

# Agence Française de Développement (AFD)

## Full Rating Report

### Ratings

#### Foreign Currency

Long-Term IDR	AA
Short-Term IDR	F1+

### Outlook

Long-Term IDR	Stable
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### Financial Data

#### Agence Française de Développement (AFD) Group

(EURm)	31 Dec 17	31 Dec 16
Total assets	39,717.5	37,749.4
Total equity	5,798.9	5,521.8
Long-term debt	28,893.9	26,809.4
Profit before tax	347.4	291.6
Tier 1 capital ratio (%)	16.44	16.82

Source: Fitch Ratings, AFD

### Key Rating Drivers

**Ratings Equalised with Sovereign:** Fitch Ratings classifies Agence Française de Développement (AFD) as a government-related entity (GRE) and equalises its ratings with those of the sovereign, France (AA/Stable/F1+). This reflects a 'Very Strong' assessment of the following rating factors: status, ownership and control, support track record and expectations and financial implications of the GRE's default. It also reflects a 'Strong' assessment of socio-political implications of default.

**Special Legal Status:** AFD has the special legal status of "établissement public industriel et commercial" (EPIC) under French law, which means it can neither be liquidated nor go bankrupt. AFD can only be dissolved by law, which would entail an automatic unconditional transfer of all its assets and liabilities to the state, or to another public entity designated by the state. The EPIC status also implies both full ownership from France and close monitoring by the French government.

**Very Strong State Support:** AFD has very strong state support with access to the state's emergency liquidity support mechanisms. France also supports AFD by providing the agency with preferential long-term loans and subsidies. In 2016, the state converted EUR2.4 billion of former Tier 2 instruments into common equity Tier 1 (CET1) instruments to ensure AFD had the means to implement its business plan while maintaining adequate capital ratios in the medium term.

**Strategic Position in Foreign Policy:** In Fitch's view, AFD performs a key government activity as the main operator of development aid policy, an important foreign policy instrument in France. A default would immediately endanger the continued provision of AFD's activity, as the latter largely depends on market funding. The French government also relies on AFD to implement the Sustainable Development Goals set within the 2030 Agenda of the UN for Sustainable Development.

**Proxy State Funding Vehicle:** Fitch considers AFD as a proxy funding vehicle for France and believes that a default by AFD could significantly affect the funding of France and that of other French GREs, especially EPICs.

**Steady Loan Growth:** AFD Group's (AFD and its consolidated subsidiaries) outstanding loans grew by 3.2% in 2017, following a 9.6% increase in 2016. This is in line with France's commitment to strengthen and develop AFD's activities. Business growth in 2017 was entirely due to AFD Group's own-risk lending abroad. Of its outstanding loans at end-2016, 97% were contracted at AFD's own risk.

**Improved Results:** AFD Group's earnings before tax totalled EUR347.4 million in 2017, up by 19.2% from 2016 (EUR199 million). Net banking income increased by 4.4%, due to a decline in interest expense.

### Rating Sensitivities

**Change in Sovereign Rating:** Changes to France's ratings would be mirrored on AFD's ratings.

**Weaker Support Factors:** A downgrade could result from a lower assessment of strength of linkage or incentive to support factors.

### Related Reports

[France \(July 2018\)](#)

[What Investors Want to Know: The Status of EPs Is not Tantamount to a Guarantee \(February 2018\)](#)

### Analysts

Pierre Charpentier  
+33 1 44 29 91 45  
[pierre.charpentier@fitchratings.com](mailto:pierre.charpentier@fitchratings.com)

Christophe Parisot  
+33 1 44 29 91 34  
[christophe.parisot@fitchratings.com](mailto:christophe.parisot@fitchratings.com)

## Rating History

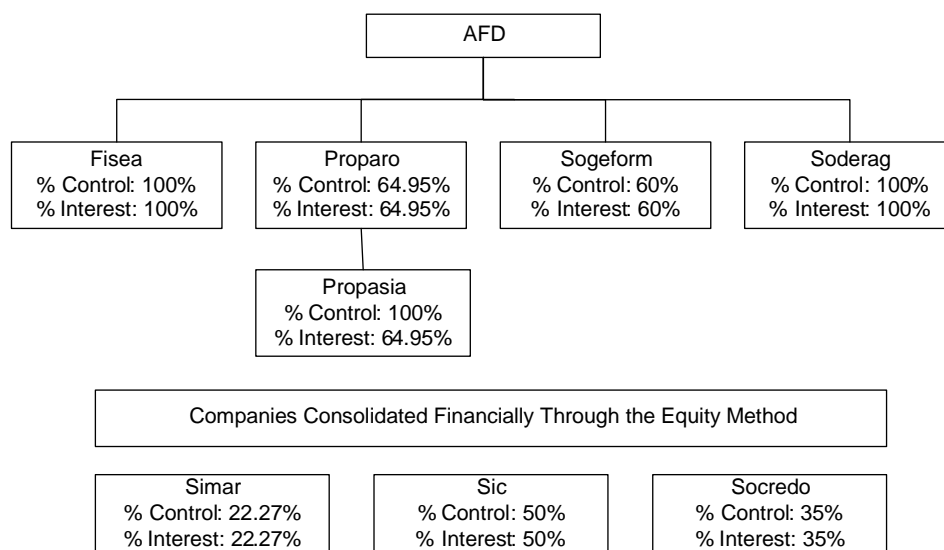
Date	Long-Term Foreign-Currency	Long-Term Local-Currency
2014	AA	AA
2013	AA+	AA+
1999	AAA	AAA

## Profile

Established in 1941, AFD is the French state's development finance agency. Its mission is to implement in foreign countries and in French overseas territories financial operations supporting economic and social development. AFD's activities are aimed at reducing poverty and inequalities, promoting sustainable economic growth and protecting "Global Public Goods".

AFD has equity stakes in several subsidiaries, most importantly Proparco, a 64.95%-owned limited liability development finance institution dedicated to funding private investments abroad. AFD and its subsidiaries are consolidated in the AFD Group. The AFD Group produces consolidated financial statements in accordance with IFRS. AFD also produces financial statements in accordance with French GAAP. Fitch rates AFD's debt at the EPIC level.

## AFD Group



Source: Fitch Ratings, Transaction document

## Key Rating Drivers for Support Assessment

### Summary

	Status, ownership and control	Support track record and expectations	Socio-political implications of default	Financial implications of default
Rating actors	Very Strong	Very Strong	Strong	Very Strong

Source: Fitch Ratings

### Status, Ownership and Control

Fitch considers AFD's status, ownership and control as 'Very Strong'.

AFD is fully owned by the French state and has the status of EPIC. This implies that it cannot be liquidated or go bankrupt, and if AFD were closed, its assets and liabilities would be transferred to the state or another public entity designated by the state.

France has strong control over AFD's governance and closely monitors its activities. State control is ensured by significant representation on AFD's board of directors, which monitors the bank's activity and approves its main decisions. The board is composed of 18 members:

### Related Criteria

[Government-Related Entities Rating Criteria \(October 2018\)](#)

[International Local and Regional Governments Rating Criteria – Outside the United States \(April 2016\)](#)

- the chairman, appointed by a state decree;
- six state representatives;
- five members appointed by the state for their expertise;
- four members of parliament; and
- two employee representatives.

AFD is also subject to the ongoing audit carried out by the supervising ministries (economy, cooperation and overseas territories), and to the ultimate control of the state's supervisory bodies (national audit court, state's general inspectors). AFD's managing director is also appointed by a state decree.

### Support Track Record and Expectations

Fitch considers AFD's track record and expectations as 'Very Strong'.

In Fitch's view, France's Law of 1980 makes the French state liable for the debt of its Etablissements Publics (EPs), including EPICs such as AFD. However, the French state has no legal obligation to prevent a default by an EPIC, and Fitch believes that the Law of 1980 is not tantamount to a guarantee (See [What Investors Want to Know: The Status of EPs Is not Tantamount to a Guarantee](#)).

As an EPIC, AFD is eligible for emergency liquidity support mechanisms from the state, which could help avoid a default in the case of liquidity shortfall. These mechanisms include treasury cash advances from the state and purchase of AFD bonds by the minister of finance or the state debt fund (Caisse de la Dette Publique). Fitch believes that these mechanisms would be deployed in a timely manner in case of need, with no legal or regulatory restrictions.

The French state supports AFD by providing the agency with preferential long-term loans. In 2016, the state also concerted EUR2.4 billion of former Tier 2 capital into CET1 instruments, which resulted in a sharp improvement in AFD Group's Tier 1 and CET1 ratios (see [Sound Capitalisation](#)). The objective was to ensure AFD had the means to implement its business plan while maintaining adequate capital ratios in the medium term. The French state also supports AFD by guaranteeing some of the loans made by the entity on its behalf, which totalled EUR936 million at end-2017, or 3% of the group's loans.

AFD's objectives, long-term strategy and relationship with the state are laid out in a multi-year performance contract.

### Socio-Political Implications of Default

Fitch considers the socio-political implications of AFD's default as 'Strong'.

In Fitch's view, AFD performs a key government activity for the French state as the main operator of development aid policy, an important foreign policy instrument in France. It finances development projects in designated foreign countries, within the policy framework defined by the French government. It also funds development projects in French overseas territories, and part of the French state's contribution to the IMF and World Bank.

France also relies on AFD to implement the Sustainable Development Goals set within the 2030 Agenda of the United Nations for Sustainable Development. The expected sharp growth in annual activity is accompanied by specific objectives for growth in financing dedicated to the prevention of climate change and its consequences (see [Business activities](#)).

A default would immediately endanger the continued provision of AFD's activity as it largely depends on market funding. In Fitch's view, a disruption in AFD's operations would be seen as a failure for the state to exercise one of its missions. It would also have a reputational effect on

France in its relationships with countries that benefit from AFD’s funding, and with institutions that co-finance AFD’s projects.

**Financial Implications of Default**

Fitch considers the financial implications of AFD’s default as ‘Very Strong’.

Fitch considers AFD as a proxy funding vehicle for the French state and believes that a default by AFD could significantly affect the funding of France and that of other French GREs, especially EPICs, as investors would likely lose faith in France’s ability and willingness to prevent a default by one of these entities.

AFD is a large issuer and an active player on the financial market, especially through its EUR40 billion euro medium-term notes (EMTN) programme. AFD’s long-term debt was EUR28.9 billion at end-2017, and we expect it to grow in the coming years.

**Rating Outcome and Peer Analysis**

AFD has a score of 50 points under the GRE criteria, which leads to an equalisation of its ratings with the French state.

It compares well with other French national Eps, including EPICs, whose ratings are also aligned with the French state, such as Caisse des Dépôts et Consignations (CDC; AA/Stable), EPIC BpiFrance (AA/Stable) or Société du Grand Paris (AA/Stable). Fitch expects the equalisation of the ratings of French national EPs (excluding hospitals) with those of the sovereign to remain the standard under its new GRE criteria (See [What Investors Want to Know: The Status of EPs Is not Tantamount to a Guarantee](#)).

AFD also compares well with the ratings of Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO; AAA/Stable/F1+). The latter is the development bank for the Dutch state and its ratings are aligned with those of Netherlands (AAA/Stable/F1+).

**Operations**

The following analysis is based on AFD Group’s consolidated accounts.

**Business Activities**

AFD has three broad lines of business. Firstly, its main mission is to provide long-term loans, subsidies and loan guarantees to sovereign and non-sovereign counterparties in developing markets, generally at AFD’s own risk.

Secondly, AFD acts on behalf of the French state by redistributing government funding through concessional loans or direct budgetary aid to sovereign states, NGOs or through multilateral instruments (eg, The Heavily Indebted Poor Countries Initiative, UnitAid or the IMF’s poverty reduction and growth facility).

Thirdly, AFD provides technical expertise in developing countries (eg project management and sustainable development), notably within the framework of AFD-funded projects. It provides technical help to foreign countries and businesses through project advisory and training services.

The state compensates AFD for financing made on its behalf. It also provides the agency with preferential long-term loans to help lower interest rates on loans.

**Steady Assets and Commitments Growth**

AFD Group’s assets totalled EUR39.7 billion at end-2017, up by 5.2% compared with end-2016 and up by 54.5% compared with end-2013. This is in line with the French state’s commitment to strengthen and develop AFD’s activities.

**AFD Group Assets Distribution**

(EURm)	2015	2016	2017
Total loans	27,504	30,146	31,123
Other assets	8,330	7,603	8,595
<b>Total assets</b>	<b>35,834</b>	<b>37,749</b>	<b>39,718</b>

Source: Fitch Ratings, AFD

AFD's assets should continue to grow in the coming years, according to its business plan. The group's annual commitments are expected to reach EUR14 billion in 2020 (2017: EUR10.3 billion), about EUR5 billion of which are expected to be dedicated to climate projects.

## Credit Risk

### Loans Portfolio

AFD Group's outstanding loans totalled EUR31.1 billion at end-2017, up by 3.2% from end-2016 (EUR30.1 billion), following a 9.6% increase in 2016. Business growth in 2017, as in the previous year, was entirely due to AFD's own-risk lending abroad, as the amount of state-guaranteed loans slightly declined.

Loans to sovereign entities represented 49.9% of the portfolio at end-2017, including loans guaranteed by the French state, which were 3% of total loans. Loans to foreign non-sovereign entities and French overseas territories were 33% and 16.8%, respectively, of the portfolio.

## AFD and Proparco – Main Countries Exposure

End 2017	(EURm)	(%)
Morocco	2,108.1	7.9
Brazil	1,697.6	6.3
Colombia	1,582.6	5.9
Turkey	1,561.5	5.8
Mexico	1,202.2	4.5
Indonesia	1,196.2	4.5
Tunisia	971.0	3.6
Kenya	955.6	3.6
South Africa	909.6	3.4
Vietnam	870.3	3.2
<b>Top 10 exposures</b>	<b>13,054.5</b>	<b>48.7</b>
<b>Total<sup>a</sup></b>	<b>26,816.7</b>	

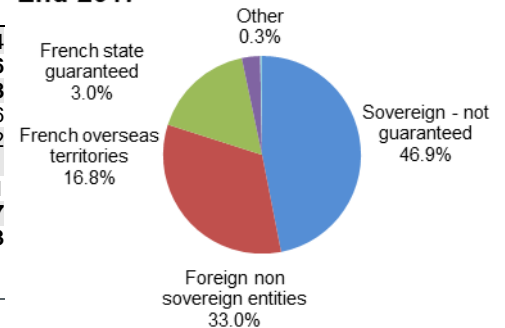
<sup>a</sup> State-guaranteed loans and sub-participation loans excluded  
Source: Fitch Ratings, AFD

## AFD Group – Loans Distribution

(EURm)	2016	2017
<b>Sovereign</b>	14,167	15,534
<b>French state guaranteed</b>	<b>980</b>	<b>936</b>
<b>Sovereign - not guaranteed</b>	<b>13,187</b>	<b>14,598</b>
<b>French overseas territories</b>	4,934	5,216
<b>Foreign non sovereign entities</b>	10,967	10,282
<b>Other</b>	78	91
<b>Total non-guaranteed</b>	<b>29,166</b>	<b>30,187</b>
<b>Total</b>	<b>30,146</b>	<b>31,123</b>

Source: Fitch Ratings, AFD

## AFD Group - Loans Distribution, End-2017



Source: Fitch Ratings

Loans are concentrated in several geographical zones as AFD's lending scope is defined by the state's policy guidelines. The top 10 country exposures accounted for 48.7% of outstanding loans at end-2017 (see table *AFD and Proparco – Main Countries Exposure*) up from 51.8% at end-2016.

## Stable Credit Risk

Credit risk is AFD's main business risk as loans are made to risky counterparties in developing markets, on long maturities. However, impaired loans remained relatively low, at 2.5% of loans at end-2017 (excluding state-guaranteed loans). Their coverage ratio by depreciation and provisions was adequate at 60.1% in 2017 (2016: 57.5%).

Credit risk is also mitigated by the fact that most of AFD's own-risk loans to sovereign borrowers are eligible for the Club de Paris (The Paris Club: a group of creditor nations whose objective is to find workable solutions to payment problems faced by debtor nations). The restructuring of a sovereign borrower's loans would be covered by France, as was the case in recent years for loans to the Democratic Republic of Congo or Côte d'Ivoire.

AFD's loans to non-sovereign borrowers carry higher risk, as they are made to entities not eligible for the Club de Paris restructuring. However, we believe AFD's technical expertise underpins its ability to limit risks. Credit risk is also mitigated by AFD's privileged-creditor status as a development finance institution, as well as its requirements concerning external guarantors and securities.

## Financial Performance

The following analysis is based on AFD Group's consolidated accounts.

Profit before tax was EUR347.4 million in 2017, up by 19.1% from 2016 (EUR291.6 million). Net banking income increased by 4.3% to EUR755.2 million from EUR723.8million, which was

## AFD Group – Impaired Loans and Coverage Ratios

	2016	2017
<b>Total loans (exc. state guaranteed)</b>	29,166	30,187
<b>Depreciation and provisions</b>	834	826
<b>Coverage ratio (%)</b>	<b>2.9</b>	<b>2.7</b>
<b>Impaired loans</b>	732	762
<b>% of total</b>	<b>2.5</b>	<b>2.5</b>
<b>Depreciation and provisions on impaired loans</b>	421	458
<b>Coverage ratio (%)</b>	<b>57.5</b>	<b>60.1</b>

Source: Fitch Ratings, AFD



attributable to a decline in interest expense (by 9.2%). The cost of risk declined sharply to EUR12.3 million in 2017, from EUR97.6 million in 2016, mainly as a result of a change in the method of provisioning (provisions decreased by EUR48 million).

This was partially offset by a 13% growth in operating expenses to EUR387.7 million in 2017 from EUR343.0 million in 2016. About 60% this growth was attributable to growing staff costs (by 12.5%). As the result, the cost/income ratio increased to 51.3% in 2017 from 47.4% in 2016.

AFD operates a branch network providing on-the-ground technical assistance and project management, unlike other development finance institutions such as FMO or KfW (AAA/Stable/F1+). It also directly handles the administrative management of individual loans, and dedicates strong resources to advisory services.

### Capitalisation, Funding and Liquidity

The following analysis is based on AFD Group's consolidated accounts.

#### Sound Capitalisation

AFD is well capitalised, with regulatory capital ratios significantly above the regulatory minimums. The capital adequacy ratio was 16.44% at end-2017, well above the regulatory minimum of 9.25% and close to its 2016 level (16.82%).

In 2016, the French state converted EUR2.4 billion of former Tier 2 capital (former subordinated loans) into Tier 1 capital, which resulted into a sharp increase in AFD Group's Tier 1 ratio 16.44% in 2017, well above the regulatory minimum of 7.25%, and CET1 ratio to 14.57%, compared with a regulatory minimum of 5.75%.

This should ensure that AFD has the means to implement its business plan while maintaining adequate capital ratios in the coming years.

#### Debt and Long-Term Funding

AFD Group's long-term senior debt increased to EUR28.9 billion at end-2017 (end-2016: EUR26.8 billion) as a result of growth in group activities. In September 2018, the debt maturity profile showed debt repayments will vary between EUR1 billion and EUR4.2 billion a year over the next 10 years.

AFD's funding relies on a EUR2 billion negotiable European short-term commercial paper programme, a EUR2 billion medium-term programme and the EUR40 billion EMTN programme. The funding policy aims to adjust borrowing maturity to match average asset maturity (about eight years) and smooth out the long-term repayment schedule. State support allows AFD to achieve cheap funding conditions, which are passed on to borrowers. AFD swaps all issues and loans into the euro's floating rate.

Annual funding reached EUR6.2 billion in 2017. We expect it to be about EUR6.7 billion in 2018, and AFD expects it to be almost EUR10 billion in 2022, reflecting the increase in the growth of loans. This should lead to an increase in debt over the medium term.

#### Liquidity

AFD's liquidity is sound, with an end-July 2018 liquidity reserve of about EUR1.8 billion, or above nine months of cash outflows. AFD aims at keeping this buffer at above six months on a sustained basis. This reserve included a mix of cash and liquid assets. Around 85% of the liquid portfolio is rated 'A' or above.

### AFD Group – Income Statement

(EURm)	2016	2017	Evol 2016/ 2017 (%)
<b>Interest revenue</b>	1,497.2	1,446.5	-3.4
Interest expenditure	1,110.0	1,007.8	-9.2
<b>Net interest income</b>	<b>387.2</b>	<b>438.7</b>	13.3
Other operating income	336.6	316.5	-6.0
<b>Net banking income</b>	<b>723.8</b>	<b>755.2</b>	4.3
Operating expenses	343.0	387.7	13.0
<b>Incl. staff costs</b>	<b>209.4</b>	<b>235.5</b>	12.5
Cost of risk	97.9	12.3	-87.5
Non-recurring income	8.8	-7.8	-188.6
<b>Profit before tax</b>	<b>291.7</b>	<b>347.4</b>	19.1

Source: Fitch Ratings, AFD

### AFD Group – Capital Ratios Overview

	2015	2016	2017
<b>Consolidated capital (EURm)</b>	5,593	5,860	6,339
Capital adequacy ratio (%)	16.72	16.82	16.44
<b>Minimum regulatory level (%)</b>	8.0	8.625	9.25
Tier 1 ratio (%)	9.42	16.82	16.44
<b>Minimum regulatory level (%)</b>	6.0	6.625	7.25
CET 1 ratio (%)	8.70	15.22	14.57
<b>Minimum regulatory level (%)</b>	4.5	5.125	5.75

Source: Fitch Ratings, AFD

Appendix A

Agence Française de Développement (AFD) – EPIC

(EURm)	2013	2014	2015	2016	2017
<b>Profit and loss</b>					
Interest revenue	1,232.6	1,380.4	1,566.6	1,555.9	1,528.6
Interest expenditure	-1,038.1	-1,169.7	-1,272.7	-1,244.8	-1,182.2
Net interest income	194.5	210.7	294.0	311.1	346.4
Net fees and commissions					
Other operating income	246.2	237.8	239.1	228.0	222.2
Personal expenses	-184.3	-184.8	-193.8	-209.7	-235.7
Other operating expenses	-96.2	-99.8	-100.9	-117.1	-132.8
Net gains and losses on securities and trading					
Net operating income/(loss)	160.2	163.9	238.4	212.4	200.1
Provisions	-60.4	-41.0	-66.1	-74.4	9.8
Operating profit (loss) after provisions	99.9	123.0	172.3	138.0	209.8
Other non-operating revenues/expenses	-7.0	-1.6	7.7	0.2	4.8
Contributions from state budgets					
Profit (loss) before tax	92.9	121.3	180.0	138.2	214.6
Taxation	0	0	0	0	0
Net profit (loss)	92.9	121.3	180.0	138.2	214.6
<b>Balance sheet</b>					
<b>Assets</b>					
Cash and cash equivalents	15.3	48.1	30.4	173.2	1,016.8
Liquid securities	670.9	770.4	1,439.5	1,429.5	1,746.2
Deposits with banks					
Loans	23,823.9	27,934.0	31,571.1	33,167.3	35,965.5
Other earning assets	970.0	334.7	357.5	442.6	382.1
Long-term investments					
Fixed assets	196.5	194.6	194.2	191.2	192.5
Intangible	16.5	19.6	21.1	26.6	31.8
Other long-term assets	1,187.3	1,331.1	1,686.4	1,818.8	1,594.4
Total assets	26,880.3	30,632.5	35,300.2	37,249.2	40,929.3
<b>Liabilities &amp; equity</b>					
Customer deposits					
Deposits from banks	202.4	545.1	490.8	442.2	452.4
Short-term borrowing	694.0	-	941.9	-	-
Other short-term liabilities	2,040.3	2,224.5	2,233.1	2,214.0	2,086.6
Debt maturing after 1 year	17,444.4	21,309.1	24,327.2	27,320.5	30,532.6
Other long-term funding					
Other provisions and reserves	910.6	990.0	1,058.6	1,176.6	1,195.3
Other long-term liabilities	3,236.4	3,136.4	3,673.2	990.0	1,375.0
Equity	1,892.2	1,967.4	2,115.3	4,645.9	4,827.4
Reserves	460.0	460.0	460.0	460.0	460.0
Total liabilities & equity	26,880.3	30,632.5	35,300.2	37,249.2	40,929.3

Source: Fitch Ratings, AFD

Appendix A (Cont.)

Agence Française de Développement (AFD) – Group

(EURm)	2013	2014	2015	2016	2017
<b>Profit and loss</b>					
Interest revenue	1,202.3	1,343.0	1,516.7	1,497.2	1,446.5
Interest expenditure	-921.3	-1,057.4	-1,140.9	-1,110.0	-1,007.8
Net interest income	281.0	285.6	375.8	387.1	438.7
Net fees and commissions					
Other operating income	265.5	221.9	218.0	336.6	316.5
Personal expenses	-184.7	-184.8	-192.8	-209.4	-235.5
Other operating expenses	-117.8	-112.6	-115.4	-133.6	-152.3
Net gains and losses on securities and trading					
Net operating income/(loss)	243.9	210.1	285.6	380.7	367.5
Provisions	-65.9	-68.8	-97.6	-97.9	12.3
Operating profit (loss) after provisions	178.1	141.3	188.0	282.7	355.2
Other non-operating revenues/expenses	5.8	4.6	11.2	8.8	-7.8
Contributions from state budgets					
Profit (loss) before tax	183.9	145.9	199.1	291.6	347.4
Taxation	-15.7	-13.5	-16.0	-25.5	-15.1
Net profit (loss)	168.2	132.4	183.1	266.1	332.4
<b>Balance sheet</b>					
<b>Assets</b>					
Cash and cash equivalents	15.3	48.1	30.4	173.2	1,016.8
Liquid securities	117.4	214.6	833.4	801.7	1,144.7
Deposits with banks					
Loans	22,335.7	26,297.2	29,341.9	31,054.1	32,051.1
Other earning assets	741.3	764.3	821.1	831.0	802.0
Long-term investments	2,064.3	3,239.3	3,820.2	3,753.0	3,731.2
Fixed assets	197.5	195.4	195.0	192.3	194.2
Intangible	16.5	19.6	21.1	26.6	31.8
Other long-term assets	224.5	464.1	771.0	917.5	745.6
Total assets	25,712.6	31,242.5	35,834.2	37,749.4	39,717.5
<b>Liabilities &amp; equity</b>					
Customer deposits					
Deposits from banks	9.6	8.1	1.3	4.5	17.1
Short-term borrowing	694.0	-	941.9	-	-
Other short-term liabilities	2,508.5	3,745.5	4,017.5	3,757.9	3,143.8
Debt maturing after 1 year	15,728.6	20,585.8	23,678.8	26,809.4	28,893.9
Other long-term funding					
Other provisions and reserves	656.9	724.6	736.6	801.3	849.2
Other long-term liabilities	3,286.5	3,169.5	3,256.3	560.0	720.0
Equity	2,590.5	2,725.4	2,906.3	5,521.8	5,798.9
Reserves	237.9	283.6	295.4	294.3	294.6
Total liabilities & equity	25,712.6	31,242.5	35,834.2	37,749.4	39,717.5

Source: Fitch Ratings, AFD



Appendix B

Agence Française de Développement (AFD) – EPIC

(%)	2013	2014	2015	2016	2017
<b>Ratios</b>					
<b>Performance</b>					
Interest revenue on loans/loans	5.0	4.8	4.8	4.5	4.0
Interest expense/borrowings and deposits	5.7	5.4	4.9	4.5	3.8
Net interest income/earning assets	0.8	0.7	0.9	0.9	0.9
Net operating income/net interest income and other oper. revenue	36.4	36.6	44.7	39.4	35.2
Net operating income/equity and reserves	6.8	6.8	9.3	4.2	3.8
Net operating income/total assets	0.6	0.5	0.7	0.6	0.5
<b>Credit</b>					
Growth of total assets	13.9	14.0	15.2	5.5	9.9
Growth of loans	11.5	17.3	13.0	5.1	8.4
Impaired loans/total loans					
Reserves for impaired loans/impaired loans					
Loan impairment charges/loans					
<b>Liquidity and funding</b>					
Long-term debt/total equity and reserves	741.6	877.9	944.6	535.1	577.5
Liquid assets/total assets	2.6	2.7	4.2	4.3	6.8
Total deposits and debt/total assets	68.2	71.3	73.0	74.5	75.7
Liquid assets/short-term deposits and borrowing	98.9	-	156.1	-	-
<b>Capitalisation</b>					
Equity and reserves/total assets	8.8	7.9	7.3	13.7	12.9
Net profit/total equity and reserves	3.9	5.0	7.0	2.7	4.1
Loans/equity and reserves	1,012.8	1,150.8	1,225.9	649.6	680.2

Source: Fitch Ratings, AFD

Appendix B (Cont.)

Agence Française de Développement (AFD) – Group

(%)	2013	2014	2015	2016	2017
<b>Ratios</b>					
<b>Performance</b>					
Interest revenue on loans/loans	5.1	4.9	4.9	4.6	4.2
Interest expense/borrowings and deposits	5.6	5.1	4.6	4.1	3.5
Net interest income/earning assets	1.2	1.1	1.2	1.2	1.3
Net operating income/net interest income and other oper. revenue	44.6	41.4	48.1	52.6	48.7
Net operating income/equity and reserves	8.6	7.0	8.9	6.5	6.0
Net operating income/total assets	0.9	0.7	0.8	1.0	0.9
<b>Credit</b>					
Growth of total assets	10.3	21.5	14.7	5.3	5.2
Growth of loans	15.9	17.7	11.6	5.8	3.2
Impaired loans/total loans	2.6	2.5	2.5	2.5	2.5
Reserves for impaired loans/impaired loans	-	-	-	-	-
Loan impairment charges/loans	-	-	-	-	-
<b>Liquidity and funding</b>					
Long-term debt/total equity and reserves	556.1	684.1	739.6	461.0	474.2
Liquid assets/total assets	0.5	0.8	2.4	2.6	5.4
Total deposits and debt/total assets	63.9	65.9	68.7	71.0	72.8
Liquid assets/short-term deposits and borrowing	2.2	-	3.2	-	-
<b>Capitalisation</b>					
Equity and reserves/total assets	11.0	9.6	8.9	15.4	15.3
Net profit/total equity and reserves	5.9	4.4	5.7	4.6	5.5
Loans/equity and reserves	789.7	874.0	916.4	533.9	526.0
Regulatory capital adequacy ratio	18.12	19.05	16.72	16.82	16.44

Source: Fitch Ratings, AFD

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