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Annual accounts of the European Development Fund for the Financial Year 2025

(C/2026/4817)

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CERTIFICATION OF THE ACCOUNTS

The annual accounts of the European Development Fund for the year 2025 have been prepared in accordance with Title X of the Financial Regulation of the 11th European Development Fund and with the accounting principles, rules and methods set out in the notes to the financial statements.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Development Fund in accordance with Article 18 of the Financial Regulation of the 11th European Development Fund.

I have obtained from the authorising officer and from the EIB, who guarantee its reliability, all the information necessary for the production of the accounts that show the European Development Fund's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present a true and fair view of the financial position of the European Development Fund in all material aspects.

Niall BOHAN
Accounting Officer
22 June 2026

IMPLEMENTING AND ACCOUNTING FOR THE EDF RESOURCES

1. BACKGROUND

The European Union ('the EU') has cooperative relations with many developing countries. The main objective of these relations is to promote economic, social and environmental development, with the primary aim of reducing and eradicating poverty in the long-term by providing beneficiary countries with development aid and technical assistance. To achieve this, the EU draws up, jointly with the partner countries, cooperation strategies and mobilises the financial resources to implement these strategies. These EU resources allocated to development cooperation come from three sources:

— the EU budget;

— the European Development Fund (EDF); and

— the European Investment Bank (EIB).

The EDF is not funded by the EU budget. It was established by an Internal Agreement of the representatives of the Member States, sitting within the Council, and is managed by a specific committee. The European Commission ('the Commission') is responsible for the financial implementation of the operations carried out with EDF resources. The EIB manages the Investment Facility.

The EDF is made up of individual EDFs, each of which is concluded for a period of around five years and is governed by its own Financial Regulation. This requires the preparation of specific financial statements. In addition, these financial statements are aggregated so as to provide a global view of the financial situation of the resources for which the Commission is responsible.

Up until 2021, when the 11th EDF reached its final stage as the 'sunset clause' came into effect on 31 December 2020, the EDF was the main instrument for providing aid for development cooperation to the African, Caribbean and Pacific (ACP) states and overseas countries and territories ('OCTs'). However, since 2021 EU cooperation with ACP states and OCTs has been funded through the EU budget.

Under the ACP-EU Partnership Agreement, the Investment Facility was established, managed by the EIB, and used to support private sector development in the ACP states by financing mostly – but not exclusively – private investments. The Investment Facility is designed as a renewable fund, so that loan repayments can be reinvested in other operations, thus resulting in a self-renewing and financially independent facility. Because the Investment Facility is not managed by the Commission, it is not consolidated in the first part of the annual accounts – the financial statements of the EDF's and the related report on financial implementation. The financial statements of the Investment Facility, prepared by the EIB, are included as a separate part of the EDF's annual accounts (part II) to provide a full picture of the development aid of the EDF.

2. HOW IS THE EDF FUNDED?

The Council of 2 December 2013 adopted Regulation (EU, Euratom) No 1311/2013 ([1]) laying down the Multiannual Financial Framework for 2014-2020. In this context, it was decided that geographical cooperation with the ACP states would not be integrated into the EU budget but would continue to be funded through the existing intergovernmental EDF.

Unlike the EU budget, the EDF is a fund that operates based on multi-annuality. Each EDF sets up an overall fund to implement development cooperation typically for a period of five years. Because resources are allocated on a multiannual basis, the allocated funds may be used over the period of the EDF. The fact that budgets are set for a period of several years – rather than being set for a single year is highlighted in the budgetary reporting, where the budgetary implementation of the EDFs is measured against the total funds.

([1]) Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884, ELI: http://data.europa.eu/eli/reg/2013/1311/oj).

The EDF resources are 'ad hoc' contributions from the EU Member States. Approximately every five years, Member State representatives met at intergovernmental level and decided on an overall amount to be allocated to the fund and to oversee its implementation.

The Commission manages the EDF in accordance with the EU's policy on development cooperation. Since Member States have their own development and aid policies in parallel to the EU policy, the Member States must coordinate their policies with the EU to ensure they are complementary.

In addition to the contributions, it is also possible for Member States to enter into co-financing arrangements or to make voluntary financial contributions to the EDF.

3. EDF ACTIVITIES AFTER 31 DECEMBER 2020

The Commission is currently working towards the closure of the 9th EDF (which ran from 2000-2007), and which incorporated remaining balances transferred from the 8th EDF (which ran from 1995 to 2000) in accordance with the provisions of Part 3 of the financial regulation ([2]) applicable to the 9th EDF. Currently, there are still 4 ongoing contracts funded under the 9th EDF, which will reach their conclusion within the specified timeframe, contributing to the finalisation of activities and projects associated with the 9th EDF. The full closure of the 9th EDF can only be accomplished once all contracts come to an end and following the completion of their evaluations and audits.

The closure of the 10th EDF (which ran from 2008 to 2013) is progressing well with 97,97 % of its contracts already closed. However, the operational and financial closure of the remaining contracts will take some time. The financial closure requires the launch and completion of all necessary evaluations, audits and recoveries.

The 11th EDF (which ran from 2014 to 2020) has reached its final stage as the sunset clause came into effect on 31 December 2020. This clause sets a cut-off date for commitments meaning that as of 2021 no further financing decisions can be adopted under the 11th EDF. However, the implementation of actions already committed continues beyond this date. Given the long duration of certain projects, a number of contracts are expected to run until 2035 and, in some cases, even up to 2040. In addition, should a decision be taken to reuse decommitted funds, this could further extend the overall end date of the EDF. Consequently, the closure of the 11th EDF cannot be linked to a fixed date. It will depend on the full implementation of all ongoing operations, as well as the completion of subsequent audits, evaluations, and the financial clearance of all accounts.

Under the current Multiannual Financial Framework 2021-2027, EU cooperation with ACP countries is integrated in the Neighbourhood, Development and International Cooperation Instrument–Global Europe. Similarly, the cooperation with OCTs is now covered by the Overseas Association Decision. This means that, although up to 2021 the EDF programmes were funded by the voluntary contributions of EU Member States, as of 2021 development programmes will be funded through the EU budget. This also implies that the funding of development programmes is subject to the authorisation of the European Parliament, and that the transactions must comply with the EU's Financial Regulations in the same way as other EU-funded programmes.

4. YEAR-END REPORTING

4.1. ANNUAL ACCOUNTS

In accordance with Article 18(3) of the EDF Financial Regulation, the EDF financial statements are prepared based on accrual-based accounting rules that themselves are based on the International Public Sector Accounting Standards (IPSAS). These accounting rules adopted by the Accounting Officer of the Commission are applied by all the institutions and bodies of the EU in order to establish a uniform set of rules for accounting, valuation and presentation of the accounts with a view to harmonising the process for drawing up the financial statements. These EU accounting rules are also applied by the EDF while taking into account the specific nature of its activities.

([2]) OJ L 83, 1.4.2003, p. 27.

The preparation of the EDF's annual accounts is entrusted to the Commission's Accounting Officer who is the Accounting Officer of the EDF and ensures that the annual accounts of the EDF present a true and fair view of the financial position of the EDF.

The annual accounts are presented as follows:

Part I: Funds managed by the Commission

(i) Financial statements of the EDF, including explanatory notes and financial statements for each individual EDF. These statements also include the contributions made to the EU Trust Fund Bêkou and the EU Trust Fund for Africa.

(ii) Financial statements of the EU Trust Fund Bêkou and the EU Trust Fund for Africa, prepared under the responsibility of the Commission's Accounting Officer and subject to external audit carried out by a private auditor.

(iii) Consolidated financial statements of the EDF and the EU trust funds

(iv) Report on financial implementation of the EDF

Part II: Funds managed by the EIB - Annual report on implementation

(i) Financial statements of the Investment Facility

The EDF's annual accounts must be adopted by the Commission no later than 31 July of the year following the balance sheet date and presented to the European Parliament and to the Council for discharge.

5. AUDIT AND DISCHARGE

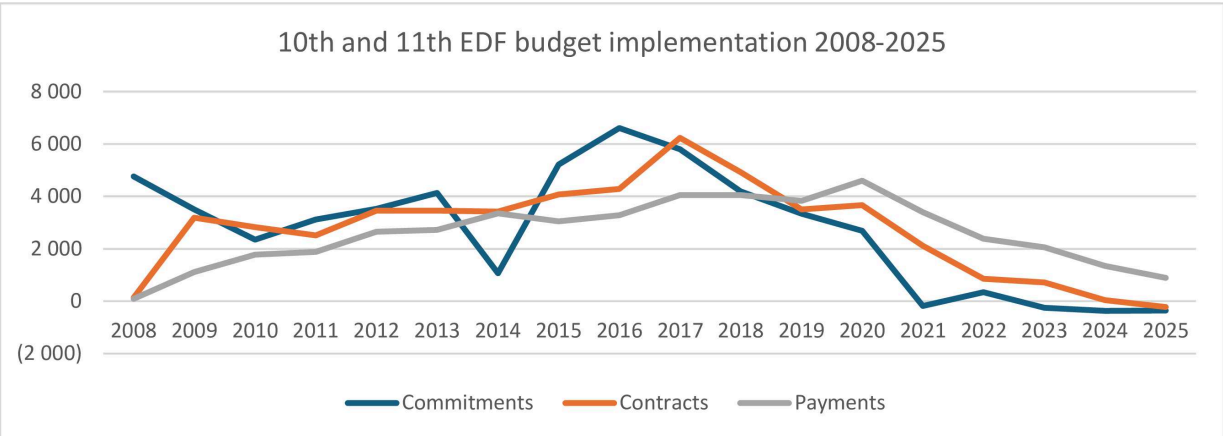
5.1. AUDIT

The EDF's annual accounts are audited by its external auditor, the European Court of Auditors (hereinafter referred to as the 'ECA'), which draws up an annual report for the European Parliament and the Council.

5.2. DISCHARGE

The final control of the financial implementation of the EDF resources for a given financial year is the discharge. Following the audit and finalisation of the annual accounts, it falls to the Council to recommend, and then to the European Parliament to decide, whether to grant discharge to the Commission for the financial implementation of the EDF resources for a given financial year. This decision is based on a review of the accounts and the annual report of the ECA (which includes an official statement of assurance) and replies of the Commission to questions and further information requests of the discharge authority.

HIGHLIGHTS OF FINANCIAL IMPLEMENTATION 2025



* Net amount, only 10th & 11th EDF

Budget implementation

In 2025, net payments of EUR 893 million were made under the 10th EDF and 11th EDF. The total amount of gross payments for the EDF in 2025 amounted to EUR 949,98 million, which represents 95 % of the target of EUR 1 000 million communicated to the Member States.

In 2022, the Council unanimously decided to reuse EUR 600 million of de-committed funds from the 10th and 11th EDF to finance actions addressing the food-security crisis and economic shock in ACP countries following Russia's war of aggression against Ukraine. The Commission committed this EUR 600 million in 2022 and disbursed EUR 450 million up until 2025.

Impact of the activities in the financial statements

In the financial statements, the impact of the above mentioned activities is most visible when looking at:

— pre-financing (see Note 2.2): a decrease of EUR 219 million largely reflecting the progressive closure of the EDF and the resulting reduction in the number of new contracts. In 2025, only 21 contracts were signed compared with 181 in 2024;

— cash and cash equivalents (see Note 2.5): a decrease of EUR 125 million, primarily due to lower contributions from donors, which declined from EUR 1 200 million in 2024 to EUR 800 million in 2025;

— accrued charges (see Note 2.8): a decrease of EUR 79 million reflecting the reduction in the number of open contracts at year-end for which cost claims had not yet been validated; and

— aid instruments (see Note 3.4): an overall decrease of EUR 193 million mainly due to the reduction in expenses under the 11th EDF, from EUR 1 145 million in 2024 to EUR 953 million in 2025. This trend reflects the decreasing volume of new contracts signed since 2021.

PART I

FUNDS MANAGED BY THE EUROPEAN COMMISSION

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PART I.1

FINANCIAL STATEMENTS OF THE EDF ([3])

([3]) It should be noted that due to the rounding of figures into millions of euros, some financial data in the tables below may appear not to add-up.

EDF BALANCE SHEET

EUR million

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
Financial assets	2.1	*116*	*128*
Pre-financing	2.2	*492*	*500*
Trust Fund contributions	2.3	*87*	*188*
Exchange receivables	2.4	*5*	*5*
		700	**821**
CURRENT ASSETS			
Financial Assets	2.1	*1*	*5*
Pre-financing	2.2	*532*	*742*
Exchange receivables and non-exchange recoverables	2.4	*37*	*37*
Cash and cash equivalents	2.5	*286*	*411*
		856	**1 194**
TOTAL ASSETS		**1 556**	**2 016**
NON-CURRENT LIABILITIES			
Financial liabilities	2.6	*(1)*	*(1)*
		(1)	**(1)**
CURRENT LIABILITIES			
Provisions	2.6	–	*(2)*
Payables	2.7	*(187)*	*(256)*
Accrued charges	2.8	*(695)*	*(774)*
		(882)	**(1 032)**
TOTAL LIABILITIES		**(883)**	**(1 032)**
NET ASSETS		**673**	**983**
FUNDS & RESERVES			
Called fund capital - active EDFs	2.9	*56 488*	*55 704*
Called fund capital from closed EDFs carried forward	2.9	*2 252*	*2 252*
Economic result carried forward from previous years		*(56 973)*	*(55 733)*
Economic result of the year		*(1 094)*	*(1 240)*
NET ASSETS		**673**	**983**

EDF STATEMENT OF FINANCIAL PERFORMANCE

EUR million

	Note	2025	2024
REVENUE			
Revenue from non-exchange transactions			
Recovery activities	3.1	*12*	*41*
		12	**41**
Revenue from exchange transactions			
Financial revenue	3.2	*8*	*19*
Other revenue	3.2	*20*	*71*
		28	**90**
Total Revenue		**40**	**131**

EUR million

	Note	2025	2024
EXPENSES			
Implemented by other entities	3.3	*(4)*	*(4)*
Aid instruments	3.4	*(1 043)*	*(1 237)*
Co-financing expenses	3.5	*(1)*	*(17)*
Finance costs	3.6	*(40)*	*(3)*
Other expenses	3.7	*(46)*	*(110)*
Total Expenses		**(1 133)**	**(1 371)**
ECONOMIC RESULT OF THE YEAR		**(1 094)**	**(1 240)**

EDF CASHFLOW STATEMENT

EUR million

	Note	2025	2024
Economic result of the year		*(1 094)*	*(1 240)*
Operating activities			
Capital increase - contributions (net)		*784*	*1 138*
(Increase)/decrease in trust funds contributions		*101*	*28*
(Increase)/decrease in pre-financing		*219*	*287*
(Increase)/decrease in exchange receivables and non-exchange recoverables		*(0)*	*(12)*
Increase/(decrease) in provisions		*(2)*	*(0)*
Increase/(decrease) in financial liabilities		*0*	*(2)*
Increase/(decrease) in payables		*(68)*	*(136)*
Increase/(decrease) in accrued charges and deferred income		*(79)*	*(210)*
Investing activities			
*(Increase)/decrease in non-derivative financial assets at fair value through surplus or deficit**		*15*	*(42)*
NET CASHFLOW		**(125)**	**(190)**
Net increase/(decrease) in cash and cash equivalents		*(125)*	*(190)*
Cash and cash equivalents at the beginning of the year	2.5	*411*	*601*
Cash and cash equivalents at year-end	2.5	*286*	*411*

EDF STATEMENT OF CHANGES IN NET ASSETS

EUR million

	Fund capital - active EDFs (A)	Uncalled funds - active EDFs (B)	Called fund capital - active EDFs (C) = (A)-(B)	Cumulative reserves (D)	Called fund capital from closed EDFs carried forward (E)	Total net assets (C)+(D)+(E)
BALANCE AS AT 31.12.2023	**60 607**	**6 040**	**54 566**	**(55 732)**	**2 252**	**1 086**
Capital increase - contributions	*(62)*	*(1 200)*	*1 138*	–	–	*1 138*
Economic result of the year	–	–	–	*(1 240)*	–	*(1 240)*
BALANCE AS AT 31.12.2024	**60 544**	**4 840**	**55 704**	**(56 973)**	**2 252**	**983**
Capital increase - contributions	*(16)*	*(800)*	*784*	–	–	*784*
Economic result of the year	–	–	–	*(1 094)*	–	*(1 094)*
BALANCE AS AT 31.12.2025	**60 528**	**4 040**	**56 488**	**(58 066)**	**2 252**	**673**

BALANCE SHEET BY EDF

EUR million

		31.12.2025				31.12.2024			
	Note	Ninth EDF	10th EDF	11th EDF	Total	Ninth EDF	10th EDF	11th EDF	Total
NON-CURRENT ASSETS									
Financial assets	2.1	–	*12*	*104*	*116*	–	*14*	*114*	*128*
Pre-financing	2.2	–	*382*	*110*	*492*	–	*418*	*82*	*500*
Trust Fund contributions	2.3	*31*	*9*	*47*	*87*	*31*	*9*	*148*	*188*
Exchange receivables		–	–	*5*	*5*	–	–	*5*	*5*
		31	**403**	**266**	**700**	**31**	**441**	**349**	**821**
CURRENT ASSETS									
Financial assets		–	–	*1*	*1*	–	–	*5*	*5*
Pre-financing	2.2	–	*50*	*481*	*532*	*6*	*81*	*655*	*742*
Exchange receivables and non-exchange recoverables	2.4	–	*15*	*23*	*37*	–	*21*	*16*	*37*
Inter-EDF accounts		*(207)*	*168*	*39*	–	*(207)*	*227*	*(20)*	–
Cash and cash equivalents	2.5	–	–	*286*	*286*	–	–	*411*	*411*

ELI: http://data.europa.eu/eli/C/2026/4817/oj

EUR million

		31.12.2025				31.12.2024			
	Note	Ninth EDF	10th EDF	11th EDF	Total	Ninth EDF	10th EDF	11th EDF	Total
		(207)	**233**	**830**	**856**	**(201)**	**329**	**1 067**	**1 194**
TOTAL ASSETS		**(176)**	**636**	**1 096**	**1 556**	**(170)**	**770**	**1 415**	**2 016**
NON-CURRENT LIABILITIES									
Financial liabilities	2.6	–	–	*(1)*	*(1)*	–	–	*(1)*	*(1)*
		–	–	**(1)**	**(1)**	–	–	**(1)**	**(1)**
CURRENT LIABILITIES					–				
Provisions	2.6	–	–	–	–	–	–	*(2)*	*(2)*
Payables	2.7	–	*(16)*	*(171)*	*(187)*	*(0)*	*(25)*	*(230)*	*(256)*
Accrued charges	2.8	–	*(34)*	*(661)*	*(695)*	*(0)*	*(71)*	*(703)*	*(774)*
		–	**(50)**	**(832)**	**(882)**	**(0)**	**(96)**	**(935)**	**(1 032)**
TOTAL LIABILITIES		–	**(50)**	**(832)**	**(883)**	**(0)**	**(96)**	**(936)**	**(1 032)**
					–				
NET ASSETS		**(176)**	**586**	**263**	**673**	**(170)**	**674**	**479**	**983**
Called fund capital - active EDFs	2.9	*10 434*	*20 816*	*25 237*	*56 488*	*10 435*	*20 819*	*24 449*	*55 704*
Called fund capital from closed EDFs carried forward	2.9	*2 252*	–	–	*2 252*	*2 252*	–	–	*2 252*
Called fund capital transfers between active EDFs	2.9	*(510)*	*(187)*	*696*	–	*(510)*	*(187)*	*696*	–
Economic result carried forward from previous years		*(12 348)*	*(19 959)*	*(24 666)*	*(56 973)*	*(12 348)*	*(19 887)*	*(23 497)*	*(55 733)*
Economic result of the year		*(5)*	*(85)*	*(1 004)*	*(1 094)*	–	*(72)*	*(1 169)*	*(1 240)*
NET ASSETS		**(176)**	**586**	**263**	**673**	**(170)**	**674**	**479**	**983**

STATEMENT OF FINANCIAL PERFORMANCE BY EDF

EUR million

		2025				2024			
	Note	Ninth EDF	10th EDF	11th EDF	Total	Ninth EDF	10th EDF	11th EDF	Total
REVENUE									
Revenue from non-exchange transactions									
Recovery activities	3.1	*1*	*5*	*5*	*12*	*1*	*28*	*12*	*41*
		1	**5**	**5**	**12**	**1**	**28**	**12**	**41**
Revenue from exchange transactions									
Financial revenue	3.2	–	–	*8*	*8*	–	*1*	*18*	*19*
Other revenue	3.2	–	*1*	*19*	*20*	*2*	*4*	*65*	*71*
		–	**2**	**26**	**28**	**2**	**5**	**83**	**90**
Total revenue		**2**	**6**	**32**	**40**	**3**	**33**	**95**	**131**
EXPENSES									
Implemented by other entities	3.3	–	–	*(4)*	*(4)*	–	–	*(4)*	*(4)*
Aid instruments	3.4	*(8)*	*(83)*	*(953)*	*(1 043)*	*(2)*	*(90)*	*(1 145)*	*(1 237)*
Co-financing expenses	3.5	–	*(1)*	–	*(1)*	–	*(12)*	*(5)*	*(17)*
Finance costs	3.6	*2*	*(3)*	*(39)*	*(40)*	–	*5*	*(9)*	*(3)*
Other expenses	3.7	*(1)*	*(5)*	*(40)*	*(46)*	*(2)*	*(7)*	*(101)*	*(110)*
Total expenses		**(6)**	**(91)**	**(1 036)**	**(1 133)**	**(3)**	**(104)**	**(1 264)**	**(1 371)**
ECONOMIC RESULT OF THE YEAR		**(5)**	**(85)**	**(1 004)**	**(1 094)**	–	**(72)**	**(1 169)**	**(1 240)**

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STATEMENT OF CHANGES IN NET ASSETS BY EDF

EUR million

Ninth EDF	Fund capital - active EDFs (A)	Uncalled funds - active EDFs (B)	Called fund capital - active EDFs (C) = (A)-(B)	Cumulative reserves (D)	Called fund capital from closed EDFs carried forward (E)	Called fund capital transfers between active EDFs (F)	Total net assets (C)+(D)+(E)+(F)
BALANCE AS AT 31.12.2023	**10 442**	–	**10 442**	**(12 348)**	**2 252**	**(509)**	**(163)**
Transfers to/from the 10th EDF	–	–	–	–	–	–	–
Transfers to/from the 10th and 11th EDF	–	–	–	–	–	*(1)*	*(1)*
Refund to Member States	*(6)*	–	*(6)*	–	–	–	*(6)*
Economic result of the year	–	–	–	*0*	–	–	*0*
BALANCE AS AT 31.12.2024	**10 435**	**1**	**10 435**	**(12 348)**	**2 252**	**(510)**	**(170)**
Capital increase - contributions	–	–	–	–	–	–	–
Transfers to/from the 10th and 11th EDF	–	–	–	–	–	–	–
Refund to Member States	*(1)*	–	*(1)*	–	–	–	*(1)*
Economic result of the year	–	–	–	*(5)*	–	–	*(5)*
BALANCE AS AT 31.12.2025	**10 434**	–	**10 434**	**(12 353)**	**2 252**	**(510)**	**(176)**

EUR million

10th EDF	Fund capital - active EDFs (A)	Uncalled funds - active EDFs (B)	Called fund capital - active EDFs (C) = (A)-(B)	Cumulative reserves (D)	Called fund capital from closed EDFs carried forward (E)	Called fund capital transfers between active EDFs (F)	Total net assets (C)+(D)+(E)+(F)
BALANCE AS AT 31.12.2023	**20 834**	–	**20 834**	**(19 886)**	–	**(120)**	**827**
Transfers to/from the Eighth and Ninth EDF	–	–	–	–	–	*1*	*1*
Transfers to/from the 11th EDF	–	–	–	–	–	*(68)*	*(68)*
Refund to Member States	*(15)*	–	*(15)*	–	–	–	*(15)*
Economic result of the year	–	–	–	*(72)*	–	–	*(72)*
BALANCE AS AT 31.12.2024	**20 819**	–	**20 819**	**(19 959)**	–	**(187)**	**674**

EUR million

10th EDF	Fund capital - active EDFs (A)	Uncalled funds - active EDFs (B)	Called fund capital - active EDFs (C) = (A)-(B)	Cumulative reserves (D)	Called fund capital from closed EDFs carried forward (E)	Called fund capital transfers between active EDFs (F)	Total net assets (C)+(D)+(E)+(F)
Transfers to/from the Eighth and Ninth EDF	–	–	–		–	–	–
Transfers to/from the 11th EDF	–	–	–		–	–	–
Refund to Member States	*(3)*	–	*(3)*		–	–	*(3)*
Economic result of the year	–	–	–	*(85)*	–	–	*(85)*
BALANCE AS AT 31.12.2025	**20 816**	–	**20 816**	**(20 044)**	–	**(187)**	**586**

EUR million

11th EDF	Fund capital - active EDFs (A)	Uncalled funds - active EDFs (B)	Called fund capital - active EDFs (C) = (A)-(B)	Cumulative reserves (D)	Called fund capital from closed EDFs carried forward (E)	Called fund capital transfers between active EDFs (F)	Total net assets (C)+(D)+(E)+(F)
BALANCE AS AT 31.12.2023	**29 331**	**6 040**	**23 290**	**(23 498)**	–	**628**	**422**
Capital increase - contributions	–	*(1 200)*	*1 200*	–	–	*68*	*1 268*
Refund to Member States	*(41)*	–	*(41)*	–	–	–	*(41)*
Economic result of the year	–	–	–	*(1 169)*		–	*(1 169)*
BALANCE AS AT 31.12.2024	**29 290**	**4 840**	**24 449**	**(24 667)**	–	**696**	**479**
Capital increase - contributions	–	*(800)*	*800*	–	–	–	*800*
Refund to Member States	*(12)*	–	*(12)*	–	–	–	*(12)*
Economic result of the year	–	–	–	*(1 004)*	–	–	*(1 004)*
BALANCE AS AT 31.12.2025	**29 278**	**4 040**	**25 237**	**(25 671)**	–	**696**	**263**

ELI: http://data.europa.eu/eli/C/2026/4817/oj

NOTES TO THE FINANCIAL STATEMENTS OF THE EDF ([4])

([4]) It should be noted that due to the rounding of figures into millions of euros, some financial data in the tables may appear not to add-up.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of stakeholders.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information. The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.2. BASIS OF PREPARATION

1.2.1. *Reporting period*

Financial statements are presented annually. The accounting year begins on 1 January and ends on 31 December.

1.2.2. *Currency and basis for conversion*

The annual accounts are presented in euro, the euro being the EU's functional currency. Foreign currency transactions are translated into euro using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euro at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euro on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Euro exchange rates

Currency	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
BGN	**1,9558**	1,9558	**PLN**	**4,221**	4,275
CZK	**24,237**	25,185	**RON**	**5,0968**	4,9743
DKK	**7,4689**	7,4578	**SEK**	**10,8215**	11,459
GBP	**0,8726**	0,82918	**CHF**	**0,9314**	0,9412
NOK	**11,843**	11,795	**JPY**	**184,09**	163,06
HUF	**385,15**	411,35	**USD**	**1,175**	1,0389

1.2.3. *Use of estimates*

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates.

Reasonable estimates are an essential part of the preparation of financial statements and do not undermine their reliability. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error. The effect of a change in accounting estimate shall be recognised in the surplus or deficit in the periods in which it becomes known.

1.2.4. *Application of new and amended European Union Accounting Rules (EAR)*

New EAR which are effective for annual periods beginning on or after 1 January 2025

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of European Accounting Rule 1 'Financial Statements'. The amendment, which is effective for reporting periods beginning on or after 1 January 2025, introduced changes to the guidance on the Segment Report. As the EDF is not obliged to, and does not prepare, a Segment Report, the amendment has no impact on these annual accounts.

New EAR adopted but not yet effective at 31 December 2025

EAR 8 (revised 2025)

On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for accounting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet. The EDF does not expect to be affected by the initial application of the revised EAR 8, as it is not engaged in lease contracts or other relevant arrangements.

EAR 1 (revised 2025)

On 15 April 2025 the Accounting Officer of the European Commission adopted the amended European Accounting Rule 1 'Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. The amendment aims at ensuring a consistent classification of all borrowings within financing activities, including those related to leases, the acquisition of property, plant and equipment, and back-to-back operations, all of which are currently classified within operating activities. The EDF does not expect to be affected by the initial application of the revised EAR 1, as it is not engaged in the relevant financing activities.

1.3. **BALANCE SHEET**

1.3.1. *Financial assets*

Classification at initial recognition

The classification of the financial instruments is determined at initial recognition. Based on the management model and the asset contractual cash-flow characteristics the financial assets can be classified in three categories: Financial assets at amortised cost ('AC'), financial assets at fair value through net assets/equity ('FVNA') or financial assets at fair value through surplus or deficit ('FVSD').

(i) *Financial assets at amortised cost*

Financial assets at amortised cost are non-derivative financial assets that meet two conditions: (1) The entity holds them in order to collect the contractual cash flows. (2) On specified days, there are contractual cash flows that are solely payments of the principal and interest on the outstanding principal.

This category comprises:

— Cash and cash equivalents;

— Loans (including term deposits with an original maturity of more than three months);

— Exchange receivables

Financial assets at amortised cost are included in current assets, except for those with a maturity of more than 12 months from the reporting date.

(ii) *Financial assets at fair value through net assets/equity*

These non-derivatives financial assets have contractual cash flows that represent only principal and interest on the outstanding principal. In addition, the management model is to hold the financial assets both to collect contractual cash flows and to sell the financial assets.

Assets in this category are classified as current assets, if they are expected to be realised within 12 months from the reporting date.

The entity did not hold such assets at 31 December 2025.

(iii) *Financial assets at fair value through surplus or deficit*

The entity classifies derivatives and equity investments as FVSD because the contractual cash flows do not represent only principal and interests on the principal.

In addition, the entity classifies the debt securities it holds as FVSD because the portfolios of debt securities are managed and evaluated on a portfolio fair value basis.

Assets in this category are classified as current assets, if they are expected to be realised within 12 months from the reporting date.

Initial recognition and measurement

Purchases of financial assets at fair value through surplus or deficit are recognised on their trade-date – the date on which the entity commits to purchase the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers.

Financial assets are initially measured at fair value. For all financial assets not carried at fair value through surplus or deficit, the transactions costs are added to the fair value at initial recognition. For financial assets carried at fair value through surplus or deficit the transaction costs are expensed in the statement of financial performance.

The fair value of a financial asset on initial recognition is normally the transaction price unless the transaction is not at arm's length i.e. at no or at nominal consideration for public policy purposes. In this case, the difference between the fair value of the financial instrument and the transaction price is a non-exchange component which is recognised as an expense in the statement of financial performance. In this case, the fair value of a financial asset is derived from current market transactions for a directly equivalent instrument. If there is no active market for the instrument, the fair value is derived from a valuation technique that uses available data from observable markets.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial assets at fair value through surplus or deficit are subsequently measured at fair value. Gains and losses from changes in the fair value (including those stemming from foreign exchange translation and any interests earned) are included in the statement of financial performance in the period in which they arise.

Fair value at subsequent measurement

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities and over-the–counter derivatives), the EU establishes a fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cashflow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments in venture capital funds which do not have a quoted market price in an active market are valued at the attributable net asset value, which is considered as an equivalent of their fair value.

Impairment of financial assets

The EU recognises and measures an impairment loss for expected credit losses on financial assets that are measured at amortised cost and at fair value through net assets/equity.

The expected credit loss (ECL) is the present value of the difference between the contractual cash flows and the cash flows that the EU expects to receive. The ECL incorporates reasonable and supportable information that is available without undue cost or effort at the reporting date.

For assets at amortised cost, the asset's carrying amount is reduced by the amount of the impairment loss which is recognised in the statement of financial performance. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed through the statement of financial performance.

(a) *Receivables*

The entity measures the impairment loss at the amount of lifetime ECL, using practical expedients (e.g. provision matrix).

(b) *Cash and cash equivalents*

The entity holds cash and cash equivalents in current bank accounts and term deposits of up to three months. The cash is held in banks with very high credit ratings, thus having very low default probabilities. Given the short duration and low default probabilities, the expected credit losses from cash and cash equivalents are negligible. As a result, no impairment allowance is recognised for cash equivalents.

(c) *Loans*

The ECL is measured with a three-stage model that takes into account probability-weighted default events during the lifetime of the financial asset and the evolution of credit risk since the origination of the financial asset. For loans, origination is the date of the irrevocable loan commitment

If there is no significant increase in credit risk since origination ('stage 1'), the impairment loss is the ECL from possible default events in the next 12 months from the reporting date ('12 month ECL'). If there is a significant increase in credit risk since origination ('stage 2') or if there is objective evidence of a credit impairment ('stage 3'), the impairment loss equals the ECL from possible default events over the whole lifetime of the financial asset ('lifetime ECL')

De-recognition

Financial instruments are derecognised when the rights to receive cash flows from the investments have expired or the entity has transferred substantially all risks and rewards of ownership to another party. Sales of financial assets through surplus or deficit are recognised on their trade date.

1.3.2. *Pre-financing amounts*

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular contract, decision, agreement or basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid. If the beneficiaries do not incur eligible expenditure, they have the obligation to return the pre-financing advance to the entity. Thus, as the entity retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is recognised as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods pre-financing is measured at the amount initially recognised on the balance sheet less eligible expenses (including estimated amounts where necessary) incurred during the period.

1.3.3. *Receivables and recoverables*

The EAR's require separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivable' is reserved for exchange transactions, whereas for non-exchange transactions, i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions meet the definition of financial instruments. The entity classified them as financial assets at amortised cost and measured them accordingly.

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

1.3.4. *Cash and cash equivalents*

Cash and cash equivalents are financial assets at amortised cost and include cash at hand, deposits held at call or at short notice with banks, and other short-term highly liquid investments with original maturities of three months or less.

1.3.5. *Payables*

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services, and to non-exchange transactions e.g. to cost claims from beneficiaries, grants or other EU funding, or pre-financing received (see Note 1.4.1).

Where grants or other funding are provided to the beneficiaries, the cost claims are recorded as payables for the requested amount, at the moment when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the entity.

1.3.6. *Financial liabilities*

Financial liabilities are classified as financial liabilities carried at amortised cost, financial liabilities at fair value through surplus or deficit, or as financial guarantee contract liabilities.

Financial liabilities at amortised cost are initially recognised at fair value including transaction costs incurred and subsequently carried at amortised cost using the effective interest method. They are derecognised from the statement of financial position if and only if the obligation is discharged, waived, cancelled or expired.

Financial liabilities at fair value through surplus or deficit include derivatives where the fair value is negative. Where the guarantee contract requires the entity to make payments in response to changes in financial instruments prices or foreign exchange rates, the guarantee contract is a derivative. They follow the same accounting treatment as financial assets at fair value through surplus or deficit.

The entity recognises a financial guarantee contract liability when it enters into a contract that requires to make specified payments to reimburse the guarantee holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee contract liabilities are initially recognised at fair value.

The subsequent measurement depends on the evolution of the credit risk exposure from the financial guarantee. If there is no significant increase in credit risk ('stage 1'), financial guarantee liabilities are measured at the higher of the 12 months expected credit losses and the amount initially recognised less, when appropriate, cumulative amortisation. If there is a significant increase in credit risk ('stage 2'), financial guarantee liabilities are measured at the higher of the lifetime expected credit losses and the amount initially recognised less, when appropriate, cumulative amortisation.

Financial liabilities are classified as non-current liabilities, except for maturities less than 12 months after the balance sheet date. Financial guarantee contracts are classified as current liabilities except if the entity has an unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

1.3.7. *Accrued and deferred revenue and charges*

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, or the supplies have been delivered by the entity or a contractual agreement exists (e.g. by reference to a contract), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. Accrued expenses are calculated in accordance with detailed operational and practical guidelines issued by the Accounting Officer. These guidelines aim to ensure that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.4. **STATEMENT OF FINANCIAL PERFORMANCE**

1.4.1. *Revenue*

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Depending on the nature of the underlying transactions in the statement of financial performance, revenue can be categorised as either revenue from non-exchange transactions or revenue from exchange transactions.

Revenue from non-exchange transactions

Revenue from non-exchange transactions relates to transactions such as taxes and transfers where the transferor provides resources to the recipient entity, without the recipient entity providing approximately equal value directly in exchange. Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes. For the EU entities, transfers mostly comprise funds received from the Commission (e.g. a balancing subsidy to the traditional agencies or an operating subsidy for the delegation agreements).

The entity shall recognise an asset in respect of transfers when the entity controls the resources as a result of a past event (the transfer) and expects to receive future economic benefits or service potential from those resources, and when the fair value can be reliably measured. An inflow of resources from a non-exchange transaction recognised as an asset (i.e. cash) is also recognised as revenue, except to the extent that the entity has a present obligation in respect of that transfer (condition), which needs to be satisfied before the revenue can be recognised. Until the condition is met the revenue is deferred and recognised as a liability.

Revenue from exchange transactions

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

(a) *Interest revenue and expense*

Interest revenue and interest expense from financial assets and financial liabilities at amortised cost are recognised in the statement of financial performance using the effective interest method. This is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest revenue or interest expense over the relevant period.

(b) *Revenue from dividends*

Revenue from dividends and similar distributions is recognised when the right to receive payment is established.

(c) *Revenue and expense from financial assets at fair value through surplus or deficit*

This refers to the fair value gains (revenue) and fair value losses (expense) from these financial assets, including those stemming from foreign exchange translation. For interest-bearing financial assets, this also includes interest.

(d) *Revenue from financial guarantee contracts*

The revenue from financial guarantee contracts (guarantee premium) is recognised over the time the entity stands ready to compensate the holder of the financial guarantee contract for the credit loss it may incur.

1.4.2. *Expenses*

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or the incurring of liabilities that result in decreases in net assets. They include both the expenses from exchange transactions and expenses from non exchange transactions.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the entity. They are valued at the original invoice amount. Furthermore, at the balance sheet date expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are recognised in the statement of financial performance.

Expenses from non exchange transactions relate to transfers to beneficiaries and can be of three types: entitlements, transfers under agreement and discretionary grants, contributions and donations. Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by regulation or an agreement has been signed authorising the transfer; any eligibility criteria have been met by the beneficiary; and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expense.

1.5. **CONTINGENT ASSETS AND LIABILITIES**

1.5.1. *Contingent assets*

A contingent asset is a possible asset that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.5.2. *Contingent liabilities*

A contingent liability is either a possible obligation of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation where it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation.

A contingent liability also arises in the rare circumstances where a present obligation exists but cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the accounts. They are disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.6. FUND CAPITAL

The EDF member states provide contributions to the Fund for the implementation of EDF programmes as laid down in the Internal Agreement of each EDF. According to the applicable legal basis the capital calls, i.e. the requests for funding for a given year N, are decided by a Council Decision in year N-1, with the funds to be received clearly assigned to specified future periods.

The contributions meet the criteria of contribution from owners (EAR 1) and are thus treated as fund capital in the EDF financial statements. The fund capital represents the total amount of contributions to be received from the EDF members states. As the uncalled fund capital is openly deducted from the total fund capital (see Statement of Changes in Net Assets), only the called fund capital is recognised in the Balance Sheet.

As the agreed contributions are assigned to specified reporting periods, with the EDF's legal claim against the EDF member states arising only in these periods, any amounts received in advance are recognised as deferred capital contributions under payables rather than as called capital.

1.7. CO-FINANCING

Co-financing contributions received fulfil the criteria of revenues from non-exchange transactions under conditions and they are presented as payables to Member States, non-Member States and others. The EDF is required to use the contributions to deliver services to third parties or is otherwise required to return the assets (the contributions received). The outstanding payables relating to co-financing agreements represent the co-financing contributions received less the expenses incurred related to the project. The effect on net assets is nil.

Expenses relating to co-financing projects are recognised as they are incurred. The corresponding amount of contributions is recognised as operating revenue and the effect on the economic result of the year is nil.

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. FINANCIAL ASSETS

A financial asset is any asset that is:

(a) Cash;

(b) An equity instrument of another entity;

(c) A contractual right: to either receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) A contract that will or may be settled in the entity's own equity instruments.

Financial assets are classified in the following categories:'financial assets at amortised costs', 'financial assets at fair value through surplus or deficit' and 'financial assets at fair value through net assets/equity'. The classification of the financial instruments is determined at initial recognition and re-evaluated at each balance sheet date.

The financial assets of the EDF comprise financial assets at FVSD and loans and are as follows:

EUR million

	31.12.2025	31.12.2024
Non-current		
Financial assets at fair value through surplus or deficit (FVSD)	*92*	*112*
Loans	*24*	*16*
	116	**128**
Current		
Loans	*1*	*5*
	1	**5**
Total	**117**	**132**

The EUR 92 million of financial assets at FVSD relate to equity investments in the following areas:

— Renewable sustainable energy via Climate Investor One, ElectriFI and the Global Energy Efficiency and Renewable Energy Fund (GEEREF);

— Promoting inclusive smallholder and rural SME finance via the ABC FUND;

— Financial inclusion in Uganda via the aBi Finance; and

— Creating jobs and sustainable growth in Africa via the Boost Africa intitiative.

The EUR 24 million of non-current loans and EUR 1 milllion of current loans concern two main areas: sustainable agriculture via the AgriFI and electricity access and generation from sustainable energy sources via the ElectriFI investment Facility.

2.2. PRE-FINANCING

Many contracts provide for payments of advances before the commencement of works, delivery of supplies or the provision of services. Sometimes the payment schedules of contracts foresee payments based on progress reports. Pre-financing is normally paid in the currency of the country or territory where the project is executed.

The timing of use of pre-financing governs whether it is disclosed as a current or a non-current pre-financing. The use is defined by the project's underlying agreement. Any use due within twelve months after the reporting date are disclosed as current pre-financing. As many of the EDF projects are long-term in nature, it is necessary that the related advances are available for more than one year. Thus some pre-financing amounts are shown as non-current assets.

EUR million

	Note	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Non-current pre-financing	2.2.1	–	*382*	*110*	*492*	*500*
Current pre-financing	2.2.2	–	*50*	*481*	*532*	*742*
Total		–	**432**	**591**	**1 023**	**1 242**

The decrease in total pre-financing by EUR 219 million is mainly explained by the reduction in pre-financing paid to beneficiaries under the 11th EDF, which declined from EUR 737 million in 2024 to EUR 591 million in 2025. This development reflects the maturity of the 11th EDF and the resulting decrease in the number of open contracts.

Following the entry into force of the sunset clause at the end of 2020, no new financing agreements can be concluded under the 11th EDF as from 1 January 2021. However, specific contracts based on existing financing agreements may still be signed. As a result, the number of newly signed contracts has gradually declined, from 452 in 2023 to 181 in 2024 and to 21 in 2025.

Pre-financing related to the 10th EDF decreased from EUR 560 million in 2024 to EUR 432 million in 2025. This decrease is in line with the normal implementation cycle of the EDF and reflects the progressive closure of programmes.

Out of the non-current pre-financing, EUR 373 million (EUR 393 million in 2024) relates to the open pre-financing for two contracts under the EU-Africa Infrastructure Trust Fund (AITF). The aim of this Trust Fund is to provide financial support with grants to infrastructure projects alongside long-term financing made available by project financiers. The provision of such grant funds leverages the provision of long-term financing by participating finance institutions. At the time of the signature of the contracts, the Trust Fund's type of actions was considered as adequately covered by the agreement (no template was yet available for financial instruments, nor did the Regulation mention this type of instrument). Consequently, payments made under these agreements were registered as pre-financing and not as a financial instrument component. Due to the long-term nature of the operations implemented by the Trust Fund, the annual clearing of the AITF's old pre-financing is very limited and spreads out over the years. Therefore, to better reflect the project conditions, EUR 373 million of the open pre-financing was re-classified to long term while EUR 54 million corresponds to expenses accrued at year-end.

2.2.1. *Non-current pre-financing by management mode*

EUR million

	31.12.2025	31.12.2024
Direct Management		
Implemented by:		
Commission	*19*	*–*
EU executive agencies	*–*	*1*
EU delegations	*1*	*2*
	20	**3**
Indirect Management		
Implemented by :		
EIB and EIF	*388*	*402*
International organisations	*67*	*65*
Private-law bodies with a public service mission	*5*	*7*
Public-law bodies	*12*	*13*
Third countries	*–*	*10*
	472	**497**
Total	**492**	**500**

2.2.2. *Current pre-financing*

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Pre-financing (gross)	*3*	*313*	*2 649*	*2 965*	*3 763*
Cleared via cut-off	*(3)*	*(263)*	*(2 168)*	*(2 433)*	*(3 022)*
Total	–	**50**	**481**	**532**	**742**

2.2.3. *Current pre-financing by management mode*

EUR million

	31.12.2025	31.12.2024
Direct Management		
Implemented by:		
Commission	*40*	*37*
EU executive agencies	*–*	*2*
EU delegations	*21*	*47*
	61	**86**
Indirect Management		
Implemented by:		
EIB and EIF	*62*	*62*
International organisations	*248*	*388*
Private-law bodies with a public service mission	*50*	*71*
Public-law bodies	*79*	*77*
Third countries	*29*	*56*
EU bodies and Public Private Partnership	*2*	*1*
	470	**655**
Total	**532**	**742**

2.2.4. *Guarantees received in respect of pre-financing*

Guarantees are held to secure pre-financing and are released when the final claim under a project is paid.

EUR million

	31.12.2025	31.12.2024
Guarantees for pre-financing	*13*	*19*

The EUR 13 million comprises guarantees intended to secure pre-financing paid under direct management, with the EDF being the beneficiary of the guarantee (see Note 4.1). However, most of pre-financing is paid under the indirect management mode, where the beneficiary of the guarantee is not the EDF but the contracting authority. In 2025, the total value of such guarantees amounted to EUR 309 million.

2.3. TRUST FUND CONTRIBUTIONS

This heading represents the amount paid as contributions to the EU Trust Fund for Africa and the Bêkou EU Trust Fund. The contributions are net of the costs incurred by the trust funds and attributable to the EDF.

The trust fund contributions are implemented by the EDF under the direct management mode.

EUR million

	Net contribution at 31.12.2024	Contributions paid in 2025	Allocation of TF's net expenses 2025	Net contribution at 31.12.2025
Africa	*165*	–	*(91)*	*74*
Bêkou	*23*	–	*(10)*	*13*
Total	**188**	–	**(101)**	**87**

The decrease compared to the previous year reflects the absence of additional contributions in 2025. Consequently, the balance was driven solely by the utilisation of existing contributions to cover expenses incurred during the year.

This development is consistent with the winding-down of both Trust Funds, which reached the end of their implementation period on 31 December 2025. As from 1 January 2026, the Trust Funds entered their liquidation phase, during which no new operational activities are undertaken and expenditure is limited to the validation of final reports, the settlement of outstanding balances and the recovery of amounts from beneficiaries.

2.4. EXCHANGE RECEIVABLES AND NON-EXCHANGE RECOVERABLES

Exchange transactions are transactions in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Non-exchange transactions are transactions in which an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

2.4.1. *Non-current exchange receivables*

As at 31.12.2025, the EDF had EUR 5 million of long-term exchange receivables comprising mainly deferred charges arising from several financial instruments.

2.4.2. *Current non-exchange recoverables and exchange receivables*

EUR million

	Note	31.12.2025	31.12.2024
Recoverables from non-exchange transactions	2.4.2.1	*27*	*24*
Receivables from exchange transactions	2.4.2.2	*10*	*12*
Total		**37**	**37**

2.4.2.1. Recoverables from non-exchange transactions

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Customers	*1*	*45*	*16*	*62*	*52*
Public bodies	*3*	*15*	*6*	*23*	*19*
Third states	–	*2*	*4*	*6*	*16*
Write down	*(4)*	*(51)*	*(9)*	*(64)*	*(63)*
Total	–	**11**	**16**	**27**	**24**

2.4.2.2. Receivables from exchange transactions

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Accrued income	-	-	*1*	*2*	*2*
Inter-EDF accounts	*(207)*	*168*	*39*	–	–
Other	–	*4*	*5*	*9*	*11*
Total	**(207)**	**172**	**45**	**10**	**12**

For efficiency reasons, the single treasury covering all the EDFs is allocated to the 11th EDF; this leads to operations between the various EDFs, which are balanced out in the inter-EDF accounts between the various EDF balance sheets.

The heading 'other' comprises mainly receivables deriving from financial instruments. Out of the EUR 9 million other receivables, an amount of EUR 4 million relates to a receivable from the GEEREF and an amount of EUR 5 million relates to a receivable from Climate Investor One.

2.5. CASH AND CASH EQUIVALENTS ([5])

Cash and cash equivalents are financial instruments at amortised cost and include cash at hand, deposits held at call or at short notice with banks (such as current accounts and savings accounts), and other short-term highly liquid investments with original maturities of three months or less.

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Special accounts					
Central banks	–	–	*98*	*98*	*285*
	–	–	**98**	**98**	**285**
Current accounts					
Commercial banks	–	–	*105*	*105*	*49*
Cash belonging to financial instruments	–	–	*82*	*82*	*77*
	–	–	**187**	**187**	**126**
Total	–	–	**286**	**286**	**411**

The decrease of EUR 125 million in cash and cash equivalents is mainly driven by the reduction in cash reserves held in central banks. This decline in the cash position mostly results from payments made to cover expenses and advances exceeding the contributions received during the year. Notably, called contributions fell from EUR 1 200 million in 2024 to EUR 800 million in 2025. Additionally, Member States received a refund of EUR 6,3 million from the 9th EDF for the first instalment of 2025, while the UK requested that its contributions for the second instalment of 2025 amounting to EUR 15 million be offset against their outstanding share in the 10th and 11th EDFs (see Note 2.9.1).

([5]) In accordance with Article 53 of the Financial Regulation applicable to the 11th European Development Fund, the treasury is presented in the balance sheet of the 11th EDF. The nature of the various bank accounts is outlined in Chapter 5, Financial Risk Management.

LIABILITIES

2.6. **FINANCIAL LIABILITIES**

A financial liability is any liability that is:

(a) A contractual obligation: to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments.

Financial liabilities are classified in the following categories: 'financial liabilities at fair value through surplus or deficit', 'other financial liabilities measured at amortised cost' or financial guarantee contract liabilities.

EUR million

	Note	31.12.2025	31.12.2024
Non-Current			
Financial guarantee liability	*2.6.1*	*1*	*1*
Current			
Financial provisions	*2.6.2*	*–*	*2*
Total		**1**	**3**

2.6.1. *Financial guarantee liability*

These provisions represent the estimated losses that will be incurred in relation to the guarantees given under different financial instruments, where entrusted entities are empowered to issue guarantees in their own name but on behalf of, and at the risk of, the EDF. The financial risk of the EDF linked to the guarantees is capped and financial assets are gradually provisioned to cover for the future guarantee calls.

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Financial guarantee liability	*–*	*–*	*1*	*1*	*1*

The amount of EUR 1 million represents the estimated loss in relation to the guarantee given under the Euritz financial instrument (see Note 4.2.1).

2.6.2. *Provisions*

These provisions represent the estimated credit losses that will be incurred in relation to the loans given under different financial instruments. These provisions represent the estimated losses that will be incurred in relation to the guarantees given under different financial instruments, where entrusted entities are empowered to issue guarantees in their own name but on behalf of, and at the risk of, the EDF. The financial risk of the EDF linked to the guarantees is capped and financial assets are gradually provisioned to cover for the future guarantee calls.

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Current financial provisions	*–*	*–*	*–*	*–*	*2*

2.7. **PAYABLES**

Payables are liabilities to pay for goods or services that have been received or supplied and - unlike accrued charges - have already been invoiced or formally agreed with the supplier. Payables can relate to both exchange transactions (such as the purchase of goods and services) and non-exchange transactions (e.g. cost claims from beneficiaries of grants, pre-financing or other EU funding).

EUR million

	Note	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Current payables	2.7.1	-	*10*	*93*	*104*	*150*
Sundry payables	2.7.2	-	*6*	*78*	*83*	*105*
Total		-	**16**	**171**	**187**	**256**

2.7.1. *Current payables*

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Suppliers	–	*7*	*64*	*71*	*56*
Third states	–	*(1)*	*8*	*7*	*29*
Public bodies	–	*4*	*20*	*24*	*66*
Institutions and Agencies	–	–	*2*	*2*	–
Total	–	**10**	**93**	**104**	**150**

Payables largely comprise cost statements received by the EDF in respect of grants provided to the beneficiaries. They are recorded at the moment when the cost statement is received and for the full amount of the cost statement. Following an eligibility check, only the eligible amounts are paid to the beneficiaries. At year-end, the outstanding cost claims are analysed and the estimated eligible amounts related to those cost claims are recognised in the statement of financial performance. The estimated non-eligible amounts are shown under 'Other current payables'.

The decrease in payables is attributed to a lower volume of invoices received that remained outstanding at year-end.

2.7.2. *Sundry payables*

EUR million

	Note	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Co-financing payables	2.7.2.1	–	*6*	*22*	*27*	*28*
Deferred capital contributions	2.7.2.2	–	–	*51*	*51*	*64*
Other sundry payables		–	–	*5*	*5*	*12*
Total		–	**6**	**77**	**83**	**105**

2.7.2.1. Co-financing payables

Co-financing payables represent funds received by the EDF in respect of the co-financing agreements. The EDF is required to use these contributions to deliver agreed services to third parties and return the unused funds to the contributors. Timing of the use of the co-financing amounts determines whether it is disclosed as current or non-current.

At the year-end a case-by-case assessment of all co-financing payables is performed and all amounts that are unlikely to be used in the following 12 months are considered non-current.

EUR million

	Eighth EDF	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Current co-financing payables	–	–	*6*	*22*	*27*	*28*

2.7.2.2. Deferred capital contributions

An amount of EUR 1,2 million of deferred capital contributions relates to a refund to Member States and the United Kingdom from decommitted or unused funds from projects under the Ninth EDF (see Note 2.9.1). The Member States agreed for the refund to be offset against the contributions from the 11th EDF during the first call for contributions in 2026.

In addition to the refund, an amount of EUR 49 million relates to the 1st instalment of 2026 paid in advance by the United Kingdom, Portugal, Hungary and Estonia. Of this amount, EUR 44 million entirely relates to the contribution from the United Kingdom. According to Article 152 of the Withdrawal Agreement, the United Kingdom remains party to the EDF until the closure of the 11th EDF and all previous unclosed EDFs and assumes the same obligations as the Member States in this respect (see Note 2.9.1).

2.8. **ACCRUED CHARGES**

Accruals are liabilities to pay for goods or services that have been received or supplied but - unlike payables - have not yet been invoiced or formally agreed with the supplier. The calculation of accruals is based on the open amount of budgetary commitments at year-end. The portion of the estimated accrued charges relating to pre-financing paid has been recorded as a reduction of the pre-financing amounts.

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Accrued charges	–	*34*	*661*	*695*	*774*

Accrued charges comprise estimated operating expenses for on-going or completed contracts without validated cost claims where the eligible expenses incurred by beneficiaries were estimated using the best available information at the time of preparing the financial statements. It is noted that information that arise in the normal course of business, such as contract extensions signed after the reporting date, is not systematically considered, and the potential impact of these activities on the accrued charges cannot be reliably estimated. The portion of the estimated accrued charges that relates to pre financing paid has been recorded as a reduction of the pre-financing amounts (see Note 2.2).

The decrease in accrued charges of EUR 79 million is explained by the reduction in the number of contracts for which charges had to be estimated and accrued. This decrease is in line with the life cycle of the EDF and the underlying number of open contracts.

NET ASSETS

2.9. **FUND CAPITAL**

The EDF Member States provide contributions to the Fund for the implementation of EDF programmes as laid down in the Internal Agreement of each EDF. According to the applicable legal basis the capital calls, i.e. the requests for funding for a given year N, are decided by a Council Decision in year N-1, with the funds to be received clearly assigned to specified future periods.

The contributions meet the criteria of contribution from owners (EAR 1) and are thus treated as fund capital in the EDF financial statements. The fund capital represents the total amount of contributions to be received from the EDF members states. As the uncalled fund capital is deducted from the total fund capital (see Statement of Changes in Net Assets), only the called fund capital is recognised in the Balance Sheet.

As the agreed contributions are assigned to specified reporting periods, with the EDF's legal claim against the EDF member states arising only in these periods, any amounts received in advance are recognised as deferred capital contributions under Payables rather than as called capital.

2.9.1. *Called fund capital – active EDFs*

EUR million

	Ninth EDF	10th EDF	11th EDF	Total
Fund capital	*10 435*	*20 819*	*29 290*	*60 544*
Uncalled fund capital	-	-	*(4 840)*	*(4 840)*
Called fund capital 31.12.2024	**10 435**	**20 819**	**24 449**	**55 704**
Fund capital	*10 434*	*20 816*	*29 278*	*60 528*
Uncalled fund capital	-	-	*(4 040)*	*(4 040)*
Called fund capital 31.12.2025	**10 434**	**20 816**	**25 237**	**56 488**

The uncalled funds represent amounts not yet called from Member States. The called fund capital represents the contributions which have been called by the EDF and transferred to the treasury accounts by the Member States (see below 2.9.2).

By means of Council Decision (EU) 2025/2324 ([6]), the Member States' contributions set out in the Internal Agreements of the Ninth EDF were reduced by an amount of EUR 1,2 million from funds decommitted from this EDF. Refunds arising from this reduction have been compensated against additional calls for funds under the 11th EDF. In fact, the refund will be used against the first instalment of 2026 (see Note 2.7.2).

While the United Kingdom remains party to the EDF until the closure of all programmes, in accordance with Article 153 of the Withdrawal Agreement, its share of uncommitted and decommitted funds from the Ninth and 10th EDF cannot be reused. In 2025, the UK requested that its second instalment for the year be compensated using its outstanding share in the reserve of the 10th and 11th EDFs. As a result, the fund capital of the 10th and 11th EDFs was reduced by EUR 15 million.

([6]) Council Decision (EU) 2025/2324 of 13 November 2025 on the financial contributions to be paid by the parties to the European Development Fund to finance that fund, setting out the ceiling for the annual amount of the contribution for 2027, the annual amount of the contribution for 2026, the amount of the first instalment of the contribution for 2026 and an indicative, non-binding forecast for the expected annual amounts of contributions for the years 2028 and 2029 (OJ L, 2025/2324, 14.11.2025, ELI: http://data.europa.eu/eli/dec/2025/2324/oj).

2.9.2. *Called and uncalled fund capital by Member States and the UK*

EUR million

Contributions 11th EDF	%	Uncalled capital 31.12.2024	Capital called in 2025	Uncalled capital 31.12.2025
Austria	*2,40*	*116*	*(19)*	*97*
Belgium	*3,25*	*157*	*(26)*	*131*
Bulgaria	*0,22*	*11*	*(2)*	*9*
Croatia	*0,23*	*11*	*(2)*	*9*
Cyprus	*0,11*	*5*	*(1)*	*5*
Czech Republic	*0,80*	*39*	*(6)*	*32*
Denmark	*1,98*	*96*	*(16)*	*80*
Estonia	*0,09*	*4*	*(1)*	*3*
Finland	*1,51*	*73*	*(12)*	*61*
France	*17,81*	*862*	*(143)*	*720*
Germany	*20,58*	*996*	*(165)*	*831*
Greece	*1,51*	*73*	*(12)*	*61*
Hungary	*0,61*	*30*	*(5)*	*25*
Ireland	*0,94*	*46*	*(8)*	*38*
Italy	*12,53*	*606*	*(100)*	*506*
Latvia	*0,12*	*6*	*(1)*	*5*
Lithuania	*0,18*	*9*	*(1)*	*7*
Luxembourg	*0,26*	*12*	*(2)*	*10*
Malta	*0,04*	*2*	*(0)*	*2*
Netherlands	*4,78*	*231*	*(38)*	*193*
Poland	*2,01*	*97*	*(16)*	*81*
Portugal	*1,20*	*58*	*(10)*	*48*
Romania	*0,72*	*35*	*(6)*	*29*
Slovakia	*0,38*	*18*	*(3)*	*15*
Slovenia	*0,22*	*11*	*(2)*	*9*
Spain	*7,93*	*384*	*(63)*	*320*
Sweden	*2,94*	*142*	*(24)*	*119*
United Kingdom	*14,68*	*710*	*(117)*	*593*
Total	**100,00**	**4 840**	**(800)**	**4 040**

Since the capital of the Ninth and 10th EDFs has been called up and received in its entirety in previous years, in 2025, an amount of EUR 800 million has been called which relates entirely to the 11th EDF. Called capital decreased from EUR 1 200 million in 2024 to EUR 800 million in 2025.

2.9.3. *Called fund capital transfers between active EDFs*

EUR million

	Ninth EDF	10th EDF	11th EDF	Total
Balance at 31.12.2023	**(509)**	**(120)**	**628**	–
Transfer of amounts to the 10th EDF performance reserve from previous EDFs	*(1)*	*1*	–	–
Transfer of amounts to the 11th EDF performance reserve from previous EDFs	–	*(68)*	*68*	–
Balance at 31.12.2024	**(510)**	**(187)**	**696**	–
Transfer of amounts to the 10th EDF performance reserve from previous EDFs	–	–	–	–
Transfer of amounts to the 11th EDF performance reserve from previous EDFs	–	–	–	–
Balance at 31.12.2025	**(510)**	**(187)**	**696**	–

This heading includes the resources transferred between the active EDFs.

Since the entry into force of the Cotonou Agreement, all the unspent funds in previous active EDFs are transferred to the most recently opened EDF after de-commitment. The resources transferred from other EDFs increase the appropriations of the receiving fund and reduce the appropriations of the fund of origin. Funds transferred to the performance reserve of the 10th and 11th EDFs can be committed only under specific conditions set out in the Internal Agreements.

3. NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

EUR million

	Note	2025	2024
Revenue from non-exchange transactions	3.1	*12*	*41*
Revenue from exchange transactions	3.2	*28*	*90*
Total		**40**	**131**

3.1. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions relates to transactions where the transferor provides resources to the recipient entity without the recipient entity providing approximately equal value directly in exchange. The heading mainly includes amounts received from the Commission during the year and recoveries of operational expenses.

EUR million

	Note	Ninth EDF	10th EDF	11th EDF	2025	2024
Recovery of expenses		*1*	*4*	*5*	*11*	*24*
Co-financing revenue	3.1.1	–	*1*	–	*1*	*17*
Total		**1**	**5**	**5**	**12**	**41**

Non-exchange revenue can be broken down by management mode as follows:

EUR million

	2025	2024
Direct Management		
Implemented by:		
Commission	*1*	*1*
Executive agencies	*1*	*2*
EU delegations	*4*	*4*
	6	**7**
Indirect Management		
Implemented by:		
Third countries	*4*	*31*
International organisations	*1*	*3*
Private law bodies with a public service mission	*1*	–
	6	**34**
Total	**12**	**41**

3.1.1. *Co-financing revenue*

The co-financing contributions received fulfil the criteria of revenues from non-exchange transactions under conditions and as such should not affect the statement of financial performance when received. The contributions remain under liabilities (see Note 2.7.2.1) until the conditions attached to the donated funds are met, i.e. eligible expenses are incurred (see Note 3.5). The corresponding amount is then recognised in the statement of financial performance as non-exchange revenue from co-financing. Consequently, the effect on the economic result of the year is zero.

3.2. **REVENUE FROM EXCHANGE TRANSACTIONS**

EUR million

	Ninth EDF	10th EDF	11th EDF	2025	2024
Financial revenue	–	–	*8*	*8*	*19*
Other revenue	–	*1*	*19*	*20*	*71*
Total	–	**2**	**26**	**28**	**90**

The EUR 8 million under the heading 'Financial revenue' mainly consists of accrued interest on unpaid recovery orders, interest on pre-financing, interest generated on balances held with central and commerical banks and revenue from financial instruments.

'Other revenue' relates mainly to foreign exchange gains. The corresponding foreign exchange losses are recorded under 'Other expenses' (see Note 3.7).

EXPENSES

3.3. EXPENSES IMPLEMENTED BY OTHER ENTITIES

EUR million

	Ninth EDF	10th EDF	11th EDF	2025	2024
Technical assistance expenses	–	–	*4*	*4*	*4*

The amount of EUR 4 million relate to technical assistance incurred by several financial instruments.

3.4. AID INSTRUMENTS

EUR million

	Ninth EDF	10th EDF	11th EDF	2025	2024
Programmable aid	*2*	*6*	*459*	*467*	*630*
Intra-ACP projects	–	*85*	*331*	*416*	*497*
Emergency aid	–	*1*	*48*	*50*	*(13)*
Other Aid programmes	*5*	–	–	*5*	–
Institutional support	–	*(9)*	*14*	*4*	*4*
Contributions to Trust Funds	–	–	*101*	*101*	*118*
Total	**8**	**83**	**953**	**1 043**	**1 237**

EDF operational expenditure covers various aid instruments and takes different forms depending on how payments are made and managed.

In 2025, operational expenditure decreased by EUR 194 million, primarily due to a reduction in expenses under the 11th EDF, which fell from EUR 1 145 million in 2024 to EUR 953 million in 2025. This decrease reflects the lifecycle of the EDFs as they progressively move towards closure. The 11th EDF reached its final stage following the entry into force of the sunset clause on 31 December 2020, which set a cut-off date for new commitments. While no new financing decisions can be adopted, the implementation of ongoing projects continues until their completion, resulting in gradually declining expenditure.

Similarly, expenses under the 10th EDF reflect the advanced stage of implementation and the progressive closure of programmes. The closure of the 10th EDF is progressing well, with the majority of contracts already closed and the remaining contracts undergoing the final operational and financial closure steps, including evaluations, audits and recoveries. The negative amounts under the 10th EDF relating to institutional support arise from the reversal of 2024 accruals, which exceeded the actual expenses incurred in 2025. They relate to the contract 'Institutional Support to the ACP Secretariat', initially scheduled to end in December 2024 and extended until 15 September 2025. Due to delays related to the renovation and sale of the ACP House, the planned activities could not be fully implemented, resulting in a decommitment of EUR 10.7 million.

In 2025, expenses for Intra-ACP projects were impacted by a EUR 23 million gain as a result of the reversal of a 2024 accrual related to one project reflecting updated implementation information received from the implementing partner.

The 9th EDF is currently in the final stage of closure, with only a limited number of contracts still ongoing.

Overall, 578 contracts were closed between February 2025 and January 2026 across the three open EDFs, contributing to the reduction in operational expenditure.

3.5. **CO-FINANCING EXPENSES**

EUR million

	Ninth EDF	10th EDF	11th EDF	2025	2024
Co-financing	–	*1*	–	*1*	*17*

Included under this heading are the expenses incurred on co-financing projects in 2025. It should be noted that the expenses incurred include estimated amounts related to the cut-off exercise (and consequently reversals of the estimated amounts related to last year).

In line with the accounting rules on co-financing, the incurred amounts did not have any impact on the EDF's result for the year because they were recognised both in the co-financing expenses and in the co-financing revenue (see also Note 3.1.1).

Aid instruments and co-financing expenses by management type

EUR million

	2025	2024
Direct Management		
Implemented by:		
Commission	*32*	*17*
EU executive agencies	*2*	*3*
Trust Funds	–	*118*
EU delegations	*103*	*148*
	137	**286**
Indirect Management		
Implemented by:		
EIB and EIF	*130*	*84*
International organisations	*354*	*287*
Private-law bodies with a public service mission	*88*	*156*
Public-law bodies	*55*	*126*
Third countries	*278*	*314*
EU bodies with Public Private Partnership	*1*	–
	906	**967**
Total	**1 044**	**1 254**

3.6. **FINANCE COSTS**

EUR million

	Ninth EDF	10th EDF	11th EDF	2025	2024
Net impairment losses on loans and receivables	*(2)*	*1*	*4*	*3*	*(1)*
Loss on financial assets or liabilities at FVSD	–	*2*	*31*	*33*	*3*
Fee subsidy	–	–	*4*	*4*	*2*
Total	**(2)**	**3**	**39**	**40**	**3**

Net impairment losses on loans and receivables comprise impairment losses on financial instruments and estimated expenses on irrecoverable amounts arising from ageing recovery orders (over 2 years), bankruptcies and waivers.

The EUR 33 million of financial expenses for financial assets at FVSD relates mainly to exchange differences, interest and fair value changes for several financial instruments.

The amount of EUR 4 million under the heading 'Fee subsidy' relates to expenses incurred under the Kulima financial instrument.

3.7. OTHER EXPENSES

Included under this heading are expenses of administrative nature such as external non IT services, communications and publications, training costs etc.

EUR million

	Ninth EDF	10th EDF	11th EDF	2025	2024
Administrative and IT expenses	-	*1*	*7*	*8*	*43*
Realised losses on trade debtors	*1*	–	–	*1*	*4*
Exchange rate losses	–	*3*	*31*	*34*	*63*
Exchange rate losses on financial instruments	–	–	*3*	*3*	*1*
Total	**1**	**5**	**40**	**46**	**110**

The heading Administrative and IT expenses' includes amounts that are based on the EDF internal agreement with the Commission to cover the administrative expenditure incurred by both the headquarters and the delegations when managing the EDF programmes.

In 2025, the administrative expenses were impacted by the reversal of a 2024 accrual related to staff expense funded by the EDF. As a result, the reported staff expense amounts to EUR 1,3 million instead of EUR 36 million actually incurred in 2025.

4. CONTINGENT ASSETS & LIABILITIES AND OTHER SIGNIFICANT DISCLOSURES

4.1. CONTINGENT ASSETS

Contingent assets are possible assets that arise from past events, and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the entity.

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Pre-financing guarantees	–	–	*13*	*13*	*19*

Pre-financing guarantees are requested in certain cases from beneficiaries that are not Member States when making advance payments.

At the end of 2025, pre-financing guarantees amounted to EUR 13 million compared with EUR 19 million in 2024. This is in line with the winding down of the EDF and the gradual closure of contracts.

For contracts managed under indirect management, the guarantees belong to a contracting authority other than the EDF and they are therefore not disclosed by the EDF.

4.2. **CONTINGENT LIABILITIES**

Contingent liabilities are either possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or present obligations arising from past events where the outflow of resources is not probable or the amount cannot be measured reliably.

4.2.1. *Guarantees given*

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Guarantees given	–	–	*29*	*29*	*26*

The above table shows the extent of the exposure of the EDF to possible future payments linked to guarantees given to the EIB group or to other financial institutions. The amounts are presented net of financial provisions or financial liabilities recognised for those programmes.

The amount of EUR 29 million relates to guarantees under the following financial instruments: EUR 8 million under the Euritz financial instrument, EUR 10 million under the KULIMA FUND and another EUR 11 million under the ZAMBIA agriculture value chain facility.

4.2.2. *Contingent liabilities relating to legal cases*

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Pending legal cases	–	*9*	*7*	*16*	*7*

At the end of 2025, there were only two pending cases, totalling EUR 16 million.

4.3. **OTHER SIGNIFICANT DISCLOSURES**

4.3.1. *Outstanding commitments not yet expensed*

The amount disclosed below is the budgetary RAL ('Reste à Liquider') less related amounts that have been included as expenses in the statement of financial performance. The budgetary RAL is an amount representing the commitments for which payments and/or de-commitments have not yet been made. This is the normal consequence of the existence of multiannual programmes.

EUR million

	Ninth EDF	10th EDF	11th EDF	31.12.2025	31.12.2024
Outstanding commitments not yet expensed	*16*	*106*	*1 533*	*1 654*	*2 701*

The decrease in the RAL is largely driven by the decrease in budgetary RAL which totalled EUR 2 697 million at the end of 2025 (2024: EUR 3 812 million). This is in line with the life cycle of the EDF and is also related to the evolution of the number of open contracts (see Note 2.2).

5. FINANCIAL RISK MANAGEMENT

The following disclosures with regard to the financial risk management of the EDF relate to the treasury operations carried out by the Commission on behalf of the EDF in order to implement its resources.

5.1. RISK MANAGEMENT POLICIES AND HEDGING ACTIVITIES

The rules and principles for the management of the treasury operations are laid down in the 11th EDF Financial Regulation and in the Internal Agreement.

As a result of the above regulation, the following main principles apply:

(a) The EDF contributions are paid by Member States in special accounts opened with the bank of issue of each Member State or the financial institution designated by it. The amounts of the contributions shall remain in those special accounts until the payments of EDF need to be made.

(b) EDF contributions are paid by Member States in EUR, while the EDF's payments are denominated in EUR and in other currencies.

(c) Bank accounts opened by the Commission on behalf of the EDF may not be overdrawn.

In addition to the special accounts, other bank accounts are opened by the Commission in the name of the EDF, with financial institutions (central banks and commercial banks), for the purpose of executing payments and receiving receipts other than the Member State contributions to the budget.

Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the Commission's internal control standards, and audit principles.

A written set of guidelines and procedures regulate the management of the treasury and payment operations with the objective of limiting operational and financial risk and ensuring an adequate level of control. These guidelines and procedures cover the different areas of operation, and compliance with the guidelines and procedures is checked regularly.

5.2. **CURRENCY RISK**

Exposure of the EDF to currency risk at year-end – net position

EUR million

	31.12.2025				31.12.2024			
	USD	EUR	Other	Total	USD	EUR	Other	Total
Financial assets								
Financial assets at amortised cost	*15*	5	5	*25*	*10*	4	7	*21*
Financial assets at FVSD	37	54	1	*92*	42	61	9	*112*
Receivables	*5*	*4*		*9*	*6*	*5*	–	*11*
Cash and cash equivalents	*6*	*280*	–	*286*	*11*	*400*	–	*411*
	63	**343**	**6**	**412**	**69**	**470**	**16**	**555**
Financial liabilities								
Financial provisions and guarantee liability	–	*(5)*	–	*(5)*	–	*(3)*	–	*(3)*
	–	**(5)**	–	**(5)**	–	**(3)**	–	**(3)**
Total	**63**	**338**	**6**	**407**	**69**	**467**	**16**	**552**

All contributions are held in EUR, and other currencies are purchased only when they are needed for the execution of payments. As a result, the EDF's treasury operations are not exposed to currency risk.

ELI: http://data.europa.eu/eli/C/2026/4817/oj

5.3. **INTEREST RATE RISK**

The EDF does not borrow money and consequently it is not exposed to interest rate risk.

Interest is accrued on balances it holds in its different bank accounts. The Commission, on behalf of the EDF, has therefore put in place measures to ensure that interest earned regularly reflects market interest rates as well as their possible fluctuation.

Contributions to the EDF budget are credited by each Member State to a special account opened with the financial institution designated by it. To address the risk of negative remuneration, which existed a couple of years ago, cash management procedures are in place to minimise balances kept on the accounts concerned. In addition, in accordance with Council Regulation (EU) 2016/888 ([7]), any negative remuneration on these accounts is borne by the relevant Member State.

Overnight balances held in commercial bank accounts are remunerated on a daily basis. The remuneration of balances on such accounts is based on variable market rates to which a contractual margin (positive or negative) is applied. For most of the accounts, the interest calculation is linked to a market reference rate and is adjusted to reflect any fluctuations in this rate. As a result, no risk is taken by the EDF that its balances could be remunerated at rates lower than market rates.

5.4. **CREDIT RISK (COUNTERPARTY RISK)**

Maximum credit risk exposure

For financial assets, the reported amounts are net carrying amounts and represent the EDF's exposure to credit risk at the end of the reporting period.

EUR million

	31.12.2025	31.12.2024
Financial assets		
Loans	*25*	*21*
Cash and cash equivalents	*286*	*411*
Exchange receivables (*)	*9*	*11*
Guarantees given		
Financial guarantee contracts	*13*	*12*
Total at 31.12.2025	**333**	**454**

(*) *Excluding deferred charges*

Financial instrument loans: credit quality

EUR million

	31.12.2025				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit rating					
Premium and high grade	–	–	–	–	–
Upper medium grade	–	–	–	–	–
Lower medium grade	–	–	–	–	–
Non-investment grade and default grade	*23*	*4*	*7*	–	*33*
Gross carrying amount	**23**	**4**	**7**	–	**33**
Minus loss allowance	*2*	*1*	*5*	–	*8*
Net carrying amount	**21**	**3**	**2**	–	**25**

([7]) Council Regulation (EU) 2016/888 of 6 June 2016 amending Regulation (EU) 2015/323 on the financial regulation applicable to the 11th European Development Fund as regards payment of the instalments (OJ L 149, 7.6.2016, p. 1, ELI: http://data.europa.eu/eli/reg/2016/888/oj).

Cash and cash equivalents: credit quality

EUR million

	31.12.2025	31.12.2024
Credit rating		
Premium and high grade	*266*	*314*
Upper medium grade	*15*	*91*
Lower medium grade	*5*	*6*
Non-investment grade and default grade	–	–
Gross carrying amount	**286**	**411**
Minus loss allowance	-	-
Net carrying amount	**286**	**411**

Receivables: credit quality

EUR million

	31.12.2025					
	Not due	Past due 0-30 days	Past due 31-90 days	Past due 91 days - 1 year	Past due > 1 year	Total
Gross carrying amount	9	–	–	–	–	*9*
Minus loss allowance	–	–	–	–	–	–
Net carrying amount	**9**	–	–	–	–	*9*

Financial assets at FVSD: credit quality

In 2025 the financial assets at FVSD included in these financial statements relate to equity investments that are not subject to credit risk (see Note 2.1).

5.5. **LIQUIDITY RISK**

Maturity analysis of financial liabilities by remaining contractual maturity

The finance liabilities and payables under this heading are disclosed by the carrying amounts from the balance sheet.

EUR million

	< 1 year	1-5 years	> 5 years	Total
Financial liabilities at 31.12.2025	*187*	*0*	–	*187*
Financial liabilities at 31.12.2024	*256*	*0*	–	*256*

Budget principles applied to the EDF ensure that overall cash resources for the budgetary period are always sufficient for the execution of payments. Indeed the total Member States' contributions equal the overall amount of payment appropriations for the relevant budgetary period.

However, Member States' contributions to the EDF are paid in three instalments per year, while payments are subject to seasonality.

In order to ensure that treasury resources are always sufficient to cover the payments to be executed in any given month, information on the treasury situation is regularly exchanged between the Commission's treasury and the relevant spending departments.

In addition to the above, in the context of the EDF's treasury operations, automated cash management tools ensure that sufficient liquidity is available on each of the EDF's bank accounts, on a daily basis.

6. RELATED PARTY DISCLOSURES

The related parties of the EDF are the EUTF Bêkou- and EUTF Africa and the European Commission. Transactions between these entities take place as part of the normal operations of the EDF, and therefore no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

The EDF has no separate management since it is managed by the Commission. The entitlements of the key management of the EU, including the Commission, have been disclosed in the consolidated annual accounts of the European Union under heading 7.2 'Key management entitlements'.

7. EVENTS AFTER THE BALANCE SHEET DATE

At the date of signature of these accounts, no material issues had come to the attention of or were reported to the Accounting Officer of the EDF that would require separate disclosure under this section. The annual accounts and related notes were prepared using the most recently available information and this is reflected in the information presented above.

8. RECONCILIATION OF ECONOMIC RESULT AND BUDGET RESULT

The economic result of the year is calculated based on accrual accounting principles. The budget result is however based on cash accounting rules. As the economic result and the budget result both cover the same underlying operational transactions, it is a useful control to ensure that they are reconcilable. The table below shows this reconciliation, highlighting the key reconciling amounts, split between revenue and expenditure items. The notes to the table provide additional information on the nature of the key reconciling items.

EUR million

	2025	2024
ECONOMIC RESULT OF THE YEAR	**(1 094)**	**(1 240)**
Revenue		
Entitlements not affecting the budget result	*(5)*	*(25)*
Entitlements established in current year but not yet collected	*(10)*	*(4)*
Entitlements established in previous years and collected in current year	*13*	*18*
Revenue decreasing consumption	*44*	*38*
Accrued revenue (net)	*(25)*	*(98)*
Other	–	–
Expenses		
Expenses of the current year not yet paid	*10*	*65*

EUR million

	2025	2024
Expenses of previous years paid in the current year	*(48)*	*(176)*
Net effect of pre-financing	*730*	*1 147*
Accrued expenses (net)	*(509)*	*(1 070)*
Other		
BUDGET RESULT OF THE YEAR	**(893)**	**(1 345)**

8.1. **RECONCILING ITEMS - REVENUE**

The budgetary revenue of a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years.

The **entitlements not affecting the budget result** are recorded in the economic result but from a budgetary perspective cannot be considered as revenues as the cashed amount is transferred to reserves and cannot be recommitted without a Council decision.

The **entitlements established in the current year but not yet collected** are to be deducted from the economic result for reconciliation purposes, as they do not form part of budgetary revenue. However, the **entitlements established in previous years and collected in the current** year must be added to the economic result for reconciliation purposes.

The **net effect of pre-financing** line refers to the clearing of pre-financing with amounts recovered from the beneficiaries. These cash receipts represent budgetary revenue but have no impact on the economic result and must therefore be added for reconciliation purposes.

The **net accrued revenue** mainly consists of accruals made for year-end cut-off purposes. Only the net effect, i.e. the accrued revenue of the current year less the reversal of accrued revenue of the previous year, is taken into consideration.

8.2. **RECONCILING ITEMS – EXPENDITURE**

Expenses of the current year not yet paid are to be added for reconciliation purposes as they are included in the economic result but do not form part of budget expenditure. However, the **expenses of previous years paid in the current year** must be deducted from the economic result for reconciliation purposes as they are part of the current year's budget expenditure but have either no effect on the economic result or they decrease the expenses in the event of corrections.

The cash receipts from **payment cancellations** do not affect the economic result although they do affect the budget result.

The **net effect of pre-financing** is the combination of the new pre-financing amounts paid in the current year (recognised as budget expenditure of the year) and the clearing of pre-financing paid in the current year or previous years through the acceptance of eligible costs. The latter represents an expense in accrual terms but not in the budgetary accounts since the payment of the initial pre-financing had already been considered as a budget expenditure at the time of its payment.

The **net accrued expenses** mainly consist of accruals made for year-end cut-off purposes, i.e. eligible expenses incurred by beneficiaries of EDF funds but not yet reported to the EDF. Only the net effect, i.e. the accrued expenses of the current year less the reversal of accrued expenses of the previous year, is taken into consideration.

PART I.2

FINANCIAL STATEMENTS OF THE EU TRUST FUNDS BÊKOU AND EU TRUST FUND AFRICA

FINANCIAL STATEMENTS OF THE BÊKOU EU TRUST FUND 2025 ([8])

([8]) It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables may appear not to add-up.

BACKGROUND INFORMATION

General background on Union Trust Funds

Establishment

In accordance with Articles 238 and 239 of the Financial Regulation applicable to the general budget of the Union (EU FR) ([9]) and Article 35 of the Financial Regulation applicable to the 11th European Development Fund (EDF FR) ([10]), the European Commission may establish Union Trust Funds for external actions ('EU Trust Funds/EUTFs'). The Union Trust Funds are constituted under an agreement concluded with other donors for emergency and post-emergency actions necessary to react to a crisis, or for thematic actions.

Union Trust Funds are established by the European Commission by a decision after consultation or approval of the European Parliament and the Council. This decision includes the constitutive agreement with other donors.

Union Trust Funds are only established and implemented subject to the following conditions:

— There is added value of the Union intervention: the objectives of Union Trust Funds, in particular by reason of their scale or potential effects, may be better achieved at Union level than at national level and the use of the existing financing instruments would not be sufficient to achieve policy objectives of the Union;

— Union Trust Funds bring clear political visibility for the Union and managerial advantages as well as better control by the Union of risks and disbursements of the Union and other donors' contributions;

— Union Trust Funds do not duplicate other existing funding channels or similar instruments without providing any additionality;

— The objectives of Union Trust Funds are aligned with the objectives of the Union instrument or budgetary item from which they are funded.

Current EU Trust Funds

To date, the Commission has set up four EUTFs:

— The EUTF BÊKOU, whose objective is to support all aspects of the Central African Republic's exit from crisis and its reconstruction efforts. Established on 15 July 2014;

— The EUTF MADAD, a European Union Regional Trust Fund in response to the Syrian crisis. Established on 15 December 2014;

— The EUTF AFRICA, a European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. Established on 12 November 2015;

— The EUTF COLOMBIA, which supports the implementation of the peace agreement in the early recovery and stabilisation post conflict. Established on 12 December 2016.

([9]) Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

([10]) Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 (OJ L 307, 3.12.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/1877/oj).

Mission

The EUTF Bêkou, was established, with the aim of promoting the stabilisation and reconstruction of the Central African Republic (CAR). Its main objective, as set out in the Constitutive Agreement, is 'to provide consistent, targeted aid for the resilience of vulnerable groups and support for all aspects of the Central African Republic's exit from the crisis and reconstruction, to coordinate actions over the short, medium and long term and to help neighbouring countries cope with the consequences of the crisis'.

Main operational activities

The Union Trust Fund pools together resources from different donors to finance programmes on the basis of agreed objectives. Since its creation in July 2014, the EUTF Bêkou has adopted 22 programmes and has reached more than 2,5 million beneficiaries. The programmes are to assist the Central African Republic (CAR) and its population in the aftermath of the 2013 crisis. More specifically, the EUTF Bêkou aims to ensure access to basic services (mainly health, water and sanitation), support economic recovery and job creation, and promote social cohesion and reconciliation.

Governance

The management of the EUTF Bêkou is ensured by the European Commission, which also acts as the secretariat of its two governing bodies – the Trust Fund Board and the Operational Committee. The Trust Fund Board and the Operational Committee of the EUTF Bêkou are composed of representatives of the donors, of the Commission, of the European Parliament, a representative of the Central African Republic's authorities and observers. The rules for the composition of the board and its internal rules are laid down in the constitutive agreement of the Union Trust Fund.

The main task of the Board is to establish and review the overall strategy of the Trust Fund. The Operational Board is responsible for the selection of the actions financed by the Fund and supervises their implementation. It also approves the annual accounts and the annual reports on the activities financed by the Trust Fund.

Sources of financing

The EUTF Bêkou is financed through contributions from donors.

Annual accounts

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the 'Agreement establishing the European Union Trust Fund for the Central African Republic, 'The Bêkou EU Trust Fund', and its internal rules' ('Constitutive Agreement'). As per this Constitutive Agreement, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

The Accounting Officer of the Commission serves as the Accounting Officer of the Union Trust Funds. The Accounting Officer is responsible for laying down accounting procedures and chart of accounts common to all Union Trust Funds. The Commission's Internal Auditor, OLAF and the Court of Auditors exercise the same powers over Union Trust Funds as they do in respect of other actions carried out by the Commission. The Union Trust Funds are also subject to an independent external audit every year.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

The annual accounts are subject to independent external audit. The provisional annual accounts prepared by the Accounting Officer are transmitted, by the 15th of February of the following year, to the Operational Committee who then transmits them to the audit company selected by the entity following a tender procedure. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Operational Committee for approval (Article 8.3.4(c)).

The annual accounts of the EUTF Bêkou are consolidated in the annual accounts of the European Development Fund.

Operational highlights

Achievements of the year

The EU launched, in July 2014, its first ever Trust Fund, named Bêkou (meaning hope in the Sango language) to assist the Central African Republic and its population in the aftermath of the 2013 crisis. The EUTF Bêkou aims to ensure access to basic services (mainly health and water and sanitation), support rural development and economic recovery, and promote reconciliation. Since its creation, the EUTF Bêkou has financed 22 programmes divided in 125 projects and has reached more than half of the country's population.

The Central African Republic remains a fragile state from many points of view, particularly in terms of governance and local capacity.

The security situation has gradually improved. However, the sub-region remains affected by the instability caused by the conflicts in Sudan, Democratic Republic of Congo (DRC) and Chad. This situation is causing refugee flows to the CAR, exacerbating the food insecurity.

In 2025, the Central African economy was characterised by high inflation and shortages. However, the situation in the country is gradually improving based on the National Development Plan (NDP 2024-2028), which is a roadmap for the social and economic transformation of the CAR. This plan is gradually being put in place. This is demonstrated by the successes of the Donors' Round Table held in Casablanca in September 2025.

2025 was also marked by the grouped general elections in December (presidential, municipal, regional and legislative) with the logistical support of MINUSCA (Mission Multidimensionnelle intégrée des Nations Unies pour la Stabilisation en République Centrafricaine) and the financial support of the EU (electoral roll, National Elections Agency). The relationship with the EU remains cordial and stable.

The Fund's termination phase – characterised by closures and decommitments with audits and evaluations remaining until 2026 – is started with the end of the operational implementation of the last projects. It should be stressed that the continuity of actions will be preserved (Health and Education in particular), as far as possible, through NDICI projects, because of the lessons learned during the implementation of the Fund, in consultation with the Government and the technical and financial partners in line with the National Development Plan.

Key achievements in specific focus areas

Key achievements of 2025 presented below reflect the main specific objectives/areas of intervention of the Trust Fund.

In the area of access to services, 21 drillings were rehabilitated, improving access to Water, Hygiene and Sanitation (EHA) services by an additional 10 500 people in 2025, bringing the total to 1 197 087 additional beneficiaries since the beginning of the Fund.

In the area of social cohesion, 1 450 women and girls benefited from economic empowerment activities, all under the DEVRUR II project implemented by Enabel in 2025. Of these, 865 received financial management training, 575 received training to get a job and 10 were supported to start their income-generating activity (AGR). This brings the number of women and girls participating in socioeconomic empowerment activities to 174 850 over the duration of the Fund.

In the area of supporting economic and productive sectors' recovery, 3 770 people benefited from technical and vocational training, all in the 'Agropoles' established by the DEVRUR II project, bringing the total number of people who benefited from skills development activities thanks to Bêkou funding to 121 900. In addition, 32 people found a job, 23 started an entrepreneurial project and 17 set up an AGR in 2025 thanks to the support of the DEVRUR project.

In addition, Enabel also created 4 114 THIMO (Travaux à Haute Intensité de Main-d'œuvre) jobs in 2025 which enabled the finalisation of the last works for the construction of 'Agropoles' and trained 58 last staff (administrative, technical and trainers), bringing the total number of administrative staff or service providers whose capacities were reinforced by the Fund to 20 675.

Budget and budget implementation

By the end of 2025, the contributions to EUTF Bêkou amounted to over EUR 310 million, as in the previous year 2024. In addition to this amount, there were EUR 2,3 million for other income (interest and recovery orders cashed). The Trust fund finalised the commitments and contracting of all received contributions on 31 December 2021, with the exception of funds reserved for monitoring, evaluation, audit and communication that can still be contracted after this date.

In 2025, 5 contracts were ongoing for a total budget around EUR 43,9 million including 3 operational projects (DEVRUR II Enabel, PAPEUR Rural & WASH PEPEV).

Impact of the activities in the financial statements

In the financial statements, the impact of the above-mentioned activities is most visible when looking at:

— Pre-financing: decreased by kEUR 2 183 as a result of the winding down of the Trust Fund and the conclusion of operating projects in 2025. As the Trust Fund reached the end of its implementation period on 31 December 2025, all operational contracts came to an end, leading to increased clearance of pre-financing balances. The remaining balance relates to projects for which the final financial reports had not yet been received at year-end.

— Financial liabilities: decreased by kEUR 10 676 mainly due to the absence of cashed contributions during the year.

— Operating expenses: increased by kEUR 3 914, mainly due to higher actual and accrued costs recognised at project closure, the application of higher Trust Fund implementation and eligibility rates, and the finalisation of several projects following the end of the Trust Fund's implementation period.

BALANCE SHEET

EUR '000

	31.12.2025	31.12.2024
NON-CURRENT ASSETS		
Pre-financing	–	–
	–	–
CURRENT ASSETS		
Pre-financing	*436*	*2 619*
Exchange receivables and non-exchange recoverables	*1 496*	*2 267*
Cash and cash equivalents	*14 498*	*23 465*
	16 430	**28 350**
TOTAL ASSETS	**16 430**	**28 350**
NON-CURRENT LIABILITIES		
Financial liabilities	*(13 431)*	*(24 108)*

EUR '000

	31.12.2025	31.12.2024
	(13 431)	**(24 108)**
CURRENT LIABILITIES		
Payables	*(1 927)*	*(2 536)*
Accrued charges	*(1 072)*	*(1 707)*
	(2 998)	**(4 243)**
TOTAL LIABILITIES	**(16 430)**	**(28 350)**
NET ASSETS	–	–

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	2025	2024
REVENUE		
Revenue from non-exchange transactions		
Revenue from donations	*10 676*	*6 894*
Recovery of expenses	*448*	*183*
	11 125	**7 076**
Revenue from exchange transactions		
Financial revenue	*400*	*884*
	400	**884**
Total revenue	**11 525**	**7 961**
EXPENSES		
Operating expenses	*(10 224)*	*(6 310)*
Finance costs	*(2)*	*(166)*
Other expenses	*(1 300)*	*(1 485)*
Total expenses	**(11 525)**	**(7 961)**
ECONOMIC RESULT OF THE YEAR	–	–

CASHFLOW STATEMENT

EUR '000

	2025	2024
Economic result of the year	–	–
(Increase)/decrease in pre-financing	*2 183*	*1 126*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*771*	*1 196*
Increase/(decrease) in financial liabilities	*(10 676)*	*(6 894)*
Increase/(decrease) in payables	*(609)*	*2 536*

EUR '000

	2025	2024
Increase/(decrease) in accrued charges	*(635)*	*(2 919)*
NET CASHFLOW	**(8 967)**	**(4 955)**
Net increase/(decrease) in cash and cash equivalents	*(8 967)*	*(4 955)*
Cash and cash equivalents at the beginning of the year	*23 465*	*28 420*
Cash and cash equivalents at year-end	*14 498*	*23 465*

FINANCIAL STATEMENTS OF THE EUTF AFRICA 2025 ([11])

([11]) It should be noted that due to the rounding of figures into thousands of euros (kEUR), some financial data in the tables may appear not to add-up.

BACKGROUND INFORMATION ON THE EUTF AFRICA

General background on Union Trust Funds

Establishment

In accordance with Articles 238 and 239 of the Financial Regulation applicable to the general budget of the Union (EU FR) ([12]) and Article 35 of the Financial Regulation applicable to the 11th European Development Fund (EDF FR) ([13]), the European Commission may establish Union Trust Funds for external actions ('EU Trust funds/EUTFs'). The Union Trust Funds are constituted under an agreement concluded with other donors for emergency and post-emergency actions necessary to react to a crisis, or for thematic actions.

Union Trust Funds are established by the European Commission by a decision after consultation or approval of the European Parliament and the Council. This decision includes the constitutive agreement with other donors.

Union Trust funds are only established and implemented subject to the following conditions:

— There is added value of the Union intervention: the objectives of Union Trust Funds, in particular by reason of their scale or potential effects, may be better achieved at Union level than at national level and the use of the existing financing instruments would not be sufficient to achieve policy objectives of the Union;

— Union Trust Funds bring clear political visibility for the Union and managerial advantages as well as better control by the Union of risks and disbursements of the Union and other donors' contributions;

— Union Trust Funds do not duplicate other existing funding channels or similar instruments without providing any additionality;

— The objectives of Union Trust Funds are aligned with the objectives of the Union instrument or budgetary item from which they are funded.

Current EU Trust Funds

To date, the Commission has set up four EUTFs:

— The EUTF BÊKOU, whose objective is to support all aspects of the Central African Republic's exit from crisis and its reconstruction efforts. Established on 15 July 2014;

— The EUTF MADAD, a European Union Regional Trust Fund in response to the Syrian crisis. Established on 15 December 2014;

— The EUTF AFRICA, a European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. Established on 12 November 2015;

— The EUTF COLOMBIA, which supports the implementation of the peace agreement in the early recovery and stabilisation post conflict. Established on 12 December 2016.

Mission

The main objectives of the EUTF Africa are to support all aspects of stability and contribute to better migration management as well as addressing the root causes of destabilisation, forced displacement and irregular migration, in particular by promoting resilience, economic and equal opportunities, security and development and addressing human rights abuses.

([12]) Regulation (EU, Euratom) 2024/2509.
([13]) Regulation (EU) 2018/1877.

Main operational activities

The Union Trust Fund pools together resources from different donors to finance an action on the basis of agreed objectives. EUTF Africa operates in three main geographic areas, namely the Sahel region and Lake Chad area, the Horn of Africa and the North of Africa. The neighbouring countries of the eligible countries may benefit, on a case by case basis, from the Trust Fund's projects. The Trust Fund is established for a limited period, in order to provide a short and medium-term response to the challenges of the regions.

Governance

The management of the EUTF Africa is ensured by the European Commission, which also acts as the secretariat of its two governing bodies – the Trust Fund Board and the Operational Committee. The Trust Fund Board and the Operational Committee of the EUTF Africa are composed of representatives of the donors and of the Commission, as well as representatives of non-contributing EU Member States, authorities of eligible countries' and regional organisations as observers. The rules for the composition of the board and its internal rules are laid down in the constitutive agreement of the Union Trust Fund.

The main task of the Board is to establish and review the overall strategy of the Trust Fund. The Operational Board is responsible for the selection of the actions financed by the Fund and supervises their implementation. It also approves the annual accounts and the annual reports on the activities financed by the Trust Fund.

Sources of financing

The EUTF Africa is financed through contributions from donors.

Basis for preparation

The legal framework and the deadlines for the preparation of the annual accounts are set by the 'Agreement establishing the European Union emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa and its internal rules' ('Constitutive Agreement'). As per this Constitutive Agreement, the annual accounts are prepared in accordance with the rules adopted by the Accounting Officer of the Commission (EU Accounting Rules, EAR), which are based on internationally accepted accounting standards for the public sector (IPSAS).

Accounting Officer

Based on the Constitutive Agreement, the Accounting Officer of the Commission serves as the Accounting Officer of the Trust Fund.

Composition of the annual accounts

The annual accounts cover the period from 1 January to 31 December and comprise the financial statements and the reports on the implementation of the budget. While the financial statements and the complementary notes are prepared on an accrual accounting basis, the budget implementation reports are primarily based on movements of cash.

Process from provisional accounts to discharge

The annual accounts are subject to independent external audit. The provisional annual accounts prepared by the Accounting Officer are transmitted, by the 15th of February of the following year, to the Operational Committee who then transmits them to the audit company selected by the entity following a tender procedure. Following the audit, the Accounting Officer prepares the final annual accounts and submits them to the Operational Committee for approval.

The annual accounts of the EUTF Africa are consolidated in the annual accounts of the European Development Fund.

Operational highlights

Achievements of the year

In line with the end of the contracting period on 31 December 2021, as of January 2022 the EU Trust Fund for Africa has not funded any new financial commitments or budgetary top-ups. Financial commitments related to administrative activities such as audits, evaluations, monitoring and communication activities are the only ones that have been contracted. The EUTF Africa programmes continued to be implemented up to end 2025. The EUTF will enter in its closure phase as from 1 January 2026.

Throughout 2025, the EUTF for Africa further demonstrated that it is a flexible and effective implementation tool, facilitating policy dialogue with African partner countries, applying innovative approaches, and producing tangible results across the three regions (Sahel and Lake Chad, Horn of Africa and North of Africa).

In 2025, the Horn of Africa (HoA) region remains one of the most acutely affected areas in the world, grappling with the compounding effects of large-scale armed conflict, persistent drought resulting from climate change, mass displacement, and a deepening humanitarian emergency.

Against this complex regional backdrop, the EUTF continued to have a meaningful impact articulated through its four Strategic Objectives (SO). While the final year of implementation naturally saw a reduction in the number of active projects and indicators, the EUTF sustained targeted actions to address these specific challenges.

Through initiatives such as ILED in Somalia, the EUTF expanded economic and employment opportunities (in line with Strategic Objective 1) by supporting income generating activities, skills development, and job creation, contributing to broader livelihood efforts.

In the challenging Sudanese context, projects such as STARS MDTE and RDPP SD continued to deliver essential social services in education and healthcare, alongside food security assistance, thereby strengthening community resilience (in line with Strategic Objective 2).

The PROTECT project in Sudan strengthened migration management (Strategic Objective 3) by protecting people fleeing conflict through assistance to migrants in transit, refugees, asylum seekers, and internally displaced persons in shelters with food and non-food items. It also enhanced the capacity of civil society organisations and shelter staff to support survivors of gender-based violence and trafficking and to prevent sexual exploitation and abuse.

In the area of governance and conflict prevention (Strategic Objective 4), the STABILITY project in the Tigray Region for example supported community recovery by training religious leaders to help communities heal from the trauma of the recent war

With the completion of the EUTF, programmes in the HoA region have delivered significant cumulative results over the last 10 years. Over the portfolio lifetime, EUTF-funded interventions have created or supported over 150 000 jobs (EUTF indicator 1.1) and assisted approximately 750 000 individuals in developing income-generating activities (EUTF indicator 1.3), including substantial support to refugee populations. Just under 15 000 micro, small, and medium enterprises have been created or supported (EUTF indicator 1.2). In the health sector, EUTF programmes have delivered more than 11 million health-related services (EUTF indicator 2.2) and improved access to health services for 3,7 million people (EUTF indicator 2.9). Nutrition assistance has reached 3 million individuals (EUTF indicator 2.3), and nearly 195 000 migrants and displaced persons have received critical assistance and protection while migration management was improved. Peace-building initiatives have engaged over 1,39 million participants in conflict prevention and human rights activities. These results highlight both the scale of delivery achieved under the EUTF and the continued relevance of such interventions in a context where needs remain high and structural challenges persist.

In 2025, the Sahel and Lake Chad (SLC) region continued to face high levels of instability, driven by persistent armed conflict, deepening political fragmentation, climate shocks, and a deepening humanitarian crisis.

As most activities under the EUTF SLC projects were completed by end of 2024, only minimal achievements can be reported for 2025.

For the Strategic Objective 1 (greater economic and employment opportunities) the programme 'Acceleration in the Sahel' continued to support access to long term financing for entrepreneurs and very small and medium-sized enterprises (SMSEs) in West Africa. The project has achieved its objectives in terms of the number of jobs created entrepreneurs and SMSEs supported.

Under the Strategic Objective 4 (improved governance and conflict prevention) the project 'Programme d'appui au renforcement du système d'information de l'état civil au Sénégal' aiming to support the strengthening of the civil registration information system and the consolidation of a national biometric identity file in Senegal showed some results in 2025 with the rehabilitation of governmental infrastructures supported to strengthen governance and the provision of equipment with the infrastructure of two town halls supported to strengthen governance.

Over the programme's lifetime, EUTF-funded interventions have supported more than 839 927 individuals in developing income-generating activities (EUTF indicator 1.3), a large part in Ghana (GrEEn programme ([14])) and significant numbers in Mali, Niger, Chad and Burkina Faso; they provided technical and vocational education and training (TVET) and skills development to over 240 000 beneficiaries (EUTF indicator 1.4) in all countries of the SLC window, thanks to nearly 50 programmes, among which Développer l'Emploi au Sénégal ([15]), INTEGRA ([16]) in Ghana, ARCHIPELAGO ([17]) or GrEEn ([18]).

Peacebuilding and conflict prevention activities have engaged 7,1 million participants (EUTF indicator 4.3), most notably in Burkina Faso thanks to PEV ([19]) and PDU ([20]), but also in Niger (PDU, PAIERA ([21]) and SHIMODU ([22])), 21 000 individuals have been trained in migration management and protection in all countries of the Window (EUTF indicator 3.7). Food security-related assistance has reached 3,6 million people (EUTF indicator 2.4), in particular in Burkina Faso, Mali, Nigeria and Chad, and nutrition assistance has benefited 2,8 million individuals in Burkina Faso, Senegal, Mali, Cameroon and Niger (EUTF indicator 2.3). These achievements represent a significant contribution to resilience and stability across the region, even as the humanitarian context remains exceptionally challenging and the need for continued international engagement becomes ever more critical.

The North Africa (NoA) region continued to face intertwined geopolitical, socioeconomic, and environmental challenges that further influenced migration dynamics. North African countries remain key points of origin, transit, and destination for migrants, with several also hosting substantial refugee populations.

As of May 2025 ([23]), out of the 4,94 billion committed by EUTF for Africa, the NoA region accounts for EUR 905 million, channelled through 118 contracts (90 operational and 28 technical support). These interventions contributed to achieve tangible results in the North of Africa from 2017 to May 2025. Considering the EUTF Strategic Objectives, the NoA window focuses on SO3 'improved migration management in countries of origin, transit and destination' across four strategic priorities. Under the Strategic Priority 1 (Protection of Vulnerable Migrants, Asylum seekers and Refugees) EUTF interventions expanded protection and community stabilisation by implementing 64 contracts that rehabilitated or constructed nearly 1 600 infrastructures. Through Strategic Priority 3 (Support to Labour Migration) funding amounting to EUR 35 million supported labour migration governance by strengthening 23 institutions, developing 19 national strategies and enabling legal mobility for over 7 000 individuals across the NoA region.

([14]) T05-EUTF-SAH-GH-02.
([15]) T05-EUTF-SAH-SN-04.
([16]) T05-EUTF-SAH-GN-01.
([17]) T05-EUTF-SAH-REG-15.
([18]) T05-EUTF-SAH-GH-02.
([19]) T05- T05-EUTF-SAH-BF-08.
([20]) T05-EUTF-SAH-REG-18.
([21]) T05-EUTF-SAH-NE-08.
([22]) T05-EUTF-SAH-NE-10.
([23]) Data from NoA MLS Report (covering period from 2017 to 2025).

Overall, despite the complex environment, our EUTF partners reported improving the access of 5,49 million people to basic social services, delivering 2,78 million basic social services and providing post-return assistance to 4 510 returning migrants. In addition, awareness raising efforts continued with 10,4 million potential migrants reached by resilience and basic rights campaigns and 27 688 beneficiaries participating in professional trainings.

Budget and budget implementation

In 2025 ([24]), no new program or budgetary top-up took place in any of the three regions of the EUTF for Africa, in line with the end of the contracting period on 31 December 2021. The total amount committed for operational and administrative expenditure since the beginning of the EUTF for Africa amounts to EUR 5 053,56 million. The amount of approved operational programmes since the beginning of the EUTF Africa amounts to EUR 1 810 million for the Horn of Africa region; EUR 2 217,8 million for the Sahel and Lake Chad region and EUR 907,3 million for the North of Africa region.

37 new contracts for a total amount of EUR 139 562 266 were contracted in 2025, considering net committed amount and no de-commitments. These contracts were only related to administrative activities (audit, evaluation, communication, monitoring), as operational programmes or activities cannot be funded any longer from 31 December 2021.

The payments in 2025 reached EUR 84,32 million, which was EUR 78,68 million lower than in 2024. Payments are lower in 2025 due to several projects reaching the end of their implementation period.

Impact of the activities in the financial statements

In the financial statements, the impact of the above mentioned activities is most visible when looking at:

— Pre-financing: decreased by kEUR 107 330 as a result of the winding down of the Trust Fund and the conclusion of operating projects in 2025. As the Trust Fund reached the end of its implementation period on 31 December 2025, all operational contracts came to an end, leading to increased clearance of pre-financing balances. The remaining balance relates to projects for which the final financial reports had not yet been received at year-end;

— Financial liabilities: decreased by kEUR 138 236 mainly due to the absence of cashed contributions during the year;

— Operating expenses: decreased by kEUR 38 674 as a result of the winding down of the Trust Fund which led to a reduction in the number of open contracts and thus to lower expenses.

BALANCE SHEET

EUR '000

	31.12.2025	31.12.2024
NON-CURRENT ASSETS		
Financial Assets	*3 014*	*3 950*
Pre-financing	*123*	–
	3 137	**3 950**
CURRENT ASSETS		
Pre-financing	*24 436*	*131 889*
Exchange receivables and non-exchange recoverables	*16 651*	*24 314*
Cash and cash equivalents	*120 097*	*187 539*
	161 185	**343 742**

([24]) Data from NoA MLS Report (covering period from 2017 to 2025).

EUR '000

	31.12.2025	31.12.2024
TOTAL ASSETS	**164 322**	**347 691**
NON-CURRENT LIABILITIES		
Financial liabilities	*(113 103)*	*(251 339)*
	(113 103)	**(251 339)**
CURRENT LIABILITIES		
Payables	*(14 500)*	*(13 774)*
Accrued charges	*(36 719)*	*(82 578)*
	(51 219)	**(96 352)**
TOTAL LIABILITIES	**(164 322)**	**(347 691)**
NET ASSETS	–	–

STATEMENT OF FINANCIAL PERFORMANCE

EUR '000

	2025	2024
REVENUE		
Revenue from non-exchange transactions		
Revenue from donations	*138 236*	*169 603*
Recovery of expenses	*532*	*245*
	138 768	**169 848**
Revenue from exchange transactions		
Financial revenue	*3 087*	*6 690*
Other exchange revenue	*10 546*	*13 551*
	13 634	**20 240**
Total revenue	**152 402**	**190 089**
EXPENSES		
Operating expenses	*(123 195)*	*(161 869)*
Finance cost	*(971)*	*(28)*
Other expenses	*(28 235)*	*(28 191)*
Total expenses	**(152 402)**	**(190 089)**
ECONOMIC RESULT OF THE YEAR	–	–

CASHFLOW STATEMENT

EUR '000

	2025	2024
Economic result of the year	–	–
Operating activities		
(Increase)/decrease in pre-financing	*107 329*	*64 732*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*7 662*	*(1 917)*

EUR '000

	2025	2024
Increase/(decrease) in financial liabilities	*(138 236)*	*(13 216)*
Increase/(decrease) in payables	*726*	*(486)*
Increase/(decrease) in accrued charges	*(45 859)*	*(39 126)*
Investing activities		
Increase/decrease in non-derivative financial assets at fair value through surplus or deficit	*936*	*(0)*
NET CASHFLOW	**(67 442)**	**9 986**
Net increase/(decrease) in cash and cash equivalents	*(67 442)*	*9 986*
Cash and cash equivalents at the beginning of the year	*187 539*	*177 553*
Cash and cash equivalents at year-end	*120 097*	*187 539*

PART I.3

CONSOLIDATED FINANCIAL STATEMENTS OF THE EDF AND THE EU TRUST FUNDS ([25])

([25]) It should be noted that due to the rounding of figures into millions of euros, some financial data in the tables may appear not to add-up.

CONSOLIDATED BALANCE SHEET

EUR million

	31.12.2025	31.12.2024
NON-CURRENT ASSETS		
Financial assets	*119*	*131*
Pre-financing	*492*	*500*
Exchange receivables	*5*	*5*
	616	**637**
CURRENT ASSETS		
Financial assets	*1*	*5*
Pre-financing	*556*	*876*
Exchange receivables and non-exchange recoverables	*56*	*63*
Cash and cash equivalents	*420*	*622*
	1 034	**1 566**
TOTAL ASSETS	**1 649**	**2 203**
NON-CURRENT LIABILITIES		
Financial liabilities	*(40)*	*(88)*
	(40)	**(88)**
CURRENT LIABILITIES		
Provisions	*(0)*	*(2)*
Payables	*(204)*	*(272)*
Accrued charges and deferred income	*(733)*	*(858)*
	(936)	**(1 132)**
TOTAL LIABILITIES	**(976)**	**(1 220)**
NET ASSETS	**673**	**983**
FUNDS & RESERVES		
Called fund capital - active EDFs	*56 488*	*55 704*
Called fund capital from closed EDFs carried forward	*2 252*	*2 252*
Economic result carried forward from previous years	*(56 973)*	*(55 733)*
Economic result of the year	*(1 094)*	*(1 240)*
NET ASSETS	**673**	**983**

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

EUR million

	2025	2024
REVENUE		
Revenue from non-exchange transactions		
Recovery activities	*13*	*42*
Revenue from trust funds donations	*48*	*59*
	60	**100**

EUR million

	2025	2024
Revenue from exchange transactions		
Financial revenue	*11*	*26*
Other revenue	*31*	*85*
	42	**111**
Total Revenue	**102**	**211**
EXPENSES		
Aid instruments	*(942)*	*(1 119)*
Expenses implemented by other entities	*(4)*	*(4)*
Expenses implemented by trust funds	*(133)*	*(168)*
Co-financing expenses	*(1)*	*(17)*
Finance costs	*(41)*	*(3)*
Other expenses	*(75)*	*(140)*
Total Expenses	**(1 196)**	**(1 451)**
ECONOMIC RESULT OF THE YEAR	**(1 094)**	**(1 240)**

CONSOLIDATED CASH FLOW STATEMENT

EUR million

	2025	2024
Economic result of the year	*(1 094)*	*(1 240)*
Operating activities		
Capital increase - contributions	*784*	*1 138*
(Increase)/decrease in trust funds contributions	–	–
(Increase)/decrease in pre-financing	*328*	*352*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*8*	*(13)*
Increase/(decrease) in provisions	*(2)*	*2*
Increase/(decrease) in financial liabilities	*(48)*	*3*
Increase/(decrease) in payables	*(68)*	*(134)*
Increase/(decrease) in accrued charges and deferred income	*(126)*	*(252)*
Other non-cash movements	–	-
Investing activities		
(Increase)/decrease in non-derivative financial assets at fair value through surplus or deficit	*16*	*(42)*
NET CASHFLOW	**(201)**	**(185)**
Net increase/(decrease) in cash and cash equivalents	(201)	(185)
Cash and cash equivalents at the beginning of the year	622	807
Cash and cash equivalents at year-end	420	622

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

EUR million

	Fund capital - active EDFs (A)	Uncalled funds - active EDFs (B)	Called fund capital - active EDFs (C) = (A)-(B)	Cumulative Reserves (D)	Called fund capital from closed EDFs carried forward (E)	Total Net Assets (C)+(D)+(E)+(F)
BALANCE AS AT 31.12.2023	**60 607**	**6 040**	**54 566**	**(55 733)**	**2 252**	**1 086**
Capital increase - contributions	*(62)*	*(1 200)*	*1 138*	–	–	*1 138*
Economic result of the year	–	–	–	*(1 240)*	–	*(1 240)*
BALANCE AS AT 31.12.2024	**60 544**	**4 840**	**55 704**	**(56 973)**	**2 252**	**983**
Capital increase - contributions	*(16)*	*(800)*	*784*	–	–	*784*
Economic result of the year	–	–	–	*(1 094)*	–	*(1 094)*
BALANCE AS AT 31.12.2025	**60 528**	**4 040**	**56 488**	**(58 067)**	**2 252**	**673**

PART I.4

EDF REPORT ON FINANCIAL IMPLEMENTATION

CONTENTS

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1. BACKGROUND

Launched in 1959, the EDF is the main instrument for providing EU aid for development cooperation to the African, Caribbean and Pacific (ACP) states and overseas countries and territories (OCTs). Its primary objective is to reduce and ultimately eradicate poverty.

The EDF is established by an Internal Agreement of the representatives of the Member States and managed by a specific committee. The EDF resources are 'ad hoc' contributions from the EU Member States, which decide on an overall amount that will be allocated to the fund (over a period of five years). In addition to these contributions, it is also possible for Member States to enter into co-financing arrangements or to make voluntary financial contributions to the EDF. The European Commission is responsible for the financial implementation of the operations carried out with EDF resources. The EIB manages the Investment Facility.

The EDF is a fund operating based on multiannuality. Each EDF is concluded for a period of around five years and is governed by its own financial regulation. The Internal Agreement establishing the last EDF, the 11th EDF (2014-2020), came into force on 1 March 2015. Since 2021, the cooperation with the ACP countries is included in the Neighbourhood, Development and International Cooperation Instrument (NDICI). However, projects that were already ongoing, funded under the EDF, will continue to be implemented, under the respective EDF legal basis.

This report is produced in accordance with Article 39 of the Financial Regulation of 11th EDF ([26]). It provides information on the revenue and expenditure operations of the EDF, with the focus on important events that had a significant impact on financial implementation in 2025.

Given that there are no ongoing operations under previous EDFs ([27]), this report includes figures only for the 10th and 11th EDFs.

PREVIOUS EDFs

6th and 7th EDF

The 6th EDF was closed in 2006 and the 7th EDF was closed in 2008.

In accordance with article 1(2)(b) of the Internal Agreement of the 9th EDF, balances and decommitments of previous EDFs have been transferred to the 9th EDF.

8th and 9th EDF

2021 marked the financial and operational closure of the Eighth EDF for a total amount of expenditure of EUR 10 374 million. The Commission announced the closure of the eight EDF to the Member States in a communication that was presented to the Council in October 2021.

All eight EDF activities have now been completed, and all checks and controls have been performed. All contracts and financial decisions have also been closed in the EDF accounts. All recovery orders, which were still open after the operational closure, were cashed or waived with the exception of four recovery orders being followed by the Commission's Legal Service. In line with Commission Decision C(2003)19044, these recovery orders were transferred to the ninth EDF.

The closure of the ninth EDF is progressing well. There are still 4 contracts open, out of which 2 concern audit and evaluations in Southern Sudan (Council Decision 2011/315/EU). These actions were decided after the ninth EDF sunset clause and will reach their conclusion within the specified timeframe, contributing to the finalisation of activities and projects associated with the ninth EDF. The full closure of the ninth EDF can only be accomplished once all contracts come to an end and following the completion of their evaluations and audits.

([26]) Regulation (EU) 2018/1877.
([27]) Except for operations in South Sudan.

From 2015 to 2025, the Commission carried out seven refunds of 8th/9thEDF credits for a total amount of EUR 1 925,19 million ([28]). A balance of EUR 1,2 million was refunded in January 2026 ([29]) as part of the payment of the first instalment of Member State contributions to the EDF for the year 2026.

10th AND 11th EDF

The ACP-EC Partnership Agreement (also known as the Cotonou Agreement) was signed on 23 June 2000 in Cotonou by the Member States of the European Community and the ACP States. It entered into force on 1 April 2003 (establishing the 9th EDF).The Cotonou Agreement was amended twice, firstly by the agreement signed in Luxembourg on 25 June 2005 (establishing the 10th EDF) and secondly by the agreement signed in Ouagadougou on 22 June 2010 (establishing the 11th EDF).

The Council Decision 2001/822/EC of 27 November 2001 on the association of the overseas countries and territories (OCT) with the European Community ('Overseas Association Decision') ([30]) entered into force on 2 December 2001. This Decision was amended on 19 March 2007 (Council Decision 2007/249/EC ([31])).

The Internal Agreement on the financing of Community aid under the Multiannual Financial Framework for the period 2014-2020 in accordance with the revised Cotonou Agreement, adopted by the representatives of the governments of the Member States of the European Community on August 2013, entered into force on March 2015.

Under the Cotonou Agreement, for the second period (2008-2013), the 10th EDF had an overall budget of EUR 22 682 million. Of this amount:

— EUR 21 966 million was allocated to the ACP countries;

— EUR 286 million to the OCT; and

— EUR 430 million to the Commission as support expenditure for programming and implementation of the EDF.

The amount for the ACP countries is divided as follows:

— EUR 17 766 million to national and regional indicative programmes;

— EUR 2 700 million to intra-ACP and intra-regional cooperation; and

— EUR 1 500 million to Investment Facilities.

Notably, an increased share of the budget was devoted to regional programmes, thereby emphasising the importance of regional economic integration as the basic framework for national and local development. An innovation in the 10th EDF was the creation of 'incentive amounts' for each country.

Under the Cotonou Agreement, the third period (2014-2020) of Community aid to the ACP States and OCTs is funded by the 11th EDF for an amount of EUR 30 506 million, of which:

— EUR 29 089 million is allocated to the ACP countries in accordance with Article 1.2(a) and Article 2(d) of the Internal Agreement, of which EUR 27 955 million was managed by the European Commission;

— EUR 364,5 million is allocated to the OCTs in accordance with Article 1.2(a) and Article 3.1 of the Internal Agreement, of which 359,5 million was managed by the European Commission; and

— EUR 1 052,5 million is for the Commission to finance the costs arising from the programming and implementation of 11th EDF resources, in accordance with Article 1.2(a) of the Internal Agreement.

([28]) 1 402,57 million bridging facility (Council Decision 2015/0246), EUR 200 million (Council Decision (EU) 2017/1206), EUR 223 million (Council Decision (EU) 2020/1708) EUR 43 million (Council Decision (EU) 2021/1941), EUR 42,5 million (Council Decision (EU) 2022/2242), EUR 7,8 million (Council Decision (EU) 2023/2586) and 6,3 million (Council Decision (EU) 2024/2906).

([29]) Decision (EU) 2025/22324.

([30]) OJ L 314, 30.11.2001, p. 1, ELI: http://data.europa.eu/eli/dec/2001/822(1)/oj.

([31]) Council Decision 2007/249/EC of 19 March 2007 amending Decision 2001/822/EC on the association of the overseas countries and territories with the European Community (OJ L 109, 26.4.2007, p. 33, ELI: http://data.europa.eu/eli/dec/2007/249/oj).

2. **FINANCIAL IMPLEMENTATION**

FINANCIAL OUTTURN

EVOLUTION OF 10th EDF APPROPRIATIONS

10TH EDF EVOLUTION OF APPROPRIATIONS: 31 DECEMBER 2025 ANALYSIS OF CREDITS PER INSTRUMENT

(EUR million)

INSTRUMENT		INITIAL APPROPRIATION	INCREASES/DECREASES IN CUMULATIVE RESOURCES AT 31 DECEMBER 2024	INCREASE OR DECREASE IN RESOURCES IN 2025	Notes	CURRENT LEVEL APPROPRIATION
ACP	***Co-financing***	***0***	***202***	***(9)***		***193***
	Regular MS Contributions	***21 326***	***(710)***	***(86)***		***20 530***
	SUB TOTAL ACP	**21 326**	**(508)**	**(95)**		**20 723**
OCT	***Regular MS Contributions***	***0***	***236***	***(1)***		***236***
	SUB TOTAL OCT	**0**	**236**	**(1)**		**236**
	TOTAL 10th EDF	**21 326**	**(272)**	**(95)**		**20 959**

EVOLUTION OF 11th EDF APPROPRIATIONS

11TH EDF EVOLUTION OF APPROPRIATIONS: 31 DECEMBER 2025 ANALYSIS OF CREDITS PER INSTRUMENT

(EUR million)

INSTRUMENT		INITIAL APPROPRIATION	INCREASES/DECREASES IN CUMULATIVE RESOURCES AT 31 DECEMBER 2024	INCREASE OR DECREASE IN RESOURCES IN 2025	Notes	CURRENT LEVEL APPROPRIATION
ACP	***Co-financing***	***0***	***91***			***91***
	EC Internal SLA	***0***	***1***			***1***
	Regular MS Contributions	***30 060***	***(855)***	***74***		***29 279***
	SUB TOTAL ACP	**30 060**	**(763)**			**29 372**
	Co-financing	***0***	***0***			***0***

(EUR million)

INSTRUMENT		INITIAL APPROPRIATION	INCREASES/DECREASES IN CUMULATIVE RESOURCES AT 31 DECEMBER 2024	INCREASE OR DECREASE IN RESOURCES IN 2025	Notes	CURRENT LEVEL APPROPRIATION
OCT	***EC Internal SLA***	***0***	***0***			***0***
	Regular MS Contributions	***0***	***354***	***1***		***354***
	SUB TOTAL OCT	**0**	**354**			**354**
	TOTAL 11th EDF	30 060	(409)	75		29 726

EVOLUTION OF COMMITMENTS, ASSIGNED FUNDS AND PAYMENTS FOR 10TH EDF

EDF AGGREGATED ACCOUNTS AT 31 DECEMBER 2025 CLASS OF AID

ACP + PTOM - 10 th EDF

(EUR million)

	CREDITS	DECISIONS			ASSIGNED FUNDS			PAYMENTS		
		AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%
	(1)	(2)		(2) : (1)	(3)		(3) : (2)	(4)		(4) : (3)
Regular MS Contributions										
Allocations										
SUB TOTAL: A ENVELOPE - NATIONAL ALLOCATIONS	**12 247**	**12 245**	**(23)**	**100 %**	**12 231**	**(24)**	**100 %**	**12 204**	**3**	**100 %**
SUB TOTAL: B ENVELOPE - NATIONAL ALLOCATIONS	**1 960**	**1 960**	0	**100 %**	**1 960**	0	**100 %**	**1 960**	0	**100 %**
SUB TOTAL: FOOD SECURITY	**341**	**481**	**(0)**	**141 %**	**471**	**(12)**	**98 %**	**407**	**52**	**87 %**
SUB TOTAL: IMPLEMENTATION COSTS AND INTERESTS REVENUES	**526**	**526**		**100 %**	**526**	0	**100 %**	**522**		**99 %**
SUB TOTAL: INTRA-ACP ALLOCATIONS	**3 550**	**3 538**	**(42)**	**100 %**	**3 535**	**(26)**	**100 %**	**3 492**	**0**	**99 %**
SUB TOTAL: REGIONAL ALLOCATIONS	**1 905**	**1 760**	**(3)**	**92 %**	**1 755**	**(0)**	**100 %**	**1 704**	**9**	**97 %**
Co-financing										
Allocations										
SUB TOTAL: A ENVELOPE - NATIONAL ALLOCATIONS	**178**	**175**	**(0)**	**99 %**	**175**	**(0)**	**100 %**	**175**	**0**	**100 %**

(EUR million)

	CREDITS	DECISIONS			ASSIGNED FUNDS			PAYMENTS		
		AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%
	(1)	(2)		(2) : (1)	(3)		(3) : (2)	(4)		(4) : (3)
SUB TOTAL: IMPLEMENTATION COSTS AND INTERESTS REVENUES	**5**	**5**		**110 %**	**5**		**100 %**	**5**		**100 %**
SUB TOTAL: INTRA-ACP ALLOCATIONS	**11**	**11**		**100 %**	**11**		**100 %**	**11**		**100 %**
Regular MS Contributions										
Allocations										
SUB TOTAL: A ENVELOPE - NATIONAL ALLOCATIONS	**182**	**181**	**(1)**	**100 %**	**180**	0	**99 %**	**172**		**96 %**
SUB TOTAL: B ENVELOPE - NATIONAL ALLOCATIONS	**14**	**14**		**100 %**	**14**		**100 %**	**14**		**100 %**
SUB TOTAL: IMPLEMENTATION COSTS AND INTERESTS REVENUES	**5**	**5**		**100 %**	**5**		**100 %**	**5**		**100 %**
SUB TOTAL: REGIONAL ALLOCATIONS	**34**	**34**	0	**100 %**	**34**	0	**99 %**	**34**		**100 %**
TOTAL: ACP+OCT (INCL. RESERVES) (A+B)	**20 959**	**20 937**	**(69)**	**100 %**	**20 902**	**(62)**	**100 %**	**20 705**	**65**	**99 %**

ELI: http://data.europa.eu/eli/C/2026/4817/oj

EVOLUTION OF COMMITMENTS, ASSIGNED FUNDS AND PAYMENTS FOR 11TH EDF

EDF AGGREGATED ACCOUNTS AT 31 DECEMBER 2025 CLASS OF AID

ACP + PTOM - 11 th EDF

(EUR million)

	CREDITS	DECISIONS			ASSIGNED FUNDS			PAYMENTS		
		AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%
	(1)	(2)		(2) : (1)	(3)		(3) : (2)	(4)		(4) : (3)
Regular MS Contributions										
Allocations										
SUB TOTAL: A ENVELOPE - NATIONAL ALLOCATIONS	**14 977**	**14 915**	**(217)**	**100 %**	**14 696**	**(107)**	**99 %**	**13 280**	**452**	**90 %**
SUB TOTAL: B ENVELOPE - NATIONAL ALLOCATIONS	**1 053**	**1 053**	**(2)**	**100 %**	**1 052**	**0**	**100 %**	**1 027**	**4**	**98 %**
SUB TOTAL: BRIDGING FACILITY	**0**									
SUB TOTAL: FOOD SECURITY	**112**	**112**	0	**100 %**	**112**	0	**100 %**	**50**	7	**44 %**
SUB TOTAL: IMPLEMENTATION COSTS AND INTERESTS REVENUES	**1 076**	**1 062**	**(2)**	**99 %**	**1 059**	**(1)**	**100 %**	**1 008**	**41**	**95 %**
SUB TOTAL: INTRA-ACP ALLOCATIONS	**3 938**	**3 846**	**(13)**	**98 %**	**3 910**	**(24)**	**102 %**	**3 635**	**120**	**93 %**
SUB TOTAL: REGIONAL ALLOCATIONS	**7 135**	**7 114**	**(54)**	**100 %**	**7 051**	**(31)**	**99 %**	**6 415**	**196**	**91 %**

(EUR million)

	CREDITS	DECISIONS			ASSIGNED FUNDS			PAYMENTS		
		AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%
	(1)	(2)		(2) : (1)	(3)		(3) : (2)	(4)		(4) : (3)
Co-financing										
Allocations										
SUB TOTAL: A ENVELOPE - NATIONAL ALLOCATIONS	**46**	**45**	**(0)**	**98 %**	**45**	**(0)**	**100 %**	**43**		**97 %**
SUB TOTAL: IMPLEMENTATION COSTS AND INTERESTS REVENUES	**4**	**4**		**100 %**	**4**		**100 %**	**4**		**100 %**
SUB TOTAL: INTRA-ACP ALLOCATIONS	**33**	**33**	0	**100 %**	**33**	0	**100 %**	**32**	**3**	**100 %**
SUB TOTAL: REGIONAL ALLOCATIONS	**10**	**10**	**4**	**100 %**	**10**	**4**	**100 %**	**9**	**3**	**95 %**
Non-mobilisable reserve										
Reserves										
SUB TOTAL: NON-MOBILISABLE RESERVE 10TH EDF	**287**									
SUB TOTAL: NON-MOBILISABLE RESERVE 11TH EDF	**699**									
EC Internal SLA										
Reserves										
SUB TOTAL: A ENVELOPE - NATIONAL ALLOCATIONS	**1**	**1**		**52 %**	**1**		**100 %**	**1**		**100 %**

(EUR million)

	CREDITS	DECISIONS			ASSIGNED FUNDS			PAYMENTS		
		AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%
	(1)	(2)		(2) : (1)	(3)		(3) : (2)	(4)		(4) : (3)
Regular MS Contributions										
Allocations										
SUB TOTAL: A ENVELOPE - NATIONAL ALLOCATIONS	**211**	**210**	**(1)**	**100 %**	**193**	**(0)**	**92 %**	**193**		**100 %**
SUB TOTAL: B ENVELOPE - NATIONAL ALLOCATIONS	**12**	**12**	0	**100 %**	**12**	0	**100 %**	**12**		**100 %**
SUB TOTAL: BRIDGING FACILITY	**0**									
SUB TOTAL: IMPLEMENTATION COSTS AND INTERESTS REVENUES	7	7	0	**100 %**	**6**	0	**95 %**	**6**	**0**	**98 %**
SUB TOTAL: REGIONAL ALLOCATIONS	**102**	**102**	0	**100 %**	**102**	**0**	**99 %**	**85**	**1**	**83 %**
Non-mobilisable reserve										
Reserves										
SUB TOTAL: NON-MOBILISABLE RESERVE 10TH EDF	**19**									
SUB TOTAL: NON-MOBILISABLE RESERVE 11TH EDF	**3**									
TOTAL: ACP+OCT (INCL. RESERVES) (A+B)	**29 726**	**28 525**	**(285)**	**96 %**	**28 284**	**(160)**	**99 %**	**25 800**	**828**	**91 %**

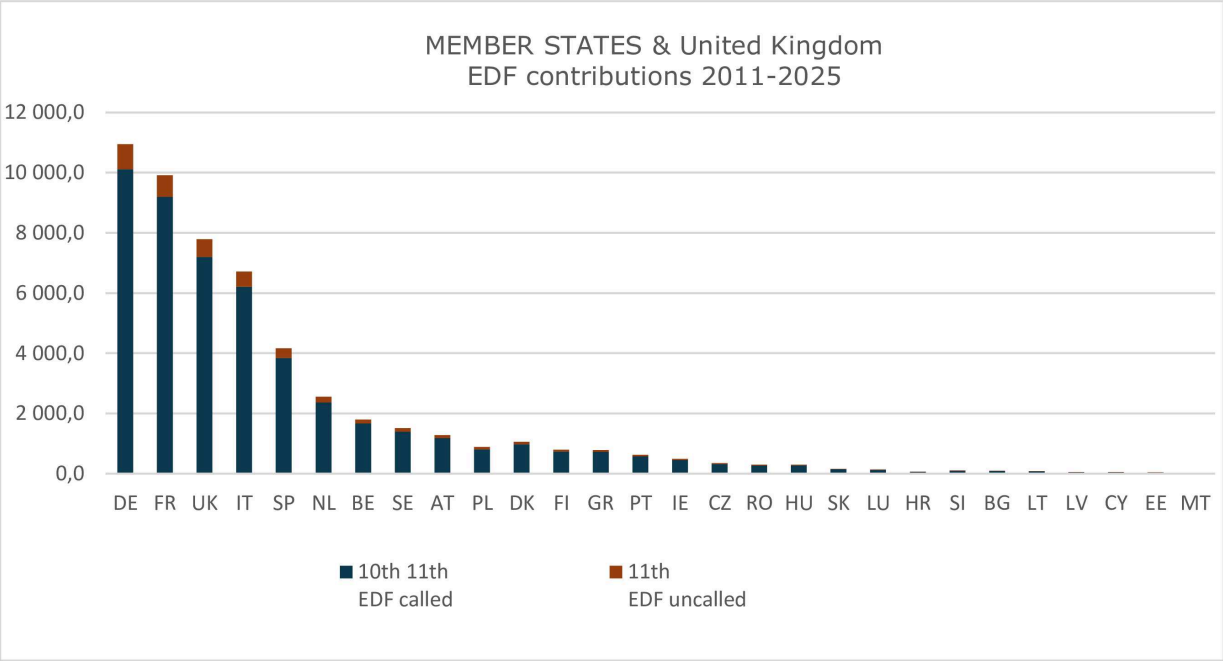
ELI: http://data.europa.eu/eli/C/2026/4817/oj

RESOURCES

Nature of Revenue

The main recources of the EDF is the Member States contributions. Three times per year, the European Commission and the European Investment Bank call the Member States to contribute to the EDF. The amount of the contributions called each year reflects the amount of payment to be covered during the year.

Overview of contributions by Member State



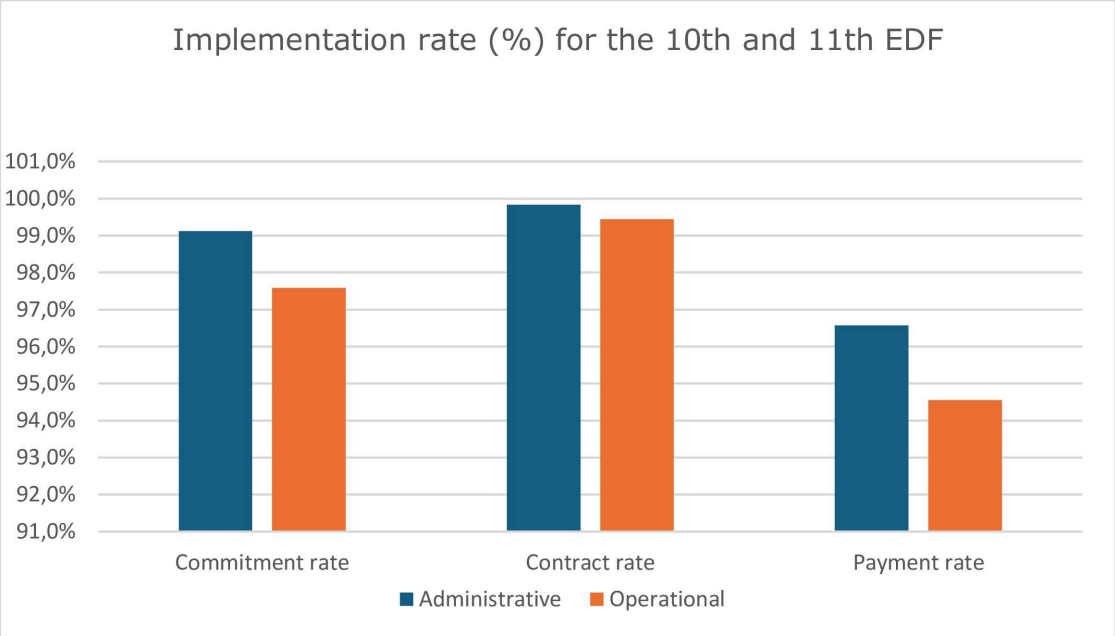
OPERATIONAL EXPENDITURE AND SPECIFIC PROGRAMMES

Nature of Expenditure

The amount available under the multiannual financial framework consists of 3 % allocated to Commission for support expenditure and 97 % allocated to the implementation of EDF projects. Amounts are set by each Internal Agreement and can be increased by voluntary contributions and income yielded from operations.

Breakdown of Committed, Contracted and Paid amount per nature of expenditure:

	OPERATIONAL IMPLEMENTATION IMPLEMENTATION COSTS AND INTERESTS REVENUES (10th and 11th EDF) 2025									
	CREDITS	DECISIONS			ASSIGNED FUNDS			PAYMENTS		
		AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%	AGGREG.	ANNUAL	%
	(1)	(2)		(2) : (1)	(3)		(3) : (2)	(4)		(4) : (3)
IMPLEMENTATION COSTS AND INTERESTS REVENUES 10th + 11th EDF	**1 622**	**1 608**	**(2)**	**99,1 %**	**1 605**	(1)	**99,8 %**	**1 550**	**41**	**96,6 %**
OPERATIONAL IMPLEMENTATION (A+B) 10th + 11th EDF	**50 685**	**49 461**	**(353)**	**97,6 %**	**49 186**	(222)	**99,4 %**	**46 506**	**893**	**94,5 %**


Implementation rate (%) for the 10th and 11th EDF
101,0%
100,0%
99,0%
98,0%
97,0%
96,0%
95,0%
94,0%
93,0%
92,0%
91,0%
Commitment rate
Contract rate
Payment rate
Administrative
Operational

Breakdown of committed, contracted and paid amount per region and country

EDF CUMULATIVE ACCOUNTS AT 31 DECEMBER 2025 BY COUNTRY % APPR								
10th + 11 th EDF		TOTAL 10th and 11th EDF (EUR in million)						
Cumulative 2025		Appropriations	Decisions	% of Appr	Assigned funds	% of Appr	Payments	% of Appr
ACP	**General/administrative envelope/ interests**	**1 629**	1 610	99 %	1 612	99 %	1 547	95 %
	Reserve/Not distributed by country	**3 540**	2 553	72 %	2 553	72 %	2 553	72 %
	All ACP countries	**5 169**	**4 163**	**81 %**	**4 165**	**81 %**	**4 100**	**79 %**
	Angola	**346**	345	100 %	344	99 %	330	95 %
	Benin	**732**	731	100 %	730	100 %	702	96 %
	Botswana	**126**	126	100 %	126	100 %	126	100 %
	Burkina Faso	**1 277**	1 277	100 %	1 274	100 %	1 264	99 %
	Burundi	**564**	564	100 %	562	100 %	550	97 %
	Cameroon	**520**	520	100 %	519	100 %	492	95 %
	Cape Verde	**144**	144	100 %	144	100 %	144	100 %
	Comoros	**77**	77	100 %	76	98 %	75	97 %
	Congo (Brazzaville)	**163**	163	100 %	161	99 %	156	96 %
	Congo (Democratic Republic of)	**1 401**	1 399	100 %	1 385	99 %	1 317	94 %
	Ivory Coast	**702**	702	100 %	700	100 %	690	98 %
	Djibouti	**175**	175	100 %	173	99 %	165	94 %
	Eritrea	**195**	195	100 %	195	100 %	165	85 %
	Ethiopia	**1 596**	1 596	100 %	1 592	100 %	1 425	89 %
	Gabon	**33**	31	95 %	31	94 %	31	94 %
	Gambia	**302**	302	100 %	300	99 %	291	96 %
	Ghana	**784**	784	100 %	781	100 %	741	94 %
	Guinea Bissau	**184**	184	100 %	182	99 %	180	98 %
	Guinea (Conakry)	**500**	500	100 %	495	99 %	444	89 %

EDF CUMULATIVE ACCOUNTS AT 31 DECEMBER 2025 BY COUNTRY % APPR								
10th + 11 th EDF		TOTAL 10th and 11th EDF (EUR in million)						
Cumulative 2025		Appropriations	Decisions	% of Appr	Assigned funds	% of Appr	Payments	% of Appr
	Mauritius	**82**	82	100 %	82	100 %	82	100 %
	Kenya	**853**	840	98 %	839	98 %	784	92 %
	Lesotho	**247**	246	100 %	246	99 %	215	87 %
	Liberia	**485**	485	100 %	483	99 %	456	94 %
	Madagascar	**774**	774	100 %	754	97 %	685	89 %
	Malawi	**1 018**	1 015	100 %	1 007	99 %	932	92 %
	Mali	**1 295**	1 295	100 %	1 291	100 %	1 257	97 %
	Mauritania	**343**	341	100 %	340	99 %	333	97 %
	Mozambique	**1 431**	1 424	100 %	1 413	99 %	1 240	87 %
	Namibia	**187**	186	100 %	185	99 %	177	95 %
	Niger	**1 261**	1 256	100 %	1 254	99 %	1 251	99 %
	Nigeria	**1 085**	1 085	100 %	1 085	100 %	1 050	97 %
	Uganda	**928**	912	98 %	905	98 %	851	92 %
	Central African Republic	**609**	609	100 %	608	100 %	595	98 %
	Rwanda	**831**	831	100 %	831	100 %	828	100 %
	Sao Tome and Principe	**55**	55	100 %	53	98 %	51	93 %
	Senegal	**662**	662	100 %	659	100 %	637	96 %
	Seychelles	**22**	22	100 %	22	100 %	22	100 %
	Sierra Leone	**652**	652	100 %	650	100 %	634	97 %
	Somalia	**896**	895	100 %	893	100 %	892	100 %
	Sudan	**298**	298	100 %	298	100 %	298	100 %
	South Sudan	**91**	91	100 %	91	100 %	91	100 %
	Eswatini (Swaziland)	**121**	121	100 %	121	100 %	115	95 %
	Tanzania	**1 171**	1 171	100 %	1 160	99 %	1 102	94 %
	Chad	**930**	926	99 %	910	98 %	841	90 %

EDF CUMULATIVE ACCOUNTS AT 31 DECEMBER 2025 BY COUNTRY % APPR								
10th + 11 th EDF		TOTAL 10th and 11th EDF (EUR in million)						
Cumulative 2025		Appropriations	Decisions	% of Appr	Assigned funds	% of Appr	Payments	% of Appr
	Togo	**373**	373	100 %	373	100 %	370	99 %
	Zambia	**825**	825	100 %	814	99 %	734	89 %
	Zimbabwe	**461**	461	100 %	459	100 %	457	99 %
	*** Total Africa**	**27 809**	27 748	100 %	27 598	99 %	26 268	94 %
	Antigua and Barbuda	**15**	15	100 %	15	100 %	15	98 %
	Barbados	**22**	22	100 %	22	100 %	21	98 %
	Belize	**42**	42	100 %	41	96 %	37	87 %
	Dominica	**40**	40	100 %	40	100 %	40	100 %
	Grenada	**20**	20	100 %	20	100 %	20	100 %
	Guyana	**79**	79	100 %	78	99 %	77	98 %
	Haïti	**995**	991	100 %	923	93 %	822	83 %
	Jamaica	**235**	235	100 %	233	99 %	226	96 %
	Dominican Republic	**281**	281	100 %	279	99 %	279	99 %
	Saint Lucia	**32**	32	100 %	32	100 %	32	100 %
	Saint Kitts and Nevis	**6**	6	100 %	6	99 %	6	99 %
	Saint Vincent and the Grenadines	**26**	26	99 %	26	99 %	24	92 %
	Suriname	**27**	26	96 %	26	96 %	26	96 %
	Trinidad and Tobago	**28**	28	100 %	28	99 %	28	99 %
	*** Total Caribbean**	**1 850**	1 845	100 %	1 769	96 %	1 653	89 %
	Fiji	**48**	48	100 %	48	100 %	48	100 %
	Cook Islands	**5**	5	100 %	5	100 %	5	100 %
	Solomon Islands	**66**	66	100 %	66	100 %	66	100 %
	Kiribati	**42**	42	99 %	41	98 %	41	97 %
	Marshall Island	**17**	17	100 %	17	100 %	17	100 %
	Micronesia	**23**	22	97 %	22	97 %	18	78 %

EDF CUMULATIVE ACCOUNTS AT 31 DECEMBER 2025 BY COUNTRY % APPR								
10th + 11 th EDF		TOTAL 10th and 11th EDF (EUR in million)						
Cumulative 2025		Appropriations	Decisions	% of Appr	Assigned funds	% of Appr	Payments	% of Appr
	Nauru	**4**	4	100 %	4	100 %	4	100 %
	Niue	**3**	3	100 %	3	100 %	3	100 %
	Palau	**4**	4	100 %	4	100 %	4	100 %
	Papua New Guinea	**239**	239	100 %	233	98 %	227	95%
	Western Samoa	**67**	66	99 %	66	99 %	66	99 %
	Timor Leste	**166**	166	100 %	166	100 %	161	97 %
	Tonga	**28**	28	100 %	28	100 %	28	100 %
	Tuvalu	**13**	13	100 %	13	100 %	13	100 %
	Vanuatu	**55**	55	100 %	54	99 %	53	97 %
	*** Total Pacific**	**779**	777	100 %	770	99 %	752	97 %
	Intra ACP Allocations	**7 967**	7 862	99 %	7 908	99 %	7 473	94 %
	PALOP	**59**	59	100 %	58	99 %	58	98 %
	Southern Africa Region FED 10	**129**	129	100 %	129	100 %	127	98 %
	Central Africa region	**546**	543	100 %	539	99 %	451	83 %
	Eastern Africa region and Australia	**2 989**	2 981	100 %	2 960	99 %	2 650	89 %
	Western Africa Region	**1 919**	1 918	100 %	1 901	99 %	1 737	91 %
	Caribbean Region	**533**	527	99 %	522	98 %	439	82 %
	Pacific Region	**322**	318	99 %	298	93 %	259	81 %
	*** Total regional cooperation ACP**	**14 464**	14 338	99 %	14 316	99 %	13 195	91 %
	ACP	**50 070,99**	**48 871,60**	**98 %**	**48 617,47**	**97 %**	**45 968,94**	**92 %**

EDF CUMULATIVE ACCOUNTS AT 31 DECEMBER 2025 BY COUNTRY % APPR								
10th + 11 th EDF		TOTAL 10th and 11th EDF (EUR in million)						
Cumulative 2025		Appropriations	Decisions	% of Appr	Assigned funds	% of Appr	Payments	% of Appr
OCT	**Reserve/Not distributed by country/territory**	**34**	12	34 %	11	33 %	11	33 %
	All OCT countries	**34**	12	34 %	11	33 %	11	33 %
	Anguilla	**27**	27	100 %	27	100 %	27	100 %
	Falklands Islands	**10**	10	100 %	10	100 %	10	100 %
	Pitcairn Islands	**5**	5	100 %	5	100 %	5	100 %
	Turks and Caicos Islands	**32**	32	100 %	32	100 %	32	100 %
	British Virgin Islands	**2**	2	100 %	2	100 %	2	100 %
	Montserrat	**33**	33	100 %	33	100 %	33	100 %
	Saint Helena	**38**	38	100 %	38	100 %	38	100 %
	*** Total British OCT**	**146**	146	100 %	146	100 %	146	100 %
	Netherlands Antilles	**38**	37	98 %	20	54 %	20	54 %
	Netherlands Antilles - Bonaire	**4**	4	98 %	4	98 %	4	98 %
	Netherlands Antilles - Saba	**3**	3	100 %	3	100 %	3	100 %
	Netherlands Antilles - Sint-Eustatius	**2**	2	100 %	2	100 %	2	100 %
	Aruba	**21**	21	98 %	21	98 %	21	98 %
	Sint Maarten	**14**	14	100 %	13	95 %	5	39 %
	*** Total Dutch OCT**	**83**	82	99 %	64	77 %	56	68 %
	Wallis and Futuna Islands	**39**	38	99 %	37	95 %	29	76 %
	Mayotte	**29**	29	100 %	29	100 %	29	100 %
	New Caledonia	**50**	50	100 %	50	100 %	50	100 %
	French Polynesia	**49**	49	100 %	49	100 %	49	100 %

EDF CUMULATIVE ACCOUNTS AT 31 DECEMBER 2025 BY COUNTRY % APPR								
10th + 11 th EDF		TOTAL 10th and 11th EDF (EUR in million)						
Cumulative 2025		Appropriations	Decisions	% of Appr	Assigned funds	% of Appr	Payments	% of Appr
	Saint Pierre and Miquelon	**47**	47	100 %	47	100 %	47	100 %
	*** Total French OCT**	**214**	213	100 %	212	99 %	204	96 %
	region	**137**	137	100 %	136	99 %	119	87 %
	*** Total regional cooperation OCT**	**137**	137	100 %	136	99 %	119	87 %
OCT	**613,69**	**589,78**	**96 %**	**569,00**	**93 %**	**536,59**	**87 %**	
TOTAL: ACP +OCT		**50 684,68**	**49 461,38**	**98 %**	**49 186,47**	**97 %**	**46 505,53**	**92 %**

ELI: http://data.europa.eu/eli/C/2026/4817/oj

Breakdown of Committed, Contracted and Paid amount by spending area for the 11th EDF

11th EDF Breakdown of committed, contracted and paid amount by spending area (DAC sector codes)

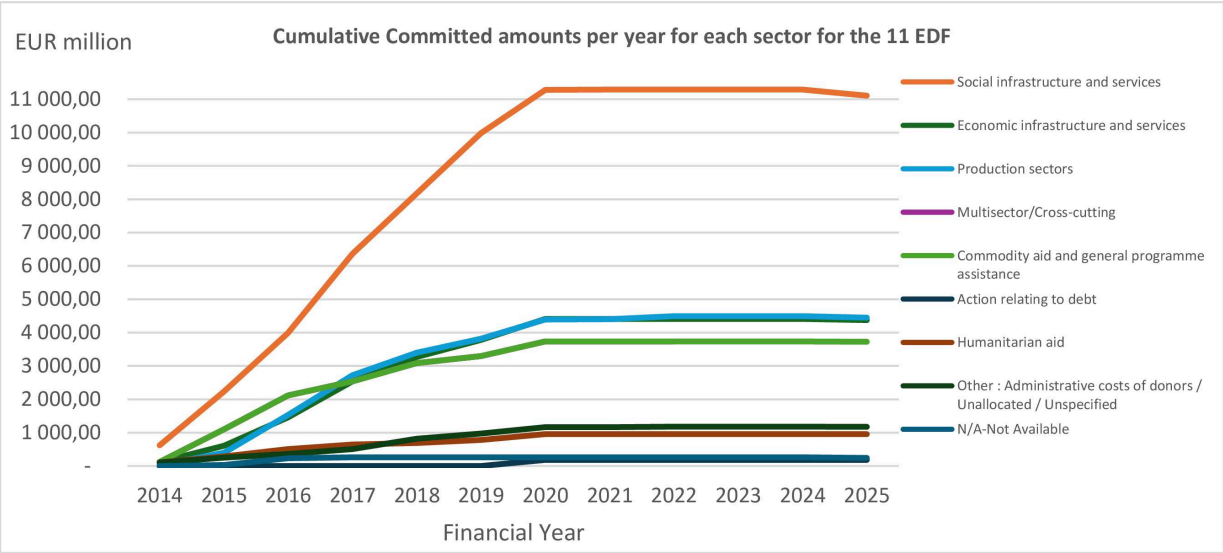
(EUR million)

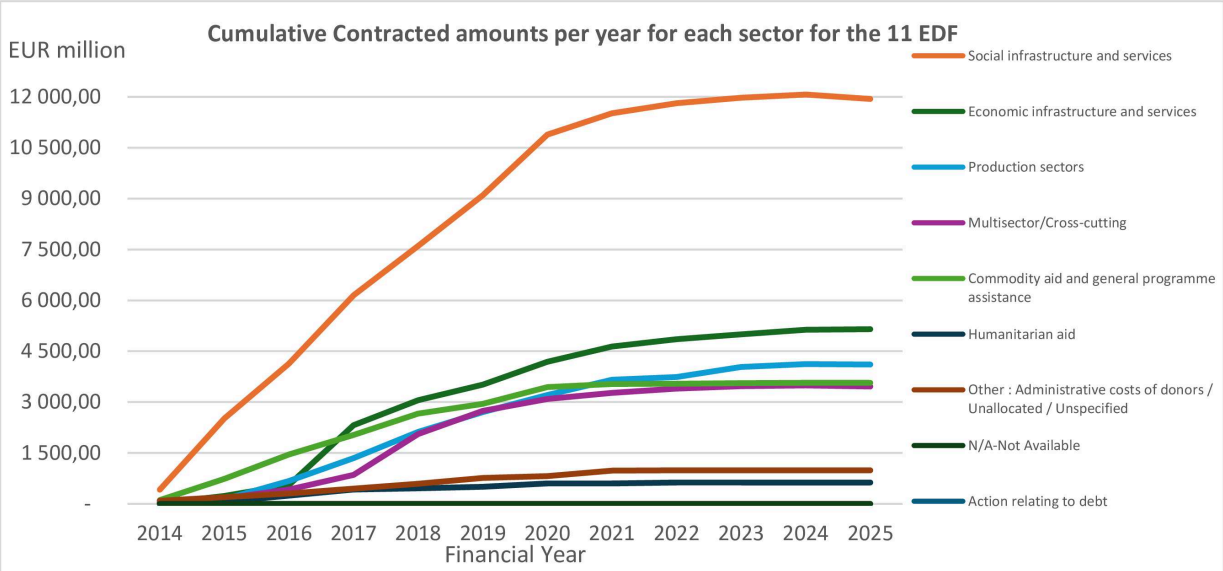
Sector	Committed	Contracted	Paid
Social infrastructure and services			
110-Education	1 177,56	1 162,86	1 067,50
120-Health	2 125,44	2 519,13	2 370,49
130-Population policies/programmes and reproductive health	352,44	49,94	43,95
140-Water and sanitation	785,55	861,63	632,91
150-Government and civil society	5 700,30	5 940,90	5 772,26
160-Other social infrastructure and services	964,74	1 403,10	1 643,11
Social infrastructure and services TOTAL	11 106,04	11 937,55	11 530,22
Economic infrastructure and services			
210-Transport and storage	1 401,54	2 091,05	1 378,12
220-Communications	140,58	147,05	137,97
230-Energy	2 011,97	2 049,24	1 474,99
240-Banking and financial services	484,68	533,73	503,53
250-Business and other services	339,92	329,60	288,28
Economic infrastructure and services TOTAL	4 378,70	5 150,66	3 782,88
Production sectors			
310-Agriculture, forestry and fishing	3 317,10	3 144,49	2 649,43
320-Industry, mineral resources and mining, construction	632,36	525,39	384,77
330-Trade and tourism	502,26	434,74	338,86
Production sectors TOTAL	4 451,72	4 104,61	3 373,06
Multisector/Cross-cutting			
410-General environmental protection	984,89	843,66	756,56
430-Other multisector	3 881,80	2 617,61	1 947,95
Multisector/Cross-cutting TOTAL	4 866,68	3 461,26	2 704,51
Commodity aid and general programme assistance			
510-General budget support	3 113,40	3 176,31	2 531,91
520-Developmental food assistance	611,90	390,58	365,68
Commodity aid and general programme assistance TOTAL	3 725,30	3 566,89	2 897,59
Action relating to debt			
600-Action relating to debt	183,00	183,00	183,00
Action relating to debt TOTAL	183,00	183,00	183,00

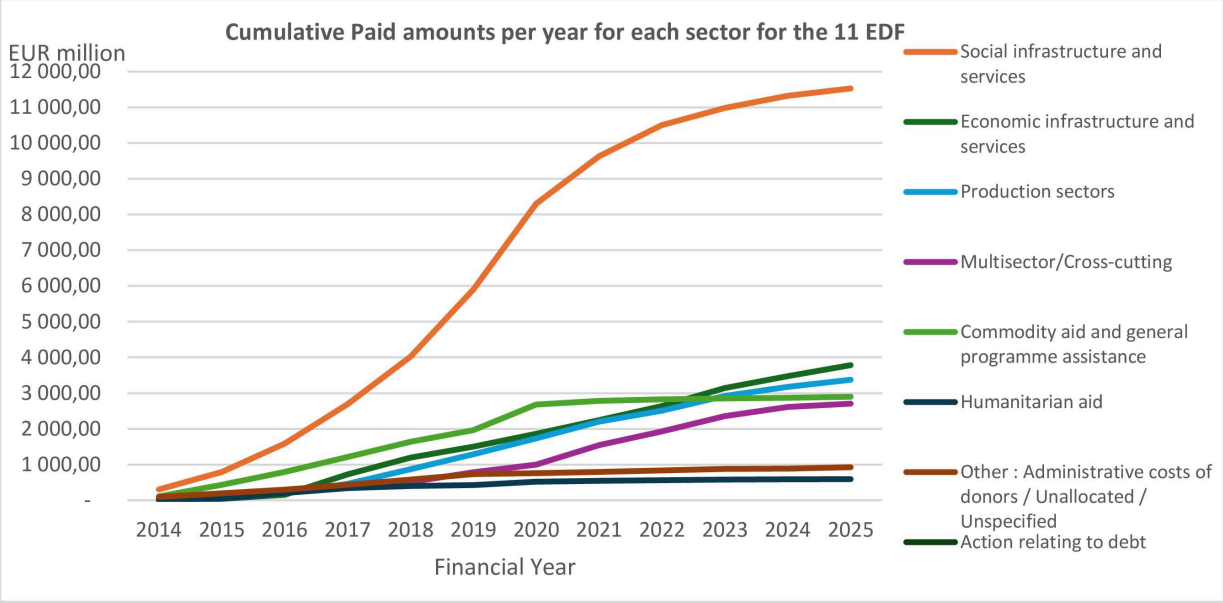
(EUR million)

Sector	Committed	Contracted	Paid
Humanitarian aid			
720-Emergency response	743,62	452,44	447,63
730-Reconstruction relief and rehabilitation	137,53	65,06	42,39
740-Disaster preparedness	72,49	110,12	101,07
Humanitarian aid TOTAL	953,63	627,61	591,09
Administrative costs of donors / Unallocated / Unspecified			
910-Administrative costs of donors	993,19	948,32	896,03
998-Unallocated / Unspecified	183,74	41,61	27,23
N/A-Not Available	245,98	1,57	1,15
Administrative costs of donors / Unallocated / Unspecified TOTAL	1 422,91	991,50	924,42
GRAND TOTAL OF 11TH EDF	**31 087,97**	**30 023,09**	**25 986,75**

Evolution of cumulative Committed, Contracted and Paid amount by spending area for the 11th EDF







3. GLOSSARY

Administrative appropriations

Appropriations to cover the running costs of the entities (staff, buildings, office equipment).

Adopted budget

Draft budget becomes the adopted budget as soon as approved by the budgetary authority.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Appropriations

Budget funding.

The budget forecasts both commitments (legal pledges to provide finance) and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ — differentiated appropriations — because multiannual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses.

Assigned revenue

Revenue dedicated to finance specific items of expenditure.

Budgetary commitment

Operation by which the authorising officer responsible reserves the budget appropriations necessary to cover for subsequent payments to honour legal commitments.

Budget implementation

Consumption of the budget through expenditure and revenue operations.

Budget item / Budget line / Budget position

Revenue and expenditure are shown in the budget structure in accordance with a binding nomenclature, which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or item) provide a formal description of the nomenclature.

Budget result

The difference between income received and amounts paid, including adjustments for carry-overs, cancellations and exchange rate differences.

For agencies, the resulting amount will have to be reimbursed to the funding authority.

Cancellation of appropriations

Appropriations which have not been used by the end of the financial year and which cannot be carried over, shall be cancelled.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment appropriations

Commitment appropriations cover the total value of legal obligations (contracts, grant agreements or decisions) that could be signed in the current financial year.

De-commitment

Operation whereby the authorising officer responsible cancels wholly or partly the reservation of appropriations previously made by means of a budgetary commitment.

Differentiated appropriations

Differentiated appropriations are used to finance multiannual operations; they cover, for the current financial year, the total cost of the legal obligations entered into for operations whose implementation extends over more than one financial year.

Economic result

Impact on the balance sheet of expenditure and revenue based on accrual accounting rules.

Entitlements established

Right to collect income from a debtor as recognised through the issuing of a recovery order.

Exchange rate difference

The difference resulting from currency exchange rates applied to the transactions concerning countries outside the euro area, or from the revaluation of assets and liabilities in foreign currencies at the date of the accounts.

Expenditure

Term used to describe spending the budget from all types of funds sources.

Grants

Direct financial contributions from the budget to third-party beneficiaries, engaged in activities that serve Union policies.

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities, as represented by an appropriation.

For joint undertakings (and EIT), as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called 'N+3' rule). Hence, lapsing appropriations for JUs can be re-activated until financial year 'N+3'.

Legal basis / basic act

The legal act adopted by the legislative authority (usually the Council and European Parliament) specifying the objective of a Union spending programme, the purpose of the appropriations, the rules for intervention, expiry date and the relevant financial rules to serve as a legal basis for the implementation of the spending programme.

Legal commitment

The act whereby the Authorising Officer enters into an obligation towards third parties which results in a charge for the Union budget.

Common forms of legal commitments are contracts in the case of procurement, grant agreements and grant decisions.

Non-differentiated appropriations

Appropriations which meet annual needs and must therefore be committed during the budget year. Only amounts qualifying for automatic carryover can be disbursed in the following year. Non-differentiated appropriations which have not been used, i.e. committed, by the end of the year, are cancelled (unless, exceptionally, permission is given by a Commission decision for a non-automatic carryover). Non-differentiated appropriations apply to administrative expenditure and commitment appropriations equal payment appropriations.

Operational appropriations

Operational appropriations finance the different policies, mainly in the form of grants or procurement.

Outstanding commitments

Outstanding commitments (or RAL, from the French 'reste à liquider') are defined as the amount of appropriations committed that have not yet been paid. They stem directly from the existence of multiannual programmes and the dissociation between commitment and payment appropriations.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

RAL (Reste à liquider)

Amount remaining to be paid on a budgetary commitment at a given moment. Cf. Outstanding commitments

Surplus

Positive difference between revenue and expenditure, which has to be returned to the funding authority. Cf. Budget result

Transfer between budget lines

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification.

PART II

ANNUAL REPORT ON IMPLEMENTATION - FUNDS MANAGED BY THE EUROPEAN INVESTMENT BANK

EUROPEAN INVESTMENT BANK

BOARD OF DIRECTORS

INVESTMENT FACILITY

FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2025

(1) Independent auditor's report
(2) Statement of financial position
(3) Statement of profit or loss and other comprehensive income
(4) Statement of changes in contributors' resources
(5) Statement of cash flows
(6) Notes to the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(in EUR'000)

	Notes	31.12.2025	31.12.2024
ASSETS			
Cash and cash equivalents	5	1 665 129	1 638 604
Amounts receivable from contributors	9/16	-	7 482
Treasury financial assets	10	-	-
Derivative financial instruments	6	7 819	783
Loans and advances	7.1	1 063 511	1 498 048
Shares and other variable yield securities	8	745 934	834 621
Other assets	11	36 833	-
Total assets		**3 519 226**	**3 979 538**
LIABILITIES AND CONTRIBUTORS' RESOURCES			
LIABILITIES			
Derivative financial instruments	6	411	39 210
Deferred income	12	44 845	47 725
Provisions for loan commitments	13	17 585	18 320
Amounts owed to third parties	14	658 146	566 083
Other liabilities	15	3 044	3 289
Total liabilities		**724 031**	**674 627**
Contributors' resources	16/17	**2 795 195**	**3 304 911**
Total liabilities and contributors' resources		**3 519 226**	**3 979 538**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(in EUR'000)

	Notes	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
Interest and similar income (*)	19	116 470	156 601
Interest and similar expenses	19	- 1 700	- 1 805
Net interest and similar income		**114 770**	**154 796**
Fee and commission income	20	4 103	20
Fee and commission expenses	20	- 88	- 212
Net fee and commission income		**4 015**	**- 192**
Fair value change of derivative financial instruments	6	45 836	- 94 192
Net result on shares and other variable yield securities	21	24 877	- 34 096
Net result on loans and advances measured at FVTPL	7.1	- 6 948	- 5 436
Net foreign exchange result	22	- 90 703	81 907

(in EUR'000)

	Notes	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
Net result on financial operations		**- 26 938**	**- 51 817**
Change in impairment on loans and advances, net of reversals	7.2	8 915	12 145
Change in provisions for loan commitments, net of reversals	13	735	718
General administrative expenses	23	- 19 942	- 24 794
Profit for the year		**81 555**	**90 856**
Total comprehensive income profit for the year		**81 555**	**90 856**

(*) For the year ended 31 December 2025, Interest and similar income includes EUR 109,7 million (2024: EUR 144,3 million) calculated on assets held at amortised cost based on the effective interest method.

STATEMENT OF CHANGES IN CONTRIBUTORS' RESOURCES FOR THE YEAR ENDED 31 DECEMBER 2025

(in EUR'000)

	Notes	Contribution called	Available Reflows	Retained earnings	Total
At 1 January 2025		**3 721 695**	**- 897 690**	**480 906**	**3 304 911**
Member States contributions called during the year	16	-	-	-	-
Available Reflows in relation to year 2024	17	-	- 591 271	-	**- 591 271**
Profit for the year 2025		-	-	81 555	**81 555**
Changes in contributors' resources		-	**- 591 271**	**81 555**	**- 509 716**
At 31 December 2025		**3 721 695**	**- 1 488 961**	**562 461**	**2 795 195**

		Contribution called	Available Reflows	Retained earnings	Total
At 1 January 2024		**3 721 695**	**- 587 913**	**390 050**	**3 523 832**
Member States contribution called during the year	16	-	-	-	-
Available Reflows in relation to year 2023	17	-	- 309 777	-	**- 309 777**
Profit for the year 2024		-	-	90 856	**90 856**
Changes in contributors' resources		-	**- 309 777**	**90 856**	**- 218 921**
At 31 December 2024		**3 721 695**	**- 897 690**	**480 906**	**3 304 911**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

(in EUR'000)

	Notes	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
OPERATING ACTIVITIES			
Profit for the year (*)		**81 555**	**90 856**
Adjustments made for:			
Net result on shares and other variable yield securities		- 5 176	52 265
Change in impairment on loans and advances, net of reversals	7.2	- 8 915	- 12 145
Net result on loans and advances measured at FVTPL	7	6 948	5 436
Change in accrued interest and amortised cost on loans and advances		- 3 776	- 2 229
Net change in provisions for loan commitments, net of reversals		- 735	- 718
Fair value changes on derivatives	13	- 45 836	94 192
Change in deferred income	12	- 2 880	- 790
Effect of exchange rate changes on loans		95 552	- 78 744
Effect of exchange rate changes on shares and other variable yield securities		58 444	- 23 199
Effect of exchange rate changes on cash held		11 405	- 5 282
Profit / (loss) on operating activities before changes in operating assets and liabilities		**186 586**	**119 642**
Loan disbursements	7	- 106 653	- 101 394
Repayments of loans	7	398 998	371 568
Change in accrued interest on cash and cash equivalents	5	- 2 331	- 646
Shares and other variable yield securities disbursements	8	- 51 701	- 69 392
Net proceeds from shares and other variable yield securities		90 480	23 033
Dividends received	21	18 573	16 548
Decrease in other assets		-	616
(Decrease) in other liabilities		- 245	- 49
(Decrease) in amounts payable to the European Investment Bank		- 44 913	- 985
Net cash flows (used in) / from operating activities		**488 794**	**358 941**
FINANCING ACTIVITIES			
Amounts received from Member States with regard to interest subsidies and technical assistance		7 482	286 800
Amounts paid on behalf of Member States with regard to interest subsidies and technical assistance		- 108 597	- 68 256
Contributions paid out on behalf of Member States		- 347 418	- 309 777
Net cash flows from financing activities		**- 448 533**	**- 91 233**
Net increase in cash and cash equivalents		**40 261**	**267 708**

(in EUR'000)

	Notes	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
Summary statement of cash flows:			
Cash and cash equivalents at the beginning of financial year		**1 633 830**	**1 371 404**
Net cash flows (used in) / from:			
Operating activities		488 794	358 941
Financing activities		- 448 533	- 91 233
Effects of exchange rate changes on cash and cash equivalents		- 11 405	- 5 282
Cash and cash equivalents at the end of financial year		**1 662 686**	**1 633 830**
Cash and cash equivalents are composed of:			
Cash in hand	5	146 087	212 466
Term deposits (excluding accrued interest)	5	556 329	304 538
Commercial papers	5	960 270	1 116 826
		1 662 686	**1 633 830**

(*) Profit for the year includes, interest received amounted to EUR 109,8 million (2024: EUR 149,1 million), and interest paid amounted to EUR 1,8 million (2024: EUR 1,9 million).

Notes to the financial statements as at 31 December 2025

1 General information

The Investment Facility ('the Facility' or 'IF') has been established within the framework of the Cotonou Agreement (the 'Agreement') on co-operation and development assistance negotiated between the African, Caribbean and Pacific Group of States (the 'ACP States') and the European Union and its Member States on 23 June 2000, revised on 25 June 2005 and 22 June 2010. The Samoa Agreement, replacing the Cotonou Agreement as the new framework for cooperation between the European Union and the Organisation of African, Caribbean, and Pacific States (OACPS) (Council Decision (EU) 2023/2862 of 30 October 2023), was signed on 15 November 2023, and entered into force on 1 January 2024. It succeeds the Cotonou Agreement, which had governed relations between the EU and ACP states since 2000. This transition ensures continuity of partnerships while addressing contemporary global challenges.

The Facility is not a separate legal entity and the European Investment Bank ('EIB' or 'the Bank') manages the contributions on behalf of the Member States ('Donors') in accordance with the terms of the Agreement and acts as an administrator of the Facility.

The duration of the Facility is not determined. The 11th EDF Internal Agreement remains in force (pursuant to Article 14(3) thereof) so long as is necessary for all the operations financed under the ACP-EU Partnership Agreement, the Overseas Association Decision and the multi-annual financial framework to be fully executed.

Financing under the Agreement is provided from EU Member States' budgets. EU Member States contribute with the amounts allocated to finance the IF and grants for the financing of the interest subsidies as provided for under the multi-annual financial frameworks (First Financial Protocol covering the period 2000-2007 and referred to as the 9th European Development Fund (EDF), Second Financial Protocol covering the period 2008-2013 and referred to as the 10th EDF and the Third Financial Protocol covering the period 2014- 2020 referred to as the 11th EDF). The EIB is entrusted with the management of:

(i) the Facility, a EUR 3 685,5 million risk-bearing revolving fund geared to fostering private sector investment in ACP States of which EUR 48,5 million are allocated to Overseas Countries and territories ('OCT countries');

(ii) grants for the financing of interest subsidies worth max. EUR 1 220,85 million for ACP States and max. EUR 8,5 million for OCT countries. Up to 15 % of these subsidies can be used to fund project-related technical assistance ('TA').

On 23 December 2020, the Council decided for the extension of the Investment Facility commitment period by at least six months. Following the extension, the Bank approved operations in line with its Mandate until 30 June 2021 (Council Decision (EU) 2020/2233 of 23 December 2020 concerning the commitment of the funds stemming from reflows under the ACP Investment Facility from operations under the 9th, 10th and 11th European Development Funds ([32])).

The EU and ACP sides agreed to amend the decision on transitional measures in order to extend the application of the provisions of the ACP-EU Partnership Agreement until 31 December 2023, or until the entry into force of the new Agreement or the provisional application between the Union and the ACP States of the new Agreement, whichever comes first (Decision No 2/2019 of the ACP EU Committee of Ambassadors to adopt transitional measures pursuant to Article 95(4) of the ACP-EU Partnership Agreement which was subsequently amended by the Decision No 3/2021 of the ACP-EU Committee of Ambassadors ([33]) of 26 November 2021, the Council Decision (EU) 2022/970 ([34]) of 16 June 2022 and the Decision 2/2023 of the ACP-EU Committee of Ambassadors ([35]) of 25 October 2023).

([32]) OJ L 437, 28.12.2020, p. 188, ELI: http://data.europa.eu/eli/dec/2020/2233/oj.

([33]) Decision No 3/2021 of the ACP-EU Committee of Ambassadors of 26 November 2021 to amend Decision No 3/2019 of the ACP-EU Committee of Ambassadors to adopt transitional measures pursuant to Article 95(4) of the ACP EU Partnership Agreement [2021/2175] (OJ L 441, 9.12.2021, p. 3, ELI: http://data.europa.eu/eli/dec/2021/2175/oj).

([34]) Council Decision (EU) 2022/970 of 16 June 2022 on the position to be taken on behalf of the European Union within the ACP-EU Committee of Ambassadors as regards the amendment of Decision No 3/2019 of the ACP-EU Committee of Ambassadors to adopt transitional measures pursuant to Article 95(4) of the ACP-EU Partnership Agreement (OJ L 166, 22.6.2022, p. 145, ELI: http://data.europa.eu/eli/dec/2022/970/oj).

([35]) Decision No 2/2023 of the ACP-EU Committee of Ambassadors of 25 October 2023 to amend Decision No 3/2019 of the ACP-EU Committee of Ambassadors to adopt transitional measures pursuant to Article 95(4) of the ACP EU Partnership Agreement [2023/2453] (OJ L, 2023/2453, 31.10.2023, ELI: http://data.europa.eu/eli/dec/2023/2453/oj).

The NDICI - Global Europe Regulation, which entered into force on 14 June 2021 (Regulation (EU) 2021/947 of the European Parliament and of the Council ([36]) of 9 June 2021), provides the primary legal basis for EU assistance outside the EU in 2021-2027, and the governance for the Bank's new institutional mandate for operations outside the European Union, including the ACP region. This includes the integration of the current extra-budgetary EDF into the EU budget. The NDICI Regulation provides the legal basis for the Commission to entrust future EU mandates to the EIB for its activity outside the EU. It will also provide the external investment framework for the Union to cooperate with partner institutions through grants or guarantees from the EU budget.

Going forward, reflows from the IF shall be deployed within the NDICI framework through a combination of a dedicated ACP private sector window under the European Fund for Sustainable Development (EFSD+) and a Trust Fund. On 15 February 2023, a transfer agreement between the EIB and the European Commission was signed ('Transfer Agreement'). The purpose of this agreement is the transfer of the funds stemming from reflows, under the Facility, as they become available, in accordance with decision Decision (EU) 2020/2233 ('ACP IF Reflows') and Council Decision (EU) 2021/1764 ([37]) ('OCT IF Reflows', and together with ACP IF Reflows, the 'Reflows'). For more details please refer to the Note 2.4.6 and Note 17.

The present financial statements cover the period from 1 January 2025 to 31 December 2025.

On a proposal from the Management Committee, the Board of Directors adopted the Financial Statements on 25 March 2026 and authorised their submission to the Board of Governors for approval by 24 April 2026.

2 **Material accounting policies**

2.1 ***Basis of preparation – Statement of compliance***

The financial statements have been prepared on a going concern basis, which assumes that the Facility will be able to meet all monies payables under any operations for the foreseeable future, and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ('IASB') and adopted by the European Union (hereafter referred to as 'IFRS' Accounting Standards). The financial statements as at 31 December 2025 include the statement of financial position, the statement of profit or loss and other comprehensive income, statement of changes in contributors' resources, the statement of cash flows, and the notes.

2.2 ***Significant accounting judgments, assumptions and estimates***

The preparation of financial statements requires making estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision estimates are recognized prospectively.

The most significant use of judgments and estimates is as follows:

— **Fair value of financial instruments**

Where the fair values of financial instruments recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The valuations are categorised into different levels in the fair value hierarchy based on the inputs used in the valuation techniques as described and disclosed in

([36]) Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/947/oj).

([37]) Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) (OJ L 355, 7.10.2021, p. 6, ELI: http://data.europa.eu/eli/dec/2021/1764/oj).

Notes 2.4.2 and 4.

— **Impairment losses on loans and advances**

The expected credit loss ('ECL') measurement requires management to apply significant judgments, in particular, the assessment of a significant increase in credit risk since initial recognition, the incorporation of forward looking information and further the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses. These estimates are driven by a number of factors, which can result in significant changes to the timing and amount of allowance for credit loss to be recognised (Note 2.4.2). Relevant assumptions on the effects on impairment resulting from the general context of uncertainty and the turbulence which occurred in 2024 and carried on in 2025 are detailed under Note 2.4.2.2 and Note 3.2.3.7.

— **Valuation of unquoted equity investments**

Valuation of unquoted equity investments is normally based on one of the following:

— recent arm's length market transactions;

— current fair value of another instrument that is substantially the same;

— the expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics;

— adjusted net assets method; or

— other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. The Facility calibrates the valuation techniques periodically and tests them for validity using either price from observable current market transactions in the same instrument or from other available observable market data.

— **Consolidation of entities in which the Facility holds interest**

The EIB made judgements that none of the entities in which it holds interest, are controlled by the Facility. This is due to the fact that in all such entities, either the General Partner or the Fund Manager or the Management Board have the sole responsibility for the management and control of the activities and affairs of the partnership and have the power and authority to do all things necessary to carry out the purpose and objectives of the partnership complying with the investment and policy guidelines.

2.3 ***Changes in accounting standards***

Except for the changes below, the Facility has consistently applied the accounting policies set out in Note 2.4 to all periods presented in these financial statements. The Facility has adopted the following new standards and amendments to standards.

New and amended standards adopted by the Facility

The following amendments to existing standards, became effective for the Facility's financial statements as of 1 January 2025:

— Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

The amendments listed above did not have any material impact on the Facility's financial statements.

New standards, amendments, and interpretations not yet adopted by the Facility

As at 31 December 2025, the following amendments to existing Standards had been issued but were not mandatory for annual reporting periods ending on 31 December 2025:

Amendments to existing Standards endorsed by the EU, and which are effective for annual periods beginning on or after 1 January 2026:

— Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 1, IFRS 7, IFRS 9 and IAS 7);

— Annual Improvements Volume 11;

— Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7.

New standards and amendments to existing Standards not yet endorsed by the EU:

— IFRS 18 Presentation and Disclosure in Financial Statements;

— IFRS 19 Subsidiaries without Public Accountability: Disclosures;

At the date of authorisation of the financial statements none of the above listed standards or amendments to existing standards have been adopted early by the Facility and no interpretations have been issued that are applicable and need to be taken into consideration by the Facility at either reporting date. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement, and that there will be not any material impact on the Facility's financial statements.

2.4 ***Summary of material accounting policies***

The statement of financial position represents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

2.4.1 Foreign currency translation

The Facility uses the Euro (EUR) for presenting its financial statements, which is also the functional currency. Except as otherwise indicated, financial information presented in EUR has been rounded to the nearest thousand.

Foreign currency transactions are translated, at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than Euro are translated into Euro at the exchange rate prevailing at the statement of financial position date. The gain or loss arising from such translation is recorded in the statement of profit or loss and other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the statement of profit or loss and other comprehensive income.

2.4.2 Financial assets other than derivatives

Non-derivative financial instruments are initially recognised using the settlement date basis.

Classification and measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost ('AC') or fair value through P&L ('FVTPL') and a financial liability is classified as measured at AC or FVTPL.

Under IFRS 9, classification starts with determining whether the financial asset shall be considered as a debt or equity instrument. IFRS 9 refers to the definitions in IAS 32 Financial Instruments: Presentation.

Debt instruments are those instruments that meet the definition of a financial liability from the counterparty's perspective, loans and debt securities including bonds, notes or certificates issued by structured entities, government or corporates.

A debt instrument is classified at AC if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI criteria).

The above requirements should be applied to an entire financial asset, even if it contains an embedded derivative.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Equity instruments are measured at FVTPL.

On initial recognition of an equity investment that is not held for trading, the Facility may irrevocably elect to present subsequent changes in other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

Business model assessment

The EIB, as a manager of the Facility, makes an assessment of the objective of a business model in which a debt instrument is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

— the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management´s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

— how the performance of the portfolio is evaluated and reported to the Facility's management;

— the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and

— the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity.

However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Facility stated objective for managing the financial assets is achieved and how cash flows are realised.

The business model for the Impact Financing Envelope direct loan operations has been described and disclosed in Note 25.

Solely payment of principal and interests ('SPPI') criteria

For the purpose of this assessment, 'principal' is defined as the fair value of the debt instrument on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the contractual terms of the instrument are considered. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Derecognition

The Facility derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or the rights to receive the contractual cash flow are transferred in a transaction in which either the Facility transfers the risks and rewards of ownership of the financial asset or it retains substantially all of the risks and rewards of ownership but does not retain control of the financial asset.

On derecognition of a financial asset or financial liability (Note 2.4.4), the difference between the carrying amount of the asset or liability (or the carrying amount allocated to the portion of the asset or liability derecognised) and the sum of (i) the consideration received or paid and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss except for the cumulative gains or losses recognised in other comprehensive income for equity investments measured at fair value through other comprehensive income which are transferred to the reserve fund rather than profit or loss on disposal.

In the context of IBOR reform, the Facility's assessment of whether a change to an amortised cost financial instrument is substantial, is made after applying the practical expedient introduced by IBOR reform Phase 2. As per the amendments issued by the IASB, the Facility does not derecognise a financial instrument, which contractual cash flows are modified as a direct consequence from the reform and the change is economically equivalent to the previous basis for determining the contractual cash flows (i.e., the basis immediately before the change).

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Facility changes its business model for managing financial assets.

Modification

A financial asset measured at amortised cost is considered modified when its contractual cash flows are renegotiated or otherwise modified. Renegotiation or modification may or may not lead to derecognition of the old and recognition of the new financial instrument.

A substantial contractual modification on the cash flows of a financial asset measured at amortised cost which results in the derecognition of the financial asset, leads to the recognition of the new financial asset at its fair value, and the recording of the modification gain or loss impact in the consolidated income statement under 'Result on financial operations'.

A contractual modification is deemed substantial if the discounted present value of the cash flows under the revised terms (discounted using the original effective interest rate) is at least 10 % different from the discounted present value of the remaining cash flows of the original financial asset. Qualitative factors such as a change in the currency on which the financial asset is denominated and conversion features are also considered.

In the context of IBOR reform, the Facility's assessment of whether a change to an amortised cost financial instrument is substantial, is made after applying the practical expedient introduced by IBOR reform Phase 2. The Facility updates the effective interest rate, without modifying the carrying amount of the financial instrument if the basis for determining the contractual cash flows of the financial instrument, measured at amortised cost, changes as a direct consequence from the reform and if the change is economically equivalent to the previous basis (i.e., the basis immediately before the change).

Measurement of fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Facility has access at that date.

When applicable, the EIB on behalf of the Facility measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

These valuation techniques may include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The Bank uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, like interest rate and currency swaps that use only observable market data and require limited expert judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for expert judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments, the Bank uses its own valuation models, which are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Example of instruments involving significant unobservable inputs includes certain loans and guarantees for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability or counterparty default and prepayments and selection of appropriate discount rates.

The Facility measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

— Level 1: inputs that are unadjusted quoted market prices in active markets for identical instruments to which the Facility has access.

— Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

— Level 3: inputs that are not observable. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Facility recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Impairment on financial assets

IFRS 9 is based on a forward-looking expected credit loss ('ECL') model. The EIB has established a framework to calculate 'expected credit loss' conditional on the state of the macro-economy. It involves the construction of point-in-time ('PIT') credit risk parameters (Probability of default – 'PD' and Loss given default – 'LGD') based on a systematic factor (credit cycle) that is driven by the macro-economy and projected via macroeconomic forecasts or scenarios. The final ECL is a probability weighted average of the respective macro-economic scenario ECLs. This forward-looking impairment model is applied to financial assets measured at AC, to financial guarantee contracts, as well as to off-balance sheet commitments.

Under IFRS 9, loss allowances are measured on either of the following bases:

— 12-month ECL's: these are the ECLs that result from possible default events within the 12 months after the reporting date; and

— Lifetime ECL's: these are the ECLs that result from all possible default events over the expected life of a financial instrument.

The IFRS 9 Standard sets out a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Financial instruments are classified in Stage 1 except for those instruments for which significant increase in credit risk ('SICR') since initial recognition is identified. This includes both quantitative and qualitative information and analysis, based on the Bank's expertise, including forward-looking information.

Purchased or originated credit-impaired assets ('POCI') are the financial assets which are, from the moment of initial recognition, deemed to be classified as Stage 3. For POCI financial assets, the cumulative changes in lifetime ECL since initial recognition are recognised in the statement of profit or loss.

The Bank's assessment of the IFRS9 staging is based on a sequential approach which is using counterparty or instrument specific information consistent to internal Early Warning Signals ('EWS'), Non-performing exposures ('NPE') and forbearance guidelines and procedures.

The EIB considers that the existing forward-looking ECL model is deemed sufficiently robust to factor in extreme economic events, which have been directly captured through the macroeconomic projections and the PD terms structures.

If significant increase in credit risk has occurred, the financial instrument is moved to Stage 2 but is not yet deemed to be credit-impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.

To identify Stage 3 exposures, the Bank determines whether or not there is objective evidence of a non-performing exposure. A financial asset is considered to be in default when the borrower is unlikely to pay its credit obligations to the Facility in full, without recourse by the Facility or the borrower is past due more than 90 days on any material credit obligation to the Facility.

In this respect, a financial asset is considered impaired when it is determined that it is probable that the Facility will not be able to collect all amounts due according to the original contractual terms or an equivalent value. Individual credit exposures are evaluated based upon the borrower's characteristics, overall financial condition, resources and payment record, the prospects for support from any financially responsible guarantors and, where applicable, the realisable value of any collateral.

All impaired claims are reviewed and analysed at least semi-annually. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates will result in a change in the provision for credit losses and be charged or credited to the income statement. An allowance for impairment is reversed only when the credit quality has improved such that there is reasonable assurance of timely collection of principal and interest in accordance with the original contractual terms of the claim agreement. A write- off is made when all or part of a claim is deemed uncollectible or forgiven. Write-offs are charged against previously established impairments or directly to the income statement and reduce the principal amount of a claim. Recoveries in part or in full of amounts previously written- off are credited to the income statement. Financial assets that are written-off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

Measuring ECL – Inputs, Assumptions and Techniques

Lifetime ECL measurement applies to Stage 2 and Stage 3 assets, while 12-month ECL measurement applies to Stage 1 assets.

The expected credit losses were calculated based on the following variables:

— Credit rating and PIT Probability of default ('PD'),

— PIT Loss Given default ('LGD'),

— Exposure at default ('EAD').

The credit rating of a counterpart is determined at a certain date, using score-sheet models tailored to the various categories of counterparties and exposures.

Each credit rating is mapped to a specific PD that represents the likelihood of a counterpart defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation. Hence, ratings are primary input into the determination of the PIT term structure of PD for exposures. The EIB collects performance and default information about the Facility's credit risk exposures. The collected data are segmented by type of industry and by type of region. Different industries and regions reacting in a homogenous manner to credit cycles are analysed together.

The EIB employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change because of the passage of time and given specific macro-economic scenarios.

The LGD represents the EIB's expectation of the ratio of the loss on an exposure due to the default of a counterparty to the amount outstanding at default. LGD can be also defined as '1 - Recovery Rate'. LGD estimates are determined mainly by geography and by type of counterparty, with five main exposure classes: Sovereigns, Public Institutions, Financial Institutions, Corporate and Project Finance. LGD values can be further adjusted based on the product and contract specific features of the exposure.

The EIB incorporates PIT and forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of expected credit losses.

For the measurement of ECL, the EIB has developed a conditional modelling approach, called the PIT PD model, for calculating PD term structures involving:

— the definition of an economically reasonable link function between the credit cycle and macroeconomic variables, and

— a set of three macro-economic scenarios (one baseline and two scenarios reflecting downturn and upturn in the economy) with multi-year potential realisation for the GDP and their associated likelihoods.

To generate macroeconomic scenarios, the EIB uses a macro semi-structural multi-country and multi-equation model of the global economy with country specific blocks. The central / baseline scenario is designed to be consistent with the most recent European Commission forecasts. The positive and negative scenarios are designed around the central scenario by deploying of the multi-country/multi-equation model. The scenarios are derived by shocking the GDP, which is the key measure of economic activity. The shocks to real GDP are calibrated to replicate the observed volatility of the variable. Also expert judgment is applied, when appropriate, to refine the size and persistency of GDP shocks. As a result, shocks are determined together with a decay function to determine the impact of the shocks over time. Probabilities attached to each scenario are defined reflecting market (volatility) indicators and internally developed indicators/trackers deployed in a consistent manner over time to capture uncertainty.

The EIB's PIT PD and PIT LGD models use the same projected values of the credit cycle as the main input under different macroeconomic scenarios. The credit cycle is calculated from an external rating agency's downgrade rates and the projections of annual growth rates of real GDP as well as the spread between long and short-term interest rates.

The EAD represents the expected exposure in the event of a default and is based on the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn.

2.4.2.1 *Cash and cash equivalents*

The Facility defines cash and cash equivalents as current accounts, short-term deposits or commercial papers with maturities of three months or less. Cash and cash equivalents are carried at AC in the statement of financial position.

2.4.2.2 *Treasury financial assets*

Treasury financial assets comprise quoted and unquoted bonds with the intention of holding them to maturity, and commercial papers with maturities of more than three months and are consequently classified at AC.

Those bonds and commercial papers are initially measured at cost, which is the fair value plus any directly attributable transaction cost. The difference between entry price and redemption value is amortised in accordance with the effective interest method over the remaining life of the instrument.

2.4.2.3 *Loans and advances*

The loan and advances portfolio may consist of debt instruments such as loans and debt securities including bonds, notes or certificates issued by structured entities with the intention of holding them to maturity and to collect the contractual cash flows.

Loans and advances include:

— Loans and advances measured at AC

— Loans and advances mandatorily measured at FVTPL.

Loans originated by the Facility are recognised in the assets of the Facility when cash is advanced to borrowers. Undisbursed parts of loans are recorded in the off-balance at their nominal value. Loans passing the SPPI test are initially recorded at cost (their net disbursed amounts), which is the fair value of the cash given to originate the loan, including any transaction costs, and are subsequently measured at AC using the effective interest rate method.

Debt securities are recognised in the assets of the Facility when cash is advanced to the issuer and can take the form of a contractually linked or single tranche debt instrument. Undisbursed parts of debt securities are recorded in the off-balance at their nominal value. Debt securities are initially measured at cost, which is the fair value plus any directly attributable transaction cost, and are subsequently measured at AC using the effective interest rate method. The difference between entry price and redemption value is amortised in accordance with the effective interest method over the remaining life of the instrument.

The impairment policy on loans and advances is described under Note 2.4.2.

Loans and advances not fulfilling business model or the SPPI criterion are mandatorily measured at FVTPL. The fair value measurement technique used is based on a discounted cash flow technique or liquidation value.

For the impact of the IBOR reform on remeasurement of loans and advances at amortised cost, please refer to the dedicated paragraphs in Note 2.4.2 – Classification and Measurement / Modification.

2.4.2.4 *Shares and other variable yield securities*

There are two types of equity investments at the Facility: (i) direct equity investments and (ii) venture capital funds. The shares and other variable yield securities are initially recognised at fair value plus transactions costs. Subsequently changes in fair value, including foreign currency translation gains and losses, are recognised in the statement of profit or loss and other comprehensive income under the caption net result on shares and other variable yield securities.

The undrawn but committed part of these investments is recorded as consolidated off-balance sheet commitments at their nominal value.

Measurement of fair values of financial instruments

The fair value is determined by applying the aggregated net asset value ('NAV') method (thereby assuming that, despite the absence of readily ascertainable market value, NAV is the best estimate of the fair value). For unquoted investment, when the fair value cannot be derived from active markets, the fair value is determined by applying recognised valuation techniques (Note 4.2.1).

The attributable NAV is adjusted for events occurring between the date of the latest available NAV and the balance sheet date to the extent that such adjustment is considered to be material by the Management Committee. Material adjustments are amended until the Board of Directors adopt the Financial Statements for the year. In that respect, following the general context of uncertainty, various risks building up as a result of the Russian invasion of Ukraine and the volatility observed in terms of performance, the Bank enhanced its valuation techniques to estimate any adjustment on the fair value of the equity investments for the NAVs not reported by the fund managers at the reporting date of the Facility financial statements.

For specific investments where NAVs cannot readily be determined, other guidelines for example the International Private Equity and Venture Capital Valuation ('IPEV') Guidelines, as published by the IPEV Board might be used and more detailed monitoring and review will be required. In accordance with this method, the funds are internally classified into three categories:

— Category I – funds that have adopted the fair value requirements of IFRS 13 or IPEV Guidelines for which a specific review is performed to ensure that the NAV is a reliable estimate of fair value;

— Category II – funds that have adopted other valuation guidelines (such as the former 2001 EVCA) or standards that can be considered to be in line with IFRS 13, for which an equivalent NAV can be calculated; and

— Category III – funds that have not adopted the fair value requirements of IFRS 13 or any other valuation guidelines in line with IFRS 13.

Significant influence assessment

The participations acquired by the Facility typically represent investments in private equity or venture capital funds. According to industry practice, such investments are generally investments jointly subscribed by a number of investors, none of whom is in a position to individually influence the daily operations and the investment activity of such fund. As a consequence, any membership by an investor in a governing body of such fund does not in principle entitle such investor to influence the day-to-day operations of the fund. In addition, individual investors in a private equity or a venture capital fund do not determine policies of a fund such as distribution policies on dividends or other distributions. Such decisions are typically taken by the management of a fund on the basis of the shareholders agreement governing the rights and obligations of the management and all shareholders of the fund. The shareholders' agreement also generally prevents individual investors from bilaterally executing material transactions with the fund, interchanging managerial personnel or obtaining privileged access to essential technical information. The Facility's investments are executed in line with the above stated industry practice, ensuring that the Facility neither controls nor exercises any form of significant influence within the meaning of IFRS 10 and IAS 28 over any of these investments, including those investments in which the Facility holds over 20 % of the voting rights.

2.4.3 Financial guarantees

Financial guarantee contracts are contracts that require the Facility to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantees are accounted for under IFRS 9 – Financial Instruments, either as 'Derivatives' or as 'Financial Guarantees', depending on their features and characteristics as defined by IFRS 9.

The accounting policy for derivatives is disclosed under Note 2.4.5.

Financial guarantees are initially recognised in the statement of financial position under 'Provisions for guarantees issued' at fair value plus transaction costs that are directly attributable to the issuance of the financial guarantees. At initial recognition the obligation to pay corresponds to the Net Present Value (NPV) of expected premium inflows or the initial expected loss.

Subsequent to initial recognition, financial guarantees are measured at the higher of:

— The amount of the loss allowance as determined under IFRS 9; and

— The premium initially recognised less income recognised in accordance with the principles of IFRS 15.

Any increase or decrease in the net liability (as measured per IFRS 9) relating to financial guarantees other than the payment of guarantee calls is recognised in the statement of profit or loss and other comprehensive income under 'Change in provisions for guarantees'.

The premium received is recognised in the statement of profit or loss and other comprehensive income in 'Fee and commission income' on the basis of an amortisation schedule in accordance with IFRS 15 over the life of the financial guarantee.

2.4.4 Financial liabilities other than derivatives

Classification and measurement

Financial liabilities

A financial liability is measured at amortised cost except for financial liabilities:

— are mandatorily measured at fair value through profit or loss (e.g. derivative liabilities); and

— that are designated as measured at fair value through profit or loss.

The Facility derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

2.4.5 Derivative financial instruments

Derivative financial instruments include cross currency swaps, cross currency interest rate swaps and short-term currency swaps ('FX swaps').

Derivative financial instruments are initially recognised using the trade date basis.

In the normal course of its activity, the Facility may enter into swap contracts with a view to hedge specific lending operations or into currency forward contract with a view to hedge its currency positions, denominated in actively traded currencies other than the Euro, in order to offset any gain or loss caused by foreign exchange rate fluctuations.

All derivatives are measured at FVTPL and are reported as derivative financial instruments. Fair values are derived primarily from discounted cash-flow models, option-pricing models and from third party quotes.

Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivative financial instruments are shown in the statement of profit or loss and other comprehensive income under 'Fair value change of derivative financial instruments'.

Under IFRS 9, bifurcation requirements regarding embedded derivatives have been eliminated for financial assets or financial liabilities and therefore, the hybrid contract is treated as a whole for classification of financial assets or financial liability accordingly.

2.4.6 Contributions

Contributions from Member States are recognised as receivables in the statement of financial position on the date of the Council Decision fixing the financial contribution to be paid by the Member States to the Facility.

The Member States contributions meet the following conditions and are consequently classified as equity:

— as defined in the contribution agreement, they entitle the Member States to decide on the utilisation of the Facility's net assets in the events of the Facility's liquidation;

— they are in the class of instruments that is subordinated to all other classes of instruments;

— all financial instruments in the class of instruments that are subordinated to all other classes of instruments have identical features;

— the instrument does not include any features that would require classification as a liability; and

— the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Facility over the life of the instrument.

Contributions are classified and measured at AC in the financial statements.

Member States Contributions paid out represent Available Reflows paid out to the EC and the UK. As per the Transfer Agreement, as of year 2024 and until 31 December 2027, not later than 31 March of each year, the EIB shall report, in writing, the amount of available ACP IF Reflows, and the amount of available OCT IF Reflows, accumulated respectively as of 31 December of the preceding year (the 'Report on Available Reflows'). The Report on Available Reflows shall distinguish between the Reflows that are to be transferred to the Commission (ACP and OCT Reflows), and the Reflows that are to be transferred to the United Kingdom ('UK'). Available Reflows are recognised in the statement of financial position when corresponding payment request is sent to the Facility.

2.4.7 Interest and similar income

Interest on loans originated by the Facility is recorded in the statement of profit or loss and other comprehensive income ('Interest and similar income') and in the statement of financial position ('Loans and advances') on an accrual basis using the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan to the net carrying amount of the loan. Once the recorded value of a loan has been reduced due to impairment, interest income continues to be recognised using the original effective interest rate applied to the new carrying amount.

Interest on the POCI loans is recorded in the statement of profit or loss and other comprehensive income ('Interest and similar income') and in the statement of financial position ('Loans and advances') on an accrual basis using the credit-adjusted effective interest rate through the whole life of the loan, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loan to the amortised cost of the loan.

Interest subsidies received for the Facility's resources are deferred and recognised as an adjustment to the effective yield, being recorded under 'Interest and similar income' in the income statement over the period from disbursement to repayment of the subsidised loan.

Commitment fees are deferred and recognised in income using the effective interest method over the period from disbursement to repayment of the related loan, and are presented in the statement of profit or loss and other comprehensive income within interest and similar income.

2.4.8 Interest subsidies and technical assistance

As part of its activity, the Facility manages interest subsidies and technical assistance ('TA') on behalf of the Member States.

The part of the Member States contributions allocated to the payment of interest subsidies and TA is not accounted for in the Facility's contributors' resources but is classified as amounts owed to third parties. The Facility operates the disbursement to the final beneficiaries and then decreases the amounts owed to third parties.

When amounts contributed with regard to interest subsidies and TA are not fully granted, they are reclassified as contribution to the Facility.

2.4.9 Interest income on cash and cash equivalents

Interest income on cash and cash equivalents is recognised in the statement of profit or loss and other comprehensive income of the Facility on an accrual basis.

2.4.10 Fees, commissions and dividends

Fees received in respect of services provided over a period of time are recognised as income as the services are provided, while fees that are earned on the execution of a significant act are recognised as income when the significant act has been completed. These fees are presented in the statement of profit or loss and other comprehensive income within fee and commission income.

Dividends relating to shares and other variable yield securities are recognised when declared and presented in the statement of profit or loss and other comprehensive income within net realised gains on shares and other variable yield securities.

2.4.11 Taxation

The Protocol on the Privileges and Immunities of the European Union, appended to the treaty on the European Union and the treaty of the functioning of the European Union, stipulates that the assets, revenues and other property of the Institutions of the Union are exempt from all direct taxes.

3 **Risk Management**

This note presents information about the Facility's exposure to and its management and control of credit and financial risks, in particular the primary risks associated with its use of financial instruments. These are:

— credit risk – the risk of loss resulting from client or counterparty default and arising on credit exposure in all forms, including settlement risk ([38]);

— liquidity risk – the risk that an entity is not able to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses;

— market risk – the risk that changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates will affect an entity's income or the value of its holdings in financial instruments.

3.1 ***Risk management organisation***

The EIB adapts the IF`s risk management framework on an ongoing basis.

The Group Risk and Compliance Directorate ('GR&C') of the EIB independently identifies, assesses, monitors and reports the risks to which the Facility is exposed. Within a framework whereby the segregation of duties is preserved, the GR&C is independent of the Front Office and provides second opinion on all proposals made by the Front Office having risk implications.

At EIB level, the Group Chief Risk Officer ('GCRO') reports on Group Risks to the EIB Management Committee ('MC') under the oversight of the MC member in charge of risk. The GCRO has direct access to the Risk Policy Committee and can write directly to and communicate with the EIB Board of Directors on any matter of his/her field of attribution.

([38]) Settlement risk is defined as the risk of potential losses due to transactions which remain unsettled after their due delivery date and/or due to transactions that are settled later than the applicable market standard. Due to the nature of the Facilty's operations, the most relevant instruments affected by settlement risk are those derivatives entered into by the Bank which imply an exchange of foreign currencies. Settlement risk management is covered in the Financial Risk Guidelines.

3.2 *Credit risk*

Credit risk is the potential loss that could result from client or counterparty default and arising on credit exposure in all forms, including settlement.

3.2.1 Credit risk policy

In carrying out the credit analysis on loan counterparts, the EIB assesses the credit risk and expected loss with a view to quantify and price the risk. The EIB has developed an Internal Rating Methodology ('IRM') to determine the Internal Ratings of its credit-relevant borrower/guarantor counterparts. The methodology is tailored for each major credit counterpart type (e.g. Corporates, Financial Institutions, etc.). Taking into consideration both, Best Banking Practice applicable to the EIB and the principles set under the Capital Requirements Regulation (CRR), all counterparts that are material to the credit profile of a specific transaction are classified into internal rating categories using the IRM for the specific counterpart type. Each counterpart is assigned an Internal Rating reflecting its PD following an in-depth analysis of the counterpart's business and financial risk profile and its country risk operating context. Expert adjustments are made when necessary under the consideration of the legal entities' parental or government support, and the final rating allows for overrides to reflect information (e.g. market pricing) not considered in the model.

The credit assessment of project finance and other structured limited recourse operations uses credit risk tools relevant for the sector, focused mainly on cash flow availability and debt service capacity. These tools include the analysis of projects' contractual framework, counterpart's analysis and cash flow simulations. Similarly to corporates and financial institutions, each project is assigned an internal risk rating. Finally, Non-EU sovereigns are rated by the Economics Department based on a statistical model.

All Internal Ratings are monitored over loan life, and periodically updated.

In order to mitigate credit risk the EIB uses, where appropriate and on a case by case basis, various credit enhancements including amongst others counterparty or project related securities, guarantees and contractual clauses depending of the nature of the borrower and type of operation.

The Facility does not use any credit derivatives to mitigate credit risk.

3.2.2 Maximum exposure to credit risk without taking into account any collateral and other credit enhancements

The following table shows the maximum exposure to credit risk for the components of the statement of financial position, including derivatives. The maximum exposure is shown gross, before the effect of mitigation through the use of collateral.

(in EUR'000)

Maximum exposure	31.12.2025	31.12.2024
ASSETS		
Cash and cash equivalents	1 665 129	1 638 604
Amounts receivable from contributors	-	7 482
Derivative financial instruments	7 819	783
Loans and advances	1 063 511	1 498 048
Other assets	36 833	-
Total	**2 773 292**	**3 144 917**
Provisions for loan commitments	**- 17 585**	**- 18 320**
OFF BALANCE SHEET		
Contingent liabilities		
— Issued Guarantees	-	-

(in EUR'000)

Maximum exposure	31.12.2025	31.12.2024
Commitments		
— Undisbursed loans	354 187	676 229
— Non-issued guarantees	2 500	2 500
Total off balance sheet	**356 687**	**678 729**
Total credit exposure	**3 112 394**	**3 805 326**

3.2.3 Credit risk on loans and advances

3.2.3.1 *Credit risk measurement for loans and advances*

Loans and advances or guarantees undertaken by the Facility benefit from a comprehensive risk assessment and quantification of expected loss estimates that are reflected in a Loan Grading ('LG'). Operations under the IFE (as described in Note 25), with the exception of intermediated loans, are subject to the general Mandate Risk Principles as envisaged in the EIB credit and equity risk guidelines. LGs are established according to generally accepted criteria, based on the quality of the borrower, the maturity of the loan, the type of guarantee and, where appropriate, the guarantor.

The loan grading system comprises the methodologies, processes, databases and IT systems supporting the assessment of credit risk in lending operations and the quantification of expected loss estimates. It summarises a large amount of information with the purpose of offering a relative ranking of loans' credit risks. LGs reflect the present value of the estimated level of the 'expected loss', this being the product of the Probability of Default of the main obligors, the Exposure at Default and the loss severity in the case of default. LGs are used for the following purposes:

— as an aid to a finer and more quantitative assessment of lending risks;

— as an indicator of credit risk variations for the purposes of prioritising monitoring efforts;

— as a description of the loan's portfolio quality at any given date; and

— as an input in risk-pricing decisions.

The following factors are used to determine an LG:

i) The borrower's creditworthiness: Risk Management independently reviews borrowers and assesses their creditworthiness based on internal methodologies and external data. In line with the Basel III Internal Ratings Based Approach chosen, the Bank has developed an internal rating methodology (IRM) to determine the internal ratings of borrowers and guarantors. This is based on a set of scoring sheets specific to defined counterparty types.

ii) The default correlation: it quantifies the chances of simultaneous financial difficulties arising for both the borrower and the guarantor. The higher the correlation between the borrower and the guarantor's default probabilities, the lower the value of the guarantee and therefore the lower (worse) the LG.

iii) The value of guarantee instruments and of securities: this value is assessed on the basis of the combination of the issuer's creditworthiness and the type of instrument used.

iv) The applicable recovery rate: being the amount assumed to be recovered following a default by the relevant counterpart expressed as a percentage of the relevant loan exposure.

v) The contractual framework: a sound contractual framework will add to the loan's quality and enhance its LG.

vi) The duration of the loan or, more generally, the cash-flows of the loan: all else being equal, the longer the loan, the higher the risk of incurring difficulties in the servicing of the loan.

A loan's expected loss is computed by combining the six elements above. Depending on the level of the expected loss, a loan is assigned to one of the following LG classes listed below:

'A' Prime quality loans:

'A0' comprising EU sovereign 'risks' that is loans granted to, or fully, explicitly and unconditionally guaranteed by Member States where no repayment difficulties are expected, i.e. expected loss of 0 % (based on the Bank's preferred creditor status and statutory protection which are deemed to assure a full recovery of the Bank's assets upon maturity) as well as loans with a comprehensive EU or MS guarantee.

'A+' comprising loans granted to (or guaranteed by) entities other than EU Member States in respect of which there is no or only limited expectation of deterioration in quality over their term.

'B' High quality loans: these represent an asset class with which the Bank feels comfortable, although a minor deterioration is not ruled out in the future. B+ and B- are used to denote the relative likelihood of the possibility of such deterioration occurring.

'C' Good quality loans: an example could be 'single-signature' (unsecured) loans to solid corporates (e.g. equivalent internal rating of Baa1/BBB+), with a reasonable maturity and adequate protective clauses.

'D' This grading class represents (aside from loans initially approved at this level) the borderline exposure that have a risk profile generally accepted by the Bank. This watershed in loan grading is more precisely determined by the sub-classifications D+ and D-.

'E' This LG category includes loans with a risk profile greater than generally accepted. It also includes loans which in the course of their lives have experienced severe problems and their sliding into a situation of loss cannot be excluded. For this reason, the loans are subject to close and high monitoring. The sub-classes E+ and E- differentiate the intensity of this special monitoring process, with those operations graded E- being in a position where there is a strong possibility that debt service cannot be maintained on a timely basis and therefore some form of debt restructuring is required, possibly leading to an impairment loss.

'F' F (fail) denotes loans representing unacceptable risks. F- graded loans can only arise out of outstanding transactions that have experienced unforeseen, exceptional and dramatic adverse circumstances after signature. All operations where there is a loss of principal to the Facility are graded F and a specific provision is applied.

The table in section 3.2.3.3 shows the credit quality analysis of the Facility's loan portfolio based on the various LG classes as described above.

3.2.3.2 *Analysis of lending credit risk exposure*

The following table shows the maximum exposure (net carrying amount) to credit risk on loans and advances signed (disbursed and undisbursed) by nature of borrower taking into account guarantees provided by guarantors:

(in EUR'000)

At 31.12.2025	Guaranteed	Not guaranteed	Total	% of Total disbursed
Financial institutions	37 020	590 941	**627 961**	**59 %**
Corporates	117 547	125 812	**243 359**	**23 %**
Public authorities	-	-	-	**0 %**
States	-	192 191	**192 191**	**18 %**
Total disbursed	**154 567**	**908 944**	**1 063 511**	**100 %**
Undisbursed	**19 023**	**317 579**	**336 602**	
Total disbursed and undisbursed	**173 590**	**1 226 523**	**1 400 113**	

(in EUR'000)

At 31.12.2024	Guaranteed	Not guaranteed	Total	% of Total disbursed
Financial institutions	45 015	879 963	**924 978**	**62 %**
Corporates	164 680	193 836	**358 516**	**24 %**
Public authorities	-	-	-	**0 %**
States	-	214 554	**214 554**	**14 %**
Total disbursed	**209 695**	**1 288 353**	**1 498 048**	**100 %**
Undisbursed	**42 259**	**615 650**	**657 909**	
Total disbursed and undisbursed	**251 954**	**1 904 003**	**2 155 957**	

Portfolio Management and Monitoring Directorate is tasked with the responsibility of performing borrower and guarantor monitoring, as well as project-related financial and contractual monitoring. Thus, the creditworthiness of the Facility's loans, borrowers and guarantors are continually monitored, at least annually but more frequently on an as-needed basis and as a function of credit events taking place. In particular, Portfolio Management and Monitoring Directorate reviews if contractual rights are met and, in case of a rating deterioration and/or contractual default, remedy action is taken. Mitigation measures are pursued, whenever necessary in accordance with the credit risk guidelines. Also, in case of renewals of bank guarantees received for its loans, it is ensured that these are replaced or action is taken in a timely manner.

3.2.3.3 *Credit quality analysis per type of borrower*

The tables below show the credit quality analysis of the Facility's loan portfolio as at 31 December 2025 and 31 December 2024 by the Loan Grading applications, based on the exposure signed (disbursed and undisbursed):

(in EUR'000)

At 31.12.2025		High Grade	Standard Grade	Min. Accept. Risk	High Risk	No grading (*)	Total	% of Total
		A to B-	C	D+	D- and below			
Borrower	Financial institutions	327 807	10 542	90 260	250 875	-	**679 484**	**48 %**
	Corporates	32 538	1 696	-	131 661	109 628	**275 523**	**20 %**
	Public authorities	-	-	-	-	-	-	**0 %**
	States	-	948	14 223	429 935	-	**445 106**	**32 %**
Total		**360 345**	**13 186**	**104 483**	**812 471**	**109 628**	**1 400 113**	**100 %**

(*) Loan operations measured at FVTPL.

(in EUR'000)

At 31.12.2024		High Grade	Standard Grade	Min. Accept. Risk	High Risk	No grading (*)	Total	% of Total
		A to B-	C	D+	D- and below			
Borrower	Financial institutions	234 681	299 526	218 172	387 621	-	**1 140 000**	**53 %**
	Corporates	41 934	3 318	-	189 403	195 031	**429 686**	**20 %**
	Public institutions	-	-	-	-	-	-	**0 %**
	States	51 820	2 929	22 375	509 147	-	**586 271**	**27 %**
Total		**328 435**	**305 773**	**240 547**	**1 086 171**	**195 031**	**2 155 957**	**100 %**

(*) Loan operations measured at FVTPL.

3.2.3.4 *Risk concentrations of loans and advances*

3.2.3.4.1 *Geographical analysis*

Based on the country of borrower, the Facility's loan portfolio can be analysed by the following geographical regions (in EUR'000):

Country of borrower	31.12.2025	31.12.2024
Kenya	170 406	246 455
Egypt	146 658	224 074
Barbados	111 951	67 426
Ethiopia	109 593	117 954
Zambia	76 553	84 336
Nigeria	70 645	119 847
Mauritius	62 459	86 850
Cameroon	48 915	58 577
Rwanda	43 013	67 061
Uganda	28 936	37 062
Zimbabwe	24 124	35 885
Regional-ACP	24 317	75 060
Togo	22 566	91 324
Senegal	17 710	18 052
Congo (Democratic Republic)	16 513	23 820
New Caledonia	15 760	21 166
Tanzania	9 462	16 233
Benin	8 702	16 208
Mauritania	6 123	8 717
Guinea	6 076	10 337
Ivory Coast	4 934	7 440

Country of borrower	31.12.2025	31.12.2024
Dominican Republic	4 850	11 006
Madagascar	4 815	9 122
Seychelles	4 731	5 018
Eswatini	4 660	5 673
Saint Lucia	4 253	4 864
Mali	3 730	5 707
Cayman Islands	2 983	5 588
Malawi	2 255	3 586
Cape Verde	1 696	3 318
Micronesia	1 536	2 062
Mozambique	1 048	3 126
Burkina Faso	887	2 348
French Polynesia	590	1 193
Samoa	61	198
Ghana	-	1 304
Haiti	-	51
Total	**1 063 511**	**1 498 048**

3.2.3.4.2 *Industry sector analysis*

The table below analyses the Facility's loan portfolio by industry sector of the borrower. Operations which are first disbursed to a financial intermediary before being disbursed to the final beneficiary are reported under 'Tertiary and other' (in EUR'000):

Industry sector of borrower	31.12.2025	31.12.2024
Financial Services	627 960	924 947
Public Administration	192 191	214 554
Electricity	137 746	170 632
Chemicals	54 806	81 046
Regulated Networks	14 571	5 441
Business Services, IT and Media	10 920	33 926
Pharmaceuticals and Medical Equipment	8 305	13 227
Investment Goods	6 057	7 244
Metals and Mining	5 175	7 157
Consumer Goods and Retail	3 499	-
Waste Recuperation and Recycling	2 281	3 041
Healthcare	-	36 833
Total	**1 063 511**	**1 498 048**

3.2.3.5 *Credit risk exposure for each internal risk rating*

The EIB uses an internal rating methodology in line with the Internal ratings based approach under Basel III. The majority of the Facility's counterparties have been assigned an internal rating according to this methodology. The table below shows a breakdown of the Facility's loan portfolio by the better of the borrower's or guarantor's internal ratings, where available. In cases where an internal rating is not available, the external rating has been used for this analysis.

The table shows both the exposures signed (disbursed and undisbursed) and the risk-weighted exposures, based on an internal methodology that the Facility uses for limit management.

(in EUR'000)

	2025					
	Moody's equiv. grade	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	FVTPL	Total
Loans and advances at AC						
Internal Rating 1 - minimal credit risk	Aaa	-	30 258	-	-	**30 258**
Internal Rating 2 - very low credit risk	Aa1 - Aa3	111 954	-	-	-	**111 954**
Internal Rating 3 - low credit risk	A1 - A3	8 704	-	-	-	**8 704**
Internal Rating 4 - moderate credit risk	Baa1 - Baa3	163 126	-	2 281	-	**165 407**
Internal Rating 5 - financially weak counterpart	Ba1 - Ba3	42 793	4 794	-	-	**47 587**
Internal Rating 6 - high credit risk	B1 - B3	319 758	54 209	-	-	**373 967**
Internal Rating 7 - very high credit risk	below Caa1	38 565	216 042	-	-	**254 607**
Internal Rating 8 - counterpart in default	below Caa1 but in default	-	-	15 553	-	**15 553**
Loans and advances at FVTPL		-	-	-	**148 669**	**148 669**
Loss allowance and FV adjustment		**- 7 186**	**- 13 764**	**- 2 471**	**- 69 774**	**- 93 195**
Carrying amount of loans and advances		**677 714**	**291 539**	**15 363**	**78 895**	**1 063 511**
Loan commitments						
Internal Rating 2 - very low credit risk	Aa1 - Aa3	24 971	-	-	-	**24 971**
Internal Rating 4 - moderate credit risk	Baa1 - Baa3	-	-	-	-	-
Internal Rating 5 - financially weak counterpart	Ba1 - Ba3	-	-	-	-	-

(in EUR'000)

	2025					
	Moody's equiv. grade	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	FVTPL	Total
Internal Rating 6 - high credit risk	B1 - B3	11 397	254 999	-	-	**266 396**
Internal Rating 7 - very high credit risk	below Caa1	12 500	19 582	-	-	**32 082**
Internal Rating 8 - counterpart in default	below Caa1 but in default	-	-	-	-	-
No internal rating (*)		-	-	-	-	-
Loans and advances at FVTPL		-	-	-	**30 738**	**30 738**
Loss allowance and FV adjustment		**- 566**	**- 17 019**	-	-	**- 17 585**
Carrying amount of loan commitments		**48 302**	**257 562**	-	**30 738**	**336 602**

(*) Agency agreements for which there are no underlying counterparts at reporting date.

(in EUR'000)

	2024					
	Moody's equiv. grade	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	FVTPL	Total
Loans and advances at AC						
Internal Rating 1 - minimal credit risk	Aaa	-	38 896	-	-	**38 896**
Internal Rating 2 - very low credit risk	Aa1 - Aa3	67 436	-	-	-	**67 436**
Internal Rating 3 - low credit risk	A1 - A3	10 501	-	-	-	**10 501**
Internal Rating 4 - moderate credit risk	Baa1 - Baa3	246 650	-	3 041	-	**249 691**
Internal Rating 5 - financially weak counterpart	Ba1 - Ba3	66 050	-	-	-	**66 050**
Internal Rating 6 - high credit risk	B1 - B3	588 657	29 996	16 233	-	**634 886**
Internal Rating 7 - very high credit risk	below Caa1	74 924	229 726	-	-	**304 650**

(in EUR'000)

	2024					
	Moody's equiv. grade	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	FVTPL	Total
Internal Rating 8 - counterpart in default	below Caa1 but in default	-	-	22 307	-	**22 307**
Loans and advances at FVTPL		-	-	-	**200 677**	**200 677**
Loss allowance and FV adjustment		**- 9 675**	**- 12 576**	**- 12 431**	**- 62 364**	**- 97 046**
Carrying amount of loans and advances		**1 044 543**	**286 042**	**29 150**	**138 313**	**1 498 048**
Loan commitments						
Internal Rating 2 - very low credit risk	Aa1 - Aa3	86 796	-	-	-	**86 796**
Internal Rating 4 - moderate credit risk	Baa1 - Baa3	10 000	-	-	-	**10 000**
Internal Rating 5 - financially weak counterpart	Ba1 - Ba3	81 500	-	-	-	**81 500**
Internal Rating 6 - high credit risk	B1 - B3	20 000	270 990	-	-	**290 990**
Internal Rating 7 - very high credit risk	below Caa1	12 500	11 329	-	-	**23 829**
Internal Rating 8 - counterpart in default	below Caa1 but in default	-	-	111 000	-	**111 000**
No internal rating (*)		15 445	-	-	-	**15 445**
Loans and advances at FVTPL		-	-	-	**56 669**	**56 669**
Loss allowance and FV adjustment		**- 1 491**	**- 16 829**	-	-	**- 18 320**
Carrying amount of loan commitments		**224 750**	**265 490**	**111 000**	**56 669**	**657 909**

The EIB continually monitors events affecting its borrowers and guarantors. In particular, the EIB is assessing on a case by case basis its contractual rights in case of rating deterioration and is seeking mitigating measures. It is also closely following the renewals of bank guarantees received for its loans to ensure that these are replaced or action is taken in a timely manner if need be.

(*) Agency agreements for which there are no underlying counterparts at reporting date.

3.2.3.6 *Arrears on loans and impairments*

Amounts in arrears are identified, monitored and reported according to the procedures defined into the Bank wide 'Finance Monitoring Guidelines and Procedures'. These procedures are in line with best banking practices and are adopted for all loans managed by the EIB.

The monitoring process is structured in order to make sure that (i) potential arrears are detected and reported to the services in charge with minimum delay; (ii) critical cases are promptly escalated to the right operational and decision level; (iii) regular reporting to the Facility management is provided on the overall status.

The arrears and impairments on loans and advances can be analysed as follows (in EUR'000):

	Loans and advances 31.12.2025	Loans and advances 31.12.2024
Carrying amount	**1 063 511**	**1 498 048**
Lifetime ECL credit- impaired		
Gross amount	15 553	22 307
Impairment- loss allowance	- 2 471	- 12 431
Carrying amount of lifetime ECL credit-impaired	**13 082**	**9 876**
Past due but not credit- impaired		
Past due comprises		
0-30 days	201	229
30-90 days	-	26
90-180 days	-	-
more than 180 days	-	25
Carrying amount past due but not credit- impaired	**201**	**280**
Carrying amount neither past due nor credit- impaired	**1 050 228**	**1 487 892**
Total carrying amount loans and advances	**1 063 511**	**1 498 048**

3.2.3.7 *Sensitivity on ECL to future economic conditions (in EUR'000)*

The ECL is sensitive to judgments and assumptions made regarding formulation of forward-looking scenarios. The EIB performs a sensitivity analysis on the ECL recognised on material classes of its assets.

The forecasts of future economic conditions (via macroeconomic scenarios) are inputs to forecasting model producing conditional risk parameters, which are an input to loss allowance calculation.

The scenarios are derived shocking GDP, which is the key measurement of economic activity. The shocks to real GDP are calibrated to replicate the past volatility of the variable. In addition, expert judgment is applied, when appropriate, to refine the size and persistency of GDP shocks. As a result, shocks are determined together with a decay function to determine the impact of the shocks over time. Probabilities attached to each scenario are defined reflecting market (volatility) indicators and internally developed indicators/trackers consistently deployed over time to capture uncertainty. The weighting of positive and negative shocks depends on the balance of risks in the economy, negative and positive shocks with a probability of 40 % and 5 % respectively, were applied on quarterly projections in the last exercise.

The table below shows the loss allowance on loans and advances under Stage 1 and 2. Each forward-looking scenario (e.g. baseline, positive and negative) was weighted 100 % instead of applying scenario probability weights across the three scenarios.

(in EUR'000)

	2025		
	Positive	Baseline	Negative
Gross exposure	1 306 210	1 306 210	1 306 210
Loss allowance	29 944	31 693	33 605

(in EUR'000)

	2024		
	Positive	Baseline	Negative
Gross exposure	1 851 153	1 851 153	1 851 153
Loss allowance	28 883	30 301	31 819

3.2.3.8 *Loan renegotiation and forbearance*

The EIB considers loans to be forborne loans (i.e. loans, debt securities and loan commitments) in respect of which forbearance measures have been extended. Forbearance measures consist of 'concessions' that the EIB decides to make towards an obligor who is considered unable to comply with the contractual debt service terms and conditions due to its financial difficulties, in order to enable the obligor to service the debt or to refinance, totally or partially, the contract. Exposures shall be treated as forborne if a concession has been made, irrespective of whether any amount is past-due, or the exposure is classified as defaulted. Exposures shall not be treated as forborne when the obligor is not in financial difficulties.

In the normal course of business, the deterioration of the loans in question would have been detected via the provisions of the Bank's guidelines and procedures and would have been monitored before renegotiation. Once renegotiated, the EIB would continue to closely monitor these loans. In the case of the financial instrument would be credit impaired it will be moved to Stage 3. The loan will be monitored regularly in line with the Bank's framework.

Forbearance measures and practices undertaken by the EIB as part of its restructuring activities during the reporting period include, but are not limited to, extension of maturities, deferral of capital only, deferral of capital and interest, waiver of material covenants and capitalisation of arrears.

Operations subject to forbearance measures are reported as such in the table below:

(in EUR'000)

	31.12.2025		31.12.2024	
	Performing	Non-Performing	Performing	Non-Performing
Number of contracts subject to forbearance practices	1	9	3	7
Carrying values (incl. interest and amounts in arrears)	9 569	71 509	60 223	35 718
ECL allowance recognised	106	45 760	622	11 156
Interest income in respect of forborne contracts	687	1 601	3 353	1 717

(in EUR'000)

		Forbearance measures					
	31.12.2024	Extension of maturities	Deferral of capital and interest	Breach of material financial covenants	Other	Contractual repayment, termination and/or write off	31.12.2025
Financial institutions	22 382	-	-	- 9 643	-	- 1 460	11 279
Corporates	73 559	13 767	6 580	4 154	-	- 28 261	69 799
Total	**95 941**	**13 767**	**6 580**	**- 5 489**	-	**- 29 721**	**81 078**

3.2.4 Credit risk on cash and cash equivalents

Available funds are invested in accordance with the Facility's schedule of contractual disbursement obligations. As of 31 December 2025, and 31 December 2024, investments were in the form of bank deposits, certificates of deposit and commercial papers.

The authorized entities have a rating similar to the short-term and long-term ratings required for the EIB's own treasury placements. In case of different ratings being granted by more than one credit rating agency, the lowest rating governs. The maximum authorized limit for each authorised bank is currently EUR 50 000 000 (fifty million euro). An exception to this rule has been granted to Societe Generale S. A. where the Facility has its operational cash accounts. The short-term credit limit for Societe Generale S. A. as at 31 December 2025 and 31 December 2024 amounts to EUR 110 000 000 (one hundred and ten million euro). The increased limit applies to the sum of the cash held at the operational cash accounts and the instruments issued by this counterpart and held by the treasury portfolio.

All investments have been done with authorised entities with a maximum tenor of three months from value date. All credit exposure limit breaches have been reported to the mandators. As at 31 December 2025 and as at 31 December 2024 all term deposits, commercial papers and cash in hand held by the treasury portfolio of the Facility had a minimum rating of at least P-2 (Moody's equivalent) at settlement day.

The following table shows the situation of cash and cash equivalents including accrued interest (in EUR'000):

Minimum short-term rating (Moody's term)	Minimum long-term rating (Moody's term)	31.12.2025		31.12.2024	
P-1	Aaa	210 685	13 %	124 532	8 %
P-1	Aa1	113 868	7 %	173 639	11 %
P-1	Aa2	99 792	6 %	-	0 %
P-1	Aa3	-	0 %	149 239	9 %
P-1	A1	475 191	28 %	309 342	19 %
P-1	A2	444 741	26 %	280 035	17 %
P-1	A3	176 036	11 %	367 211	22 %
P-2	A3	144 816	9 %	154 829	9 %
P-2	Baa1	-	0 %	79 777	5 %
Total		**1 665 129**	**100 %**	**1 638 604**	**100 %**

3.2.5 Credit risk on derivatives

3.2.5.1 *Credit risk policy of derivatives*

The credit risk with respect to derivatives is represented by the loss which a given party would incur where the other counterparty to the deal would be unable to honour its contractual obligations. The credit risk associated with derivatives varies according to a number of factors (such as interest and exchange rates) and generally corresponds to only a small portion of their notional value.

In the normal course of its activity, the Facility may enter into swap contracts with a view to hedge specific lending operations or into currency forward contracts, with a view to hedge its currency positions denominated in actively traded currencies other than the Euro. All the swaps are executed by the EIB with an external counterpart. The swaps are arranged by the same Master Swap Agreements and Credit Support Annexes signed between the EIB and its external counterparts.

3.2.5.2 *Credit risk measurement for derivatives*

All the swaps executed by the EIB that are related to the Facility are treated within the same contractual framework and methodologies applied for the derivatives negotiated by the EIB for its own purposes. In particular, eligibility of swap counterparts is determined by the EIB based on the same eligibility conditions applied for its general swap purposes.

The EIB measures the credit risk exposure related to swaps and derivatives transactions using the Current Unsecured Exposure and Potential Future Exposure approach for reporting and limit monitoring. These metrics fully include the derivatives related to the Investment Facility.

The Facility enters into foreign exchange short-term currency swaps ('FX swaps') contracts in order to hedge currency risk on loan disbursements in currencies other than EUR. FX swaps have a maturity of maximum three months and are regularly rolled-over. The notional amount of FX swaps stood at EUR 1 060,0 million as at 31 December 2025 against EUR 1 330,0 million as at 31 December 2024. The fair value of FX swaps amounts to EUR 6,0 million as at 31 December 2025 against EUR - 38,9 million as at 31 December 2024.

The Facility enters into cross currency swaps contracts in order to hedge currency risk on loan disbursements in currencies other than EUR. Cross currency swaps have a long-term maturity. The notional amount of FX swaps stood at EUR 22,9 million as at 31 December 2025 against EUR 33,1 million as at 31 December 2024. The fair value of FX swaps amounts to EUR 1,4 million as at 31 December 2025 against EUR 0,5 million as at 31 December 2024.

3.2.6 Credit risk on treasury financial assets

The treasury portfolio entirely composed of commercial papers issued by sub-sovereigns, banks and non-bank entities maturity of more than three months. EU Member States, their agencies, banks and non-bank entities are eligible issuers. The maximum authorized limit for each authorised issuer is EUR 50 000 000 (fifty million euro). Investments in medium and long-term bonds could also be eligible depending on liquidity requirements. There were no treasury financial assets as at 31 December 2024 and 31 December 2025.

3.3 ***Liquidity risk***

Liquidity risk refers to an entity's ability to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. It can be further split into funding liquidity risk and market liquidity risk.

Funding liquidity risk is connected to the risk that an entity will not be able to refinance the asset side of its balance sheet and to meet payment obligations in full, out of readily available liquidity resources. Market liquidity risk is the volatility observed in the economic value of, or in the income derived from, an entity's positions due to its potential inability to execute a transaction serving to offset, eliminate or reduce such outstanding positions at reasonable market prices.

3.3.1 Liquidity risk management

The Facility has been primarily funded by annual contributions from Member States as well as by reflows stemming from the Facility's operations. In line with the Decision (EU) 2020/2233, reflows from the ACP IF shall be deployed within the NDICI framework. However, the availability of those reflows to be transferred is conditional to sustaining an adequate level of liquidity under the IF.

The Facility manages its funding liquidity risk primarily by planning its net liquidity needs. To further minimize the liquidity risk, the Facility maintains a liquidity reserve sufficient to cover at any PIT forecasted cash disbursements, as communicated periodically by the EIB's Lending Department. Funds are invested on the money market and bond markets in the form of interbank deposits and other short-term financial instruments by taking into consideration the Facility's cash disbursement obligations. The Facility's liquid assets are managed by the Bank's Treasury Department with a view to maintain appropriate liquidity to enable the Facility to meet its obligations.

It is worth highlighting that capital is managed solely from a liquidity perspective, as described above.

In accordance with the principle of segregation of duties between the Front and Back Office, settlement operations related to the investment of these assets are under the responsibility of the EIB's Planning and Settlement of Operations Department. Furthermore, the authorisation of counterparts and limits for treasury investments, as well as the monitoring of such limits, are the responsibility of the Bank's GR&C.

3.3.2 Liquidity risk measurement

The tables in this section analyse the financial liabilities of the Facility by maturity on the basis of the period remaining between the balance sheet date and the contractual maturity date (based on undiscounted cash flows).

In terms of non-derivative financial liabilities, the Facility holds commitments in the form of undisbursed portions of credit under signed loan agreements, of undisbursed portions of signed capital subscription/investment agreements, of loan guarantees granted, or of committed interest subsidies and TA.

Loans under the IF have a disbursement deadline. However, disbursements are made at times and in amounts reflecting the progress of underlying investment projects. Moreover, the IF's loans are transactions performed in a relatively volatile operating environment, hence their disbursement schedule is subject to a significant degree of uncertainty.

Capital investments become due when and as soon as equity fund managers issue valid calls for capital, reflecting the progress in their investment activities. The drawdown period is usually of 3 years, with frequent prolongation by one or two years. Some disbursement commitments usually survive the end of the drawdown period until full disposal of the fund's underlying investments, as the fund's liquidity may be insufficient from time to time to meet payment obligations arising in respect of fees or other expenses.

Guarantees are not subject to specific disbursement commitments unless a guarantee is called. The amount of guarantees outstanding is reduced alongside the repayment schedule of guaranteed loans.

Committed interest subsidies' cash outflows occur in the case of subsidized loans financed by the Bank's own resources. The reported "Outflows for committed interest subsidies" represent only commitments related to these loans rather than the total amount of committed undisbursed interest subsidies. As in the case of loans, their disbursement schedule is uncertain.

Committed TA 'gross nominal outflow' in the 'Maturity profile of non-derivative financial liabilities' table refers to the total undisbursed portion of signed TA contracts. The disbursement time pattern is subject to a significant degree of uncertainty. Cash outflows classified in the '3 months or less' bucket represent the amount of outstanding invoices received by the reporting date.

Commitments for non-derivative financial liabilities for which there is no defined contractual maturity date are classified under 'Maturity Undefined'. Commitments, for which there is a recorded cash disbursement request at the reporting date, are classified under the relevant time bucket.

In terms of derivative financial liabilities, the maturity profile represents the contractual undiscounted gross cash flows of swap contracts including cross currency swaps (CCS), cross currency interest rate swaps (CCIRS), short-term currency swaps and interest rate swaps.

(in EUR'000)

Maturity profile of non-derivative financial liabilities as at 31.12.2025	3 months or less	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Maturity Undefined	Gross nominal outflow
Outflows for committed but undisbursed loans	122 352	-	-	-	231 835	354 187
Outflows for committed investment funds and share subscription	165	-	-	-	184 676	184 841
Others (signed non-issued guarantees, issued guarantees)	-	-	-	-	2 500	2 500
Outflows for committed interest subsidies	-	-	-	-	239 148	239 148
Outflows for amounts owed to the EIB	3 199	19 942	-	-	-	23 141
Outflows for amounts owed to the EC	-	243 853	-	-	-	243 853
Outflows for committed TA	844	-	-	-	10 465	11 309
Total	**126 560**	**263 795**	-	-	**668 624**	**1 058 979**

(in EUR'000)

Maturity profile of non-derivative financial liabilities as at 31.12.2024	3 months or less	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Maturity Undefined	Gross nominal outflow
Outflows for committed but undisbursed loans	80 913	20 208	-	-	575 108	676 229
Outflows for committed investment funds and share subscription	4 190	-	-	-	233 696	237 886
Others (signed non-issued guarantees, issued guarantees)	-	-	-	-	2 500	2 500
Outflows for committed interest subsidies	-	-	-	-	334 754	334 754
Outflows for committed TA	1 859	-	-	-	18 341	20 200
Total	**86 962**	**20 208**	-	-	**1 164 399**	**1 271 569**

(in EUR'000)

Maturity profile of derivative financial liabilities as at 31.12.2025	3 months or less	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Gross nominal inflow/outflow
CCS and CCIRS – Inflows	131	10 242	13 126	-	23 499
CCS and CCIRS – Outflows	- 81	- 10 451	- 13 026	-	- 23 558
Short-term currency swaps – Inflows	1 060 000	-	-	-	1 060 000
Short-term currency swaps – Outflows	- 1 056 455	-	-	-	- 1 056 455
Total	**3 595**	**- 209**	**100**	-	**3 486**

(in EUR'000)

Maturity profile of derivative financial liabilities as at 31.12.2024	3 months or less	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Gross nominal inflow/outflow
CCS and CCIRS – Inflows	157	10 405	22 613	832	34 007
CCS and CCIRS – Outflows	- 87	- 12 310	- 24 852	- 899	- 38 148
Short-term currency swaps – Inflows	1 330 000	-	-	-	1 330 000
Short-term currency swaps – Outflows	- 1 371 666	-	-	-	- 1 371 666
Total	**- 41 596**	**- 1 905**	**- 2 239**	**- 67**	**- 45 807**

3.3.3 Long term financial assets and liabilities

The following table sets out the non-derivative financial assets and financial liabilities expected to be recovered or settled more than 12 months after the reporting date.

(in EUR'000)

	31.12.2025	31.12.2024
Financial assets:		
Loans and advances	1 126 057	1 551 776
Shares and other variable yield securities	745 934	834 621
Total	**1 871 991**	**2 386 397**
Financial liabilities:		
Amount owed to third parties (*)	797	534 569
Provisions for loan commitments	17 585	18 320
Total	**18 382**	**552 889**

(*) The amounts owed to third parties are including the Interest subsidies and TA not yet disbursed owed to Member States, where the maturity is mainly undefined.

3.4 *Market risk*

Market risk represents the risk that changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates will affect an entity's income or the value of its holdings in financial instruments.

3.4.1 Interest rate risk

Interest rate risk arises from the volatility in the economic value of, or in the income derived from, interest rate bearing positions due to adverse movements in interest rates.

The Facility is not directly impacted by the fluctuation of its economic value or to pricing mismatches between different assets, liabilities and hedge instruments because it does not have interest rate bearing liabilities. The Facility measures its interest rate risk, on an annual basis, by applying EBA standardised shock scenarios ([39]) that show the impacts on both the economic value of equity and the net interest income from adverse movements in interest rates.

Interest rate risk on the Economic Value of Equity

To determine the net present value ('NPV') of the loans and hedging swaps cash flows denominated in EUR, the Facility uses the EURIBOR 3-month curve. The NPV of the loans' cash flows denominated in non-EUR currencies is determined by using the EURIBOR 3-month curve adjusted with the cross-currency basis spread for the respective currency. For those non-EUR currencies for which a reliable and sufficiently complete discount curve is not available, either the EUR or USD discount curve is used instead.

As at 31 December 2025, the worst impact of the EBA supervisory outlier test scenarios would reduce the economic value of equity by **EUR 60,2 million** (2024: EUR 81,0 million).

Interest rate risk on the Earnings

It quantifies the amount of net interest income that would change during the forthcoming 12 months if all interest rate curves would decrease by two percentage points and if no existing commitments are effectively being disbursed. With the positions in place as of 31 December 2025, the net interest income would decrease by EUR 33,3 million (2024: EUR 34,7 million) if interest rates were to decrease by 200 basis points.

For enriching the analysis of the net interest income's sensitivity, the net interest income would increase by EUR 33,7 million (2024: EUR 35,1 million) if interest rates were to increase by 200 basis points.

3.4.2 Foreign exchange risk

Foreign exchange ('FX') risk is the risk to the economic value or to the income derived from the IF's positions due to adverse movements of FX rates.

Given a reference accounting currency (EUR for the IF), the Facility is exposed to FX risk whenever there is a currency mismatch between assets, liabilities and hedging instruments.

3.4.2.1 *Foreign exchange risk and treasury assets*

The IF's treasury assets are denominated in either EUR or USD.

FX risk is hedged by means of FX spot or forward transactions, FX swaps or cross-currency swaps. The EIB's Treasury Department can, where deemed necessary and appropriate, use any other instrument, in line with the Bank's policy, that provide protection against market risks incurred in connection with the IF's financial activities.

([39]) EBA/RTS/2022/10.

3.4.2.2 *Foreign exchange risk and operations financed or guaranteed by the IF*

Member States' IF contributions are received in EUR. The operations financed or guaranteed by the IF as well as interest subsidies can be denominated in EUR, USD or any other authorised currency.

A foreign exchange risk exposure (against the EUR reference currency) arises whenever transactions denominated in currencies other than the EUR are left un-hedged. The IF's foreign exchange risk hedging guidelines are set out below.

3.4.2.2.1. *Hedging of operations denominated in USD*

The FX risk generated by IF operations denominated in USD shall be covered on an aggregated basis via the use of EUR/USD FX swaps, rolled over and adjusted in terms of amount on a periodic basis. The use of FX swaps serves a dual purpose. On one side the necessary liquidity for new disbursements (loans and equity) is generated and on the other side an FX macro hedge is maintained.

At the beginning of each period, the cash flows to be received or paid in USD during the next period shall be estimated on the basis of planned or expected reflows/disbursements. Subsequently, the maturing FX swaps shall be rolled over, their amount being adjusted to cover at least the USD liquidity needs projected over the next period.

On a monthly basis, the USD FX position shall be hedged, if exceeding the relevant limits, by means of a spot or forward operation.

Within a roll-over period, unexpected USD liquidity deficits shall be covered by means of ad hoc FX swap operations while liquidity surpluses shall either be invested in treasury assets or converted into EUR if occurred from an increase of the FX position.

3.4.2.2.2. *Hedging of operations denominated in currencies other than EUR or USD*

IF operations denominated in currencies other than EUR and USD shall be hedged through cross-currency swap contracts with the same financial profile as the underlying loan, provided that a swap market is operational.

IF has operations denominated in currencies for which hedging possibilities are either not available or available at a high cost. These operations are denominated in local currencies ('LCs') but settled in EUR or USD. IF's financial risk framework, which was approved by the IF Committee on 22 January 2015, offers the possibility to hedge the FX exposure in LCs, that exhibit a significant positive correlation with the USD, synthetically via USD-denominated derivatives. The LCs hedged synthetically with USD-denominated derivatives are reported in the table in section 3.4.2.2.3 below under item 'Local currencies (under synthetic hedge)', while the LCs not hedged synthetically with the USD are reported in the same table under item 'Local currencies (not under synthetic hedge)'.

In addition, for loans denominated in currencies other than EUR, USD or currencies for which hedging through cross-currency swap contracts is not possible, the IF charges an additional interest component called 'FX premium' to mitigate the risk of potential local currency depreciation.

3.4.2.2.3 *Foreign exchange position (in EUR'000)*

The tables of this note show the IF's foreign exchange position.

The foreign exchange position is presented in the tables below in accordance with the IF's Risk Policies (as described in the IF's financial risk framework). The FX position as per Risk Policies is based on accounting figures and defined as the balance between selected assets and liabilities. The assets and liabilities defined in the FX position as per Risk Policies are selected to ensure that the earnings will only be converted into the reporting currency (EUR) when received.

The fair value change on shares and other variable yield securities are included in the FX position as per Risk Policies, as well as impairments on loans and advances. Derivatives included in the FX position as per Risk Policies are considered at their nominal value instead of their fair value, in order to be aligned with the retained value of the assets, considered also at their nominal value adjusted by the impairment for loans.

In the tables below, the remaining part of the assets and liabilities, which includes mainly interest accruals on loans, derivatives and subsidies, are presented under 'FX position excluded from Risk Policies'.

As at 31 December 2025	Assets and liabilities			Commitments and contingent liabilities
Currencies	FX position as per Risk Policies	FX position excluded from Risk Policies	Balance sheet FX position	
USD	1 294	- 31 642	- 30 348	164 405
*Local currencies (under synthetic hedge)**				
TZS	-	-	-	-
DOP	4 775	82	4 857	-
Local currencies (not under synthetic hedge) (*)				
BWP, HTG, JMD, KES, MUR, MZN, NGN, RWF, UGX, XOF, ZAR, ZMW	146 528	- 2 514	144 014	-
Total non-EUR currencies	**152 597**	**- 34 074**	**118 523**	**164 405**
EUR		2 676 672	2 676 672	636 494
Total EUR and non-EUR	**152 597**	**2 642 598**	**2 795 195**	**800 899**

(*) See section 3.4.2.2.2 for explanations on synthetic hedge.

As at 31 December 2024	Assets and liabilities			Commitments and contingent liabilities
Currencies	FX position as per Risk Policies	FX position excluded from Risk Policies	Balance sheet FX position	
USD	- 45 774	- 21 740	- 67 514	235 603
Local currencies (under synthetic hedge) (*)				
DOP	10 884	133	11 017	-
KES, RWF, UGX, HTG, MUR, MZN, XOF, ZMW, BWP, JMD, NGN, ZAR	225 877	- 3 763	222 114	-
Total non-EUR currencies	**190 987**	**- 25 370**	**165 617**	**235 603**
EUR	-	3 139 294	3 139 294	1 043 860
Total EUR and non-EUR	**190 987**	**3 113 924**	**3 304 911**	**1 279 463**

(*) See section 3.4.2.2.2 for explanations on synthetic hedge.

3.4.2.3 *Foreign exchange sensitivity analysis*

As at 31 December 2025 a 10 % depreciation of EUR versus all non EUR currencies would result in an increase of the contributors' resources and profit amounting to EUR 13,2 million (31 December 2024: EUR 18,4 million). A 10 % appreciation of the EUR versus all non EUR currencies would result in a decrease of the contributors' resources and profit amounting to EUR -10,8 million (31 December 2024:

EUR - 15,1 million).

3.4.2.4 *Conversion rates*

The following conversion rates were used for establishing the balance sheet at 31 December 2025 and 31 December 2024:

	31 December 2025	31 December 2024
Non-EU currencies		
Botswana Pula (BWP)	16,18	14,49
Dominican Republic Pesos (DOP)	73,78	63,09
Fiji Dollars (FJD)	2,62	2,38
Haitian Gourde (HTG)	153,14	135,09
Jamaican Dollar (JMD)	185,35	161,15
Kenya Shillings (KES)	151,20	133,69
Mauritania Ouguiyas (MRU)	46,70	41,30
Mauritius Rupees (MUR)	54,08	48,56
Mozambican Metical (MZN)	74,22	65,65
Nigerian Naira (NGN)	1 693,57	1 591,68
Rwanda Francs (RWF)	1 698,60	1 419,85
Tanzania Shillings (TZS)	2 862,12	2 490,24
Uganda Shillings (UGX)	4 240,00	3 812,00
United States Dollars (USD)	1,18	1,04
Franc CFA Francs (XAF/XOF)	655,96	655,96
South Africa Rand (ZAR)	19,44	19,62
Zambia Kvacha (ZMW)	25,98	28,87

3.4.3 Equity price risk

Equity price risk refers to the risk that the fair values of equity investments decrease as the result of changes in the levels of equity prices and/or the value of equity investments.

The IF is exposed to equity price risk via its investments in direct equity and venture capital funds.

The value of non-listed equity positions is not readily available for the purpose of monitoring and control on a continuous basis. For such positions, the best indications available include prices derived from any relevant valuation techniques.

The effect on the Facility's contributors' resources (as a result of a change in the fair value of the equity instruments portfolio) due to a +/-10 % change in the value of individual direct equity and venture capital investments, with all other variables held constant, is EUR 74,6 million and EUR - 74,6 million respectively as at 31 December 2025 (EUR 83,5 million and EUR - 83,5 million respectively as at 31 December 2024).

4 Fair values of financial instruments

4.1 *Accounting classifications and fair values*

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. These do not include fair value information for financial assets and financial liabilities measured at AC as the carrying amount is a reasonable approximation of fair value.

(in EUR'000)

At 31 December 2025	Carrying amount						Fair value			
	Derivative financial instruments	Shares and other variable yield securities	Cash, loans and advances	Treasury financial assets	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at FVTPL										
Derivative financial instruments	7 819	-	-	-	-	**7 819**	-	7 819	-	**7 819**
Venture Capital Fund	-	550 528	-	-	-	**550 528**	-	-	550 528	**550 528**
Direct Equity Investments	-	195 406	-	-	-	**195 406**	-	-	195 406	**195 406**
Loans and advances	-	-	77 287	-	-	**77 287**	-	-	77 287	**77 287**
Total financial assets mandatorily measured at FVTPL	**7 819**	**745 934**	**77 287**	-	-	**831 040**	-	**7 819**	**823 221**	**831 040**
Financial assets measured at AC										
Cash and cash equivalents	-	-	1 665 129	-	-	**1 665 129**	89 790	1 575 339	-	**1 665 129**
Loans and advances	-	-	986 224	-	-	**986 224**	-	953 612	-	**953 612**
Amounts receivable from contributors	-	-	-	-	-	-	-	-	-	-
Treasury financial assets	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	36 833	**36 833**	-	-	-	-
Total financial assets measured at AC	-	-	**2 651 353**	-	**36 833**	**2 688 186**	**89 790**	**2 528 951**	-	**2 618 741**
Total financial assets	**7 819**	**745 934**	**2 728 640**	-	**36 833**	**3 519 226**				
Financial liabilities measured at FVTPL										
Derivative financial instruments	- 411	-	-	-	-	**- 411**	-	- 411	-	**- 411**
Total financial liabilities measured at FVTPL	**- 411**	-	-	-	-	**- 411**	-	**- 411**	-	**- 411**
Financial liabilities at AC										
Provisions for loan commitments	-	-	-	-	- 17 585	**- 17 585**				
Amounts owed to third parties	-	-	-	-	- 658 146	**- 658 146**				

ELI: http://data.europa.eu/eli/C/2026/4817/oj

(in EUR'000)

At 31 December 2025	Carrying amount						Fair value			
	Derivative financial instruments	Shares and other variable yield securities	Cash, loans and advances	Treasury financial assets	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Other liabilities	-	-	-	-	- 3 044	**- 3 044**				
Total financial liabilities measured at AC	-	-	-	-	**- 678 775**	**- 678 775**				
Total financial liabilities	**- 411**	-	-	-	**- 678 775**	**- 679 186**				

(in EUR'000)

As at 31 December 2024	Carrying amount						Fair value			
	Derivative financial instruments	Shares and other variable yield securities	Cash, loans and advances	Treasury financial assets	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets mandatorily measured at FVTPL										
Derivative financial instruments	783	-	-	-	-	**783**	-	783	-	**783**
Venture Capital Fund	-	655 817	-	-	-	**655 817**	-	-	655 817	**655 817**
Direct Equity Investment	-	178 804	-	-	-	**178 804**	-	-	178 804	**178 804**
Loans and advances	-	-	136 983	-	-	**136 983**	-	-	136 983	**136 983**
Total financial assets mandatorily measured at FVTPL	**783**	**834 621**	**136 983**	-	-	**972 387**	-	**783**	**971 604**	**972 387**
Financial assets at AC										
Cash and cash equivalents	-	-	1 638 604	-	-	**1 638 604**	-	1 638 604	-	**1 638 604**
Loans and advances	-	-	1 361 065	-	-	**1 361 065**	-	1 321 715	-	**1 321 715**
Amounts receivable from contributors	-	-	7 482	-	-	**7 482**	-	-	-	-
Treasury financial assets	-	-	-	-	-	-	-	-	-	-

(in EUR'000)

As at 31 December 2024	Carrying amount						Fair value			
	Derivative financial instruments	Shares and other variable yield securities	Cash, loans and advances	Treasury financial assets	Other financial assets/ liabilities	Total	Level 1	Level 2	Level 3	Total
Other assets	-	-	-	-	-	-	-	-	-	-
Total financial assets measured at AC	-	-	**3 007 151**	-	-	**3 007 151**	-	**2 960 319**	-	**2 960 319**
Total financial assets	**783**	**834 621**	**3 144 134**	-	-	**3 979 538**				
Financial liabilities mandatorily measured at FVTPL										
Derivative financial instruments	- 39 210	-	-	-	-	**- 39 210**	-	- 39 210	-	**- 39 210**
Total financial liabilities measured at FVTPL	**- 39 210**	-	-	-	-	**- 39 210**	-	**- 39 210**	-	**- 39 210**
Financial liabilities at AC										
Provisions for loan commitments	-	-	-	-	- 18 320	**- 18 320**				
Amounts owed to third parties	-	-	-	-	- 566 083	**- 566 083**				
Other liabilities	-	-	-	-	- 3 289	**- 3 289**				
Total financial liabilities measured at AC	-	-	-	-	**- 587 692**	**- 587 692**				
Total financial liabilities	**- 39 210**	-	-	-	**- 587 692**	**- 626 902**				

4.2 ***Measurement of fair values***

4.2.1 Valuation techniques and significant unobservable inputs

The table below sets out information about the valuation techniques and significant unobservable inputs used in measuring financial instruments, categorised as Level 2 and 3 in the fair value hierarchy:

	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value measurement
Financial instruments carried at fair value			
Derivative financial instruments	Discounted cash flow: Future cash flows are estimated based on forward exchange/interest rates (from observable forward exchange rates and yield curves at the end of the reporting period) and contract forward/interest rates, discounted at a rate that reflects the credit risk of various counterparties.	Curves used in estimation and discounting of cashflows are calibrated to market data, and the swaps in the portfolio have maturities that do not exceed the longest tenor available in the inputs. Therefore, there are no unobservable inputs.	Not applicable.
Venture Capital Fund (VCF)	Adjusted net assets method: The fair value is determined by applying either the Facility's percentage ownership in the underlying vehicle to the net asset value reflected in the most recent report adjusted for cash flows or, where available, the precise share value at the same date, submitted by the respective Fund Manager. In order to bridge the interval between the last available Net assets value (NAV) and the year-end reporting, a subsequent event review procedure is performed and if necessary the reported NAV is adjusted.	Adjustment for time elapsed between the last reporting date of the VCF and the measurement date, taking into account: operating expenses and management fees, subsequent changes in the fair value of the VCF's underlying assets, additional liabilities incurred, market changes or other economic condition changes.	The longer the period between the fair value measurement date and the last reporting date of the VCF, the higher the adjustment for time elapsed.
Direct Equity (DE) Investment	Adjusted net assets.	Adjustment for time elapsed between the last reporting date of the investee and the measurement date, taking into account: operating expenses, subsequent changes in the fair value of the investee's underlying assets, additional liabilities incurred, market changes or other economic condition changes, capital increase, sale/change of control.	The higher the marketability discount, the lower the fair value.

	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value measurement
		Discount for lack of marketability (liquidity) determined by reference to previous transaction prices for similar equities in the country/ region, ranging from 5 to 30 %.	
Loans at fair value (IFE)	For going concern borrowers: Discounted cash flow using contractual/expected future cash flows discounted with appropriate risk-adjusted discount rate that captures the risk inherent to the loan (including credit risk of the borrower). The discount rate is compared/assessed with any relevant market benchmark. For borrowers not going concern: Net assets approach (liquidation value approach).	Components of the discount rate to reflect the credit risk of borrower compared to the risk-free market rates.	The higher the discount rate the lower the fair value

	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value measurement
Financial instruments not carried at fair value			
Loans and advances	Discounted cash flows: The valuation model uses adjusted discounted cash flow method considering the particular features of the instruments as time and risk of future cashflows.	Not applicable.	Not applicable.
Treasury financial assets	Discounted cash flows.	Not applicable.	Not applicable.

With the application of IFRS 13, valuation adjustments are included in the fair value of derivatives as at 31 December 2025 and 2024, namely:

— Credit valuation adjustments (CVA), reflecting counterparty credit risk on derivative transactions, amounting to EUR - 17,5 k as at 31 December 2025 and to EUR - 2,8 k as at 31 December 2024.

— Debit valuation adjustments (DVA), reflecting own credit risk on derivative transactions, amounting to EUR + 1,3 k as at 31 December 2025 and EUR + 3,6 k as at 31 December 2024.

4.2.2 Transfers between Level 1 and 2

The Facility's policy is to recognise the transfers between Levels as of the date of the event or change in circumstances that caused the transfer.

In 2025 and 2024 the Facility did not make transfers from Level 1 to 2 or Level 2 to 1 of the fair value hierarchy.

4.2.3 Level 3 fair values

Reconciliation of Level 3 fair values

The following tables present the changes in Level 3 instruments for the year ended 31 December 2025 and 31 December 2024:

(in EUR'000)

	Shares and other variable yield securities	Loans and advances	Total
Balance as at 1 January 2025	**834 621**	**136 983**	**971 604**
Gains or losses included in profit or loss:			
Derecognition of fair value adjustment due to Sales / Exits	15 848	-	15 848
Net fair value change	6 787	- 6 948	- 161
Total	**22 635**	**- 6 948**	**15 687**
Disbursements	51 701	17 812	69 513
Repayments	- 89 352	- 28 712	- 118 064
Interest capitalised	-	835	835
Sales / Exits	- 15 227	-	- 15 227
Guarantee call	-	- 36 833	- 36 833
Foreign exchange rates differences	- 58 444	- 5 850	- 64 294
Balance as at 31 December 2025	**745 934**	**77 287**	**823 221**

(in EUR'000)

	Shares and other variable yield securities	Loans and advances	Total
Balance as at 1 January 2024	**820 713**	**124 323**	**945 036**
Gains or losses included in profit or loss:			
Derecognition of fair value adjustment due to Sales / Exits	14 051	-	14 051
Net fair value change on shares and other variable yield securities	- 45 698	- 5 436	- 51 134
Total	**- 31 647**	**- 5 436**	**- 37 083**
Disbursements	69 392	15 888	85 280
Repayments	- 21 413	- 3 185	- 24 598
Interest capitalised	-	2 243	2 243
Sales / Exits	- 25 623	-	- 25 623
Foreign exchange rates differences	23 199	3 150	26 349
Balance as at 31 December 2024	**834 621**	**136 983**	**971 604**

In 2025 and 2024 the Facility did not make transfers out or to Level 3 of the fair value hierarchy.

Sensitivity analysis

The effects on the Facility's contributors' resources, and statement of profit or loss and other comprehensive income due to a +/-10 % change in the value of direct equity and venture capital investments, with all other variables held constant is EUR 74,6 million and EUR - 74,6 million, respectively as at 31 December 2025 (EUR 83,5 million and EUR - 83,5 million, respectively as at 31 December 2024).

5 Cash and cash equivalents

The cash and cash equivalents are composed of:

(in EUR'000)

	31.12.2025	31.12.2024
Cash in hand	146 087	212 466
Term deposits	556 329	304 538
Commercial papers	960 270	1 116 826
Cash and cash equivalents in the cash flow statement	**1 662 686**	**1 633 830**
Accrued interest	2 443	4 774
Cash and cash equivalents in the statement of financial position	**1 665 129**	**1 638 604**

6 Derivative financial instruments

The main components of derivative financial instruments, classified as held for trading, are as follows:

(in EUR'000)

As at 31 December 2025	Fair Value		Notional amount
	Assets	Liabilities	
Cross currency swaps	1 829	- 411	22 896
FX swaps	5 990	-	1 060 000
Total derivative financial instruments	**7 819**	**- 411**	**1 082 896**

(in EUR'000)

As at 31 December 2024	Fair Value		Notional amount
	Assets	Liabilities	
Cross currency interest rate swaps	783	- 268	33 073
FX swaps	-	- 38 942	1 330 000
Total derivative financial instruments	**783**	**- 39 210**	**1 363 073**

7 Loans and advances

7.1 *Loans and advances*

The following table shows the reconciliation from the opening to the closing balance of loans and advances:

(in EUR'000)

	Global loans (*)	Senior loans	Subordinated loans	Total
Nominal of loans at AC as at 1 January 2025	**995 328**	**387 349**	-	**1 382 677**
Disbursements	18 913	69 928	-	**88 841**
Write offs	-	-	-	-
Repayments	- 303 792	- 66 494	-	**- 370 286**
Interest capitalised	-	-	-	-
Foreign exchange rates differences	- 69 811	- 30 899	-	**- 100 710**
Nominal of loans at AC as at 31 December 2025	**640 638**	**359 884**	-	**1 000 522**
Impairment - loss allowance as at 1 January 2025	**- 17 386**	**- 17 125**	-	**- 34 511**
Net changes of the 12 month ECL	690	766	-	**1 456**
Net changes of lifetime ECL not credit-impaired	- 896	- 808	-	**- 1 704**
Lifetime ECL credit-impaired	-	-	-	-
Reversal of lifetime ECL credit-impaired	4 248	4 915	-	**9 163**
Write offs	-	-	-	-
Foreign exchange rates differences	1 145	1 030	-	**2 175**
Impairment - loss allowance as at 31 December 2025	**- 12 199**	**- 11 222**	-	**- 23 421**
Loans and advances at AC as at 31 December 2025	**628 439**	**348 662**	-	**977 101**
Nominal of loans at FVTPL as at 1 January 2025	**1 080**	**116 688**	**79 620**	**197 388**
Disbursements	-	3 631	14 181	**17 812**
Interest capitalised	-	-	835	**835**
Repayments	-	- 28 712	-	**- 28 712**
Guarantee call	-	-	- 36 833	**- 36 833**
Write offs	-	-	-	-
Foreign exchange rates differences	-	- 4 042	- 2 363	**- 6 405**
Nominal of loans at FVTPL as at 31 December 2025	**1 080**	**87 565**	**55 440**	**144 085**
Fair value adjustment as at 1 January 2025	**- 1 080**	**- 34 395**	**- 24 930**	**- 60 405**
Net FV change	-	- 1 029	- 5 919	**- 6 948**
Foreign exchange rates differences	-	438	117	**555**

(in EUR'000)

	Global loans (*)	Senior loans	Subordinated loans	Total
Fair value adjustment as at 31 December 2025	**- 1 080**	**- 34 986**	**- 30 732**	**- 66 798**
Loans and advances at FVTPL as at 31 December 2025	-	**52 579**	**24 708**	**77 287**
Amortised Cost	- 2 614	- 3 290	-	**- 5 904**
Interest	7 209	7 256	562	**15 027**
Loans and advances as at 31 December 2025	**633 034**	**405 207**	**25 270**	**1 063 511**

(*) Including agency agreements

(in EUR'000)

	Global loans (*)	Senior loans	Subordinated loans	Total
Nominal of loans at AC as at 1 January 2024	**1 098 121**	**495 337**	-	**1 593 458**
Disbursements	68 519	16 987	-	**85 506**
Write offs	- 4 945	-	-	**- 4 945**
Repayments	- 226 719	- 141 664	-	**- 368 383**
Foreign exchange rates differences	60 352	16 689	-	**77 041**
Nominal of loans at AC as at 31 December 2024	**995 328**	**387 349**	-	**1 382 677**
Impairment - loss allowance as at 1 January 2024	**- 32 398**	**- 17 199**	-	**- 49 597**
Net changes of the 12 month ECL	2 081	124	-	**2 205**
Net changes of lifetime ECL not credit-impaired	7 071	5 567	-	**12 638**
Lifetime ECL credit-impaired	- 581	- 5 205	-	**- 5 786**
Reversal of lifetime ECL credit-impaired	2 796	292	-	**3 088**
Write offs	4 945	-	-	**4 945**
Foreign exchange rates differences	- 1 300	- 704	-	**- 2 004**
Impairment - loss allowance as at 31 December 2024	**- 17 386**	**- 17 125**	-	**- 34 511**
Loans and advances at AC as at 31 December 2024	**977 942**	**370 224**	-	**1 348 166**
Nominal of loans at FVTPL as at 1 January 2024	**1 080**	**106 576**	**70 453**	**178 109**

(in EUR'000)

	Global loans (*)	Senior loans	Subordinated loans	Total
Disbursements	-	7 851	8 037	**15 888**
Interest capitalised	-	1 675	568	**2 243**
Repayments	-	- 3 185	-	**- 3 185**
Foreign exchange rates differences	-	3 771	562	**4 333**
Nominal of loans at FVTPL as at 31 December 2024	**1 080**	**116 688**	**79 620**	**197 388**
Fair value adjustment as at 1 January 2024	**- 1 080**	**- 34 983**	**- 17 723**	**- 53 786**
Net FV change	-	1 724	- 7 160	**- 5 436**
Foreign exchange rates differences	-	- 1 136	- 47	**- 1 183**
Fair value adjustment as at 31 December 2024	**- 1 080**	**- 34 395**	**- 24 930**	**- 60 405**
Loans and advances at FVTPL as at 31 December 2024	-	**82 293**	**54 690**	**136 983**
Amortised Cost	- 3 079	- 3 681	-	**- 6 760**
Interest	10 766	8 429	464	**19 659**
Loans and advances as at 31 December 2024	**985 629**	**457 265**	**55 154**	**1 498 048**

(*) Including agency agreements

7.2 ***Impairment on loans and advances – Loss allowances***

(in EUR'000)

	2025			
		Lifetime ECL		
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and advances at AC				
Balance as at 1 January 2025	**9 675**	**12 576**	**12 260**	**34 511**
Transfer to 12-month ECL	-	-	-	-
Transfer to lifetime ECL not credit-impaired	- 575	1 598	- 38	**985**
Transfer to lifetime ECL credit-impaired	-	-	-	-
Net measurement of loss allowance	71	143	- 9 013	**- 8 799**
New financial assets originated or purchased	8	-	-	**8**
Financial assets that have been derecognised	- 961	- 35	- 113	**- 1 109**
Write offs	-	-	-	-
Foreign exchange rates differences	- 1 032	- 518	- 625	**- 2 175**
Balance as at 31 December 2025	**7 186**	**13 764**	**2 471**	**23 421**

(in EUR'000)

	2024			
		Lifetime ECL		
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans and advances at AC				
Balance as at 1 January 2024	**10 964**	**24 674**	**13 959**	**49 597**
Transfer to 12-month ECL	2 271	- 9 511	-	**- 7 240**
Transfer to lifetime ECL not credit-impaired	- 288	948	-	**660**
Transfer to lifetime ECL credit-impaired	-	- 1 428	5 786	**4 358**
Net measurement of loss allowance	- 3 160	- 2 394	- 3 088	**- 8 642**
New financial assets originated or purchased	-	-	-	-
Financial assets that have been derecognised	- 1 028	- 253	-	**- 1 281**
Write offs	-	-	- 4 945	**- 4 945**
Foreign exchange rates differences	916	540	548	**2 004**
Balance as at 31 December 2024	**9 675**	**12 576**	**12 260**	**34 511**

8 **Shares and other variable yield securities**

The following table show reconciliation from the opening to the closing balance of the Equity investments:

(in EUR'000)

	Venture Capital Funds	Direct Equity Investments	Total
Cost as at 1 January 2025	**663 881**	**93 835**	**757 716**
Reclassification	-	-	-
Disbursements	51 701	-	51 701
Repayments	- 87 319	- 2 033	- 89 352
Sales / Exits	- 11 227	- 4 000	- 15 227
Foreign exchange rates differences	- 57 991	- 2 287	- 60 278
Cost as at 31 December 2025	**559 045**	**85 515**	**644 560**
Unrealised gains and losses as at 1 January 2025	**- 8 064**	**84 969**	**76 905**
Reclassification	-	-	-
Net change in unrealised gains and losses	- 16 118	22 905	6 787
Derecognition of fair value adjustment due to Sales / Exits	11 534	4 314	15 848
Foreign exchange rates differences	4 131	- 2 297	1 834
Unrealised gains and losses as at 31 December 2025	**- 8 517**	**109 891**	**101 374**
Shares and other variable yield securities as at 31 December 2025	**550 528**	**195 406**	**745 934**

(in EUR'000)

	Venture Capital Funds	Direct Equity Investments	Total
Cost as at 1 January 2024	**633 347**	**73 455**	**706 802**
Reclassification*	- 25 059	25 059	-
Disbursements	69 392	-	69 392
Repayments / sales	- 21 181	- 232	- 21 413
Sales / Exits	- 22 992	- 2 631	- 25 623
Foreign exchange rates differences	30 374	- 1 816	28 558
Cost as at 31 December 2024	**663 881**	**93 835**	**757 716**
Unrealised gains and losses as at 1 January 2024	**59 695**	**54 216**	**113 911**
Reclassification*	- 395	395	-
Net change in unrealised gains and losses	- 77 795	32 097	- 45 698
Derecognition of fair value adjustment due to Sales / Exits	11 202	2 849	14 051
Foreign exchange rates differences	- 771	- 4 588	- 5 359
Unrealised gains and losses as at 31 December 2024	**- 8 064**	**84 969**	**76 905**
Shares and other variable yield securities as at 31 December 2024	**655 817**	**178 804**	**834 621**

9 Amounts receivable from contributors

There were no receivables from contributors, which are entirely composed of Member States contributions called but not paid for 2025 (2024: EUR 7,5 million) receivable from contributors

10 Treasury financial assets

The treasury portfolio is composed of quoted bonds which have a remaining maturity of less than three months at reporting date. There were no treasury financial assets either in 2025 or in 2024.

11 Other assets

The main components of other assets are as follows:

(in EUR'000)

	31.12.2025	31.12.2024
Amount receivable from the EIB	-	-
Guarantee call receivable	36 833	-
Total other assets	**36 833**	-

12 Deferred income

The main components of deferred income are as follows:

(in EUR'000)

	31.12.2025	31.12.2024
Deferred interest subsidies	44 718	46 461
Deferred commissions on loans and advances	127	1 264
Total deferred income	**44 845**	**47 725**

13 Provisions for loan commitments

The following tables show the reconciliation from the opening to the closing balance of the loss allowance for undisbursed loans (loan commitments):

(in EUR'000)

	2025			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loan commitments				
Balance as at 1 January	**1 491**	**16 829**	-	**18 320**
Net measurement of loss allowance	- 659	190	-	**- 469**
Financial assets that have been derecognised	- 266	-	-	**- 266**
Balance as at 31 December	**566**	**17 019**	-	**17 585**

(in EUR'000)

	2024			
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Loans commitments				
Balance as at 1 January	**2 715**	**16 323**	-	**19 038**
Transfer to 12-month ECL	13	- 279	-	**- 266**
Transfer to lifetime ECL not credit-impaired	- 853	15 386	-	**14 533**
Net measurement of loss allowance	761	- 1 330	-	**- 569**
Financial assets that have been derecognised	- 1 145	- 13 271	-	**- 14 416**
Balance as at 31 December	**1 491**	**16 829**	-	**18 320**

14 Amounts owed to third parties

The main components of amounts owed to third parties are as follows:

(in EUR'000)

	31.12.2025	31.12.2024
Net general administrative expenses payable to the EIB	19 942	24 794
Other amounts payable to the EIB	3 199	43 260
Interest subsidies and TA not yet disbursed owed to Member States	391 152	498 029
Available Reflows payable to the European Commission*	243 853	-
Total amounts owed to third parties	**658 146**	**566 083**

15 Other liabilities

The main components of other liabilities are as follows:

(in EUR'000)

	31.12.2025	31.12.2024
Loan repayments received in advance	3 044	3 289
Total other liabilities	**3 044**	**3 289**

16 Member States Contribution called

(in EUR'000)

Member States	Contribution to the Facility	Contribution to interest subsidies and technical assistance	Total Contributed	Called and not paid
Austria	94 677	45 267	139 944	-
Belgium	138 169	26 952	165 121	-
Bulgaria	2 660	28 898	31 558	-
Croatia	1 126	173 578	174 704	-
Cyprus	1 566	4 528	6 094	-
Czech Republic	9 697	3 028	12 725	-
Denmark	77 279	5 108	82 387	-
Estonia	992	5 141	6 133	-
Finland	55 115	66 602	121 717	-
France	818 754	196 514	1 015 268	-
Germany	823 467	43 762	867 229	-
Greece	50 271	3 672	53 943	-
Hungary	9 230	2 422	11 652	-
Ireland	27 921	18 598	46 519	-
Italy	470 233	38 318	508 551	-

(in EUR'000)

Member States	Contribution to the Facility	Contribution to interest subsidies and technical assistance	Total Contributed	Called and not paid
Latvia	1 364	7 630	8 994	-
Lithuania	2 248	105 253	107 501	-
Luxembourg	10 395	1 242	11 637	-
Malta	526	2 273	2 799	-
Netherlands	187 913	10 236	198 149	-
Poland	24 591	16 732	41 323	-
Portugal	39 250	12 058	51 308	-
Romania	7 734	5 701	13 435	-
Slovakia	4 231	2 293	6 524	-
Slovenia	3 137	2 717	5 854	-
Spain	250 314	28 943	279 257	-
Sweden	102 760	29 704	132 464	-
United Kingdom	506 075	150 826	656 901	-
Total as at 31 December 2025	**3 721 695**	**1 037 996**	**4 759 691**	-
Total as at 31 December 2024	**3 721 695**	**1 037 996**	**4 759 691**	**7 482**

17 **Available Reflows**

(in EUR'000)

	European Commission			UK	Total
	ACP	OCT	Total		
Available Reflows in relation to year 2021	251 000	7 000	**258 000**	44 386	**302 386**
Available Reflows in relation to year 2022	236 883	6 732	**243 615**	41 912	**285 527**
Available Reflows in relation to year 2023	257 152	7 154	**264 306**	45 471	**309 777**
Available Reflows in relation to year 2024	498 818	5 663	**504 481**	86 790	**591 271**
Total Available Reflows as at 31 December 2025	**1 243 853**	**26 549**	**1 270 402**	**218 559**	**1 488 961**
Total Available Reflows as at 31 December 2024	**745 035**	**20 886**	**765 921**	**131 769**	**897 690**

As per the Transfer Agreement, as of year 2024 and until 31 December 2027, the Facility shall inform the EC and the UK annually of the Available Reflows. The available amounts shall be transferred to the EC and the UK upon receipt of the debit note. The above table presents the split of Available Reflows by year. For Available Reflows payable please refer to the Note 14.

18 Commitments and contingent liabilities

(in EUR'000)

	31.12.2025	31.12.2024
Commitments		
Undisbursed loans	354 187	676 229
Undisbursed commitment in respect of shares and other variable yield securities	184 841	237 886
Interest subsidies and technical assistance	259 371	362 848
Contingent liabilities		
Signed non-issued guarantees	2 500	2 500
Total commitments and contingent liabilities	**800 899**	**1 279 463**

19 Interest and similar income and expenses

The main components of interest and similar income are as follows:

(in EUR'000)

	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
Cash and cash equivalents	38 549	56 083
Loans and advances	67 751	90 034
Interest subsidies	10 170	10 484
Total interest and similar income	**116 470**	**156 601**

The main components of interest and similar expenses are as follows:

(in EUR'000)

	From 1.1. 2025 to 31.12.2025	From 1.1. 2024 to 31.12.2024
Derivative financial instruments	- 1 700	- 1 805
Total interest and similar expenses	**- 1 700**	**- 1 805**

20 Fee and commission income and expenses

The main components of fee and commission income are as follows:

(in EUR'000)

	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
Fee and commission on loans and advances	4 070	-
Fee and commission on financial guarantees	33	20
Total fee and commission income	**4 103**	**20**

The main component of fee and commission expenses is as follows:

(in EUR'000)

	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
Commission paid to third parties with regard to shares and other variable yield securities	- 88	- 212
Total fee and commission expenses	**- 88**	**- 212**

21 Net result on shares and other variable yield securities

The main components of the net result on shares and other variable yield securities are as follows:

(in EUR'000)

	From 01.01.2025 to 31.12.2025	From 01.01.2024 to 31.12.2024
Net proceeds	- 483	- 4 946
Dividend income	18 573	16 548
Net fair value change	6 787	- 45 698
Net result on shares and other variable yield securities	**24 877**	**- 34 096**

22 Net foreign exchange results

The main components of the net foreign exchange results are as follows:

(in EUR'000)

	From 1.1.2025 to 31.12.2025	From 1.1.2024 to 31.12.2024
FX positions revaluation		
Cash and cash equivalents	- 11 405	6 821
Derivative financial instruments	108 761	- 773
Loans and advances	- 108 386	78 744
Shares and other variable yield securities	- 58 444	23 199
Other	3 345	- 2 231
Total FX positions revaluation	**- 66 129**	**105 760**
Realised results on FX swaps (cost of hedging)	**- 24 574**	**- 23 853**
Net foreign exchange result	**- 90 703**	**81 907**

23 General administrative expenses

General administrative expenses represent the actual costs incurred by the EIB for managing the Facility less income generated from standard appraisal fees directly charged by the EIB to clients of the Facility.

As at 31 December 2025 total general administrative expense amounted to EUR - 19,9 million (31 December 2024: EUR - 24,8 million).

24 **Involvement with unconsolidated structured entities (in EUR'000)**

Definition of a structured entity

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding, who controls the-entity. IFRS 12 observes that a structured entity often has some or all of the following features:

— Restricted activities;

— A narrow and well-defined objective, such as to effect a tax-efficient lease, carry out research and development activities, provide a source of capital or funding to an entity or provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors;

— Insufficient equity to permit the structured entity to finance its activities without subordinated financial support;

— Financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

Unconsolidated structured entities

The term 'unconsolidated structured entities' refers to all structured entities that are not controlled by the Facility and includes interests in structured entities that are not consolidated.

Definition of Interests in structured entities:

IFRS 12 defines 'interests' broadly to include any contractual or non-contractual involvement that exposes the reporting entity to variability in returns from the performance of the entity. Examples of such interests include the holding of equity interests and other forms of involvement such as the provision of funding, liquidity support, credit enhancements, commitments and guarantees to the other entity. IFRS 12 states that a reporting entity does not necessarily have an interest in another entity solely because of a typical customer supplier relationship.

The table below describes the types of structured entities that the Facility does not consolidate but in which it holds an interest.

Type of structured entity	Nature and purpose	Interest held by the Facility
Project Finance - lending to Special Purposes Vehicles ('SPV')	Project Finance Transactions (PF Operations) are transactions where the Facility relies for the servicing of its debt on a borrower whose sole or main source of revenue is generated by a single or limited number of assets being financed by such debt or other pre-existing assets contractually linked to the project. PF operations are often financed through SPV.	Net disbursed amounts; Interest income.
Venture capital operations	The Facility finances venture capital and investment funds. Venture capital and investment funds pool and manage money from investors seeking private equity stakes in small and medium-size enterprises with strong growth potential as well as financing infrastructure projects.	Investments in units/shares issued by the venture capital entity; Dividends received as dividend income.

The table below shows the carrying amounts of unconsolidated structured entities in which the Facility has an interest at the reporting date, as well as the Facility's maximum exposure to loss in relation to those entities. The maximum exposure to loss includes the carrying amounts and the related undisbursed commitments.

Type of structured entity	Caption	31.12.2025		31.12.2024	
		Carrying amount	Maximum exposure to loss	Carrying amount	Maximum exposure to loss
Venture capital funds	Shares and other variable yield securities	550 528	550 528	655 817	667 832
Total		**550 528**	**550 528**	**655 817**	**667 832**

No support is provided to structured entities by the Facility beyond the respective financing.

25 **Impact financing envelope (in EUR'000)**

In June 2013 the ACP-EU Joint Ministerial Council approved the new financial protocol for the 11th European Development Fund (EDF), covering the period 2014-2020.

A new EUR 500 m endowment was agreed for the Investment Facility, the so called 'impact financing envelope' or 'IFE', enabling the Facility to support projects that promise a particularly high development impact whilst bearing the greater risks inherent in such investments. This envelope presents new possibilities for enhancing the Facility's private sector lending through investments in the following instruments:

Social impact equity funds - promoted by an emerging population of private equity fund managers who put the alleviation of social or environmental issues at the core of their funds' investment strategy but still target sustainability at the levels of both the fund and its investee companies.

Loans to financial intermediaries - (e.g. microfinance institutions, local banks and credit unions) operating in ACP countries in which the EIB cannot consider financing - in particular in local currency - under the existing credit risk guidelines, e.g. due to either high country risks, currency volatility or lack of pricing benchmarks. The main objective of such loans is to fund projects with a high developmental impact, especially in the field of support to micro and small enterprises (MSEs) and agriculture, which generally do not qualify for IF financing.

Risk sharing facilitating instruments - which take the form of first loss guarantees ('first loss pieces') that facilitate risk sharing operations of the EIB with local financial intermediaries (mainly commercial banks) for the benefit of underserved SMEs and small projects that meet the Impact Financing Criteria in situations where a market gap has been identified in relation to the access of SMEs/small projects to finance. The first loss pieces would be structured as a counter-guarantee in favour of senior guarantee tranches funded by the EIB - under the Investment Facility - and by other International Financial Institutions/Development Financial Institutions, thus generating a substantial leverage effect.

Direct financing - through debt (i.e. loans) or equity instruments in projects with sound and experienced promoters and high developmental impacts, but that will, however, also entail higher expectations of losses and difficulties to recover the investment (equity type risk with higher than usual expectation of losses). The EIB applies strict selection and eligibility criteria for this instrument, as these projects, notwithstanding their high developmental impact, would not be able to meet acceptable financing criteria (i.e. low expectation of recovering the investment or offsetting the losses through interest rates /equity returns).

The IFE also allows diversification into new sectors, such as health and education, agriculture and food security, and the development of new and innovative risk-sharing instruments. In 2016, the IFE financing capacity was increased to EUR 800 million by making the IFE partially revolving.

From a financial and accounting perspective the IFE forms part of the IF portfolio and is accounted for in the overall IF annual financial statements.

The following table represents the carrying amounts and the committed, but undisbursed amounts, per type of asset:

Type of IFE investment	Caption	Measurement	Gross carrying amount as at 31.12.2025	Loss allowance / FV adj. amount as at 31.12.2025	Carrying amount as at 31.12.2025	Undisbursed amount as at 31.12.2025	OFF BS ECL adj. amount as at 31.12.2025
Loans to financial intermediaries	Loans and advances	AC	33 388	- 1 135	32 253	5 000	- 352
Direct loan operations	Loans and advances	FVTPL	87 723	- 68 525	19 198	30 738	-
Social impact equity funds	Shares and other variable yield securities	FVTPL	132 348	- 17 966	114 382	21 438	-
Direct equity participations	Shares and other variable yield securities	FVTPL	53 994	82 626	136 620	14	-
Total			**307 453**	**- 5 000**	**302 453**	**57 190**	**- 352**

* For details, please refer to section subsequent measurement of Note 2.4.3.

Type of IFE investment	Caption	Measurement	Gross carrying amount as at 31.12.2024	Loss allowan-ce/FV adj. amount as at 31.12.2024	Carrying amount as at 31.12.2024	Undisbursed amount as at 31.12.2024	OFF BS ECL adj. amount as at 31.12.2024
Loans to financial intermediaries	Loans and advances	AC	59 209	-	59 209	5 000	- 225
Direct loan operations	Loans and advances	FVTPL	158 880	-	158 880	56 669	-
Social impact equity funds	Shares and other variable yield securities	FVTPL	134 595	- 1 559	133 036	34 686	-
Direct equity participations	Shares and other variable yield securities	FVTPL	59 843	61 686	121 529	14	-
Total			**412 527**	**60 127**	**472 654**	**96 369**	**- 225**

* For details, please refer to section subsequent measurement of Note 2.4.3.

The EIB is applying the General Mandate Risk Principles to IFE direct loan operations (excluding Loans to financial intermediaries), as envisaged in the EIB's Credit and Equity Risk Guidelines, and to monitor and report the risk associated with the IFE direct loan operations on the basis of their fair value. According to the methodology, the Bank performs a Qualitative Risk Assessment (QRA) aiming to assess the soundness of the investment rationale and plausible business viability of such operations.

26 **Related party disclosures**

The Facility has identified EIB as a related party in the context of IAS 24, as EIB has been mandated by the EU Member States to manage the Facility in accordance with the provisions of the applicable legal framework, including the monitoring of its operations until full reimbursement and provides key management personnel services (EIB Management Committee and EIB Audit Committee). In this regard, EIB is entitled to recover its actual costs incurred for managing the Facility less income generated from standard appraisal fees directly charged by the EIB to clients of the Facility. For more details on the remuneration please refer to the Note 23.

27 **Subsequent events**

There have been no material events after the balance sheet date that would require adjustment of, or disclosure in, the financial statements as at 31 December 2025.