

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2019

ACTION LOGEMENT SERVICES

2019 CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED BALANCE SHEET

<i>In thousands of euros</i>				31 December 2019	31 December 2018
ASSETS	Notes				
		Gross	Depreciation/ amortisation and impairment	Net	Net
Amounts due from credit and similar institutions	5.1	5,961,122			4,039,983
Transactions with customers	5.2	16,230,453	(279,688)	5,961,122	16,004,418
<i>Government, local authorities and State agencies</i>					
<i>Amounts due on loans to individuals</i>		4,004,642	(247,191)	3,757,451	4,057,227
<i>Amounts due on loans to corporate entities</i>		12,225,811	(32,497)	12,193,314	11,947,191
Bonds and other fixed income securities					
Shares and other variable income securities					
Equity interests and other long-term securities	5.3	1,335	(220)	1,115	1,127
Shares in affiliated companies					
Goodwill					
Intangible assets	5.4	30,812	(19,542)	11,270	7,230
Property, plant and equipment	5.4	685,360	(41,635)	643,725	437,619
Other assets	5.5	406,173	(274,130)	132,043	432,941
Total assets		23,315,255	(615,215)	22,700,040	20,923,318

<i>In thousands of euros</i>				31 December 2019	31 December 2018
LIABILITIES AND EQUITY	Notes				
Amounts due to credit and similar institutions	5.6			1,372,480	1,295,655
Transactions with customers	5.8			5,934,951	5,648,122
<i>Government, local authorities and State agencies</i>				221,000	196,000
<i>Amounts due to individuals</i>				90,812	92,607
<i>Amounts due to corporate entities</i>				5,623,139	5,359,515
Debt securities	5.7			1,000,861	
Other liabilities	5.9			257,315	248,457
Accruals					
Provisions	5.10			194,380	188,988
Shareholders' equity (group share)				13,940,012	13,542,081
<i>Subscribed capital</i>				20,000	20,000
<i>Additional paid-in capital</i>					
<i>Reserves</i>				13,522,084	13,085,590
<i>Net income for the period</i>				397,928	436,491
Non-controlling interests				41	15
Total liabilities and equity				22,700,040	20,923,318

CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	2019	2018
Employers' contribution	5.11.1	1,535,589	1,507,280
+ Subsidies received	5.11.1	400,870	325,175
<i>Subsidies received from another fund</i>		372,508	316,651
<i>Other subsidies</i>		28,362	8,524
- Subsidies paid		(1,356,024)	(1,231,165)
<i>Subsidies to Government, local authorities and State agencies (1)</i>		(534,000)	(535,000)
<i>Subsidies to corporate entities (1)</i>		(314,945)	(265,046)
<i>Subsidies to individuals</i>		(106,209)	(93,030)
<i>Subsidies to another fund</i>		(372,508)	(316,651)
<i>Other subsidies</i>		(28,362)	(21,438)
Net non-banking income		580,435	601,290
+ Interest receivable and similar income	5.12.1	168,164	172,534
- Interest payable and similar expenses	5.12.2	(33,029)	(27,841)
+ Income from variable income securities			
+ Commission (income)			
- Commission (expenses)			
Gains or losses on investment portfolio transactions		(2,200)	2,999
+ Other banking income		1,475	4,221
- Other banking expenses		(152)	
Net banking income		134,258	151,913
Other operating income	5.13	35,743	40,319
General operating expenses	5.14	(382,306)	(333,381)
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		(10,469)	(9,680)
Gross operating income		357,661	450,461
Cost of risk	5.15	10,523	(13,378)
Operating income		368,184	437,083
Gains and losses on capital assets	5.16	42,870	38
Pre-tax recurring income		411,054	437,121
Non-recurring income/(expense)		(1,804)	(41)
Income tax	5.17	(11,329)	(589)
Net income of consolidated companies		397,921	436,491
Non-controlling interests		7	(0)
Net income (Group share)		397,928	436,491

(1) A change in presentation led to an amount of €100,000 thousand being reclassified from “Subsidies to Government, local authorities and State agencies” to “Subsidies to corporate entities”.

CHANGES IN EQUITY

In thousands of euros	Subscribed capital	Consolidated reserves	Net income for the period	Shareholders' equity (Group share)	Non-controlling interests	Total equity
1 January 2018	20,000	12,833,071	252,560	13,105,630	15	13,105,645
Appropriation of Y-1 income		252,560	(252,560)			
Net income for the period			436,491	436,491	0	436,491
Other movements		(40)		(40)		(40)
31 December 2018	20,000	13,085,590	436,491	13,542,081	15	13,542,096
Appropriation of Y-1 income		436,491	(436,491)			
Net income for the period			397,928	397,928	(7)	397,921
Other movements		3		3	33	36
31 December 2019	20,000	13,522,084	397,928	13,940,012	41	13,940,053

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT EVENTS OF THE PERIOD

Voluntary investment plan

The agreement relating to the Action Logement voluntary investment plan and amending the 2018-2022 five-year agreement was signed on 25 April 2019.

This investment plan is designed to increase the resources mobilised by the Action Logement Group to help adapt and improve housing conditions for active and retired employees across France, particularly those on low incomes. It includes concrete measures to address the country's current social crisis, creating a closer link between employment and housing, as well as improving people's purchasing power through housing. The plan sets out objectives in line with Government priorities regarding the energy transition, day-to-day mobility, adapted housing for an ageing population, and housing production.

Funds relating to the voluntary investment plan are distributed in addition to those provided for in the 2018-2022 five-year agreement.

The voluntary investment plan includes a provisional investment budget of €9.065 billion for 2019-2022, to be financed by Action Logement as follows:

- €6.2 billion in debt raised on the market;
- Reallocation of €850 million in employer contributions to construction work (PEEC) under the five-year agreement;
- Use of PEEC fund reserves for the remaining balance.

See also note 5.18.

Action Logement Services credit ratings

In the fourth quarter of 2018, advisory bank JP Morgan was appointed to help Action Logement prepare its ratings process, select its rating agencies and define its ratings strategy. The aim was to seek the best possible outcome for the Group. It was decided that a joint ratings process would be launched for the Group's three entities (ALG, ALS and ALI).

Presentations were made to the agencies in mid-June 2019. Fitch and Moody's rating agencies were chosen at the end of third-quarter 2019. Moody's is the most popular agency among French Government bodies and Moody's-Fitch is the most common ratings combination. Both agencies gave ALG, ALI and ALS the highest credit ratings, in line with those of the French Government.

€1 billion bond issue

On 23 October 2019, Action Logement Services successfully launched its inaugural €1 billion bond issue. The bonds were issued for a 15-year term and pay a coupon of 0.589%, representing the Government bond yield +38bps. This issue was part of the first completely sustainable EMTN programme, totalling €6.2 billion, and will help finance the commitments made by the social partners in relation to the voluntary investment plan agreed with the French Government on 25 April 2019 for €9.065 billion. Funds totalling €985 million were received on 30 October 2019, representing an issue premium of €12.7 million plus fees.

Creation of the National Sales Operator for HLM Social Housing (ONV)

In accordance with the 2018-2022 five-year agreement and the French "ELAN" housing, urban planning and digital reform law, Action Logement has created a universal tool to assist all social housing bodies in France. Known as the *Opérateur National de Vente* in French, the ONV will help develop and facilitate access to home ownership by promoting the sale of social housing to its current tenants. The system is also intended to provide social housing bodies with sufficient financial resources to be able to reinvest in the production of

new social housing, without the need for the tenant sale process. Action Logement decided to set up a dedicated vehicle which will purchase a series of properties from all social landlords to be subsequently sold on to their current tenants.

On 20 December 2018, Action Logement Services contributed €333 million to the ONV intended as a future capital subscription. The company was incorporated on 14 March 2019. The late issuance of the statutory orders and last-minute clarifications with the national office for urban planning and housing (DHUP) delayed the purchase process. Within the scope of AMI 2, launched at the end of September and not yet finalised at 31 December, out of the 162 applications filed by landlords concerning 5,047 housing units, 12 programmes (655 units) were selected by the Selection Committee and three programmes (346 units) were purchased.

Action Logement Services Paris teams relocated to Grand Seine

As part of reorganisation measures at Action Logement, the Group decided to bring some 1,500 Action Logement employees based in Paris and in its inner suburbs (ALG, ALS and subsidiaries, ALI, APAGL and AFL) together under one roof. In 2018, these employees were housed in 11 different buildings covering a total surface area of 29,000 sq.m.

The “Grand Seine” building at 19/21 quai d’Austerlitz in Paris’ 13th *arrondissement*, initially owned by SCI Grand Seine, was chosen by ALS to meet the needs of Action Logement and the main criteria set by the social partners.

Action Logement Services initially leased the building in order to carry out certain renovation work, pending its sale to Solendi Expansion completed in the last quarter of 2019.

The teams gradually moved to the renovated Grand Seine premises between February and July 2019. Grand Seine currently offers 21,525 sq.m. of office space over eight floors and today houses some 1,300 employees.

Signature of the external voluntary mobility support agreement (CMVE)

The entities of the Action Logement economic and employee unit (UES) and the unions signed a support agreement on 30 January 2019 providing for up to 200 external mobility leave agreements. The application period ran from 1 February 2019 to 31 March 2019. Since the number of applications received by 31 March 2019 was higher than the initial limit set, an amendment to the agreement was signed in September 2019. The purpose of the agreement is to help secure business transitions, allowing employees who so wish to benefit from supportive measures to secure their career development outside the Action Logement Group, prepare their external business project, or adjust to their retirement through mobility leave. A total of 368 CMVE applications were accepted by Action Logement Services, with 40 departures in 2019. The cost of this agreement, estimated at €52 million, will be booked over several reporting periods through to 2022.

For Projimmo Conseil, 22 applications were accepted, representing an estimated total cost of €2.2 million and three departures in 2019. For Ma Nouvelle Ville, 10 applications were accepted, representing an estimated total cost of €1 million.

2. GENERAL INFORMATION

ALS SASU and its subsidiaries together constitute the "ALS Group". Action Logement Service, a subsidiary of the Action Logement Group, is managed by the employer organisations and employee unions, jointly managing the PEEC to facilitate access to housing for employees and to promote access to employment. Action Logement helps to improve the housing situation in France, by contributing to the development of the economic attractiveness and social balance of its regions.

Action Logement Group was created on 22 December 2016 pursuant to Order No. 2016-1408 of 20 October 2016. The ALS Group is included within the consolidated financial statements of the Action Logement Group. This Group also includes the real estate consolidation sub-group, which itself prepares consolidated financial statements.

These consolidated financial statements were prepared at 31 December 2019, and cover a period of 12 months.

3. ACCOUNTING PRINCIPLES AND METHODS

3.1. GENERAL PRINCIPLES

The ALS Group financial statements have been prepared in accordance with:

- accounting principles generally accepted in France, in accordance with the provisions of CRC Regulation No. 99-07 relating to consolidated financial statements of companies in the banking sector,
- Regulation No. 2017-02 of 5 July 2017 on the individual and consolidated financial statements of the Action Logement Group.

The preparation of consolidated financial statements involves the standardisation of individual financial statements as well as consolidation adjustments.

The consolidating entity has defined and circulated the accounting methods and principles that are applicable to entities included within its scope of consolidation. The ALS Group may therefore apply different accounting options and methods in the individual financial statements and consolidated financial statements, even if a benchmark accounting treatment is applied in individual financial statements: the principle of consistency of valuation and presentation methods prevails over applying a benchmark accounting treatment.

Some adjustments may be necessary at the level of the consolidated financial statements. These adjustments are performed centrally and are not applicable to the individual financial statements.

Unless otherwise stated, the financial statements are presented in thousands of euros, rounded to the nearest thousand euros. In the income statement, income is positive and expenses are negative. In the balance sheet, asset accounts are positive except for depreciation, amortisation and impairment, liability accounts are positive except for potential deficits within shareholders' equity.

3.2. OVERVIEW OF SEPARATELY IDENTIFIABLE OPERATIONS

The financial statements for the ALS subsidiaries, which have the status of commercial companies, are prepared in accordance with ANC Regulations No. 2014-03 and 2016-07.

The following factors are taken into account:

- only interest income and expenses of the subsidiaries are taken into accounting to determine net banking income,
- sales of services as well as ancillary income not falling within the scope of "Net banking income" are grouped within "Other operating income".

3.3. CONSOLIDATION METHODS

The consolidation methods used are as follows:

- subsidiaries over which the Group exercises exclusive control, directly or indirectly, are consolidated according to the full consolidation method,
- interests in which the Group exercises joint control with a limited number of other shareholders, are consolidated according to the proportional consolidation method,
- interests not controlled by the Group but over which the Group has a significant influence are consolidated by the equity method,
- intragroup transactions and balances are eliminated. Potential gains and losses on asset disposals below €7.5 million are not neutralised to limit the complexity of monitoring them over time.

Materiality thresholds are applied to only to take into account controlled subsidiaries with a significant contribution to the consolidated financial statements of the Action Logement Group. These alternative thresholds are as follows:

- total balance sheet greater than €6 million and total revenue greater than €5 million,

- or subsidiaries not exceeding the balance sheet and income thresholds but holding over 150 homes,
- or holdings not exceeding the thresholds but controlling subsidiaries that meet the threshold conditions.

The scope of consolidation is shown in note 9.

3.4. CONVERSION OF FOREIGN CURRENCY TRANSACTIONS

The consolidated financial statements are prepared in euros. All consolidated entities are located in France.

3.5. GOODWILL

3.5.1. FIRST-TIME CONSOLIDATION OF THE ACTION LOGEMENT GROUP

The 2017 consolidation of the Action Logement Group (and therefore the ALS Group tier) was the first consolidation of a group of companies resulting from the dissolution and transfer of assets of 20 CILs between ALG, ALS and ALI at 31 December 2016.

Pursuant to Article L 131-2 of ANC Regulation No. 2017-02 of 5 July 2017, the assets and liabilities of consolidated entities held before the first consolidation are recorded in the consolidated financial statements at their net book value, and the difference between the book value of the equity interests in the consolidating entity and the share of equity of the consolidated entity is entered in liabilities in the first consolidated balance sheet in consolidated reserves.

3.5.2. GENERAL PRINCIPLES

When acquiring an entity, the cost of acquiring the securities is allocated, based on their fair value, to the identifiable assets and liabilities of the acquired entity. The fair value of the acquiring entity's identifiable intangible assets and property, plant and equipment is determined by reference to generally accepted methods, such as those based on income, costs or market value. The assets' entry value in the consolidated balance sheet therefore corresponds to their fair value at the acquisition date.

The difference between the acquisition cost of the securities and the share of the acquiring entity in the total assets and liabilities identified at the acquisition date is recorded as goodwill.

When positive, goodwill is recorded in fixed assets under the heading "Goodwill".

When there is no foreseeable limit to the length of time the goodwill will provide economic benefits to the group, it is not amortised. In this case, an impairment test is performed at least once per year, regardless of whether there is any indication of impairment. Recorded impairment is never reversed.

When there is a foreseeable limit to its period of use, the goodwill is amortised on a straight line basis over that period, or, if it cannot be determined reliably, over 10 years.

When negative, goodwill is recorded in liabilities on the consolidated balance sheet under provisions for risks and expenses and is taken to income over a period that must reflect, as far as is reasonably practicable, the assumptions used and the objectives set at the time of acquisition.

Goodwill recorded in the individual financial statements of consolidated entities, where an analysis confirms that the individual components cannot be valued separately, is also considered as goodwill.

3.6. AMOUNTS DUE FROM CREDIT AND SIMILAR INSTITUTIONS

"Cash and cash equivalents" includes cash along with demand and term deposits (CAT, DAT, Passbooks).

Marketable securities are valued at their purchase or subscription cost, including costs directly attributable to the acquisition (transfer tax, fees or commissions, legal fees).

Where necessary, they are impaired. Impairment is calculated for each line of securities of the same type, to write down their value to the average market price during the last month (or, for non-listed securities, to their likely realisable value).

3.7. TRANSACTIONS WITH CUSTOMERS

Loans are recorded in assets on the balance sheet when funds are disbursed to third parties, pursuant to contractual provisions according to which the entity undertakes to transmit to individuals or corporate entities the use of payment facilities for more than one year.

The signing of the contract therefore does not result in an entry being recorded in assets. It creates a financial commitment, however, to be recorded in off-balance sheet commitments.

Pursuant to Article 121-4 of ANC Regulation No. 2017-02, loans granted by ALS which are classified as doubtful loans (within the meaning of Article 2211-1 of ANC Regulation No. 2014-07) follow the specific impairment rules below:

Loans to individuals: Loans that are more than six months overdue are written down in full, excluding loans with guarantees that can actually be implemented.

Loans to corporate entities: Loans that are more than one year overdue are written down as follows:

- 100% of overdue receivables;
- 100% of the capital remaining payable in less than five years.

Corporate loans that are more than six months and less than one year overdue are written down as follows:

- 50% of overdue receivables;
- 50% of the capital remaining payable in less than five years.

No minimum value applies for loans with a guarantee that can actually be implemented.

Loans subject to litigation or court proceedings are written down based on a risk assessment.

Regardless of the impairment method applied, when a probable loss occurs, the affected loans may be written down before the date specified by the decree, if the situation warrants it.

3.8. INTANGIBLE ASSETS

Intangible assets are valued at their acquisition or production cost, including transfer tax, fees, commissions, and legal fees.

- **Software and websites**

Software licenses are recorded in assets based on costs incurred to acquire and commission the software in question.

The costs of creating a website that participates in the information systems or business systems are recorded in expenses or in fixed assets depending on the development phase of the website.

Intangible assets are, if applicable, amortised on a straight line basis in accordance with the following amortisation periods:

- Goodwill (if the presumption of an indefinite useful life has been refuted): period of use or 10 years;
- Patents and licences: period of use or 20 years;
- Software: period of use typically between 1 and 5 years.

3.9. PROPERTY, PLANT AND EQUIPMENT

3.9.1. GENERAL PRINCIPLES

Fixed assets are recorded at their acquisition cost or production cost.

At year-end, a provision for depreciation is recorded according to a depreciation schedule specific to each depreciable asset. Depreciation begins on the commissioning date, when the consumption of the economic benefits attached to the asset starts.

In application of the components approach, the Group uses different depreciation periods for each of the significant components of the same fixed asset, whenever one of these components has a different useful life from the primary asset to which it relates.

Depreciation is calculated based on the rate of consumption of the economic benefits expected to be derived from the asset, over the actual useful life of the asset. The Group depreciates the asset according to the straight line method, over the following periods:

Type of asset	Period
Site improvements	5 years
Constructions (administrative buildings)	10 to 50 years
Improvements, development of constructions	5 to 20 years
Technical installations, equipment and tools	3 to 10 years
Transport equipment	1 to 5 years
Office and computer equipment	1 to 5 years
Office furniture	5 to 10 years

The depreciable amount of an asset corresponds to its gross value from which is deducted, if applicable, its residual value, the residual value representing the market value of the asset at the end of its use, less exit costs.

The net book value of an asset is immediately written down to its present value when the net book value of the asset is significantly higher than its estimated present value.

3.10. IMPAIRMENT OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Assets with an indefinite useful life, such as land and brands, are not depreciated/amortised and are subject to impairment testing when there is an indication of a loss of value at the reporting date.

Depreciated/amortised assets are subject to impairment testing when, due to special events or circumstances, the recoverability of their net book value is compromised.

The potential reversal of the impairment is reviewed at each closing date.

3.11. EQUITY INTERESTS AND OTHER LONG-TERM SECURITIES

Equity interests and other long-term securities are recorded at their acquisition cost including, where applicable, costs directly attributable to the acquisition (transfer tax, fees or commissions, legal fees). If acquisition fees are recorded in the individual financial statements, these expenses must be adjusted in the consolidated financial statements to be incorporated into the cost of acquiring the securities.

An impairment loss is recorded when the book value of the securities falls below their acquisition cost. This book value is assessed based on different criteria, such as net assets at the year-end of the relevant companies, their profitability, their prospects for the future, and their value for the Group.

3.12. DEBT ISSUE COSTS

Debt issue costs are recorded in expenses for the financial year.

3.13. PENSION COMMITMENTS AND SIMILAR BENEFITS

The companies in the ALS Group have different pension plans; however, the primary pension commitment corresponds to the retirement benefits for the staff, an agreement of the Action Logement economic and employee unit (UES) providing for the payment of benefits to employees at the time of retirement, based on their length of service and salary at retirement age. These retirement benefits are therefore recorded in liabilities on the balance sheet as a provision.

3.13.1. PENSION COMMITMENTS

The Group applies Method 2 of ANC Recommendation 2013-02. Therefore, pension commitments and similar benefits are valued according to the projected unit credits method. According to this method, the commitment is assessed based on the present value of salary projections and entitlements at the retirement date, weighted by a coefficient representing the beneficiary's length of service and taking into account the probability of the beneficiary's presence within the entity at retirement age.

All commitments are provisioned, i.e., retirement and similar benefits for retired staff and active staff. The provision includes the corresponding payroll taxes.

In the event that the commitment is outsourced in full (the constitution of a hedge fund with an insurance or provident institution), no liabilities are recorded.

In the event that the commitment is partially outsourced, the difference between the amount of the outsourced commitment and the amount of the commitments calculated in accordance with the Group's methods is recorded in liabilities on the balance sheet as a provision.

The actuarial cost of the commitments is borne annually over the active life of the employees and recorded in operating income.

Actuarial gains and losses and the cost of past services are recorded immediately in income.

3.13.2. OTHER LONG-TERM BENEFITS

Other long-term benefits that can be granted by the ALS Group are mainly long service awards, which are valued based on actuarial assumptions.

The actuarial cost is recorded in income over the active life of the employees in question.

The impact of changes in assumptions is taken into account in the income statement for the financial year during which the changes occur.

3.14. OTHER PROVISIONS

3.14.1. GUARANTEE FUND PROVISIONS

The various guarantees offered by ALS (LOCA-PASS[®], GRL[®]/PASS GRL, VISALE, Sécurisation Accédants PASS fund) are subject to provisions at the end of the financial year based on loss exposure and management fees assessed as follows:

- LOCA-PASS[®]: the provision includes an estimate of claims and management fees, net of settlements by generation of guarantees granted. It is estimated by actuaries;
- GRL[®]/PASS GRL: the provision for claims payable and the provision for the GRL[®] arrangement are calculated using a settlement frequency method. This method, known as the "chain ladder" method, statistically examines developments in the number of claims on open cases over time. Pursuant to Decree No. 2001-1620 on the operation of the GURL fund, the provisions are valued by an independent actuary (member of an actuary association recognised by ACPR);
- VISALE: on the basis of the work of an independent actuary (member of an actuary association recognised by ACPR), a provision is recorded for late claims or claims payable under lease guarantees. This estimate takes into account the implementation rate and the implementation period of the guarantee;

- Sécurisation Accédants PASS (home ownership support) fund: SGFGAS (which manages the financing and promotes access to home ownership) is responsible for the management of the Sécurisation Accédants PASS fund. As such, the SGFGAS provides estimates of the number of claims of each loan "generation" (one year of production) which allows the provision to be updated.

In the income statement, additions to and write-backs of provisions are grouped under "Cost of risk". For balance sheet provisions, see note 5.155.10.

3.14.2. PROVISION FOR CMVE EXTERNAL VOLUNTARY MOBILITY LEAVE

A provision for CMVE external voluntary mobility leave is recognised within "Other provisions for expenses" and reflects the estimated costs of departures under external voluntary mobility leave agreements for the next three years (2020-2022). These costs include notice periods, benefits during the period of mobility leave, training and severance payments.

3.15. DETERMINATION OF INCOME

Income is recorded in the income statement for the financial year if it is:

- Realised, i.e. the principle and amount are certain;
- Earned in the financial year.

The main income indicators are:

- Net Non-Banking Income (PNNB): consists of the employers' contribution (collection) net of subsidies paid;
- Net Banking Income (PNB): made up of net interest margin on customer loans;
- Other operating income includes previous operating income, transfers of operating expenses and other income not taken into account to determine Net Non-Banking Income or Net Banking Income.

3.16. SUBSIDIES GRANTED TO ACTION LOGEMENT IMMOBILIER AND ASSOCIATION FONCIERE LOGEMENT

Annual subsidies granted by Action Logement Services to Action Logement Immobilier pursuant to the 2018-2022 five-year agreement between the French Government and the Action Logement Group in order to enable Action Logement Immobilier to purchase or subscribe to equity interests in companies referred to in paragraphs 1 and 2 of Article L. 313-20-1 of the French Building and Housing Code (*Code de la construction et de l'habitation*), are expensed as incurred within non-banking expenses for the amount of the annual subsidy specified in the 2018-2022 five-year agreement for the period concerned. The residual balance relating to future periods as provided for by said agreement is recognised as an off-balance sheet item within commitments given.

Similar accounting treatment is adopted for subsidies granted out of PSEEC fund reserves to Association Foncière Logement pursuant to the 2018-2022 five-year agreement. The reporting period in which these subsidiaries are to be booked is determined based on an analysis of continuing-performance contracts, as illustrated in the note accompanying ANC Regulation 2017-02 issued by the French accounting standards-setter (*Autorité des Normes Comptables*) on the individual and consolidated financial statements of the Action Logement Group.

Subsidies granted by Action Logement Services to Action Logement Immobilier and to Association Foncière Logement out of the "Own funds" budget provided for in the voluntary investment plan are recognised within non-banking expenses in the period in which Action Logement Services' Board of Directors decides on the amount of those funds and resolves to notify Action Logement Immobilier and Association Foncière Logement thereof, in compliance with Action Logement Group guidelines setting out the rules for using the funds, pursuant to Article 10.6 of its Articles of Incorporation. The unallocated balance of the "Own funds" budget as discussed at the meeting of Action Logement Group's Board of Directors on 5 November 2019 was recognised within off-balance sheet items as a commitment given at 31 December 2019.

3.17. DEFERRED TAXES

According to the terms of the tax ruling specific to ALS and based on activities defined to date in the 2018-2022 five-year agreement, ALS is expected to generate tax losses in the coming years, as in 2017, 2018 and 2019. As such, no losses are capitalised and no deferred tax recognised.

3.18. CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires the ALS Group Management to make estimates and assumptions that affect the amounts reported in these financial statements and the accompanying notes, specifically in respect of property, plant and equipment, impairment of loans and receivables and provisions. The Action Logement Group bases its estimates on its past experience as well as on a set of other factors deemed reasonable with regard to the circumstances to form a judgement on the values to be retained for its assets and liabilities.

Actual results may differ materially from these estimates depending on assumptions or different situations.

4. SEGMENT INFORMATION

The ALS subsidiaries included in the consolidated financial statements contribute, together or individually, less than 2% of the main balance sheet and income statement indicators.

Information showing the contribution of ALS on the one hand and the combined contribution of the other subsidiaries on the other hand does not, in our opinion, provide relevant information giving readers of the consolidated financial statements a better view of the ALS Group's operations.

5. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

5.1. AMOUNTS DUE FROM CREDIT AND SIMILAR INSTITUTIONS

In thousands of euros	31 December 2019	31 December 2018
Bank current accounts	1,145,219	2,330,278
Banking investments	4,815,903	1,709,705
Total amounts due from credit and similar institutions	5,961,122	4,039,983

Banking investments concern ALS and include €1,567.5 million in interest-earning current accounts, along with €2,971.0 million in term accounts and other investments with the following maturities:

In thousands of euros	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	31 December 2019
Term accounts and other investments	369,373	698,697	1,859,332	43,557	2,970,959
Total term accounts and other investments	369,373	698,697	1,859,332	43,557	2,970,959

5.2. TRANSACTIONS WITH CUSTOMERS

This item includes loans granted by ALS to individuals and corporate entities.

In thousands of euros	31 December 2018	Changes	Increases	Decreases	Losses on unrecoverable receivables	Other changes	31 December 2019
Government, local authorities and State agencies							
Loans to individuals	4,337,705		397,343	(667,438)	(62,311)	(5,030)	4,000,269
Loans to corporate entities	11,973,990		824,043	(602,042)	(16,919)	8,963	12,188,035
Accrued interest		(2,900)				45,049	42,149
Total transactions with customers	16,311,695	(2,900)	1,221,386	(1,269,480)	(79,230)	48,982	16,230,453

Impairment of loans:

In thousands of euros	31 December 2018	Additions	Write-backs	Other changes	31 December 2019
Loans to individuals	(280,478)	(44,730)	106,230	(28,213)	(247,191)
Loans to corporate entities	(26,799)	(16,959)	24,505	(13,244)	(32,497)
Total impairment of loans	(307,277)	(61,689)	130,735	(41,457)	(279,688)

Reclassifications for presentation purposes were carried out in respect of loan impairment to best reflect the cost of risk in income.

Loan schedule:

In thousands of euros	Gross value at 31 December 2019	Less than 1 year	Between 1 and 5 years	More than 5 years
Loans to individuals	4,004,642	489,430	1,320,286	2,194,926
Loans to corporate entities	12,225,811	555,803	2,119,698	9,550,310
Total loans	16,230,453	1,045,233	3,439,984	11,745,236

5.3. EQUITY INTERESTS AND OTHER LONG-TERM SECURITIES

In thousands of euros	31 December 2018	31 December 2019	Share of capital held	Capital amount	Income/ (loss)	Equity
Non-consolidated equity interests	1,335	1,335	0.00%	0	0	0
Atriom	698	698	100.00%	698	(240)	515
Martinique Habitat	38	38	99.76%	600	(369)	1,364
Réunion Habitat SAS	599	599	99.75%	38	(130)	(213)
Total equity interests and other long-term securities - Gross value	1,335	1,335				

This item corresponds to interests not consolidated by the ALS Group as they are not deemed material. Note that impairment losses were recognised against securities held in Atriom and in Martinique Habitat, for €182,000 and €38,000, respectively.

5.4. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Gross value:

In thousands of euros	31 December 2018	Increases	Decreases	Other changes	31 December 2019
Intangible assets	33,906	6,091	(9,661)	476	30,812
Leasehold rights	457		(288)		169
Software	32,979	703	(9,134)	476	25,024
Advances and downpayments on intangible assets	239	4,885	(239)		4,885
Intangible assets in progress		383			383
Goodwill	231	120			351
Property, plant and equipment	510,003	288,622	(112,990)	(275)	685,360
Land	324,713	107,940	(31,956)	51	400,748
Buildings	127,316	161,750	(68,007)	1,768	222,827
Other property, plant and equipment	48,270	18,507	(13,027)	2,437	56,187
Property, plant and equipment in progress	9,704	425		(4,531)	5,598
Intangible assets and property, plant and equipment - Gross value	543,909	294,713	(122,651)	201	716,172

The increase in fixed assets primarily corresponds to Solendi Expansion's acquisitions of buildings and land (including the new Grand Seine headquarters at a cost of €270 million), as well as the acquisition of office equipment, furniture and computer software by ALS.

Amortisation, depreciation and impairment:

In thousands of euros	31 December 2018	Additions	Write-backs/ Disposals	Other changes	31 December 2019
Intangible assets	(26,676)	(1,753)	9,094	(207)	(19,542)
Property, plant and equipment	(72,384)	(8,716)	39,176	289	(41,635)
Total amortisation, depreciation and impairment	(99,060)	(10,469)	48,270	82	(61,177)

5.5. OTHER ASSETS

Other assets are broken down as follows:

In thousands of euros	31 December 2019	31 December 2018
Housing stock	46,229	
Receivables due from tenants	320	
Cash pledge, deposits	275,941	286,656
Bond premiums	12,588	
Other receivables due from individuals and corporate entities	24,544	19,201
Loans granted (Pass Foncier indexing)	24,607	31,898
Other receivables	21,944	382,751
Total Other Assets	406,173	720,506

Other assets mainly include the cash pledge totalling €273.3 million, which has been fully written down, and housing purchased from social landlords by the ONV at the end of 2019 for €46.2 million within the scope of its social housing sales activity.

The cash pledge is used to subsidise loans granted by CDC to social landlords (i.e., €13.3 million at 31 December 2019).

The sharp €333 million decrease in other trade receivables reflects ALS's contribution to the creation of the ONV at 31 December 2018.

Impairment of other assets:

In thousands of euros	31 December 2018	Additions	Write-backs	Changes in scope	Other Changes	31 December 2019
Cash pledge, deposits	(286,656)		13,344			(273,312)
Other	(903)	(168)	179		74	(818)
Total impairment of other assets	(287,559)	(168)	13,523		74	(274,130)

The write-back of impairment on the cash pledge corresponds to the amount recorded in losses of €13.3 million.

5.6. AMOUNTS DUE TO CREDIT INSTITUTIONS

In thousands of euros	31 December 2018	Change	Increases	Decreases	31 December 2019
CDC loans	1,261,585			(51,882)	1,209,703
Accrued interest on CDC loans					
Loans from credit institutions	33,875		150,000	(21,433)	162,442
Accrued interest on loans with credit institutions	195	140			335
Total amounts due to credit institutions	1,295,655	140	150,000	(73,315)	1,372,480

In 2013 and 2015, two loan agreements were signed between CDC and ex-UESL for €1,700 million in order to support the level of construction, restoration and acquisition of social housing, or investment in the equity of landlords.

Loans from credit institutions correspond to the outstanding bank loan taken out by Solendi Expansion.

Maturity of amounts due to credit institutions:

In thousands of euros	31 December 2019	Less than 1 year	From 1 to 5 years	More than 5 years
CDC loans	1,209,703	52,737	277,030	879,936
Accrued interest on CDC loans				
Loans from credit institutions	162,442	7,242	29,813	125,387
Accrued interest on loans with credit institutions	335	335		
Total amounts due to credit institutions	1,372,480	60,314	306,843	1,005,323

5.7. DEBT SECURITIES

In thousands of euros	31 December 2018	Increases	Decreases	Changes in scope of consolidation	31 December 2019
Debt securities		1,000,000			1,000,000
Accrued interest on debt securities		861			861
Total amount due		1,000,861			1,000,861

Maturity of debt securities:

In thousands of euros	Gross value at 31 December 2019	Less than 1 year	From 1 to 5 years	More than 5 years
Debt securities	1,000,000			1,000,000
Accrued interest on debt securities	861	861		
Total amount due	1,000,861	861		1,000,000

On 30 October 2019, ALS issued bonds for a nominal amount of €1 billion. This debt, paying fixed-rate interest at 0.589% and redeemable at maturity on 30 October 2034, included an issue premium of €12.7 million.

5.8. AMOUNTS DUE TO CUSTOMERS

In thousands of euros	31 December 2018	Current changes	Increases	Decreases	Other changes	31 December 2019
Amounts due to the Government, local authorities and State agencies	196,000		25,000			221,000
Amounts due to individuals	92,607		134,631	(136,426)		90,812
Amounts due to corporate entities	5,359,515		425,184	(165,078)	3,518	5,623,139
Total amounts due to customers	5,648,122		584,815	(301,504)	3,518	5,934,951

Amounts due to the Government, local authorities and State agencies correspond to the ANRU-PNRU funding in respect of 2019.

Amounts due to individuals are mainly related to accrued MOBILI aid in favour of professional mobility.

Amounts due to corporate entities correspond to funds received in the form of loans in respect of the PEEC, while other changes correspond to irrecoverable matured funds as well as conversions into subsidies of funds received as loans.

Schedule of amounts due to customers:

In thousands of euros	Gross value at 31 December 2019	Less than 1 year	From 1 to 5 years	More than 5 years
Amounts due to the Government, local authorities and State agencies	221,000	221,000		
Amounts due to individuals	90,812	90,812		
Amounts due to corporate entities	5,623,139	614,146	794,961	4,214,032
Total amounts due to customers	5,934,951	925,958	794,961	4,214,032

5.9. OTHER LIABILITIES

Other liabilities include:

In thousands of euros	31 December 2019	31 December 2018
Other amounts payable to individuals	0	0
Other employee-related payables	46,536	50,430
Other taxes	24,358	15,436
Other supplier payables	31,610	31,458
Pass Foncier advances (low-interest loans to promote home ownership)	110,863	115,101
Other payables	43,948	36,032
Total other liabilities	257,315	248,457

5.10. PROVISIONS

Provisions are broken down as follows:

In thousands of euros	31 December 2018	Additions	Write-backs	Other changes	31 December 2019
Provisions for risks	114,642	2,456	(3,074)	(111,095)	2,929
Provisions for guarantees		31,556	(49,744)	86,746	68,558
Provisions for pensions and retirement	60,864	1,767	(7,837)	(4,063)	50,731
Other provisions for expenses	13,482	59,992	(9,423)	8,111	72,162
Total provisions	188,988	95,771	(70,078)	(20,301)	194,380

Provisions for guarantees reflect those booked by ALS amounting to €68.6 million compared to €107.1 million at 31 December 2018:

- €17.1 million related to the claims and management fees provision for the LOCA-PASS® system, net of settlements by generation of guarantees granted. This provision is estimated by actuaries,
- €3.6 million on the GURL fund (PASS-GRL® and GRL® systems),
- €46.2 million for claims and management fees related to the VISALE system,
- €1.6 million on the Sécurisation Accédants PASS fund.

With respect to pension and similar commitments, the main assumptions used for their valuation are as follows:

Assumptions common to all subsidiaries	
Discount rate	0.56%
Mortality table	INSEE H/F 2015-2017
Assumptions specific to each subsidiary	
Annual salary increase	From 2.5% to 3%
Staff turnover rate	Staff turnover tables decreasing based on age, and using values varying between 5% and 0%.
Retirement age	Between 62 and 65 years old
Payroll tax rate by job category	Between 50% and 57.5%

Other provisions for expenses include a wide variety of items, including:

- Provisions for IT expenses at ALS for €9.9 million;
- Additions to provisions for 2020-2022 external voluntary mobility leave amounting to €47.7 million;
- Miscellaneous risk and expense provisions for €14.6 million.

5.11. NET NON-BANKING INCOME

Net Non-Banking Income (PNNB) consists of the employers' contribution (collection) net of subsidies paid.

5.11.1. FUNDS RECEIVED IN THE FORM OF SUBSIDIES

In thousands of euros	2019	2018
Employer's contribution	1,535,589	1,507,280
<i>Funds received in the form of subsidies</i>	1,518,792	1,486,800
<i>Matured and prescribed funds</i>	16,729	18,627
<i>Transformation into subsidies of funds received as loans</i>	68	1,853
Subsidies received from another fund	372,508	316,651
Funds received	28,362	8,524
<i>Write-backs of subsidies</i>	28,362	8,524
<i>Other</i>	0	0
Total funds received in the form of subsidies	1,936,459	1,832,455

Employer contributions increased by €28,309 million in 2019.

Subsidies received from another fund correspond to transfers of subsidies from different funds (PEEC and PEAEC in particular) to the operating fund (see note on subsidies paid below).

5.11.2. SUBSIDIES PAID

In thousands of euros	2019	2018
Funding of national policies	(534,000)	(535,000)
Subsidies to corporate entities	(314,945)	(265,046)
Subsidies to individuals	(106,209)	(93,030)
Subsidies paid to another fund	(372,508)	(316,651)
Other subsidies	(28,362)	(21,438)
Total subsidies paid	(1,356,024)	(1,231,165)

5.12. NET BANKING INCOME

Net Banking Income (PNB) is the net interest margin on customer loans.

5.12.1. INTEREST AND SIMILAR INCOME

In thousands of euros	2019	2018
Transactions with credit institutions	16,191	14,549
Transactions with individuals	57,326	60,991
Transactions with corporate entities	94,639	96,988
Other interest and similar income	8	6
Total interest receivable and similar income	168,164	172,534

The decrease in interest income is mainly related to the reduction in outstanding loans and the derecognition of high-yield assets in FY19.

5.12.2. INTEREST PAYABLE AND SIMILAR EXPENSES

In thousands of euros	2019	2018
Transactions with credit institutions	(23,231)	(22,568)
Transactions with customers	(5,495)	(3,933)
Bonds and other fixed income securities	(2,133)	
Other interest payable and similar expenses	(2,170)	(1,340)
Total interest payable and similar expenses	(33,029)	(27,841)

5.13. OTHER OPERATING INCOME

In thousands of euros	2019	2018
Other income from ancillary activities	17,933	22,198
Sale of services	13,633	13,937
Intragroup rebilling	4,177	4,184
Total other operating income	35,743	40,319

Other income from ancillary activities includes brokerage and advisory fees relating to Projimmo Conseil and amounting to €10.3 million in both 2019 and 2018.

5.14. GENERAL OPERATING EXPENSES

In thousands of euros	2019	2018
Staff expenses	(193,005)	(204,221)
<i>Staff remuneration</i>	(140,898)	(135,644)
<i>Social security and health insurance expenses</i>	(49,024)	(68,107)
<i>Other staff charges</i>	(3,083)	(904)
Other administrative expenses	(189,301)	(129,160)
<i>Sub-contracting</i>	(37,830)	(20,678)
<i>Rents and rental expenses</i>	(21,487)	(22,299)
<i>Recoverable rental expenses</i>	0	0
<i>Intermediaries and fees</i>	(21,276)	(12,471)
<i>Additions to operating provisions</i>	(43,054)	(20,243)
<i>Upkeep and repairs</i>	(9,635)	(7,756)
<i>Miscellaneous taxes</i>	(16,768)	(17,077)
<i>ANCOLS/ACPR/Other contributions</i>	(6,950)	(7,352)
<i>Post and Telecommunications fees</i>	(6,277)	(7,300)
<i>Travel and entertainment</i>	(3,011)	(3,242)
<i>Insurance</i>	(330)	(983)
<i>Other administrative expenses</i>	(22,683)	(9,759)
Total general operating expenses	(382,306)	(333,381)

The amount of €43.1 million of additions to operating provisions specifically corresponds to a net write-back of provisions for IT expenses of €1.4 million at ALS, as well as additions to the provision for pension benefits and other provisions related to external voluntary mobility leave amounting to €47.7 million.

5.15. COST OF RISK

In thousands of euros	2019	2018
Losses on unrecoverable debts - loans to individuals	(62,311)	(80,230)
Losses on unrecoverable debts -loans to corporate entities	(13,579)	(14,076)
Additions to impairment - loans to individuals/corporate entities	(61,689)	(128,113)
Write-backs of impairment - loans to individuals/corporate entities	130,735	209,041
Additions to/write-back of other provisions for assigned funds	(821)	
Additions to/write-back of provisions for guarantee funds	18,188	
Total cost of risk	10,523	(13,378)

Losses on unrecoverable debts notably include an expense of €13.3 million relating to the cash pledge used to subsidise loans granted by CDC to social landlords. This expense is offset by the write-back of a provision for the same amount, shown under “Write-backs of impairment – loans to individuals/corporate entities”; the cash pledge has been written down in full.

5.16. GAINS AND LOSSES ON OTHER ASSETS

Gains and losses on other assets notably include €41.7 million in gross capital gains realised by Solendi Expansion on the sale of six properties.

5.17. INCOME TAX

Income tax recognised for €11.3 million at 31 December 2019 solely concerns Solendi Expansion and chiefly reflects capital gains tax on property sales (see note 5.16).

5.18. COMMITMENTS GIVEN

In thousands of euros	31 December 2019	31 December 2018
Mortgages and collateral	150,775	7,425
LOCA-PASS and VISALE guarantees granted	2,823,964	2,845,808
Endorsements, security interests, guarantees given	3,061,838	2,881,487
Sub-total guarantees given	6,036,577	5,734,720
National policies (subsidies payable)	4,480,000	3,019,000
Loans to other corporate entities	2,132,409	3,223,982
Loans to individuals	105,577	134,037
Payables on signed contracts - Rental transactions	160	150
Preliminary sale agreement	101,944	
Other commitments given	2,140,727	
Commitments given	14,997,394	12,111,889

Other commitments given include:

- Subsidies intended for ALI (€420 million) and AFL (€100 million) corresponding to the residual balance of the 2018-2022 five-year agreement relating to future periods;
- Subsidies intended for ALI (€770 million) and AFL (€44 million) under the 25 April 2019 agreement relating to the voluntary investment plan, as discussed by Action Logement Group's Board of Directors' meeting on 5 November 2019.

5.19. COMMITMENTS RECEIVED

In thousands of euros	31 December 2019	31 December 2018
Endorsements, security interests, guarantees received		25,379
Sub-total guarantees received		25,379
Other loans received	70,676	77,866
Other commitments received		
Commitments received	70,676	103,245

6. OTHER INFORMATION

6.1. HEADCOUNT

The average headcount breaks down as follows:

	2019	2018
Executives including directors	923	891
Non-executive employees	2,077	2,239
Average headcount (FTE)	3,000	3,130

	2019	2018
Executives including directors	906	908
Non-executive employees	2,065	2,330
Headcount at closing date (FTE)	2,971	3,238

6.2. TRANSACTIONS WITH RELATED PARTIES

In thousands of euros		31 December 2019					
ANCOLS No.	Company name	Balance Sheet			Income Statement		Off-balance sheet items
		Gross amount of loans granted	Impairment	Net amount of loans granted	Interest and similar Income	Subsidies paid	Loan commitments given
7500100034	AFL	1,648,000		1,648,000	7,923	(100,000)	
7500050216	IMMOBILIERE 3F	857,401	(470)	856,931	6,783		120,157
7500530018	IN'LI (ex OGIF)	295,950		295,950	3,273		10,030
7500050273	SEQENS (ex France Habitation)	495,328	(200)	495,128	3,780		163,714
7500050547	SEQENS SOLIDARITE	48,667	(13)	48,654	29		8,920
7500051033	3F RESIDENCES	240,639	(185)	240,454	1,272	(300)	35,168
6900050040	ALLIADE HABITAT	131,811	(2)	131,809	1,176		25,875
1300050013	UNICIL (ex DOMICIL)	96,002		96,002	916		32,085
5100050024	PLURIAL NOVILIA	95,905		95,905	541	(1,153)	29,829
7500050497	ERIGERE	130,924	(101)	130,823	1,113	(728)	36,779
9704050053	SHLMR - Palier SA D'HLM DE DE LA REUNION	87,881		87,881	980		15,091
2500050019	NEOLIA	42,776		42,776	551	(579)	15,217
0200050016	CLESCENCE (ex Maison du Cîl)	126,221		126,221	1,163	(551)	41,032
3100050052	PROMOLOGIS	64,512		64,512	381	35	22,582
3300050019	DOMOFRANCE	55,766		55,766	566	28	
7500050554	3F SEINE ET MARNE	68,787	(91)	68,696	522		23,794
3800050022	SDH	27,547		27,547	207	90	12,479
6900050032	IMMOBILIERE RHONE-ALPES	53,657	(188)	53,469	435		8,602
7600050033	LOGEO SEINE ESTUAIRE	30,672		30,672	456	(1,165)	12,225
6800050041	DOMIAL (ex Habitat Familial A)	40,089		40,089	323		13,260
7900050022	IMMOB. ATLANTIC AMENAGEMENT	37,571	(57)	37,514	292		5,748
6900530032	IN'LI AURA (ex ENT.Habitat Im)	63,175		63,175	620		3,790
3500050041	ESPACIL HABITAT	34,113		34,113	247	(476)	5,194
6000050015	PICARDIE HABITAT				2	(210)	
4400050065	LA NANTAISE D'HABITATIONS	38,442		38,442	284		8,275
7600050025	IMMOBILIERE BASSE SEINE	37,538	(10)	37,528	366		2,050
6700050133	3F Grand EST (ex Immo Grand Est)	30,873		30,873	352		3,928
0600050012	3F SUD (ex Immob Méditerranée)	63,013	(241)	62,772	390	(1,238)	21,855
9701050012	SIKOA	27,532		27,532	307		4,392
4900050045	PODELIHA (ex Immob. Podeliha)	38,708	(81)	38,627	321		6,020
7600050132	LOGISEINE	21,323		21,323	160		1,753
0600530012	IN'LI PACA (ex PARLONIAM)	25,721		25,721	230		7,843
4500050064	3F CENTRE VAL DE LOIRE	20,980		20,980	218	(265)	4,418
5700050036	LOGIEST	25,228	(1)	25,227	201	(616)	11,137
4500050015	VALLOIRE HABITAT (ex Vallogis)	21,650		21,650	188		9,039
1000050016	MON LOGIS	21,245		21,245	188	(1,984)	11,048
3300050068	CLAIRSIENNE	21,714		21,714	192	12	11,979
3100530011	IN'LI Sud Ouest ex Cîléo Habitat	25,958		25,958	269		3,556
3100050029	LA CITE JARDINS	17,428		17,428	142	9	20,399
7200050029	F2M fusion PODELIHA 2019				6		
4200050042	CITE NOUVELLE	15,227		15,227	90		2,811
6300050012	AUVERGNE HABITAT	35,627		35,627	230		6,568
6700530018	IN'LI GRAND EST (ex SICI)	11,595		11,595	228		4,419
4700050021	CILIOPEE HABITAT	10,237		10,237	183		855
2100050013	HABELLIS (ex VILLEO)	28,883		28,883	271	(182)	3,232
5900050224	3F NORD ARTOIS (ex Immo Nord Artois)	11,276		11,276	105		4,050
5400050039	SOCIETE LORRAINE D'HABITAT	9,769		9,769	98		2,166
7500103583	ACTION LOGEMENT IMMOBILIER	3,879		3,879	31	(140,000)	
7500103581	ACTION LOGEMENT GROUPE					(21,898)	
	Others	161,531	(229)	161,302	1,459	(6,989)	45,771
	Total	5,498,771	(1,869)	5,496,902	40,291	(278,130)	855,353

6.3. STATUTORY AUDITORS' FEES

In thousands of euros (Including VAT)	2019			2018		
	Statutory audit, review of individual financial statements	Audit-related services	Total	Statutory audit, review of individual financial statements	Audit-related services	Total
KPMG	741		741	759		759
PricewaterhouseCoopers (PwC)	691		691	693		693
Cailliau Dedouit et Associés						
Others						
Total fees paid to auditors	1,432		1,432	1,452		1,452

7. RESERVATION RIGHTS

In numbers	31 December 2019	31 December 2018
Reservation rights relative to occupied housing (applicable to successive tenants)	569,247	575,183
<i>of which outside of the ALG group</i>	362,180	367,864
<i>of which ALG group</i>	207,067	207,319
Reservation rights relative to vacant housing (applicable to successive tenants)	26,650	26,178
<i>of which outside of the ALG group</i>	16,623	16,625
<i>of which ALG group</i>	10,027	9,553
Reservation rights relative to vacant housing (applicable to a single tenant)	5,459	4,567
<i>of which outside the ALG Group</i>	3,462	2,478
<i>of which ALG Group</i>	1,997	2,089
Reservation rights relative to delivered housing	601,356	605,928
Reservation rights relative to housing not yet delivered (applicable to successive tenants)	105,675	104,590
<i>of which outside the ALG Group</i>	60,993	70,843
<i>of which ALG Group</i>	44,682	33,747
Reservation rights relative to housing not yet delivered (applicable to a single tenant)	119,650	34,150
<i>of which outside the ALG Group</i>	72,389	28,443
<i>of which ALG Group</i>	47,261	5,707
Reservation rights relative to housing not yet delivered	225,325	138,740

Figures relating to reservation rights were taken from 19 different management systems and represent the best estimate available at the reporting date.

8. SUBSEQUENT EVENTS

Change in governance

On 2 January 2020, Jean-Michel Royo was appointed Chief Executive Officer and Olivier Rico was appointed Chief Operating Officer.

Increase in workforce thresholds for the PEEC

Pursuant to the French PACTE law of May 2019, there are now just three workforce thresholds (11, 50 and 250 employees) triggering certain legal and/or financial obligations for corporate entities. This new law introduced changes to the employers' contribution to construction work (PEEC), increasing the workforce threshold triggering liability for the PEEC from 20 to 50 employees. The new threshold will be applicable as from 1 January 2020. Pursuant to France's 2019 and 2020 Finance Acts, the special tax on insurance contracts ("TSCA") will be allocated to Action Logement Services to compensate for the loss in income resulting from the increase in the PEEC liability threshold. A maximum amount of €290 million will be paid out from the TSCA each year.

Covid-19 pandemic

The period between the reporting date (31 December 2019) and the date on which the financial statements were authorised for issue saw the emergence of the Covid-19 health crisis. The French Government announced a strict lockdown in a response to this crisis, starting 17 March 2020.

The financial statements of Action Logement Services were prepared on a going concern basis. The crisis began to impact its activities at the end of first-quarter 2020. Action Logement Services expects the pandemic to have a negative impact on its 2020 financial statements. However, given the fairly recent development of Covid-19 and the measures announced by the Government to support businesses, Action Logement Services is not in a position to quantify the potential impact of the pandemic. At the date the 2019 financial statements were authorised for issue by the Board of Directors, Action Logement Services management was not aware of any significant uncertainties that cast doubt on the entity's ability to continue as a going concern.

Following the announcements by the French President on 16 March 2020, Action Logement Services reviewed its working methods for all of its employees and strictly complied with the Government's blanket lockdown measures, banning all business travel (save in exceptional cases). Home office measures were introduced as far as possible, supported by hands-on IT teams.

9. LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2019

ANCOLS No.	SIREN	Company name	Legal form	Movement	Consolidation method	% control	% interest
7500103582	824541148	ACTION LOGEMENT SERVICES	SASU		Parent company		
7500534459	849167002	OPERATEUR NATIONAL DE VENTES	SA	Entry	Full	100.00	99.99
9200500245	444222046	ASTRIA FONCIER	SCI		Full	100.00	100.00
9300860024	382373116	SOLENDI EXPANSION	SA		Full	100.00	100.00
3100531427	394003289	MA NOUVELLE VILLE	SA		Full	100.00	99.68
9300862434	391969094	PROJIMMO CONSEIL	SARL		Full	100.00	100.00