
Half-year financial report

30 June 2024

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

A. Management report

1. AFD Group activities

Approvals

The total amount of approvals (**excluding Proparco refinancing and sub-participation**) at 30 June 2024 amounted to €2,300M, compared with €3,317M at 30 June 2023, a decrease of -€1,017M. This change was mainly due to a -€1,030M decrease in AFD's own-account activities in foreign countries and a -€333M decrease in third-party activities, offset by a +€266M increase of Proparco's activities and a +€80M increase in activities in the French Overseas Departments and Collectivities.

Activities in foreign countries

The AFD's own-account activities in foreign countries (**excluding Proparco refinancing and sub-participation**) amounted to €793M, compared to €1,823M last year, down by -57%. This decrease was mainly due to approvals for both sovereign and non-sovereign loans (excluding sub-participation), which decreased by €566M and €477M, respectively. Grant awards were higher than last year, by +€55M.

Activities in the French Overseas Departments and Collectivities

Approvals in the French Overseas Departments and Collectivities amounted to €202M at 30 June 2024, compared to €122M at 30 June 2023, up by +66%. This increase was mainly due to subsidised loans to the public sector in the amount of +€69M, as well as loans at market conditions to the private sector of +€48M. Grants were virtually constant and amounted to €10M. On the other hand, loans to the public sector on market conditions were down by €14M, *i.e.* -19%.

Proparco's activity

Proparco's approvals in foreign countries (on loans, guarantees, equity investments and grants, including Fisea) amounted to €1,143M in the first half of 2024, up +30% compared to the same period in 2023 (€877M).

Third party activity

Approvals for activities on behalf of third parties decreased by -€333M, or -67%, from €495M in June 2023 to €162M in June 2024. In addition, activities on behalf of the State and more specifically debt conversions (including C2D) were down sharply: they amounted to €311M at 30 June 2023, but only represented €33M at 30 June 2024.

Disbursements

Group disbursements (**excluding Proparco refinancing and sub-participation**) amounted to €2,879M at 30 June 2024, compared with €2,896M at 30 June 2023, *i.e.* a decrease of 1%, mainly due to disbursements of Proparco and French Overseas Departments and Collectivities.

Activities in foreign countries

With regard to current activities in foreign countries on its own behalf (**excluding Proparco refinancing and sub-participation**), total disbursements stood at €1,912M at 30 June 2024, compared with €1,819M at 30 June 2023 (+5%). The half-yearly change in disbursements on the various types of activities was mainly due to the significant increase in disbursements on concessional sovereign loans of +€296M (€1,056M in June 2024 compared to €761M in June 2023) offset by a decrease in non-sovereign loans of -€131M (€490M in June 2024 compared to €621M in June 2023). Grant disbursements decreased by -€74M, from €533M in June 2023 to €459M in June 2024.

Activities in the French Overseas Departments and Collectivities

AFD's disbursements in the French Overseas Departments and Collectivities amounted to €206M at 30 June 2024, compared with €354M at 30 June 2023.

Proparco's activity

Proparco's disbursements in foreign countries (on loans, guarantees, equity investments and grants, including Fisea) amounted to €430M in the first half of 2024, down by -29% compared to the same period in 2023 (€610M).

Third party activity

Disbursements for activities on behalf of third parties increased by €134M in 2024, from €197M in June 2023 to €331M in June 2024. This increase was mainly due to disbursements on the global budget support (GBS) of +€85M and on debt conversions (including C2D) of +€40M.

2. Recent changes and outlook

2.1. Crises in several countries

Ukraine crisis

AFD was asked by the French State, following the invasion of Ukraine by Russia, to intervene in support of the Ukrainian State, for a first transaction in March 2022 renewed in November 2022. This transaction was made possible by a restricted mandate granted by decision of the co-secretariat of the dematerialised CICID¹ on 15 March 2022, as AFD had no other mandate to operate in the country at the time. In total, AFD granted and disbursed €400M in budget financing in 2022 to support social spending on public services (education, health, social transfers, pensions, etc.).

In 2023, AFD worked with the ministries and Task Force Ukraine (TFUA) led by Pierre Heilbronn, to prepare an intervention in Ukraine, which resulted in an official intervention mandate on 2 January 2024, focused on support for local authorities and non-sovereign financing.

Since then, AFD has been fully mobilised at institutional and operational levels.

At the institutional level, first of all with the signature on 7 June 2024 of the intergovernmental establishment agreement for AFD Group, on the occasion of the visit to France of the President of Ukraine. Three weeks after the signing of this agreement, on 1 July AFD opened an office in Kyiv co-established with Expertise France.

At the operational level, three prospecting missions carried out between the end of 2023 and the spring of 2024 made it possible to identify several avenues of intervention for AFD in the short- and medium-term in compliance with the mandate entrusted to it. The presence on the ground will make it possible to intensify prospecting and build activities in the coming years.

At Group level, Expertise France and Proparco have been active in the country since 2006 and 2019 respectively. The mandate entrusted to AFD therefore allows the three entities to be present in Ukraine and to deploy a wide range of financial and technical instruments to support the country's resilience and its European convergence trajectory.

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

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

The agency focuses its intervention on two strategic areas: support for resilience and

¹ Interministerial Committee for International Co-operation and Development.

reconstruction; and support for European integration. In 2024, Expertise France's portfolio includes 15 national projects and 3 regional projects for a total amount of more than €50M spread over six sectors: (i) health and social protection, (ii) rule of law and justice, (iii) local governance and decentralisation, (iv) innovation and support for the private sector, (v) economic and financial governance, (vi) defence and security.

In order to meet the needs of its Ukrainian partners, Expertise France plays the role of developer by mobilising French public and private expertise and delegated project management for reconstruction and rehabilitation projects, as well as of manager of grants for SCOs or the private sector. In addition, the agency seeks synergies and positions itself as a facilitator of decentralised cooperation. Lastly, Expertise France is building partnerships with other cooperation local offices in the Member States in order to seek a leverage effect on French and European financing.

Expertise France now has 43 people in Ukraine and the agency will also deploy a dozen international technical experts to support Ukrainian institutions.

In 2023, Proparco, AFD subsidiary dedicated to financing the private sector, also invested \$20M in the Horizon Capital IV investment fund to support the Ukrainian private sector, notably new technology sectors (IT).

Middle East crisis

AFD Group, present in Palestine since 1999, has the Palestinian Authority (PA), municipalities, NGOs and the private sector (banks and companies) as traditional partners. Despite the ongoing war, the Group has not stopped its activities in Gaza. In the West Bank, projects under investigation and in execution are continuing.

In the short term, AFD Group is participating in the crisis response. First of all, AFD is present in the health sector in a humanitarian-development nexus approach. A maternal and child healthcare project in Gaza has been implemented by UNICEF, WHO and UNFPA, in coordination with the Palestinian Ministry of Health. At the end of 2024, AFD could support St Joseph's Hospital in Jerusalem (maternity and intensive care), through cofunding with the Qatar Fund for Development.

AFD Group is also continuing its support for the preservation of basic services and institutional strengthening. Despite the legitimacy crisis affecting the Palestinian Authority, AFD continues to work with the technical departments of the administrations, which are key mechanisms to avoid the collapse of the public service in a context of serious security, economic and social crisis. Expertise France supports the Institut des Finances Publiques, which has been in charge of steering the institutional reform programme since May 2024. Similarly, in June 2024, AFD, alongside other donors, granted new financing to the Municipal Development Programme (€10M), which allows municipalities to continue to deliver essential services in a context of massive budget deficit. This programme includes a component for Gaza, which will only be implemented after approval by the French government.

In addition, AFD Group continues to support the financial sector. AFD and Proparco have been supporting the financial sector for more than 20 years, notably Bank of Palestine. Proparco is preparing new lines of credit for its traditional partners (Bank of Palestine, Cairo Amman Bank,

Quds Bank, FATEN, Vitas, Asala in particular). These transactions could be set up in partnership with the EBRD, the IFC and the EU.

Lastly, AFD co-finances civil society projects *via* its I-CSO Facility. For 2024 and 2025, French and Palestinian CSOs have applied to the I-CSO Facility, notably Médecins du Monde, NGO-Development Center, Secours Catholique. A programme specifically supports the provision of services of the CSOs of East Jerusalem (AJIR) in favour of vulnerable populations and the preservation of the Palestinian identity.

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

The conflict has also spread to Lebanon in the form of exchanges of fire and airstrikes between Israel and Hezbollah, mainly in the south of the country. At this stage, the direct impact of the conflict is limited to a few structures in border areas (health centres, schools) supported as part of projects financed by AFD. AFD supports its partners to adapt projects, including with a view to the possible extension of the conflict to the whole of Lebanon. It is likely that France will be asked to contribute to the reconstruction of the south of the country in the post-conflict period. Major miscellaneous and contingency lines are positioned within projects to respond to the occurrence of new crises. More broadly, in a country hit by a juxtaposition of economic and political crises since 2019, the agency's interventions combine short-term needs and preparation for the future, while retaining the flexibility to respond to possible future crises. Projects are now structured to adapt to this volatility of the context.

Crisis in New Caledonia

Since 13 May 2024, the metropolitan area of Noumea has been the scene of serious riots at the initiative of a radicalised branch of the independence movement. Initiated in protest to the proposed thaw of the electorate, the violence continues and even spread to the rest of the Caledonian territory at the end of June.

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

A reinforced monitoring unit was immediately set up to ensure the safety of AFD employees and support them throughout the crisis. The teams from the agency, the regional department and the registered office have worked to strengthen the Sogefom guarantee tool dedicated to VSEs/SMEs, notably to cover loans to medium-sized companies. Accelerated and streamlined procedures have also been put in place to quickly respond to moratorium requests from counterparties.

The Agency also made available an officer in charge of promoting AFD's experience in public finances and structural reforms to a task force mobilised by Bercy in order to identify highly operational responses that are quick to implement. The short-term objective is to respond to the local authority's cash flow difficulties and promote the recovery of activities, and in the longer term, to work on the reconstruction of infrastructure, but also of social links.

2.2. Refinancing and liquidity

The first quarter saw a significant number of transactions on the markets, with higher volumes borrowed from January onwards than in previous years, followed quite logically by a quieter phase, where issuers generally made less use of the market. Investors, anticipating central bank rate cuts, were particularly active. In addition, the prospect of the European and US elections as well as geopolitical tensions across the globe pushed issuers to take advantage of the market as long as it was open.

This half-year was also marked by S&P's downgrade of the rating of France to AA-, thereby downgrading the rating of the French local offices rated by S&P. This downgrade led to a technical blackout for the updating of the borrowing programme for a large number of issuers, which in the specific case of AFD followed the blackout for the annual review of the documentation.

The dissolution of the National Assembly announced by French President Emmanuel Macron on 9 June 2024 led to market volatility. In this context, AFD preferred not to issue a new benchmark in June.

AFD's bond issues totalled €4,450M in the first half of 2024.

AFD has also undertaken:

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

Maturity	Currency	Nominal in currency	EUR equivalent
17/01/2034	EUR	2,000,000,000.00	2,000,000,000.00
22/07/2027	GBP	350,000,000.00	406,669,379.17
05/03/2029	USD	2,000,000,000.00	1,842,723,545.31

- 1 tap issue without opening an order book in US dollars.

Maturity	Currency	Nominal in currency	EUR equivalent
21/09/2027	USD	100,000,000.00	93,457,943.93

For AFD Group, the overall cash flow indicator expressed in months (or survival horizon) makes it possible to measure whether, at any given time, the cash balance and the monetisation of the liquidity buffer make it possible to cover at least six months of projected sliding activity needs to handle a market closure during that period. The risk appetite framework prescribes an objective of maintaining this indicator within a band of nine to twelve months; the preventive alert threshold is set at eight months and the tolerance threshold at six months. During the first half of 2023, these thresholds were not exceeded. At 30 June 2024, the overall cash flow indicator was 11.54 months.

2.3. Financial results

The financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), show net income – Group share of €231M at 30 June 2024, compared to €212M at 30 June 2023. This increase was mainly due to a rise in net banking income of +€85M

over the period (€538M compared to €453M in June 2023) combined with a negative effect produced by the cost of risk of -€60M between two financial years.

Cost of risk in net reversal stood at +€24M at 30 June 2024, compared with +€84M in the first half of 2023.

Overheads were up by €16M, amounting to €325M at 30 June 2024 compared to €308M at 30 June 2023.

2.4. Capital adequacy ratio and regulatory changes

AFD meets the minimum equity requirements in terms of solvency. The capital adequacy ratio stood at 15.07% at 30 June 2024, up from that at 31 December 2023, *i.e.* 14.95%. This increase is linked to the strengthening of equity through consolidated income for the second half of 2023 financial year and the conversion of the resources with special conditions (RCS) of €150M.

2.5. Operational outlook

AFD Group's 2024 activity is aligned with the guidelines of CICID of 18 July 2023, which redefined the main guidelines of the solidarity and sustainable investment policy. The 2024-2026 contractual targets and resources (COM), the framework of which was validated by the Board of Directors of 14 December 2023, is AFD's operational implementation thereof. This COM is based on 24 indicators, including **10 major political objectives, and one geographic priority: least developed countries (LDCs)**. Finally, 2024 was marked by the implementation of a new sustainable debt doctrine that changes the sovereign loan activity, notably in Africa.

To support its activity, AFD Group benefits from resources from the 110 programme which are equivalent to those of last year (€1.7bn included in the Finance Bill, of which €1.08bn have been reported to date), supporting its lending trajectory in a context of high interest rates. Grant resources, for their part, decreased to €1.08bn following the budget cuts in the first half of 2024.

AFD Group's objectives in terms of commitments and disbursements should remain stable at €12bn (excluding delegated funds) and €8.8bn respectively. On the other hand, the Group raised its target in terms of signatures to €11.4bn, of which €2bn for Proparco and €0.43M for Expertise France.

3. Risk factors

The total exposure of AFD Group on its own behalf amounted to €87.6bn, up €2bn (+2%) compared to 31 December 2023. This increase was mainly driven by AFD's cash activity (+€1.7bn, *i.e.* +17%).

AFD Group's risk-bearing lending portfolio amounted to €70.4bn (€51.3bn in outstandings and accrued interest not yet due, €19.1bn in undisbursed balance), an increase of €297M (+0.4%) on the first half of 2024. In the first half of 2022 and 2023, this growth was €1,037M (+2%) and €306M (+0.4%), respectively. This increase is concentrated on the non-sovereign scope (+€347M).

AFD Group's outstanding debt on its own behalf (€51.9bn) was down €268M over the first half of 2024, which breaks down as follows:

- -€175M on the AFD scope mainly due to a decrease in non-sovereign loans (-€373M) but offset by an increase in sovereign loans (+€198M);
- -€93M decrease on Proparco non-sovereign loans.

The Group's overall rate of non-performing loans dropped from 5.9% at the end of 2023 to 5.2%, with:

- A decrease in the rate of non-performing loans for the AFD sovereign portfolio (6.7% to 5.4% at the end of June 2024);
- Stability of the doubtful rate for the Group non-sovereign portfolio at 4.9%, despite a doubtful rate for Proparco which increased to 10.2% (*versus* 9.3% in December 2023).

The Group's non-performing loans amounted to €2,746M, down €391M, with the following changes for each segment:

- -€355M for AFD sovereigns amounted to €1,593M;
- -€58M for AFD non-sovereigns amounted to €710M;
- +€21M for Proparco non-sovereigns amounted to €422M;
- +€1M for Sogefom amounted to €20M.

AFD Group's consolidated cost of risk after the transition to IFRS was a net reversal of +€23.6M, comprising +€50.3M in reversals of collective provisions, -€28.7M in additions to individual provisions, -€1M in losses on bad loans and +€3M in reversals of other provisions.

The balance of the reserve account for sovereign risk was €1,412M compared to €1,395M at 31 December 2023.

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

Overview

Agence Française de Développement (AFD) is an industrial and commercial public undertaking tasked with financing development assistance, recorded at the Registry in Paris on 17 July 1998. AFD's share capital amounts to €4,718M at 30 June 2024.

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.

These consolidated financial statements are presented in thousands of euros.

Balance sheet at 30 June 2024

<i>In thousands of euros</i>	Notes	30/06/2024	31/12/2023	Change
Assets				
Cash, due from central banks		1 435 469	2 497 287	-1 061 818
Financial assets at fair value through profit or loss	1	3 841 213	4 526 700	-685 486
Hedging derivatives	2	2 960 288	2 953 426	6 862
Financial assets at fair value through other comprehensive income	3	1 622 892	1 589 600	33 292
Debt securities at amortised cost	5	4 353 454	2 975 130	1 378 324
Financial assets at amortised cost		52 002 707	50 302 149	1 700 558
Loans and receivables due from credit institutions and equivalent at amortised cost	5	13 371 014	11 353 311	2 017 703
<i>On-demand</i>		1 775 411	432 702	1 342 709
<i>At maturity</i>		11 595 603	10 920 610	674 993
Loans and receivables due from customers at amortised cost	5	38 631 693	38 948 838	-317 145
<i>Other loans to customers</i>		38 631 693	38 948 838	-317 145
Revaluation differences on interest rate-hedged portfolio		1 171	27 041	-25 870
Current tax assets		4 878	41	4 838
Deferred tax assets		27 529	26 181	1 348
Accruals and other miscellaneous assets	7	3 798 613	3 700 157	98 456
<i>Accruals</i>		31 278	126 588	-95 310
<i>Other assets</i>		3 767 335	3 573 569	193 766
Equity stakes in companies accounted for by the equity method	20	162 135	162 611	-476
Property, plant and equipment	8	783 839	634 962	148 876
Intangible assets	8	143 633	133 449	10 184
Total assets		71 137 822	69 528 734	1 609 088
Liabilities				
Financial liabilities at fair value through profit or loss	1	324 266	232 307	91 959
Hedging derivatives	2	4 557 782	4 389 326	168 456
Financial liabilities at amortised cost		50 439 249	50 542 464	-103 215
Debt securities in issue at amortised cost	9	50 428 546	50 520 411	-91 865
<i>Interbank market securities</i>		1 827 985	2 158 290	-330 305
<i>Bonds</i>		48 600 561	48 362 121	238 440
Debts to credit institutions and equivalent at amortised cost	9	9 341	20 319	-10 978
<i>On-demand</i>		8 801	18 279	-9 478
<i>At maturity</i>		540	2 040	-1 499
Debts to customers at amortised cost	9	1 362	1 734	-372
Current tax liabilities		2 370	4 207	-1 837
Deferred tax liabilities		11 113	10 656	457
Accruals and other miscellaneous liabilities	7	3 628 853	2 625 619	1 003 233
<i>Allocated public funds</i>		78 465	75 075	3 390
<i>Other liabilities</i>		3 550 387	2 550 544	999 843
Provisions	10	1 723 832	1 727 352	-3 520
Subordinated debt	11	991 809	841 617	150 192
Total debts		61 679 273	60 373 547	1 305 726
Equity Group share	(Tab 1)	9 291 127	8 990 281	300 846
Provisions and related retained earnings		5 177 999	5 027 999	150 000
Consolidated retained earnings and other		3 787 674	3 476 966	310 708
Gains and losses recognised in other comprehensive income		94 459	114 044	-19 585
Earnings for the period		230 995	371 271	-140 277
Non-controlling interests	(Tab 1)	167 422	164 905	2 516
Total equity		9 458 549	9 155 186	303 362
Total liabilities		71 137 822	69 528 734	1 609 088

Income statement at 30 June 2024

<i>In thousands of euros</i>	Notes	30/06/2024	30/06/2023	Change
Interest and related income	13	2 518 970	1 787 996	730 974
Transactions with credit institutions		1 141 278	764 561	376 717
Transactions with customers		663 732	551 966	111 766
Bonds and other fixed-income securities		98 890	60 457	38 433
Other interest and related income		615 070	411 012	204 058
Interest and related expenses	13	-2 256 990	-1 571 022	-685 968
Transactions with credit institutions		-572 225	-467 847	-104 378
Transactions with customers		-220	-579	359
Bonds and other fixed-income securities		-548 090	-394 848	-153 242
Other interest and similar expenses		-1 136 455	-707 749	-428 706
Commissions (income)	14	52 817	71 944	-19 127
Commissions (expenses)	14	-1 388	-2 189	801
Net gains or losses on financial instruments at fair value through profit or loss, net of foreign currency impact	15	-15 276	6 703	-21 979
Net gains or losses on financial assets recognised at fair value through other comprehensive income	16	29 310	9 096	20 214
Income from other activities	17	412 332	313 504	98 828
Expenses on other activities	17	-202 215	-163 410	-38 805
Net banking income		537 561	452 623	84 938
Overheads	18	-296 098	-283 342	-12 756
Salary and employee benefit expenses		-208 134	-205 065	-3 069
Other administrative expenses		-87 964	-78 277	-9 687
Provisions for amortisation of intangible assets and depreciation of property, plant and equipment	8	-28 705	-25 073	-3 632
Gross operating income		212 758	144 208	68 550
Cost of credit risk	19	23 599	83 535	-59 936
Operating income		236 357	227 742	8 615
Share of earnings from companies accounted for by the equity method	20	445	1 946	-1 501
Net gains or losses on other assets		135	9	126
Changes in the value of goodwill		-	-	-
Pre-tax income		236 937	229 698	7 239
Corporate tax	21	-653	-20 575	19 922
Net income		236 284	209 123	27 161
Non-controlling interests		5 289	-3 268	8 557
Net income - Group share		230 995	212 392	18 603

Net income, gains and losses recognised directly in other comprehensive income at 30 June 2024

<i>In thousands of euros</i>	30/06/2024	30/06/2023	31/12/2023
Net income	236 284	209 123	370 191
Net gains and losses directly recognised in other comprehensive income to be recycled in profit or loss	-12 733	1 653	-1 171
Net gains or losses on debt securities recognised in other comprehensive income to be recycled in profit or loss	-12 733	1 653	-1 171
Net gains and losses directly recognised in other comprehensive income not to be recycled in profit or loss	-5 448	-8 699	-55 144
Actuarial gains and losses on retirement benefits	-	-	-24 786
Net gains and losses on equity instruments recognised in other comprehensive income not to be recycled in profit or loss	-5 448	-8 699	-30 358
Total gains and losses recognised directly in other comprehensive income	-18 181	-7 047	-56 315
Net income and gains and losses recognised directly in other comprehensive income	218 103	202 077	313 876
of which Group share	211 409	207 242	324 070
of which non-controlling interests	6 694	-5 166	-10 194

Statement of changes in equity from 1 January 2023 to 30 June 2024

<i>In thousands of euros</i>	Provisions	Funding reserves	Consolidated reserves	Income for the financial year	Unrealised or deferred gains or losses	Equity Group share	Equity – non-controlling interests	Total consolidated equity
Equity at 1 January 2023	4 417 999	460 000	3 095 831	456 243	161 245	8 591 319	173 319	8 764 639
Share of 2022 income allocated to retained earnings	-	-	456 243	-456 243	-	-	-	-
Dividends paid	-	-	-72 534	-	-	-72 534	-	-72 534
Other changes	-	-	-970	-	-	-970	-272	-1 242
Changes related to put options	-	-	-4 234	-	-	-4 234	-4 249	-8 483
AFD capital increase	150 000	-	2 630	-	-	152 630	6 302	158 932
2023 net income	-	-	-	371 271	-	371 271	-1 080	370 191
Gains and losses recognised directly in other comprehensive income in 2023	-	-	-	-	-47 201	-47 201	-9 114	-56 315
Equity at 31 December 2023	4 567 999	460 000	3 476 966	371 271	114 044	8 990 281	164 905	9 155 186
Share of 2023 income allocated to retained earnings	-	-	371 271	-371 271	-	-	-	-
Dividends paid	-	-	-65 075	-	-	-65 075	-	-65 075
Other changes	-	-	810	-	-	810	-2 533	-1 723
Changes related to put options	-	-	3 702	-	-	3 702	-1 645	2 057
AFD capital increase	150 000	-	-	-	-	150 000	-	150 000
Income for the first half of 2024	-	-	-	230 995	-	230 995	5 289	236 284
Gains and losses recognised directly in other comprehensive income for the first half of 2024	-	-	-	-	-19 585	-19 585	1 405	-18 181
Equity at 30 June 2024	4 717 999	460 000	3 787 674	230 995	94 459	9 291 127	167 422	9 458 549

Cash flow statement at 30 June 2024

In thousands of euros

	30/06/2024	31/12/2023
Pre-tax income (A)	236 937	382 134
Net depreciation/amortisation expenses on property, plant and equipment and intangible assets	25 240	35 828
Net depreciation/amortisation provisions on fixed assets related to the application of IFRS 16	7 313	14 807
Provisions net of other provisions (including technical insurance provisions)	4 699	90 416
Share of earnings from companies accounted for by the equity method	-445	-1 681
Net loss/(net gain) on investment activities	-42 680	-62 457
Net loss/(net gain) on financing activities	9 640	47 221
Other items	873 776	-98 937
Total non-cash items included in net pre-tax income and other items (B)	877 545	25 197
Cash received from credit institutions and equivalent	-639 726	-864 406
Cash received from customers	-138 757	-2 312 814
Cash flows from other operations affecting other financial assets or liabilities	-727 213	-1 936 370
Cash flows from operations affecting non-financial assets or liabilities	80 442	1 337 913
Taxes paid	-2 045	-4 756
= Net increase (decrease) in cash-related assets and liabilities from operating activities (C)	-1 427 298	-3 780 434
Net cash flows from operating activities (A+B+C)	-312 816	-3 373 103
Cash flows from financial assets and equity investments*	20 337	-274 531
Cash flows from property, plant and equipment and intangible assets	-189 220	-182 878
Net cash flows from investment activities	-168 883	-457 409
Cash flows related to the application of IFRS 16	-7 398	-12 725
Cash flows from shareholders**	300 000	671 108
Cash flows to shareholders***	-50 952	-72 534
Other net cash flows from financing activities****	527 871	3 730 185
Net cash flows from financing activities	769 522	4 316 035
Net increase/(decrease) in cash and cash equivalents	287 822	485 523
Opening balance of cash and cash equivalents	2 909 976	2 424 453
Net balance of cash accounts and accounts with central banks ⁽¹⁾	2 497 287	1 010 283
Net balance of on-demand loans and deposits from credit institutions and customers ⁽²⁾	412 689	1 414 170
Ending balance of cash and cash equivalents	3 200 718	2 909 976
Net balance of cash accounts and accounts with central banks	1 435 469	2 497 287
Net balance of on-demand loans and deposits from credit institutions and customers	1 765 249	412 689
Change in cash and cash equivalents	290 742	485 523

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

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

* 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.

** Cash flows from shareholders correspond to RCS issues.

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

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

C. Notes to the consolidated financial statements

1. Significant events at 30 June 2024

1.1. Financing of the Group's activity

To finance the growth of its own activity, in the first half of 2024, AFD issued three public bonds and one tap issue, for a total volume of €4.5bn.

1.2. Appropriation of income for the 2023 financial year

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

The Board of Directors approved the 2023 financial statements on 25 April 2024.

The French Minister of the Economy and Finance set the 2023 dividend to be paid by AFD to the State. It amounted to €65M, *i.e.* 20% of AFD's corporate income (€325M at 31 December 2023), and was paid out after publication in the Official Journal.

This proposal was rendered enforceable by order of the Minister of the Economy and Finance and the Minister of Public Action and Accounts, published on 26 June 2024.

The balance of income after payment of the dividend, *i.e.* €260M, was allocated to reserves.

1.3. A difficult situation in certain countries

Situation in the Middle East – Palestinian Autonomous Territories

AFD Group continues to support the preservation of basic services and institutional strengthening in the Palestinian Autonomous Territories. AFD continues to work with the technical departments of administrations, which are key to avoiding the collapse of the public service in the context of a serious security, economic and social crisis.

AFD Group's exposure to the Palestinian Autonomous Territories represented a limited exposure of €108M at the end of June 2024, including €40M in off-balance sheet exposure.

AFD does not bear any credit risk on the State itself, as all exposures relate to the private sector, in loans (€74M including €21M in undisbursed balance) and guarantees on SMEs (€19M). All significant direct exposures were downgraded and provisioned on an individual basis when necessary, the amount of these provisions totalling €9M for a non-performing loan of €15M.

Situation in Niger

The Ministry for Europe and Foreign Affairs announced that it was suspending all its development aid and budget support actions in Niger after the military coup of 26 July 2023.

At 30 June 2024, AFD Group had €194M in balance sheet exposure to Niger (including €10M in Proparco non-performing loans, provisioned individually prior to this announcement) and €198M in off-balance sheet exposure.

The vast majority of exposures are sovereign and covered by the reserve account mechanism.

Situation in New Caledonia

Since 13 May 2024, the metropolitan area of Noumea has been the scene of serious riots at the initiative of a radicalised branch of the independence movement. Initiated in protest to the project to thaw the electorate, the violence continues and spread to the rest of Caledonian territory at the end of June.

As of 30 June 2024, AFD's exposure to New Caledonia risks amounted to €1,925M in outstandings (including €398M in outstanding loans guaranteed by the State) and €28M in undisbursed balance.

Sogefom's exposure to risks in the Caledonian territory amounts to €50M in off-balance sheet items.

In addition, AFD holds an equity investment in Société immobilière de Nouvelle- Calédonie (SIC) valued at €38M. As a reminder, AFD exercises significant influence over SIC, which is consolidated using the equity-accounted method.

1.4. Tax audit

An AFD tax audit began in mid-February 2024, covering (i) the audit of value added tax (VAT) for the period from 1 January 2021 to 30 April 2023 and (ii) the audit of payroll tax for the period from 1 January 2021 to 31 December 2022.

As of 30 June 2024, the audit is ongoing and the Group's financial statements are not impacted.

2. Accounting standards applicable to Agence Française de Développement

2.1. Application of accounting standards adopted by the European Union

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

The consolidated financial statements of AFD Group at 30 June 2024 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

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

The accounting standards applied in the preparation of AFD's financial statements at 30 June 2024 are described in Section 4.2.

2.2. IASB and IFRIC texts adopted by the European Union and applied at 1 January 2024

The standards and interpretations used in the financial statements at 30 June 2024 were supplemented by the provisions of IFRS as adopted by the European Union and with mandatory application for the first time during this period. They relate to:

Standards applicable for the current financial year	Provisional date of application
Amendments to IFRS 16 “Leases – Sale-leaseback obligations”	1 January 2024
Amendments to IAS 1 “Classification of liabilities as current or non-current”	1 January 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	1 January 2024

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.

AFD Group does not carry out any activities in the insurance sector. Consequently, IFRS 17 has no impact on the Group's consolidated financial statements.

✓ Amendments to IAS 39, IFRS 9 and IFRS 7 “Changes in criteria for hedge accounting requirements”

The index transition project began in early 2019 under the responsibility of the Finance Department with the participation of all relevant AFD Group's departments (Operations, Legal, Risks, Information Systems and Communication). Working groups with central banks and authorities as well as a customer communication plan were initiated. At the same time, AFD Group regularly monitored the proposals and recommendations of market players.

All our new agreements have included fallback provisions since early 2020.

The work related to operational and systems impacts was carried out in 2021 as part of the “information transformation” programme of the Group's Finance Department and Risk Department.

Work on the transition in 2022 focused on the transition of the stock of loans and derivatives.

Reminder of key dates and events:

The FCA (Financial Conduct Authority) announced the end dates of the LIBORs on 30 November 2020:

- ✓ 31 December 2021 for all maturities of GBP, JPY, CHF, EUR LIBOR and for USD LIBOR 1W and 2M (one week and two months);
- ✓ 30 June 2023 for other maturities of USD LIBOR (1M, 3M, 6M and 12M).

The FCA, the UK Financial Conduct Authority, formally prohibited the use of USD LIBOR from 1 January 2022 for new loan agreements.

Following the FCA announcement of the end of the USD LIBOR publication in June 2023, the ARRC, Alternative Reference Rates Committee, in charge of identifying a replacement rate for USD LIBOR, has:

- ✓ formally recommended the CME Term SOFR as the replacement rate for the USD LIBOR for bilateral and syndicated loans;
- ✓ formally recommended the use of the SOFR Compound for derivatives, with the option of using Term SOFR to hedge Term SOFR loans.

In line with the recommendations of the ARRC, AFD Group offered its customers a migration to Term SOFR for bilateral loans and syndicated loans in inventory.

With a few rare exceptions concerning loans in syndication, the entire stock of loans has migrated to Term SOFR for all maturities after 30 June 2023.

For the stock of derivatives, the transition of part of the stock was carried out by the ISDA Protocol in Term SOFR (32%), and part was restructured into Compound SOFR (68%).

In line with the official recommendations, the new agreements in USD will be proposed on the basis of the CME Term SOFR rate.

In September 2019, the IASB introduced amendments to IAS 39, IFRS 9 and IFRS 7 for the first phase of the IBOR reform, which changes the requirements of the criteria for using hedge accounting by allowing the continuation of hedging relationships existing before the effective implementation of that reform. These amendments were adopted by the European Commission on 15 January 2020 with mandatory application for the 2020 financial statements.

In August 2020, the IASB published “Phase 2” amendments, clarifying that amendments related solely to changes in interest rates as part of the reform must not lead to an interruption in hedging relationships. In addition, the data were surveyed and analysed. It was found that the rates AFD Group is largely exposed to in its hedging relationships are EONIA, EURIBOR and LIBOR. Conversely, the “Phase 2” amendments are applicable once the contractual terms of the hedged instruments or hedging instruments have been amended, and the terms and date of transition to the new benchmark interest rates have been clearly stipulated.

These amendments have been applied by the Group since 31 December 2020, which allows it to maintain its existing hedging relationships, which have been amended due to the transition to the new benchmark rates (transition from the EONIA discount rate to €STR).

The other standards and interpretations applicable at 1 January 2024 had no material impact on the Group’s financial statements at 30 June 2024.

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

The IASB has published standards and amendments, not all of which had been adopted by the European Union at 30 June 2024. They will come into force on a mandatory basis for financial years beginning on or after 1 January 2025 at the earliest, or their adoption by the European Union. They were therefore not applied by the Group at 30 June 2024.

Standards applicable to future financial years	Provisional date of application
Amendments to IAS 12 “International Tax Reform – Pillar II OECD Model Rules”	1 January 2025
Amendments to IFRS 18 “Presentation and Disclosure in Financial Statements”	1 January 2027

3. Principles for the preparation of the consolidated financial statements of AFD Group at 30 June 2024

3.1. Consolidation scope and methods

3.1.1. Scope of consolidation

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

The following are not included in the consolidation scope:

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

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

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

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

<i>In percentage of ownership</i>	30/06/2024	31/12/2023
Fully consolidated companies		
Soderag	100,00	100,00
Proparco	84,79	84,79
Sogefom	58,69	58,69
Fisea	100,00	100,00
Expertise France	100,00	100,00
Companies accounted for by the equity method		
Société Immobilière de Nouvelle Calédonie	50,00	50,00
Banque Socredo	35,00	35,00

Non-controlling interests:

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

<i>In thousands of euros</i>	30/06/2024			31/12/2023		
	% 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	15,21%	4 816	162 764	15,21%	-1 090	160 720
Other subsidiaries		473	4 658		10	4 185
Total non-controlling interests		5 289	167 422		-1 080	164 905
Total Group share		230 995	9 291 127		371 271	8 990 281

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

3.1.2. Consolidation principles and methods

The following consolidation methods are used:

- Full consolidation

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

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

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

The following four companies are consolidated:

- 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 30 June 2024, the company's share capital totalled €1,353M and AFD's equity investment was 84.79%.

- The Société de développement régional Antilles-Guyane (Soderag), of which AFD took control in 1995 at the behest of the French State, and was liquidated since 1998 after it lost its licence to operate as a credit institution.

At 30 June 2024, this company's share capital amounted to €111.9M. It is 100% owned by AFD.

- The Société de gestion de fonds de garantie Outre-mer (Sogefom), whose shares AFD purchased, and which were held by the Institut d'émission d'Outre-mer (IEOM), on 12 August 2003, following the request from the Minister for the Economy, Finance and Industry and the Minister for French Overseas Departments and Collectivities.

At 30 June 2024, this company's share capital amounted to €1.1M. It is 58.69% owned by AFD.

- The Fonds d'investissement et de soutien aux entreprises en Afrique (Fisea) was created in April 2009. This simplified joint stock company (*société anonyme par actions simplifiée*) with a share capital of €350.0M at 30 June 2024 is wholly-owned by AFD. Fisea is managed by Proparco.
- Expertise France, of which AFD took control on 1 January 2022 following the publication of the AFD/Expertise France strategic project for an extended group to serve France's development policy. This simplified joint stock company (*société anonyme par actions simplifiée*) with a share capital of €829K is wholly-owned by AFD.

○ Equity method

Companies over which AFD Group has significant influence are accounted for by the equity method. Significant influence means the power to participate in the financial and operating policy decisions of the subsidiary but without having control or joint control over them. It is usually evidenced by (i) representation on the executive or supervisory bodies, (ii) participation in policy-making processes, or (iii) material transactions between the companies. At 30 June 2024, this method was used for two companies in which AFD directly or indirectly holds an equity investment of between 20% and 50% and over which significant influence may be proven: Société immobilière de Nouvelle Calédonie (SIC) and Socredo.

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

○ Comments on other companies

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

3.1.3. Restatement of transactions

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

3.1.4. Business combinations

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

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

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

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

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

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

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

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

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

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

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

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

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

3.2. Accounting principles and methods

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

The main appraisal and presentation rules used in preparing the financial statements of Agence Française de Développement at 30 June 2024 are described below.

3.2.1. Conversion of foreign currency transactions

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

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

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

3.2.2. Use of estimates

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

The use of estimates notably concerns:

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

3.2.3. Financial instruments

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

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

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

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

Financial assets

Classification and measurement of financial assets

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

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

- The contractual characteristics (“Solely Payments of Principal & Interests” or “SPPI” test)

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

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

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

- The management model

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

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

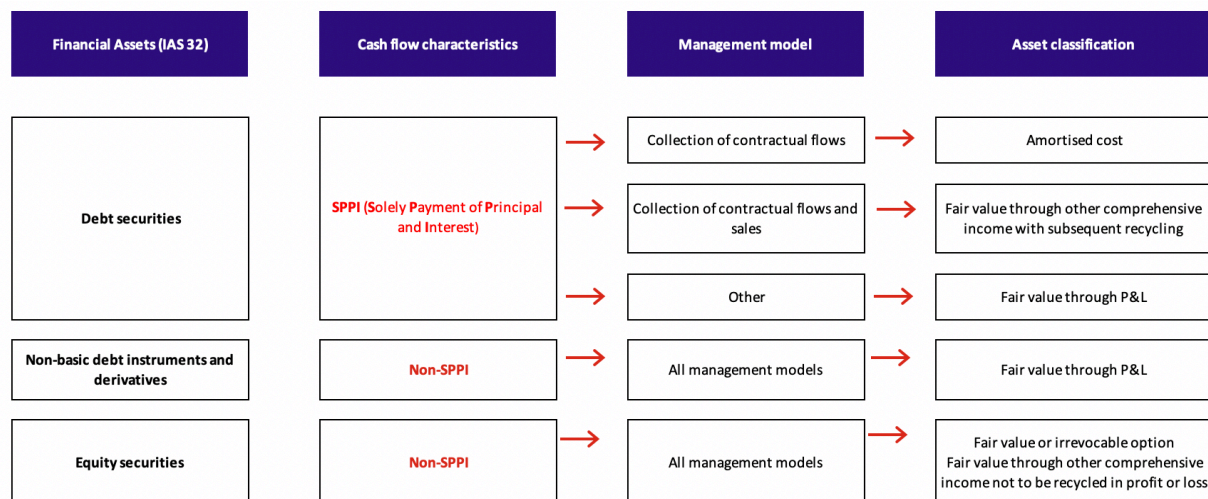
- The performance reports submitted to the Group's Executive Management;
- The compensation policy for portfolio managers;
- Completed and anticipated asset sales (size, frequency, etc.).

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

- The collection only model for contractual cash flows of financial assets;

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

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



a) Debt securities at amortised cost

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

✓ Loans and receivables

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

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

✓ Securities at amortised cost

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

They are recognised initially at market value plus transaction costs and then at amortised cost using the effective interest 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 method.

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

c) Debt securities at fair value through profit and loss

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

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

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

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

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

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

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

✓ Loans

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

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

✓ Foreign exchange or interest rate derivatives used in economic hedging

These are derivatives that do not meet the definition of hedge accounting under IAS 39. These assets and liabilities are measured at fair value in the income statement. The change in fair value is recorded in the income statement under “net gains and losses on financial instruments at fair value”. The fair value of the foreign exchange derivatives entered into by AFD frequently includes a hedge of the future margin on loans denominated in foreign currencies. The foreign exchange income from related assets recognised in income or expenses on other activities partially offsets this impact. The amount initially recorded on the balance sheet for a derivative measured at fair value is equal to the consideration given or received, e.g. the premium on an option or commission received. Subsequent valuations are generally calculated based on discounted future cash flows using a zero-coupon curve.

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

d) Equity instruments

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

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

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

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

e) Reclassification of financial assets

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

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

Financial liabilities

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

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

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

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

Financial liabilities within AFD Group (excluding 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 2023, AFD received €150M in resources with special conditions. A capital increase of €150M was carried out by conversion of this RCS, in accordance with the order of 9 May 2023 published in the Official Journal.

In 2024, AFD received €150M in resources with special conditions. A capital increase of €150M was carried out by conversion of this RCS, in accordance with the order of 31 May 2024 published in the Official Journal.

Derecognition of financial assets and liabilities

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

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

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

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

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

Financial hedging derivatives

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

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

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

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

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

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

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

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

General principle

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

These are defined as follows:

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

Concept of default

The transfer to stage 3 (which meets the definition of “incurred loss” under IAS 39) is linked to the notion of default which is not explicitly defined by the standard. The standard associates the rebuttable presumption of 90 days past due with this concept. It states that the definition used

must be consistent with the entity's credit risk management policy and must include qualitative indicators (*i.e.* breach of covenant).

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

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

Third parties with arrears of over 90 days, or 180 days for 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.

Cross-referencing these three indicators (with weightings for each indicator value) leads to the definition of two lists of countries corresponding to two distinct scenarios, which are submitted for expert review at Group level.

These expectations are taken into account in collective provisions by applying multiplier factors to collective provisions, the aim of which is to add an additional buffer of provisions in regions where a deterioration in economic conditions is anticipated. The final income is obtained by weighting the incomes of each of the two scenarios.

Probability of default (PD)

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

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

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

Loss given default (LGD)

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

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

Exposure at default (EAD)

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

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

Financial asset restructuring

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

Gains or losses on financial instruments

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

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

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

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

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

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

3.2.4. Commitments to buy out non-controlling interests

In 2014, 2020 and again in 2023 during the Proparco capital increase, the Group made commitments to buy back the equity investments of Proparco's minority shareholders.

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

In the half-year financial statements at 30 June 2024, these commitments reflect a debt of €125M to the minority shareholders of Proparco, with a corresponding entry of a decrease in "non-controlling interests" of €138M and an increase in "Consolidated reserves – Group Share" of €13M. The closure of the put window granted in 2020 is scheduled for 2030 and the one related to the put granted in 2023 is scheduled for 2033.

3.2.5. Fixed assets

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

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

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

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

- ✓ Office buildings in the French Overseas Departments and Collectivities are depreciated over 15 years;
- ✓ Residential buildings are depreciated over 15 years;
- ✓ Fixtures, fittings and furnishings are depreciated over five or ten years;
- ✓ Equipment and vehicles over two to five years.

With regard to intangible assets, software is amortised according to its type: five years to eight years for management software and two years for office automation tools.

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

Leases

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

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

Measuring the right of use in leases

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

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

- The estimated costs to rehabilitate and dismantle the rented asset according to the lease terms.

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

Measuring the right of use of the assets

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

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

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

The change in the debt related to the lease involves:

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

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

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

The lease debt is estimated again in the following situations:

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

3.2.6. Provisions

Provisions for sovereign outstandings

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

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

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

Non-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 financing and guarantee commitments

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

Provisions for subsidiary risk

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

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

Provision for employee benefits – Post-employment benefits

Defined benefit plans

➤ Retirement and early retirement commitments

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

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

At 30 June 2024, the discount rate observed was 3.45%.

➤ Retirement bonuses and the financing of the health insurance plan

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

At 30 June 2024, the discount rate observed was 3.8% (compared to 3.4% in 2023), so it was not necessary to update the amount of employee benefits compared to end-December 2023. Indeed, at the AFD Group level, the value of employee benefits is updated in the event of a change in the discount rate (between 31/12/N and 30/06/N+1) greater than 0.50%.

3.2.7. Deferred taxes

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

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

3.2.8. Segment information

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

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

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

3.2.9. Principles of the cash flow statement

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

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

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

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

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

3.3. Notes to the financial statements at 30 June 2024

3.3.1. Notes to the balance sheet

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

<i>In thousands of euros</i>		30/06/2024			31/12/2023		
		Assets	Liabilities	Notional/ Outstanding	Assets	Liabilities	Notional/ Outstanding
	Notes						
Interest rate derivatives		3 799	60	173 813	6 048	396	184 824
Foreign exchange derivatives		43 378	277 047	5 118 567	63 879	197 200	5 211 014
Hedging derivatives of non-SPPI loans/securities		40 477	46 599	1 029 496	57 926	34 256	1 068 519
Loans and securities that do not meet SPPI criteria	1.2	3 753 468	-	3 708 422	4 398 814	-	4 328 156
CVA/DVA/FVA		92	560	-	32	455	-
Total		3 841 213	324 266	10 030 298	4 526 700	232 307	10 792 513

Note 1.1 – Foreign exchange and interest rate derivatives

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

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

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

<i>In thousands of euros</i>		Notes	30/06/2024		31/12/2023	
				Notional/ Outstanding		Notional/ Outstanding
Loans to credit institutions		1.2.1	547 671	554 602	582 315	591 184
Performing loans			547 643	554 458	582 297	586 810
Non-performing loans			28	144	18	4 374
Loans to customers		1.2.1	430 928	498 592	440 551	506 114
Performing loans			409 009	423 099	418 630	431 990
Non-performing loans			21 919	75 493	21 922	74 124
Securities			2 774 870	2 655 228	3 375 949	3 230 794
Bonds and other fixed-income securities		1.2.2	22 211	28 626	22 166	33 026
UCITS			1 004 785	949 322	1 622 642	1 524 201
Equity investments and other long-term securities		1.2.3	1 747 874	1 677 281	1 726 530	1 673 566
of which equity investments held in investment funds			1 558 758	1 522 638	1 537 342	1 506 343
of which equity investments held directly with a put option			189 116	154 642	189 188	167 223
Total			3 753 468	3 708 422	4 398 814	4 328 092

Note 1.2.1 – Loans that do not meet SPPI criteria

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

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

Note 1.2.2 – Bonds and other long-term securities

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

Note 1.2.3 – Equity investments

AFD Group aims to encourage private investment in developing countries, mainly *via* its subsidiaries Proparco and Fisea (Investment and Support Fund for Businesses in Africa). It therefore notably operates through equity investments in investment funds. This activity enables it to multiply the impact of its financing by supporting a large number of companies in other sectors and thus promoting economic growth and the creation of employment-generating businesses.

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

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

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

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

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

Note 2 – Financial hedging derivatives

Note 2.1 - Fair value hedging instruments

<i>In thousands of euros</i>	30/06/2024			31/12/2023		
	Carrying amount			Carrying amount		
	Assets	Liabilities	Notional	Assets	Liabilities	Notional
Fair value hedging						
Interest rate derivatives	2 451 503	4 100 070	63 489 640	2 467 657	3 806 431	64 186 799
Interest rate and foreign exchange derivatives (cross-currency swaps)	508 786	457 712	17 847 808	485 770	582 894	16 109 595
Total	2 960 288	4 557 782	81 337 447	2 953 426	4 389 326	80 296 394

Note 2.2 - Analysis by residual maturity (notional)

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

<i>In thousands of euros</i>	Less than three months	From three months to one year	From one to five years	Over five years	30/06/2024
Fair value hedging					
Interest rate derivatives	1 110 330	3 611 842	15 616 046	43 151 422	63 489 640
Interest rate and foreign exchange derivatives (cross-currency swaps)	117 980	2 489 142	10 700 747	4 539 938	17 847 808
Total	1 228 310	6 100 985	26 316 793	47 691 360	81 337 447

<i>In thousands of euros</i>	Less than three months	From three months to one year	From one to five years	Over five years	31/12/2023
Fair value hedging					
Interest rate derivatives	1 355 668	3 417 663	16 281 844	43 131 624	64 186 799
Interest rate and foreign exchange derivatives (cross-currency swaps)	5 019	978 041	10 501 335	4 625 200	16 109 595
Total	1 360 688	4 395 704	26 783 179	47 756 824	80 296 394

Note 2.3 – Hedged items

<i>In thousands of euros</i>	30/06/2024				
	Current hedges		Expired hedges		Remeasurement of fair value during the hedging period (incl. hedges that expired over the period)
	Carrying amount	Accrued remeasurements of fair value hedges	Accrued remeasurements of fair value hedges remaining	Accrued remeasurements of fair value	
Interest rate derivatives	19 326 403	-1 930 633	-	-14 111	-284 646
Loans and receivables due from credit institutions at amortised cost	1 145 670	-103 174	-	-87	-9 072
Loans and receivables due from customers at amortised cost	16 459 259	-1 795 389	-	-1 764	-270 924
Financial assets at fair value through other comprehensive income	1 721 474	-32 071	-	-12 260	-4 650
Interest rate derivatives (currency swaps)	4 962 206	-68 320	-	12 292	64 299
Loans and receivables due from credit institutions at amortised cost	629 032	-4 902	-	841	13 428
Loans and receivables due from customers at amortised cost	4 333 174	-63 648	-	11 451	50 641
Financial assets at fair value through other comprehensive income	-	230	-	-	230
Total fair value hedging of assets	24 288 609	-1 998 952	-	-1 819	-220 347
Interest rate derivatives	-33 815 834	3 220 355	844	-10 730	451 777
Debt securities in issue at amortised cost	-33 815 834	3 220 355	844	-10 730	451 777
Interest rate derivatives (currency swaps)	-12 194 558	-30 467	-	58 608	-267 491
Debt securities in issue at amortised cost	-12 194 558	-30 467	-	58 608	-267 491
Total fair value hedging of liabilities	-46 010 392	3 189 888	844	47 879	184 286

<i>en milliers d'euros</i>	31/12/2023				
	Couverture existantes		Couverture ayant cessé		Réévaluation de juste valeur sur la période liée à la couverture (y.c. cessations de couvertures au cours de la période)
	Valeur comptable	Dont cumul des réévaluations de juste valeur liée à la couverture	Dont cumul des réévaluations de juste valeur liée à la couverture restant à étaler	Dont cumul des réévaluations de juste valeur	
Instruments dérivés de taux d'intérêt	19 124 480	-1 657 492	-	-55 465	1 122 952
Prêts et créances sur les établissements de crédit au coût amorti	1 256 686	-94 101	-	-14	63 079
Prêts et créances sur la clientèle au coût amorti	16 808 505	-1 527 491	-	-53 454	1 029 757
Actifs financiers à la juste valeur par capitaux propres	1 059 289	-35 900	-	-1 997	30 115
Instruments dérivés de taux d'intérêt (swaps de devises)	5 221 789	-131 924	-	-2 219	-37 106
Prêts et créances sur les établissements de crédit au coût amorti	728 779	-18 041	-	1 790	-10 108
Prêts et créances sur la clientèle au coût amorti	4 493 010	-113 524	-	-4 009	-26 602
Actifs financiers à la juste valeur par capitaux propres	-	-360	-	-	-396
Total de la couverture de juste valeur sur les éléments de l'actif	24 346 269	-1 789 416	-	-57 684	1 085 846
Instruments dérivés de taux d'intérêt	-35 322 231	2 829 245	-50 618	-55 757	-1 919 318
Dettes représentées par un titre au coût amorti	-35 322 231	2 829 245	-50 618	-55 757	-1 919 318
Instruments dérivés de taux d'intérêt (swaps de devises)	-10 420 666	243 065	-	7 039	71 813
Dettes représentées par un titre au coût amorti	-10 420 666	243 065	-	7 039	71 813
Total de la couverture de juste valeur sur les éléments du passif	-45 742 897	3 072 310	-50 618	-48 718	-1 847 505

Note 2.4 – Income resulting from hedge accounting

<i>In thousands of euros</i>	30/06/2024			31/12/2023		
	Net income (Income of hedge accounting)			Net income (Income of hedge accounting)		
	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge	Change in fair value of hedging instruments	Change in fair value of hedged items	Ineffective portion of hedge
Interest rate derivatives	-162 954	156 131	-6 823	912 488	-796 366	116 122
Interest rate and foreign exchange derivatives (cross-currency swaps)	201 814	-203 192	-1 378	-17 784	34 707	16 923
Other	-	11 000	11 000	-	-	-
Total	38 859	-36 061	2 798	894 704	-761 659	133 045

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

<i>In thousands of euros</i>	30/06/2024		31/12/2023	
	Carrying amount	Change in fair value over the period	Carrying amount	Change in fair value over the period
Debt securities recognised at fair value through equity to be recycled in profit or loss	847 396	-12 503	894 775	-1 531
Government paper and equivalent	692 737	-12 700	718 620	-1 074
Bonds and other securities	154 659	197	176 155	-457
Equity securities recorded at fair value through equity not to be recycled in profit or loss	775 496	-5 637	694 825	-30 358
Unconsolidated equity investments	775 496	-5 637	694 825	-30 358
Total	1 622 892	-18 140	1 589 600	-31 889

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

<i>In thousands of euros</i>	30/06/2024 IFRS				31/12/2023 IFRS			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets/Liabilities								
Equity instruments at fair value through profit and loss	-	-	1 747 874	1 747 874	-	-	1 726 530	1 726 530
Debt securities that do not meet SPPI criteria	1 004 785	-	1 000 809	2 005 594	1 627 253	-	1 045 032	2 672 284
Financial assets recorded through equity	817 781	29 615	775 496	1 622 892	865 498	29 615	694 488	1 589 600
Hedging derivatives (Assets)	-	2 960 288	-	2 960 288	-	2 953 426	-	2 953 426
Financial liabilities at fair value through profit or loss	-	322 582	1 684	324 266	-	226 669	5 638	232 307
Hedging derivatives (Liabilities)	-	4 557 782	-	4 557 782	-	4 389 326	-	4 389 326
Derivatives	-	82 426	5 319	87 745	-	124 930	2 955	127 885

• Sensitivity of the fair value of level 3 instruments

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

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

Note 5 – Financial assets measured at amortised cost

<i>In thousands of euros</i>	Notes	30/06/2024		31/12/2023	
		On-demand	At maturity	On-demand	At maturity
Debt securities	5.1	-	4 353 454	-	2 975 130
Loans and receivables due from credit institutions	5.2	1 775 411	11 595 603	432 702	10 920 610
Loans and receivables due from customers	5.2	-	38 631 693	-	38 948 838
Total		1 775 411	54 580 750	432 702	52 844 577

Note 5.1 – Debt securities at amortised cost

<i>In thousands of euros</i>	30/06/2024		31/12/2023	
	On-demand	At maturity	On-demand	At maturity
Government paper and equivalent	-	412 193	-	443 280
Bonds and other securities	-	3 952 805	-	2 546 776
Total	-	4 364 998	-	2 990 055
Impairment	-	-11 544	-	-14 925
Total	-	4 353 454	-	2 975 130

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

<i>In thousands of euros</i>	30/06/2024		31/12/2023	
	On-demand	At maturity	On-demand	At maturity
Loans to credit institutions at amortised cost	-	9 032 606	-	9 108 434
Performing loans	-	8 829 348	-	8 944 859
Non-performing loans	-	203 258	-	163 575
Impairment	-	-197 834	-	-172 500
Related loans receivable	-	80 619	-	158 162
Valuation adjustments of loans hedged by forward financial instruments	-	-130 108	-	-115 927
Subtotal	-	8 785 282	-	8 978 169
Loans to customers at amortised cost	-	41 224 756	-	41 226 097
Performing loans	-	38 705 112	-	38 282 048
Non-performing loans	-	2 519 645	-	2 944 048
Impairment	-	-648 301	-	-648 389
Related loans receivable	-	157 191	-	172 262
Valuation adjustments of loans hedged by forward financial instruments	-	-2 101 954	-	-1 801 131
Subtotal	-	38 631 693	-	38 948 838
Total loans	-	47 416 975	-	47 927 007
Other receivables				
Deposits (available cash) at credit institutions	1 775 411	2 771 215	432 702	1 927 136
Related loans receivable	-	39 106	-	15 305
Total other receivables	1 775 411	2 810 321	432 702	1 942 440
Total loans and other receivables	1 775 411	50 227 296	432 702	49 869 447

Note 6 – Asset impairment

Asset impairment	31/12/2023	Provisions	Reversals	Other items	30/06/2024
Credit institutions	-172 507	-41 612	17 298	-1 013	-197 834
of which stage 1	-31 381	-2 569	1 270		-32 680
of which stage 2	-68 753	-377	16 223		-52 908
of which stage 3	-72 373	-38 666	-195	-1 013	-112 247
Credit to customers	-648 411	-76 532	81 618	-4 976	-648 300
of which stage 1	-22 731	-3 404	176		-25 959
of which stage 2	-196 088	-4 520	25 491		-175 117
of which stage 3	-429 592	-68 608	55 951	-4 976	-447 226
Bonds and other securities	-14 926	-1 840	5 368	-146	-11 544
of which stage 1	-4 065	-1 441	377		-5 129
of which stage 2	-				-
of which stage 3	-10 861	-399	4 991	-146	-6 415
Other receivables	-6 950	-	-	-25	-6 975
Total	-842 793	-119 985	104 284	-6 160	-864 653

Note 7 – Accruals and miscellaneous assets/liabilities

In thousands of euros	30/06/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities
Guarantees against collateral	2 435 440	221 342	2 247 221	280 527
Allocated public funds		78 465	-	75 075
Other assets and liabilities	1 363 173	2 906 948	1 452 936	2 006 413
Accounts payable, French State		422 097	-	263 604
Total accruals and other miscellaneous assets/liabilities	3 798 613	3 628 853	3 700 157	2 625 619

Note 8 – Property, plant and equipment and intangible assets

Note 8.1 – Change in fixed assets

In thousands of euros	Fixed assets				Total	Total
	property, plant and equipment			intangible assets		
	Land & development	Buildings & development	Other		30/06/2024	31/12/2023
Gross value						
At 1 January 2024	89 639	661 780	85 030	261 496	1 097 945	913 434
Purchases	-	159 187	2 674	37 692	199 552	191 020
Disposals/retirements	-	-1	-602	-746	-1 348	-604
Other items	0	555	1 950	-13 717	-11 213	-5 905
At 30 June 2024	89 638	821 521	89 052	284 724	1 284 936	1 097 945
Depreciation/amortisation						
At 1 January 2024	-4 034	-171 624	-65 137	-128 046	-368 841	-333 545
Provisions	-99	-5 420	-3 049	-13 243	-21 811	-35 833
Reversals	-	1	324	199	523	537
Other items	-	-	-	-	-	-
At 30 June 2024	-4 133	-177 043	-67 862	-141 091	-390 129	-368 841
Net value	85 506	644 478	21 189	143 634	894 807	729 104

Note 8.2 – Right of use

<i>In thousands of euros</i>	Registered office	Offices	30/06/2024
Gross value			
At 1 January 2024	100 398	13 070	113 468
New contract			-
Modification of contract			-
Other items		681	681
At 30 June 2024	100 398	13 751	114 149
Depreciation/amortisation	-71 763	-9 720	-81 483
Net value	28 635	4 031	32 666

Note 9 – Financial liabilities measured at amortised cost

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

<i>In thousands of euros</i>	30/06/2024	31/12/2023
Debts to credit institutions at amortised cost		
On-demand debts	8 801	18 279
Debts at maturity	540	2 040
Total debts to credit institutions	9 341	20 319
Debts to customers at amortised cost	1 362	1 734
Total debts to customers	1 362	1 734
Debt securities in issue at amortised cost		
Interbank market securities	1 827 985	2 158 290
Bonds	51 671 269	50 818 221
Related debts	439 397	559 265
Valuation adjustments of debt securities in issue hedged by derivatives	-3 510 105	-3 015 365
Total debts securities in issue	50 428 546	50 520 411

Maturity of debt securities in issue at amortised cost

<i>In thousands of euros</i>	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	30/06/2024
Maturity of debt securities in issue					
Bonds	1 019 921	5 615 985	21 847 398	20 117 258	48 600 561
Interbank market securities	1 414 479	413 506	-	-	1 827 985
Total	2 434 399	6 029 491	21 847 398	20 117 258	50 428 546

<i>In thousands of euros</i>	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	31/12/2023
Maturity of debt securities in issue					
Bonds	876 348	4 566 794	23 120 660	19 798 319	48 362 121
Interbank market securities	1 288 605	869 686	-	-	2 158 290
Total	2 164 952	5 436 479	23 120 660	19 798 319	50 520 411

Debt securities in issue by currency

<i>In thousands of euros</i>	EUR	USD	GBP	JPY	CHF	AUD	CNH	DOP	TRY	30/06/2024
Debt securities in issue by currency										
Bonds	35 463 991	10 590 322	1 649 119	84 288	312 949	211 455	193 716	4 661	90 061	48 600 561
Interbank market securities	1 710 414	-	117 571	-	-	-	-	-	-	1 827 985
Total	37 174 405	10 590 322	1 766 690	84 288	312 949	211 455	193 716	4 661	90 061	50 428 546

<i>In thousands of euros</i>	EUR	USD	GBP	JPY	CHF	AUD	CNH	DOP	TRY	31/12/2023
Debt securities in issue by currency										
Bonds	36 966 955	9 254 085	1 219 391	93 217	326 347	209 149	195 078	4 687	93 213	48 362 121
Interbank market securities	2 158 290	-	-	-	-	-	-	-	-	2 158 290
Total	39 125 245	9 254 085	1 219 391	93 217	326 347	209 149	195 078	4 687	93 213	50 520 411

Note 10 – Provisions

Provisions	31/12/2023	Provisions	Reversals	Other items	30/06/2024
Included in the cost of risk					
French Overseas Department subsidiary risks	24 521	515	-6 501	-484	18 051
Other provisions for risk	147 569	26 024	-40 879	-1 661	131 053
<i>of which stage 1</i>	19 753	4 065	-1 837	50	22 031
<i>of which stage 2</i>	88 143	8 990	-30 245	-51	66 837
<i>of which stage 3</i>	39 674	12 969	-8 797	-1 661	42 185
Excluded from the cost of risk					-
Provision for expenses – Sovereign loans	1 394 784	60 947	-43 883	-310	1 411 538
Salary and employee benefit expenses	135 690	-	-27	-195	135 468
Provision for risks and expenses	24 789	370		2 563	27 722
Total	1 727 352	87 856	-91 290	-87	1 723 832

Note 11 – Subordinated debt

<i>In thousands of euros</i>	30/06/2024	31/12/2023
Fixed-term subordinated debt	150 000	
Open-ended subordinated debt	840 006	840 006
Other	1 803	1 611
Total	991 809	841 617

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

	30/06/2024		31/12/2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets/Liabilities at amortised cost				
Debt securities at amortised cost	4 353 454	4 372 571	2 975 130	2 951 042
Financial assets at amortised cost	52 002 707	49 833 203	50 302 149	48 381 675
Financial liabilities at amortised cost	50 439 249	50 107 647	50 542 464	49 085 991
Subordinated debt	991 809	991 809	841 617	841 617

3.3.2. Notes to the income statement

Note 13 – Income and expenses by accounting category

<i>In thousands of euros</i>	30/06/2024	30/06/2023
From financial assets measured at amortised cost	973 332	752 400
Cash and demand accounts with central banks	69 948	30 356
Loans and receivables	900 444	718 206
Transactions with credit institutions	251 941	179 860
Transactions with customers	648 503	538 346
Debt securities	2 939	3 839
From financial assets at fair value through equity	95 951	56 618
Debt securities	95 951	56 618
From financial assets at fair value through profit or loss	37 497	29 386
Loans and receivables	37 497	29 386
Transactions with credit institutions	22 268	15 766
Transactions with customers	15 229	13 620
Interest accrued and due on hedging instruments	1 412 191	949 592
<i>of which transactions with credit institutions</i>	<i>797 120</i>	<i>538 580</i>
<i>of which other interest and related income</i>	<i>615 070</i>	<i>411 012</i>
Total interest income	2 518 970	1 787 996
From financial liabilities measured at amortised cost	-548 815	-396 215
Financial liabilities measured at amortised cost	-548 815	-396 215
Interest accrued and due on hedging instruments	-1 702 538	-1 174 660
Other interest and similar expenses	-5 636	-148
Total interest expenses	-2 256 990	-1 571 022

Note 14 – Net commissions

<i>In thousands of euros</i>	30/06/2024			30/06/2023		
	Income	Expenses	Net	Income	Expenses	Net
Monitoring and investment commissions	5 624	-1 040	4 584	5 533	-1 026	4 507
Analysis commissions	7 861	-	7 861	10 087	-	10 087
Commissions on grants and subsidies	39 217	-	39 217	51 875	-	51 875
Miscellaneous commissions	115	-348	-233	4 449	-1 163	3 286
Total	52 817	-1 388	51 429	71 944	-2 189	69 755

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

<i>In thousands of euros</i>	30/06/2024		30/06/2023	
	Gains and losses on financial instruments at fair value through profit and loss	o/w Foreign currency impact on derivatives	Gains and losses on financial instruments at fair value through profit and loss	o/w Foreign currency impact on derivatives
Financial assets and liabilities at fair value through profit or loss	12 010	6 428	-29 921	1 828
Income from financial instruments at fair value through profit and loss	16 788	-	38 382	-
Unrealised or realised gains or losses on debt securities that do not meet SPPI criteria	5 177	-	-77 060	-
Hedging of loans at fair value through profit or loss	-9 956	6 428	8 757	1 828
Income resulting from hedge accounting	2 944	22 645	80 405	2 943
<i>Change in fair value of hedging derivatives</i>	<i>49 965</i>	<i>-22 754</i>	<i>140 020</i>	<i>-2 979</i>
<i>Change in fair value of the hedged item</i>	<i>-47 021</i>	<i>109</i>	<i>-59 615</i>	<i>36</i>
Natural hedging/Trading	-30 185	71 388	-45 410	-112 188
CVA/DVA/FVA	-46	-	1 630	-
Total	-15 276	100 461	6 703	-107 418

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

<i>In thousands of euros</i>	30/06/2024	30/06/2023
Dividends received on equity instruments recognised at fair value through equity not to be recycled in profit or loss	2 097	3 162
Gains or losses on equity instruments recognised at fair value through equity not to be recycled in profit or loss	-	-
Gains or losses on debt securities recognised at fair value through equity to be recycled in profit or loss	27 214	5 935
Net gains or losses on financial assets recognised in other comprehensive income	29 310	9 096

Note 17 – Income and expenses from other activities

<i>In thousands of euros</i>	30/06/2024	30/06/2023
Subsidies	151 344	140 627
Other income	260 988	172 881
Total other income from other activities	412 332	313 509
Other expenses	-202 215	-163 410
Total other expenses from other activities	-202 215	-163 410

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

Note 18 – Overheads

Salary and employee benefit expenses

<i>In thousands of euros</i>	30/06/2024	30/06/2023
Salary and employee benefit expenses		
Wages and bonuses	-127 943	-129 445
Social security expenses	-55 818	-52 814
Profit sharing	-7 333	-6 801
Taxes and similar payments on compensation	-17 152	-17 896
Provisions/reversal of provisions	17	1 788
Rebiling banks' staff	95	102
Total	-208 134	-205 065

Other administrative expenses

<i>In thousands of euros</i>	30/06/2024	30/06/2023
Other administrative expenses		
Taxes	-11 192	-9 541
<i>of which application of IFRIC 21</i>	-4 736	-3 933
Outside services	-77 468	-68 588
Rebilled expenses	697	-148
Total	-87 964	-78 277

Note 19 – Cost of credit risk

In thousands of euros

	30/06/2024	30/06/2023
Impairments on performing (stage 1) or deteriorated (stage 2) assets	50 254	92 824
Stage 1: losses assessed at the amount of expected credit losses for the coming 12 months	-7 819	6 503
Debt securities recorded at amortised cost	-5 590	-1 395
Signature commitments	-2 228	7 898
Stage 2: losses assessed at the amount of expected credit losses for the lifetime	58 072	86 320
Debt securities recorded at amortised cost	36 817	59 669
Signature commitments	21 255	26 651
Impairments of impaired assets (stage 3)	-25 659	-9 020
Stage 3: impaired assets	-28 702	-9 243
Debt securities recorded at amortised cost	-27 250	-15 213
Signature commitments	-1 452	5 970
Other provisions for risk	3 043	224
Net reversals of impairments and provisions	24 594	83 804
Losses on loans and bad loans	-1 171	-415
Recovery of loans and receivables	176	145
Cost of risk	23 599	83 535

Note 20 – Equity-accounted

In thousands of euros

	30/06/2024		31/12/2023		30/06/2023	
<i>Impact</i>	<i>Balance sheet</i>	<i>Income</i>	<i>Balance sheet</i>	<i>Income</i>	<i>Balance sheet</i>	<i>Income</i>
SIC	38 071	-2 685	40 664	-3 392	43 758	-297
Socredo	124 065	3 129	121 947	5 073	113 104	2 244
Total	162 135	445	162 611	1 681	162 862	1 946

Note 21 – Corporate tax

In thousands of euros

	30/06/2024	30/06/2023
Corporate tax	-653	-20 575
Taxes due	-2 045	-12 554
Deferred taxes	1 392	-8 021
Underlying tax position		
<i>In thousands of euros</i>	30/06/2024	30/06/2023
Net income	236 284	209 123
Corporate tax	-653	-20 575
Pre-tax income	236 937	229 698
Total theoretical income tax expense (A)	-7 647	-41 166
Total matching items (B)	6 994	20 591
Net recorded tax expense (A) + (B)	-653	-20 575

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

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

Note 22 – Financing and guarantee commitments

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

<i>In thousands of euros</i>	30/06/2024	31/12/2023
Commitments received		
Guarantee commitments received from the French State on loans	5 263 261	5 355 421
Guarantee commitments received from credit institutions	468 837	341 993
<i>as part of the Group's credit activity</i>	468 837	341 993
Commitments given		
Financing commitments made to credit institutions	2 223 606	1 907 305
Financing commitments made to customers	16 967 646	16 739 832
Guarantee commitments made to credit institutions	386 299	375 312
Guarantee commitments made to customers	1 034 214	1 072 294

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

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

3.4. Risk information

✓ Concentration of credit risk

Financial loans at amortised cost

<i>In thousands of euros</i>	At 30 June 2024				At 31 December 2023			
	Performing assets		Doubtful assets	Total	Performing assets		Doubtful assets	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating								
from AAA to BBB- (Investment)	8 497 664	289 288	-	8 786 952	8 611 998	364 752	-	8 976 750
from BB+ to CCC (Speculative)	6 330 541	4 078 207	-	10 408 748	6 224 690	4 382 754	-	10 607 444
Not applicable*	579 699	1 206	152	581 057	576 201	-	-	576 201
Doubtful	-	-	1 002 183	1 002 183	-	-	1 031 760	1 031 760
Total	15 407 905	4 368 701	1 002 183	20 778 940	15 412 889	4 747 506	1 031 760	21 192 154

* Unused assets relate to budgets granted pending allocation to a final beneficiary.

<i>In thousands of euros</i>	At 30 June 2024				At 31 December 2023			
	Performing assets		Doubtful assets	Total	Performing assets		Doubtful assets	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating								
from AAA to BBB- (RC1 to RC2)	9 006 928	-	-	9 006 928	8 927 387	-	-	8 927 387
from BB+ to CCC (RC3, RC4, RC5)	14 727 230	4 158 244	569 028	19 454 503	14 507 490	3 873 500	567 764	18 948 755
Not applicable*	-	-	-	-	-	-	-	-
Doubtful (RC6)	-	-	1 031 974	1 031 974	-	-	1 390 390	1 390 390
Total	23 734 159	4 158 244	1 601 003	29 493 406	23 434 877	3 873 500	1 958 154	29 266 532

* Unused assets relate to budgets granted pending allocation to a final beneficiary.

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

<i>In thousands of euros</i>	At 30 June 2024				At 31 December 2023			
	Performing assets		Doubtful assets	Total	Performing assets		Doubtful assets	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating								
from AAA to BBB- (Investment)	4 837 628	-	-	4 837 628	3 458 216	-	-	3 458 216
from BB+ to CCC (Speculative)	371 986	10 322	-	382 308	414 602	10 218	-	424 820
Not applicable*	-	-	-	-	-	-	-	-
Doubtful	-	-	-	-	-	-	-	-
Total	5 209 614	10 322	-	5 219 937	3 872 817	10 218	-	3 883 035

* Unused assets relate to budgets granted pending allocation to a final beneficiary.

Financing commitments

Non-sovereign

In thousands of euros	At 30 June 2024				At 31 December 2023			
	Performing assets		Doubtful assets	Total	Performing assets		Doubtful assets	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating								
from AAA to BBB- (Investment)	1 503 713	2 200	-	1 505 913	874 387	25 200	-	899 587
from BB+ to CCC (Speculative)	2 677 832	252 632	-	2 930 464	2 341 140	315 382	-	2 656 522
Not applicable*	114 018	-	-	114 018	147 271	-	-	147 271
Doubtful	-	-	50 673	50 673	-	-	48 547	48 547
Total	4 295 563	254 832	50 673	4 601 068	3 362 797	340 582	48 547	3 751 927

* Unused assets relate to budgets granted pending allocation to a final beneficiary.

Sovereign

In thousands of euros	At 30 June 2024				At 31 December 2023			
	Performing assets		Doubtful assets	Total	Performing assets		Doubtful assets	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating								
from AAA to BBB- (RC1, RC2)	2 989 837	-	-	2 989 837	2 837 759	-	-	2 837 759
from BB+ to CCC (RC3, RC4, RC5)	8 848 340	2 127 659	99 000	11 074 999	8 756 893	2 399 681	116 000	11 272 574
Not applicable*	-	-	-	-	-	-	-	-
Doubtful (RC6)	-	-	473 100	473 100	-	-	675 761	675 761
Total	11 838 176	2 127 659	572 100	14 537 935	11 594 653	2 399 681	791 761	14 786 094

* Unused assets relate to budgets granted pending allocation to a final beneficiary.

Guarantee commitments

In thousands of euros	At 30 June 2024				At 31 December 2023			
	Performing assets		Doubtful assets	Total	Performing assets		Doubtful assets	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
Rating								
from AAA to BBB- (Investment)	12 333	-	-	12 333	13 973	19	-	13 992
from BB+ to CCC (Speculative)	791 769	510 205	-	1 301 974	766 515	470 021	-	1 236 537
Not applicable	-	-	-	-	-	-	-	-
Doubtful	-	-	62 266	62 266	-	-	61 781	61 781
Total	804 102	510 205	62 266	1 376 573	780 489	470 040	61 781	1 312 310

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

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

	Stage 1	Stage 2	Stage 3	Total
Provisions at 31/12/2023	77 929	352 984	501 969	932 883
New signatures	9 305	14 447	0	23 752
Extinct exposures	-2 111	-3 475	-4 069	-9 656
Change in exposure or rating	-444	-28 313	47 715	18 958
Stage change	-13 503	12 236	32 977	31 710
Other (including IFRS restatements, Sogefom)	3	-12	5 120	5 111
IFRS restatement	-	-	-31 536	-31 536
Total change in operating provisions	-6 750	-5 117	-	-11 867
Total change in IFRS 9 parameter updates	-2 440	-4 587	-	-7 026
Total change in provisions (FWL, Ariz)	15 507	-48 383	-	-32 876
Provisions at 30/06/2024 Activities + Parameters	84 247	294 897	552 177	931 321

3.5. Additional information

3.5.1. IMF balance sheet

<i>In thousands of euros</i>	30/06/2024	31/12/2023
Assets		
Loans and receivables due from credit institutions	22	150 022
<i>On-demand</i>	22	145 610
<i>At maturity</i>	-	4 412
Accruals	673	9 227
Total assets	696	159 250
Liabilities		
Debt securities in issue	-	154 649
<i>Bonds</i>	-	150 000
<i>Of which accrued interest</i>	-	4 649
Accruals and other miscellaneous liabilities	696	4 601
Total liabilities	696	159 250

Loans granted to the International Monetary Fund (IMF) for the Poverty Reduction and Growth Facility (PRGF), financed by bonds issued by AFD and supplemented by hedging instruments concluded with different banking counterparties, are provided on behalf and at the risk of the French government. With the exception of management fees totalling €7K, the IMF loans have no impact on AFD Group's financial position.

Commitments given to the IMF are restated from the consolidated financial statements.

3.5.2. Significant events since 30 June 2024

No significant event having an impact on the company's financial position occurred after the reporting period ended 30 June 2024.

D. Statutory Auditors' report on the 2024 half-year financial information

AGENCE FRANÇAISE DE DÉVELOPPEMENT

For the six-month period ended 30 June 2024

This is a free translation into English of the statutory auditors' review report on the 2024 half-year financial information issued in French language and is provided solely for the convenience of English-speaking readers. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Board of Directors of Agence Française de Développement,

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

- the review of the accompanying condensed interim consolidated financial statements of Agence Française de Développement, for the six-month period ended June 30, 2024;
- the verification of the information presented in the interim management report.

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

I- Conclusion on the Financial Statements

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

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

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

II- Specific verification

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

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

Paris and Paris La Défense, September 19, 2024,

The Statutory Auditors,
French original signed by

KPMG S.A.
Represented by Valéry FOUSSE
Partner

BDO Paris
Represented by Benjamin IZARIE
Partner

E. Person responsible for the half-year financial report

Name and position

Mr Bertrand Walckenaer: Chief Operating Officer (COO)

Certification of the person responsible

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

Paris, 18 September 2024

Chief Operating Officer (COO)

Bertrand Walckenaer