Agence Française de Développement

Key Rating Drivers

Rating Derivation Summary: Fitch Ratings classifies Agence Française de Développement (AFD) as a government-related entity (GRE) of the French state and equalises its ratings with those of the sovereign. AFD scores 50 points under Fitch’s GRE criteria, reflecting the agency’s view that the state would provide AFD with timely extraordinary support if needed.

Status, Ownership, and Control – ‘Very Strong’: AFD benefits from the special status of “établissement public industriel et commercial” (EPIC), which grants the national government full ownership and tight control of it. Under French law for EPICs, AFD cannot be liquidated or be declared bankrupt: it can only be dissolved by law with an automatic and unconditional transfer of its assets and liabilities to the state or another entity designated by the state.

Support Track Record and Expectations – ‘Very Strong’: As an EPIC, AFD can access the state’s emergency liquidity-support mechanisms with no legal or regulatory restrictions. Fitch considers that the government is ultimately liable for AFD’s debt, along with that of other EPICs. The state has directly supported AFD with a new EUR0.5 billion capital injection and EUR0.9 billion conversion of subordinated debt into Tier 1 capital allowed in 2021; it also extends guarantees on loans (3% at end-2020).

Socio-Political Implications of Default – ‘Strong’: In Fitch’s opinion, AFD is a key participant in France’s foreign policy as the main provider of development aid. The French government relies on AFD to implement the UN’s Sustainable Development Goals set, the Paris climate agreement, and France’s target to achieve an Official Development Assistance trajectory of 0.55% of gross national income (GNI). A default would hamper AFD’s policy mission and activities, with negative reputational effect on the government.

Financial Implications of Default – ‘Very Strong’: Investors perceive AFD a proxy funding vehicle for the government as evidenced by bond spreads between AFD and the sovereign in the range of 10-20 bp. Fitch believes that a default would significantly affect other French GREs’ borrowing capacity, especially EPICs. AFD has regularly recourse to capital market funding and has EUR40.3 billion bonds outstanding at end-2020.

ESG Considerations: The highest level of ESG credit relevance, if present, is a score of ‘3’. This means ESG issues are credit neutral or have only a minimal credit impact on the entity.

Rating Sensitivities

Change in Sovereign Rating: A downgrade of France’s ratings would lead to a similar action on AFD’s ratings. Conversely, a revision of France’s Outlook to Stable would result in similar action on AFD, assuming other factors were unchanged.

Change in Support Factors: A weaker assessment of strength of linkage or incentive to support factors, leading to a score below 45 points under our GRE criteria, would lead to a top-down assessment minus one notch from the sovereign.
Rating Synopsis

Fitch views AFD as a GRE of the French state and assigns a score of ‘50’ out of a maximum of ‘60’ points to this entity under its GRE criteria. This reflects a ‘Very Strong’ assessment on three rating factors (Status, Ownership and Control, Support Track Record and Expectations, Financial Implications of Default) and a ‘Strong’ on Socio-political implications of AFD’s default. The GRE score of ‘50’ leads to an equalisation of AFD’s ratings with those of the sovereign. The Outlook on AFD’s ratings reflects that of the state.

Issuer Profile

AFD was established in 1941 as France’s development finance agency. Its missions are defined within the Committee for International Cooperation and Development (CICID). AFD’s aims to reduce poverty and inequalities, promote sustainable economic growth and long-term carbon neutrality. To implement its strategy, AFD can extend loans, grants, guarantees and other forms of budgetary aid to public-sector entities in developing markets, including French overseas territories, and to private-sector entities through its main subsidiary Proparco.

AFD plays a primary role in France’s foreign policy as it is the main operator of bilateral development aid, supporting France’s target to achieve an Official Development Assistance trajectory of 0.55% of GNI. AFD participates in several national and international networks on development aid and has on-site presence in most countries in which it operates.

AFD has equity stakes in several subsidiaries. The most important is Proparco, a limited-liability development finance institution. The AFD Group produces consolidated financial statements in accordance with IFRS. AFD also produces financial statements in accordance with French GAAP on a standalone basis. Fitch rates AFD’s debt at the EPIC (standalone) level.
Support Rating Factors
Agence Française de Development (AFD) – Assessment of Support

<table>
<thead>
<tr>
<th>Status, ownership, and control</th>
<th>Support track record</th>
<th>Socio-political implications of default</th>
<th>Financial implications of default</th>
<th>GRE score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very strong</td>
<td>Very strong</td>
<td>Strong</td>
<td>Very strong</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: Fitch Ratings

Status, Ownership and Control: Very Strong
AFD’s EPIC status implies that it is not subject to liquidation or bankruptcy procedures. AFD dissolution is only possible through law that would regulate the transfer of its assets and liabilities to the state or to another public entity designated by the state.

The French government monitors and controls AFD directly through a three-year contract of objectives and resources (Contrat d’Objectif et de Moyens), whose approval for 2020-2022 was delayed because of the Covid-19 pandemic; approval is expected in 2021. The Programming Law on Development and International Solidarity for 2021 defines AFD’s role in France’s foreign policy, the main lines of intervention, and priority countries.

A state decree appoints AFD’s key personnel, such as the managing director and the chair of the board. The government has five representatives on the 18-member board, that includes four members of parliament, six state-appointed experts (economy, migration and sustainable development), and two AFD members internal.

The Ministries of Economy and Finance, Foreign Affairs, and Overseas Departments and Territories provide a further layer of control; they can organise independent audits on specific aspects or operations. AFD is also subject to broader controls from supervisory bodies, such as the Court of Accounts and the French Prudential Supervision and Resolution Authority (ACPR), the regulator of French financial intermediaries.

Support Track Record: Very Strong
In Fitch’s opinion, France’s Law of 1980 makes the state liable for the debt of EPICs, such as AFD. Fitch believes that the Law is not tantamount to a first-demand guarantee but constitutes a strong form of support to EPICs.

Under the EPIC framework, AFD is eligible to access the state’s emergency liquidity-support mechanisms that, in Fitch’s view, can be deployed in a timely manner with no legal or regulatory restrictions. In particular, AFD can benefit from cash advances from the state’s treasury; and the Ministry of Finance or the state debt fund (Caisse de la dette publique) can intervene by purchasing AFD’s short-term issuances in case of need.

Fitch views the state as being supportive of AFD's capital structure and the financial security required for its social mission. In 2021 the government agreed to inject EUR0.5 billion Tier 1 capital and to convert EUR0.9 billion of subordinated debt into Tier 1 capital. Another capital strengthening occurred in 2016, with the conversion of Tier 2 capital into Tier 1 for a total of EUR2.4 billion.

France has shown consistent support to AFD: it provides preferential long-term loans from the state’s treasury (EUR247 million in 2020), it guarantees 3% of AFD’s loan portfolio (around EUR1.3 billion at end-2020) and extended EUR1.3 billion of guarantees on loans (consolidated figure, off-balance sheet).

Socio-Political Implications of Default: Strong
In Fitch’s opinion, a default of AFD could endanger the continuous provision of services and would be seen as a failure for the government to exercise its mission. It would also have a reputational effect on the state in its relationships with countries that benefit from AFD funding and with institutions that co-finance AFD’s projects.
AFD is in charge of implementing the large majority of French bilateral developmental aid and a key participant in achieving France’s objective to raise total developmental aid to 0.55% of GNI by 2022. It also supports the state to fulfil its international commitments within the UN’s 2030 Agenda for Sustainable Development and the Paris Agreement. The financial trajectory to meet this objective is defined in the Programming Law on Development and International Solidarity for 2021, where AFD is clearly identified as the main actor for France’s bilateral aid policies.

AFD largely relies on the debt market to carry out its operations. As a result, a default would have a direct impact on its ability to fulfil its mission. The pandemic sharply increased its funding needs in 2020 due to the acceleration of disbursements on new initiatives as well as on past commitments in response to the crisis. As a result, AFD increased its EMTN programme to EUR50 billion from EUR40 billion and issued a total of EUR9.9 billion notes in 2020.

AFD is difficult to substitute in the short to medium term. A substitution would entail a complex transition process involving its 85 agencies worldwide for a large number of transactions. AFD's total approved commitments have been more than EUR10 billion a year since 2017. The agency manages a consolidated loan portfolio of EUR41.3 billion (IFRS-adjusted) and total assets of EUR54.2 billion.

Fitch expects a sustained increase in the size of loan portfolio in the medium term, along with AFD’s commitments approvals and faster disbursements as per the agency’s objectives. The loan portfolio grew steadily by about 12% in 2020 compared with 2019, and 10% in 2019 versus 2018.

AFD is a recognised international partner and chairs the International Development Finance Club (IDFC), which promotes best practice to encourage climate-related strategies and operations among its members.

In February 2018, the Committee for International Cooperation and Development (comité interministériel de la coopération internationale et du développement - CICID) decided to integrate Expertise France, a technical cooperation operator, into the AFD group, and which should be completed on 1 January 2022, when it will become an AFD subsidiary. Fitch believes this will strengthen AFD’s activity and reinforce its pivotal role in development aid policy implementation.

Financial Implications of Default: Very Strong

AFD is a proxy funding vehicle for the French State and its default could significantly affect the borrowing capacity of other French GREs, especially EPICS. Such a default would raise concerns on the government’s ability or willingness to prevent a default of related entities.

AFD is a large, frequent issuer and an active participant in the financial market, with its EUR50 billion EMTN programme and EUR40.3 billion outstanding bonds at end-2020. AFD’s capacity to issue with low spreads on government bonds highlights its close relationship with the government. The latest AFD issuance spreads were 10-20bp above government bonds, contributing to a decrease of AFD’s average cost of funding below 0.5%, together with the actual low interest rate environment.
Overall GRE Assessment
The assessment of the above rating factors leads to a score of 50 under our GRE criteria.

Operations
Group Structure
AFD has a network of subsidiaries that implement different activities. Proparco is AFD’s largest subsidiary: it extends financing to the private sector and can operate in all developing countries globally. On behalf of AFD, Proparco manages Fisea, an investment fund that supports the development of African SMEs.

Some of AFD’s subsidiaries are focused on sustaining French overseas territories: Sogefom provides guarantees; Sic is a social housing developer in New Caledonia; Socredo is a semi-public bank that operates in Polynesia in important economic sectors, including shipping and tourism. AFD manages Soderag’s liquidation of residual assets and liabilities.

Expertise France should be integrated into the AFD group from 2022 and will become a fully owned subsidiary with some state representative in its board. The integration aims to enhance intergroup synergies and further strengthen AFD’s development aid platforms on technical cooperation and capacity building.

AFD Group at End-2020

<table>
<thead>
<tr>
<th>AFD</th>
<th>Fisea Ownership: 100% Control: 100%</th>
<th>Proparco Ownership: 78.19% Control: 78.19%</th>
<th>Sogefom Ownership: 60% Control: 58.69%</th>
<th>Soderag Ownership: 100% Control: 100%</th>
</tr>
</thead>
</table>

Companies Consolidated Financially Through the Equity Method

<table>
<thead>
<tr>
<th>Sic Ownership: 50% Control: 50%</th>
<th>Socredo Ownership: 35% Control: 35%</th>
</tr>
</thead>
</table>

Source: Fitch Ratings

AFD’s activities run along three main lines:

- AFD’s main mission is to provide long-term loans, subsidies and loan guarantees to sovereign and non-sovereign counterparties in developing markets, generally on AFD’s own funds.

- 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 (e.g. the Heavily Indebted Poor Countries Initiative or the IMF’s poverty reduction and growth facility). It is also authorised to represent third parties, including CDC and Bpifrance Financement S.A. in French overseas territories.

- AFD provides technical expertise in developing countries (e.g. project management and sustainable development) within the framework of AFD-funded projects. It provides technical help to other countries and international businesses through project advisory and training services.

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

AFD – Consolidated P&L

<table>
<thead>
<tr>
<th>EURm</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net banking income</td>
<td>839</td>
<td>764</td>
</tr>
<tr>
<td>o/w financing</td>
<td>391</td>
<td>470</td>
</tr>
<tr>
<td>o/w investment</td>
<td>142</td>
<td>124</td>
</tr>
<tr>
<td>o/w other activities</td>
<td>306</td>
<td>170</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>487</td>
<td>484</td>
</tr>
<tr>
<td>Cost of risk</td>
<td>150</td>
<td>269</td>
</tr>
<tr>
<td>Other revenue/expenditure</td>
<td>-20</td>
<td>4</td>
</tr>
<tr>
<td>Net income</td>
<td>182</td>
<td>15</td>
</tr>
</tbody>
</table>

Source: Fitch Ratings, AFD

AFD Group Loans Distribution

<table>
<thead>
<tr>
<th>End-2020 (EURm) (%)</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans at AFD group risk</td>
<td>39,065</td>
<td>97</td>
</tr>
<tr>
<td>Sovereign</td>
<td>20,138</td>
<td>51</td>
</tr>
<tr>
<td>Non-sovereign</td>
<td>12,995</td>
<td>32</td>
</tr>
<tr>
<td>French overseas territories &amp; others</td>
<td>5,799</td>
<td>14</td>
</tr>
<tr>
<td>Loans at state’s risk</td>
<td>1,225</td>
<td>3</td>
</tr>
<tr>
<td>Guaranteed by the state</td>
<td>1,225</td>
<td>3</td>
</tr>
<tr>
<td>Granted by the state</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total loans</td>
<td>40,290</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Fitch Ratings, AFD
**Assets and Commitments**

Notwithstanding the extraordinary situation, in 2020 AFD’s consolidated assets of EUR54.2 billion increased by 14% compared to 2019 (EUR47.6 billion), with a compound annual growth rate (CAGR) of 9% from 2015 to 2020. Total asset size was driven by a 12% increase in outstanding loans coupled with a higher level of cash and securities (+24% in 2020 versus 2019) after growing issuances on the capital markets (see Capitalisation, Funding and Liquidity).

Approved commitments in 2020 at EUR12 billion slowed because of the pandemic and remained below both the 2019 peak of EUR14 billion and the 2020 target of EUR13 billion; a similar level should be attained in 2021 with about EUR11 billion of new commitments. The slowdown in approvals is counterbalanced by the increased volume of disbursements, which accelerated by about 35% in 2020 in response to the pandemic. Fitch expects AFD’s loans portfolio to grow at a sustained pace in the medium term (2016-2020 CAGR at 7%), backed by AFD’s countercyclical role of sustaining development in weaker countries and in line with the government’s strategic objective to increase its contribution to development aid at 0.55% of GNI.

**Loan Portfolio**

The increase of AFD’s loan portfolio boosted total asset growth to above EUR40 billion at end-2020 from EUR36 billion in 2018 (and EUR26 billion in 2014). Own-risk loans dominate the loan portfolio – as in the past – which account for 97% of total loans: they increased by 12% in 2020 compared with 2019. Loans at the state’s risk, which almost doubled in 2019 from 2018, remained above EUR1 billion in 2020.

The loan portfolio composition was fairly stable in 2020, with sovereign loans accounting for about 50% of the total portfolio, a third of non-sovereign loans, and the remaining 15% is lending to French overseas territories, while 2%-3% of loans are guaranteed by the state.

AFD operates in 115 countries, under state policy guidelines and within the group’s limit system. It focuses on Africa, Three Oceans (overseas departments and neighbouring countries in the geographical basins of the Atlantic, Indian, and Pacific Oceans), Asia and Latin America. The top 10 countries by exposure accounted for 37% of outstanding loans at end-2020.

**AFD Group and Proparco - Top 10 Countries Exposure (% of Total Loans in 2020)**

<table>
<thead>
<tr>
<th>Country</th>
<th>Exposure (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco</td>
<td>5.4</td>
</tr>
<tr>
<td>Colombia</td>
<td>4.7</td>
</tr>
<tr>
<td>Indonesia</td>
<td>4.0</td>
</tr>
<tr>
<td>Turkey</td>
<td>3.7</td>
</tr>
<tr>
<td>India</td>
<td>3.5</td>
</tr>
<tr>
<td>Mexico</td>
<td>3.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>2.8</td>
</tr>
<tr>
<td>Kenya</td>
<td>2.8</td>
</tr>
<tr>
<td>Senegal</td>
<td>2.7</td>
</tr>
<tr>
<td>Egypt</td>
<td></td>
</tr>
</tbody>
</table>

Source: Fitch Ratings, AFD

**Credit Risk**

AFD’s social mission exposes it to risky counterparties in developing markets and over long maturities. Despite this, at end-2020 loans on its own behalf classified as doubtful were moderate and amounted to around 3% of outstanding loans, with an acceptable overall coverage ratio at 37%.

Exposure is diversified across AFD’s three main sub-portfolios. In particular, sovereign-related arrears and write-offs are backed at end-2020 by a EUR919 million French government reserve fund, while sovereign loans classified as doubtful are negligible. In 2021, AFD will start implementing a more rapid impairment on doubtful sovereign loans; however, the reserve accounts mechanism shields AFD from the risk of a sovereign default, which is borne by the state. Loans to French overseas territories classified as doubtful are moderate and provisions cover 30% of loans outstanding; finally, doubtful non-sovereign loans are almost 40% covered by provisions.
With the Covid-19 outbreak, some of the countries in which AFD group operates experienced liquidity constraints in 2020, with possible extensions to 2021. At a group level, the portfolio quality has deteriorated slightly towards the low end of the ‘BB’ rating category, mostly following sovereigns’ downgrades, notably in Africa and Latin America. Additional provisions totalling EUR79 million in 2020 were made on most affected sectors, such as tourism and aviation.

The G20 agreed in July to consider a possible extension of the Debt Service Suspension Initiative (DSSI), which offers relief to eligible low-income countries on debt service payments (principal and interest) due between May and December 2020. AFD participates in the implementation of the DSSI, which potentially involves 35 of its sovereign counterparts. The suspension has been requested by 27 states for a total of EUR580 million for 2020-2021 that will be recovered starting in 2022 until 2024. In addition to sovereign debt, AFD has allowed 60 payment delays to non-sovereign entities for a total principal of EUR135 million.

Financial Performance

AFD posted a balanced consolidated operating result before taxes in 2020 of EUR5 million, which incorporates the effect of fair value adjustments and extraordinary measures to face the pandemic. Consolidated net interest income increased by 11% in 2020 compared to 2019. The 3% decrease in income on loans in 2020 compared to 2019 was more than compensated by lower interest expenses on borrowings due to favourable market conditions. The overall 9% decline of net banking income in 2020 versus 2019 is mostly attributable to EUR91 million fair value adjustments of equity securities, based on a prudent haircut at around 10% of the portfolio.

The cost of risk (i.e. value adjustments after impairment of assets and provisions) sharply increased in 2020 from 2019 due to additional provisioning of EUR108 million and a more rapid recognition of non-performing loans. Fitch expects loan impairment charges to increase in the coming years, mostly reflecting the quality deterioration of Proparco’s loan portfolio on the private sector in vulnerable countries, with some debt restructuring addressing pre-existing difficulties that were exacerbated by the pandemic.

Capitalisation, Funding and Liquidity

As a financing company, AFD is under the direct supervision of the French Prudential Supervisory Authority. The agency has a sound capital base, allowing it to meet capital requirements under Basel III. AFD’s capital adequacy ratio remains sound at 16.3%, above the regulatory minimum of 11.7%, with total regulatory capital at EUR7.9 billion at end-2020. The CET1 ratio at 13.1% is well above the regulatory minimum of 7.7%. The capital structure will be further reinforced with the new EUR0.5 billion capital injection and the EUR0.9 billion conversion of subordinated debt into Tier 1 capital in 2021.

AFD Group - Capital Ratios

![AFD Group - Capital Ratios](source: Fitch Ratings, AFD)

AFD’s main source of funds is market borrowing that it can access via its long- and short-term issuance programmes, which represent the majority of AFD’s liabilities, for a total EUR40.3 billion outstanding bonds with about EUR4 billion repayments a year in 2021-2024. New market borrowings amounted to EUR9.9 billion in 2020, driving a 17% increase of outstanding debt, in line with 2020 increase of its EMTN programme size to EUR50 billion from EUR40 billion.
AFD has a sustainable development goal (SDG) bond framework, which expands the focus on climate change to broader environmental and social aspects. The new framework complies with Green Bond Principles and Social Bond Principles. AFD targets new issuance up to twice a year to meet its increasing commitments on sustainable development. In 2021, AFD has issued EUR 3.5 billion sustainable notes and SDG bonds will cover about 50% of new issuances by end-2021.

At end-2020, AFD’s consolidated liquid assets of EUR 7.6 billion consisted of EUR 3.2 billion cash in hand, EUR 0.8 billion government securities and other short-term assets that can be sold as part of the agency’s asset/liability management. The agency mitigates refinancing risk by maintaining adequate liquidity buffers, such as a stressed liquidity coverage ratio of 110% and a tailored liquidity ratio (adjusted for disbursements) covering short-term liquidity needs by more than 2x. AFD can raise short-term liquidity on the market through its EUR 4 billion Neu commercial paper and its EUR 2 billion Neu medium-term note programme.
Peer Analysis

Peers

<table>
<thead>
<tr>
<th>Issuers</th>
<th>Sponsor</th>
<th>GRE score</th>
<th>IDR</th>
<th>Rating approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agence Française de Developpement (AFD)</td>
<td>France</td>
<td>50</td>
<td>AA</td>
<td>Rating equalisation</td>
</tr>
<tr>
<td>Caisse des Dépots et Consignations (CDC)</td>
<td>France</td>
<td>55</td>
<td>AA</td>
<td>Rating equalisation</td>
</tr>
<tr>
<td>EPIC Bpifrance</td>
<td>France</td>
<td>50</td>
<td>AA</td>
<td>Rating equalisation</td>
</tr>
<tr>
<td>Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)</td>
<td>Netherlands</td>
<td>45</td>
<td>AAA</td>
<td>Rating equalisation</td>
</tr>
<tr>
<td>Cassa depositi e prestiti SpA (CDP)</td>
<td>Italy</td>
<td>47.5</td>
<td>BBB-</td>
<td>Rating equalisation</td>
</tr>
</tbody>
</table>

Source: Fitch Ratings

AFD compares well with other French state operators classified as EPs (établissements publics) and equalised with the sovereign. Differences among GRE scores among national peers stem mainly from their assessment on Socio-Political Implications of Default. AFD’s and EPIC Bpifrance’s (which provides financing to domestic SMEs) social mission is perceived to have a relevant but less direct social impact with respect to CDC that, among other things, manages saving deposits. FMO is the Dutch development bank and it is the closest international peer to AFD; the difference in the IDRs depends on the different sovereign ratings, as is the case for CDP, Italy’s national policy bank, whose IDRs are equalised to the sovereign.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of ‘3’. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on our ESG Relevance Scores, visit https://www.fitchratings.com/site/esg.
## Appendix A: Financial Data

### Agence Française de Développement – Consolidated

<table>
<thead>
<tr>
<th>(EURm)</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit and loss</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest revenue</td>
<td>1,497</td>
<td>1,446</td>
<td>1,587</td>
<td>1,803</td>
<td>1,743</td>
</tr>
<tr>
<td>Interest expenditure</td>
<td>-1,110</td>
<td>-1,008</td>
<td>-1,142</td>
<td>-1,270</td>
<td>-1,148</td>
</tr>
<tr>
<td>Net interest income</td>
<td>387</td>
<td>439</td>
<td>446</td>
<td>533</td>
<td>594</td>
</tr>
<tr>
<td>Net fees and commissions</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other operating income</td>
<td>337</td>
<td>317</td>
<td>200</td>
<td>306</td>
<td>170</td>
</tr>
<tr>
<td>Personal expenses</td>
<td>-209</td>
<td>-236</td>
<td>-261</td>
<td>-295</td>
<td>-313</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-134</td>
<td>-152</td>
<td>-172</td>
<td>-192</td>
<td>-171</td>
</tr>
<tr>
<td>Net operating income/(loss)</td>
<td>381</td>
<td>367</td>
<td>214</td>
<td>352</td>
<td>280</td>
</tr>
<tr>
<td>Provisions</td>
<td>-98</td>
<td>-12</td>
<td>-67</td>
<td>-150</td>
<td>-269</td>
</tr>
<tr>
<td>Operating profit (loss) after provisions</td>
<td>283</td>
<td>355</td>
<td>146</td>
<td>202</td>
<td>12</td>
</tr>
<tr>
<td>Other non-operating revenue/expenses</td>
<td>9</td>
<td>-8</td>
<td>4</td>
<td>-2</td>
<td>-6</td>
</tr>
<tr>
<td>Profit (loss) before taxation</td>
<td>292</td>
<td>347</td>
<td>151</td>
<td>200</td>
<td>5</td>
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<tr>
<td>Taxation</td>
<td>-26</td>
<td>-15</td>
<td>-13</td>
<td>-18</td>
<td>10</td>
</tr>
<tr>
<td>Profit (loss) after tax</td>
<td>266</td>
<td>332</td>
<td>138</td>
<td>182</td>
<td>16</td>
</tr>
</tbody>
</table>

### Balance sheet

<table>
<thead>
<tr>
<th></th>
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Source: Fitch Ratings, Fitch Solutions, AFD
Agence Française de Developpement – EPIC

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Source: Fitch Ratings, Fitch Solutions, AFD
## Appendix B: Financial Ratios

### Agence Française de Développement – Consolidated

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Source: Fitch Ratings, Fitch Solutions, AFD
### Agence Française de Développement – EPIC

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<th>2019</th>
<th>2020</th>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Capitalization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity and reserves/total assets</td>
<td>13.7</td>
<td>12.9</td>
<td>12.3</td>
<td>11.8</td>
<td>10.7</td>
</tr>
<tr>
<td>Net profit/total equity and reserves</td>
<td>2.7</td>
<td>4.1</td>
<td>2.6</td>
<td>2.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Loans/equity and reserves (x)</td>
<td>6.5</td>
<td>6.8</td>
<td>7.1</td>
<td>7.4</td>
<td>7.9</td>
</tr>
<tr>
<td>Regulatory capital adequacy ratio</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: Fitch Ratings, Fitch Solutions, AFD
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