Interim Financial Report

30 June 2013

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Due to rounding, the tables' column totals may slightly differ from the sum of the lines composing them.

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

AFD stands for Agence française de développement.

A. Progress report

Approvals

AFD's approvals for activities on its own behalf, excluding loans to Proparco (€750M at the end of June 2013 compared to €745M at the end of June 2012), totalled €638M in the first half of 2013. They include €73M in subsidies, €517M in loans and €47M in guarantees.

Approvals declined significantly compared to 2012: €1.887bn across all activities. The decrease in activity is due to the sharp drop in sovereign and non-sovereign loan approvals, which fell by €1.678bn and €233M, respectively, compared to 30 June 2012.

Proparco approvals in foreign countries totalled €305M versus €416M at the end of June 2012, or a decline of €111M.

Group operations in the French Overseas Departments and Collectivities came to €113M in the first half of 2013, versus €68M in the first half of 2012.

Disbursements

AFD's disbursements for activities on its own behalf, excluding loans to Proparco (€218M at the end of June 2013 compared to €278M at the end of June 2012), totalled €1.348bn in the first half of 2013. They include €114M in subsidies and €1.234bn in loans, a €370M increase compared to the end of June 2012.

Proparco disbursements in the form of loans and investments in foreign countries totalled €272M versus €320M at the end of June 2012, or a decline of €48M.

Disbursements in the French Overseas Departments and Collectivities came to €266M in the first half of 2013 versus €164M in the first half of 2012, or an increase of €102M.

Financial results

The financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), show consolidated net income of €90M versus €10M at 30 June 2012. This increase is primarily the result of an increase in the fair value of financial instruments through profit and loss (€89M compared to 30 June 2012).

Net banking income produced over the first half of 2013 came to €267M versus €182M in the first half of 2012.

The cost of risk dropped from -€35M to -€22M.

Future prospects

In 2013, AFD's overall target is €8bn in commitments, in accordance with the 2012-2016 Strategic Orientation Plan's assumptions regarding activity and with the budgetary resources allocated to AFD under contractual targets and resources (COM). This programme of activities follows on 2012's in terms of achieving all COM objectives, particularly for subsidy operations in the healthcare and education sectors in Sub-Saharan Africa and in 17 priority poor countries. For AFD, activity forecasts anticipate that a high level of activity in the French Overseas Departments and Collectivities (€1.4bn) will be maintained in 2013, and considerable growth of non-sovereign activity in foreign countries. They also foresee a substantial increase in sovereign loan activity in Sub-Saharan Africa and Asia Pacific compared to 2012.

Risk factors

Total risks are continuing to grow, due to loans at AFD's own risk, as loans at the risk of the French State have fallen slightly. The source of this growth is primarily non-sovereign loans in foreign countries and to a lesser degree in the French Overseas Departments and Collectivities, followed by Proparco and, to a lesser extent, by sovereign loans.

Two-thirds of risks in foreign countries are concentrated in Sub-Saharan Africa and the Mediterranean despite significant change in the proportion of sovereign risk in Asia (29% of total risk).

The quality of the risk portfolio remains good, with its intrinsic rating identical to that of 31 December 2012 on foreign countries and slightly down on French Overseas Departments and Collectivities. The portfolio’s credit rating is the same as it was on 31 December.

B. Consolidated financial statements at 30 June 2013

Balance sheet at 30 June 2013

In thousands of euros	Notes	30/06/2013 IFRS	31/12/2012 IFRS
Assets			
Cash, due from central banks		13,292	11,518
Financial assets at fair value through profit and loss	1	73,638	66,272
Hedging derivatives	2	1,102,964	1,317,708
Available-for-sale financial assets	3	1,815,600	1,477,231
Loans and receivables to credit institutions	4	4,966,907	4,494,434
Demand		*638,053*	*343,138*
Term		*4,328,854*	*4,151,296*
Loans and receivables to customers	4	15,293,924	14,775,283
Commercial receivables		*3,051*	*2,744*
Other loans to customers		*15,290,873*	*14,772,539*
Overdrafts			
Credit-lease			
Revaluation difference on interest rate hedged portfolio		43,159	61,438
Held-to-maturity financial assets	3	690,518	691,751
Current tax assets			
Deferred tax assets		14,255	14,743
Accruals and other miscellaneous assets	5	302,249	43,976
Accruals		*151,359*	*34,822*
Other assets		*150,890*	*9,154*
Equity stakes in companies accounted for by the equity	13	158,625	158,687
Property, plant and equipment	6	190,786	189,267
Intangible assets	6	16,009	15,211
Total assets		**24,681,926**	**23,317,519**
Liabilities			
Central banks		-	
Financial liabilities at fair value through profit and loss	1	117,648	114,548
Hedging derivatives	2	658,746	754,670
Debts to credit institutions	7	99,818	11,964
Demand		*93,161*	*2,899*
Term		*6,657*	*9,065*
Debts to customers	7	1,564	2,783
Special savings accounts			-
of which demand			
Other debts		*1,564*	*2,783*
of which demand		*1,564*	*2,783*
of which term			
Debt securities	7	15,434,710	13,993,148
Short-term notes			
Interbank market securities		*200,050*	*300,000*
Bonds		*15,234,660*	*13,693,148*
Revaluation difference on interest rate hedged portfolio			
Current tax liabilities			
Deferred tax liabilities		121	121
Accruals and other miscellaneous liabilities	5	1,760,151	1,929,863
Borrowing from French Treasury		*234,024*	*258,076*
Allocated public funds		*246,047*	*246,617*
Other liabilities		*1,280,080*	*1,425,170*
Provisions	8	635,212	611,916
Subordinated debt		3,214,874	3,190,186
Total debts		**21,922,844**	**20,609,199**
Shareholders' equity attributable to the Group	9	**2,533,963**	**2,490,911**
Funding and related retained earnings		860,000	860,000
Consolidated retained earnings and other		1,512,263	1,478,629
Gains and losses directly recognised in equity		71,922	57,605
Earnings for the period		89,778	94,677
Minority interests		**225,119**	**217,409**
Total liabilities		**24,681,926**	**23,317,519**

Income statement at 30 June 2013

In thousands of euros	Notes	30/06/2013 IFRS	30/06/2012 IFRS	31/12/2012 IFRS
Interest and similar income	10-1	**545,487**	**568,731**	**1,101,633**
Transactions with credit institutions		130,215	155,899	282,290
Transactions with customers		210,881	195,363	405,324
Bonds and other fixed-income securities		17,222	25,212	47,839
Other interest and similar income		187,169	192,257	366,180
Interest and similar expenses	10-1	**446,045**	**483,644**	**933,889**
Transactions with credit institutions		181,022	155,053	319,841
Transactions with customers		16,213	16,346	32,771
Bonds and other fixed-income securities		173,609	182,287	356,090
Other interest and similar expenses		75,201	129,958	225,187
Commissions (income)		**32,464**	**27,132**	**59,399**
Commissions (expenses)		**1,127**	**1,180**	**2,285**
Net gains or losses on financial instruments at fair value through profit or loss	10-2	**19,146**	**-70,151**	**47,122**
Net gains or losses on available-for-sale financial assets		**12,519**	**6,687**	**16,875**
Income on other activities		**111,233**	**140,384**	**211,555**
Expenses on other activities		**7,012**	**6,273**	**75,586**
Net banking income		**266,665**	**181,686**	**424,824**
Overhead costs		**132,293**	**116,636**	**263,885**
Staff costs	11	88,887	80,811	170,267
Other administrative expenses		43,406	35,825	93,618
Provisions for depreciation/amortisation on intangible assets and property, plant and equipment	6	**7,255**	**6,747**	**14,138**
Gross operating income		**127,117**	**58,303**	**146,801**
Cost of risk	12	**-22,254**	**-35,236**	**-22,261**
Operating income		**104,863**	**23,067**	**124,540**
Share of earnings from companies accounted for by the equity method	13	**2,580**	**2,526**	**4,459**
Net gains or losses on other assets		**1,631**	**-34**	**81**
+/- Change in value of acquisitions				
Pre-tax income		**109,074**	**25,559**	**129,080**
Corporate tax		**-10,258**	**-7,882**	**-17,093**
Net income from discontinued or discontinuing activities				
Net income		**98,816**	**17,677**	**111,987**
Minority interests		**-9,038**	**-7,796**	**-17,310**
Net income, Group share		**89,778**	**9,881**	**94,677**

Net income and gains and losses booked directly as equity at 30 June 2013

In thousands of euros	30/06/2013 IFRS	30/06/2012 IFRS	31/12/2012 IFRS
Net income	**98,816**	**17,677**	**111,987**
Revaluation of available-for-sale financial assets (net of tax)	16,713	12,354	40,608
Total gains and losses booked directly as equity	**16,713**	**12,354**	**40,608**
Net income and gains and losses booked directly as equity	**115,529**	**30,031**	**152,595**
of which Group share	99,186	19,817	135,048
of which minority interests	16,343	10,214	17,547

Cash flow at 30 June 2013

In thousands of euros	30/06/2013 IFRS	30/06/2012 IFRS	31/12/2012 IFRS
Pre-tax income (A)	**100,037**	**17,764**	**113,754**
Net depreciation/amortisation expenses on property, plant and equipment and intangible assets	7,255	6,337	13,864
Impairment of goodwill and other fixed assets	0	0	
Net allocations to provisions (including technical insurance provisions)	40,991	55,919	66,971
Share of earnings from companies accounted for by the equity method	-2,579	-2,526	-4,459
Net loss/(net gain) on investment activities	-513	-3,616	-10,990
Net loss/(net gain) on financing activities	1,328	0	0
Other items	-143,090	69,642	-97,919
Total non-cash items included in net pre-tax income and other items (B)	**-96,608**	**125,756**	**-32,532**
Cash received from credit institutions and equivalent	-267,160	-540,707	-741,620
Cash received from customers	-842,342	-642,081	-2,397,600
Cash flows from other operations affecting other financial assets or liabilities	1,590,746	1,029,041	2,799,246
Cash flows from operations affecting non-financial assets or liabilities	-170,517	303,228	532,279
Taxes paid	-13,821	-5,535	-12,270
= Net increase (decrease) in cash related to assets and liabilities generated by operating activities (C)	**296,906**	**143,946**	**180,036**
Net cash flows from operating activities (A + B + C)	**300,335**	**287,465**	**261,258**
Cash flows from financial assets and equity stakes	-56,085	-39,751	-83,854
Cash flows from property, plant and equipment and intangible assets	-8,109	-14,426	-32,181
Net cash flows from investment activities	**-64,194**	**-54,177**	**-116,035**
Cash flows to or from shareholders	-68,736	14,968	-58,103
Other net cash flows from financing activities	39,022	-57,903	101,501
Net cash flows from financing activities	**-29,714**	**-42,935**	**43,397**
Net increase (decrease) in cash and cash equivalents	**206,427**	**190,353**	**188,620**
Opening balance of cash and cash equivalents	**351,757**	**163,137**	**163,137**
Net balance of cash accounts and accounts with central banks	11,518	24,099	24,099
Net balance of term loans and deposits from credit institutions	340,239	139,038	139,038
Ending balance of cash and cash equivalents	**558,184**	**353,490**	**351,757**
Net balance of cash accounts and accounts with central banks	13,292	21,102	11,518
Net balance of term loans and deposits from credit institutions	544,892	332,388	340,239
Change in cash and cash equivalents	**206,427**	**190,353**	**188,620**

Statement of changes in shareholders' equity from 31 December 2011 to 30 June 2013

In thousands of euros	Funding	Funding reserves	Consolidated reserves	Earnings for the period	Unrealised or deferred gains or losses	Shareholders' equity
Consolidated equity at 31 December 2011 (IFRS)	**400,000**	**460,000**	**1,492,522**	**65,314**	**18,750**	**2,436,586**
Share of 2011 earnings retained in reserves			65,314	-65,314		0
Dividends paid						0
Other changes						0
Earnings for first half of 2012			-281	9,881		9,600
Gains or losses directly recorded in consolidated equity for 2012					10,579	10,579
Consolidated equity at 30 June 2012 (IFRS)	**400,000**	**460,000**	**1,557,555**	**9,881**	**29,329**	**2,456,765**
Share of 2011 earnings retained in reserves			-55,118	55,118		0
Dividends paid				-55,118		-55,118
Other changes			-23,808			-23,808
Earnings for second half of 2012				84,796		84,796
Gains or losses directly recorded in consolidated equity for 2012					28,276	28,276
Consolidated equity at 31 December 2012 (IFRS)	**400,000**	**460,000**	**1,478,629**	**94,677**	**57,605**	**2,490,911**
Share of 2012 earnings retained in reserves			31,990	-31,990		0
Dividends paid				-62,687		-62,687
Other changes			1,644			1,644
Earnings for first half of 2013				89,778		89,778
Gains or losses directly recorded in consolidated equity for 2013					14,317	14,317
Consolidated equity at 30 June 2013 (IFRS)	**400,000**	**460,000**	**1,512,263**	**89,778**	**71,922**	**2,533,963**

Notes to the financial statements

Agence française de développement is an industrial and commercial State public agency tasked with financing development assistance. AFD funding amounts to €400M. Its registered office is located at 5 rue Roland-Barthes - 75598 Paris Cedex 12.

1. Accounting principles and valuation methods

a. Accounting standards applied to Agence française de développement

In accordance with European Council regulation 1606/2002, the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Commission. The IFRS standards include the accounting standards issued by the International Accounting Standards Board (IASB) and the interpretations published by the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements published in this document include the summary financial statements and the notes to the financial statements. They are presented in accordance with IAS 34 "Interim Financial Reporting" and CNC recommendation 99-R-01 relating to interim financial statements, which allows simplified reporting in the notes to the financial statements.

These consolidated financial statements are presented in thousands of euros.

b. Accounting principles and methods

The interim consolidated financial statements for the period from 1 January to 30 June 2013 have been prepared using the same accounting principles and methods as for the consolidated financial statements for the period ending 31 December 2012, prepared in accordance with IFRS standards and set out in Paragraph 2.2 "Accounting principles and methods" of the consolidated financial statements for the 2012 fiscal year.

Since 1 January 2013, AFD Group has applied IFRS 13 related to fair value measurement. This standard provides a single framework for defining fair value (exit price) as well as valuation techniques. As a result, AFD Group records the value of its derivatives under counterparty credit risk (Credit Valuation Adjustment) and now records a valuation adjustment for its derivatives under its own credit risk (Debt Valuation Adjustment). The amounts recorded at 30 June 2013 in application of this standard amounted to -€6.7M.

AFD Group has applied the amendment to IAS 19 "Employee Benefits", which may be applied retrospectively. This amendment affects accounting for employee commitments: it eliminates the "corridor" method and requires the impact of discounting defined benefit plans be immediately and fully recorded as Other Comprehensive Income (OCI) that cannot be reclassified from equity to the income statement.

As these employee commitments are revised at the end of each year, the impact of implementing this amendment will be recognised at 31 December 2013. Based on audited data at 31 December 2012, it was expected to result in a €4.2M actuarial loss (OCI).

AFD Group will apply the following standards adopted by the European Union on 29 December 2012, which must be applied to fiscal years beginning on 1 January 2014 at the latest:

– amendment to IAS 32 "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities";
– IFRS 10 "Consolidated Financial Statements";
– IFRS 11 "Joint Arrangements";
– Amendment to IAS 28 "Investments in Associates and Joint Ventures", which must be applied to fiscal years beginning on 1 January 2014 at the latest.

An analysis of the potential impact of applying these standards to the Group's consolidated financial statements will be completed during the second half of 2013.

c. Consolidation scope

in percentage of interest	30/06/2013	30/06/2012	31/12/2012
Fully consolidated subsidiaries			
Soderag	100.00	100.00	100.00
Proparco	57.43	57.43	57.43
Sogefom	60.00	60.00	60.00
Fisea	100.00	100.00	100.00
Propasia	57.43	57.43	57.43
Companies accounted for by the equity method			
Société Immobilière de Nouvelle Calédonie	50.00	50.00	50.00
Société Immobilière de la Martinique	22.27	22.27	22.27
Banque Socredo	35.00	35.00	35.00

d. Consolidation methods

The following consolidation methods are used:

✓ **Full consolidation**

All accounts are included item by item while taking into account the rights of “minority shareholders”. The same process is used for income statements.

Proparco, Soderag, Sogefom, Fisea and Propasia are fully consolidated.

✓ **Proportional consolidation**

This includes the assets, liabilities and income of the consolidated entity in the financial statements of the consolidating entity in proportion to the shareholding entity's percentage of participation, excluding minority interests.

Proportional consolidation has not been used for any entity.

- ✓ **The equity method**

  This method values equity stakes by taking the company's net position and calculating a share of its restated income according to the stake held in its capital.

  At 30 June 2013, this method was used for three companies in which AFD directly or indirectly holds a stake of between 20% and 50% and over which it exerts a significant influence: Société Immobilière de Nouvelle-Calédonie (SIC), Société Immobilière de Martinique (Simar) and Socredo.

- ✓ **Comments on other companies**

  AFD also has stakes in a number of companies over whose management it has no significant influence. These companies are not consolidated, either fully or using the equity method. They are recorded in “available-for-sale financial assets”.

2. Seasonal variations

Due to the nature of their activities, the Group's companies are not subject to seasonal business cycles impacting the interpretation of its consolidated financial statements.

3. Events during the period

- ✓ **Allocation of earnings from the 2012 fiscal year**

  In accordance with Article 79 of the amending Finance Bill 2001-1276 of 28 December 2001, the amount of the dividend paid by AFD to the French State was determined by Ministry order based on an examination of the institution's financial position and a report by the Board of Directors.

  The 2012 financial statements were approved by the Board of Directors on 25 April 2013, and a dividend of €62.7M was paid to the French State. Undistributed income was retained in reserves.

- ✓ **Financing of the Group's activity**

  To finance the growth in its activity on its own behalf, during the first half of the year AFD made three bond issuances in the form of public issues and three private placements, with a total volume of €2.95 billion.

4. Significant events since 30 June 2013

No significant events occurred after 30 June that have not been taken into account in the preparation of the financial statements at this date.

5. Notes to the financial statements at 30 June 2013

5.1 Notes to the balance sheet

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

In thousands of euros	30/06/2013 IFRS			31/12/2012 IFRS		
	Assets	**Liabilities**	**Notional / Outstanding**	**Assets**	**Liabilities**	**Notional / Outstanding**
Interest rate derivatives	1,709	19,493	1,635,218	1,794	32,600	1,866,219
Foreign exchange derivatives	34,772	91,497	2,425,755	29,288	81,948	2,229,164
Assets/liabilities at fair value on option	20,546		25,000	21,216		25,000
Securities at fair value through P&L	16,611		13,935	13,975		13,837
Credit Valuation Adjustment (CVA/DVA)		6,659				
Total	**73,638**	**117,648**		**66,272**	**114,548**	

Note 2 - Financial hedging derivatives

In thousands of euros	30/06/2013 IFRS			31/12/2012 IFRS		
	Assets	**Liabilities**	**Notional**	**Assets**	**Liabilities**	**Notional**
Fair value hedging						
Interest rate derivatives	603,371	403,412	15,148,802	857,694	459,722	11,745,122
Interest rate and foreign exchange derivatives (cross-currency swaps)	499,592	255,333	7,302,430	460,014	294,948	6,870,784
Total	**1,102,964**	**658,746**		**1,317,708**	**754,670**	

Note 3 – Financial investments

In thousands of euros	**30/06/2013 IFRS**	**31/12/2012 IFRS**
Available-for-sale financial assets		
Government paper and equivalent	296,526	303,392
Money-market UCITS	692,768	395,401
Bonds and other fixed-income securities	10,738	10,332
Equity stakes and other long-term securities	837,684	794,989
Of which money-market UCITS	*43,824*	*43,346*
Subtotal	**1,837,716**	**1,504,114**
Impairment	-22,116	-26,883
Total available-for-sale financial assets	**1,815,600**	**1,477,231**
Held-to-maturity financial assets		
Government paper and equivalent	585,854	577,619
Bonds and other fixed-income securities	104,664	114,132
Subtotal	**690,518**	**691,751**
Impairment		
Total held-to-maturity financial assets	**690,518**	**691,751**
Total financial investments	**2,506,118**	**2,168,982**

Note 4 – Receivables due from credit institutions and customers

In thousands of euros	30/06/2013 IFRS		31/12/2012 IFRS	
	Demand	Term	Demand	Term
Loans to credit institutions		**4,208,851**		**4,044,550**
Performing outstanding		4,208,177		4,043,608
Impaired outstanding		674		942
Writedowns		**-53,388**		**-54,557**
Impairment of individual receivables		*-498*		*-487*
Impairment of groups of homogeneous assets		*-52,890*		*-54,070*
Related receivables		***25,898***		***21,069***
Valuation adjustments of loans hedged by financial futures		**22,493**		**40,235**
Subtotal		**4,203,854**		**4,051,297**
Loans to customers		**15,485,314**		**14,687,238**
Performing outstanding		14,936,059		14,163,392
Impaired outstanding		549,255		523,846
Writedowns		**-500,320**		**-476,635**
Impairment of individual receivables		*-307,592*		*-304,261*
Impairment of groups of homogeneous assets		*-192,728*		*-172,374*
Related receivables		***55,269***		***49,050***
Valuation adjustments of loans hedged by financial futures		**253,661**		**515,629**
Subtotal		**15,293,924**		**14,775,282**
Total loans		**19,497,778**		**18,826,579**
Other receivables				
Deposits (free cash) at credit institutions	637,469	125,000	342,626	100,000
Related receivables	584		512	
Total other receivables	**638,053**	**125,000**	**343,138**	**100,000**
Total loans and other receivables	**638,053**	**19,622,778**	**343,138**	**18,926,579**

Note 5 – Accruals and miscellaneous assets/liabilities

In thousands of euros	30/06/2013 IFRS		31/12/2012 IFRS	
	Assets	Liabilities	Assets	Liabilities
French Treasury		234,024		258,076
Allocated public funds		246,048		246,617
Other assets and liabilities	302,249	1,023,161	43,976	1,105,515
Account payable, French State		256,918		319,655
Total accruals and miscellaneous assets/liabilities	**302,249**	**1,760,151**	**43,976**	**1,929,863**

Note 6 – Property, plant and equipment and intangible assets

In thousands of euros	Fixed assets				Total
	Property, plant and equipment			Intangible	
	Land & developments	Construction & developments	Other		
Gross value					
At 1 January 2013	86,998	178,592	51,276	68,673	385,539
Purchases	3	5,371	1,337	3,064	9,775
Disposals/removals	-14	-1,290	-778	-14,583	-16,665
Other items	5	-23	17	0	-1
Change in scope					0
At 30 June 2013	**86,992**	**182,650**	**51,852**	**57,154**	**378,648**
Depreciation/amortisation					
At 1 January 2013	2,204	86,956	38,439	53,462	181,061
Provisions	21	2,902	2,209	2,127	7,259
Reversals	-7	-1,289	-727	-14,444	-16,467
Other items		0	0	0	0
Change in scope					0
At 30 June 2013	**2,218**	**88,569**	**39,921**	**41,145**	**171,853**
Net value	**84,774**	**94,081**	**11,931**	**16,009**	**206,795**

Note 7 – Debts to credit institutions and customers, and debt securities

In thousands of euros	30/06/2013 IFRS	31/12/2012 IFRS
Debts to credit institutions		
Demand debts	93,169	2,903
Term debts	6,129	8,843
Related debts	520	218
Total debts to credit institutions	**99,818**	**11,964**
Debts to customers		
Accounts payable, customers	1,563	2,782
Related debts	1	1
Total debts to customers	**1,564**	**2,783**
Debt securities		
Interbank market securities	200,050	300,000
Bonds	14,667,348	12,726,268
Related debts	137,309	210,085
Adjustments in the value of derivative-hedged debt securities	430,003	756,795
Total debt securities	**15,434,710**	**13,993,148**

Note 8 – Provisions and writedowns

Provisions	31/12/2012	Provisions	Reversals available	Translation adjustment	30/06/2013
Included in the cost of risk					
French Overseas Department subsidiary risks	32 362	0	1 105		31 257
Other provisions for risk	41 027	3 738	3 410	-13	41 342
Subtotal	*73 389*	*3 738*	*4 515*	*-13*	72 599
Excluded from the cost of risk	0				
Provision for expenses - sovereign loans	450 510	23 711			474 221
Staff costs	72 926	0	0		72 926
Provision for risks and expenses	15 091	395	20	0	15 466
Total	**611 916**	**27 844**	**4 535**	**-13**	**635 212**

Asset impairment	31/12/2012	Provisions	Reversals available	Translation adjustment	30/06/2013
Credit institutions	487	17	6		498
Credit to customers	304 261	23 969	20 724	86	307 592
of which Cost of risk		*20 768*	*18 001*		
Other receivables	1 453				1 453
Group of homogeneous assets	226 444	25 072	5 898		245 618
of which Cost of risk		*25 072*	*5 898*		
Available-for-sale assets	26 884	1	4 768		22 117
Total	**559 529**	**49 059**	**31 396**	**86**	**577 277**

Note 9 – Statement of changes in equity

The change in equity between 31 December 2011 and 30 June 2013 is presented in the financial statements in the statement of changes in shareholders' equity from 31 December 2011 to 30 June 2013.

5.2 Notes to the income statement

Note 10 – Net banking income

1. Interest income and expense

	30/06/2013 IFRS	30/06/2012 IFRS
Transactions with credit institutions	**58,577**	**63,454**
Interest on loans	58,072	62,924
Interest on short-term investments	505	530
Transactions with customers	**210,881**	**195,363**
Transactions on financial instruments	**276,029**	**309,914**
Available-for-sale assets	3,723	10,762
Held-to-maturity assets	13,499	14,450
Hedging derivatives	258,807	284,702
Total interest income	**545,487**	**568,731**
Transactions with credit institutions	**229**	**15**
Transactions with customers	**16,337**	**16,444**
Transactions on financial instruments	**428,203**	**465,666**
Debt securities	166,634	174,942
Subordinated debt	6,851	6,877
Hedging derivatives	254,718	283,847
Other interest expenses	**1,276**	**1,519**
Total interest expenses	**446,045**	**483,644**

2. Gains and losses on financial instruments at fair value through profit and loss

In thousands of euros	30/06/2013 IFRS	30/06/2012 IFRS	31/12/2012 IFRS
Assets/liabilities at fair value through profit and loss	2,618	2,269	874
Instruments at fair value on option	1,642	463	367
Income resulting from hedge accounting	24,814	-18,692	1,347
Natural hedging	-3,269	-54,191	44,534
Credit Valuation Adjustment (CVA/DVA)	-6,659		
Total	**19,146**	**-70,151**	**47,122**

Note 11 - Overhead – Staff

	30/06/2013 IFRS	30/06/2012 IFRS	31/12/2012 IFRS
Staff costs			
Wages and bonuses	61,704	58,864	118,275
Social security expenses	24,223	23,200	49,545
Profit sharing	5,134	1,625	3,942
Taxes and similar payments on compensation	5,057	4,639	10,406
Miscellaneous	0	- 320	3,282
Rebilling issuing banks' staff	- 7,231	- 7,197	- 15,183
Total	**88,887**	**80,811**	**170,267**

Note 12 – Cost of risk

In thousands of euros	30/06/2013 IFRS			30/06/2012 IFRS	31/12/2012 IFRS
	Provisions	**Reversals**	**Total**		
Collective provisions and depreciation	28,810	10,413	-18,397	- 25,431	- 16,378
Individual depreciation of non-sovereign loans	20,768	18,001	-2,767	- 9,561	- 3,681
Losses on principal of bad loans	1,092	2	-1,090	- 244	- 2,202
Total	**50,670**	**28,417**	**-22,254**	**- 35,236**	**- 22,261**

Note 13 – Equity-accounted companies

In thousands of euro	**30/06/2013 IFRS**		**30/06/2012 IFRS**		**31/12/2012 IFRS**	
Impact	*Balance sheet*	*Income*	*Balance sheet*	*Income*	*Balance sheet*	*Income*
SIC	53,912	345	53,533	481	56,210	741
Simar	14,755	1,021	12,592	650	13,734	1,791
Socredo	89,958	1,214	88,212	1,395	88,743	1,927
Total	**158,625**	**2,580**	**154,337**	**2,526**	**158,687**	**4,459**

5.3 Additional Information

Note 14 – Commitments

In thousands of euros	**30/06/2013 IFRS**	**31/12/2012 IFRS**
Commitments received		
Guarantee commitments received from the French State on loans	1,790,389	2,075,134
Guarantee commitments received from credit institutions	255,198	141,334
as part of the Group's lending activity	255,198	141,334
Commitments given		
Loan commitments made to credit institutions	858,242	1,086,113
Loan commitments made to customers	6,981,970	7,546,958
Guarantee commitments made to credit institutions	798,141	744,073
of which DOM Fund activity	*260,073*	*263,407*
Guarantee commitments given to customers	313,077	343,847

Commitments received exclude transactions on behalf of the French State.

C. Report of the Statutory Auditors on the 2013 interim financial statements

Period from 1 January 2013 to 30 June 2013

Dear Sir, Madam,

In compliance with the assignment entrusted to us by your Board of Directors and with Article L.451-1-2 III of the French Monetary and Financial Code, we have performed:

- a review of Agence française de développement's condensed interim consolidated financial statements for the period from 1 January 2013 to 30 June 2013, as attached to this report;
- the verification of the information given in the interim financial report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Chief Executive Officer. Our role is to express our opinion on these financial statements based on our review.

I – Opinion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review primarily involves interviewing members of management responsible for accounting and financial matters and applying analytical procedures. These tasks are less extensive than those required for an audit carried out in accordance with professional standards applicable in France. As a result, in the context of a review, the assurance that the financial statements as a whole are free of material misstatement is moderate, less than that given by a full audit.

Based on our review, we have not identified any material misstatements that would cast doubt on the compliance of the condensed interim consolidated financial statements with IAS 34, the IFRS standard relating to interim financial reporting as adopted in the European Union.

Without casting doubt on the opinion expressed above, we call your attention to Note 1.b. "Accounting principles and methods," which discusses accounting for value adjustments for credit risk on derivatives as part of the application of IFRS 13, applicable at 1 January 2013.

II – Specific verification

We have also verified the information given in the interim financial report, which provides commentary on the condensed interim consolidated financial statements that we have reviewed. We have no matters to report regarding its fair presentation and its consistency with the condensed interim consolidated financial statements.

Signed in **Erreur ! Nom de propriété de document inconnu.** on 26 August 2013
Erreur ! Nom de propriété de document inconnu.
Erreur ! Nom de propriété de document inconnu.

Erreur ! Nom de propriété de document inconnu.
Partner

Signed in **Erreur ! Nom de propriété de document inconnu.** on 26 August 2013
Erreur ! Nom de propriété de document inconnu.
Erreur ! Nom de propriété de document inconnu.
Erreur ! Nom de propriété de document inconnu.

Erreur ! Nom de propriété de document inconnu.
Partner

D. Person responsible for the interim financial report

Name and position

Mrs Anne Paugam: Chief Executive Officer

Certification of the person responsible for the interim financial report

I certify that to the best of my knowledge the condensed financial statements for the half year just ended are drawn up in accordance with the accounting standards applicable and give a true and fair view of the assets, financial position and results of the company and all the subsidiaries included in the scope of consolidation. The interim progress report appearing on page 3 faithfully reflects major events that took place during the first six months of the fiscal year, as well as their impact on the financial statements, and describes the primary risks and uncertainties for the remaining six months.

Signed in Paris on 26 August 2013.

Chief Executive Officer

Anne Paugam