

Action Logement Services

**Statutory Auditors' report
on the consolidated financial statements**

(For the year ended 31 December 2024)

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This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Sole Shareholder,
Action Logement Services
21, Quai d'Austerlitz
CS 41455
75643 Paris Cedex 13, France

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Action Logement Services for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Accounts Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2024 to the date of our report.

Justification of assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgement, were the most significant in our audit of the consolidated financial statements.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Impairment of loans granted to individuals and legal entities

Note 4.9 "Customer transactions – Doubtful receivables and impairment" to the consolidated financial statements describes the accounting principles and methods related to the reclassification of doubtful receivables and impairment of loans granted to individuals and legal entities, as well as changes in estimates of impairment during the year.

We verified the appropriateness of the accounting principles and methods used by the Group to determine this impairment and ensured that they were properly applied.

We also examined the appropriateness of the disclosures provided in the notes to the financial statements.

Provision for risks related to the Visale guarantee scheme

The Group set aside a provision to cover risks relating to the Visale rental guarantee scheme, which has been estimated by an independent actuary as described in Note 4.17 "Provisions for the Visale guarantee scheme and impairment of Visale receivables" and in Note 6.11 "Provisions" to the consolidated financial statements.

As part of our assessments, we:

- reviewed the methods used by the Company to estimate the provision,
- examined the procedures put in place to monitor and control the underlying data,
- assessed, with the assistance of our actuaries, the methodologies as well as the assumptions on which this estimate was based, including a review of the sensitivity of the provision to these assumptions.

As part of our assessments, we verified that the estimates were reasonable and that the notes to the consolidated financial statements contain appropriate disclosures.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial information statement required under Article L.225-102-1 of the French Commercial Code. However, in accordance with Article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit and Risk Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in Article L.821-55 of the French Commercial Code, our audit does not include assurance

on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit and Accounts Committee

We submit a report to the Audit and Accounts Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

We also provide the Audit and Accounts Committee with the declaration provided for in Article L.821-63 of the French Commercial Code, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Accounts Committee.

Nantes and Courbevoie, 23 May 2025

The Statutory Auditors

PricewaterhouseCoopers Audit

Forvis Mazars SA

Nicolas Jolivet

Jean Latorzeff

ActionLogement 
SERVICES

2024

Consolidated

financial statements

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CONSOLIDATED BALANCE SHEET

ASSETS

In thousands of euros	Notes	Gross	Depreciation, amortisation and impairment	31 December 2024	31 December 2023
Amounts due from credit and similar institutions	6.1	2,164,004	-	2,164,004	3,260,551
Transactions with customers	6.2	19,675,046	(263,900)	19,411,146	18,067,049
Amounts due on loans to individuals		4,433,032	(235,770)	4,197,262	4,009,439
Amounts due on loans to corporate entities		15,242,014	(28,130)	15,213,884	14,057,610
Bonds and other fixed-income securities	6.3	104,524	(283)	104,241	101,380
Equity interests and other long-term securities	6.4	3,256	(2,853)	403	733
Intangible assets	6.5	51,956	(27,498)	24,458	22,264
Property, plant and equipment	6.5	573,486	(85,992)	487,494	506,410
Other assets	6.6	1,290,669	(209,403)	1,081,266	982,642
Total assets		23,862,941	(589,646)	23,273,012	22,941,029

LIABILITIES AND EQUITY

In thousands of euros	Notes	31 December 2024	31 December 2023
Amounts due to credit and similar institutions	6.7	1,137,324	1,272,974
Transactions with customers	6.8	7,059,846	7,152,516
Government, local authorities and Government agencies		-	-
Amounts due to individuals		82,827	169,438
Amounts due to corporate entities		6,977,019	6,983,078
Debt securities	6.9	7,763,549	7,271,774
Other liabilities	6.10	205,686	198,401
Provisions	6.11	324,675	282,802
Shareholders' equity (Group share)		6,781,958	6,762,589
Subscribed capital		20,000	20,000
Reserves		6,742,358	6,978,849
Net loss for the period		19,600	(236,260)
Non-controlling interests		(26)	(27)
Total liabilities and equity		23,273,012	22,941,029

CONSOLIDATED INCOME STATEMENT

In thousands of euros	Notes	2024	2023
Employers' contribution	7.1.1	1,497,653	1,447,200
+ Subsidies received	7.1.1	15	342,119
Subsidies received from another fund		-	324,674
Other subsidies		15	17,445
- Subsidies paid	7.1.2	(1,215,725)	(1,716,728)
Subsidies to Government agencies and local authorities		(559,000)	(633,000)
Subsidies to corporate entities		(564,613)	(542,400)
Subsidies to individuals		(86,936)	(197,039)
Subsidies to another fund		-	(324,674)
Other subsidies		(5,176)	(19,615)
Net non-banking income/(loss)		281,943	72,591
+ Interest receivable and similar income	7.2.1	263,155	216,148
- Interest payable and similar expenses	7.2.2	(193,551)	(144,513)
Gains or losses on investment portfolio transactions		10,065	11,555
+ Other banking income		190	1,775
- Other banking expenses		-	-
Net banking income		79,859	84,965
Other operating income	7.3	112,192	85,853
General operating expenses	7.4	(392,669)	(379,353)
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		(25,667)	(21,930)
Gross operating loss		55,658	(157,874)
Cost of risk	7.5	(28,129)	(69,762)
Operating loss before depreciation/amortisation and impairment of goodwill		27,529	(227,636)
Depreciation/amortisation and impairment of goodwill		-	-
Operating loss after depreciation/amortisation and impairment of goodwill		27,529	(227,636)
Gains and losses on other assets	7.6	(589)	(384)
Recurring net loss before tax		26,940	(228,020)
Non-recurring net income/(loss)		276	(116)
Income tax	7.7	(7,614)	(8,171)
Net loss from consolidated companies		19,602	(236,307)
Non-controlling interests		(2)	47
Net loss (Group share)		19,600	(236,260)

CHANGES IN EQUITY

In thousands of euros	Subscribed capital	Consolidated reserves	Net income/(loss) for the period	Shareholders' equity (Group share)	Non-controlling interests	Total equity
31 December 2022	20,000	8,059,811	(1,080,963)	6,998,848	20	6,998,867
Appropriation of Y-1 net income/(loss)	-	(1,080,963)	1,080,963	-	-	-
Net loss for the period	-	-	(236,260)	(236,260)	(47)	(236,307)
31 December 2023	20,000	6,978,849	(236,260)	6,762,589	(27)	6,762,560
Appropriation of Y-1 net income/(loss)	-	(236,260)	236,260	-	-	-
Net income/(loss) for the period	-	-	19,600	19,600	2	19,602
31 December 2024	20,000	6,742,358	19,600	6,781,959	(26)	6,781,932

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1. HISTORY OF THE GROUP: ACTION LOGEMENT REFORM

Action Logement Services is part of the Action Logement Group, which has three main structures with joint governance:

- Action Logement Groupe (ALG), an umbrella structure responsible for managing the Group, relations with the French Government and corporate communication. ALG owns the entire share capital of Action Logement Services and Action Logement Immobilier.
- Action Logement Services SASU (ALS), a single structure that collects the employers' contribution to building and construction work applicable in France (hereinafter "PEEC") and whose main role is to finance housing schemes for employees of companies in the private and agricultural sectors.
- Action Logement Immobilier SASU (hereinafter "ALI"), which holds interests in all the Group's real estate subsidiaries. This holding company's role is to support and ensure the management of the Action Logement Group's subsidiaries and holdings.

Action Logement Services is authorised by the French Prudential Supervisory Authority (ACPR) to operate as a lender within the meaning of Article L.511-1, II of the French Monetary and Financial Code.

2. SIGNIFICANT EVENTS OF THE PERIOD

2.1. SUSTAINABILITY OF ALS'S BUSINESS MODEL

The medium-term sustainability of ALS's business model is a key factor for the coming years as the 2023-2027 five-year agreement with the French Government sets a framework for a return to a balance between uses and sources of available funds, with efficient management of debt.

This agreement provides that the French Government can propose a legislative amendment to merge the funds referred to in Article L.313-19-2 of the French Construction and Housing Code into a single fund.

In line with this possibility, Article 182 of the French Finance Act 2023-1322 of 29 December 2023 amends for 2024 Article L.313-19-2 of the French Construction and Housing Code, which, in its version in force since 31 December 2023, provides for ALS to manage a single fund for all transactions relating to the resources it receives.

Subsequently, Decree 2024-573 relating to the rules applicable for the management of the single fund referred to in Section I of Article L. 313-19-2 of the French Construction and Housing Code was published on 21 June 2024.

On this basis, Regulation 2024-03 dated 6 September 2024 issued by the French Accounting Standards Authority (ANC), and endorsed by a government Order dated 20 December 2024 published in the *Journal Officiel* (French legal gazette) of 24 December 2024, amends ANC Regulation 2017-02 of 5 July 2017 relating to the individual and consolidated financial statements of the Action Logement Group. Consequently, since the 2024 financial year, the accounting and prudential management of ALS has been exercised on the basis of a single fund. Further details of this change are provided in Note 4.2.

2.2. ACCOUNTING CLASSIFICATION BY INSEE OF ACTION LOGEMENT SERVICES AS A GOVERNMENT AGENCY (APU)

ALS has lodged an administrative appeal with France's Council of State (*Conseil d'Etat*) against the decision made by INSEE to classify ALS as a government agency (APU) for accounting purposes. The case is currently ongoing in accordance with the rules applicable to such procedures.

2.3. ADMINISTRATIVE AND LEGAL ACTION BY THE FRENCH NATIONAL FEDERATION OF PUBLIC HOUSING OFFICES (FOPH)

After submitting a prior claim for compensation to the Action Logement Group on the basis of Article R.421-1 of the French Code of Administrative Justice on 21 September 2023, the French National Federation of Public Housing Offices (FOPH) lodged legal action against the Action Logement Group with the Paris Administrative Court on 18 January 2024, claiming the incorrect application of the principle of non-discrimination in the distribution of PEEC funds provided for in Article L.313-17-3 of the French Construction and Housing Code and claiming damages for the loss suffered.

On 28 March 2024, the FOPH lodged further legal action against the Action Logement Group with the same Court, seeking the annulment of the Directive of 26 July 2023 regarding capital injections, equity securities and subsidies aimed at supporting new rental housing, on the grounds that the Directive discriminates against public housing offices with regard to the allocation of funds.

2.4. EURO MEDIUM-TERM NOTES (EMTN) PROGRAMME

In October 2019, ALS set up its first fully sustainable EMTN programme, totalling €6.2 billion, to help finance the commitments made by the representatives of employers' and employees' unions (the "social partners") under the Voluntary Investment Plan agreed with the French Government and the amendment to the five-year agreement signed on 15 February 2021.

The maximum total amount of this EMTN programme was raised to €9.5 billion on 13 September 2023.

In 2024, ALS carried out a €500 million notes issue, bringing the total amount of notes issued under its EMTN programme to €7.7 billion at the year-end.

2.5. ACTION LOGEMENT GROUP CREDIT RATINGS

ALS's credit ratings, which are aligned with those of the French State, were revised as follows in 2024:

- On 23 October 2024, Fitch Ratings revised its outlook for ALS from "stable" to "negative", in line with its revision of France's sovereign credit rating outlook on 11 October 2024.
- On 30 October 2024, Moody's also revised its outlook for ALS from "stable" to "negative", in line with its revision of France's sovereign credit rating outlook on 25 October 2024.
- On 18 December 2024, Moody's revised ALS's rating and outlook from "Aa2 – Negative outlook" to "Aa3 – Stable outlook" as a result of its revision of France's sovereign credit rating on 14 December 2024.

	Moody's Investors Service	Fitch Ratings
Long-term senior unsecured debt rating	Aa3	AA-
Short-term rating		F1+
Outlook	Stable	Negative
Date of last credit rating report	20/12/2024	30/12/2024

2.6. REVIEW OF OPERATIONS

The Action Logement Group's operations in 2024 were carried out in line with the undertakings made in the 2023-2027 five-year agreement between the French State and ALG.

The significant events of the year concerning ALS's operations were as follows:

- Total uses of funds represented €3.4 billion in 2024, compared with €3.8 billion in 2023. This year-on-year reduction, which mainly concerned loans and subsidies to individuals, was due to the decrease in the amounts available under the *Accession* and *Mobilijeune* schemes, as well as the end of the *Mobili Pass* offer.
- Under the terms of a partnership agreement between ALG and Caisse des Dépôts et Consignations, ALS earmarked a maximum aggregate amount of €600 million to grant loan guarantees to operators of affordable housing who are beneficiaries of a *Prêt au Logement Intermédiaire* (PLI) granted by Banque des Territoires. €482 million was guaranteed under this scheme in 2024.
- The roll-out of the Visale guarantee scheme has increased steadily since 2016, with successive extensions of the scheme to young people, students and employees on low incomes. The most recent extension was in June 2024 to cover non-local seasonal workers. At end-December 2024, almost 1.6 million Visale guarantees had been issued.

The significant events of the year concerning the operations of the National Sales Operator for HLM Social Housing (ONV) were as follows:

- It acquired 41 properties – representing 1,228 homes – from 24 landlords, for a total of €145 million.
- It sold 464 homes to individuals for €56.8 million.
- At 31 December 2024, the ONV had a stock of 7,989 homes, of which 4,960 were being actively marketed.
- It extended by one year the €400 million revolving credit facility (RCF) with an accordion option set up in 2023, and in March 2024 it repaid the €95 million drawn down on the RCF in December 2023.
- It recognised a €4.9 million provision for impairment in value of its housing stock.

3. AGREEMENTS IN FORCE IN 2024

3.1.1. 2023-2027 FIVE-YEAR AGREEMENT

The 2023-2027 five-year agreement entered into between the French State and the Action Logement Group on 16 June 2023 continued to be implemented in 2024. The aims of this agreement are as follows:

- Maintain the historical focus of Action Logement's activities and channel initiatives towards the priorities defined by the social partners, with a provisional overall budget of €14.4 billion, broken down by type of use of funds:
 - loans, aid and services to individuals;
 - financing for social and intermediary landlords;
 - support for public policies.
- Ensure the medium-term sustainability of ALS's business model.

3.1.2. THREE-WAY AGREEMENT BETWEEN THE FRENCH STATE, ANRU AND ACTION LOGEMENT

In connection with the financing of urban renewal programmes implemented by the French National Agency for Urban Regeneration (ANRU), Action Logement has given commitments to the ANRU to finance the NPNRU urban regeneration programme in the form of subsidies totalling €6.8 billion, breaking down as follows:

<i>(in millions of euros)</i>	Five-Year Agreement						After 2027	Total
	Before 2023	2023	2024	2025	2026	2027		
Annual commitments in the form of subsidies payable	1,276	324	400	400	530	546	3,324	6,800
Total amount paid for the year	(1,276)	(324)	(400)					(2,000)
Amount payable	0	0	0	400	530	546	3,324	4,800

These commitments were confirmed in the 2023-2027 five-year agreement entered into on 16 June 2023 between the French State and the Action Logement Group. This agreement sets the annual amounts to be paid by Action Logement over the period 2023-2027 at €3.8 billion, including €2.2 billion in the form of subsidies.

In addition, a three-way agreement between the ANRU, the French State and ALG relating to the financing of the NPNRU urban regeneration programme was signed on 28 June 2024 for the period from 2023 to 2027. The purpose of this agreement is to confirm the partnership between the three parties, with the aim of helping make deep-seated changes in the most disadvantaged urban neighbourhoods.

A total of €400 million was paid by ALS in the form of subsidies in 2024. At the reporting date, €4.8 billion was recognised as an off-balance sheet commitment in respect of ANRU subsidies for a period ending in 2032.

3.1.3. EQUITY LOANS

Action Logement Services signed the following agreements with Caisse des Dépôts et Consignations and the French Government on 5 June 2018:

● Subsidised equity loan agreement (PHB 2.0)

As an extension of the Five-Year Agreement and within the scope of its support for national policies, ALS agreed to finance €2 billion in subsidised equity loans (representing the difference between the market interest rate and the interest rate offered to social housing bodies by CDC) under the following conditions:

- Action Logement is financing €2 billion in subsidised equity loans that are offered to social housing bodies, in exchange for reservation rights on the assets underlying the financing provided, in order to support them with their construction and renovation projects.
- The financial cost of these subsidies is recognised over the term of the loans.
- The amount of the subsidies is paid over to CDC. These payments are guaranteed by the French Government (stand-alone guarantee) and are counter-guaranteed by ALS.
- A total of €679,050 thousand in interest subsidies are included in off-balance sheet commitments (€719,674 thousand at end-2023) and €40,624 thousand was paid to CDC in 2024 (€35,607 thousand in 2023).

● Financial guarantee

In return for the stand-alone guarantee granted by the French State, ALS has granted a financial guarantee to CDC which would be triggered in the event that the stand-alone guarantee is triggered. This guarantee covers any unpaid amounts due by ALS to CDC in respect of the subsidies through to 2045. The guarantee is for a maximum cumulative amount of €1.2 billion. The financial guarantee representing amounts receivable on loans granted to social landlords amounts to €782,063 thousand, or 115% of the outstanding subsidy payable to CDC. It is shown within off-balance sheet commitments given at 31 December 2024.

4. ACCOUNTING PRINCIPLES AND METHODS

4.1. MEASUREMENT METHODS, BASIS OF PREPARATION, AND REPORTING DATE

These consolidated financial statements were prepared at 31 December 2024, and cover a period of 12 months.

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

- accounting principles generally accepted in France, in accordance with the provisions of ANC Regulation No. 2020-01 applicable to any legal entities required to prepare consolidated or combined financial statements;
- Regulation No. 2017-02 of 5 July 2017 relating to the individual and consolidated financial statements of the Action Logement Group as amended by ANC Regulation No. 2024-03 of 6 September 2024.

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 measurement methods and basis of preparation prevails over applying a benchmark accounting treatment.

These combined consolidated financial statements represent a consolidation sub-group which is in turn included in the consolidated financial statements of the Action Logement Group.

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.

4.2. ACCOUNTING CHANGES

ANC Regulation No. 2024-03 of 6 September 2024, applicable as from 2024, amended ANC Regulation No. 2017-02 in relation to the following:

- The merger of the five funds managed to date into a single fund. This change affects the individual financial statements of Action Logement Services but has no impact on the Group's consolidated financial statements.
- The elimination of flat-rate impairment of loans to individuals and corporate entities based on the age of outstanding past-due payments. In relation to credit risk, ALS now only applies the provisions of ANC Regulation No. 2014-07 (see Note 4.9). In accordance with Article 3 of ANC Regulation No. 2024-03, this change has been accounted for as a change in estimates pursuant to Article 122-5 of ANC Regulation No. 2014-03 of 5 June 2014, as amended, in relation to the French Chart of Accounts (French GAAP).

4.3. 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 Regulation No. 2020-09 of 4 December 2020, amending ANC Regulation No. 2014-03 relating to the French Chart of Accounts, as amended by ANC Regulation Nos. 2015-06 of 23 November 2015 and 2016-07 of 4 November 2016, along with specific accounting provisions.

The following factors are taken into account:

- Only interest income and expenses of the subsidiaries are taken into account 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”.

4.4. 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.

Three ALS service subsidiaries whose main financial aggregates are not material are not consolidated (see Note 6.4).

The scope of consolidation is shown in note 11.

4.5. CONVERSION OF FOREIGN CURRENCY TRANSACTIONS

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

4.6. GOODWILL

4.6.1. 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.

4.6.2. 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.

4.7. INVENTORIES

Property acquisition costs consist of the purchase price, fees, legal costs and transfer taxes. Inventories may be increased by the value of any work carried out after the acquisition with a view to reselling the property. In preparing the 2024 parent company financial statements, in accordance with the applicable accounting standards, the ONV made estimates and assessments concerning its inventories.

The work was carried out in two stages:

- the return on assets from rental management and property sales was analysed;
- the inventory value (increased by any work under the public-public cooperation agreement and/or energy retrofit work not yet accounted for) of properties returning a loss in the rental management and sales activities and for which no commercial leverage could be identified that could improve returns, was compared with the market value of those properties. Market value was based on:
 - o the average sales price to third parties when sales have been made, or
 - o the appraised value used at the time of acquisition or the expected free sale price if the property is not being sold.

In this respect, the ONV recognised an impairment provision of €4.9 million for 6 properties, comprising a total of 152 homes in 2024. The cost price of these properties had fallen below their net book value.

4.8. AMOUNTS DUE FROM CREDIT AND SIMILAR INSTITUTIONS

This item comprises all amounts, including subordinated receivables, due from credit and similar institutions (current accounts, short-term investments such as term accounts, and passbook accounts).

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).

4.9. CUSTOMER TRANSACTIONS – DOUBTFUL RECEIVABLES AND IMPAIRMENT

Customer transactions are presented by type: loans or amounts due to individuals, loans or amounts due to corporate entities, and amounts due to the French State, local authorities or government agencies. They are broken down into demand and term receivables or payables.

Accrued interest not yet due on receivables is recorded in the related receivables account with a contra entry in the income statement.

- **Doubtful receivables**

Doubtful receivables comprise all secured and unsecured past-due amounts and sums outstanding owed by debtors with at least one facility presenting a known and separately identified credit risk. A known risk exists when it is probable that the entity will not receive all or part of the sums due under the commitments entered into by the counterparty, regardless of whether or not a guarantee or surety is in place.

Notwithstanding ANC Regulation No. 2014-07, amounts owed are classified as doubtful in accordance with the triggers of default defined in Article 178 of European Regulation No. 575/2013 of 26 June 2013 on prudential requirements for credit institutions, the EBA Guidelines (EBA/GL/2016/07) on the application of the definition of default and Delegated Regulation No. 2018/1845 of the European Central Bank on the exercise of discretion in relation to the threshold for assessing the materiality of credit obligations past due, applicable by 31 December 2020 at the latest. The definition of defaulted exposures has therefore been clarified by the introduction of a relative and an absolute threshold to be applied to past-due obligations in order to identify situations of default, while the criteria for reclassifying loans as performing has been clarified by a mandatory probation period and by the introduction of explicit criteria for classifying restructured loans as in default.

Additional criteria for assessing doubtful loans are also defined and consist mainly of the existence of one or more past-due amounts exceeding the materiality thresholds for at least three months, the existence of litigation proceedings, a downgraded Banque de France FIBEN rating or inclusion in the list of "at-risk" legal entities based on the financial analysis of the counterparty for corporate entities, or the implementation of overindebtedness proceedings for individuals.

When a receivable relates to a legal entity that is part of a group, the consequences of the entity's default are examined in order to assess whether all of the receivables relating to the entities making up the group concerned need to be classified as doubtful. No contagion risk is taken into account for doubtful receivables due from individuals.

- **Non-performing loans**

In accordance with Article 2221-8 of ANC Regulation no. 2014-07, doubtful loans for which the prospects of recovery have deteriorated significantly and for which a loss is ultimately envisaged are considered to be non-performing loans. Impairment losses are recognised against these loans on a case-by-case basis. The amount of non-performing loans is presented in Note 6.2 Transactions with customers.

- **Impairment of doubtful receivables**

Impairment losses are recognised against receivables for which recovery is uncertain, in order to cover the risk of loss. The impairment losses are deducted from the amounts recognised as assets in the balance sheet.

Following the publication of ANC Regulation No. 2024-03 (see above), the Group now only applies the provisions of ANC Regulation No. 2014-07:

✓ Impairment of loans to individuals

Since 1 January 2024, the flat-rate approach to impairment of loans to individuals has been replaced by the expected credit loss method, whereby expected credit losses are determined using an internal statistical valuation approach based on historical rates of recovery and losses. The calculations applied differ depending on the criteria used for classifying the loans as doubtful. The different impairment rates are calculated annually and are subsequently checked and verified so that the approach can be honed and enhanced on the basis of past experience.

Additional impairment losses may be recognised on top of the statistical impairment losses if a portfolio's risk profile is higher than originally estimated. In 2024, such an additional impairment loss was recognised in relation to risk exposures in Mayotte as a result of Cyclone Chido.

✓ Impairment of loans to corporate entities (landlords)

Since 1 January 2024, the flat-rate approach to impairment of loans to corporate entities has been replaced by two methods:

- Impairment by segment (disputed amounts, third parties classified as “sensitive”, non-payment thresholds crossed): different impairment rates applied based on the criteria used for classifying the loans as doubtful. The expected credit losses per portfolio are estimated on the basis of (i) historical recovery data for unpaid amounts from the counterparties in the portfolio and (ii) a general assessment of their level of risk. A flat rate may be used for some portfolios that represent insignificant amounts. When loans to a particular landlord meet several criteria for classification as doubtful, the highest rate of impairment is applied.
- Impairment based on professional judgement: the expected credit losses are estimated at an individual level based on the landlord's financial situation and their history of payment arrears and any recoveries, as well as external information about the counterparty's creditworthiness. This method is systematically applied when the outstanding amount in the Group's balance sheet related to a counterparty exceeds one million euros, or if specific information indicates that the estimated amounts recovered differ significantly from the amounts that would be used for a segment-based impairment calculation. Impairment rates set based on professional judgement are validated by a specific committee and are reviewed annually.

This method is used instead of the segment-based impairment method where it is deemed appropriate.

When the loans to a particular landlord no longer meet the criteria to be classified as doubtful, they enter a probationary period and the impairment is maintained until the end of the probationary period when the loans are reclassified as performing.

4.10. 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.

4.11. PROPERTY, PLANT AND EQUIPMENT

4.11.1. 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.

The project to create a “flex office” on the Grand Seine site prompted a review of the depreciation schedules for property, plant and equipment (partitions, floors and the staff canteen) modified in 2023, with depreciation being charged through to the end of 2024. As it was not possible to carry out this project in 2024, a new timetable for its completion was set, which resulted in the end of the depreciation period being postponed to March 2026. This change did not have a material impact on the 2024 income statement.

4.12. 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.

4.13. 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.

✓ Equity securities

This category includes securities issued by the HLM Public Housing Offices (OPHs) subscribed by ALS in accordance with the conditions set out in Articles L.228-36 and L.228-37 of the French Commercial Code. These securities constitute quasi-equity for the OPHs and are redeemable at the issuers' initiative after a seven-year period. The investor receives an annual return consisting of a fixed interest rate and a variable component based on the issuers' results.

Equity securities are reviewed by the Credit Risk Department. Indicators of impairment of these securities correspond to defaults on interest payments or a marked deterioration in the issuer's financial position compared with previous forecasts. Where appropriate, the impairment rates applied are mainly based on the reduction in value of the estimated cash flows and the value of the contractually forecast cash flows.

4.14. DEBT ISSUE COSTS

Depending on their materiality, debt issue costs are recognised over the term of the borrowing in a manner appropriate to its repayment terms.

4.15. BOND REDEMPTION PREMIUMS

Bond redemption premiums are systematically amortised over the term of each debt item concerned in proportion to accrued interest payable.

4.16. PENSION COMMITMENTS AND SIMILAR BENEFITS

ALS Group companies are members of the Action Logement economic and employee unit (UES) and apply the agreement dated 30 March 2018 defining retirement benefits and long-service awards. Pursuant to this agreement, benefits are paid to employees upon retirement, based on their seniority and final salary. These retirement benefits are therefore recorded in liabilities on the balance sheet as a provision.

4.16.1. PENSION COMMITMENTS

The Group applies method no. 2 of ANC Recommendation No. 2013-02, with benefits attributed on a straight-line basis as from the date of the beneficiary's employment contract. Therefore, pension commitments and similar benefits are valued according to the projected unit credit 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. 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.

The Company did not change the method used to calculate the benefit obligation in 2024 in light of the ANC's November 2021 recommendation on the basis for measuring and recognising pension obligations, under which companies can choose between the method in force up to that date (i.e., benefits attributed on a straight-line basis over the entire period during which the employee is employed by the Group) and a new method consisting of attributing benefits over the period immediately preceding retirement age such that the maximum amount of benefits is attributed.

This change has no impact on the Company because the applicable agreement does not provide for any maximum benefit amount after a certain number of years of service.

4.16.2. 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.

4.17. PROVISIONS FOR THE VISALE GUARANTEE SCHEME AND IMPAIRMENT OF VISALE RECEIVABLES

The Visale guarantee scheme for housing and employment was put in place by the French Association for Access to Rent Guarantees (APAGL) in 2016. VISALE is a security deposit provided by Action Logement Services to defaulting tenants in the private sector in order to guarantee payment of rent and maintenance fees on their main residence (capped at 36 monthly rental payments over the rental term), and also to students renting in the social housing sector (capped at 9 monthly rental payments over the rental term). It also covers damage to the property when the tenant leaves, only in the private sector. The recovery plan signed in February 2021 extends Visale guarantees to all employees aged over 30 with net take-home pay of less than €1,500 per month, in order to help them access rented housing in the private sector. A "rental damage" guarantee was also introduced on 1 February 2019 in the private sector, to cover any damage to the property observed following the tenant's departure.

APAGL manages the Visale guarantee scheme and acts as a link between the beneficiaries of the Visale guarantee (landlords, tenants, partners) and Action Logement Services for financial transactions involving the implementation of guarantees and the collection of amounts owed. At 31 December 2024, the amount of guarantee commitments given under the Visale scheme totalled €9.7 billion, and the total gross amount of receivables due from tenants under the scheme (recorded under transactions with customers) was €177 million (€15 million net).

The methods used to calculate impairment of receivables due as a result of the triggering of Visale guarantees are based on the assumption of a 29.3% recovery rate (based on the recovery rate observed for oldest generations of the guarantees), after deducting any amounts already recovered.

The liability provisions accrued in respect of the Visale guarantee scheme were calculated by an independent actuary who is a member of an actuary association recognised by the French Prudential Supervisory Authority (ACPR). To make this estimate at the reporting date, the Company measures all benefits payable throughout the entire term of the various rental contracts in respect of security deposits granted between 2016 and 31 December 2024. As a result, these provisions factor in claims arising before 31 December 2024 as well those expected to arise after that date during the rental term covered by the guarantee (for contracts signed before this date).

Since 2023, liability provisions have been estimated as follows:

✓ The components included in the calculation of the liability provision are provisions for claims under the unpaid rent guarantee (€295.7 million at 31 December 2024), projected settlements under the unpaid rent guarantee (€69.3 million at 31 December 2024, deducted from the provision for claims) and provisions for claims under the rental damage guarantee (€7.7 million at 31 December 2024).

✓ The estimation of provisions for claims under the unpaid rent guarantee is based on a 'chain-ladder'-type method, based on projecting observed data up to the final claims amount, separating the data by tenant category. The projected benefits under the unpaid rent guarantee also include the cost of disputes. This method, commonly used by insurers to measure this type of provision, assumes that historical loss development models are indicative of future loss development models. This method is particularly relevant now that the historical data set is large and reliable. Based on the observation of past claims and sufficient data history, the chain-ladder valuation provides a better assessment of the risks incurred at the reporting date.

More specifically, the chain-ladder method chosen is Mack's model, which estimates the prediction error associated with the method using a confidence level. In light of the changes applied at the 2023 year-end in the methods used for estimating the provision, a high confidence level of 99.99% applied (unchanged from 2023). For information, the sensitivity of the provision for claims to the confidence level parameter is as follows:

- 95% confidence level: €213.6 million.
- 90% confidence level: €203.3 million.

Projected settlements are determined by year of inception of the rental contract and by category of tenant, by applying the rate of settlements to the final claims cost (gross claims) based on historical data, and then by deducting the settlements already collected. For rental damage, the provision is estimated by comparing the benefits paid under the rental damage guarantee with the benefits paid under the unpaid rent guarantee.

4.18. 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 recorded in expenses;
- Net Banking Income (PNB): mainly comprises the net interest margin on customer loans and interest expense on borrowings;
- 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.

4.19. COMMITMENTS RELATED TO FUNDS FOR "SUPPORTING NEW SOCIAL AND AFFORDABLE RENTAL HOUSING AND HOUSING SECTOR PLAYERS" AS PART OF THE FIVE-YEAR AGREEMENT

When accounting for capital injections, equity securities, and subsidies aimed at supporting new social and affordable rental housing and housing sector players, the Group applies the ALG Directive dated 26 July 2023, in accordance with Article L.313-18-1 II of the French Construction and Housing Code (CCH) and the agreement referred to in paragraph 13 of Article L.313-3 of the CCH.

This Directive specifies the target beneficiaries, the eligibility criteria and the procedure to be followed by Action Logement. The financing arrangements set up by ALS may take the form of (i) subsidies paid to ALI for acquiring or subscribing for shares or other securities offered by social or affordable housing organisations, (ii) investment subsidies paid directly to those organisations, or (iii) direct acquisition of equity securities issued by those organisations.

Once the applications have been examined by ALS (beneficiaries identified, funding arrangements organised and amounts allocated), ALG's Board of Directors is asked to define and validate the use of the funds based on the priorities set in the five-year agreement and in accordance with the operating procedure described in the Directive of 26 July 2023. These funds are recorded as off-balance sheet commitments by ALS in the year in which the Board of Directors of its sole shareholder, ALG, issues its decision.

- ✓ [Allocation of subsidies by ALS to ALI for the purpose of acquiring or subscribing to equity interests in the companies referred to in paragraph 1 and 2 of Article L. 313-20-1 of the CCH](#)

Based on the decisions of its sole shareholder, ALS notifies ALI of its agreement to allocate the subsidies, and the amounts concerned are paid when ALS receives the letter from ALI officially requesting the funds. The subsidies are recognised as non-banking operating expenses in the period in which ALS notifies ALI of its agreement to allocate them.

In 2024, €334 million was expensed in relation to the allocation of these subsidies and €80 million was included in off-balance sheet commitments at the year-end.

- ✓ [Investment subsidies paid directly to housing organisations](#)

The accounting treatment for these investment subsidies is the same as for those paid to ALI: the subsidies are recognised as non-banking operating expenses when the agreement to allocate them is notified to their beneficiary.

In 2024, €96 million was expensed in relation to the allocation of these subsidies.

- ✓ [Acquisition of equity securities issued by housing organisations](#)

The accounting treatment for the acquisition by ALS of equity securities falling within the scope of the Directive of 26 July 2023 is the same as the general accounting treatment applicable to other securities.

4.20. COMMITMENTS IN SUPPORT OF NATIONAL POLICIES

The reporting period in which these subsidies 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 on the individual and consolidated financial statements of the Action Logement Group. The sums allocated by ALS in a given year in support of national housing policies, as set out in the agreements between Action Logement, the French Government and a third-party organisation

(in the form of an annual predefined budget) represent non-banking operating expenses to be expensed as incurred. The remaining amount allocated to subsequent years is recognised in the financial statements within off-balance sheet items, as a commitment given.

Organisations acting in support of national policies include the ANRU, ANIL-ADIL housing information agencies, and the FNAL and FNAP housing support funds.

The related amounts are shown as an expense for the period totalling €400 million for ANRU, €150 million for FNAP and €9 million for ANIL-ADIL. Off-balance sheet commitments for subsidies at 31 December 2024 amount to €4.8 billion for ANRU and €27 million for ANIL.

4.21. DEFERRED TAXES

Under the terms of the tax ruling specific to ALS, which establishes the principle for an allocation of income and expenses between tax-exempt and taxable sectors based on allocation keys, ALS' taxable earnings for the coming years are expected to remain structurally in deficit. As such, no losses are capitalised and no deferred tax recognised.

4.22. LEASES

Depending on their materiality, contracts treated as finance leases are recognised where appropriate:

- By the lessee:
 - ✓ In the balance sheet in the form of a fixed asset and a corresponding financial liability,
 - ✓ In the income statement in the form of depreciation and interest expense;
- By the lessor: as a loan.

4.23. 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.

5. SEGMENT INFORMATION

The ALS subsidiaries included in the consolidated financial statements contribute, together or individually, less than 10% 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.

6. NOTES TO THE BALANCE SHEET

6.1. AMOUNTS DUE FROM CREDIT AND SIMILAR INSTITUTIONS

This item breaks down as follows:

In thousands of euros	31 December 2023	Change	31 December 2024
Demand accounts	1,503,244	-234,022	1,269,222
<i>Bank current accounts</i>	923,669	-34,308	889,361
<i>Passbook accounts</i>	579,575	-199,714	379,861
Total demand accounts	1,757,307	-862,525	894,782
<i>Term accounts</i>	1,716,207	-839,118	877,089
<i>Accrued interest</i>	41,100	-23,407	17,693
Total amounts due from credit and similar institutions	3,260,551	-1,096,547	2,164,004
Amounts due from credit and similar institutions, net	3,260,551	-1,096,547	2,164,004

6.2. TRANSACTIONS WITH CUSTOMERS

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

In thousands of euros	31 December 2023	Change	Increases	Decreases	Losses on bad debts	Change in scope of consolidation	Other changes	31 December 2024
Loans to individuals	4,230,919	-	676,977	(455,189)	(23,391)		385	4,429,701
Loans to corporate entities	14,101,064	-10,020	1,636,868	(530,436)	(483)		221	15,197,214
Accrued interest on loans to individuals and corporate entities	39,730	8,408	-	-	-		-7	48,131
Total transactions with customers	18,371,713	-1,612	2,313,845	(985,625)	(23,874)		599	19,675,046

In thousands of euros	31 December 2023	Additions	Write-backs	Other changes	31 December 2024
Loans to individuals	(224,741)	(54,655)	43,626		(235,770)
Loans to corporate entities	(79,923)	(17,158)	68,951		(28,130)
Total impairment of loans	(304,664)	(71,813)	112,577		(263,900)
Loans to individuals, net	4,009,439				4,197,262
Loans to corporate entities, net	14,057,610				15,213,884
Transactions with customers, net	18,067,049				19,411,146

Al: accrued interest.

In thousands of euros	31 December 2023	31 December 2024
Doubtful debts – loans to individuals	233,875	262,268
Doubtful debts – loans to corporate entities	170,704	59,049
Total loans	404,579	321,317

In thousands of euros	31 December 2024
Doubtful loans to individuals (gross)	262,268
<i>of which non-performing</i>	
Gross	208,758
Impairment	(193,527)
Doubtful loans to corporate entities (gross)	59,049
<i>of which non-performing</i>	
Gross	10,145
Impairment	(9,056)

Loan schedule:

In thousands of euros	31 December 2024	Less than 1 year	Between 1 and 5 years	More than 5 years
Loans to individuals	4,433,032	594,141	1,158,835	2,680,056
Loans to corporate entities	15,242,014	471,330	2,097,304	12,673,380
Total loans	19,675,046	1,065,471	3,256,139	15,353,436
Percentage of total balance	100%	5%	17%	78%

6.3. BONDS AND OTHER FIXED-INCOME SECURITIES

In thousands of euros	31 December 2023	Acquisitions	Disposals	31 December 2024
Equity securities and bonds	101,663	3,000	(139)	104,524
Impairment of equity securities and bonds	(283)			(283)
Equity securities and bonds, net	101,380	3,000	(139)	104,241

This item includes:

- Equity securities issued by public organisations in an amount of €103.0 million, with the €3 million recorded under "Acquisitions" for the year corresponding to ALS's subscription in November 2024 of equity securities issued by the Finistère Habitat Public Housing Office (OPH).
- Other fixed-income securities totalling €1.5 million.

✓ Equity securities

In connection with the implementation of the 25 April 2019 agreement relating to the voluntary investment plan, at end-2022, ALS subscribed to €100 million equity securities of fifteen Public Housing Offices (OPH) involved in a merger or planned merger, enabling them to duly discharge their role as HLM social housing bodies. These securities are treated as quasi-equity without voting rights. They are undated and are redeemable by the issuing company at their acquisition price after a seven-year period. The securities generate an annual return consisting of a fixed interest rate and a variable component based on cash flow from rental activities. Equity securities are classified as investment securities.

At the year-end, there was no indication of impairment of the Group's equity securities.

✓ Other fixed-income securities

Impairment losses of €283 thousand had been recognised against other fixed-income securities at 31 December 2024 based on the most recent available valuation.

6.4. EQUITY INTERESTS AND OTHER LONG-TERM SECURITIES

This item corresponds to investments in ALS subsidiaries that are not consolidated because they are not material.

In thousands of euros	31 December 2023	31 December 2024	Share of capital held	Amount of capital	Loss	Equity
Atriom	1,797	1,797	100%	1,100	(617)	(550)
Martinique Habitat	858	858	100%	820	(626)	(817)
Réunion Habitat SAS	600	600	100%	600	385	804
Total equity interests and other long-term securities - Gross value	3,255	3,255				
Impairment	31 December 2023	Additions	Write-backs	Other changes	31 December 2024	
Atriom	(1,665)	(132)			(1,797)	
Martinique Habitat	(857)				(857)	
Réunion Habitat SAS		(198)			(198)	
Total impairment of equity interests and other long-term securities	(2,522)	(330)	0	0	(2,852)	
Equity interests and other long-term securities, net	733				403	

6.5. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

In thousands of euros	31 December 2023	Increases	Decreases	Change in scope of consolidation	Other changes	31 December 2024
Intangible assets	50,592	12,425	(11,061)			51,956
Leasehold rights	61	-	-	-	-	61
Software	44,414	7,796	(10,831)	-	10,032	51,411
Intangible assets in progress	6,081	4,629	(230)	-	-10,032	448
Other intangible assets	36	-	-	-	-	36
Property, plant and equipment	585,182	4,362	(16,058)			573,486
Land	306,058	-	(7,543)	-	-	298,515
Buildings	213,290	84	(1,955)	-	-	211,419
Other property, plant and equipment	65,538	3,571	(6,560)	-	364	62,913
Property, plant and equipment in progress	296	707	-	-	-364	639
Intangible assets and property, plant and equipment - Gross value	635,774	16,787	(27,119)			625,442

In thousands of euros	31 December 2023	Additions	Write-backs/Disposals	Impairment	Other changes	31 December 2024
Intangible assets	(28,328)	(9,946)	10,776			(27,498)
Software	(28,328)	(9,946)	10,776	-	-	(27,498)
Property, plant and equipment	(78,772)	(14,622)	7,441	(39)		(85,992)
Land	(135)	-	-	(39)	-	(174)
Buildings	(37,825)	(6,857)	884	-	-	(43,798)
Other property, plant and equipment	(40,812)	(7,765)	6,557	-	-	(42,020)
Total amortisation, depreciation and impairment	(107,100)	(24,568)	18,217	(39)		(113,490)
Intangible assets, net	22,264					24,458
Property, plant and equipment, net	506,410					487,494

6.6. OTHER ASSETS

Other assets are broken down as follows:

In thousands of euros	31 December 2023	31 December 2024	Change	%
Housing stock	847,204	952,985	105,781	12%
Receivables due from tenants	5,860	6,645	785	13%
Cash pledges	213,312	198,312	-15,000	-7%
Deposits and guarantees	2,144	2,472	328	15%
Bond premiums	54,300	50,724	-3,576	-7%
Other receivables due from individuals and corporate entities	8,119	5,438	-2,681	-33%
Loans granted (Pass Foncier indexing)	26,247	27,324	1,077	4%
Other receivables	43,126	46,769	3,643	8%
Total other assets - gross value	1,200,312	1,290,669	90,357	8%

Housing stock corresponds to housing purchased from social landlords by the National Sales Operator (ONV) within the scope of its social housing sales activity.

The cash pledges recognised within other assets have been fully written down since they were first given. These pledges are used to subsidise the loans granted by the CDC to social housing organisations. As the subsidies are called (€15 million in 2024), the debt is written off and a reversal of the provision is recorded for the same amount.

Impairment of other assets:

In thousands of euros	31 December 2023	Additions	Write-backs	Change in scope of consolidation	Other changes	31 December 2024
Cash pledges	(213,312)		15,000			(198,312)
Housing stock	(1,531)	(4,922)				(6,453)
Other assets	(2,827)	(2,107)	296			(4,638)
Total impairment of other assets	(217,670)	(7,029)	15,296			(209,403)

The write-back of impairment on cash pledges corresponds to the gross amount written off.

6.7. AMOUNTS DUE TO CREDIT INSTITUTIONS

In thousands of euros	31 December 2023	Change	Increases	Decreases	31 December 2024
CDC loans	1,043,529		4,277	(37,193)	1,010,613
Accrued interest on CDC loans	65	-28			37
Loans from credit institutions	227,969			(102,582)	125,387
Accrued interest on loans from credit institutions	1,411	-124			1,287
Loans to credit institutions	1,272,974	-152	4,277	(139,775)	1,137,324

Amounts due to credit institutions primarily relate to two loan agreements signed in 2013 and 2015 between Caisse des Dépôts et Consignations (CDC) and the former UESL for an aggregate €1.7 billion in order to support the volume of construction, restoration and acquisition of social housing, and investments in the equity of landlords. Eight drawdowns have been made for a total of €1,477 million.

Action Logement Services repaid €37.2 million in 2024, bringing the principal outstanding to €964.9 million at the reporting date. The amounts due to credit institutions are term liabilities.

Loans from credit institutions include:

- outstanding bank loans taken out by Solendi Expansion to finance office buildings held by the Group;
- outstanding CDC loans taken over from the OLS housing information agency when the ONV acquired the housing stock.

The decrease in loans from credit institutions in 2024 is mainly due to the repayment in March of the €95 million drawdown made by the ONV in December 2023.

Maturity of amounts due to credit institutions:

In thousands of euros	31 December 2024	Less than 1 year	From 1 to 5 years	More than 5 years
CDC loans	1,010,613	44,406	192,861	773,346
Accrued interest on CDC loans	37	37		
Loans from credit institutions	125,387	7,669	31,573	86,145
Accrued interest on loans from credit institutions	1,287	1,287		
Loans from credit institutions	1,137,324	53,399	224,434	859,491

6.8. AMOUNTS DUE TO CUSTOMERS

In thousands of euros	31 December 2023	Increases	Decreases	Other changes	31 December 2024
Amounts due to individuals	169,438	86,721	(173,332)		82,827
Funds received in the form of loans (due and outstanding)	6,094,774	426,705	(204,496)	-15,731	6,301,252
Third-party beneficiaries of subsidies to corporate entities	888,304			-212,537	675,767
Total amounts due to customers	7,152,516	513,426	(377,828)	-228,268	7,059,846

Amounts due to customers mainly comprise the collection of the PEEC in the form of loans from businesses, totalling €6,301 million.

Amounts due to individuals are mainly related to the following:

- mobility aid for €50.4 million;
- Action Cœur de Ville project for €6.1 million;
- Energy retrofit work in the private sector for €776 thousand;
- New purchase bonuses for €18 million.

Schedule of amounts due to customers:

In thousands of euros	31 December 2024	Less than 1 year	From 1 to 5 years	More than 5 years
Amounts due to individuals	82,827	82,827		
Funds received in the form of loans (due and outstanding)	6,301,252	352,313	933,603	5,015,336
Third-party beneficiaries of subsidies to corporate entities	675,767	675,767		
Total amounts due to customers	7,059,846	1,110,907	933,603	5,015,336

6.9. DEBT SECURITIES

Debt securities correspond to bonds/notes issued by ALS, with the increase recorded during the year corresponding to:

In thousands of euros	31 December 2023	Increases	Decreases	31 December 2024
Debt securities	7,200,000	500,000	-	7,700,000
Accrued interest on debt securities*	71,774	145,166	(153,391)	63,549
Total debt securities	7,271,774	645,166	(153,391)	7,763,549

In October 2024, Action Logement Services carried out a €500 million issue of 15-year notes with 3.625% annual interest.

Maturity of debt securities:

In thousands of euros	31 December 2024	Less than 1 year	From 1 to 5 years	More than 5 years
Debt securities	7,700,000	-	-	7,700,000
Accrued interest on debt securities	63,549	63,549	-	-
Total debt securities	7,763,549	63,549	-	7,700,000

6.10. OTHER LIABILITIES

In thousands of euros	31 December 2023	31 December 2024	Change	%
Other employee-related payables	39,098	43,363	4,265	11%
Other taxes	15,080	7,852	-7,228	-48%
Other trade payables	33,043	27,378	-5,665	-17%
Pass Foncier advances (low-interest loans to promote home ownership)	74,945	72,157	-2,788	-4%
Other payables	36,235	54,936	18,701	52%
Total other liabilities	198,401	205,686	7,285	4%

"Pass Foncier advances" correspond to the funds advanced by future purchasers of housing to the property company, Astria Foncier, under the Pass Foncier low-interest home loan scheme when the contract is signed.

6.11. PROVISIONS

In thousands of euros	31 December 2023	Allowance	Write-backs	Other changes	31 December 2024
Provisions for risks	13,818	4,221	(8,498)	-	9,541
Provisions for guarantees	189,800	45,119	(100)	-	234,819
Provisions for pension and retirement	55,582	3,559	(2,987)	21	56,175
Other provisions for expenses	23,602	7,411	(6,852)	-21	24,140
Total provisions	282,802	60,310	(18,437)		324,675

"Provisions for guarantees" mainly comprise provisions related to the Visale guarantee scheme, which amounted to €234.1 million at 31 December 2024 and break down as follows:

- Provisions for unpaid rent guarantee claims: €295,706 thousand (€240,600 thousand at end-2023).
- Projected settlements receivable: €(69,310) thousand vs €(57,800) thousand at end-2023.
- Provision for rental property damage claims: €7,723 thousand (€6,200 thousand at end-2023).

The income statement impact of impairment of receivables and provisions for risks is summarised in the note on the cost of risk (see Note 7.5).

The main assumptions used to measure the Group's pension and similar commitments are as follows:

	31 December 2024	31 December 2023
Assumptions common to all subsidiaries		
Discount rate	3.43%	3.17%
Mortality table	INSEE 2020-2022	INSEE H/F 2019-2021
Assumptions specific to each subsidiary		
Annual salary increase	4.00%	4.00%
Staff turnover rate	Staff turnover tables decreasing based on age, and using values varying between 5% and 0%.	Staff turnover tables decreasing based on age, and using values varying between 5% and 0%.
Retirement age	From 64 to 67 years	From 64 to 67 years
Payroll tax rate by job category	From 50% to 64%	From 50% to 60.50%

7. NOTES TO THE INCOME STATEMENT

7.1. NET NON-BANKING INCOME

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

7.1.1. FUNDS RECEIVED IN THE FORM OF SUBSIDIES

In thousands of euros	2024	2023	Change	%
Employers' contribution	1,497,653	1,447,200	50,453	3%
Funds received in the form of subsidies	1,481,922	1,426,060	55,862	4%
Irrecoverable matured funds	15,079	19,933	-4,854	-24%
Transformation into subsidies of funds received as loans	652	1,207	-555	-46%
Subsidies received from another fund	0	324,674	-324,674	-100%
Funds received	15	17,445	-17,430	-100%
Write-backs of subsidies	4	17,432	-17,428	-100%
Other	11	13	-2	-15%
Total funds received in the form of subsidies	1,497,668	1,789,319	-291,651	-16%

As these funds are no longer accounted for on a per fund basis, transfers are no longer made from the PEEC, Guarantee, PEAEC and PSEEC funds to the operating fund, which was previously the case. This explains the difference between the figures in the line "Subsidies received from another fund" at 31 December 2024 and 2023.

Similarly, income relating to transfers of rental reservations between activities, which was previously recorded under "Funds received", is now recorded on a single line within subsidies expensed (see Note 7.1.2).

7.1.2. SUBSIDIES EXPENSED

In thousands of euros	2024	2023	Change	%
Funding of national policies	(559,000)	(633,000)	74,000	-12%
Subsidies to corporate entities	(564,613)	(542,400)	-22,213	4%
Subsidies to individuals	(86,936)	(197,039)	110,103	-56%
Subsidies paid to another fund	0	(324,674)	324,674	-100%
Other subsidies	(5,176)	(19,615)	14,439	-74%
Total subsidies paid	(1,215,725)	(1,716,728)	501,003	-29%

National policy funding represented an outlay of €559 million for the Group and can be analysed as follows:

- ANIL-ADIL funding: €9 million;
- ANRU guarantees amounted to €400 million;
- FNAP funding totalling €150 million.

Subsidies to corporate entities represent €564.6 million and include subsidies paid to Action Logement Group subsidiaries (see Note 9.2 on transactions with related parties):

- Subsidies to the Action Logement Group: €394.4 million, including €60.0 million to AFL for the NPNRU, and €334.4 million to ALI for the equity funding of ESH subsidiaries and affordable housing subsidiaries.
- Subsidies to other corporate entities: €139.8 million.

Subsidies to individuals amounted to €87 million in 2024, compared with €197 million in 2023.

Other subsidies mainly include:

- Payments from the PEAE and PSEEC activities to the PEEC activity relating to the valuation of 2024 rental reservations by PEAE and PSEEC employees for programmes financed by the PEEC. For 2024, the positive impact of these payments for the PEEC activity is included directly in the "Other subsidies" line under "Subsidies expensed" rather than within "Funds received in the form of subsidies".
- Non-rebillable costs related to disputes, mainly for the Visale guarantee business.

7.2. NET BANKING INCOME

Net Banking Income (PNB) essentially represents the net interest margin on customer loans and interest expense on borrowings.

7.2.1. INTEREST RECEIVABLE AND SIMILAR INCOME

In thousands of euros	2024	2023	Change	%
Transactions with credit institutions	80,683	87,610	-6,927	-8%
Transactions with individuals	44,623	38,059	6,564	17%
Transactions with corporate entities	137,134	89,929	47,205	52%
Other interest and similar income	715	550	165	
Total interest receivable and similar income	263,155	216,148	47,007	22%

7.2.2. INTEREST PAYABLE AND SIMILAR EXPENSES

In thousands of euros	2024	2023	Change	%
Transactions with credit institutions	(39,198)	(30,475)	-8,723	29%
Transactions with customers	(502)	(1,558)	1,056	-68%
Bonds and other fixed-income securities	(144,664)	(104,434)	-40,230	39%
Other interest and similar expenses	(9,187)	(8,046)	-1,141	14%
Total interest payable and similar expenses	(193,551)	(144,513)	-49,038	34%

The increase in expenses relating to bonds and other fixed-income securities reflects interest on bond issues.

"Other interest payable and similar expenses" correspond mainly to:

- EMTN (European Medium Term Notes) fees of €4.7 million;
- Interest on loans taken out by Solendi Expansion amounting to €1.49 million.

7.3. OTHER OPERATING INCOME

In thousands of euros	2024	2023	Change	%
Rents and rental expenses collected	44,906	37,744	7,162	19%
Other income from ancillary activities	62,371	40,588	21,783	54%
Sale of services	0	2,705	-2,705	-100%
Rebilled provision of staff	4,915	4,816	99	2%
Total other operating income	112,192	85,853	26,339	31%

"Rents and rental expenses collected" primarily concerns the activity of the National Sales Operator for HLM Social Housing (ONV).

"Other income from ancillary activities" mainly relates to sales of housing units by the ONV to individuals, amounting to €57 million.

7.4. GENERAL OPERATING EXPENSES

In thousands of euros	2024	2023	Change	%
Staff expenses	(182,087)	(177,046)	-5,041	3%
Staff remuneration	(127,781)	(126,074)	-1,707	1%
Social security and health insurance expenses	(47,371)	(45,275)	-2,096	5%
Other staff charges	(6,935)	(5,697)	-1,238	22%
Other administrative expenses	(210,582)	(202,305)	-8,277	4%
Sub-contracting	(31,638)	(29,464)	-2,174	7%
Rents and rental expenses	(12,304)	(12,239)	-65	1%
Recoverable rental expenses	(9,129)	(7,415)	-1,714	23%
Intermediaries, agent and external fees	(27,502)	(28,031)	529	-2%
Additions to operating provisions	(3,447)	(12,865)	9,418	-73%
Maintenance and repairs	(9,430)	(10,775)	1,345	-12%
Miscellaneous taxes	(28,411)	(27,035)	-1,376	5%
ANCOLS/ACPR/Other contributions	(7,601)	(7,536)	-65	1%
Post and telecommunications fees	(2,188)	(2,332)	144	-6%
Travel and entertainment	(4,166)	(4,062)	-104	3%
Insurance	(1,015)	(1,223)	208	-17%
Other administrative expenses	(73,751)	(59,328)	-14,423	24%
Total general operating expenses	(392,669)	(379,351)	-13,318	4%

Professional fees and dispute-related costs primarily comprise ALS call centre fees, debt collection fees, staff training fees and fees relating to the notes issue carried out during the year (rating, lawyers' fees, comfort letters).

Sub-contracting costs mainly concern IT.

Other administrative expenses (€73.8 million) chiefly comprise maintenance and IT licence costs.

7.5. COST OF RISK

In thousands of euros	2024	2023	Change	%
Corporate entities	51,310	(24,873)	76,183	-306%
Additions to impairment - loans to corporate entities	(17,158)	(49,095)	31,937	-65%
Write-backs of impairment - loans to corporate entities	68,951	24,366	44,585	183%
Losses on bad debts - loans to corporate entities	(483)	(144)	-339	235%
Individuals	(79,439)	(44,890)	-34,549	77%
Additions to impairment - loans and liability provisions relating to individuals (*)	(99,774)	(117,081)	17,307	-15%
Write-backs of impairment - loans and liability provisions relating to individuals (**)	43,726	100,645	-56,919	-57%
Losses on bad debts - loans to individuals	(23,391)	(28,453)	5,062	-18%
Cash pledges				
Losses on other bad debts (cost of risk)	(15,000)	(15,000)		
Write-backs of impairment on other receivables (cost of risk)	15,000	15,000		
Total cost of risk	(28,129)	(69,762)		

(*) Impairment charged against loans to individuals in an amount of €54,655 thousand and additions to provisions for liabilities of €45,119 thousand.

(**) Reversals of impairment of loans to individuals in an amount of €43,626 thousand and reversals of provisions for liabilities of €100 thousand.

Losses on unrecoverable debts notably include an expense of €15 million relating to the cash collateral 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.

✓ [Visale](#)

In thousands of euros	31 December 2024	31 December 2023
Net impairment of assets	(38,785)	(44,828)
Net additions to provisions for liabilities	(45,119)	16,981
Losses and recoveries – written-off receivables	(12,554)	(11,330)
Total other operating income	(96,458)	(39,177)

7.6. GAINS AND LOSSES ON OTHER ASSETS

Gains and losses on other assets include €589 thousand in losses on fixed asset disposals.

7.7. INCOME TAX

Income tax expense for the year amounted to €7.6 million versus €8.2 million in 2023. and comprises:

- a €5.9 million tax expense recorded by ALS, mainly in respect of investment income for the year;
- a €1.2 million tax expense recorded by Solendi Expansion.

8. OFF-BALANCE SHEET COMMITMENTS

8.1. COMMITMENTS GIVEN

In thousands of euros	31 December 2024	31 December 2023
Mortgages and collateral given	116,152	123,206
LOCA-PASS and VISALE guarantees given	9,769,598	9,189,946
Endorsements, security interests, guarantees given	3,467,780	3,148,836
Sub-total guarantees given	13,353,530	12,461,988
National policies (subsidies payable)	4,827,000	5,386,000
Loans to other corporate entities	4,766,175	5,146,126
Loans to individuals	256,779	344,154
Preliminary sale agreement	445	
Other commitments given	111,862	372,227
Commitments given	23,315,791	23,710,495

"Mortgages and collateral given" amounted to €116 million and mainly includes guarantees of loans taken out by Solendi Expansion with La Banque Postale.

Commitments under the VISALE scheme remained fairly stable:

- Visale guarantees amounted to €9,502 million;
- Visale non-performing guarantees represented €268 million.

"Endorsements, security interests, guarantees given" amounted to €3,468 million, breaking down as follows:

- Endorsements, security interests and guarantees relating to Foncière Logement for €541 million;
- Bank guarantees of €2,887 million;
- Commitments to corporate entities representing €40 million.

The "National policies (subsidies payable)" item amounts to €4,827 million and breaks down as follows:

- ANIL-ADIL subsidies: €27 million;
- ANRU-NPNRU subsidies: €4,800 million;

"Loans to other corporate entities" amounts to €4,766 million and breaks down as follows:

- €679 million in subsidies due to CDC;
- €608 million for the Action Cœur de Ville initiative;
- €160 million for non-migrant worker housing;
- €1,824 million for social housing;
- €674 million in NPNRU loans;
- Other financing for €759 million.

"Loans to individuals" amounts to €257 million and breaks down as follows:

- €4 million for specific regional initiatives;
- €210 million in homebuyer loans;
- €17 million in renovation loans;
- €14 million in LOCA-PASS advances and guarantee deposits;
- €10 million in Action Cœur de Ville initiatives.

"Other commitments given" mainly include work commitments by the National Sales Operator (ONV) amounting to €26 million.

8.2. COMMITMENTS RECEIVED

In thousands of euros	31 December 2024	31 December 2023
Endorsements, security interests, guarantees received	33,504	39,388
Mortgages and collateral received		
Sub-total guarantees received	33,504	39,388
Other loans received	900,000	500,000
Other commitments received	17,947	6,291
Commitments received	951,451	545,679

"*Endorsements, security interests, guarantees received*" amounts to €33.50 million, breaking down as follows:

- €24 million in financing for PASS-FONCIER loans;
- Other financing for €9.5 million.

Commitments shown under "Other loans received" – representing €500 million for ALS and €400 million for ONV – relate solely to credit lines that were undrawn at the reporting date.

A portion of ALS's *Pass Foncier* loans is covered by a guarantee granted by MNCAP.

"*Other commitments received*" relates to sale commitments received by the National Sales Operator (ONV) for €17.94 million.

9. OTHER INFORMATION

9.1. HEADCOUNT

The average headcount breaks down as follows:

	2024	2023
Executives including directors	976	1,061
Non-executive employees	1,634	1,611
Average headcount (FTE)	2,610	2,672

	2024	2023
Executives including directors	985	994
Non-executive employees	1,612	1,670
Headcount at 31 December (FTE)	2,597	2,664

9.2. TRANSACTIONS WITH RELATED PARTIES

In thousands of euros		31 December 2024						
		Balance sheet			Income statement		Off-balance sheet commitments	Off-balance sheet commitments
ANCOLS No.	Company name	Gross amount of loans granted	Impairment	Net amount of loans granted	Interest receivable and similar income	Subsidies paid	Loan commitments given	Other commitments given
7500100034	AFL	2,017,632	-	2,017,632	11,536	(60,000)	40,000	-
7500050216	IMMOBILIERE 3F	921,995	-	921,995	9,678	929	219,771	-
7500530018	IN'U	173,826	-	173,826	3,148	(140)	4,104	-
7500050273	SEQENS	618,042	-	618,042	5,235	14,498	211,766	-
7500050547	SEQENS SOLIDARITE	22,261	-	22,261	105	-	8,057	-
7500051033	3F RESIDENCES	299,314	-	299,314	2,493	311	52,394	-
6900050040	ALLIAGE HABITAT	154,545	-	154,545	1,861	(342)	44,879	-
1300050013	UNICIL	137,629	-	137,629	1,313	40	42,107	-
5100050024	PLURIAL NOVILIA	164,535	-	164,535	1,344	(1,224)	52,800	-
7500050497	ERGERE	139,330	-	139,330	1,560	1,429	26,897	-
9704050053	SHUMR	214,259	-	214,259	1,376	(339)	85,566	-
2500050019	NEOLIA	68,625	-	68,625	654	(795)	15,901	-
0200050016	CLESENCE	183,517	-	183,517	1,790	(1,049)	110,601	-
3100050052	PROMOLOGIS	94,773	-	94,773	840	(6,565)	20,494	-
3300050019	DOMOFRANCE	74,185	-	74,185	820	(1,836)	41,683	-
7500050554	3F SEINE ET MARNE	107,081	-	107,081	1,050	19	23,996	-
3800050022	SDH	67,066	-	67,066	674	(118)	23,616	-
6900050032	IMMOBILIERE RHONE-ALPES	56,169	-	56,169	638	96	11,519	-
7600050033	LOGEO SEINE	57,810	-	57,810	657	(503)	30,888	-
6800050041	DOMIAL	42,756	-	42,756	494	170	20,334	-
7900050022	IMMOB. ATLANTIC AMENAGEMENT	42,833	-	42,833	330	96	9,566	-
6900530032	IN'U AURA	110,768	-	110,768	1,249	-	24,705	-
3500050041	ESPAQL HABITAT	31,111	-	31,111	362	(341)	19,610	-
4400050065	LA NANTAISE D'HABITATIONS	44,102	-	44,102	478	(801)	9,939	-
7600050025	3F NORMANVIE (formerly IBS)	41,096	-	41,096	482	(264)	29,824	-
6700050133	3F GRAND EST	28,611	-	28,611	326	83	6,595	-
0600050012	3F SUD	81,145	-	81,145	807	786	21,802	-
9701050012	SKOA	67,739	-	67,739	447	-	77,817	-
4900050045	PODELJHA	41,683	-	41,683	440	(567)	11,643	-
0600530012	IN'U PACA	53,335	-	53,335	673	(1,000)	34,901	-
4500050064	3F CNTRE VAL DE LOIRE	22,708	-	22,708	236	(111)	8,229	-
5700050036	VIVEST	52,246	-	52,246	467	(323)	24,829	-
4500050015	VALLOIRE HABITAT	22,220	-	22,220	267	209	5,152	-
1000050016	MON LOGIS	29,391	-	29,391	273	170	5,072	-
3300050068	CLAIRSIENNE	32,446	-	32,446	288	168	8,443	-
3100530011	IN'U SUD OUEST	98,706	-	98,706	1,257	-	11,368	-
3100050029	LA CITE JARDINS	46,825	-	46,825	377	(38)	19,240	-
6300050012	AUVERGNE HABITAT	37,725	-	37,725	377	237	11,120	-
6700530018	IN'U GRAND EST	17,315	-	17,315	205	-	8,481	-
2100050013	HABELLIS	38,506	-	38,506	420	(356)	27,265	-
8100060018	MAISONS CLAIRES	6,581	-	6,581	52	-	154	-
2700050025	LE LOGEMENT FAMILIAL DE L'EURE	14,416	-	14,416	207	(12)	902	-
8700050010	NOALIS	34,814	-	34,814	74	214	9,883	-
8100050010	3F OCCITANIE	33,001	-	33,001	328	196	3,978	-
5900050166	3F NOTRE LOGIS	31,514	-	31,514	314	(24)	9,676	-
5900050047	FLANDRE OPALE HABITAT	32,976	-	32,976	-	(407)	21,027	-
3300050027	ENEAL	3,541	-	3,541	25	(344)	1,089	-
3500050033	LA RANCE	5,395	-	5,395	52	20	946	-
9702050038	OZANAM	27,924	-	27,924	95	-	80,530	-
6100050022	LOGISSIA (formerly SAGIM)	5,485	-	5,485	71	-	3,106	-
7500530015	LOGEO HABITAT	3,013	-	3,013	-	-	5,183	-
1900060023	COPROD	438	-	438	3	-	70	-
1300530039	LOCACIL	-	-	-	2	-	-	-
7500103583	ACTION LOGEMENT IMMOBILIER	4,071	-	4,071	46	(334,436)	-	80,200
	Financing of rental activity	6,759,030	-	6,759,030	58,296	(392,264)	1,599,518	80,200
7500103581	ACTION LOGEMENT GROUP	-	-	-	-	(21,301)	-	-
7500100083	APAGL	-	-	-	-	(5,650)	-	-
	Financing of operating costs	-	-	-	-	(26,951)	-	-
	Total	6,759,030	-	6,759,030	58,296	(419,215)	1,599,518	80,200

9.3. STATUTORY AUDITORS' FEES

In thousands of euros	31 December 2024			31 December 2023		
	Statutory audit, review of individual financial statements	Audit-related services	Total	Statutory audit, review of individual financial statements	Audit-related services	Total
KPMG	104		104	94		94
PricewaterhouseCoopers (PwC)	492	138	630	534	118	652
Mazars	270	10	280	440		440
Total fees paid to auditors	866	148	1,014	1,068	118	1,186

10. SUBSEQUENT EVENTS

10.1. ALS'S CSR ROADMAP

Following work conducted throughout 2024, on 23 January 2025 the Board of Directors validated ALS's CSR roadmap for 2025.

Formally documenting ALS's CSR commitments and achievements is an essential step, both in order to measure its contribution to the goals of the Action Logement Group and to ensure clear communication with its external stakeholders.

ALS's 2025 CSR Roadmap is therefore the starting point for structuring its objectives and actioning the commitments made by its businesses. The roadmap will be rolled over and updated on an annual basis, with metrics that will be honed each time. It will enable sustainability issues to be increasingly factored into ALS's operations and will serve as the basis for drawing up its future sustainability report and preparing the next five-year agreement.

The CSR and Commitments Committee will carry out half-yearly monitoring of the roadmap's implementation based on a number of specific metrics.

10.2. ADMINISTRATIVE AND LEGAL ACTION BY THE FRENCH NATIONAL FEDERATION OF PUBLIC HOUSING OFFICES

The legal cases brought by the Fédération Nationale des Offices Publics de l'Habitat (FOPH) against Action Logement Groupe continued in 2024 in accordance with the rules applicable to administrative proceedings. A decision was handed down by the Paris Administrative Court on 4 April 2025, according to which:

- The Paris Administrative Court upheld the FOPH's claim that ALG was at fault, but rejected its claim for compensation because the FOPH had not suffered any direct personal loss.
- The Paris Administrative Court annulled the Directive of 26 July 2023 relating to capital injections, equity securities and subsidies aimed at supporting new rental housing, as it ruled that it did not comply with the principle of non-discrimination.
- ALG will have to pay the FOPH €2,000 in legal costs.

10.3. ACCOUNTING CLASSIFICATION BY INSEE OF ACTION LOGEMENT SERVICES AS A GOVERNMENT AGENCY (APU)

ALS has lodged an administrative appeal with France's Council of State (*Conseil d'Etat*) against the decision made by INSEE to classify ALS as a government agency (APU) for accounting purposes. The case is currently ongoing in accordance with the rules applicable to such procedures.

11. LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2024

ANCOLS No.	SIREN	Company name	Legal form	Consolidation method	% control	% interest
7 500 103 582	824 541 148	ACTION LOGEMENT SERVICES	SASU	Parent company		
7 500 534 459	849 167 002	NATIONAL SALES OPERATOR	SA	Full	100.00	99.99
9 200 500 245	444 222 046	ASTRIA FONCIER	SCI	Full	100.00	100.00
9 300 860 024	382 373 116	SOLENDI EXPANSION	SA	Full	100.00	100.00
3 100 531 427	394 003 289	MA NOUVELLE VILLE	SA	Full	100.00	99.68