2.3.1.2 Consolidation principles and methods

The following consolidation methods are used:

Full consolidation

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

- 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:

- the Société de promotion et de participation pour la coopération économique (Proparco), created in 1977.

Proparco's status change from a credit institution to a finance company became effective on 25 May 2016 on receipt of notification from the ECB.

At 31 December 2025, the company's share capital totalled €1,353M and AFD's stake was 85.21%;

- the Société de développement régional Antilles-Guyane (Soderag), of which AFD took control in 1995 at the behest of the French State, was liquidated in 1998 after it lost its licence to operate as a credit institution.

At 31 December 2025, the company's share capital amounted to €111.9M. It is 100% owned by AFD;

- Société de gestion des fonds de garantie d'outre-mer (Sogefom), whose shares AFD purchased, and which were held by the Institut d'émission d'Outre-mer (IEOM), on 12 August 2003, following the request from the Minister for the Economy, Finance and Industry and the Minister for French Overseas Departments and Collectivities.

  At 31 December 2025, the company's share capital amounted to €1.1M. It is 58.69% owned by AFD;

- the Fonds d'investissement et de soutien aux entreprises en Afrique (Fisea) was created in April 2009. This simplified joint stock company (*société anonyme par actions simplifiée*) with a share capital of €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 merger for an extended group to serve France's development policy. This simplified joint stock company (*société anonyme par actions simplifiée*) with a share capital of €829k is wholly-owned by AFD.

Equity method

Companies over which AFD group has significant influence are accounted for by the equity method. Significant influence means the power to participate in the financial and operating policy decisions of the subsidiary but without having control or joint control over them. It is usually evidenced by (i) representation on the executive or supervisory bodies, (ii) participation in policy-making processes, or (iii) material transactions between the companies. At 31 December 2025, 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), Socredo and STOA SA.

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

Comments on other companies

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

6.2.3.1.3 Restatement of transactions

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

6.2.3.1.4 Business combinations

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

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

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

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

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

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

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

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

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

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

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

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

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

6.2.3.2 Accounting principles and methods

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

The main appraisal and presentation rules used in preparing Agence Française de Développement's financial statements at 31 December 2025 are described below.

6.2.3.2.1 Conversion of foreign currency transactions

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

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

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

6.2.3.2.2 Use of estimates

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

The use of estimates notably concerns:

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

6.2.3.2.3 Financial instruments

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

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

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

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

Financial assets

Classification and measurement of financial assets

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

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

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

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

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

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

The management model

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

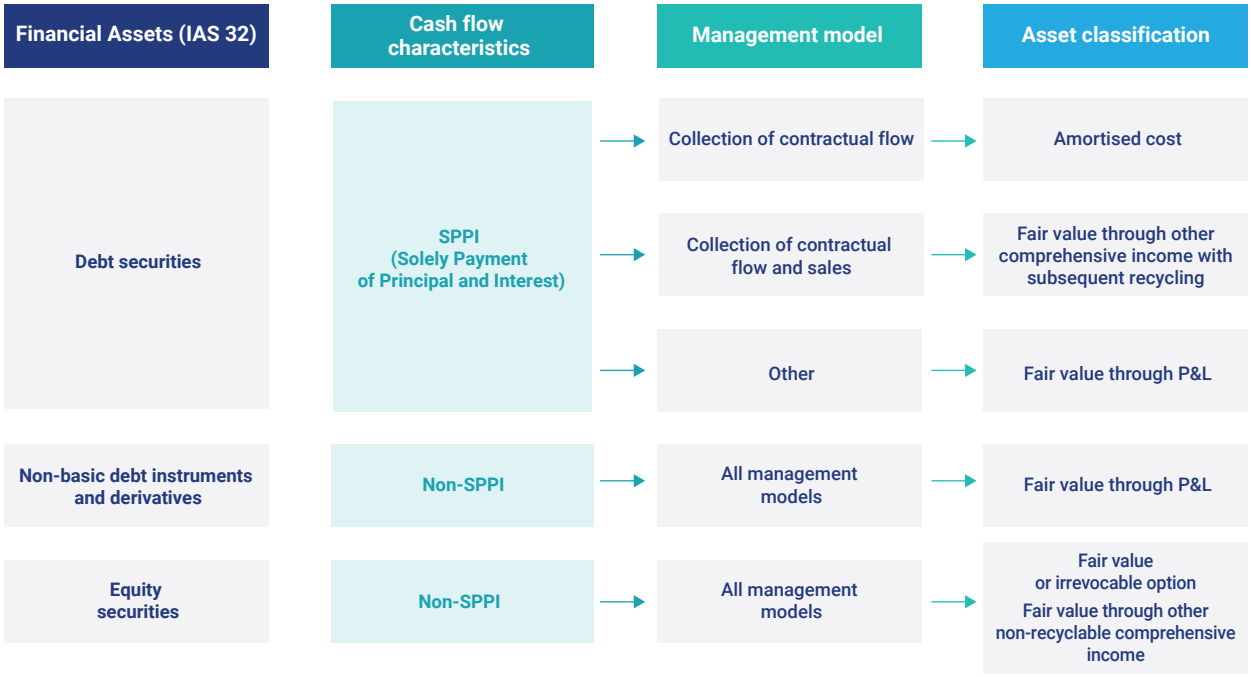
The management model is identified at portfolio level, and not instrument by instrument, primarily by analysing and observing:

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

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

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

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



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 rate method, which includes the amortisation of premiums and discounts. Interest accrued on coupons that are not yet due are included at their balance sheet value under IFRS.

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

b) Debt securities at fair value through other comprehensive income

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

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

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

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

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

c) Debt securities at fair value through profit and loss

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

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

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

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

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

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

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

- Loans

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

As a result, AFD group has identified a loan portfolio which is measured at fair value through income. 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 in profit or loss. This choice is made on a case-by-case basis for each instrument and is irrevocable.

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

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

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

e) Reclassification of financial assets

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

A change in the financial asset management model results in changes in the way the business is managed operationally, systems etc. (acquisition of a business, discontinuation of an activity, etc.) resulting in a reclassification of all financial assets in the portfolio when the new business model is effective.

Financial liabilities

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

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

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

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

Financial liabilities within AFD group (excluding derivative instruments) are measured at amortised cost and correspond to:

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

In 2025, AFD received €145M in resources with special conditions. A share capital increase of €145M was carried out by conversion of this RCS, in accordance with the order of 12 May 2025 published in the Official Journal.

Derecognition of financial assets and liabilities

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

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

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

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

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

Financial hedging derivatives

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

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

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

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

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

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

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

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

General principle

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

These are defined as follows:

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

Concept of default

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

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

- Definition of a doubtful third party according to AFD group;
- use of the default contagion principle.

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

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

Significant increase in credit risk

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

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

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

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

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

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

Measuring expected credit losses (ECL)

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

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

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

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

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

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

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

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

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

Probability of default (PD)

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

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

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

Loss given default (LGD)

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

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

Exposure at default (EAD)

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

- the contractual amortisation of the principal;
- elements of drawdown of lines recognised off-balance sheet;
- any early repayments.

Financial asset restructuring

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

Impairment of sovereign outstandings

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

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

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

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

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

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

Gains or losses on financial instruments

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

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

- dividends, other revenue and gains and losses realised;
- changes in fair value;
- the impact of hedge accounting.

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

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

- dividends and other revenue;
- gains and losses realised on financial assets at fair value through other comprehensive income to be recycled in profit or loss that may be recycled.

6.2.3.2.4 Commitments to buy non-controlling interests

In 2014, in 2020, and again in 2023 during the Proparco share 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 annual financial statements at 31 December 2025 by a debt of €105M (compared to €103M in 2024) vis-à-vis Proparco's minority shareholders in exchange for "non-controlling interests" in the amount of €112M (compared with €114M in 2024). The "Consolidated reserves attributable to the Group" therefore amounted to €7M (compared to €12M in 2024).

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.

6.2.3.2.5 Fixed assets

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

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

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

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

- office buildings in the French Overseas Departments and Collectivities are depreciated over 15 years;
- residential buildings are depreciated over 15 years;
- fixtures, fittings and furnishings are depreciated over 5 or 10 years;
- equipment and vehicles are depreciated over 2 to 5 years.

For intangible assets, software is amortised over a period of 8 years for internal management software, 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 for leased asset over the lease duration;
- a debt in respect of the payment obligation.

Measuring the right of use in leases

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

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

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

Measuring the right of use of the assets

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

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

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

The change in the debt related to the lease involves:

- an increase up to the interest rate expenses set by applying the discount rate to the debt;
- and a decrease in the amount of the lease payments made.

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

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

The lease debt is estimated again in the following situations:

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

6.2.3.2.6 Provisions

Provisions on undisbursed sovereign financing commitments

Non-disbursed non-performing sovereign commitments are provisioned. Furthermore, this depreciation is neutralised by deduction from the reserve account (see paragraph on the § "Impairment of sovereign loans for the accounting treatment of the reserve account").

Provisions on financing and guarantee commitments

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

Provisions for subsidiary risk

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

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

Provision for employee benefits – Post-employment benefits

Defined benefit plans

Retirement and early retirement commitments

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

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

The assumptions used for the valuations are as follows:

- discount rate: 2.70% in 2025 versus 2.75% in 2024;
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- rate of annual increase in salary: 2.0% and 2.2% for Overseas Collectivities in 2025 (unchanged compared to 2024);

Retirement bonuses and the financing of the health insurance plan

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

The assumptions used for the valuations are as follows:

- discount rate: 4.2% in 2025 versus 3.6% in 2024;
- rate of annual increase in salary: 2.0% and 2.2% for Overseas Collectivities in 2025 (unchanged compared to 2024);
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- actuarial tables: TGH 05 (men)/TGF 05 (women).

In accordance with IAS 19, these commitments (retirement bonuses and the financing of health insurance plans and pensions) undergo actuarial valuations that factor in demographic and financial assumptions. The amount of provisions for commitments is determined using the Projected Unit Credit Method.

At each closing, the retirement commitments carried by AFD are remeasured and compared with the value of the insurance policies.

In compliance with IAS 19 (Revised), actuarial gains and losses are recognised in other comprehensive income (OCI). At 31 December 2025, the impact was €14.2M.

Thus, the provisions recognised at 31 December 2025:

- in the income statement, amount €7.5M and are recorded under salary and employee benefit expenses; they represent the total of the cost of services rendered and the financial cost for 2025 less benefits paid by the employer during the financial year;
- in items not to be recycled in the income statement, amount to a loss of €14.2M in respect of the appraisal of commitments at 31 December 2025 and are recorded in comprehensive income.

6.2.3.2.7 Deferred tax

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

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

6.2.3.2.8 Segment information

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

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

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

6.2.3.2.9 Principles of the cash flow statement

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

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

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

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

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

6.2.4 Notes to the financial statements at 31 December 2025

6.2.4.1 Notes to the balance sheet

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

		31/12/25			31/12/24		
In thousands of euros	Notes	Assets	Liabilities	Notional / Outstandings	Assets	Liabilities	Notional / Outstandings
Interest rate derivatives		3,173	-	893,495	2,261	53	147,610
Foreign exchange derivatives		196,245	129,777	4,986,972	5,653	418,280	4,818,727
Hedging derivatives of non-SPPI loans/securities		43,670	10,120	618,097	25,886	63,044	986,768
Loans and securities that do not meet SPPI criteria	1.2	3,025,357	-	3,033,056	4,705,926	-	4,616,075
CVA/DVA/FVA		52	541	-	57	246	-
TOTAL		**3,268,498**	**140,439**	**9,531,620**	**4,739,783**	**481,623**	**10,569,179**

Note 1.1 Foreign exchange and interest rate derivatives

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

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

Note 1.2 Loans and securities that do not meet SPPI criteria

In thousands of euros	Notes	31/12/25	Notional / Outstandings	31/12/24	Notional / Outstandings
Loans to credit institutions	**1.2.1**	**346,764**	**360,941**	**544,978**	**555,944**
Performing loans		346,416	358,701	544,647	553,804
Non-performing loans		347	2,240	331	2,141
Loans to customers	**1.2.1**	**563,811**	**602,257**	**607,527**	**680,228**
Performing loans		547,115	549,416	586,049	604,611
Non-performing loans		16,696	52,841	21,478	75,617
Securities		**2,114,782**	**2,069,858**	**3,553,421**	**3,379,902**
Bonds and other fixed-income securities	1.2.2	31,390	43,772	36,861	50,442
UCITS		57,644	41,379	1,638,364	1,555,111
Equity investments and other long-term securities	1.2.3	2,025,748	1,984,707	1,878,196	1,774,349
• *of which equity investments held in investment funds*		*1,761,622*	*1,554,165*	*1,675,903*	*1,639,106*
• *of which equity investments held directly with a put option*		*264,126*	*430,542*	*202,294*	*135,243*
TOTAL		**3,025,357**	**3,033,056**	**4,705,926**	**4,616,075**

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 income. The loans are therefore subjected to a valuation exercise based on the methodology for discounting future flows, with a discount rate specific to each loan in accordance with the accounting rules applied by the Group.

1.2.2 Bonds and other long-term securities

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

1.2.3 Equity investments

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

AFD group also holds direct equity investments with put options for operational purposes. The contractual flows of these financial assets are not SPPI and are therefore measured at fair value through profit and loss.

Investments in unconsolidated structured entities

Breakdown by portfolio activity

In thousands of euros Equity investments held in the investment Funds	Number of equity investments	31/12/25	Number of equity investments	31/12/24
Homogeneous activity portfolios				
Agribusiness	11	29,827	9	28,937
Energy	11	116,461	4	37,459
Infrastructure	9	127,767	5	76,718
Mining	-	-	-	-
Multi-sector SME-SMI	-	-	-	-
Healthcare	9	50,181	7	34,886
Financial services	13	107,647	11	88,256
Multi-sector	125	1,329,740	129	1,409,646
UNCONSOLIDATED STRUCTURED ENTITIES	**178**	**1,761,622**	**165**	**1,675,903**

Breakdown by area of operation

In thousands of euros Equity investments held in the investment Funds	Number of equity investments	31/12/25	Number of equity investments	31/12/24
Intervention zone				
Southern Africa	5	17,956	4	23,260
East Africa	7	37,720	7	44,584
West Africa	6	36,051	6	39,109
North Africa	15	98,619	15	93,097
Asia	29	299,551	28	333,518
Multi-zone	116	1,271,725	105	1,142,333
UNCONSOLIDATED STRUCTURED ENTITIES	**178**	**1,761,622**	**165**	**1,675,903**

Investments in unconsolidated structured entities – Risk exposure and dividends received

	31/12/25			31/12/24		
In thousands of euros	Financial assets at fair value through profit or loss	Maximum exposure	Dividends received over the financial year	Financial assets at fair value through profit or loss	Maximum exposure	Dividends received over the financial year
Homogeneous portfolios						
Agribusiness	29,827	29,827	147	28,937	28,937	17
Energy	116,461	116,461	3	37,459	37,459	-
Infrastructure	127,767	127,767	93	76,718	76,718	239
Mining	-	-	-	-	-	-
Multi-sector SME-SMI	-	-	-	-	-	-
Healthcare	50,181	50,181	-	34,886	34,886	-
Financial services	107,647	107,647	185	88,256	88,256	-
Multi-sector	1,329,740	1,329,740	6,961	1,409,646	1,409,646	8,009
UNCONSOLIDATED STRUCTURED ENTITIES – INVESTMENT FUNDS	**1,761,622**	**1,761,622**	**7,388**	**1,675,903**	**1,675,903**	**8,265**

Bearing in mind the type of interests, maximum exposure to loss is defined in this note as the fair value of investment funds presented on the balance sheet as of the closing date. This amount includes financing commitments that have not yet been disbursed.

Furthermore, the Group has not and does not offer financial support or other assistance to an unconsolidated structured entity outside of contractual obligations.

The AFD group does not act as a sponsor for structured entities. Sponsorship is assumed when AFD does not have or no longer has an ownership interest in an entity yet still provides this entity with both operational and strategic support.

Note 1.3 Equity instruments at fair value through profit and loss

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

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

Note 2 Financial hedging derivatives

Note 2.1 Fair value hedging instruments

	31/12/25			31/12/24		
	Carrying amounts			Carrying amounts		
In thousands of euros	Assets	Liabilities	Notional	Assets	Liabilities	Notional
Fair value hedging						
Interest rate derivatives	2,128,593	3,322,251	68,132,960	2,167,792	3,215,969	64,901,275
Interest rate and foreign exchange derivatives (cross-currency swaps)	572,170	782,798	17,336,636	1,173,631	446,771	20,612,415
TOTAL	**2,700,763**	**4,105,049**	**85,469,596**	**3,341,422**	**3,662,740**	**85,513,690**

Note 2.2 Analysis by residual maturity (notional)

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

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/25
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**

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/24
Fair value hedging					
Interest rate derivatives	1,914,853	1,886,267	16,097,576	45,002,579	64,901,275
Interest rate and foreign exchange derivatives (cross-currency swaps)	1,869,223	2,386,251	11,600,215	4,756,726	20,612,415
TOTAL	**3,784,077**	**4,272,518**	**27,697,791**	**49,759,304**	**85,513,690**

Note 2.3 Hedged items

	31/12/25				
	Current hedges		Expired hedges		Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
In thousands of euros	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 other comprehensive income	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 other comprehensive income	-	(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**

	31/12/24				
	Current hedges		Expired hedges		Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
In thousands of euros	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	**20,218,549**	**(1,225,157)**	**-**	**(14,229)**	**430,304**
Loans and receivables due from credit institutions at amortised cost	1,102,494	(66,483)	-	(158)	27,617
Loans and receivables due from customers at amortised cost	17,046,183	(1,149,540)	-	(500)	380,846
Financial assets at fair value through other comprehensive income	2,069,872	(9,134)	-	(13,572)	21,840
Interest rate derivatives (currency swaps)	**5,560,266**	**84,153**	**-**	**7,888**	**219,610**
Loans and receivables due from credit institutions at amortised cost	690,853	21,178	-	(3,084)	39,403
Loans and receivables due from customers at amortised cost	4,869,413	62,975	-	10,971	179,381
Financial assets at fair value through other comprehensive income	-	826	-	-	826
TOTAL FAIR VALUE HEDGING OF ASSETS	**25,778,815**	**(1,141,004)**	**-**	**(6,342)**	**649,914**
Interest rate derivatives	**(35,549,375)**	**1,915,460**	**(198)**	**(2,669)**	**(839,551)**
Debt securities in issue at amortised cost	(35,549,375)	1,915,460	(198)	(2,669)	(839,551)
Interest rate derivatives (currency swaps)	**(14,526,099)**	**(723,311)**	**-**	**58,608**	**(948,333)**
Debt securities in issue at amortised cost	(14,526,099)	(723,311)	-	58,608	(948,333)
TOTAL FAIR VALUE HEDGING OF LIABILITIES	**(50,075,474)**	**1,192,149**	**(198)**	**55,939**	**(1,787,884)**

Note 2.4 Income resulting from hedge accounting

	31/12/25			31/12/24		
	Net income (Income from hedge accounting)			Net income (Income from hedge accounting)		
In thousands of euros	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge
Interest rate derivatives	7,518	75,669	83,187	434,754	(409,247)	25,507
Interest rate and foreign exchange derivatives (cross-currency swaps)	(959,037)	987,531	28,494	731,803	(728,723)	3,080
Other	-	(8,904)	(8,904)	-	-	-
TOTAL	**(951,519)**	**1,054,295**	**102,776**	**1,166,557**	**(1,137,970)**	**28,587**

Note 3 Financial assets at fair value through other comprehensive income

	31/12/25		31/12/24	
In thousands of euros	Carrying amounts	Change in fair value over the period	Carrying amounts	Change in fair value over the period
Debt securities recognised at fair value through equity to be recycled in profit or loss	**3,552,142**	**17,866**	**1,422,216**	**(25,336)**
Government paper and equivalent	2,944,642	5,396	1,144,909	(18,164)
Bonds and other securities	607,500	12,470	277,307	(7,172)
Equity securities recorded at fair value through equity not to be recycled in profit or loss	**720,092**	**(28,709)**	**851,653**	**21,010**
Unconsolidated equity investments	720,092	(28,709)	851,653	21,010
TOTAL	**4,272,234**	**(10,843)**	**2,273,869**	**(4,326)**

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

	31/12/25				31/12/24			
In thousands of euros	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets/Liabilities								
Equity instruments at fair value through profit and loss	-	-	2,025,748	2,025,748	-	-	1,878,196	1,878,196
Debt securities that do not meet SPPI criteria	57,644	-	941,964	999,609	1,638,364	-	1,189,366	2,827,730
Financial assets recorded through equity	3,552,142	-	720,092	4,272,234	1,422,216	-	851,653	2,273,869
Hedging derivatives (Assets)	-	2,700,763	-	2,700,763	-	3,341,422	-	3,341,422
Financial liabilities at fair value through profit or loss	-	135,587	4,851	140,439	-	476,042	5,581	481,623
Hedging derivatives (Liabilities)	-	4,105,049	-	4,105,049	-	3,662,740	-	3,662,740
Derivatives	-	234,651	8,489	243,140	-	27,020	6,837	33,856

Sensitivity of the fair value of level 3 instruments

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

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

Note 5 Financial assets measured at amortised cost

		31/12/25		31/12/24	
In thousands of euros	Notes	On-demand	At maturity	On-demand	At maturity
Debt securities	5.1	-	2,247,940	-	3,148,432
Loans and receivables due from credit institutions	5.2	951,402	12,225,061	1,213,880	12,089,460
Loans and receivables due from customers	5.2	-	42,769,336	-	40,468,886
TOTAL		**951,402**	**57,242,337**	**1,213,880**	**55,706,778**

Note 5.1 Debt securities at amortised cost

	31/12/25		31/12/24	
In thousands of euros	On-demand	At maturity	On-demand	At maturity
Government paper and equivalent	-	333,265	-	403,641
Bonds and other securities	-	1,933,070	-	2,765,293
TOTAL	**-**	**2,266,335**	**-**	**3,168,934**
Impairment	-	(18,395)	-	(20,502)
TOTAL	**-**	**2,247,940**	**-**	**3,148,432**

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

	31/12/25		31/12/24	
In thousands of euros	On-demand	At maturity	On-demand	At maturity
Loans to credit institutions at amortised cost	**-**	**9,638,392**	**-**	**9,375,959**
Performing loans	-	9,493,944	-	9,213,297
Non-performing loans	-	144,448	-	162,662
Impairment	**-**	**(124,219)**	**-**	**(146,998)**
Related loans receivable	**-**	**65,055**	**-**	**82,990**
Valuation adjustments of loans hedged by forward financial instruments	**-**	**(58,155)**	**-**	**(83,973)**
Subtotal	**-**	**9,521,073**	**-**	**9,227,978**
Loans to customers at amortised cost	**-**	**45,852,672**	**-**	**43,367,624**
Performing loans	-	41,969,068	-	40,456,346
Non-performing loans	-	3,883,604	-	2,911,278
Impairment	**-**	**(1,586,813)**	**-**	**(1,580,876)**
Related loans receivable	**-**	**199,164**	**-**	**164,133**
Valuation adjustments of loans hedged by forward financial instruments	**-**	**(1,695,687)**	**-**	**(1,481,994)**
Subtotal	**-**	**42,769,336**	**-**	**40,468,886**
TOTAL LOANS	**-**	**52,290,409**	**-**	**49,696,865**
Other receivables	-	-	-	-
Deposits (available cash) at credit institutions	951,402	2,674,958	1,213,880	2,828,875
Related loans receivable	-	29,030	-	32,606
TOTAL OTHER RECEIVABLES	**951,402**	**2,703,988**	**1,213,880**	**2,861,482**
TOTAL LOANS AND OTHER RECEIVABLES	**951,402**	**54,994,397**	**1,213,880**	**52,558,346**

5.2.1 Schedule of loans and receivables due from credit institutions and customers

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/25
Loans and receivables at amortised cost					
On credit institutions	702,441	2,093,126	6,108,473	3,409,310	12,313,350
On customers	719,102	2,969,991	16,126,842	26,036,737	45,852,672
TOTAL	**1,421,543**	**5,063,117**	**22,235,314**	**29,446,047**	**58,166,022**

Note 6 Asset impairment

In thousands of euros	31/12/24	Provisions	Reversals	Other items	31/12/25
Credit institutions	**146,998**	**10,655**	**(30,709)**	**(2,724)**	**124,219**
• of which stage 1	36,653	8,025	(5,585)	-	39,092
• of which stage 2	44,810	1,814	(15,151)	-	31,473
• of which stage 3	65,534	816	(9,973)	(2,724)	53,654
Credit to customers	**1,580,876**	**286,920**	**(265,517)**	**(15,467)**	**1,586,813**
of which calibration of the reserve account	*930,187*	*43,535*	*(4,902)*	-	*968,821*
• of which stage 1	112,886	9,536	(8,127)	-	114,296
• of which stage 2	406,212	23,643	(39,984)	-	389,871
• of which stage 3	1,061,778	253,742	(217,406)	(15,467)	1,082,646
Bonds and other securities	**20,502**	**3,237**	**(5,380)**	**36**	**18,395**
• of which stage 1	6,907	1,458	(2,360)	-	6,005
• of which stage 2	-	-	-	-	-
• of which stage 3	13,594	1,779	(3,019)	36	12,390
Other receivables	**13,133**	**-**	**-**	**713**	**13,846**
TOTAL	**1,761,508**	**300,812**	**(301,605)**	**(17,442)**	**1,743,272**

Note 7 Accruals and miscellaneous assets/liabilities

	31/12/25		31/12/24	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Guarantees against collateral	2,028,165	401,426	1,651,850	468,011
Allocated public funds	-	82,301	-	87,110
Other assets and liabilities	1,212,104	2,594,722	1,256,112	2,303,476
Accounts payable, French State	-	225,045	-	471,697
TOTAL ACCRUALS AND OTHER MISCELLANEOUS ASSETS/ LIABILITIES	**3,240,269**	**3,303,494**	**2,907,962**	**3,330,294**

Note 8 Property, plant and equipment and intangible assets

Note 8.1 Change in fixed assets

	Fixed assets property, plant and equipment					
In thousands of euros	Land & development	Buildings & development	Other	Intangible assets	31/12/25	31/12/24
Gross value						
At 1 January 2025	89,601	901,428	93,509	335,400	1,419,939	1,097,945
Purchases	-	125,995	16,276	134,166	276,437	363,599
Disposals/retirements	(0)	(4,764)	(4,912)	(56,154)	(65,830)	(44,202)
Other items	2	(441)	(400)	(2,266)	(3,106)	2,597
At 31 December 2025	**89,603**	**1,022,217**	**104,473**	**411,146**	**1,627,440**	**1,419,939**
Depreciation/amortisation						
At 1 January 2025	4,259	185,185	72,033	152,803	414,280	368,841
Provisions	110	10,529	6,770	35,626	53,035	49,224
Reversals	(4)	(8)	(830)	(1,103)	(1,945)	(3,785)
Other items	-	-	-	-	-	-
At 31 December 2025	**4,365**	**195,706**	**77,973**	**187,326**	**465,370**	**414,280**
NET VALUE	**85,238**	**826,511**	**26,500**	**223,820**	**1,162,070**	**1,005,659**

Note 8.2 Right of use

In thousands of euros	Registered office	Offices	31/12/25	31/12/24
Gross value				
At 1 January 2025	110,489	16,592	127,081	113,468
New contract	-	-	-	-
Modification of contract	-	-	-	-
Other items	13,778	225	14,003	13,613
At 31 December 2025	**124,267**	**16,817**	**141,084**	**127,081**
Depreciation/amortisation	**95,217**	**15,248**	**110,465**	**91,982**
NET VALUE	**29,050**	**1,569**	**30,619**	**35,099**

Note 9 Financial liabilities measured at amortised cost

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

In thousands of euros	31/12/25	31/12/24
Debts to credit institutions at amortised cost		
On-demand debts	28,122	9,016
Debts at maturity	540	540
TOTAL DEBTS TO CREDIT INSTITUTIONS	**28,662**	**9,556**
Debts to customers at amortised cost	**1,916**	**2,125**
TOTAL DEBTS TO CUSTOMERS	**1,916**	**2,125**
Debt securities in issue at amortised cost		
Interbank market securities	2,440,960	809,211
Bonds	53,422,841	53,970,506
Related debts	802,587	717,494
Valuation adjustments of debt securities in issue hedged by derivatives	(2,341,108)	(2,031,860)
TOTAL DEBTS SECURITIES IN ISSUE	**54,325,281**	**53,465,351**

Maturity of debt securities in issue at amortised cost

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/25
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**

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	31/12/24
Maturity of debt securities in issue					
Bonds	3,511,179	4,021,111	23,709,486	21,414,363	52,656,140
Interbank market securities	683,635	125,576	-	-	809,211
TOTAL	**4,194,814**	**4,146,687**	**23,709,486**	**21,414,363**	**53,465,351**

Debt securities in issue by currency

In thousands of euros	EUR	USD	GBP	JPY	CHF	AUD	CNH	DOP	TRY	IDR	31/12/25
Debt securities in issue by currency											
Bonds	40,023,104	9,509,866	1,517,488	78,940	107,204	212,626	187,730	20,552	180,249	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**	**20,552**	**180,249**	**46,563**	**54,325,281**

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

Note 10 Provisions

In thousands of euros	31/12/24	Provisions	Reversals	Other items	31/12/25
Included in the cost of risk					
French Overseas Department subsidiary risks	17,197	169	(498)	-	16,867
Other provisions for risk	124,710	61,214	(85,057)	-	100,866
of which stage 1	27,939	10,255	(10,495)	-	27,700
of which stage 2	53,115	32,806	(42,733)	-	43,187
of which stage 3	43,656	18,153	(31,829)	-	29,979
Excluded from the cost of risk					
Provision for expenses – Sovereign loans	574,800	319,931	(128,824)	1,250	767,158
of which calibration of the reserve account	*285,324*	*192,890*	*(10,071)*	-	*468,143*
Salary and employee benefit expenses	136,385	9,872	(15,328)	-	130,930
Provision for risks and expenses	29,261	21,183	(10,408)	-	40,036
TOTAL	**882,353**	**412,370**	**(240,115)**	**1,250**	**1,055,858**

Note 11 Subordinated debt

In thousands of euros	31/12/25	31/12/24
Fixed-term subordinated debt	-	-
Open-ended subordinated debt	840,000	840,006
Other	3,459	2,611
TOTAL	**843,459**	**842,617**

Note 12 Fair value of assets and liabilities at amortised cost

	31/12/25		31/12/24	
In thousands of euros	Carrying amounts	Fair value	Carrying amounts	Fair value
Assets/Liabilities at amortised cost				
Debt securities at amortised cost	2,247,940	2,226,987	3,148,432	3,111,967
Financial assets at amortised cost	55,945,800	53,815,332	53,772,227	52,245,580
Financial liabilities at amortised cost	54,355,859	53,152,457	53,477,032	52,628,410
Subordinated debt	843,459	843,459	842,617	842,617

6.2.4.2 Notes to the income statement

Note 13 Income and expenses by accounting category

In thousands of euros	31/12/25	31/12/24
From financial assets measured at amortised cost	**1,791,454**	**1,927,771**
Cash and demand accounts with central banks	91,812	153,531
Loans and receivables	1,694,324	1,768,649
Transactions with credit institutions	428,643	493,621
Transactions with customers	1,265,682	1,275,028
Debt securities	5,317	5,591
From financial assets at fair value through equity	**203,158**	**196,282**
Debt securities	203,158	196,282
From financial assets at fair value through profit or loss	**59,326**	**78,506**
Loans and receivables	59,326	78,506
Transactions with credit institutions	*27,513*	*50,755*
Transactions with customers	*31,813*	*27,750*
Interest accrued and due on hedging instruments	**2,479,260**	**2,800,681**
of which transactions with credit institutions	*1,163,508*	*1,532,159*
of which other interest and related income	*1,315,751*	*1,268,523*
TOTAL INTEREST INCOME	**4,533,197**	**5,003,240**
From financial liabilities measured at amortised cost	**1,256,724**	**1,143,355**
Financial liabilities measured at amortised cost	1,256,724	1,143,355
Interest accrued and due on hedging instruments	**2,757,597**	**3,357,003**
Other interest and similar expenses	**591**	**435**
TOTAL INTEREST EXPENSES	**4,014,911**	**4,500,792**

Note 14 Net commissions

	31/12/25			31/12/24		
In thousands of euros	Income	Expenses	Net	Income	Expenses	Net
Commissions on commitments	-	479	(479)	653	142	511
Monitoring and investment commissions	9,469	596	8,873	4,381	1,493	2,888
Analysis commissions	30,851	-	30,851	19,459	-	19,459
Commissions on grants and subsidies	93,092	-	93,092	91,195	-	91,195
Miscellaneous commissions	3,921	1,034	2,887	3,712	868	2,844
TOTAL	**137,332**	**2,109**	**135,223**	**119,400**	**2,503**	**116,897**

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

In thousands of euros	31/12/25 Gains and losses on financial instruments at fair value through profit and loss	31/12/25 o/w Foreign currency impact on derivatives	31/12/24 Gains and losses on financial instruments at fair value through profit and loss	31/12/24 o/w Foreign currency impact on derivatives
Financial assets and liabilities at fair value through profit or loss	**(16,111)**	**(11,560)**	**142,556**	**9,730**
Income from financial instruments at fair value through profit and loss	38,308	-	37,504	-
Unrealised or realised gains or losses on debt instruments that do not meet SPPI criteria	(70,814)	-	119,109	-
Hedging of loans at fair value through profit or loss	16,395	(11,560)	(14,057)	9,730
Income resulting from hedge accounting	**102,776**	**1,485**	**28,588**	**4,631**
Change in fair value of hedging derivatives	(960,582)	(1,126)	1,175,663	4,409
Change in fair value of the hedged item	1,063,358	(359)	(1,147,076)	222
Natural hedging/Trading	23,169	(452,930)	(64,688)	215,291
CVA/DVA/FVA	**(300)**	**-**	**233**	**-**
TOTAL	**109,535**	**(463,005)**	**106,690**	**229,652**

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

In thousands of euros	31/12/25	31/12/24
Dividends received on equity instruments recognised at fair value through equity not to be recycled in profit or loss	17,453	7,013
Gains or losses on equity instruments recognised at fair value through equity not to be recycled in profit or loss	5	-
Gains or losses on debt securities recognised at fair value through equity to be recycled in profit or loss	(370)	133
NET GAINS OR LOSSES ON FINANCIAL ASSETS RECOGNISED IN OTHER COMPREHENSIVE INCOME	**17,087**	**7,146**

Note 17 Income and expenses from other activities

In thousands of euros	31/12/25	31/12/24
Subsidies	355,594	312,563
Other income(1)	618,650	517,522
TOTAL OTHER INCOME FROM OTHER ACTIVITIES	**974,244**	**830,085**
Other expenses(1)	586,618	445,379
TOTAL OTHER EXPENSES FROM OTHER ACTIVITIES	**586,618**	**445,379**

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

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

Note 18 Overheads

Salary and employee benefit expenses

In thousands of euros	31/12/25	31/12/24
Salary and employee benefit expenses		
Wages and bonuses	273,554	253,519
Social security expenses	138,996	129,329
Profit sharing	15,831	15,374
Taxes and similar payments on compensation	29,190	39,026
Provisions/reversal of provisions	8,688	11,195
Rebilling banks' staff	-	(125)
TOTAL	**466,258**	**448,318**

Other administrative expenses

In thousands of euros	31/12/25	31/12/24
Other administrative expenses		
Taxes	10,693	10,222
of which application of IFRIC 21	*(1,274)*	*(976)*
Outside services	170,500	172,284
Rebilled expenses	(3,777)	(1,502)
TOTAL	**177,416**	**181,005**

Note 19 Cost of credit risk

In thousands of euros	31/12/25	31/12/24
Impairments on performing (Stage 1) or deteriorated (Stage 2) assets	**33,124**	**39,090**
Stage 1: losses assessed at the amount of expected credit losses for the coming 12 months	**(7,558)**	**(24,279)**
Debt securities recorded at amortised cost	(7,848)	(16,092)
Signature commitments	289	(8,186)
Stage 2: losses assessed at the amount of expected credit losses for the lifetime	**40,682**	**63,369**
Debt securities recorded at amortised cost	30,804	28,341
Signature commitments	9,878	35,028
Impairments of impaired assets (stage 3)	**(47,493)**	**46,811**
Stage 3: impaired assets	**(47,582)**	**43,185**
Debt securities recorded at amortised cost	(53,650)	21,827
Signature commitments	6,068	21,357
Other provisions for risk	**89**	**3,627**
Net reversals of impairments and provisions	**(14,370)**	**85,901**
Losses on loans and bad loans	(26,786)	(132,635)
Discounts on restructured loans	307	156
Recovery of loans and receivables	1,210	604
COST OF RISK	**(39,638)**	**(45,974)**

Note 20 Equity-accounted items

	31/12/25		31/12/24	
Impact *(in thousands of euros)*	**Balance sheet**	**Income**	**Balance sheet**	**Income**
STOA S.A.	91,488	(6,113)	-	-
Société Immobilière de Nouvelle-Calédonie (SIC)	28,066	(6,063)	34,643	(6,112)
Banque Socredo	129,164	4,437	125,677	4,742
TOTAL	**248,718**	**(7,740)**	**160,320**	**(1,370)**

Note 21 Corporate tax

In thousands of euros	31/12/25	31/12/24
Corporate tax	**(18,052)**	**(15,399)**
Taxes due	(15,890)	(14,298)
Deferred taxes	(2,162)	(1,101)

Underlying tax position

In thousands of euros	31/12/25	31/12/24
Net income	**387,682**	**362,745**
Corporate tax	(18,052)	(15,399)
Pre-tax income	**405,734**	**378,144**
Total theoretical income tax expense (A)	**1,927**	**(35,788)**
Total matching items (B)	**(19,979)**	**20,389**
Net recorded tax expense (A) + (B)	**(18,052)**	**(15,399)**

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

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

Note 22 Financing and guarantee commitments

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

In thousands of euros	31/12/25	31/12/24
Commitments received		
Guarantee commitments received from the French State on loans	5,653,893	5,084,284
Guarantee commitments received from credit institutions	362,303	431,456
as part of the Group's credit activity	*362,303*	*431,456*
Commitments given		
Financing commitments made to credit institutions	2,156,916	2,588,677
Financing commitments made to customers	16,342,440	16,758,075
Guarantee commitments made to credit institutions	340,606	452,268
Guarantee commitments made to customers	1,057,288	1,058,367

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

6.2.4.3 Other notes: employee benefits and other remuneration

The overall impacts of the post-employment benefits on the 2024 and 2025 financial years are set out in the table below:

In thousands of euros	31/12/25	Impact on income	Impact on equity	31/12/24	Impact on income	Impact on equity	31/12/23
Provisions for employee benefits	125,946	7,451	(14,254)	132,749	8,539	(8,389)	132,599
Defined benefit plans	*124,628*	*7,430*	*(14,254)*	*131,451*	*8,543*	*(8,389)*	*131,298*
Other long-term benefits	*1,318*	*21*	-	*1,297*	*(4)*	-	*1,301*

The sensitivity analysis, based on the actuarial assumptions used to value the defined benefit plans at the closing date, is as follows:

In millions of euros	Retirement	as a % of change
Present value of the commitment at 31/12/25		
• Discount rate: 2.70% • Annual increase in salary: 2.00% AFD and 2.20% TOM • Retirement age: 63 at legal age (non-executive level employees)/65 (executive level employees)	4.1	
Sensitivity to the discount rate assumption		
Rate change to 2.95%	4.0	(1.3%)
Rate change to 2.45%	4.1	1.2%
Sensitivity to the career profile assumption		
Rate change to 2.50%	4.0	(1.3%)
Rate change to 1.5%	4.0	(1.3%)
Sensitivity to the retirement age assumption		
• Increase of 1 year (for all guarantees) • Reduction of 1 year (for all guarantees)		

In millions of euros	Expatriate employees healthcare expenses	as a % of change	Retiree health insurance	as a % of change	Retirement lump sum	as a % of change	Service award	as a % of change
Present value of the commitment at 31/12/25	**14.1**		**102.4**		**18.6**		**1.3**	
• Discount rate: 4.20% • Annual increase in salary: 2.00% AFD and 2.20% TOM • Retirement age: 63 at legal age (non-executive level employees)/65 (executive level employees)								
Sensitivity to the discount rate assumption								
Rate change to 3.70%	15.8	12%	113.0	10%	19.7	6%	1.4	3%
Rate change to 4.70%	12.7	(10%)	93.3	(9%)	17.6	(5%)	1.3	(3%)
Sensitivity to the salary increase assumption								
Rate change to 2.50% AFD and 2.70% TOM					19.8	6%		
Rate change to 1.5% AFD and 1.70% TOM					17.5	(6%)		
Sensitivity to changes in consumption 2.00% at 31/12/2024								
Rate change to 1.50%	12.7	(10%)						
Rate change to 2.5%	15.8	12%						
Sensitivity to changes in liabilities 2.5% at 31/12/2024								
Rate change to 2%			93.2	(9%)				
Rate change to 3%			113.2	10%				

Projected commitments at 31 December 2026 are as follows:

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
ACTUARIAL LIABILITIES AT 31/12/25	**14,116**	**4,053**	**102,449**	**18,614**	**139,232**	**1,318**	**140,550**
Cost of services rendered in 2026	396	-	4,875	1,523	6,794	153	6,948
Financial cost in 2026	609	109	4,508	790	6,017	57	6,074
Services payable in 2025/transfer of capital upon departures in 2026	(232)	(1,793)	(2,992)	(1,573)	(6,590)	(155)	(6,745)
ESTIMATED DEBT AT 31/12/26	**14,889**	**2,370**	**108,840**	**19,355**	**145,453**	**1,374**	**146,827**

The changes in commitments over the 2025 financial year are shown in the table below:

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Change in the present value of the commitment							
Present value of the commitment at 01/01	14,640	4,202	108,418	18,475	145,735	1,298	147,033
Financial cost	542	116	4,092	675	5,424	49	5,473
Cost of services rendered over the financial year	424	-	5,239	1,550	7,212	156	7,369
Cost of past services	-	-	-	-	-		-
Reductions/Liquidations	-	-	-	-	-	-	-
Services paid	(208)	(529)	(2,942)	(1,663)	(5,343)	(58)	(5,401)
Actuarial (gains) losses	(1,281)	265	(12,357)	(423)	(13,797)	(126)	(13,923)
Change in scope between AFD and IEDOM	-	-	-	-	-	-	-
Present value of the commitment at 31/12/25	**14,116**	**4,053**	**102,449**	**18,614**	**139,232**	**1,318**	**140,550**
Change in the fair value of retirement plan assets							
Fair value of assets at 01/01	-	14,284	-	-	14,284	-	14,284
Expected return on assets	-	393	-	-	393	-	393
Services paid	-	(529)	-	-	(529)	-	(529)
Actuarial gains (losses)	-	457	-	-	457	-	457
Liquidations	-	-	-	-	-	-	-
Change in scope between AFD and IEDOM	-	-	-	-	-	-	-
Fair value of assets at 31/12/2025	**-**	**14,605**	**-**	**-**	**14,605**	**-**	**14,605**
Corridor limits							
Actuarial gains (losses) not recognised at 01/01	-	-	-	-	-	-	-
Corridor limits at 01/01	-	-	-	-	-		-
Actuarial gains (losses) generated over the financial year	1,281	192	12,357	423	14,254	126	14,380
Actuarial (gains) losses recognised in profit or loss	-	-	-	-	-	(126)	(126)
Actuarial (gains) losses N-1 recognised in equity	-	-	-	-	-	-	-
Actuarial (gains) losses recognised in equity this period	(1,281)	(192)	(12,357)	(423)	(14,254)	-	(14,254)
Unrecognised actuarial gains (losses) at 31/12/25	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amounts recognised on the balance sheet at 31/12/25							
Present value of the funded commitment	-	4,053	-	-	4,053	-	4,053
Fair value of financed assets	-	(14,605)	-	-	(14,605)	-	(14,605)
Present value of unfunded commitment	14,116	-	102,449	18,614	135,179	1,318	136,497
Net position	**14,116**	**(10,552)**	**102,449**	**18,614**	**124,627**	**1,318**	**125,945**
Unrecognised actuarial gains (losses)	-	-	-	-	-	-	-
Balance sheet provision	**14,116**	**(10,552)**	**102,449**	**18,614**	**124,627**	**1,318**	**125,945**
Amounts recognised in the income statement at 31/12/25							
Cost of services rendered over the financial year	424	-	5,239	1,550	7,212	156	7,369
Cost of past services	-	-	-	-	-	-	-
Financial cost for the financial year	542	116	4,092	675	5,424	49	5,473
Recognised actuarial gains (losses)	-	-	-	-	-	(126)	(126)
Expected return on retirement plan assets	-	(393)	-	-	(393)	-	(393)
Cost of services rendered	-	-	-	-	-	-	-
Impact of reductions/liquidations	-	-	-	-	-	-	-
Expenses booked	**966**	**(277)**	**9,330**	**2,225**	**12,244**	**79**	**12,323**
Reconciliation of opening and closing net liability							
Liability at 01/01	14,640	(10,082)	108,418	18,475	131,451	1,298	132,748
Expenses booked	966	(277)	9,330	2,225	12,244	79	12,323
Contributions paid	-	-	-	-	-	-	-
Restatements and transfers	-	-	-	-	-	-	-
Services paid by employer	(208)	-	(2,942)	(1,663)	(4,813)	(58)	(4,872)
Items not to be recycled in profit or loss	(1,281)	(192)	(12,357)	(423)	(14,254)	-	(14,254)
Net liabilities at 31/12/25	**14,116**	**(10,552)**	**102,449**	**18,614**	**124,628**	**1,318**	**125,946**
Change in net liabilities	**(524)**	**(470)**	**(5,969)**	**139**	**(6,823)**	**21**	**(6,802)**

6.2.5 Risk information

The role of Executive Risk Department (DXR) is to analyse, inform and advise executive officers (Executive Management) on the risks to which the Group companies are exposed.

It is involved in the implementation of risk policies and procedures and systems to measure, control, analyse and monitor these risks. It ensures that the Group's activities and the associated risks are consistent with the objectives set, the company's policy, its risk appetite framework and the regulatory provisions relating to risk management.

This department comprises:

- the Operational Risk and Permanent Control Department (ROC);
- the Group Risk Management Department (DRG).

6.2.5.1 Credit risk

Risk measurement and monitoring

The Group's credit risk measurement and monitoring system falls under the responsibility of the Executive Risk Department (DRG) within the Executive Risk Management Division.

Within the Group Risk Management Department, the Credit, **Climate and Second Opinion (CCS) Division** is responsible for:

- validating the credit risk and climate risk due diligence carried out by the operational departments, the rating of non-sovereign counterparties, the determination of the corresponding groups, and the financial analysis of the counterparty, as well as the assessment of the financial structuring transactions during the project appraisal cycle *via* the production of the regulatory Second Opinion;
- the Second Opinion review. It provides an independent opinion on the projects presented to the decision-making bodies on the various dimensions of risk (credit, operational, reputation);
- implementing the follow-up right beyond the bodies, when this right is requested by the Second Opinion unit prior to project approval, and reviewing the updated credit risk before agreements are signed and in the event of requests for waivers and riders, and in the event of significant adverse events;
- annually reviewing AFD's non-sovereign credit risks, monitoring borrowers under surveillance (watchlist) and measuring individual impairment (definition of the recoverability rate of doubtful loans);
- developing tools, methods and training materials to evaluate credit risks and climate risks, mainly for use by the operating departments.

The role of the **Financial Risk Monitoring Division** (DSR) is to monitor financial risks (credit, counterparty, market, ALM, etc.) within the consolidation scope (including fully consolidated subsidiaries [1] and equity investments [2] and to ensure the monitoring and control thereof. In particular, it is responsible for continuously monitoring the Group's risks in terms of position and outlook, by undertaking i) the secretariat and coordination of the Risk Committees (CORIS), ii) the quarterly calculation of the Group's collective provisions on the contribution to the portfolio and the periodic update of the parameters taken into account in these calculations, and iii) the reporting of the Group's risks to Executive Management, the Group Audit and Risk Committee and the Board of Directors. The division participates in defining the risk response framework (limits, pricing, new products, credit and concentration indicators of the Risk Appetite Framework, etc.) and monitors compliance with it.

The Economic Assessment and Public Policy Department (ECO), which reports to the Innovation, Research and Knowledge (IRS) Executive Department, appraises the country risks (growth, stability of the financial system, public finances, external balances and socio-political situation) and credit risks of sovereign counterparties in regions where the Group operates (analysis of the structure and level of public debt, budget implementation, payment history and structural solvency indicators, etc.).

Every six months, **the Country and Sovereign Risk Management Committee** (Country Coris) examines changes in the international economic and financial environment, changes in the macroeconomic risks of the countries in which it operates, and the credit risks presented by the Economic Assessment and Public Policy Department. It validates the classification of country risk and sovereign risk.

Within their respective areas of activity, **the Credit Risk Management Committee** (Credit Coris) and the **Equity Investment Risk Committee** (Investment Coris) examine concentration risk (Large Exposures) on a quarterly basis for the former and half-yearly for the latter, exposures in relation to the operational limit system, the quality of portfolios, impairment/provisions and the associated cost of risk, borrowers under supervision, the application of recovery procedures and the monitoring of activities within the scope of consolidation. Every six months, a review of equity investment monitoring is carried out.

The Risk Committees are chaired by the Executive Director of Risk Management and their permanent members include the Executive Management, the heads of the Executive Departments in charge of Operations, the Executive Director of Finance, the Head of Risk Management at Proparco, the Head of the Group Risk Management Department and the Head of the Second Opinion Unit.

The Group Audit and Risk Committee meets at least quarterly, after the Counterparty Risk Committee meetings or prior to a Board of Directors meeting. Its role is to conduct a regular review of the strategies, policies, procedures, systems, tools, risk positions (notably credit risk) and thresholds, to notify the Board of Directors of its conclusions and to advise the latter on the Group's global credit risk strategy.

1) Soderag, Proparco, Sogefom, Fisea, Expertise France.
2) Société immobilière de Nouvelle-Calédonie, Banque Socredo.

System of operational limits

The system of operational limits applies to products (loans, quasi-equity, guarantees given including ARIZ guarantees, other securities, equity investments) not guaranteed by the French State, excluding products fully subsidised by the French State (e.g. micro-finance facility or ARIZ Prime). It consolidates exposures net of individual AFD, Proparco and Fisea provisions.

AFD's limits system has three levels of monitoring: regulatory, internal, and a warning system whose purpose is to alert before a limit is crossed through an information system based on escalation. This system is reviewed annually when the Agency's Risk Appetite Framework and the system of operational limits are examined.

It is broken down into two main limit categories:

- limits and alert thresholds regarding sovereign activity, by region (see Table 1);
- limits regarding non-sovereign activity, by region (see Table 2), sector and counterparty.

Table 1: summary of AFD's limits and alert indicators for Large Exposures (sovereign + related)

Unless otherwise indicated, the percentages apply to Large Exposure equity (FPGR) (1).

		Limit system		
		Regulatory requirements	**Internal requirements**	**Alert system**
Type of exposure/outstandings considered		Authorised exposure	Authorised exposure	Authorised and **unauthorised exposure and new approvals**
Monitoring of sovereign activity by region	**"Large Exposures" limit(1)**	Ceiling: 25% Reporting as "Large Exposures" when exposure exceeds €300M	24% of exposure	24% → an alert is given to the Board of Directors 21% → an alert is given to the Executive Committee(2)
	Sovereign warning system			If the Large Exposure equity indicator or if the three exposure indicators on GDP/debt/exports exceed the associated thresholds → a discussion is held with the General Directorate of the Treasury prior to any new approval

(1) With the first public non-sovereign group reporting to the central government.
(2) Executive Committee.

Table 2: Summary of AFD's limits and alert indicators for non-sovereign activity

		Limit system		
		Regulatory requirements	**Internal requirements**	**Alert system**
Type of exposure/outstandings considered		Authorised exposure	Authorised exposure	Authorised and unauthorised exposure and new approvals
Monitoring of non-sovereign activity	**Regional limits(1)**		30% gross exposure; 15% for the banking sector	
	Limit by counterparty (and counterparty group)	Ceiling: 25% Reporting as "Large Exposures" when exposure exceeds €300M	8% for an individual counterparty(2) 12% for a group of counterparties	Specific reporting to the Board of Directors for "incurred" overruns(3)

(1) Without the non-sovereign exposures reporting to the central government.
(2) No loans are approved for counterparties with a rating of < CCC.
(3) In the event of unfavourable changes in exchange rates or a deterioration in the quality of a counterparty in the portfolio, only the supervisory body (Board of Directors) has the power to approve a loan where the limit has been exceeded, subject to ongoing compliance with prudential constraints.

1) These are the 'Large Exposure' eligible own equity, as defined by the regulations for the actual levels observed at each half-yearly reporting date, used in the calculation of internal limits and indicators.

Within the Executive Risk Management Department (DXR), the Risk Monitoring Division (DSR) is responsible for monitoring credit risks and limits for the AFD group. The "Group Risk Monitoring and Reporting (SRG)" unit, attached to DSR, prepares the database that makes it possible to calculate the Large Exposures declared on a quarterly basis and to monitor the limits set by the Board of Directors. The SRG unit prepares the pre-approval limit control document which is inserted for each loan in the notes to AFD's decision-making bodies (the latter are systematically approved by DSR), thus ensuring continuous monitoring of the level of Large Exposures and credit limits.

Every quarter, a review of Large Exposures and operational limits is presented to the Risk Committee, of which the Executive Management is a permanent member, and to the Group Audit and Risk Management Committee.

1) Large Exposures limit

The "Large Exposures" regulatory limit defines the aggregate maximum authorised exposure to third parties or groups of connected third parties as 25% of eligible capital. As consolidated equity amounted to €10,362M at 31 December 2025, the regulatory limit for Large Exposures is therefore set at €2,590M.

To anticipate any risk of exceeding it, two internal limits have been put in place:

- the tolerance threshold set at 24% (€2,487M) of equity, the breach of which is subject to an alert note sent to the Board of Directors; and
- the only preventive alert set at 21% (€2,176M) of equity, the breach of which is the subject of an information note from the Executive Risk Department to the Executive Committee.

If projects not yet signed are included, in order to allow for a forward-looking management of the activity, the preventive alert threshold for the Large Exposures limit was exceeded for six regions (Indonesia, India, Colombia, Egypt, Morocco and Mexico).

The tolerance threshold was respected throughout the year.

In accordance with AFD's procedures, these excesses gave rise to alert notes to the Executive Committee depending on the thresholds, upstream of the approval bodies.

2) Non-sovereign limits

Geographic limits

The non-sovereign geographic limits include all non-weighted exposures in the foreign portfolio on non-sovereign entities, with the exception of exposures related to the central government which are included in the Large Exposures limit. The ceiling by region is set at 30% of Large Exposure equity, *i.e.* €3,108M at 31 December 2025. The preventive alert threshold, the breach of which is reported by the Executive Risk Department to the Executive Committee, is set at 25% of "Large Exposure" equity, *i.e.* €2,590M at 31 December 2025.

Unknown third party limit

Pursuant to Article 390 (8) of the CRR of Delegated Regulation 1187/2014 of 2 October 2014, when the debtor is not identified [1], exposures (notably relating to collective capital investment schemes) are assigned to the "unknown customer" category, which constitutes a counterparty subject to an internal limit set at 24% of Large Exposure equity, *i.e.* €2,487M at 31 December 2025.

Sector limit

A limit on credit institutions is set by region at 50% of the non-sovereign geographic limit (*i.e.* 15% of the Large Exposure equity, *i.e.* €1,554M at 31 December 2025). This limit is calculated quarterly on the closing date according to the exposure base used to value the non-sovereign geographic limit.

Limits per group of related counterparties

The non-sovereign limit by group of related counterparties is expressed as a weighted risk on the entities making up the Group, according to the credit rating of said entities, with a ceiling of 12% of Large Exposure equity, *i.e.* €1,243M at 31 December 2025.

The limit for a counterparty is also set at a risk-weighted figure of 8% of Large Exposure equity, *i.e.* €829M at 31 December 2025. The weightings by type of instrument are also specified and adjust the limits accordingly.

Monitoring the risks of sovereign counterparties

The French State is responsible for the payment of arrears relating to sovereign activities *via* a reserve account endowed with €1,736M at the end of 2025.

The local offices implement recovery and sanction measures as from the due date of the debt (or notification of the call on the State guarantee for guaranteed debts). In this context, AFD may ask the Secretariat of the Paris Club to send a reminder letter.

The official bilateral creditors who are members of the Paris Club submit their arrears on their sovereign debt for review at the monthly review meetings known as the *Tour d'horizon*. AFD takes part in these meetings under the guise of the French Ministry of Finance. Where applicable, the Paris Club can grant debtor countries restructuring arrangements or write off their debt. The restructuring arrangements may affect AFD debts. The financial impact of these arrangements on AFD is absorbed by the French State. In addition to the reserve account, AFD is compensated by the State for sovereign debt cancelled in the context of cancellations decided by the State either under Paris Club agreements or as a result of bilateral decisions.

AFD group takes into account the calibration of the reserve account as a credit risk mitigation mechanism to align accounting and prudential approaches.

1) This may concern exposures on vehicles that are themselves composed of underlying exposures that are not managed by transparency. By agreement, portfolio guarantees remain attached to the unknown third party.

Monitoring the risks of non-sovereign counterparties

Within the Geographic Operations Division (GEO), the Portfolio Management and Quality Department (GEP) monitors non-sovereign loans from the first instalment onwards (checking counterparties' financial covenants, monitoring recovery and managing waivers, amendments and restructuring) and the Know your Customer Department (CRC) ensures that permanent credit files are updated on a quarterly basis.

The Risk Assessment Sheets, which contain the categories for the different rating methods, are updated each year by the local offices with, potentially, the support of the Regional Portfolio Monitoring managers (or the operational departments at the Registered Office for multi-country risks). The annual updates of the Risk Assessment Sheets are carried out on an ongoing basis according to the date of availability of the financial statements of the counterparties and to different deadlines prepared according to a risk-based approach. The Risk Assessment Sheets may also be updated independently of the annual review cycles on the occasion of a new instruction or the signing of a credit agreement [1] as well as in the event of a review of the country's or counterparty's sovereign credit rating, or a major event affecting the borrower's creditworthiness.

The exercise consists of the following stages:

- collection and control of qualitative and financial data (accounting documentation, latest available parent company accounts, qualitative assessment of the borrower and/or the beneficiary and the exposure situation);
- visit and interview with the counterparty;
- update of qualitative information (local context, governance, internal organisation, etc.);
- preparation of the evaluation grid and spreadsheets for analysis and calculation of financial and prudential ratios;
- proposing intrinsic rating, which is then automatically cross-referenced with the country risk;
- reasoned assessment of possible shareholder support;
- determination of the credit rating based on the cross-referencing of the intrinsic rating with the country risk, the level of shareholder support and a possible expert opinion.

The investment officers of the Portfolio Management and Quality Department (GEP) for third parties monitored after the first payment and the Country Managers carry out a first-level control. Credit analysts in the Credit Risk Assessment, Climate and Second Opinion Division perform second-level checks and validate credit ratings.

Third parties with overdue payments of more than 90 days (180 days for local authorities in French Overseas Departments and Collectivities) or with a proven credit risk are downgraded to "doubtful" (credit rating D+ or lower). Individual impairments on the corresponding loans are estimated taking into account the associated guarantees.

Watchlist monitoring

Borrowers representing a high credit risk, due to their probability of default (in particular all doubtful counterparties), are subject to special monitoring in the form of a watchlist (list of counterparties under surveillance): a watchlist sheet summarises the key information relating to each counterparty (outstanding amounts, outstanding payments, credit rating, current events, provisions).

The watchlist and the corresponding sheets are updated quarterly by the investment officers responsible for managing the files (GEO [2] or JUR/JIN). This represents the first-level control. The credit analysts of the Credit, Climate and Second Opinion Division carry out a second-level control and validate proposals for changes to the watchlist (entry, exit, maintenance) as well as the proposed level of provisioning (stage 3). The watchlist is then communicated to the Risk Management Committee (CORIS), which reviews the current status of files, validates entries or removals as well as movements within the watchlist as proposed by the Credit, Climate and 2nd Opinion Risks (CCS) Division and arbitrates in the event of disagreement among the operational and risk teams.

The Risk Committee may also place certain cases under legal oversight, authorise exemptions from collection procedures and validate write-offs. There are three levels of watchlist:

- borrowers under simple monitoring (level 1 watchlist);
- restructuring and non-performing loans (level 2 watchlist);
- pre-litigation cases, from the date of acceleration of payment, and cases in litigation from the start of a legal proceeding (level 3 watchlist).

1) The period of validity of a rating is set at 18 months from the closing date of the certified financial statements used to establish this rating.
2) GEP or Country Managers.

The inclusion of a third party on a watchlist is proposed to the Risk Management Committee based on the following criteria:

Level 1 watchlist	Level 2 watchlist	Level 3 watchlist
Third parties with actual material arrears of more than 30 days on at least one of the loans	Doubtful third parties	Third parties for which at least one loan is being disputed (arbitration or legal proceedings)
Third parties with downgraded credit rating (outstandings > €2M for overseas local authorities (including joint associations) and €500K for all other counterparties)	Third parties with at least one loan being restructured	Third parties for which at least one loan is undergoing pre-litigation procedure
Third parties on a probationary period after restructuring of 24 months		Third parties in insolvency proceedings (preventive or collective)
Third parties subject to significant adverse events		

Removal from the watchlist is proposed to the Risk Committee based on the following criteria:

- resolution of the criteria that resulted in inclusion on the watchlist and any new criteria observed during monitoring:
  - if arrears criterion: payment of arrears and non-occurrence of new arrears for two consecutive due dates,
  - if rating criterion: removal from doubtful or stable or improvement in the credit rating over the last 24 months for performing counterparties (with an additional condition of improving the credit rating to at least B- over this 24-month period for counterparties formerly pre-doubtful, *i.e.* rated CCC),
  - if restructuring criterion: end of the 24-month probationary period;
- renewed compliance with contractual obligations;
- management of the impacts of the significant unfavourable events that led to monitoring or continued monitoring.

Compliance with the removal criteria alone does not automatically result in removal, which is subject to an expert appraisal.

Classification of outstandings according to the different stages of deterioration

In accordance with IFRS, AFD has developed a collective provisioning mechanism for performing loans. The level of impairment is determined for each contract, based on changes in credit risk since approval. At the reporting date, each contract is assigned to a risk category depending on whether or not it has recorded a significant deterioration in credit risk since its initial recognition:

- stage 1: this category includes the performing loans of third parties known as non-deteriorated, *i.e.* those not presenting any of the criteria for significant degradation of stage 2 or default of stage 3, explained below;
- stage 2: this category includes the impaired performing loans of third parties, namely:
  - exposures related to ARIZ guarantees, and
  - outstandings (balance sheet and off-balance sheet) which have suffered a significant deterioration in their credit risk since inception.

    This significant deterioration in risk is demonstrated by at least one of the following criteria being met:
    - significant downgrading of the counterparty's internal rating between inception of the contract and the current state,
    - placement of the counterparty under supervision (watchlist), and
    - 30 days past due.

Estimates of impairment and provisions on performing loans

The model used to estimate credit losses varies depending on the stage to which the outstanding amount relates and the type of outstanding amount involved. Impairment and provisions are calculated for non-sovereign loans issued by AFD, debt securities, financial guarantees and undisbursed balance that have been authorised (by identifying a conversion factor and estimating early repayment).

- For stage 1 loans, provisions are based on the calculation of the expected loss at one year, which takes into account the probability of default (which varies in particular according to the credit rating), the loss in the event of default, and exposure at default (varying according to the residual maturity and the conversion factor for off-balance sheet exposures).
- For loans in stage 2, impairments or provisions are determined using the same calculation methodology, but based on a calculation at maturity (instead of after one year).

Provisions and impairments are calculated quarterly by the Risk Monitoring Division. They are subject to a control plan and an analysis of changes. At 31 December 2025, the Group's collective provisions amounted to €724.1M (including €365.4M for the calibration of the reserve account) in the consolidated financial statements (excluding market transactions).

The model is also reviewed regularly. For 2025, the work focused on the review of the series of probabilities of default on the Group's portfolio and an update of Proparco's early redemption rates.

The model for calculating expected credit losses on sound exposures of non-sovereign counterparties was supplemented by taking into account the economic outlook of the various countries of intervention (forward-looking). It was taken into account on the basis of three indicators for all countries in the areas of operation:

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

Cross-referencing these three indicators (with weightings for each indicator value) leads to the definition of two lists of countries, according to two distinct scenarios, which are submitted for expert review at Group level. The weighting of these two scenarios leads to a final forward looking impact on the level of the Group's collective provisions.

Individual provisioning principle

Stage 3: this category includes non-performing loans, *i.e.* outstandings (balance sheet and off-balance sheet) of third parties with:

- significant arrears exceeding 90 days; a significant unpaid rent is determined by the following two cumulative criteria:
  - the sum of unpaid loans on all credit obligations exceeds €500,
  - the sum of arrears on all credit obligations is greater than 1% of all credit obligations of the third party (excluding the balance to be paid and equity investments);
- proven credit risk; or
- a restructured forborne credit which is more than 30 days past due and/or a second forbearance during the probation period.

The doubtful nature is applied to all exposures to the third party concerned, according to the contagion principle.

Individual provisioning decisions on non-performing loans are taken as part of the quarterly monitoring of borrowers on the watchlist. The watchlist summarises the main elements affecting the borrower's credit quality and records the individual provisioning methods used. These individual provisioning proposals are presented at the Risk Committee and are reviewed each quarter. At 31 December 2025, the Group's individual provisions amounted to €1,539.7M (including €1,071.5M for the calibration of the reserve account).

Maximum credit risk exposure (own behalf)

In total, the Group's consolidated gross outstandings amounted to €57.4bn at 31 December 2025 including loans guaranteed by the French State, of which €49.6bn in foreign countries, and €7.8bn in French Overseas Departments and Collectivities (compared with €54.7bn at 31 December 2024).

AFD group's non-performing loans (including those which are State-guaranteed) amounted to €4.0bn at 31 December 2025, of which €3.0bn in sovereign non-performing loans and €1.0bn in non-sovereign non-performing loans. Non-sovereign non-performing loans are covered by impairments and provisions totalling €0.5bn, equivalent to a coverage ratio of 48.0%.

Age of arrears

The arrears on AFD group loans and receivables at the closing date break down as follows:

In millions of euros

31/12/25	Outstandings + ICNE	Consolidated provisions	Unpaid bills
Stage 1	44,164	163	14
Stage 2	9,013	421	19
Stage 3	3,997	1,210	240
Other	222	-	-
TOTAL	**57,395**	**1,794**	**273**

Concentration of credit risk

Financial loans at amortised cost

Non-sovereign

	At 31/12/25				At 31/12/24			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	7,809,292	546,572	-	8,355,864	8,298,773	534,234	-	8,833,007
from BB+ to CCC (Speculative)	8,064,922	4,899,147	-	12,964,069	7,065,450	4,189,944	-	11,255,394
Not applicable(1)	583,292	-	-	583,292	584,961	-	-	584,961
Doubtful	-	-	953,887	953,887	-	-	894,001	894,001
TOTAL	**16,457,506**	**5,445,719**	**953,887**	**22,857,112**	**15,949,184**	**4,724,178**	**894,001**	**21,567,362**

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

Sovereign

	At 31/12/25				At 31/12/24			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (RC1 to RC2)	9,693,105	125,813	17,504	9,836,422	9,178,229	113,255	21,394	9,312,878
from BB+ to CCC (RC3, RC4, RC5)	16,552,201	3,208,545	387,072	20,147,818	16,507,921	3,304,314	457,352	20,269,587
Not applicable(1)	-	-	-	-	-	-	-	-
Doubtful (RC6)	-	-	2,569,517	2,569,517	-	-	1,587,426	1,587,426
TOTAL	**26,245,306**	**3,334,358**	**2,974,093**	**32,553,757**	**25,686,150**	**3,417,569**	**2,066,172**	**31,169,891**

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

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

	At 31/12/25				At 31/12/24			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	5,046,927	-	-	5,046,927	4,069,852	-	-	4,069,852
from BB+ to CCC (Speculative)	758,985	5,662	-	764,646	557,170	6,785	-	563,955
Not applicable(1)	-	-	-	-	-	-	-	-
Doubtful	-	-	559	559	-	-	950	950
TOTAL	**5,805,912**	**5,662**	**559**	**5,812,132**	**4,627,021**	**6,785**	**950**	**4,634,757**

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

Financing commitments

Non-sovereign

	At 31/12/25				At 31/12/24			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	1,565,621	26,888	-	1,592,508	1,490,465	2,200	-	1,492,665
from BB+ to CCC (Speculative)	2,849,562	174,133	-	3,023,695	3,000,747	256,824	-	3,257,571
Not applicable(1)	81,183	-	-	81,183	112,408	-	-	112,408
Doubtful	-	-	101,038	101,038	-	-	136,723	136,723
TOTAL	**4,496,365**	**201,021**	**101,038**	**4,798,423**	**4,603,620**	**259,024**	**136,723**	**4,999,367**

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

Sovereign

	At 31/12/25				At 31/12/24			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (RC1, RC2)	2,587,799	-	-	2,587,799	3,043,230	-	-	3,043,230
from BB+ to CCC (RC3, RC4, RC5)	8,692,532	1,042,631	95,000	9,830,163	9,083,472	1,211,653	95,000	10,390,125
Not applicable[1]	-	-	-	-	-	-	-	-
Doubtful (RC6)	-	-	1,165,840	1,165,840	-	-	561,681	561,681
TOTAL	**11,280,331**	**1,042,631**	**1,260,840**	**13,583,802**	**12,126,702**	**1,211,653**	**656,681**	**13,995,036**

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

Guarantee commitments

	At 31/12/25				At 31/12/24			
	Performing assets		Doubtful assets		Performing assets		Doubtful assets	
In thousands of euros	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Rating								
from AAA to BBB- (Investment)	94,658	-	-	94,658	10,651	-	-	10,651
from BB+ to CCC (Speculative)	789,221	442,930	-	1,232,151	898,548	497,095	-	1,395,643
Not applicable	-	-	-	-	-	-	-	-
Doubtful	-	-	55,160	55,160	-	-	61,290	61,290
TOTAL	**883,879**	**442,930**	**55,160**	**1,381,969**	**909,199**	**497,095**	**61,290**	**1,467,584**

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

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

In thousands of euros	Stage 1	Stage 2	Stage 3	Total
Provisions at 31/12/24 Business activity + Parameters + Exceptional provisions	**100,827**	**289,606**	**495,872**	**886,305**
New signatures	29,476	10,042	248	39,766
Extinct exposures	(5,950)	(4,478)	(25,175)	(35,602)
Change in exposure or rating	(17,494)	(42,707)	(99,717)	(159,917)
Stage change	(12,819)	(515)	59,757	46,422
Other	-	(204)	37,115	36,910
IFRS restatement	-	-	-	-
Total change in operating provisions	**(6,786)**	**(37,863)**	**(27,771)**	**(72,421)**
TOTAL CHANGE IN IFRS 9 PARAMETER UPDATES	**5,922**	**10,721**	**-**	**16,643**
TOTAL CHANGE IN EXCEPTIONAL PROVISIONS (FWL, ARIZ)	**9,814**	**(13,540)**	**-**	**(3,726)**
PROVISIONS AT 31/12/25 BUSINESS ACTIVITY + PARAMETERS + EXCEPTIONAL PROVISIONS	**109,776**	**248,924**	**468,101**	**826,801**
CALIBRATION OF THE RESERVE ACCOUNT	**96,955**	**268,458**	**1,071,550**	**1,436,963**
TOTAL PROVISIONS AT 31/12/25	**206,731**	**517,383**	**1,539,650**	**2,263,764**

6.2.5.2 Liquidity risk

The notion of liquidity refers to the company's ability to finance new assets and meet obligations as they mature. Liquidity must enable the Group to meet its commitments, including under adverse circumstances (crisis, financial market tensions, etc.). AFD group, including its subsidiary Proparco, does not receive deposits or repayable funds from the public. Its financing model is mainly based on medium- and long-term market borrowings; liquidity is given high priority in light of the Group's performance target, which entails controlling the financing cost and minimising the cost of carry. This model reflects the Agency's aversion to refinancing risk and liquidity risk, which are monitored as part of balance sheet management for both AFD and Proparco.

The Group's risk appetite framework primarily uses two indicators to monitor liquidity risk:

- the standard liquidity indicator, which enables the Group to measure the time horizon over which it will be able to meet its commitments without raising new resources. The target value of this indicator is between 9 and 12 months;
- the liquidity stress indicator: this enables the Group to manage liquidity risk in situations of stress. The minimum threshold for this indicator is 4 months;
- the liquidity coefficient: this is a regulatory indicator (order of 5 May 2009) reported on a quarterly basis. It is the ratio of liquidities (available resources) against payables (commitments to be met) at one month. It determines AFD's ability to mobilise the necessary resources to meet its immediate commitments. This indicator must be greater than 100%.

AFD has a Euro Medium Term Note (EMTN) programme for not more than €70,000M enabling it to complete financing transactions with fewer financial disclosure requirements. Short-term liquidity risk prevention relies on a programme of short term Negotiable European Commercial Papers ("NEU CPs") amounting to €8,000M, including €4,000M in the event of the Emergency Financing Plan being triggered. There is also a €2,000M programme of Negotiable European Medium-Term Notes ("NEU MTNs").

AFD also has a portfolio of high quality bonds, which constitutes a liquidity reserve that can be mobilised through market repurchase agreements. The notional amount outstanding of these portfolios amounted to €2,781M at 31 December 2025.

The liquidity risk measuring and monitoring system includes both regulatory ratios and internal indicators. The various liquidity risk measuring and monitoring indicators reveal very moderate exposure to liquidity risk.

Residual contractual maturities	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Carrying amounts
Liabilities					
Financial liabilities at fair value through profit or loss	-	23	25,225	115,190	140,439
Derivatives used for hedging purposes (liabilities)	106,752	50,702	1,249,850	2,697,745	4,105,049
Financial liabilities measured at amortised cost	4,440,540	5,276,931	22,306,700	23,175,146	55,199,317

6.2.5.3 Foreign exchange risk

The foreign exchange risk is the risk of losses on financial instruments and margins due to adverse changes in exchange rates.

AFD's general policy is to systematically hedge foreign currency loans through cross-currency swaps, which exchange future foreign currency cash flows for future euro cash flows. Financing transactions carried out in currencies other than the euro are also hedged using cross-currency swaps.

As AFD does not hold speculative positions, market risk is limited to foreign exchange risk.

Foreign exchange risk can be measured by analysing sensitivity: if foreign currencies appreciate against the euro by 10%, this has an estimated impact on income of -€14.2M (+€14.2M for a 10% decrease), the sensitivity to exchange rates mainly originating from the dollar.

For information, AFD group applies an internal limit approved by the Board of Directors on 24 April 2025: individual currency exposure may not exceed 1.5% of regulatory equity, while aggregated exposure must remain below 3% of that same amount of regulatory equity. This internal policy keeps foreign exchange risk to a minimum (excluding ownership interests, provisions and arrears).

Fair value hedging modifies the risk induced by the changes in fair value of a fixed-rate instrument caused by changes in interest rates. This hedging transforms fixed-rate assets and liabilities into variable-rate items.

Fair value hedging notably includes the hedging of loans, securities, deposits and debts.

In practice, the resources raised by AFD (fixed-rate bond issues) are not immediately "allocated" to the refinancing of loan transactions as part of the Resources with Ordinary Conditions regime. The resources raised initially increase the volume of AFD's cash invested at variable rates. In order to eliminate interest rate risk, at the same time as the bond issue is raised, AFD sets up an issue swap that makes the debt service variable over the total period of the loan.

It is only when the loans are effectively disbursed on an adjustable basis that the loans are allocated, for AFD's balance sheet management requirements and for an amount corresponding to the outstanding capital for the loan issued in resources with ordinary conditions.

AFD breaks down the outstanding loans in resources with ordinary conditions by quarterly maturity band and based on their contractual term.

In order to set the subsidy paid by the French State, AFD "resets" the resource when disbursing the loans through a "fixed rate/adjustable rate" swap. The notional value of the swap is, therefore, a function of the outstanding principal not past due in resources with ordinary conditions. As it is allocated to a set of loans (resources with ordinary conditions) and not singly, this transaction is qualified as macro-hedging.

6.2.5.4 Compliance with regulatory ratios

The Group was in compliance with all of the regulatory ratios at 31 December 2025.

6.2.6 Additional information

6.2.6.1 Investments held on managed funds

AFD has equity investments in four companies *via* a number of managed funds (Cidom, Fides, Fidom and Micro Finances Facility). These holdings, recorded at cost, do not appear on the balance sheet. These holdings, which were subscribed to on behalf of the French State with public funds made available to AFD, are not included in ownership or control percentages and are therefore not consolidated in the financial statements.

Fund source	Number of equity investments	Purchase price
Caisse d'investissement des DOM (Cidom)	1	463
Fides (Investment Fund for Economic and Social Development)	3	625
Fidom (French Overseas Departments Investment Fund)	1	91
Other State resources	-	-
TOTAL	**5**	**1,180**

6.2.6.2 Related-party transactions

	31/12/25		31/12/24	
In thousands of euros	AFD group	Equity-accounted companies	AFD group	Equity-accounted companies
Credits	1,050,727	-	415,205	-
Other financial assets	-	-	-	-
Other assets	-	-	-	-
TOTAL ASSETS WITH RELATED ENTITIES	**1,050,727**	**-**	**415,205**	**-**
Debts	-	1,050,727	-	415,205
Other financial liabilities	-	-	-	-
Other liabilities	-	-	-	-
TOTAL LIABILITIES WITH RELATED ENTITIES	**-**		**-**	**415,205**
Related interest, income and expenses	(5,182)	5,182	13,373	(13,373)
Commissions	-	-	-	-
Net income on financial transactions	-	-	-	-
Net income from other activities	-	-	-	-
TOTAL NBI GENERATED WITH RELATED ENTITIES	**(5,182)**	**5,182**	**13,373**	**(13,373)**

6.2.6.3 Key executive compensation

Pursuant to Law No. 2005-842 of 26 July 2005 on the confidence in and the modernisation of the economy, the remuneration paid in 2025 to each corporate officer is shown below:

Gross annual remuneration allocated to the main executives is €569,860:

- Rémy Rioux, Chief Executive Officer (start of term 2 June 2016): €255,150;
- Bertrand Walckenaer, Chief Operating Officer (COO) (start of term 14 February 2019): €187,285;
- Marie-Hélène Loison, Chief Operating Officer (start of term 8 July 2021): €96,277;
- Tristan Mouline, Deputy Chief Executive Officer (term of term 23 October 2025): €31,148.

There are no benefits in kind, special retirement schemes or stock option plans for AFD's corporate officers.

6.2.6.4 Information on non-cooperative states or territories

Article L.511-45 of the French Monetary and Financial Code (as amended by Article 3 of Order 2014-158 of 20 February 2014) requires credit institutions to publish an appendix to their annual financial statements presenting information about their offices in countries or territories that have not signed an administrative assistance agreement with France for the purpose of combating fraud and tax evasion.

Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities broadens the list of required disclosures from banks regarding their offices in non-cooperative countries or territories.

The Decree of 3 February 2023 amending the Decree of 12 February 2010 issued pursuant to the second paragraph of 1 of Article 238-0 A of the French General Tax Code, modified the list of non-cooperative states or territories.

At 31 December 2025, the AFD group did not have any offices in non-cooperative countries or territories.

6.2.6.5 Statutory Auditors' fees

In accordance with Decree No. 2008-1487 of 30 December 2008, the AFD group presents the table of statutory audit fees for the AFD group for the year 2025 The fees are based on those stated in their engagement letters. These fees are invoiced for statutory auditing services:

Fees excluding tax – 2025 financial year	KPMG	BDO	Total
AFD	€242,460	€268,840	€511,300
Proparco	€88,000	€88,000	€176,000
Expertise France	-	€67,300	€67,300
Sogefom	-	€33,000	€33,000
Fisea	€24,000	-	€24,000
Bredev	€5,000	-	€5,000
Soderag	€12,895	-	€12,895
TOTAL	**€372,355**	**€457,140**	**€829,495**

The other fees invoiced to AFD for services other than certification of the financial statements for the 2025 financial year amounted to €264,765.

SACC fees excl. tax – 2025 financial year	KPMG	BDO	Total
EMTN programme update	€3,050	€8,450	€11,500
Cash flow and unit cost certifications for RU	-	€3,600	€3,600
TOTAL	**€3,050**	**€12,050**	**€15,100**

In accordance with ANC Regulation No. 2025-01 of 7 February 2025, AFD group presents the amount of fees relating to the certification of sustainability information for the year 2025:

Fees related to the certification of sustainability information – 2025 Financial year	KPMG	BDO	Total
Climate Bonds comfort letter	€5,100	€11,400	€16,500
CSRD	€107,500	€107,500	€215,000
Verification of the green bonds allocation ratio in the context of climate bond issues	€18,165	-	€18,165
TOTAL	**€130,765**	**€118,900**	**€249,665**

6.2.6.6 Significant events since 31 December 2025

The Group's direct exposure to the areas most affected by the crisis in the Middle East (Egypt, Iraq, Jordan, Lebanon and Palestine) represents a limited share of AFD's exposures (€4.3bn or 5.4% of the portfolio at the end of 2025, the vast majority of which, €3.6bn, relates to sovereign commitments in Egypt, Jordan and Iraq). In particular, Lebanon and Palestine, countries directly affected, represent a limited share of €111M, of which 56% has already been provisioned. At this stage, no direct material impact has been identified; risk management measures have been put in place to monitor and assess any indirect effects on portfolio counterparties.

No significant event having an impact on the Company's financial position occurred after the reporting period ended 31 December 2025.

6.3 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2025

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the board of directors of Agence Française de Développement,

Opinion

In compliance with the engagement entrusted to us by the Article R515-25 of the French Monetary and Financial Code, we have audited the accompanying consolidated financial statements of Agence Française de Développement for the year ended December 31, 2025, as attached to this report.

We certify that, in accordance with the IFRS framework as adopted in the European Union, the consolidated financial statements give a true and fair view of results of its operations for the year then ended, as well as its assets and liabilities and of the financial position of all the persons and entities included in the consolidation.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the consolidated Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from January 1, 2025 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were the most significant in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Provisioning of credit risk

Risk identified and key judgments

The Agence Française de Développement "AFD" is exposed to credit and counterparty risks.

These risks are defined as the probability that a debtor will be unable to handle the repayment of the financing granted. A default by a counterparty can have a material impact on the results of AFD or its affiliates (including PROPARCO).

The determination of impairments and provisions on performing and substandard exposures is based on an expected credit loss model taking into account, in addition to the outstanding amount, commitments and undrawn facilities through the application of conversion factors. This method is based on a classification of exposures into distinct categories (also called "stage") according to the evolution, since the origination, of the credit risk of the asset, as well as the calculation of expected credit losses according to a model integrating various inputs (probability of default, loss given default, exposure to default, rating...):

- Stage 1: groups together sound exposures that have not suffered any significant increase in credit risk since their inception. The method of calculating depreciation is based on expected losses over a 12-month horizon;
- Stage 2: groups together the sound exposures for which a significant increase in credit risk has been observed since initial recognition. The method of calculating depreciation is statistically based on expected losses over a maturity horizon.

AFD also records impairments on doubtful exposures. These are calculated on an individual basis and correspond to the difference between the book value of the asset and the discounted value of future cash flows recoverable on maturity after considering the effects of the bringing into play of guarantees. These depreciations are called "Stage 3".

We considered that the assessment of credit risk and the assessment of provisions constitute a key point of the audit since they involve judgment by Management in the classification of exposures and in the assumptions that were used, in particular, in a context of persistent uncertainty, tensions over raw materials and energy.

As at December 31, 2025, AFD's consolidated financial statements include €1,711 million of impairment recorded in assets and €868 million of provisions recorded in liabilities. For more details on the accounting principles and exposures, refer to notes 4.2.3 of note 4.2 "Principes et méthodes comptables" and notes 5.2, 6, 10 and 19 of note 4.3 to the consolidated financial statements "basis of preparation of the AFD Group's consolidated financial statements".

Our audit response

To assess the reasonableness of the impairments/provisions booked, we have:

- Inspected the governance of the provisioning processes;
- Tested the operating efficiency of the provisioning processes of the related internal controls;
- Verified the consistency of data between the risk management systems and the accounting data;
- Assessed the consistency of changes in exposures and provisions.

When the provision was calculated on a collective basis (stage 1 and stage 2), we have:

- Assessed the methodological principals and the reasonableness of key underlying risk parameters (PD, LGE, EAD);
- Checked the completeness of the exposures subject to provision calculations and the appropriate application of methodological principals;
- Tested data quality on a sample basis;
- Verified of the arithmetical accuracy of the calculations performed.

When the provision was determined on an individual basis (stage 3), we have:

- Tested the appropriateness downgrading rules for doubtful exposures and verified their application;
- Tested the underlying assumptions and data used by Management to estimate impairments on a sample basis;
- Ensured the appropriate application of decision taken by the Risk Committee.

Valuation of financial instruments classified in Fair Value level 3

Risk identified and key judgments

The Agence Française de Développement holds assets at fair value as detailed in paragraphs 4.2.3, 1, 3 and 4 of note 4 to the consolidated financial statements "basis of preparation of the AFD Group's consolidated financial statements". Changes in fair value from one period to the following are recognized either through profit or loss or through equity depending on the IFRS 9 accounting classification.

Due to the limited availability of market data, the valuation of level 3 financial instruments involves judgment by management for the selection of the valuation method and parameters to be used.

We considered the valuation of financial assets at fair value of level 3 to be a key audit matter, given that:

- The significant impact of the choice of the valuation method on AFD's results;
- The sensitive nature of the parameters used for Management's assumptions;
- The material impact in the financial statements.

As at December 31, 2025, the fair value of financial assets at fair value of level 3 is €3,701 million as indicated in Note 4 to the consolidated financial statements.

Our audit response

In this context, our work consisted of:

- For the portfolio of equity securities (direct and non direct investments):
  - Updating our understanding and then testing the effectiveness of the control procedures relating to the determination of the valuation method used;
  - Checking the reconciliation between general ledger and sub-ledgers;
  - Testing, on a sample basis, the correct application of the valuation method to the financial assets;
  - Reconciling, on a sample basis, the valuation of these securities with the documentation that justified it.
- For the portfolio of loans not eligible for recognition at amortized cost under IFRS 9:
  - Checking the reconciliation between general ledger and sub-ledgers;
  - Assessing the methods used to determine the valuations (consistency between assumptions and market parameters used) by involving our financial modeling experts;
  - Checking the completeness of the scope used as a basis for calculation of the fair values;
  - checking the consistency of the parameters applied in the calculation method and of the updates in line with the methods validated;
  - checking the arithmetical accuracy of the calculations made on a sample of loans.

In addition, we verified the appropriateness of the accounting methods used by the Group and we ensured that they were correctly applied.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the deputy Chief Executive Officer's management report.

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

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018. As these are consolidated financial statements, our audit procedures include verifying that the tagging of these statements complies with the format defined by the aforementioned regulation.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Agence Française de Développement by your board of directors meeting held on July 3, 2002 for KPMG S.A. and on April 2, 2020 for BDO Paris.

As at December 31, 2025, KPMG SA was in the 24th year of total uninterrupted engagement, and BDO Paris was in the 6th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the agency or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the deputy Chief Executive Officer.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the agency.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the agency to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Collects information related to persons and entities included in the scope of consolidation that it deems sufficient and appropriate to express an opinion on the consolidated financial statements. The auditor is responsible for the management, supervision and execution of the audit of the consolidated financial statements as well as the opinion expressed on these accounts.

Report to the Audit Committee

We submit a report to the Audit Committee which includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense and Paris, April 22, 2026

The statutory auditors

French original signed by

KPMG S.A.
Valéry FOUSSÉ
Partner

BDO Paris
Benjamin IZARIÉ
Partner

6.4 Statutory auditor's report on related party agreements

Board of Directors to approve the financial statements for the year ended December 31, 2025

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Board of Directors of the Agence Française de Développement,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

It is our responsibility to communicate to you, based on the information provided to us, the characteristics, essential terms, and reasons justifying the interest for the company of the agreements we have been informed of or discovered during our mission, without having to pronounce on their usefulness and validity or to seek the existence of other agreements. It is your responsibility, according to the terms of Article R.225-31 of the French Commercial Code, to assess the interest attached to the conclusion of these agreements for their approval.

Furthermore, it is our responsibility, where applicable, to communicate to you the information provided by Article R.225-31 of the French Commercial Code regarding the execution, during the past fiscal year, of agreements already approved by the general meeting.

We have carried out the necessary procedures in accordance with the professional doctrine of the National Company of Statutory Auditors regarding this mission. These procedures consisted of verifying the consistency of the information provided to us with the underlying documents.

Agreements submitted for the approval of the board of directors

Agreements authorised and entered into during the financial year

We inform you that we were not notified of any agreements that were authorised and entered into during the financial year and that would be subject to approval by the General Meeting pursuant to Article L.225-38 of the French Commercial Code.

Agreements previously approved by the board of directors

Agreements approved in prior financial years whose execution continued during the financial year

Pursuant to Article R.225-30 of the French Commercial Code, we were informed that the execution of the following agreements, previously approved by the Board of Directors in prior financial years, continued during the financial year.

With Société de Gestion des Fonds de Garanties d'Outre-Mer (SOGEFOM)

Service agreement

AFD and SOGEFOM entered into a service agreement on 15 March 2004, with retroactive effect from 28 August 2003. Under this agreement, AFD provides management, representation and technical support services to SOGEFOM.

In 2025, AFD received remuneration amounting to €1,797 thousand under this agreement.

With Société de Crédit pour le Développement de la Martinique (SODEMA), Société pour le Développement de la Guadeloupe (SODEGA) and Société Financière pour le Développement Économique de la Guyane (SOFIDEG)

Refinancing and guarantee agreements relating to portfolios of customer loans taken over by the three SDCs from SODERAG

Under the protocols signed in October and November 1998 between AFD, SODERAG and the three SDCs, the latter acquired the portion relating to their respective departments of SODERAG's customer loan portfolio, a company in liquidation. In September and October 2000, three additional protocols were signed with the SDCs, specifying the arrangements for monitoring the management of the credit portfolios originating from SODERAG.

As at 31 December 2025, the outstanding loan balances recorded in AFD's books amounted to €9,298 thousand for SODEMA, €12,555 thousand for SODEGA and €534 thousand for SOFIDEG.

Interest and early repayment penalties collected by the SDCs on the acquired customer loans are paid back to AFD up to two-thirds.

Repayment of the loan principal by the SDCs to AFD is limited to the amount of principal repayments collected by the SDCs on the acquired customer loans, it being understood that total repayment is capped at the acquisition value of those loans.

Lastly, AFD guarantees the outstanding principal of the acquired loans to the SDCs up to their net carrying amount.

During the 2025 financial year, AFD did not receive any remuneration in respect of the return on these loans from SOFIDEG, SODEGA and SODEMA.

The credit risk borne by AFD was covered in 2025 up to €15,629 thousand by a provision for risks on the SODERAG portfolio transferred to the three SDCs, resulting in a net reversal of €329 thousand during the 2025 financial year.

With Société de Promotion et de Participation pour la Coopération Économique (PROPARCO)

Framework financing agreement funded by French State programmes 110 and 209

AFD and Proparco entered into a framework financing agreement on 21 June 2023 funded by French State programmes 110 and 209, covering transactions backed by resources originating from those programmes (subsidised or grant-based activities for private counterparties being henceforth recognised on Proparco's balance sheet, subject to certain exceptions such as ARIZ guarantees, which remain recognised on AFD's balance sheet and are covered by a separate mandate agreement).

The agreement also sets out the arrangements for Proparco's remuneration in respect of services provided in the creation and monitoring of Digital Africa's activities, a subsidiary incorporated as a simplified joint-stock company (SAS) in 2022.

This agreement was approved by the Board of Directors on 20 April 2023.

As the agreement had reached its expiry date, an amendment was signed on 7 July 2025 and applies retroactively from 1 September 2024.

The financial expense recognised by your entity under this agreement for the 2025 financial year amounts to €4,856 thousand.

Framework co-financing agreement through sub-participation between PROPARCO and AFD

Your entity entered into an initial framework sub-participation agreement with Proparco on 26 October 2007, which was renewed annually due to the effective use of sub-participation facilities. In order to simplify the contractual arrangements governing the various annual agreements, a new framework co-financing agreement through sub-participation was signed on 30 March 2018 to support co-financing transactions benefiting the private sector during the 2018–2022 period.

This framework agreement provides that funding envelopes are determined annually by approval of the Boards of Directors of Proparco and AFD.

A new framework agreement was approved by the Board of Directors on 8 October 2020 and signed on 25 January 2021 to incorporate the new arrangements for subsidised or grant-based financing of the private sector.

As the agreement had reached its expiry date, an amendment was signed on 7 July 2025 and applies retroactively from 1 September 2024.

Proparco retains all commissions invoiced to its clients in order to cover project identification, appraisal and structuring costs.

AFD pays Proparco a management fee in remuneration for project monitoring services relating to equity investments.

The financial expense recognised by your entity under this agreement for the 2025 financial year amounts to €7,881 thousand.

Service agreement between AFD and PROPARCO relating to administrative and financial monitoring of certain equity investments (effective 15 July 2021)

The agreement, signed on 5 July 2021 and effective as from 15 July 2021, aims to define the services performed by Proparco on behalf of and for the account of AFD in connection with the monitoring of certain equity investments.

It should be noted that the agreement for the management of AFD's equity interest in the African Agriculture Fund dated 18 December 2014, which had previously been included in the list of related-party agreements, has been incorporated into this agreement since its effective date.

As the agreement had reached its expiry date, an amendment was signed on 7 July 2025 and applies retroactively from 1 September 2024.

Proparco's remuneration is calculated as follows:

- For equity investments subject to co-investment between AFD and Proparco or FISEA: remuneration equals 50% of the total monitoring cost based on the AFD Group's management accounting;
- For equity investments not subject to co-investment: remuneration corresponds to full recharge of the total monitoring cost;
- For equity investments backed by national resources (limited to the Climate Finance Partnership at the date of the agreement): AFD retrocedes to Proparco any remuneration received from the State for mobilisation of funds under programmes 110 or 209. Where cumulative appraisal and monitoring costs exceed such retroceded remuneration, the excess cost is shared equally between AFD and Proparco.

The expense recognised by your entity under this agreement for the 2025 financial year amounts to €199 thousand.

Framework mandate agreement relating to the management of Private Sector financing activities, signed on 16 July 2021

The Boards of Directors of AFD and PROPARCO respectively approved, on 8 and 9 October 2020, the arrangements relating to subsidised financing and financing, whether subsidised or not, simultaneously accompanied by a grant, mobilising national budgetary resources for the benefit of the private sector in foreign States. PROPARCO recognises these financing projects on its balance sheet, with the associated financing making use of the AFD sub-participation mechanism.

This agreement entered into with PROPARCO sets out the terms and conditions governing the management of private sector financing operations in foreign States that continue to be recognised in AFD's accounts and whose management AFD entrusts to PROPARCO. AFD grants a mandate to PROPARCO to identify, appraise, authorise, contract and monitor these private sector financing operations, in the name and on behalf of AFD. The framework mandate agreement signed on 16 July 2021 applies retroactively.

As the agreement had reached its expiry date, an amendment was signed on 7 July 2025 and applies retroactively from 1 September 2024.

PROPARCO invoices all assignments in accordance with management accounting rules, with these costs being increased by an additional margin of 4%, except (i) for transactions involving Delegated Funds, for which remuneration is provided for in the specific agreements, and (ii) for grant transactions involving public funds under State programme 209.

It should be noted that the mandate agreement PEEBCOOL between PROPARCO and AFD, signed on 25 October 2023, was entered into within the framework of the "Framework mandate agreement relating to the management of private sector financing activities carried out in the name and on behalf of AFD, signed on 16 July 2021". The purpose of this agreement is to define the terms and conditions of PROPARCO's intervention, in the name and on behalf of AFD, within the framework of the partnership with the Green Climate Fund relating to the programme entitled "Programme for Energy Efficiency in Buildings (PEEB) – Cool".

The financial expense recognised by your entity under this agreement for the 2025 financial year amounts to €7,210 thousand.

Service agreement between AFD and PROPARCO

AFD and PROPARCO entered into a service agreement on 13 April 2018, with retroactive effect from 1 January 2017 (the "2017 Agreement"), covering a range of management services (IT, accounting, finance, logistics, etc.) and support services provided by AFD teams at head office and within the network for the benefit of PROPARCO, as well as the secondment of personnel, PROPARCO not directly employing its own staff.

The overhaul of AFD's management accounting framework and changes in certain services, in particular in light of PROPARCO's growth and the transfer of activities in favour of the private sector, resulted in a reassessment of the service agreement.

This agreement also addresses a recommendation from the ACPR to include measures ensuring that outsourcing arrangements comply with appropriate execution and quality standards in line with the relevant policies, in particular through the use of appropriate quality indicators.

The agreement was approved by the Board of Directors on 18 November 2021 and signed on 21 December 2021.

As the agreement had reached its expiry date, an amendment was signed on 7 July 2025 and applies retroactively from 1 September 2024, with the internalisation of a Compliance function at PROPARCO and, as from 1 January 2025, the internalisation of a Human Resources function at PROPARCO.

The income recognised by your entity under this agreement for the 2025 financial year amounts to €97,440 thousand.

Agreement relating to the "Transforming Financial Systems for Climate" (TFSC) programme

At its meeting on 28 September 2018, the Board of Directors authorised the principles relating to the agreement entitled "Subsidiary Agreement" between your Agency and PROPARCO within the framework of the "Transforming Financial Systems for Climate" programme. This programme is intended for public and private financial institutions seeking to carry out climate-impact financing. The agreement formalises the essential role entrusted to your Agency in deploying the programme towards private financial institutions.

This agreement was signed on 14 October 2019 for a period of 13 years and may be tacitly renewed for two successive periods of five years.

As the initial five-year period had reached its expiry date, an amendment was signed on 7 July 2025 and applies retroactively from 1 September 2024.

The financial impact recognised by AFD under this agreement during the 2025 financial year amounts to €1,147 thousand.

Framework Agreement – MENA Facility signed on 28 July 2021

The purpose of this facility is to finance beneficiaries in the target countries covered by the agreement.

The agreement sets out the terms and conditions for the use of this facility, in particular the allocation of the grant envelope according to the various tools mobilised.

The financial expense recognised by your entity under this agreement for the 2025 financial year amounts to €387 thousand.

Paris La Défense and Paris, April 22, 2026,

The statutory auditors

French original signed by

KPMG S.A.	**BDO Paris**
Valéry FOUSSÉ	Benjamin IZARIÉ
Partner	Partner

07

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Balance sheet at 31 December 2025

Assets

In thousands of euros	Notes	31/12/25	31/12/24	Change
Cash, due from central banks		791,736	862,731	(70,995)
Government paper and equivalent	1 and 2	3,222,099	1,504,731	1,717,368
Receivables from credit institutions	3	18,096,920	18,205,009	(108,089)
On-demand		*1,824,850*	*2,148,178*	*(323,327)*
At maturity		*16,272,070*	*16,056,831*	*215,239*
Transactions with customers	4	43,753,935	41,417,907	2,336,028
Other loans to customers		*43,753,935*	*41,417,907*	*2,336,028*
Bonds and other fixed-income securities	1 and 2	2,209,576	2,895,692	(686,116)
Shares and other variable-income securities	1 and 2	41,323	1,555,055	(1,513,733)
Equity investments and other long-term investments	5	111,467	213,856	(102,389)
Shares in related businesses	6	1,610,902	1,512,868	98,034
Intangible assets	9	221,422	180,050	41,372
Property, plant and equipment	9	934,786	819,821	114,965
Other assets	10	2,190,181	1,959,648	230,533
Accruals	11	1,253,223	1,233,272	19,951
TOTAL ASSETS		**74,437,570**	**72,360,641**	**2,076,929**
Off-balance sheet: Commitments given				
Financing commitments		20,547,734	20,746,764	(199,030)
To credit institutions		*4,683,633*	*4,794,168*	*(110,535)*
To customers		*15,864,101*	*15,952,596*	*(88,495)*
Guarantee commitments	32	2,962,273	3,138,102	(175,829)
From credit institutions		*17,958*	*27,055*	*(9,098)*
From customers		*2,944,316*	*3,111,046*	*(166,731)*
Commitments on securities		100,499	99,428	1,071
Other commitments on securities	*32*	*100,499*	*99,428*	*1,071*

Balance sheet at 31 December 2025

Liabilities

In thousands of euros	Notes	31/12/25	31/12/24	Change
Debts to credit institutions	12	755,234	769,512	(14,278)
On-demand		*231,898*	*230,916*	*982*
At maturity		*523,336*	*538,596*	*(15,260)*
Transactions with customers	13	1,916	2,125	(209)
Other on-demand debts		*1,916*	*2,125*	*(209)*
Other debts at maturity		-	-	
Debt securities in issue	14	56,838,058	55,628,055	1,210,002
Interbank market and negotiable debt		*2,440,960*	*809,211*	*1,631,749*
Bonds		*54,397,098*	*54,818,845*	*(421,747)*
Other liabilities	10	1,795,223	2,152,470	(357,247)
Allocated public funds		*83,242*	*87,997*	*(4,755)*
Other liabilities		*1,711,981*	*2,064,473*	*(352,492)*
Accruals	11	1,853,924	1,316,790	537,134
Provisions	15	2,271,685	2,056,609	215,075
Subordinated debt	16	1,795,209	1,815,867	(20,658)
Reserve for General Banking Risk	17	460,000	460,000	-
Capital excluding RGBR	18	8,666,322	8,159,213	507,109
Provisions		*4,862,999*	*4,717,999*	*145,000*
Reserves		*3,382,631*	*3,166,578*	*216,052*
Grants		*3,535*	*4,570*	*(1,035)*
Income		*417,157*	*270,066*	*147,092*
TOTAL LIABILITIES		**74,437,570**	**72,360,641**	**2,076,929**
Off-balance sheet: Commitments received				
Financing commitments		-	-	-
Received from credit institutions		-	-	-
Received from the French State		-	-	-
Guarantee commitments	32	177,201	212,616	(35,416)
Received from credit institutions		*177,201*	*212,616*	*(35,416)*
Commitments on securities		-	-	-
Other commitments received on securities		-	-	-
Other commitments	32	5,772,878	5,312,470	460,408
Guarantees received from the French State		*5,772,878*	*5,312,470*	*460,408*

2025 income statement

In thousands of euros	Notes	31/12/25	31/12/24	Change
Income and expenses on banking operations				
Interest and related income	**20**	**4,569,796**	**4,996,235**	**(426,439)**
On transactions with credit institutions		1,878,136	2,354,446	(476,309)
On transactions with customers		1,073,585	1,106,024	(32,439)
On bonds and other fixed-income securities		183,441	178,899	4,542
Other interest and related income		1,434,633	1,356,867	77,767
Interest and related expenses	**21**	**4,083,878**	**4,586,587**	**(502,708)**
On transactions with credit institutions		1,136,693	1,175,258	(38,565)
On transactions with customers		1,214	1,127	86
On bonds and other fixed-income securities		1,254,322	1,142,056	112,265
Other interest and related expenses		1,691,650	2,268,145	(576,496)
Income on variable-income securities		**13,081**	**16,381**	**(3,300)**
Commissions (income)	**22**	**127,248**	**113,371**	**13,877**
Commissions (expenses)		**11,072**	**7,820**	**3,253**
Gains or losses on investment portfolio transactions and similar	**23**	**89,773**	**26,715**	**63,058**
Other income on banking operations	**24**	**474,621**	**447,277**	**27,344**
Other expenses on banking operations	**25**	**103,034**	**105,268**	**(2,234)**
Net banking income		**1,076,534**	**900,304**	**176,230**
Other ordinary income and expenses				
Overheads	**26**	**586,715**	**579,568**	**7,147**
Salary and employee benefit expenses		417,609	404,895	12,714
Other administrative expenses		169,106	174,673	(5,567)
Depreciation/amortisation and impairment expenses on property, plant and equipment and intangible assets	**9**	**50,662**	**44,596**	**6,066**
Gross operating income		**439,156**	**276,140**	**163,016**
Cost of risk	**29**	**(9,591)**	**(16,279)**	**6,688**
Operating income		**448,748**	**292,419**	**156,328**
Gains or losses on fixed assets	30	(31,416)	(22,228)	(9,188)
Pre-tax income from operations		**417,332**	**270,191**	**147,141**
Exceptional income	**31**	**(54)**	**(125)**	**71**
Income tax		**(121)**	**-**	**(121)**
INCOME FOR THE FINANCIAL YEAR		**417,157**	**270,066**	**147,092**

7.1 Highlights of the financial year

7.1.1 Balance sheet growth

At 31 December 2025, the total balance sheet amounted to €74.4bn, up 2.8% compared to the previous year. This change was mainly due to growth in business with a 5.0% increase in gross outstanding proprietary loans over the period.

7.1.2 Financing of the Group's activity

To finance the growth of its proprietary activities, AFD issued six bonds in 2025 in the form of public issues, and seven private placements, as well as 16 tap issues, for a total volume of €8.2bn.

7.1.3 Appropriation of 2024 income

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

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

This proposal was rendered enforceable by order of the Minister of the Economy and Finance and the Minister of Public Action and Accounts, published on 30 June 2025.

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

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

7.1.4 AFD capital increase

On 10 July 2025, AFD signed an agreement with the French State authorising an increase in AFD's capital of €145M, in order to strengthen the Agency's equity.

This capital increase was carried out by the disbursement by the French State of a capital allocation of €145M in the first half of 2025, then by the early repayment to the French State of the resource with special conditions (RCS) in the books of AFD for the second half of 2025, in accordance with the order of 12 May 2025 published in the Official Journal.

Thus, AFD's initial allocation, which was €4,718M at the end of 2024, stood at €4,863M at 31 December 2025.

7.1.5 Fisea capital increase

On 12 December 2025, Fisea carried out a €30M share capital increase by creating ordinary shares fully subscribed by AFD and fully paid up over the period.

Fisea's share capital, 100% owned by AFD, was thus increased from €380M to €410M.

7.1.6 Creation of the VAT group

AFD has set up a Single Taxable Person (STP) with its subsidiaries Proparco and Fisea with effect from 1 January 2025. Services among members of the STP are invoiced without VAT.

7.2 Accounting principles and assessment methods

7.2.1 General

The annual financial statements of Agence Française de Développement were prepared and presented in accordance with the provisions of ANC Regulation 2014-07 on the financial statements of companies in the banking sector. ANC Regulation 2023-03 reconciled ANC Regulation 2014-07 with ANC Regulation 2022-06 on the "modernisation of financial statements".

The individual financial statements include the balance sheet, off-balance sheet, income statement and notes to the financial statements, which supplement the information provided in the first three items.

These have been prepared in accordance with the principles of prudence, going concern, separation of accounting periods and consistency of methods.

In accordance with current applicable standards:

- as of 1 January 2006, AFD has applied CRC Regulation 2005-03, which was repealed and replaced by ANC Regulation 2014-07 of 26 November 2014, relative to accounting practice for credit risk;
- as of 1 January 2014, AFD has applied ANC recommendation 2013-02 of 7 November 2013 on the assessment and accounting rules for retirement obligations and similar benefits, which supersedes CNC Recommendation 2003-R01 of 1 April 2003.

7.2.2 Changes in accounting regulations

ANC Regulation No. 2023-03 of 7 July 2023, in conjunction with ANC Regulation No. 2022-06 of 4 November 2022 amending ANC Regulation No. 2014-07 on the financial statements of banking sector entities, applicable from 1 January 2025.

These changes represent a change in accounting methods. This change had no impact on Agence Française de Développement's annual financial statements.

7.2.3 Conversion of foreign currency transactions

Amounts receivable, amounts payable and off-balance sheet commitments denominated in foreign currencies are evaluated based on the exchange rates at financial year-end.

The conversion into a common currency, using the closing dates, results in differences in the income statement except in the following transactions, where the difference is shown in an adjustment account:

- equity securities denominated in foreign currencies but financed in euros;
- balance sheet and off-balance sheet items recorded in illiquid currencies.

Foreign currency income and expenditure on loans, borrowings, securities or off-balance sheet operations are recorded in the foreign currency, in profit and loss accounts kept for each of the currencies concerned, with conversions made on a monthly closing date.

Foreign currency income and expenditure are converted to euros on a monthly basis, and any subsequent variations in exchange rates result in exchange gains or losses in the income statement. It should be specified, concerning the AFD loans subscribed for the financing of the Poverty Reduction and Growth Facility (PRGF) [1] of the International Monetary Fund, that foreign exchange gains or losses on interest are balanced by subsidies and therefore have no influence on the final result.

In the case of transactions in illiquid currencies, only unrealised losses are taken into account by booked provisions. In compliance with regulations, unrealised gains on such transactions are not taken into account.

7.2.4 Loans to credit institutions and customers

They are recognised in the balance sheet at their amount (including related loans) after impairment to address the risk of non-recovery.

Commitments with respect to credit agreements signed but not yet disbursed or partly disbursed are shown as an undisbursed balance on the off-balance sheet.

Interest and commitment fees are recognised under banking income on an accruals basis, whether due or not due, and are calculated *pro rata temporis*.

In accordance with banking regulations, loans are downgraded to non-performing loans where instalments due have been unpaid for three or six months, depending on the type of debt.

Non-sovereign loans and credits for which the rating system shows significant risks are downgraded to doubtful debts (possibly even in the absence of arrears) and are subject to a partial or total impairment for the outstanding principal (impairment for specific risks).

Litigated debt obligations are included in non-performing loans.

Bad non-performing loans are receivables for which the prospect of repayment is greatly reduced and for which reclassification to the rank of performing loan is unlikely. Loans that are non-performing for more than 12 consecutive months and credit agreements beyond their term are always classified in this category.

AFD has recorded depreciations to cover the discounted value of all projected losses on non-performing loans and impaired loans. The projected losses are equal to the difference between the initial contractual cash flows, less those already received, and projected cash flows. Cash flows are discounted at the original effective interest rate for fixed-rate loans and at the last effective interest rate for variable-rate loans.

An impairment loss is recorded for the full amount of unpaid interest due and interest accrued on non-performing loans.

Asset restructuring

Restructuring for the borrower's financial difficulties results in a change to the terms of the initial contract to allow the borrower to contend with the financial difficulties it is having. If, in view of the change in the borrowing terms, the present value of these new expected future flows at the original effective interest rate of the asset is lower than its carrying amount, a discount must be booked to bring the carrying amount back to the new present value.

At 31 December 2025, restructured loans had a balance of €4.9M.

7.2.5 Equity and investment securities

Depending on the purpose of the transaction, the following rules apply:

- equity securities intended to be held for six months or more are recorded at the date of their acquisition, at the purchase price, excluding accrued interest.

  Premiums or discounts are amortised on a linear basis. At each monthly account closing, the coupon accrued since the last period is recognised as income.

  Impairment for unrealised losses, calculated as the difference between carrying amount and market price, is made monthly on a line-by-line basis, without offsetting unrealised gains. Unrealised gains are not shown in the financial statements;
- investment securities (mainly bonds), acquired with a view to being held long-term until maturity are recorded on the date of acquisition at their purchase price, excluding accrued interest and acquisition costs.

  They may be subject to impairment in case of counterparty risk.

  Premiums or discounts (the difference between purchase price and redemption price) are spread on a linear basis over the residual life of the investment.

  At each monthly account closing, the coupon accrued since the last period is recognised as income.

  AFD has secured resources allocated to funding its investment securities.

1) PRGF: Poverty Reduction and Growth Facility

7.2.6 Shares in related businesses, equity securities and long-term investment

Shares in related businesses

Shares in related businesses are those held in exclusively controlled companies that can be fully consolidated.

They are balance sheet assets recognised at their acquisition value, excluding costs.

Equity securities

Equity securities are balance sheet assets recognised at their acquisition value, excluding costs.

These are securities for which long-term retention is deemed useful to the company's activities, particularly because it enables influence or control to be exercised over the issuing company.

This relates notably to interests that meet the following criteria:

- interests in companies issued by equity-accounted companies;
- interests in companies that have directors or senior managers in common with the holding company, under conditions that allow influence to be exercised over the company whose shares are held;
- interests in companies belonging to the same group controlled by individuals or corporate entities with control over the whole group and thus demonstrating centralised decision-making;
- interests representing over 10% of rights in the capital issued by a credit institution or a company that is in the same line of business as the holding company.

At each balance sheet date, securities are valued at their probable market value, taking into account, notably, profitability, equity, the outlook for realisation, economic conditions and, for listed securities, recent average market prices.

For equity securities held in funds that are in the investment phase, the value in use is determined in accordance with the rules applicable to financial assets. The early years reflect management fees and capital calls, prior to the increase in value resulting from the first investments.

This profile is inherent to investment funds and does not, in itself, constitute an indication of a lasting loss of value. Value in use is thus maintained at least at historical cost, unless there is objective evidence of a long-term impairment of the underlying assets.

Other long-term securities

Other long-term securities are balance sheet assets recognised at their acquisition value, excluding costs.

This category includes investments in securities designed to promote the development of lasting business relations by creating a special link with the issuing company, but with no influence on the management of the companies in which the shares are held given the small percentage of voting rights they represent.

In view of its negligible impact, this last item is not included separately in the notes to the financial statements.

For these three categories:

- shares are recorded at acquisition cost. Impairment is recorded when the estimated value, assessed according to the company's net position and its outlook (estimated based on economic and financial information gathered on the company, particularly on conditions in its country) or its stock market valuation, as the case may be, is lower than the acquisition cost;
- a 100% provision for foreign exchange loss is made in case of conversion differentials in the currency concerned is impaired;
- dividends are recorded as income on receipt of the minutes of the general meetings held until 31 December of the financial year.

Capital gains or losses on disposal of these shares on the sales of securities are recorded under "gains or losses on fixed assets".

AFD also has equity investments in three companies *via* a number of managed funds (Cidom, Fides and Fidom) or *via* funds contributed by the French State. These holdings, recorded at cost, do not appear on the publishable off-balance sheet. Details of the amounts involved are provided in Note 35. These holdings, which were subscribed to on behalf of the French State with public funds made available to AFD, are not included in ownership or control percentages and are therefore not consolidated in the financial statements.

7.2.7 Bonds

Call premiums (difference between the redemption price and par value of securities) and positive or negative share premiums (difference between the issue price and par value of securities) are spread over the maturity of the borrowings using a linear method.

7.2.8 Grants

The "Grants" item records the subsidies on loans for global budget support and investment grants for mixed loans, which are paid by the State at the start of the loan and which enable the granting of concessional loans by lowering the average cost of the funding allocated in each of the loan categories concerned.

These grants and investment subsidies are amortised over the life of each of the loans they help to finance.

7.2.9 Fixed assets

Fixed assets appearing on AFD's balance sheet include property, plant and equipment and intangible assets used for operations. Intangible assets are mainly custom or purchased software. Fixed assets are recorded at their acquisition cost (cost price net of recoverable VAT) plus directly related expenses.

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

Depreciation and amortisation periods have been estimated on the basis of each item's useful life:

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

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

- 15 years for office buildings in the French Overseas Departments and Collectivities;
- 15 years for residential buildings;
- 5 or 10 years for fixtures, fittings and furnishings;
- 2 to 5 years for equipment and vehicles.

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

Impairment testing is conducted on depreciable/amortisable fixed assets when signs of loss of value are identified at the closing date. If there is a loss of value, an impairment charge is recorded under "Provisions for amortisation of intangible assets and depreciation of property, plant and equipment", which may be reversed if there is a change in the conditions that led to it being recognised. This impairment reduces the depreciable/amortisable amount of the asset and thus also affects its future depreciation/amortisation schedule.

Capital gains or losses from the sale of assets used in operations are recorded under "Net gains or losses on fixed assets".

7.2.10 Forward financial instruments

Off-balance sheet assets for financial instruments result entirely from outright transactions – interest-rate swaps and cross-currency swaps – made over-the-counter. These transactions are recorded in the non-publishable off-balance sheet and discussed in Notes 33 and 34.

These instruments are managed primarily as part of transactions for micro-hedging debt and loans.

In accordance with ANC 2014-07 [1], the par value of these contracts is recorded off-balance sheet, while symmetry in relation to the hedged item results in income or expenses recorded as interest and related income or expenses for hedged items. Such income and expenses are not offset.

7.2.11 Provisions

This item covers provisions meant to hedge risks and expenses that past or ongoing events have rendered likely to occur, and whose purpose is clearly specified.

Provisions for sovereign outstanding loans

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

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

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

Non-performing sovereign outstanding loans are provisioned. Furthermore, this depreciation is neutralised by deduction from the reserve account.

Net provisions for reversals of provisions are recorded in Net Banking Income.

Provisions on non-sovereign outstanding loans and commitments given

Loans amortised collectively comprise all non-sovereign loans in countries outside France and in the French Overseas Departments and Collectivities not amortised individually, as well as guarantee commitments given and financing commitments given for amounts to be disbursed under signed lending agreements.

1) Book II, Title 5, of ANC Regulation 2014-07 concerning forward financial instruments, which repeals and replaces CRBF Regulation 90-15 as amended by CRBF 92-04.

General principle

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

These are defined as follows:

- stage 1: groups "performing" assets for which the counterparty risk has not increased since they were granted. The provision calculation is based on expected losses within the following 12 months;
- stage 2: groups performing assets for which a significant increase in credit risk has been observed since they were first entered in the accounts. The provision calculation is statistically based on expected losses on maturity;
- stage 3: groups assets for which there is an objective impairment indicator (identical to the notion of default currently used by the Group to assess the existence of objective evidence of impairment). The provision calculation is based on expected losses on the transaction at maturity (see Section 2.4 "Loans to credit institutions and customers")

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

Significant increase in credit risk

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

The impairment model is based on the expected loss, which must reflect the best information available at the reporting date.

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

Measuring expected credit losses (ECL)

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

In view of the specific nature of the AFD group's portfolio, its chosen calculation method is based on internal data and concepts as well as adaptations of external transition matrices.

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

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

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

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

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

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

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

Probability of default (PD)

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

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

Given the low volume of loans at AFD group and the low default portfolio nature of certain portfolios, AFD group does not have a collection of historical internal defaults sufficiently representative of the economic reality of the regions where Group entities operate.

For these reasons, AFD group adopted an approach based on rating transitions and default probabilities communicated by the rating agencies. Restatements may be necessary on the external transition matrices in order to correct certain irregularities that may have an impact on the consistency of the probabilities of default calculated on the basis of these external matrices.

Loss given default (LGD)

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

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

Exposure at default (EAD)

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

- the contractual amortisation of the principal;
- elements of drawdowns of lines recognised off-balance sheet;
- any early repayments.

AFD may also recognise an additional provision for specific events impacting its area of operation.

Collective provision allocations for performing non-sovereign loans positively impacted the cost of risk to the tune of €17.0M.

Collective provision allocations for off-balance sheet commitments (undisbursed balance and guarantees given) had a positive impact on the cost of risk of €1.8M.

Provisions for subsidiary risk

This provision is intended mainly to cover the cost to AFD of the takeover and liquidation of Soderag, which was decided in 1998, and also makes it possible to hedge the risk of loss to AFD on the loans it granted to Sodema, Sodega and Sofideg to buy Soderag's portfolio. These loans were transferred to Soredom (formerly Sofiag).

Provisions for miscellaneous risks

This item covers miscellaneous risks and litigation for which resources are likely to be withdrawn.

Provisions for foreign exchange risk

This item is intended to cover translation differences foreign exchanges losses on interests in foreign currencies if the currency concerned is devalued.

Provisions for employee benefits

Defined benefit plans

Retirement and early retirement commitments

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

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

The assumptions used for the valuations are as follows:

- discount rate: 2.70% in 2025 versus 2.75% in 2024;
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- annual salary growth rate: 2.0%, unchanged compared to 2024.

Commitments for retirement bonuses and financing of the health insurance plan

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

The assumptions used for the valuations are as follows:

- discount rate: 4.2% in 2025 versus 3.6% in 2024;
- rate of annual increase in salary: 2.0% and 2.2% for French Overseas Departments and Collectivities, unchanged compared to 2024;
- retirement age: 63 for non-executive level employees and 65 for executive level employees;
- actuarial tables: TGH 05 (men)/TGF 05 (women).

These commitments (retirement bonuses and financing of health insurance plans and pensions) undergo actuarial valuations that factor in demographic and financial assumptions. The amount of provisions for commitments is determined using the Projected Unit Credit Method. At each closing, the retirement commitments carried by AFD are remeasured and compared with the value of the insurance policies.

At 31 December 2025, the provision amounted to **€6.7M**.

Other long-term benefits

AFD gives its employees bonuses as long-service benefits. As of 31 December 2025, the amount of the provision was increased by **€21K.**

The aggregate impacts on the 2024 and 2025 financial years are set out in the table below:

In thousands of euros	At 31/12/2025	Impact change Income	At 31/12/2024	Impact change Income	At 31/12/2023	Impact change Income
Provisions for employee benefits	159,148	6,706	152,442	8,360	144,082	5,927
• Defined benefit plans	157,829	6,685	151,144	8,364	142,780	5,847
• Other long-term benefits	1,320	21	1,299	(4)	1,303	80

The changes in commitments over the 2025 financial year are shown in the table below:

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Change in the present value of the commitment							
Present value of the commitment at 01/01	14,640	4,202	108,418	18,475	145,735	1,298	147,033
Financial cost	542	116	4,092	675	5,424	49	5,473
Cost of services rendered over the financial year	424	-	5,239	1,550	7,212	156	7,369
Cost of past services	-	-	-	-	-	-	-
Reductions/Liquidations	-	-	-	-	-	-	-
Services paid	(208)	(529)	(2,942)	(1,663)	(5,343)	(58)	(5,401)
Actuarial (gains) losses	(1,281)	265	(12,357)	(423)	(13,797)	(126)	(13,923)
Other (transfer of commitment)	-	-	-	-	-	-	-
Present value of the commitment at 31/12/2025	**14,116**	**4,053**	**102,449**	**18,614**	**139,232**	**1,318**	**140,550**
Change in the fair value of retirement plan assets							
Fair value of assets at 01/01		14,284			14,284		14,284
Expected return on assets		393					
Services paid		(529)					
Actuarial gains (losses)		457					
Liquidations							
Fair value of assets at 31/12/2025		**14,605**			**14,605**		**14,605**
Corridor limits							
Actuarial gains (losses) not recognised at 01/01	(1,717)	2,821	21,261	2,845	17,383	-	17,383
Corridor limits at 01/01	1,464	1,428	10,842	1,848	-	-	-
Actuarial gains (losses) generated over the financial year	1,281	192	3,282	423	5,179	126	5,305
Actuarial (gains) losses recognised in profit or loss	15	(368)	(709)	(67)	(1,129)	(126)	(1,255)
Actuarial (gains) losses recognised in equity	-	-	-	-	-	-	-
Actuarial gains (losses) not recognised at 31/12/2025	**(420)**	**2,646**	**32,909**	**3,201**	**38,335**	**-**	**38,335**
Amounts recognised on the balance sheet at 31/12/2025							
Present value of the funded commitment	-	4,053	-	-	-	-	-
Fair value of financed assets	-	(14,605)	-	-	(10,552)	-	(10,552)
Present value of unfunded commitment	14,116	-	102,449	18,614	135,179	1,318	136,497
Net position	**14,116**	**(10,552)**	**102,449**	**18,614**	**124,627**	**1,318**	**125,945**
Unrecognised actuarial gains (losses)	(420)	2,646	32,909	3,201	38,335	-	38,335
Cost of unrecognised past services	-	-	(5,132)	-	-	-	-
Balance sheet provision	**13,696**	**(7,906)**	**130,225**	**21,815**	**162,962**	**1,318**	**164,280**
Amounts recognised on the income statement at 31/12/2025							
Cost of services rendered over the financial year	424	-	5,239	1,550	7,212	156	7,369
Cost of past services	-	-	384	-	384	-	384
Financial cost for the financial year	542	116	4,092	675	5,424	49	5,473
Recognised actuarial gains (losses)	15	(368)	(709)	(67)	(1,129)	(126)	(1,255)
Expected return on retirement plan assets	-	(393)	-	-	(393)	-	(393)
Cost of services rendered	-	-	-	-	-	-	-
Impact of reductions/liquidations	-	-	-	-	-	-	-
Expenses booked	**981**	**(645)**	**9,005**	**2,158**	**11,499**	**79**	**11,578**
Reconciliation of opening and closing net liability							
Liability at 01/01	12,923	(7,261)	124,162	21,320	151,144	1,298	152,442
Expenses booked	981	(645)	9,005	2,158	11,499	79	11,578
Contributions paid	-	-	-	-	-	-	-
Restatements and transfers	-	-	-	-	-	-	-
Services paid by employer	(208)	-	(2,942)	(1,663)	(4,813)	(58)	(4,872)
Items not to be recycled in profit or loss	-	-	-	-	-	-	-
Net liabilities at 31/12/2025	**13,696**	**(7,906)**	**130,225**	**21,815**	**157,830**	**1,318**	**159,148**
Change in net liabilities	**773**	**(645)**	**6,063**	**495**	**6,685**	**21**	**6,706**

Projected commitments at 31 December 2026 are as follows:

In thousands of euros	Expatriate employees healthcare expenses	Retirement	Retiree health insurance	Retirement lump sum	Total defined benefit plans	Service award	Grand total
Actuarial debt at 31/12/2025	**13,696**	**(7,906)**	**130,225**	**21,815**	**157,830**	**1,318**	**159,148**
Cost of services rendered in 2026	396	-	4,875	1,523	6,794	153	6,948
Financial cost in 2026	609	109	4,508	790	6,017	57	6,074
Actuarial losses (gains) recognised in profit or loss	-	(311)	(1,623)	(90)	(2,024)	-	(2,024)
Services payable in 2025/transfer of capital upon departures in 2026	-	-	(2,992)	(1,573)	(4,564)	(155)	(4,720)
Cost of recognised past services			384	-	384	-	384
ESTIMATED DEBT AT 31/12/2026	**14,701**	**(8,108)**	**135,377**	**22,465**	**164,436**	**1,374**	**165,810**

7.2.12 Reserve for General Banking Risk (RGBR)

In accordance with CRR/CRD, the Reserve for General Banking Risk is intended to remain permanently in capital reserves for comprehensive general coverage of AFD's risks.

Among other things, the Reserve is intended to hedge:

- general risks from AFD's direct activities in the French Overseas Departments and Collectivities;
- general risks for real estate holdings in foreign countries.

7.2.13 Subordinated debt

In 1998, an agreement was reached with the French State whereby part of AFD's debt to the French Treasury, corresponding to drawdowns between 1 January 1990 and 31 December 1997, was converted into subordinated debt. The agreement also provides for the general rescheduling of the debt's repayment period over 20 years with a 10-year grace period, with any new tranche of borrowings after 1 January 1998 recognised as subordinated debt (with a repayment period scheduled over 30 years and a 10-year grace period).

In 2025, AFD's subordinated debt amounted to €1,795M, a €21M decrease compared to 2024.

7.2.14 Financing commitments

Financing commitments given record the amounts to be disbursed under lending agreements with customers or credit institutions and under investment fund agreements.

Financing commitments given to credit institutions include the undisbursed balance, on the State's behalf, under agreements signed with the IMF for financing the PRGF.

Financing commitments given to investment funds include remaining commitments for AFD's subscription to Fisea+, *i.e.* €117M at 31 December 2025.

7.2.15 Guarantee commitments

Commitments given for guarantees to credit institutions include, in particular:

- guarantees granted by AFD for the Ariz I, Ariz II and Ariz Med procedure (Support for the risk of financing private investment in AFD's PSZ, in Sub-Saharan Africa and in Mediterranean countries). These guarantees are intended to encourage the creation and development of local businesses.

Commitments given for guarantees to clients include, in particular:

- the guarantee of the debt of its subsidiary in liquidation, Soderag, bearing in mind that a very large part of this debt was repaid early in 1998 and 1999 after Soderag sold its portfolio to Sodega, Sodema and Sofideg. The portfolio was then taken over by BRED;
- the guarantee allocated to BRED accounts for 50% of gross outstandings on the loan portfolio sold by Socredom in 1998 in preparation for its dissolution, which took place on 1 January 1999;
- repayment guarantees for the three bonds issued by IFFIM as part of managing the French contribution to the Solidarity Fund for Development (FSD) on behalf of the French State;
- sub-participation guarantees granted to Proparco.

Commitments received from credit institutions are related to loan transactions conducted by AFD.

Other commitments received included the French State's guarantee of loans to foreign States.

Guarantee commitments for securities include share buyback options offered to Proparco's minority shareholders as part of the capital increases undertaken in 2014 and 2020, and then in 2023. These buyback options may be exercised for a period of five years following a lock-in period of five years.

7.2.16 Information on non-cooperative states or territories

Article L.511-45 of the French Monetary and Financial Code (as amended by Article 3 of Order 2014-158 of 20 February 2014) requires credit institutions to publish an appendix to their annual financial statements presenting information about their offices in countries or territories that have not signed an administrative assistance agreement with France for the purpose of combating fraud and tax evasion.

Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities broadens the list of required disclosures from banks regarding their offices in non-cooperative countries or territories.

The Decree of 3 February 2023 amending the Decree of 12 February 2010 issued pursuant to the second paragraph of 1 of Article 238-0 A of the French General Tax Code, modified the list of non-cooperative states or territories.

At 31 December 2025, AFD did not have any offices in non-cooperative countries or territories.

7.2.17 Other information relating to consolidation

AFD's parent company financial statements are fully reflected in the AFD group's consolidated financial statements using the full consolidation method. The Company's financial statements are available on the Internet, at the following address: www.afd.fr/fr/espace-investisseurs.

7.2.18 Events after the reporting period

AFD's direct exposure to the areas most affected by the crisis in the Middle East (Egypt, Iraq, Jordan, Lebanon and Palestine) accounts for a limited proportion of AFD's exposures (€4.0bn, or 5.3% of the portfolio at the end of 2025, the vast majority of which, €3.6bn, relates to sovereign commitments in Egypt, Jordan and Iraq). In particular, Lebanon and Palestine, countries directly affected, account for a limited share of €61M, 47% of which has already been provisioned. At this stage, no direct material impact has been identified; risk management measures have been put in place to monitor and assess any indirect effects on counterparties in the portfolio

No other significant event having an impact on the Company's financial position occurred after the reporting period ended 31 December 2025.

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Note 1 Equity securities(1)

	31/12/25			31/12/24		
In thousands of euros	Listed securities	Unlisted securities	Total	Listed securities	Unlisted securities	Total
Government paper and equivalent	2,891,460		2,891,460	1,168,954	-	1,168,954
Related loans receivable	45,770		45,770	13,745	-	13,745
Impairment	(16,420)		(16,420)	(15,787)	-	(15,787)
Net total	**2,920,809**		**2,920,809**	**1,166,913**	**-**	**1,166,913**
Bonds and other fixed-income securities	618,598	1,552,649	2,171,248	277,075	2,561,512	2,838,587
Related loans receivable	6,135	15,641	21,777	1,758	37,194	38,952
Impairment	-	(2,447)	(2,447)	0	(1,012)	(1,012)
Net total	**624,734**	**1,565,844**	**2,190,578**	**278,833**	**2,597,694**	**2,876,527**
Shares and other variable-income securities	41,323		41,323	1,555,055	-	1,555,055
Impairment	-		-		-	-
Net total	**41,323**		**41,323**	**1,555,055**	**-**	**1,555,055**
TOTAL NET VALUE	**3,586,866**	**1,565,844**	**5,152,710**	**3,000,801**	**2,597,694**	**5,598,495**

In thousands of euros	Fixed income	Variable income	Total 2025	Fixed income	Variable income	Total 2024
Net unrealised capital gains	4,668	16,165	**20,833**	68,287	15,127	83,414

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2025
Maturity of bonds and other fixed-income securities	940,160	431,968	459,578	339,542	**2,171,248**

Note 2 Investment securities(1)

	31/12/25			31/12/24		
In thousands of euros	Listed securities	Unlisted securities	Total	Listed securities	Unlisted securities	Total
Government paper and equivalent	298,257	-	298,257	335,541	-	335,541
Related loans receivable	3,034	-	3,034	2,278	-	2,278
Net total	**301,290**	**-**	**301,290**	**337,819**	**-**	**337,819**
Bonds and other fixed-income securities	18,788	-	18,788	18,954	-	18,954
Related loans receivable	210	-	210	210	-	210
Net total	**18,998**	**-**	**18,998**	**19,164**	**-**	**19,164**
TOTAL NET VALUE	**320,288**	**-**	**320,288**	**356,983**	**-**	**356,983**
Difference between purchase price and redemption price	**15,831**	**-**	**15,831**	**26,772**	**-**	**26,772**

During the financial year, no investment security was sold before maturity for the needs of managing counterparty risk.

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2025
Maturity of bonds and other fixed-income securities	-	-	-	18,788	**18,788**

(1) Total balance sheet items: Government securities and related items (€3,222,099K), bonds and other fixed-income securities (€2,209,576K), shares and other variable-income securities (€41,323K), i.e. €5,472,998K at 31/12/2025.

Note 3 Receivables from credit institutions

	31/12/25			31/12/24		
In thousands of euros	On-demand	At maturity	Total	On-demand	At maturity	Total
Regular accounts	426,030	-	426,030	563,057	-	563,057
Loans to credit institutions	1,398,821	16,162,040	17,560,861	1,585,121	15,931,688	17,516,809
• of which interbank investment	1,398,821	2,378,657	3,777,478	1,585,121	2,542,859	4,127,981
• of which loan activity	-	13,783,383	13,783,383	-	13,388,828	13,388,828
Related loans receivable	-	150,904	150,904	-	166,077	166,077
Impairment	-	(40,875)	(40,875)	-	(40,933)	(40,933)
TOTAL	**1,824,850**	**16,272,070**	**18,096,920**	**2,148,178**	**16,056,831**	**18,205,009**

Outstandings where risk is born by the French State and on behalf of third parties amounted to €1,507,966K and €536,750K, respectively.

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2025
Maturity of loans to credit institutions	388,900	1,564,941	7,768,842	4,060,699	**13,783,383**

In thousands of euros	31/12/25		31/12/24	
Details of doubtful term loans	Gross	Impairment	Gross	Impairment
Non-performing outstanding loans (excluding related loans receivables)	69,837	33,020	73,457	33,079
• of which bad non-performing sovereign loans[1]	-	-	-	-
• of which bad non-performing non-sovereign loans	37,242	26,030	30,784	22,906

(1) Granted to States or with their endorsement. Only the outstanding principal amount of these loans is the object of provisions for liabilities.

Note 4 Transactions with customers

In thousands of euros	31/12/25	31/12/24
Credit to customers	43,803,302	41,534,075
Related loans receivable	258,965	255,189
Impairment	(308,332)	(371,356)
TOTAL	**43,753,935**	**41,417,907**

Outstanding loans where risk is born by the State and on behalf of third parties amounted to €4,080,740K and €440,919K, respectively, at 31/12/2025.

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2025
Maturity of loans to customers	629,883	2,694,241	18,463,230	22,015,948	**43,803,302**

In thousands of euros	31/12/25		31/12/24	
Details of doubtful term loans	Gross	Impairment	Gross	Impairment
Non-performing outstanding loans (excluding related loans receivables)	3,887,011	307,779	2,990,161	371,018
• of which bad non-performing sovereign loans[1]	433,014	38,483	696,633	110,288
• of which bad non-performing non-sovereign loans	363,352	213,160	196,763	136,322

(1) Granted to States or with their endorsement. Only the outstanding principal amount of these loans is the object of provisions for liabilities.

Note 5 Equity investments and other long-term investments

In thousands of euros	31/12/25	31/12/24
Long-term securities and equity securities	**148,847**	**275,659**
Gross value[1]	148,847	275,659
Translation differences	6,185	(5,326)
Impairment	(43,565)	(56,478)
NET TOTAL	**111,467**	**213,856**

(1) The gross amount of listed equity investments totalled €189K in 2025.

Note 6 Shares in related businesses

In thousands of euros	31/12/25	31/12/24
Gross value	1,857,406	1,714,906
Impairment	(246,505)	(202,038)
NET TOTAL	**1,610,902**	**1,512,868**

Note 7 Transactions with related businesses

In thousands of euros	31/12/25	31/12/24
Assets		
Receivables from credit institutions	6,320,562	6,045,630
Liabilities		
Term debts to credit institutions	522,933	538,193
Off-balance sheet		
Financing commitments given	2,013,656	2,033,950
Guarantee commitments given	1,704,215	1,751,059

Note 8 List of subsidiaries and equity investments

Subsidiaries held at more than 50% (amounts expressed in thousands of euros)

In thousands of euros	Proparco	Soderag	Expertise France
Registered head office	151, rue Saint-Honoré 75001 Paris	Rue F. Éboué BP-64 97110 Pointe-à-Pitre	40, Bd de Port-Royal 75005 Paris
Share capital	1,353,513	111,923	829
Share capital held	85%	100%	100%
Shareholders' Equity	1,774,229	(7,653)	14,347
of which income after tax	59,191	58	2,990
Gross carrying amount	1,216,471	112,326	1
Net carrying amount	1,216,471	-	1

In thousands of euros	Sogefom	Fisea
Registered head office	5, rue Roland-Barthes 75012 Paris	5, rue Roland-Barthes 75012 Paris
Share capital	1,102	410,000
Share capital held	59%	100%
Shareholders' Equity	12,655	251,592
of which income after tax	1,883	(13,129)
Gross carrying amount	5,015	410,000
Net carrying amount	5,015	295,467

Equity investments between 10% and 50%

Gross value	137,876
Net value	97,539

Note 9 Fixed assets and depreciation and amortisation

In thousands of euros	31/12/2024	Purchases	Sales	Other items	31/12/2025
Gross value					
Land and development	89,603	-	-	-	89,603
Buildings and development	895,730	125,718	4,764	443	1,016,240
Other property, plant and equipment	85,806	14,326	4,016	396	95,721
Intangible assets	326,687	133,258	55,924	2,266	401,756
GROSS AMOUNT	**1,397,827**	**273,302**	**64,704**	**3,105**	**1,603,320**

In thousands of euros	31/12/2024	Provisions	Reversals	Other items	31/12/2025
Depreciation/amortisation					
Land and development	4,259	110	4	-	4,365
Buildings and development	180,268	10,084	8	-	190,344
Other property, plant and equipment	66,791	5,935	658	-	72,069
Intangible assets	146,637	34,798	1,101	-	180,334
Amount of depreciation/amortisation	**397,955**	**50,927**	**1,771**	**-**	**447,112**
NET AMOUNT	**999,872**	**222,375**	**62,933**	**3,105**	**1,156,208**

Note 10 Other assets and liabilities

	31/12/25		31/12/24	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Accounts payable, French State	-	263,239	-	515,023
Allocated public funds	-	73,939	-	78,759
Guarantee funds in the French Overseas Departments	-	9,303	-	9,238
Collateral deposit	2,028,165	401,426	1,651,850	468,011
Other	162,017	1,047,315	307,798	1,081,439
TOTAL	**2,190,181**	**1,795,223**	**1,959,648**	**2,152,470**

Note 11 Accruals

	31/12/25		31/12/24	
In thousands of euros	Assets	Liabilities	Assets	Liabilities
Currency adjustment accounts on off-balance sheet items	-	391,529	-	(114,199)
Income and expenses resulting from swaps	1,015,896	636,471	1,019,426	765,063
Shared income and expenses	105,689	732,486	92,163	552,145
Other accruals	131,637	93,439	121,683	113,782
TOTAL	**1,253,223**	**1,853,924**	**1,233,272**	**1,316,790**

Note 12 Currency adjustment accounts on off-balance sheet items

	31/12/25		31/12/24	
In thousands of euros	On-demand	At maturity	On-demand	At maturity
Debts to credit institutions	232,024	512,403	230,644	526,140
Related debts	126	10,932	273	12,456
TOTAL	**231,898**	**523,336**	**230,916**	**538,596**

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2025
Maturity of loans due to credit institutions	20,000	80,000	412,403		**512,403**

Note 13 Transactions with customers

	31/12/25		31/12/24	
In thousands of euros	On-demand	At maturity	On-demand	At maturity
Accounts payable, customers	1,902	-	2,116	-
Related debts	14	-	9	-
TOTAL	**1,916**	**-**	**2,125**	**-**

Note 14 Debt securities in issue

In thousands of euros	31/12/25	31/12/24
Negotiable debt securities	2,440,960	799,491
Bonds	53,594,510	54,101,351
Related debts	802,587	727,213
TOTAL	**56,838,058**	**55,628,055**

In thousands of euros	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	More than 5 years	Total 2025
Maturity of debt securities in issue	3,950,938	3,279,216	23,016,988	23,347,368	**53,594,510**

Note 15 Provisions

In thousands of euros	31/12/24	Provisions	Reversals	Translation adjustments	31/12/25
Sovereign loans[1]	1,504,720	324,833	95,505	1,248	1,735,297
Performing non-sovereign loans[2]	241,466	11,898	28,491	-	224,873
Guarantees given[2]	25,859	3,966	3,900	-	25,924
Financing commitments to non-sovereign loans[2]	28,921	34,831	36,734	-	27,018
Provisions for ARIZ and Proparco guarantees	52,056	7,331	13,014	(2,176)	44,198
French Overseas Department subsidiary risks	17,197	169	498	-	16,867
Other risks	11,276	-	-	-	11,276
Foreign exchange losses[1]	18,407	3,920	856	-	21,472
Administrative expenses[1]	637	-	-	-	637
Salary and employee benefit expenses[1]	156,078	9,127	1,075	-	164,130
TOTAL	**2,056,609**	**396,076**	**180,073**	**(928)**	**2,271,685**

(1) These provisions are not recorded in "cost of risk".
(2) Collective provisions amounted to €277,128K, of which €65,924K in stage 1 and €211,204K in stage 2. In 2024, collective provisions amounted to €295,970K, of which €60,574K in stage 1 and €235,394K in stage 2.

Note 16 Subordinated debt

In thousands of euros	31/12/25	31/12/24
Subordinated debt	1,795,181	1,813,250
Related debts	28	2,617
TOTAL	**1,795,209**	**1,815,867**

Note 17 Reserve for General Banking Risk

In thousands of euros	31/12/24	Provisions	Reversal	31/12/25
Reserve for General Banking Risk	460,000	-	-	**460,000**

Note 18 Capital excluding RGBR

In thousands of euros	31/12/25	31/12/24
Provisions	4,862,999	4,717,999
Reserves	3,382,631	3,166,578
Grants	3,535	4,570
Income pending allocation(1)	417,157	270,066
TOTAL	**8,666,322**	**8,159,213**

(1) The dividend paid to the State amounted to €54.0M in 2025.

In thousands of euros	31/12/24	Appropriation of 2024 earnings	Dividend distribution	Increase	Decrease	Income for the 2025 financial year	31/12/25
Provisions	4,717,999			145,000			4,862,999
Reserves	3,166,578	270,066	(54,013)				3,382,631
Grants	4,570				(1,035)		3,535
Income for the financial year	270,066	(270,066)				417,157	417,157
TOTAL	**8,159,212**	**-**	**(54,013)**	**145,000**	**(1,035)**	**417,157**	**8,666,322**

Note 19 Assets and liabilities in foreign currencies(1)

In thousands of euros	31/12/25	31/12/24
Assets in foreign currencies(2)	10,985,081	11,064,735
Liabilities in foreign currencies(2)	12,241,814	15,601,162

(1) Excluding IMF transactions and off-balance sheet hedging transactions, as these transactions offset balance sheet positions.
(2) In principle, these foreign currency positions are offset by forward financial instruments recorded off-balance sheet.

Note 20 Interest and related income

In thousands of euros	31/12/25	31/12/24
Interest and income on transactions with credit institutions[1]	**1,878,136**	**2,354,446**
Interest on loans	553,344	600,801
Interest on short-term equity investments	149,786	224,472
Income from forward financial instruments	1,175,007	1,529,173
Interest and income on transactions with customers[1]	**1,073,585**	**1,106,024**
Interest and income on bonds and other fixed-income securities	**183,441**	**178,899**
Equity securities	178,124	173,308
Investment securities	5,317	5,591
Other interest and related income	**1,434,633**	**1,356,867**
Income from forward financial instruments	1,434,633	1,356,867
TOTAL	**4,569,796**	**4,996,235**

(1) The amount of net reversals of provisions for interest on non-performing loans, adjusted for losses on interest on bad loans, was +€1,035K at 31/12/2025 compared with +€4,141K at 31/12/2024.

Note 21 Interest and related expenses

In thousands of euros	31/12/25	31/12/24
Interest and expenses on transactions with credit institutions	**1,136,693**	**1,175,258**
Interest on accounts payable	22,347	30,153
Expenses on forward financial instruments	1,114,346	1,145,105
Interest on borrowings	-	-
Interest and expenses on transactions with customers	**1,214**	**1,127**
Interest on subordinated debts	1,189	1,109
Other interest and expenses on transactions with customers	25	18
Interest and expenses on bonds and other fixed-income securities	**1,254,322**	**1,142,056**
Interest on interbank market securities and negotiable debt securities	43,320	57,121
Interest on bonds	1,208,902	1,082,833
Interest on lowest-ranked subordinated debt	2,100	2,103
Other interest and related expenses	**1,691,650**	**2,268,145**
Expenses on forward financial instruments	1,691,650	2,268,145
Interest on allocated public funds	-	-
TOTAL	**4,083,878**	**4,586,587**

Note 22 Commission income and expenses

In thousands of euros	31/12/25	31/12/24
Commission income	**127,248**	**113,371**
• from grants	93,092	91,195
• from processing	28,306	17,597
• other	5,850	4,578
Commission expenses	**11,072**	**7,820**

Note 23 Gains or losses on investment portfolio transactions

In thousands of euros	31/12/25	31/12/24
Balance of equity security transactions	**89,773**	**26,715**
Capital gains on disposals	92,720	28,143
Capital losses on disposals	881	-
Reversals of provisions for depreciation	3,797	988
Provisions for depreciation	5,862	2,416

Note 24 Other income on banking operations

In thousands of euros	31/12/25	31/12/24
Other income on banking operations	**474,621**	**447,277**
Subsidies	353,052	312,563
Other banking income	121,569	134,714
Net foreign exchange gains	-	-

Note 25 Other expenses on banking operations

In thousands of euros	31/12/25	31/12/24
Other expenses on banking operations	**103,034**	**105,268**
Other operating expenses	88,028	105,268
Net foreign currency losses	15,006	-

Note 26 Overheads – Salary and employee benefit expenses

In thousands of euros	31/12/25	31/12/24
Wages and bonuses	260,924	242,548
Social security expenses	104,428	100,341
Profit sharing	15,831	15,374
Taxes and similar payments on compensation	28,373	37,657
Provisions/reversal of provisions	8,053	9,101
Rebilling banks' staff	-	(125)
TOTAL	**417,609**	**404,895**

Note 27 Average headcount

In thousands of euros	Executives	Supervisory staff	Employees	Service staff	Stationary staff	Total 2025
Head office and local offices (excluding institutions)	2,188	49	1	-	644	2,882

Note 28 Asset impairment

		31/12/25			
In thousands of euros	31/12/24	Provisions	Reversals	Translation adjustments	Total
Unpaid interest on loans (Notes 3 and 4)	41,115	32,679	35,149	(822)	37,823
Individualised risk on loans (Notes 3 and 4)	371,175	131,962	180,553	(11,200)	311,385
Impairment of equity investments (Notes 5 and 6)	258,516	34,220	2,666		290,070
Impairment of equity securities (Note 23)	16,795	5,862	3,797		18,860
TOTAL	**687,600**	**204,723**	**222,165**	**(12,022)**	**658,137**

Note 29 Cost of credit risk[(1)]

	31/12/25			
In thousands of euros	Provisions	Reversals	Total	31/12/24
Provisions (Note 15) [(1)]	58,195	82,637	24,442	76,062
Impairment of principal of non-performing loans (Note 28)	59,401	49,906	(9,495)	(24,574)
Capital losses on bad loans	6,565	1,210	(5,355)	(35,209)
TOTAL	**124,161**	**133,753**	**9,591**	**16,279**

(1) These figures do not include the first line or the last three lines of Note 15.

Note 30 Gains or losses on fixed assets

In thousands of euros	31/12/25	31/12/24
Gains or losses on financial fixed assets	**(31,554)**	**(23,255)**
Capital gains and losses	-	-
Provisions/reversals for depreciation	(31,554)	(23,255)
Gains or losses on property, plant and equipment and intangible assets	**138**	**1,027**
TOTAL	**(31,416)**	**(22,228)**

Note 31 Exceptional income

In thousands of euros	31/12/25	31/12/24
Exceptional gains	**176**	**79**
Miscellaneous exceptional profits	176	79
Income from prior years	-	-
Exceptional losses	**230**	**204**
Expenses from prior years	154	30
Tax penalties and fines	-	-
Exceptional expenses	77	174
NET TOTAL	**54**	**125**

Note 32 Other off-balance sheet commitments

In thousands of euros	31/12/25	31/12/24
Guarantee commitments received from the French State on loans	5,772,878	5,312,470
Guarantee commitments received from credit institutions	177,201	212,616
Guarantee commitments made to credit institutions	17,958	27,055
Guarantee commitments given on securities	100,499	99,428
Guarantee commitments made to customers	2,944,316	3,111,046

Note 33 Commitments on forward financial instruments (1)

	31/12/25		31/12/24	
In thousands of euros	Notional	Valuation(2)	Notional	Valuation(2)
Outright transactions				
Interest rate swaps (hedging transactions)	68,841,168	(1,409,008)	65,954,081	(1,166,734)
• of which micro-hedging transactions	65,427,108	(1,445,001)	63,063,189	(1,121,868)
• of which macro-hedging transactions	2,832,173	35,623	2,056,003	(45,446)
• of which natural hedges	581,888	370	834,889	580
Currency swaps (hedging transactions)	45,485,146	(274,763)	49,037,051	138,759
Commitments received	22,544,106		24,572,960	-
Commitments given	22,941,040		24,464,091	-
Other instruments (hedging transactions)	-		-	-
Options	72,083	1,851	125,924	976

(1) This information does not appear in the publishable off-balance sheet.
(2) The value of these financial instruments was established with reference to market value.

In thousands of euros	Less than one year	From 1 year to 5 years	More than 5 years	Total 2025
Outright over-the-counter market transactions				
Interest rate swaps	4,379,319	18,700,869	45,760,981	68,841,168
Currency swaps	9,228,001	21,816,818	14,440,327	45,485,146
Commitments received	4,584,736	10,661,664	7,297,707	22,544,106
Commitments given	4,643,266	11,155,155	7,142,619	22,941,040
Options	-	56,667	15,417	72,083

Note 34 Valuations, by rating, on forward financial instruments

	31/12/25
Banking counterparty rating	31/12/2025 Valuation(1)
A	(8,083)
A-	(483,121)
A+	(910,517)
AA-	111,746
BBB	-
BBB+	10,658
NR	-
TOTAL	**(1,279,317)**

(1) Replacement cost is represented by the net gain on market values, including accrued interest. If the balance is negative, the cost is zero.

Note 35 Investments held in managed funds(1)

Fund source *In thousands of euros*	**Number of equity investments**	**Purchase price**
Caisse d'investissement des DOM (CIDOM)	1	463
FIDES (Investment Fund for Economic and Social Development)	3	625
FIDOM (French Overseas Departments Investment Fund)	1	91
Other State resources	-	-
TOTAL	**5**	**1,180**

(1) This information does not appear in the publishable off-balance sheet.

Note 36 Executive compensation

The gross annual compensation allocated to corporate officers and deputy directors amounted to €538,712.

- Rémy Rioux, Chief Executive Officer (start of term 2 June 2016): €255,150;
- Bertrand Walckenaer, Chief Operating Officer (start of term 14 February 2019): €187,285;
- Marie-Hélène Loison, Chief Operating Officer (start of term 8 July 2021): €96,278.
- Tristan Mouline, Deputy Chief Executive Officer (term of term 23 October 2025): €31,148.

There are no benefits in kind, special retirement schemes, stock option plans or variable compensation for AFD's corporate officers.

Note 37 Corporate tax

Only real estate income and income from the representation of metropolitan credit institutions in the French Overseas Departments and Collectivities, as well as AFD's refinancing activities with regard to its subsidiary Proparco, are subject to corporate tax.

Note 38 Risk exposures

AFD operates on its own behalf in forward financial markets as part of its own activities and those delegated to it by the French State.

These transactions are undertaken within the limits authorised by Executive Management with the agreement of the Board of Directors.

7.4 Statutory auditors' report on the financial statements

For the year ended December 31, 2025

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the board of directors of Agence Française de Développement

Opinion

In compliance with the engagement entrusted to us by article R515-25 of Monetary and Financial Code (Code monétaire et financier), we have audited the accompanying financial statements of Agence Française de Développement for the year ended December 31, 2025, as attached to this report.

In our opinion the financial statements give a true and fair view of the results of operations for the year then ended in accordance with French accounting rules and principles, as well as the financial position and assets of the agency at the year then ended.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors, for the period from January 1, 2025 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

Observation

Without calling into question the opinion expressed above, we draw your attention to note 1 of the appendix to the annual financial statements, which sets out the change in accounting method related to the first application of ANC Regulation No. 2023-03 of July 7, 2023, in coordination with ANC Regulation No. 2022-06 of November 4, 2022, amending ANC Regulation No. 2014-07 concerning the accounts of companies in the banking sector.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were the most significant in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the aforementioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Provisioning of credit risk

Risk identified and key judgments

The Agence Française de Développement "AFD" is exposed to credit and counterparty risks.

These risks are defined as the probability that a debtor will be unable to handle the repayment of the financing granted. A default by a counterparty can have a material impact on the results of AFD.

Your Agency is booking impairments and provisions to cover those risks. These are estimated using the methods defined below:

The determination of impairments and provisions on performing and substandard exposures is based on an expected credit loss model taking into account, in addition to the outstanding amount, commitments and undrawn facilities through the application of conversion factors. This method is based on a calculation of expected credit losses according to a model integrating various inputs (probability of default, loss given default, exposure to default, rating...).

AFD also records impairments on doubtful exposures. These are calculated on an individual basis and correspond to the difference between the book value of the asset and the discounted value of future cash flows recoverable on maturity after considering the effects of the activation of guarantees. They are determined individually on the basis of assumptions such as the counterparty's financial position, the corresponding country risk, the valuation of any guarantees, and expected future cash flows.

We considered that the assessment of credit risk and the assessment of provisions constitute a key point of the audit since they involve judgment by Management in the classification of exposures and in the assumptions that were used, in particular, in a context of persistent uncertainty, tensions over raw materials and energy.

As at December 31, 2025, the amount of individual impairments amounted to €349 million and the amount of provisions for counterparty risk recorded in liabilities amounted to €2,057 million for a gross outstanding of €61,634 million (including €3,957 million in gross doubtful outstanding as at December 31, 2025 subject to impairment). For more details on accounting principles and exposures, refer to notes 2.3 and 2.10 of the Accounting Principles and Valuation Methods, as well as notes 3, 4, 15, 28, and 29 of the notes to the financial statements.

Our audit response

To assess the reasonableness of the impairments/provisions booked, we have:

- Inspected the governance of the provisioning processes;
- Tested the operating efficiency of the provisioning processes of the related internal controls;
- Evaluated the consistency of data between the risk management systems and the accounting data;
- Assessed the consistency of changes in exposures and provisions.

When the provision was calculated on a collective basis (stage 1 and stage 2) we have:

- Assessed the methodological principals and the reasonableness of key underlying risk parameters (PD, LGE, EAD);
- Checked the completeness of the exposures subject to provision calculations and the appropriate application of methodological principals;
- Tested data quality on a sample basis;
- Verified of the arithmetical accuracy of the calculations performed.

When the provision was determined on an individual basis (stage 3), we have:

- Tested the appropriateness downgrading rules for doubtful exposures and verified their application;
- Tested the underlying assumptions and data used by Management to estimate impairments on a sample basis;
- Ensured the appropriate application of decision taken by the Risk Committee.

Valuation of equity investments and other long-term securities

Risk identified et key judgments

The Agence Française de Développement holds long-term investments. As detailed in Note 2.5 to the annual financial statements, these securities are recorded at their acquisition cost. These assets are impaired when the estimated value, assessed according to the company's net position and its prospects (which are estimated based on economic and financial information gathered on the company particularly on conditions in its country) or its stock market value is, as the case may be, lower than the acquisition cost.

Due to the limited availability of market data, the valuation of some of these financial instruments involves judgment by management for the selection of the valuation method and parameters to be used.

We considered the valuation of long-term investments to be a key audit matter, given that:

- The significant impact of the choice of the valuation method on AFD's results;
- The sensitive nature of the parameters used for Management's assumptions;
- The significance of those amounts in the financial statements.

As at December 31, 2025, AFD's long-term investments net value stands at €1,722 million, including €290 million of impairments as indicated in notes 5, 6, 28 and 30 of the notes to the financial statements.

Our audit response

In this context, our work consisted of:

- Updating our knowledge and then testing the effectiveness of the control system for the determination of the valuation method used for these investments;
- Testing, on a sample basis, the correct application of the valuation method of investments.

To this purpose, we verified the appropriateness of the accounting methods used by Agence Française de Développement and ensured that they were correctly applied. An independent valuation of a sample of lines was carried out by our experts.

We also performed the following substantive procedures:

- Reconciling, on the basis of sampling, the valuation of securities with the external documentation that justified it;
- Examining all securities with an objective indicator of impairment to ensure the accuracy and completeness of the recorded impairments;
- Verifying the accounting / management reconciliation for the equity portfolio;
- Checking the accounting impact of significant disposals made during the financial year.

Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

Information given in the Management Report and in the Other Documents Provided to the board of directors with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the deputy Chief Executive Officer and in the other documents provided to the members of the board of directors with respect to the financial position and the financial statements, except for the following matter.

The sincerity and consistency of the information relating to the payment terms mentioned in Article D.441-6 of the French Commercial Code (Code de Commerce) with the financial statements lead us to report the following observation: as indicated in the management report, this information does not include banking operations, as your agency considers that they do not fall within the scope of the information to be produced.

Information with respect to corporate governance

We attest to the existence, in the section of the Management Report of the deputy Chief Executive Officer devoted to corporate governance, of the information required by Article L.225-37-4 of the French Commercial Code.

Other information

In accordance with the law, we have ensured that the various information relating to equity investments and control has been communicated to you in the management report.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the financial statements to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Agence Française de Développement by the board of directors meeting held on July 3, 2002 for KPMG S.A. and on April 2, 2020 for BDO Paris.

As at December 31, 2025, KPMG S.A. was in the 24th year of total uninterrupted engagement, and BDO Paris was in the 6th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the agency or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the deputy Chief Executive Officer.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the agency.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the agency to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

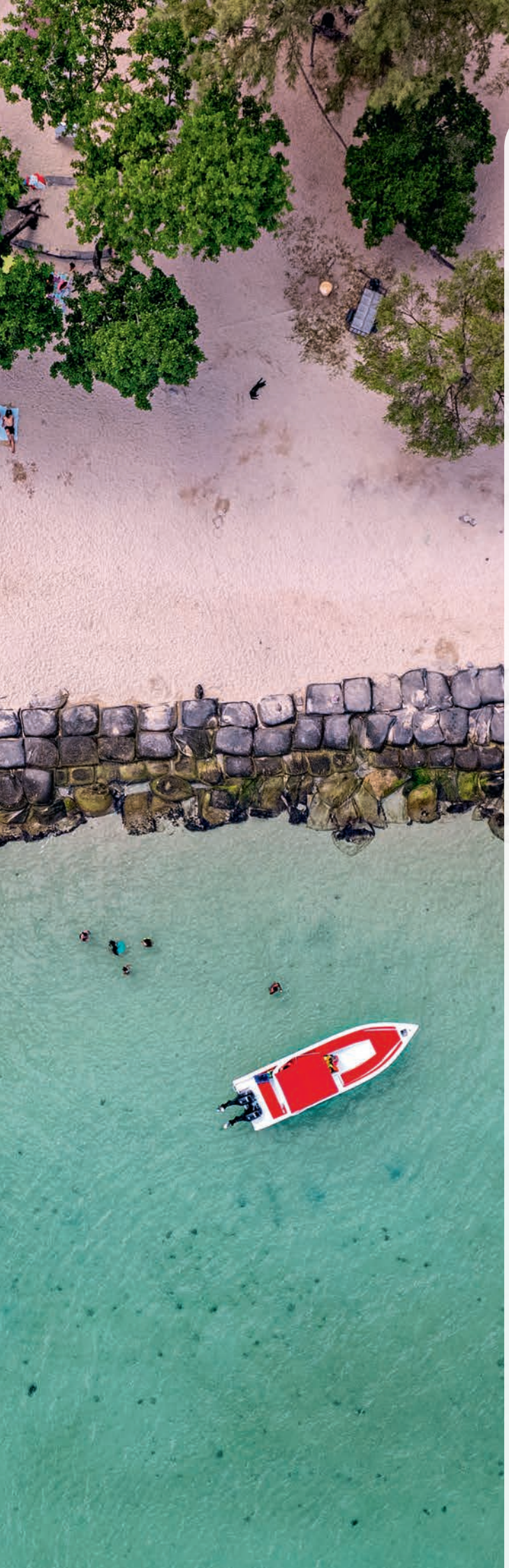
Paris La Défense and Paris, April 22, 2026

The statutory auditors

French original signed by

KPMG S.A.
Valéry Foussé
Partner

BDO Paris
Benjamin Izarié
Partner



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Person responsible for the Registration Document and the audit of the financial statements

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8.1 Name and position

Bertrand Walckenaer, Chief Operating Officer

8.2 Certification by the person responsible

I certify that I have taken all reasonable steps to ensure that the information contained in this Universal Registration Document is, to the best of my knowledge, correct and that no fact has been omitted that would be likely to alter its scope.

I certify that to the best of my knowledge the financial statements are drawn up in accordance with the body of accounting standards applicable and give a true and fair view of the assets and liabilities, financial position and profits of the issuer and all the subsidiaries included in the scope of consolidation, and that the management report (defined in the cross-reference table of this document) faithfully reflects the company's development and results and the financial position and results of the issuer and all the subsidiaries included in the scope of consolidation, as well as a describing the primary risks and uncertainties with which they have to contend, and that it was prepared in accordance with the applicable sustainability reporting standards.

Paris, 23 April 2026

Chief Operating Officer

Bertrand Walckenaer

8.3 Name, address and qualification of the Statutory Auditors

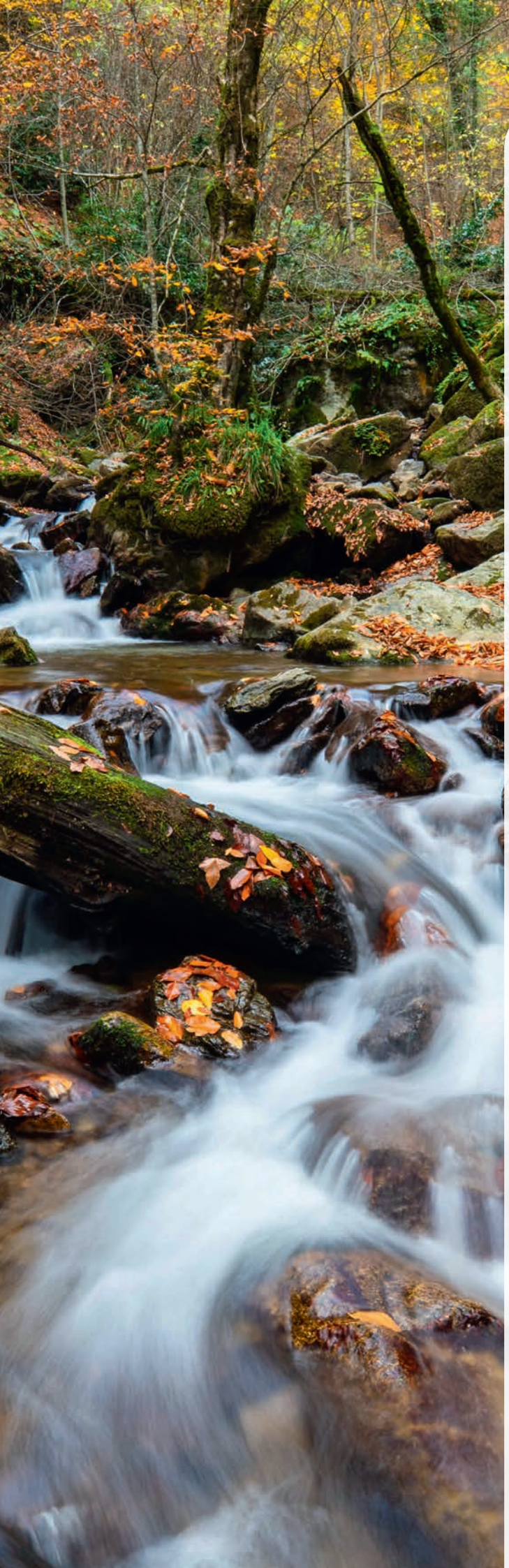
	For the 2022 financial year		For the 2023 financial year		For the 2024 financial year		For the 2025 financial year	
Name	KPMG Audit	KPMG Audit	KPMG Audit	BDO Paris Audit & Advisory	KPMG Audit	BDO Paris	KPMG Audit	BDO Paris
Represented by Address	Valéry Foussé	Valéry Foussé	Valéry Foussé	Arnaud Naudan	Valéry Foussé	Benjamin Izarie	Valéry Foussé	Benjamin Izarie
	2, avenue Gambetta 92066 Paris-La Défense Cedex	2, avenue Gambetta 92066 Paris-La Défense Cedex	2, avenue Gambetta 92066 Paris-La Défense Cedex	43-47, avenue de la Grande-Armée 75116 Paris	2, avenue Gambetta 92066 Paris-La Défense Cedex	43-47, avenue de la Grande-Armée 75116 Paris	2, avenue Gambetta 92066 Paris-La Défense Cedex	43-47, avenue de la Grande-Armée 75116 Paris
Professional body	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles	Compagnie régionale des commissaires aux comptes de Versailles

8.4 Information policy

Mr Bokar Chérif

Director of the Executive Finance Department

Tel. : + 33 (0)1 53 44 40 14



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9.1 Management report cross-reference table

Management report reference	2025 wording	URD Reference
1.	**Activities of the Agence Française de Développement group in 2025**	
1.1	General information	1.1
1.2	AFD group 2025 strategic report	1.2
1.3	AFD operations	1.3
1.4	Proprietary activities	1.4
1.5	AFD group	1.5
1.6	Activities of the Agence Française de Développement group in 2025	1.6
2.	Consolidated sustainability statement	2
2.1	General information (ESRS 2)	2.1
2.2	Environmental information	2.2
2.3	Social information	2.3
2.4	Governance information (G1)	2.4
2.5	Appendices to the sustainability statement	2.5
3.	**Report on corporate governance and internal control**	
3.1	Report on corporate governance	3.1
3.2	Internal control procedure and organisation of the audit trail	4.11.9.3
4.	**Risk management**	
4.1	Risk factors	4
4.2	Risk management system	4
5.	**Recent changes and future outlook**	**5.1**
5.1	Recent changes	5.1.1
5.2	Future outlook	5.1.2
5.3	Borrowings	5.1.3
5.4	Economic presentation of the financial statements	5.3
6.	**Events after the reporting period**	**5.2**
Appendix 1	**AFD's activities in foreign countries and in the French Overseas Departments and Collectivities**	**9.5**
Appendix 2	**AFD balance sheet using on French standards (simplified)**	**9.6**
Appendix 3	**Key ratios and indicators**	**9.7**
Appendix 4	**Results of operating activities for the last five financial years (parent company basis)**	**9.8**
Appendix 5	**Summary table of AFD's and Proparco's loans in foreign countries**	**9.9**
Appendix 6	**Table of Proparco's approvals**	**9.10**

9.2 Incorporation by reference

In application of Article 19 of Regulation (EU) 2017/1129 of 14 June 2017, the following information is included by reference in this Universal Registration Document:

- the consolidated and separate financial statements for the financial year ended 31 December 2023, set out on pages 209 to 239 and 145 to 207, respectively, the related Statutory Auditors' reports, on pages 235 and 203, respectively, and the Group's management report (including the consolidated financial statements) which appears on pages 8 to 100 and 107 to 115 of the Universal Registration Document filed with the AMF on 26 April 2024 under Number D24-0346;
- the consolidated and separate financial statements for the financial year ended 31 December 2024, set out on pages 213 to 243 and 151 to 211, respectively, the related Statutory Auditors' reports, on pages 239 and 208, respectively, and the Group's management report (including the consolidated financial statements) which appears on pages 10 to 106 and 113 to 121 of the Universal Registration Document filed with the AMF on 25 April 2025 under Number D25-0307;
- a description of the type of transactions carried out and the main activities for financial year 2022, on pages 12 to 14 of the 2022 Universal Registration Document filed with the AMF on 26 April 2023 under reference No. D23-0334;
- a description of the type of transactions carried out and the main activities for financial year 2023, on pages 12 to 14 of the 2023 Universal Registration Document filed with the AMF on 26 April 2024 under reference No. D24-0346;
- a description of the type of transactions carried out and the main activities for financial year 2024, on pages 13 to 15 of the 2024 Universal Registration Document filed with the AMF on 25 April 2025 under reference No. D25-0307.

9.3 Cross-reference table between Appendices 1 and 2 of delegated regulation 2019/980 and the Universal Registration Document

		Sections of the 2025 Universal Registration Document
SECTION 1	**PERSONS RESPONSIBLE, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL OF THE COMPETENT AUTHORITY**	
Point 1.1	Persons responsible	8.1
Point 1.2	Statement of the person responsible	8.2
Point 1.3	Statement or report attributed to a person acting as an expert	2.6, 7.4
Point 1.4	Information from a third party	2.6, 7.4
Point 1.5	Approval of the competent authority	N/A
SECTION 2	**STATUTORY AUDITORS**	
Point 2.1	Name and address of the issuer's financial statements' Statutory Auditors	8.3
Point 2.2	Statutory Auditors who resigned due to dismissal or non-renewal of term	Not applicable
SECTION 3	**RISK FACTORS**	**4.1.2**
SECTION 4	**INFORMATION ABOUT THE ISSUER**	
Point 4.1	Corporate purpose and commercial name of the issuer	1.1
Point 4.2	Issuer's place of registration, registration number and legal entity identification (LEI)	1.1
Point 4.3	Date of creation and duration of the issuer, where it is not indefinite	1.1
Point 4.4	The issuer's registered office and legal form	1.1

		Sections of the 2025 Universal Registration Document
SECTION 5	**OVERVIEW OF ACTIVITIES**	
Point 5.1	Main activities	1.3
Point 5.2	Main markets	1.3
Point 5.3	Important events in the development of the issuer's activities	1.6
Point 5.4	Financial and non-financial strategy and objectives	Strategy; 2.1.2
Point 5.5	Degree of dependence on industrial, commercial or financial patents, licenses or contracts	Not applicable
Point 5.6	Competitive position	1.3
Point 5.7	Investment	7.1
SECTION 6	**ORGANISATIONAL STRUCTURE**	
Point 6.1	Description of the Group of which the issuer may be a part	1.5
Point 6.2	List of the issuer's major subsidiaries	1.5
SECTION 7	**REVIEW OF THE FINANCIAL POSITION AND RESULTS**	
Point 7.1	Financial position	5.3
Point 7.2	Ordinary income	5.3.2, 5.3.3
SECTION 8	**CASH AND CAPITAL**	
Point 8.1	Short-term and long-term capital	5.3.1
Point 8.2	Source and amount of cash flows	6.1.6, 6.2.3.2.9
Point 8.3	Financing requirements and structure	1.4
Point 8.4	Restriction in the use of capital	1.3.5
Point 8.5	Expected sources of financing that will be required to honour the commitments referred to in point 5.7.2	N/A
SECTION 9	**REGULATORY ENVIRONMENT**	**4**
SECTION 10	**TREND INFORMATION**	
Point 10.1	Provide a description of any significant change in the Group's financial performance between the end of the last financial year for which financial information has been published and the date of the Registration Document, or provide an appropriate negative statement	5.1.4
Point 10.2	Report any trends, uncertainties, constraints, commitments or events of which the issuer is aware and which are reasonably likely to have a material impact on the issuer's outlook, at least for the current financial year	5.1.3
SECTION 11	**EARNINGS FORECASTS OR ESTIMATES**	**N/A**
SECTION 12	**ADMINISTRATIVE, MANAGEMENT, SUPERVISORY AND EXECUTIVE MANAGEMENT BODIES**	
Point 12.1	Information about members of the administrative, management or supervisory bodies	3.1.1 , 3.1.2, 3.1.3
Point 12.2	Conflicts of interest	3.1.3.4
SECTION 13	**COMPENSATION AND BENEFITS**	
Point 13.1	Total compensation and benefits in kind	3.1.4 , 3.2.2 , Note 18, 6.2.4.3, Note 26, Note 36, 4.14
Point 13.2	Total amount of the sums provisioned for pensions and retirement	6.2.3.2.6, 6.2.4.3, 7.2.11

		Sections of the 2025 Universal Registration Document
SECTION 14	**OPERATION OF ADMINISTRATIVE AND MANAGEMENT BODIES**	
Point 14.1	The end of that person's current mandate, where applicable, and the period during which he or she remained in office	3.1
Point 14.2	Information on service contracts binding the members of the administrative, management or supervisory bodies to the issuer or to any of its subsidiaries and providing for the allocation of benefits at the end of such a contract, or an appropriate statement attesting to the absence of such benefits	3.1
Point 14.3	Information about the Audit Committee and the Compensation Committee	3.1, 4.2.4
Point 14.4	Statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to it	3.1, 7.4
Point 14.5	Potential significant impact on corporate governance, including future changes in the composition of the administrative and management bodies and committees (to the extent that this has already been decided by the administrative and management bodies and/or the shareholders' meeting)	3.1
SECTION 15	**EMPLOYEES**	
Point 15.1	Number of employees	Note 27, 9.7
Point 15.2	Equity investments and stock options	2.3.1.3, 3.1.4, 3.2, 4.14
Point 15.3	Employee Profit Share Agreement	N/A
SECTION 16	**MAIN SHAREHOLDERS**	
Point 16.1	Name of any person owning a percentage of the issuer's share capital or voting rights to be notified	1.1
Point 16.2	Main shareholders and voting rights	1.1
Point 16.3	Information on issuer control	1.1
Point 16.4	Description of agreements that could lead to a change of control	N/A
SECTION 17	**RELATED-PARTY TRANSACTIONS**	
SECTION 18	**FINANCIAL INFORMATION ABOUT THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND INCOME**	
Point 18.1	Historical financial information	5.3
Point 18.2	Interim and other financial information	N/A
Point 18.3	Audit of annual historical financial information	7.4
Point 18.4	*Pro forma* financial information	N/A
Point 18.5	Dividend policy	1.1.3 , 6.2.1.2 , 7.1.3
Point 18.6	Legal and arbitration proceedings	4.11.9.1
Point 18.7	Significant change in the issuer's financial position	Not applicable
SECTION 19	**ADDITIONAL INFORMATION**	
Point 19.1	Share capital	1.1
Point 19.2	Memorandum of association and bylaws	3.1
SECTION 20	**MAJOR CONTRACTS**	**N/A (1)**
SECTION 21	**AVAILABLE DOCUMENTS**	**1.1**

(1) No significant contracts were entered into, other than those entered into in the normal course of business.

9.4 Cross-reference table of the CRR articles and the Pillar III report tables

Item CRR	Title		Paragraph
435	Publication of risk management objectives and policies	a/	6.2.5, 4.2
		b/	6.2.5, 4.2
		c/	6.2.5
		d/	4.6.4, 4.8
		e/	4.2
		f/	4.2, 4.1.3
	Governance arrangements	a/	3.1, 4.2.4
		b/	3.1, 4.2.4
		c/	3.1, 4.2.4
		d/	4.2.4, 6.2.5.1
		e/	4.2.5, 6.2.5
436	Publication of scope of application	a/	1.1, 4.1.1
		b/	4.5.1, 6.2.3
		c/	4.5.1
		d/	4.5.1
		e/	Not applicable
		f/	4.5.1
		g/	Not applicable
		h/	4.5.1
437	Publication of information on equity	a/	4.5
		b/	4.5
		c/	4.5
		d/	4.5
		e/	4.5
		f/	Not applicable
437 *bis*	Publication of information on equity and eligible commitments	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
		d/	Not applicable
438	Publication of information on capital requirements and risk-weighted exposure amounts	a/	4.5
		b/	4.5
		c/	4.5
		d/	4.5
		e/	Not applicable
		f/	Not applicable
		g/	Not applicable
		h/	Not applicable
439	Publication of information on counterparty credit risk exposures	a/	4.6, 4.6.2
		b/	4.6.4
		c/	Not applicable
		d/	Not applicable
		e/	4.8
		f/	4.8
		g/	4.8
		h/	4.6.4
		i/	4.8
		j/	Not applicable
		k/	4.8
		l/	4.8
		m/	Not applicable

Item CRR	Title		Paragraph
440	Publication of information on countercyclical equity buffer information	a/	4.5.2
		b/	4.5.2
441	Publication of information on global systemically important indicators		Not applicable
442	Publication of information on credit risk and dilution risk exposures	a/	6.2.3.2.3
		b/	4.5
		c/	4.6.3
		d/	4.6.3
		e/	4.6.3
		f/	4.6.3, 6.2.5.1
		g/	4.6.3
443	Publication of information on encumbered and unencumbered assets		Not applicable
444	Publication of information on the use of the standardised approach	a/	4.6.2
		b/	4.6.2
		c/	Non applicable
		d/	4.6.2
		e/	4.6.3
445	Publication of information on market risk exposure		4.10.4
446	Publication of information on operational risk management	a/	4.11
		b/	4.5.2, 4.11.8
		c/	4.11.8
447	Publication of information on key indicators (to be published in tabular form)	a/	4.1.3
		b/	4.1.3
		c/	4.1.3
		d/	Not applicable
		e/	Not applicable
		f/	Not applicable
		g/	Not applicable
		h/	Not applicable
448	Publication of information on interest rate exposures for positions not held in the trading book	a/	4.10.2.1
		b/	4.10.2.1
		c/	Not applicable
		d/	Not applicable
		e/	4.10.2.1
		f/	4.10.2.1
		g/	Not applicable
449	Publication of information on exposure to securitisation positions	a/	4.9
		b/	4.9
		c/	4.9
		d/	Not applicable
		e/	Not applicable
		f/	Not applicable
		g/	Not applicable
		h/	Not applicable
		i/	Not applicable
		j/	Not applicable
		k/	4.9
		l/	Not applicable
449 *bis*	Publication of information on environmental, social and governance risks (ESG risks)		4.13

Item CRR	Title		Paragraph
450	Publication of information on the compensation policy	a/	3.1, 4.14
		b/	3.1, 4.14
		c/	3.1, 4.14
		d/	Not applicable
		e/	Not applicable
		f/	Not applicable
		g/	3.1, 4.14
		h/	3.1, 4.14
		i/	Not applicable
		j/	3.1, 4.14
		k/	Not applicable
	Publication of information on the compensation policy for large companies		3.1. 4.14
451	Publication of information on leverage ratio	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
		d/	Not applicable
		e/	Not applicable
451 *bis*	Publication of information on liquidity requirements – Liquidity coverage ratio	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
	Publication of information on liquidity requirements – Net stable funding requirement	a/	Not applicable
		b/	Not applicable
		c/	Not applicable
452	Publication of information on the use of the NI approach for credit risk		Not applicable
453	Publication of information on the use of credit risk mitigation techniques	a/	4.6.4
		b/	4.6.1, 4.6.3, 4.6.4
		c/	4.6.1
		d/	4.8
		e/	4.6.4
		f/	4.6.4
		g/	Not applicable
		h/	4.6.4
		i/	4.6.4
		j/	Not applicable
454	Publication of information on the use of advanced measurement approaches for operational risk		Not applicable
455	Use of internal market risk models		Not applicable

9.5 Appendix 1 – AFD's activities in foreign countries and the French Overseas Departments and Collectivities

Africa				
South Africa	Congo, Rep.	Guinea	Mauritania	Somalia
Algeria	Congo, Dem. Rep. of the	Guinea, Equatorial	Mozambique	Sudan
Angola	Côte d'Ivoire	Guinea-Bissau	Namibia	South Sudan
Benin	Djibouti	Kenya	Niger	Swaziland
Botswana	Egypt	Lesotho	Nigeria	Tanzania
Burkina Faso	Eritrea	Liberia	Uganda	Chad
Burundi	Ethiopia	Libya	Rwanda	Togo
Cameroon	Gabon	Malawi	Sao Tome and Principe	Tunisia
Cape Verde	Gambia	Mali	Senegal	Zambia
Central African Republic	Ghana	Morocco	Sierra Leone	Zimbabwe
3 Oceans				
Antigua and Barbuda(1)	Guyana	Micronesia, Federated States(2)	St-Vincent and the Grenadines(1)	Tonga(2)
Comoros	Haiti	Nauru(2)	Solomon Islands(2)	Tuvalu(2)
Cook Islands(2)	Jamaica(1)	Niue(2)	Samoa(2)	Vanuatu
Dominican Rep.(1)	Kiribati(2)	Palau(2)	Seychelles(1)	
Dominica	Madagascar	Papua New Guinea(2)	Suriname	
Fiji(2)	Marshall Islands(2)	St Lucia(1)	Territory of Tokelau(2)	
Grenada(1)	Mauritius	St-Christophe and Nevis(1)	East Timor(2)	
Orients				
Albania	China	Kosovo	Myanmar (Burma)	Palestinian Territories
Afghanistan	Georgia	Laos	Uzbekistan	Thailand
Armenia	India	Lebanon	Pakistan	Turkey
Azerbaijan	Indonesia	Macedonia	Philippines	Vietnam
Bangladesh	Iraq	Moldavia	Serbia	Yemen
Bosnia-Herzegovina	Jordan	Mongolia	Sri Lanka	Ukraine
Cambodia	Kazakhstan	Montenegro	Syria	
Latin America				
Argentina	Brazil	Costa Rica	Ecuador	Peru
Bolivia	Colombia	Cuba	Mexico	

(1) Countries of the regional cooperation mandate.
(2) Countries of the Pacific mandate (regional cooperation and bilateral or regional interventions in the sectors of adaptation, mitigation to climate change and biodiversity).

French Overseas Departments and Collectivities				
Guadeloupe	Martinique	French Polynesia	Saint Pierre and Miquelon	Wallis and Futuna
French Guiana	Mayotte	Saint-Barthélemy	Southern Lands and French Antarctica	
Reunion Island	New Caledonia	Saint-Martin		

9.6 Appendix 2 – AFD balance sheet using on French standards (simplified)

AFD simplified balance sheet at 31 December 2025

Assets

In millions of euros	2025	2024	Change
Loans (net outstanding)	57,618	54,899	2,719
Gross outstandings	57,587	54,923	2,664
of which proprietary loans	56,596	53,911	2,685
of which loans on behalf of the State	991	1,012	(21)
(-) individual impairments	(349)	(412)	63
(+) accrued interest	381	389	(8)
Investment portfolio	320	357	(37)
Short-term cash assets	9,854	10,859	(1,005)
Equity investments and other securities	2,045	2,052	(7)
Fixed assets	1,156	1,000	156
Accruals and other assets	3,444	3,193	250
TOTAL	**74,438**	**72,361**	**2,077**

Liabilities

In millions of euros	2025	2024	Change
Market borrowings	56,838	55,628	1,210
Borrowings from French Treasury	1,795	1,816	(21)
Current accounts	754	771	(17)
Managed funds and State advances	1,147	1,450	(303)
Accruals and other liabilities	2,509	2,024	485
Provisions	2,272	2,057	215
Provisions and retained earnings	8,706	8,345	361
Income for the financial year	417	270	147
TOTAL	**74,438**	**72,361**	**2,077**

9.7 Appendix 3 – Key ratios and indicators

In thousands of euros	2025	2024
Net banking income	**1,076,534**	**900,304**
Salary and employee benefit expenses/Net banking income	38.8%	45.0%
Cost-to-income ratio		
General expenses/Net banking income	59.2%	69.3%
Benefit-cost ratio		
Net profit (loss) for the period/Provisions + reserves[1]	5.1%	3.4%
Efficiency ratio		
Net profit (loss) for the period/Balance sheet total	0.56%	0.37%
Staff		
Number of employees (average)	2,882	2,789
Total payroll costs	417,609	404,895
Of which social and cultural activities	33.6	31.5
Net income	**417,157**	**270,066**
Dividend paid to the State	**54,013**	**65,075**

(1) Provisions and retained earnings exclude the Reserve for general banking risk, or RGBR.

9.8 Appendix 4 – Financial results for the last five financial years (parent company basis)

	2025	2024	2023	2022	2021
Provisions + Retained earnings + Income (*in millions of euros*)	**8,663**	**8,155**	**7,800**	**7,397**	**6,892**
Net banking income (*in millions of euros*)	1,077	900	826	860	794
Net income (*in millions of euros*)	417	270	325	363	240
Net income/provisions + retained earnings + income	4.82%	3.31%	4.17%	4.90%	3.48%
Net income/balance sheet total	0.56%	0.37%	0.47%	0.56%	0.42%
Staff					
Number of employees (average)	2,882	2,789	2,652	2,599	2,592
Total payroll costs (*in millions of euros*)	418	405	365	350	334
of which social and cultural initiatives (*in millions of euros*)	33.6	31.5	28	30	23
Dividend paid	**54**	**65**	**73**	**48**	**21**

9.9 Appendix 5 – Summary table of AFD and Proparco loans in foreign countries

The geographic distribution of loans granted by AFD on its own behalf and by Proparco in foreign countries is presented in the table below. Sub-participation loans with Proparco (joint financing) at AFD's risk are not included in AFD's figures.

Detailed situation at 31 December 2025 of AFD and Proparco loans in foreign countries

	Disbursements		Outstandings		Undisbursed balance[3]	
In millions of euros	AFD	Proparco	AFD[1]	Proparco[2]	AFD[1]	Proparco[2]
SOUTH AFRICA	200	85	1,335	154	607	37
ALBANIA	1	0	201	0	251	10
ALGERIA	0	0	1	0	0	0
ANGOLA	86	0	340	0	526	0
ARGENTINA	40	39	114	68	327	13
ARMENIA	151	(0)	454	25	60	52
AZERBAIJAN	0	0	240	0	0	0
BANGLADESH	209	0	1,020	31	850	85
BENIN	111	0	431	5	266	18
MYANMAR	0	0	1	4	0	0
BOLIVIA	19	0	603	0	0	0
BOSNIA-HERZEGOVINA	0	0	0	6	0	15
BOTSWANA	0	0	0	8	0	0
BRAZIL	370	4	1,658	237	1,666	72
BURKINA FASO	4	0	292	28	3	0
CAMBODIA	97	0	720	38	299	38
CAMEROON	2	9	1,013	80	361	46
CAPE VERDE	1	5	38	20	0	0
CENTRAL AFRICAN REPUBLIC	15	0	15	0	10	0
CHILE	0	0	0	14	0	0
CHINA	70	0	556	55	642	0
COLOMBIA	266	119	2,261	167	780	178
CONGO	10	0	270	0	85	0
COSTA RICA	50	17	394	35	157	26
CÔTE D'IVOIRE	96	108	1,032	277	1,010	48
CUBA	5	0	78	0	21	0
DJIBOUTI	0	0	7	0	0	0
DOMINICAN REP.	41	81	1,134	107	425	75
EGYPT	150	16	1,395	105	889	53
EL SALVADOR	0	0	0	44	0	26
ECUADOR	78	13	780	155	140	17
ETHIOPIA	16	0	220	25	232	5
ESWATINI	0	0	0	0	0	0

	Disbursements		Outstandings		Undisbursed balance[3]	
In millions of euros	AFD	Proparco	AFD[1]	Proparco[2]	AFD[1]	Proparco[2]
GABON	32	0	473	57	266	0
GEORGIA	22	183	716	304	84	0
GHANA	9	0	388	28	11	0
GUATEMALA	0	85	0	147	0	85
GUINEA	5	4	188	21	192	4
HAITI	0	0	0	7	0	2
HONDURAS	0	0	0	34	0	0
DOMINICA ISLAND	0	0	6	0	0	0
INDIA	345	42	1,634	119	848	51
INDONESIA	170	0	1,401	9	553	18
IRAQ	0	0	286	13	210	0
JAMAICA	4	13	4	43	0	11
JORDAN	95	0	1,005	129	412	128
KAZAKHSTAN	0	18	0	22	0	42
KENYA	64	5	723	166	647	2
KOSOVO	0	0	0	4	80	5
LEBANON	0	0	25	0	0	0
NORTH MACEDONIA	5	0	17	0	68	0
MADAGASCAR	17	9	161	33	207	18
MALDIVES	0	0	4	0	0	0
MALI	10	0	200	8	31	0
MOROCCO	381	0	2,498	26	1,070	41
MAURITIUS	53	111	574	138	81	0
MAURITANIA	0	0	59	0	134	0
MEXICO	75	5	1,803	45	587	189
MOLDOVA	45	15	190	27	75	0
MONGOLIA	0	26	0	81	0	0
MONTENEGRO	0	0	55	0	125	0
MOZAMBIQUE	1	17	151	45	218	4
MULTI-COUNTRY	76	263	3,323	1,206	522	188
NAMIBIA	0	0	30	0	171	0
NEPAL	0	3	0	7	0	2
NIGER	(0)	0	176	9	116	0
NIGERIA	173	10	859	96	1,106	72
UGANDA	80	0	371	33	500	0
UZBEKISTAN	196	105	967	215	586	5
PAKISTAN	43	13	488	16	552	27
PANAMA	0	10	0	49	0	0
PAPUA	0	0	0	0	24	0
PARAGUAY	0	22	0	78	0	42
PERU	58	0	237	35	483	69
PHILIPPINES	250	0	1,100	0	448	13

	Disbursements		Outstandings		Undisbursed balance[3]	
In millions of euros	AFD	Proparco	AFD[1]	Proparco[2]	AFD[1]	Proparco[2]
DR CONGO	23	43	20	43	270	0
RWANDA	90	2	313	15	286	0
SAINT LUCIA	0	0	0	0	0	0
SENEGAL	103	5	1,281	175	644	6
SERBIA	190	8	398	59	543	0
SEYCHELLES	0	0	6	0	16	0
SIERRA LEONE	0	17	0	17	0	27
SUDAN	0	0	0	0	0	1
SRI LANKA	0	0	16	16	191	0
SURINAME	0	0	0	0	16	0
TANZANIA	124	17	548	71	875	21
CHAD	0	0	86	3	0	26
AUTO. PALES. TERR.	0	3	7	26	0	0
THAILAND	0	0	2	1	0	0
TOGO	16	0	81	0	236	19
TUNISIA	139	1	944	44	463	0
TURKEY	267	286	1,300	855	621	37
UKRAINE	0	0	0	32	25	0
URUGUAY	0	0	0	1	0	0
VIETNAM	133	119	806	196	533	135
YEMEN	0	0	2	0	0	0
ZIMBABWE	0	0	0	13	0	0
TOTAL	**5,383**	**1,952**	**42,520**	**6,502**	**24,732**	**2,105**

The amounts presented here correspond to AFD and Proparco transactions, excluding third-party accounts and loans that were waived by the State.
(1) AFD loans exclude sub-participation loans with Proparco and microfinance transactions.
(2) Proparco loans also include subordinated loans, bonds and other securities.
(3) Signed and unsigned balance to be paid.
(4) It should be noted that, for Ukraine, the outstandings on behalf of third parties amounted to €419M.

9.10 Appendix 6 – Table of Proparco's approvals

	Loans		Equity investments		Other investments		Guarantees		Grants		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
SOUTH AFRICA	123	0	0	0	0	0	1	2	0	0	124	2
ALBANIA	10	0	0	0	0	0	0	0	0	0	10	0
ANGOLA	0	0	0	0	0	0	32	0	0	0	32	0
ARGENTINA	26	28	0	0	0	0	0	0	0	0	26	28
ARMENIA	0	0	0	21	0	14	0	0	0	0	0	35
BANGLADESH	85	0	0	0	0	0	0	0	0	0	85	0
BENIN	18	0	0	0	0	0	20	16	0	0	38	16
BOSNIA-HERZEGOVINA	15	0	0	0	0	0	0	0	0	0	15	0
BRAZIL	69	9	22	0	0	0	0	49	0	0	91	58
CAMBODIA	37	0	0	0	0	0	0	0	0	0	37	0
CAMEROON	44	3	0	0	0	0	22	24	0	0	66	27
COLOMBIA	210	0	5	13	0	0	0	0	0	0	215	13
COSTA RICA	44	0	0	0	0	0	0	0	0	0	44	0
CÔTE D'IVOIRE	15	106	0	0	0	0	1	45	0	0	16	151
DOMINICAN REP.	100	92	0	0	0	0	5	0	0	0	105	92
EGYPT	0	20	52	21	0	0	0	0	0	0	52	41
EL SALVADOR	26	0	0	0	0	0	0	0	0	0	26	0
ECUADOR	17	28	0	0	0	20	26	0	0	0	43	48
FRANCE	0	0	0	0	0	0	35	36	0	0	35	36
GEORGIA	165	18	0	0	0	0	0	10	0	0	165	28
GHANA	0	0	0	0	0	0	0	0	0	0	0	0
GUATEMALA	9	61	0	0	86	46	0	0	0	0	95	107
GUINEA	0	10	0	0	0	0	23	21	0	0	23	31
HAITI	0	0	0	0	0	0	0	0	0	0	0	0
INDIA	37	15	37	14	47	0	0	0	0	0	121	29
INDONESIA	21	0	0	0	0	0	5	2	0	0	26	2
IRAQ	0	0	0	0	0	0	0	0	0	0	0	0
JAMAICA	0	30	0	0	0	0	0	0	0	0	0	30
JORDAN	128	14	0	0	0	0	0	0	0	0	128	14
KAZAKHSTAN	0	60	0	0	0	0	0	0	0	0	0	60
KENYA	1	1	0	14	1	1	0	1	0	1	2	17
KOSOVO	5	5	0	0	0	0	0	0	0	0	5	5
LEBANON	0	0	0	0	0	0	2	2	0	0	2	2
LIBERIA	0	0	0	0	0	0	15	0	0	0	15	0
MADAGASCAR	18	9	0	0	0	0	2	13	0	0	20	22
MOROCCO	15	25	0	0	0	0	32	0	0	0	47	25
MAURITANIA	0	0	0	0	0	0	25	27	0	0	25	27
MEXICO	150	0	9	18	30	0	0	0	0	0	189	18

	Loans		Equity investments		Other investments		Guarantees		Grants		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
MOLDOVA	15	0	15	0	0	0	2	0	0	0	32	0
MONGOLIA	26	23	0	0	0	29	0	0	0	0	26	52
MOZAMBIQUE	0	19	0	0	0	0	0	9	0	0	0	28
MULTI-COUNTRY	157	406	291	206	57	62	0	13	6	31	512	718
NIGERIA	31	53	0	1	0	0	5	9	0	0	36	62
UGANDA	0	0	0	0	0	0	0	0	0	0	0	0
UZBEKISTAN	45	93	0	0	0	0	0	0	0	0	45	93
PAKISTAN	0	14	0	0	0	0	0	1	0	0	0	15
PANAMA	0	19	0	0	0	0	0	0	0	0	0	19
PARAGUAY	64	0	0	0	0	0	0	0	0	0	64	0
PERU	69	0	0	13	0	0	0	0	0	0	69	13
PHILIPPINES	13	0	0	0	0	0	0	0	0	0	13	0
DR CONGO	45	0	0	0	0	0	0	1	0	0	45	1
RWANDA	0	0	20	0	0	0	0	0	0	0	20	0
SENEGAL	0	36	0	0	0	0	25	49	0	0	25	85
SERBIA	0	0	0	0	0	0	24	23	0	0	24	23
SIERRA LEONE	26	0	0	0	0	0	0	0	0	1	26	1
SUDAN	1	0	0	0	0	0	0	0	0	0	1	0
TANZANIA	21	0	0	0	17	0	49	0	0	0	88	0
CHAD	0	17	0	0	0	0	10	7	0	0	10	24
AUTO. PALES. TERR.	0	22	0	0	0	0	0	0	0	0	0	22
TOGO	17	2	0	0	0	0	4	10	0	0	21	12
TUNISIA	0	0	5	0	0	0	30	2	0	0	35	2
TURKEY	50	395	0	0	64	0	0	0	0	0	114	395
UKRAINE	0	0	0	5	0	0	26	18	0	0	26	23
VIETNAM	13	117	0	0	0	93	5	5	0	0	18	215
ZIMBABWE	0	14	0	0	0	0	0	15	0	0	0	28
TOTAL PROPARCO	**1,980**	**1,762**	**456**	**327**	**303**	**265**	**425**	**410**	**7**	**32**	**3,171**	**2,796**

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