

**Action Logement Services**

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

**(For the year ended 31 December 2024)**

**PricewaterhouseCoopers Audit**  
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**(For the year ended 31 December 2024)**

*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 financial statements of Action Logement Services for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company 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 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.

### **Emphasis of matter**

We draw your attention to the change in accounting presentation described in Note 2.2.1. to the notes to the annual financial statements, which outlines in particular the impact on the presentation of the financial statements and the accompanying notes of ANC Regulation No. 2024-03 of 6 September 2024, which amended ANC Regulation No. 2017-02. Our opinion is not modified in respect of this matter.

### **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 financial statements.

These matters were addressed as part of our audit of the 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 financial statements.

#### *Impairment of loans granted to individuals and legal entities*

Note 2.3.2 "Transactions with customers" to the 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 Company 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 Company 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 2.3.8 "Impairment and provisions for the Visale guarantee scheme" to the 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 also verified that the estimates were reasonable and that the notes to the financial statements contain appropriate disclosures.

### **Specific verifications**

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' report and in the other documents provided to the Sole Shareholder with respect to the Company's financial position and the financial statements.

We attest to the fair presentation and the consistency with the financial statements of the information about payment terms referred to in Article D.441-6 of the French Commercial Code.

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

Management is responsible for preparing 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 financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the 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 Accounts 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.

These financial statements have been approved by the Board of Directors.

### **Responsibilities of the Statutory Auditors relating to the audit of the financial statements**

#### *Objective and audit approach*

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

#### *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

# 2024 Individual financial statements

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## BALANCE SHEET – ASSETS

	Notes	31 December 2024			31 December 2023
		Gross	Depreciation, amortisation and impairment	Net	Net
<i>(in thousands of euros)</i>					
<b>Cash and amounts due from central banks and postal cheque accounts</b>					
<b>Amounts due from credit and similar institutions</b>	3.1	1,983,693		1,983,693	2,911,452
<b>Transactions with customers (amounts due from customers)</b>	3.2	19,816,625	(263,900)	19,552,725	18,201,915
<i>Amounts due from the French State, local authorities and government agencies</i>					
<i>Loans to individuals</i>		4,433,032	(235,770)	4,197,262	4,009,439
<i>Loans to corporate entities</i>		15,383,593	(28,130)	15,355,463	14,192,476
<b>Bonds and other fixed-income securities</b>	3.3	104,575	(283)	104,292	101,380
<b>Shares and other variable income securities</b>					
<b>Equity interests and other long-term securities</b>					
<b>Shares in affiliated companies</b>	3.4	805,557	(12,413)	793,144	793,474
<b>Intangible assets</b>	3.5	49,533	(25,257)	24,275	21,563
<b>Property, plant and equipment</b>	3.5	62,451	(42,820)	19,631	22,830
<b>Other assets</b>	3.6	567,625	(218,674)	348,950	366,062
<b>Accrual accounts</b>	3.7	63,279		63,279	54,300
<b>TOTAL ASSETS</b>		<b>23,453,337</b>	<b>(563,347)</b>	<b>22,889,990</b>	<b>22,472,977</b>

## BALANCE SHEET – LIABILITIES AND EQUITY

<i>(in thousands of euros)</i>	<b>Notes</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Amounts due to central banks and postal cheque accounts</b>			
<b>Amounts due to credit and similar institutions</b>	3.8	<b>964,895</b>	<b>1,002,116</b>
<b>Transactions with customers</b>	3.9	<b>7,060,835</b>	<b>7,152,516</b>
<i>Amounts due to the French State, local authorities and government agencies</i>			
<i>Amounts due to individuals</i>		<i>82,827</i>	<i>169,438</i>
<i>Amounts due to corporate entities</i>		<i>6,978,008</i>	<i>6,983,078</i>
<b>Debt securities</b>	3.10	<b>7,763,549</b>	<b>7,271,774</b>
<b>Other liabilities</b>	3.11	<b>82,260</b>	<b>91,333</b>
<b>Accrual accounts</b>	3.12	<b>13,979</b>	
<b>Provisions</b>	3.13	<b>316,242</b>	<b>270,345</b>
<b>Equity</b>		<b>6,688,229</b>	<b>6,684,893</b>
<i>Subscribed capital</i>		<i>20,000</i>	<i>20,000</i>
<i>Additional paid-in capital</i>			
<i>Reserves</i>		<i>14,185,961</i>	<i>14,185,697</i>
<i>Revaluation reserve</i>			
<i>Regulated provisions and subsidies</i>			
<i>Retained earnings (accumulated losses) ( ± )</i>		<i>(7,521,067)</i>	<i>(7,272,983)</i>
<i>Net income (loss) for the period ( ± )</i>		<i>3,336</i>	<i>(247,821)</i>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>22,889,990</b>	<b>22,472,977</b>

# INCOME STATEMENT

<i>(in thousands of euros)</i>	Notes	2024	2023
<b>Employers' contribution</b>		<b>1,497,653</b>	<b>1,447,200</b>
<b>Subsidies received</b>			<b>342,057</b>
<i>Subsidies received from another fund</i>			324,674
<i>Other subsidies</i>			17,383
<b>Subsidies paid</b>		<b>(1,216,714)</b>	<b>(1,716,728)</b>
<i>Subsidies to the French State, local authorities and government agencies</i>		(559,000)	(633,000)
<i>Subsidies to individuals</i>		(86,936)	(197,039)
<i>Subsidies to corporate entities</i>		(565,602)	(542,400)
<i>Subsidies to another fund</i>			(324,674)
<i>Other subsidies</i>		(5,176)	(19,615)
<b>NET NON-BANKING INCOME</b>	4.1	<b>280,939</b>	<b>72,528</b>
<b>Interest receivable and similar income</b>		<b>267,571</b>	<b>220,904</b>
<i>Transactions with credit institutions</i>		80,683	87,610
<i>Transactions with individuals</i>		44,623	38,059
<i>Transactions with corporate entities</i>		141,038	93,969
<i>Bonds and other fixed-income securities</i>		1,226	1,265
<i>Other interest and similar income</i>			
<b>Interest payable and similar expenses</b>		<b>(189,328)</b>	<b>(141,123)</b>
<i>Transactions with credit institutions</i>		(39,197)	(30,475)
<i>Transactions with customers</i>		(253)	(846)
<i>Bonds and other fixed-income securities</i>		(149,882)	(109,703)
<i>Other interest and similar expenses</i>		5	(99)
<b>Income from variable income securities</b>			
<b>Commission (income)</b>		<b>1,229</b>	
<b>Commission (expense)</b>		<b>(1,725)</b>	<b>(5,413)</b>
<b>Gains or losses on investment portfolio transactions</b>			
<b>Other banking income</b>			<b>1,775</b>
<b>Other banking expenses</b>			
<b>NET BANKING INCOME</b>	4.2	<b>77,747</b>	<b>76,143</b>
<b>General operating expenses</b>	4.3	<b>(302,493)</b>	<b>(293,719)</b>
<i>Payroll costs</i>		(192,127)	(186,147)
<i>Other administrative expenses</i>		(110,366)	(107,572)
<b>Depreciation/amortisation and impairment of property, plant and equipment and intangible assets</b>		<b>(16,777)</b>	<b>(13,181)</b>
<b>NET OPERATING EXPENSE</b>		<b>(319,270)</b>	<b>(306,900)</b>
<b>GROSS OPERATING INCOME (LOSS)</b>		<b>39,415</b>	<b>(158,228)</b>
<b>Cost of risk</b>	4.4	<b>(28,129)</b>	<b>(69,762)</b>
<b>OPERATING INCOME (LOSS)</b>		<b>11,286</b>	<b>(227,990)</b>
<b>Gains or losses on fixed assets</b>	4.5	<b>(2,042)</b>	<b>(13,300)</b>
<b>PRE-TAX RECURRING INCOME (LOSS)</b>		<b>9,244</b>	<b>(241,290)</b>
<b>Non-recurring income (expense)</b>			
<b>Income tax</b>	4.6	<b>(5,909)</b>	<b>(6,531)</b>
<b>Movements in regulated provisions</b>			
<b>NET INCOME (LOSS)</b>		<b>3,336</b>	<b>(247,821)</b>

## OFF-BALANCE SHEET COMMITMENTS

<i>(in thousands of euros)</i>	Notes	31 December 2024	31 December 2023
<b>Financing commitments</b>		<b>5,073,163</b>	<b>5,490,280</b>
<i>Commitments given to credit institutions</i>		679,050	719,674
<i>Commitments given to individuals</i>		256,779	344,154
<i>Commitments given to corporate entities</i>		4,137,334	4,426,452
<b>Guarantee commitments</b>		<b>13,237,378</b>	<b>12,338,782</b>
<i>Commitments given to credit institutions</i>		3,427,725	3,108,447
<i>Commitments given to individuals</i>		9,769,598	9,189,946
<i>Commitments given to corporate entities</i>		40,056	40,389
<b>Securities commitments</b>			
<b>Subsidy commitments</b>		<b>4,914,842</b>	<b>5,422,064</b>
<i>Subsidies to the French State, local authorities and government agencies</i>		4,827,000	5,386,000
<i>Subsidies to corporate entities</i>		87,842	36,064
<b>TOTAL COMMITMENTS GIVEN</b>	<b>5.1</b>	<b>23,225,384</b>	<b>23,251,125</b>

<i>(in thousands of euros)</i>	Notes	31 December 2024	31 December 2023
<b>Financing commitments</b>		<b>533,504</b>	<b>539,389</b>
<i>Commitments received from credit institutions</i>		500,000	500,000
<i>Commitments received from corporate entities</i>		33,504	39,389
<b>Guarantee commitments</b>			
<i>Commitments received from the French State, local authorities and government agencies</i>			
<i>Commitments received from credit institutions</i>			
<b>Securities commitments</b>			
<b>Subsidy commitments</b>			
<b>TOTAL COMMITMENTS RECEIVED</b>	<b>5.2</b>	<b>533,504</b>	<b>539,389</b>

# NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION AND SIGNIFICANT EVENTS OF THE PERIOD

### 1.1. GENERAL INFORMATION

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 (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 Action Logement Group's subsidiaries and holdings.

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

### 1.2. SIGNIFICANT EVENTS OF THE PERIOD

#### 1.2.1. FUNDS MERGED

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 2.2.

### 1.2.2. 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.

### 1.2.3. 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.

### 1.2.4. 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.

### 1.2.5. 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

## 1.2.6. 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.

## 1.3. AGREEMENTS IN FORCE IN 2024

### 1.3.1. 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.
- ensuring the medium-term sustainability of the ALS business model.

### 1.3.2. 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:

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

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. The agreement sets out the annual amounts to be paid by Action Logement over the period 2023-2027, totalling €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 respect of 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.

### 1.3.3. 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.

## 2. ACCOUNTING PRINCIPLES AND METHODS

### 2.1. MEASUREMENT METHODS, BASIS OF PREPARATION, AND REPORTING DATE

The individual financial statements of ALS for the year ended 31 December 2024 have been prepared in accordance with:

- ANC Regulation No. 2017-02 of 5 July 2017 relating to the individual and consolidated financial statements of the Action Logement Group, endorsed on 26 December 2017 and amended by ANC Regulation No. 2024-03 of 6 September 2024.
- ANC Regulation No. 2014-07 of 26 November 2014 on financial statements prepared by entities operating in the banking sector, which is applied by ALS when preparing its individual financial statements subject to amendments provided for by ANC Regulation No. 2024-03.

### 2.2. ACCOUNTING CHANGES

#### 2.2.1. AMENDMENT TO ANC REGULATION No. 2017-02 AND CHANGES IN ESTIMATES

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 into a single fund of the five funds managed by ALS to date, while providing for the presentation in the notes to the financial statements of several tables broken down by activity. The tables concerned analyse the following:
  - transactions with customers
  - amounts due to customers
  - provisions
  - funds received in the form of subsidies
  - subsidies expensed
  - interest receivable and similar income
  - cost of risk
  - off-balance sheet commitments given and received
- The different activities presented are as follows:
  - PEEC (*Participation des Employeurs à l'Effort de Construction*);
  - Guarantees (including the Visale guarantee);
  - PEAEC (*Participation des Employeurs Agricoles à l'Effort de Construction*);
  - PSEEC (*Participation Supplémentaire des Employeurs à l'Effort de Construction*);
  - Other, which includes operations that do not fall within the scope of the above activities.
- 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 2.3.2). 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).

### 2.3. GENERAL ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with (i) French generally accepted accounting principles, including the principles of prudence, going concern, consistency and comparability, and the accrual basis of accounting, (ii) the general rules applicable in France for the preparation and presentation of annual individual financial statements, and (iii) ANC Regulation No. 2024-03.

### 2.3.1. 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). They are broken down into demand and term receivables.

### 2.3.2. TRANSACTIONS WITH CUSTOMERS

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 3.2. Transactions with customers (amounts due from 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, 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 Company'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.

### 2.3.3. BONDS AND OTHER FIXED-INCOME SECURITIES

Securities transactions are governed from an accounting perspective by Regulation No. 2014-07 of the French accounting standards authority (*Autorité des normes comptables*), which sets out the general rules for recognising and measuring securities, as well as for specific disposal transactions such as temporary sales of securities. Securities are classified in the following categories: equity interests and shares in affiliated companies, other long-term securities, investment securities, portfolio securities, marketable securities and trading securities. Impairment losses are recognised for trading, marketable, investment and portfolio securities in the event of proven counterparty default whose impact can be isolated. Movements in impairment are recorded within cost of risk.

#### ● 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.

### 2.3.4. SHARES IN AFFILIATED COMPANIES

#### ● Equity interests

This category includes securities whose long-term ownership is deemed useful to the Company's operations, in particular because they enable ALS to control or exercise significant influence over the governance bodies of the issuing entities.

Equity interests are valued at the lower of the net book value of the investment and the Company's share of the equity of the entity concerned. Investments in entities with negative equity are written down in full and an additional provision is recognised for the Company's share in the investee's negative equity, by means of an asset write-down (for example, in the case of a shareholder advance), or as a provision for risks.

### 2.3.5. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Intangible assets and property, plant and equipment are recorded at their acquisition cost. Costs incurred in respect of software created in-house is capitalised when all of the following conditions are met: the project is considered to have a serious chance of technical success and ALS intends to produce the software and use it on a long-term basis to meet its own needs. Capitalised costs are those incurred during the software production phase. All other related costs are recognised as an expense for the period.

Depreciation and amortisation charged against assets acquired since the creation of ALS is calculated on a straight-line basis over useful lives that vary depending on the type of asset and the actual period of use:

Description	Method	Average period
<i>Patents, licences, software</i>	Straight-line	3 years
<i>Internal software development</i>	Straight-line	5 years
<i>Administrative and business premises</i>	Straight-line	30 years
<i>Fixtures and fittings</i>	Straight-line	10 years
<i>Vehicles</i>	Straight-line	5 years
<i>Computer hardware, servers, telephone &amp; audiovisual equipment</i>	Straight-line	5 years
<i>Staff restaurant equipment</i>	Straight-line	10 years
<i>Furniture</i>	Straight-line	10 years

The project implemented 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.

### 2.3.6. DEBT SECURITIES

Debt securities solely consist of bonds/notes issued by ALS. The principal amount outstanding under these issues is recorded as a liability on the balance sheet, and accrued interest on the securities not yet due is recorded in a related payables account. Issue and redemption premiums on bonds and notes are recognised in an accruals account on the assets side of the balance sheet and amortised over the term of each issue concerned in proportion to accrued interest payable.

### 2.3.7. LONG-TERM EMPLOYEE BENEFIT OBLIGATIONS

Long-term employee benefit obligations concern pension commitments and long-service awards. Provisions for pension commitments and long-service awards are estimated each year by an independent firm of actuaries based on the Action Logement economic and social unit (UES) bargaining agreement signed on 30 March 2018. The basis for the calculation is the file showing employees under permanent contracts as at the reporting date. Obligations are calculated for each beneficiary using the projected unit credit method, as follows: For retirement commitments, the plan assets are deducted from the provision.

The calculations are made for each beneficiary using the following process:

- Calculation of the estimated present value (EPV)

The EPV is calculated by projecting the obligation through to maturity and by taking into account a discount rate and assumptions concerning:

- Mortality: based on INSEE M/F 2020-2022 tables (replacing the INSEE M/F 2019-2021 tables used at 31 December 2023)
- Staff turnover: based on a decreasing turnover rate as employees age, ranging from 5% to 0% (for staff aged 50 years and over)

- Calculation of the Projected Benefit Obligation (PBO)

The calculation is based on a straight-line allocation of benefit entitlement over the active lives of employees. The projected benefit obligation is equal to the portion of the estimated present value of the obligation corresponding to the vested entitlement at the reporting date, based on years of service at that date compared to the total years of service at the date the benefit is paid.

The following assumptions and inputs were used at 31 December 2024:

- Retirement age: 67 years for managerial-grade employees (*cadres*) and 64 years for other employees
- Discount rate: 3.43% (iBoxx Corporate Bonds AA 10+ rate observed at 31 December 2024, compared with 3.17% in 2023)
- Salary increase rate: 4.00% for managerial-grade employees and other employees (including inflation)
- PMSS (monthly social security cap) revaluation rate: 2.75%
- Payroll tax rate: 60.0% (58.7% in 2023)

### 2.3.8. IMPAIRMENT AND PROVISIONS FOR THE VISALE GUARANTEE SCHEME

The Visale guarantee scheme 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 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 estimate the Visale liability provisions at the reporting date, the Company measured all benefits payable throughout the 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, these 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.

### 2.3.9. 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.

### 2.3.10. COMMITMENT 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, FNAL and FNAP.

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.

### 2.3.11. CONSOLIDATED FINANCIAL STATEMENTS

ALS prepares consolidated financial statements in accordance with CRC Regulation 99-07 regarding the consolidated financial statements of companies in the banking sector and, as from 1 January 2021, with ANC Regulation 2020-01 regarding consolidated financial statements. ALS is also included in the consolidated financial statements of ALG.

### 2.3.12. TAXATION

Pursuant to Article 5 of the order of 26 October 2016, ALS is partially exonerated from income tax owing to its HLM social housing activities which qualify as a public interest service ("SIEG"). This order was supplemented by a tax ruling dated 19 December 2017 which came into force on 1 January 2017. The ruling establishes the principle for an allocation of income and expenses between tax-exempt and taxable sectors based on allocation keys. Transactions carried out prior to 1 January 2017 are exempt from income tax. Applying these principles results in:

- Net income for the taxable sector of €39,531 thousand after tax of €5,976 thousand
- A net loss for the tax-exempt sector of €36,196 thousand

Taking account of tax deductions and add-backs, net taxable income comes out at €47,476 thousand before recognition of tax loss carryforwards. Tax loss carry-forwards totalled €1,596,697 thousand at 31 December 2024.

## 2.4. CRITICAL ACCOUNTING ESTIMATES

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

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

### 3. NOTES TO THE BALANCE SHEET

#### 3.1. AMOUNTS DUE FROM CREDIT AND SIMILAR INSTITUTIONS

This item breaks down as follows:

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
<b>Demand accounts</b>	<b>1,088,911</b>	<b>1,154,145</b>
<i>Ordinary accounts</i>	831,450	887,184
<i>Passbook accounts</i>	257,461	266,961
<b>Term accounts</b>	<b>894,782</b>	<b>1,757,307</b>
<i>Term accounts</i>	877,089	1,716,207
<i>Accrued interest</i>	17,693	41,100
<b>TOTAL</b>	<b>1,983,693</b>	<b>2,911,452</b>

#### 3.2. TRANSACTIONS WITH CUSTOMERS (AMOUNTS DUE FROM CUSTOMERS)

This item includes loans granted by ALS to individuals and corporate entities and can be analysed as follows:

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>Loans to individuals</b>	<b>4,008,043</b>		<b>121,154</b>	<b>38,175</b>	<b>61</b>	<b>4,167,433</b>	<b>3,997,045</b>
<i>Outstanding</i>	4,008,043		121,154	38,175		4,167,372	3,996,966
<i>Other</i>					61	61	78
<b>Accrued interest</b>	<b>3,166</b>	<b>33</b>	<b>96</b>	<b>36</b>	<b>0</b>	<b>3,331</b>	<b>3,261</b>
<b>Doubtful receivables</b>	<b>48,059</b>	<b>213,327</b>	<b>296</b>	<b>586</b>		<b>262,268</b>	<b>233,875</b>
<b>TOTAL, GROSS</b>	<b>4,059,269</b>	<b>213,359</b>	<b>121,546</b>	<b>38,796</b>	<b>61</b>	<b>4,433,032</b>	<b>4,234,181</b>
Impairment of loans to individuals	(36,937)	(198,213)	(147)	(473)		(235,770)	(224,741)
<b>TOTAL, NET</b>	<b>4,022,332</b>	<b>15,146</b>	<b>121,399</b>	<b>38,324</b>	<b>61</b>	<b>4,197,262</b>	<b>4,009,439</b>

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>Loans to corporate entities</b>	<b>15,220,444</b>			<b>31,977</b>		<b>15,252,421</b>	<b>14,038,979</b>
<i>Group</i>	7,081,415			25,798		7,107,213	6,585,491
<i>Non-Group</i>	8,139,028			6,180		8,145,208	7,453,488
<b>Accrued interest</b>	<b>72,011</b>			<b>111</b>		<b>72,123</b>	<b>62,716</b>
<b>Doubtful receivables</b>	<b>58,977</b>	<b>0</b>	<b>0</b>	<b>71</b>		<b>59,049</b>	<b>170,704</b>
<b>TOTAL, GROSS</b>	<b>15,351,433</b>	<b>0</b>	<b>0</b>	<b>32,160</b>		<b>15,383,593</b>	<b>14,272,399</b>
Impairment of loans to corporate entities	(28,099)			(31)		(28,130)	(79,923)
<b>TOTAL, NET</b>	<b>15,323,334</b>	<b>0</b>	<b>0</b>	<b>32,129</b>		<b>15,355,463</b>	<b>14,192,476</b>

All amounts due from customers correspond to term loans.

The Guarantees activity includes the following guarantee schemes:

- [LOCA-PASS guarantees](#)

These relate to the implementation of LOCA-PASS guarantees representing sums requested by social housing landlords in respect of unpaid rent and charges that are to be reimbursed by tenants. LOCA-PASS guarantees have not been granted by Action Logement Services since 31 May 2019. Outstanding LOCA-PASS guarantees implemented represented €36,637 thousand and €47,898 thousand at end-December 2024 and 2023 respectively, and were written down in full. There are no longer any off-balance sheet commitments.

- [Visale](#)

A total of 340,211 guarantees were granted in 2024, compared with 319,107 in 2023. Amounts receivable from tenants under the Visale scheme totalled €176,589 thousand (€130,739 thousand at end-2023) and have been written down in an amount of €161,549 thousand (€122,764 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 4.4).

Movements in impairment on loans to individuals and corporate entities were as follows in 2024:

<i>(in thousands of euros)</i>	Impairment				31 December 2024
	31 December 2023	Additions	Write-backs	Other	
Loans to individuals	(224,741)	(54,655)	43,626		(235,770)
Loans to corporate entities	(79,923)	(17,158)	68,951		(28,130)
<b>TOTAL</b>	<b>(304,664)</b>	<b>(71,813)</b>	<b>112,577</b>		<b>(263,900)</b>

Doubtful and non-performing loans break down as follows:

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

### 3.3. BONDS AND OTHER FIXED-INCOME SECURITIES

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.

No items were transferred between categories during the period.

- [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.

### 3.4. SHARES IN AFFILIATED COMPANIES

This item includes the following equity interests:

Company name	Capital amount	Reserves and retained earnings/(accumulated losses) prior to appropriation of net income/(loss)	Share of capital held	Gross value of shares held at 31 Dec. 2024	Impairment at 31 Dec. 2023	2024 impairment expense	2024 impairment write-back	Impairment at 31 Dec. 2024	Net value of shares held at 31 Dec. 2024
<i>Astria Foncier</i>	77	125	99.998%	71	(71)			(71)	
<i>Atriom</i>	1,100	(1,032)	100.000%	1,797	(1,665)	(132)		(1,797)	
<i>Ma Nouvelle Ville</i>	7,196	(11,365)	99.679%	9,489	(9,489)			(9,489)	
<i>Martinique Habitat</i>	820	(1,011)	100.000%	858	(858)			(858)	
<i>ONV</i>	666,033	1,938	99.995%	666,000					666,000
<i>Réunion Habitat</i>	600	(9)	99.983%	600		(199)		(199)	401
<i>Solendi Expansion</i>	99,408	76,435	100.000%	126,742					126,742
<b>TOTAL (in thousands of euros)</b>				<b>805,557</b>	<b>(12,083)</b>	<b>(330)</b>		<b>(12,413)</b>	<b>793,144</b>

Company name	Share of capital held	Net value of shares held at 31 Dec. 2024	Outstanding loans and advances granted	Guarantees and endorsements granted	Prior-year net banking income	Prior-year net income/(loss)	Dividends received during the year
<i>Astria Foncier</i>	99.998%				2,155	(455)	
<i>Atriom</i>	100.000%		1,000		450	(617)	
<i>Ma Nouvelle Ville</i>	99.679%		20,000		0	339	
<i>Martinique Habitat</i>	100.000%		395		81	(626)	
<i>ONV</i>	99.995%	666,000	334,000	446,697	101,890	9,163	
<i>Réunion Habitat</i>	99.983%	401			1,243	385	
<i>Solendi Expansion</i>	100.000%	126,742			25,472	3,706	
<b>TOTAL (in thousands of euros)</b>		<b>793,144</b>	<b>355,395</b>	<b>446,697</b>			

Impairment of equity interests is calculated on the basis of the projected earnings of the entities concerned at the reporting date. A provision for negative net worth has been recorded for Martinique Habitat, together with a write-down of part of the Ma Nouvelle Ville shareholder current account, in order to reflect the financial position of these two entities at the reporting date.

### 3.5. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

<i>(in thousands of euros)</i>	Gross					31 Dec. 2024	Depreciation/ amortisation and impairment	Net 31 Dec. 2024
	31 Dec. 2023	Increases		Decreases				
		Acquisitions	Interaccount transfers	Disposals/ retirements	Interaccount transfers			
<b>Intangible assets</b>	<b>48,061</b>	<b>12,248</b>	<b>10,032</b>	<b>(10,776)</b>	<b>(10,032)</b>	<b>49,533</b>	<b>(25,257)</b>	<b>24,275</b>
<i>Leasehold rights</i>	61					61		61
<i>Software</i>	42,060	7,707	10,032	(10,776)		49,023	(25,257)	23,766
<i>Intangible assets in progress</i>	5,940	4,541			(10,032)	448		448
<b>Property, plant and equipment</b>	<b>65,439</b>	<b>4,046</b>	<b>363</b>	<b>(7,035)</b>	<b>(363)</b>	<b>62,451</b>	<b>(42,820)</b>	<b>19,631</b>
<i>Land</i>	317					317		317
<i>Buildings</i>	4,346			(474)		3,872	(3,124)	748
<i>General installations</i>	28,513	386	363	(131)		29,131	(18,640)	10,491
<i>Vehicles</i>	26					26	(26)	
<i>Office and IT equipment and furniture</i>	31,951	3,013		(6,429)		28,535	(21,030)	7,506
<i>Property, plant and equipment in p</i>	285	647			(363)	569		569
<b>TOTAL</b>	<b>113,500</b>	<b>16,294</b>	<b>10,395</b>	<b>(17,811)</b>	<b>(10,395)</b>	<b>111,983</b>	<b>(68,077)</b>	<b>43,906</b>

<i>(in thousands of euros)</i>	Depreciation/amortisation			31 Dec. 2024
	31 Dec. 2023	Increases	Decreases	
<b>Intangible assets</b>	<b>(26,498)</b>	<b>(9,535)</b>	<b>10,776</b>	<b>(25,257)</b>
<i>Leasehold rights</i>				
<i>Software</i>	(26,498)	(9,535)	10,776	(25,257)
<i>Intangible assets in progress</i>				
<b>Property, plant and equipment</b>	<b>(42,609)</b>	<b>(7,242)</b>	<b>7,031</b>	<b>(42,820)</b>
<i>Land</i>				
<i>Buildings</i>	(3,539)	(59)	474	(3,124)
<i>General installations</i>	(14,041)	(4,730)	131	(18,640)
<i>Vehicles</i>	(26)			(26)
<i>Office and IT equipment and furniture</i>	(25,003)	(2,453)	6,426	(21,030)
<b>TOTAL</b>	<b>(69,107)</b>	<b>(16,777)</b>	<b>17,807</b>	<b>(68,077)</b>

### 3.6. OTHER ASSETS

Other assets are broken down as follows:

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
Cash pledges	198,312	213,312,000
Accrued income		1,137,254
Other amounts due from transactions with customers	8,916	10,613,668
Other taxes	99	188,593
Deposits paid	2,874	2,826,742
Subsidiaries' current accounts	355,395	354,020,750
Other receivables	2,028	16,072,784
<b>Gross</b>	<b>567,625</b>	<b>598,171,792</b>
Impairment of cash pledges	(198,312)	(213,312,000)
Impairment of subsidiaries' current accounts	(20,318)	(18,759)
Impairment of other receivables	(44)	(39)
<b>NET</b>	<b>348,950</b>	<b>384,840,994</b>

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 bodies. As the subsidies are called, the debt is written off and a reversal of the provision is recorded for the same amount.

Accrued income and prepaid expenses are now presented under accrual accounts.

Subsidiaries' current accounts relate to the ONV (€334.0 million), Ma Nouvelle Ville (€20.0 million), Atriom (€1.0 million) and Martinique Habitat (€0.4 million). The impairment recognised against these current accounts mainly correspond to €19.1 million related to Ma Nouvelle Ville, a company that is undergoing an out-of-court liquidation procedure.

### 3.7. ACCRUAL ACCOUNTS – ASSETS

Accrual accounts recognised as assets break down as follows:

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
Accrued income	743	
Prepaid expenses	11,812	
Deferred EMTN issue premiums	50,724	54,300
<b>TOTAL</b>	<b>63,279</b>	<b>54,300</b>

Accrued income and prepaid expenses are now included in asset accrual accounts. At 31 December 2023, they were included in other assets in an amount of €10.9 million.

Amortisation of unamortised EMTN issue premiums is recognised in the income statement under "Bonds and other fixed-income securities". The premiums relating to the eighth issue under the EMTN programme, which were capitalised in 2024, amounted to €1.1 million. The premium amortisation expense recognised in 2024 amounted to €4.7 million.

### 3.8. AMOUNTS DUE TO CREDIT INSTITUTIONS

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
CDC loans	964,858	1,002,051
Commission on overdraft facilities	37	65
<b>TOTAL</b>	<b>964,895</b>	<b>1,002,116</b>

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 were 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.

### 3.9. TRANSACTIONS WITH CUSTOMERS (AMOUNTS DUE TO CUSTOMERS)

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>Amounts due to the French State, local authorities and government agencies</b>							
<i>ANRU funding</i>							
<b>Amounts due to individuals</b>	<b>78,246</b>		<b>4,512</b>	<b>69</b>		<b>82,827</b>	<b>169,438</b>
<i>MOBILI aid in favour of professional mobility</i>	46,243		4,188	42		50,473	115,424
<i>Action Cœur de Ville initiative to revitalise city centres</i>	6,134					6,134	9,131
<i>Adapted housing for ageing and dependent populations</i>							
<i>Energy retrofits for private tenants</i>	776					776	6,786
<i>New purchase benefit</i>	17,920		120			18,040	31,010
<i>Other subsidies</i>	7,173		204	27		7,404	7,086
<b>Amounts due to corporate entities</b>	<b>6,846,262</b>			<b>131,746</b>		<b>6,978,008</b>	<b>6,983,078</b>
<i>Of which loan inflows</i>	<b>6,169,506</b>			<b>131,746</b>		<b>6,301,252</b>	<b>6,094,774</b>
<i>Outstanding loan inflows</i>	6,034,650			128,830		6,163,480	5,940,006
<i>Past-due loan inflows</i>	134,856			2,916		137,772	154,768
<i>Of which subsidies</i>	<b>676,756</b>					<b>676,756</b>	<b>888,304</b>
<i>Subsidies paid</i>	238,290					238,290	414,393
<i>Non-Group subsidies</i>	438,466					438,466	473,911
<b>TOTAL</b>	<b>6,924,508</b>		<b>4,512</b>	<b>131,815</b>		<b>7,060,835</b>	<b>7,152,516</b>

Only the amounts due to corporate entities recorded under “Outstanding loan inflows” and related to the PEEEC are term payables.

### 3.10. DEBT SECURITIES

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

<i>(in thousands of euros)</i>	31 December 2023	Increases	Redemptions	Change	31 December 2024
Bonds/notes	7,200,000	500,000			7,700,000
Accrued interest	71,774			-8,225	63,549
<b>TOTAL</b>	<b>7,271,774</b>	<b>500,000</b>		<b>-8,225</b>	<b>7,763,549</b>

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

### 3.11. OTHER LIABILITIES

Other liabilities break down as follows:

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
Employee-related payables	42,103	37,118
Accrued taxes	3,758	11,257
Trade payables	24,060	32,187
Other payables	12,340	10,771
<b>TOTAL</b>	<b>82,260</b>	<b>91,333</b>

### 3.12. ACCRUAL ACCOUNTS – LIABILITIES

Accrual accounts recognised as liabilities comprise the following items:

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
Accrued expenses	108	
Deferred income	13,871	
<b>TOTAL</b>	<b>13,979</b>	

Deferred income mainly includes commission for guarantees issued by ALS as from 2024 in respect of loans taken out by landlords with Banque des Territoires to finance the construction of affordable housing. This commission income is spread over the term of the loans guaranteed by ALS, some of which have a term of 50 years. For 2024, €13.1 million in commission was recognised as deferred income and €30 thousand was recognised in the income statement.

These liability accruals accounts were previously presented under other liabilities (€1,086 thousand at 31 December 2023).

### 3.13. PROVISIONS

Provisions for risks and expenses break down as follows by activity:

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024
Provisions for risks		234,819		66	7,514	242,398
Provisions for expenses					73,844	73,844
<b>Total</b>		<b>234,819</b>		<b>66</b>	<b>81,358</b>	<b>316,242</b>

Movements in provisions in 2024 were as follows:

<i>(in thousands of euros)</i>	31 December 2023	Additions	Write-backs	31 December 2024
<b>Provisions for risks for the Guarantees activity</b>				
<i>Visale provision</i>	189,000	45,119		234,119
<i>Provision for the Sécurisation Accédants PASS home owners</i>	800		(100)	700
<b>Provisions for risks for the PSEEC activity</b>				
<i>Provision for subsidiaries</i>	279		(214)	66
<b>Provisions for risks and expenses for other activities</b>				
<i>Provision for retirement benefit obligations</i>	54,874	3,557	(2,546)	55,885
<i>Provision for long-service awards</i>	3,803		(70)	3,733
<i>Provision for penalties</i>	555		(555)	
<i>Provision for operating expenses</i>	55	602	(55)	602
<i>Provision for employee-related litigation</i>	3,748	86	(1,130)	2,704
<i>Provision for HR costs</i>	2,124		(221)	1,903
<i>Provision for IT costs and contingencies</i>	12,170	6,292	(6,370)	12,092
<i>Provision for other disputes</i>	2,936	3,864	(2,361)	4,439
<b>Total</b>	<b>270,345</b>	<b>59,520</b>	<b>(13,622)</b>	<b>316,242</b>

- **Provisions for risks for the Guarantee business**

- **Visale**

The €234,119 thousand provision for risks recognised for the Visale guarantee scheme at 31 December 2024 (€189,000 thousand at end-2023) includes the following components:

- 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 4.4).

- **Sécurisation Accédants PASS home ownership support scheme**

Set up between 1999 and 2003, this scheme covers loans issued by banks and guaranteed by SGFGAS. It will be terminated by 2033. Action Logement Services' financial statements include a deposit of €60 thousand with SGFGAS in respect of working capital in the event of a claim and a provision for risks of €700 thousand recognised within liabilities on the balance sheet. The provision is being written back on a straight-line basis at an annual rate of €100 thousand until the scheme expires. SGFGAS has not received any calls for funds since 2015.

- **Provisions for risks and expenses for other activities**

The provision for pension commitments takes into account €1,301 thousand of plan assets.

### 3.14. RESIDUAL MATURITIES OF FINANCIAL ASSETS AND LIABILITIES

The residual maturities of the Company's financial assets and liabilities were as follows at 31 December 2024:

<i>(in thousands of euros)</i>	<b>&lt; 3 months</b>	<b>&gt; 3 months and &lt; 1 year</b>	<b>1-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
<b>GROSS FINANCIAL ASSETS</b>	<b>1,875,431</b>	<b>1,132,915</b>	<b>3,416,139</b>	<b>15,480,409</b>	<b>21,904,893</b>
<b>Amounts due from credit and similar institutions</b>	<b>1,356,245</b>	<b>445,050</b>	<b>160,000</b>	<b>22,399</b>	<b>1,983,693</b>
<b>Individuals</b>	<b>333,917</b>	<b>260,225</b>	<b>1,158,835</b>	<b>2,680,056</b>	<b>4,433,032</b>
<i>Loans</i>	89,756	258,172	1,150,992	2,668,513	4,167,433
<i>Accrued interest</i>	3,331				3,331
<i>Doubtful receivables</i>	240,830	2,052	7,843	11,543	262,268
<b>Corporate entities</b>	<b>185,269</b>	<b>427,640</b>	<b>2,097,304</b>	<b>12,673,379</b>	<b>15,383,593</b>
<i>Loans</i>	102,270	424,209	2,083,171	12,642,771	15,252,421
<i>Accrued interest</i>	72,123				72,123
<i>Doubtful receivables</i>	10,876	3,431	14,133	30,608	59,049
<b>Bonds and other fixed-income securities</b>				<b>104,575</b>	<b>104,575</b>
<b>FINANCIAL LIABILITIES</b>	<b>142,779</b>	<b>1,072,796</b>	<b>1,126,464</b>	<b>13,447,203</b>	<b>15,789,243</b>
<b>Amounts due to credit institutions</b>		<b>40,130</b>	<b>192,861</b>	<b>731,868</b>	<b>964,858</b>
<b>Amounts due to customers</b>	<b>142,779</b>	<b>969,117</b>	<b>933,603</b>	<b>5,015,335</b>	<b>7,060,835</b>
<i>Amounts due to the French State, local authorities and government</i>					
<i>Amounts due to individuals</i>		82,827			82,827
<i>Amounts due to corporate entities</i>	142,779	886,290	933,603	5,015,335	6,978,008
<b>Debt securities</b>		<b>63,549</b>		<b>7,700,000</b>	<b>7,763,549</b>

## 4. NOTES TO THE INCOME STATEMENT

### 4.1. NET NON-BANKING INCOME

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

#### 4.1.1. FUNDS RECEIVED IN THE FORM OF SUBSIDIES

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>Employers' contribution</b>	<b>1,453,229</b>		<b>34,027</b>	<b>10,397</b>		<b>1,497,653</b>	<b>1,447,200</b>
<i>Funds received in the form of subsidies</i>	<i>1,437,491</i>		<i>34,027</i>	<i>10,404</i>		<i>1,481,921</i>	<i>1,426,060</i>
<i>Irrecoverable matured funds</i>	<i>15,086</i>			<i>(7)</i>		<i>15,079</i>	<i>19,933</i>
<i>Transformation into subsidies of funds received as loans</i>	<i>652</i>					<i>652</i>	<i>1,206</i>
<b>Subsidies received from another fund</b>							<b>324,674</b>
<b>Funds received</b>							<b>17,383</b>
<b>TOTAL</b>	<b>1,453,229</b>		<b>34,027</b>	<b>10,397</b>		<b>1,497,653</b>	<b>1,789,256</b>

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 4.1.2).

## 4.1.2. SUBSIDIES EXPENSED

Subsidies expensed can be analysed as follows:

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>National Policy Funding</b>	<b>(559,000)</b>					<b>(559,000)</b>	<b>(633,000)</b>
<i>ANIL-ADIL funding</i>	<i>(9,000)</i>					<i>(9,000)</i>	<i>(9,000)</i>
<i>ANRU funding</i>	<i>(400,000)</i>					<i>(400,000)</i>	<i>(324,000)</i>
<i>FNAP funding</i>	<i>(150,000)</i>					<i>(150,000)</i>	<i>(300,000)</i>
<b>Subsidies to individuals</b>	<b>(80,347)</b>		<b>(6,704)</b>	<b>115</b>		<b>(86,936)</b>	<b>(197,039)</b>
<i>Mobility subsidies</i>	<i>(58,571)</i>		<i>(5,450)</i>	<i>178</i>		<i>(63,844)</i>	<i>(190,965)</i>
<i>Of which Mobili-Pass subsidies</i>	<i>(32)</i>		<i>(572)</i>			<i>(604)</i>	<i>(40,554)</i>
<i>Of which Mobili-Jeunes subsidies</i>	<i>(58,539)</i>		<i>(4,879)</i>	<i>178</i>		<i>(63,240)</i>	<i>(150,410)</i>
<i>Subsidies to employees in difficulty</i>	<i>(17,694)</i>		<i>(90)</i>	<i>(63)</i>		<i>(17,848)</i>	<i>(14,561)</i>
<i>Action Cœur de Ville initiative to revitalise city centres</i>	<i>(5,178)</i>					<i>(5,178)</i>	<i>(10,969)</i>
<i>Voluntary Investment Plan</i>							<i>22,659</i>
<i>Other subsidies</i>	<i>1,096</i>		<i>(1,163)</i>			<i>(67)</i>	<i>(3,203)</i>
<b>Subsidies to corporate entities</b>	<b>(538,651)</b>				<b>(26,951)</b>	<b>(565,602)</b>	<b>(542,400)</b>
<i>Subsidies to the Action Logement Group</i>	<i>(394,436)</i>					<i>(394,436)</i>	<i>(459,859)</i>
<i>Subsidies to social housing organisations</i>	<i>(82,200)</i>					<i>(82,200)</i>	<i>14,045</i>
<i>Subsidised equity loan agreement (PHB 2.0)</i>	<i>(40,624)</i>					<i>(40,624)</i>	<i>(35,607)</i>
<i>Action Cœur de Ville initiative to revitalise city centres</i>	<i>(21,864)</i>					<i>(21,864)</i>	<i>(21,346)</i>
<i>Innovation, regional engineering and experimentation</i>	<i>(21,458)</i>					<i>(21,458)</i>	<i>(26,879)</i>
<i>Run-down apartment blocks</i>	<i>13,516</i>					<i>13,516</i>	<i>305</i>
<i>Subsidies for operating costs (APAGL - ALG)</i>					<i>(26,951)</i>	<i>(26,951)</i>	<i>(25,800)</i>
<i>Other subsidies</i>	<i>8,416</i>					<i>8,416</i>	<i>12,742</i>
<b>Other subsidies</b>	<b>20,259</b>	<b>(5,121)</b>	<b>(7,477)</b>	<b>(12,838)</b>		<b>(5,176)</b>	<b>(19,615)</b>
<b>Subsidies to another fund</b>							<b>(324,674)</b>
<b>TOTAL</b>	<b>(1,157,739)</b>	<b>(5,121)</b>	<b>(14,181)</b>	<b>(12,723)</b>	<b>(26,951)</b>	<b>(1,216,714)</b>	<b>(1,716,728)</b>

The €394.4 million recorded under “Subsidies to the Action Logement Group” include €60.0 million to AFL for the NPNRU urban regeneration programme, and €334.4 million to ALI for the equity funding of ESH subsidiaries and affordable housing subsidiaries.

Other subsidies include:

- Payments from the PEAEC and PSEEC activities to the PEEC activity relating to the valuation of 2024 rental reservations by PEAEC 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.

## 4.2. NET BANKING INCOME

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

### 4.2.1. INTEREST RECEIVABLE AND SIMILAR INCOME

This item can be analysed as follows:

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
Transactions with credit institutions		0			80,683	80,683	87,610
Transactions with customers	180,868	4,208	1,023	788	0	186,888	133,294
<b>Transactions with individuals</b>	<b>39,002</b>	<b>4,208</b>	<b>1,023</b>	<b>389</b>	<b>0</b>	<b>44,623</b>	<b>38,059</b>
Interest on loans to individuals	37,893	3,165	1,023	389	0	42,470	37,419
Other income from ancillary activities	1,110	1,043	0			2,152	640
<b>Transactions with corporate entities</b>	<b>140,639</b>			<b>399</b>		<b>141,038</b>	<b>93,969</b>
Interest on loans to corporate entities	138,941			347		139,289	92,260
Interest on loans to affiliated companies	1,698			52		1,750	1,709
<b>Bonds and other fixed-income securities</b>	<b>1,226</b>					<b>1,226</b>	<b>1,265</b>
Equity securities and fixed-income securities	1,226					1,226	1,265
<b>TOTAL</b>	<b>180,868</b>	<b>4,208</b>	<b>1,023</b>	<b>788</b>	<b>80,683</b>	<b>267,571</b>	<b>220,904</b>

Income from equity securities was previously offset against expenses relating to bonds and other fixed-income securities.

### 4.2.2. INTEREST PAYABLE AND SIMILAR EXPENSES

This item can be analysed as follows:

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
Transactions with credit institutions	(39,197)	(30,475)
Loan interest	(39,080)	(30,349)
Banking services	(117)	(126)
Transactions with customers	(253)	(846)
Operating costs	(253)	(846)
Other		
Bonds and other fixed-income securities	(149,882)	(109,703)
Other interest and similar expenses	5	(99)
<b>TOTAL</b>	<b>(189,328)</b>	<b>(141,123)</b>

The amount recorded under “Bonds and other fixed-income securities” includes €145.2 million in expenses related to bonds/notes (€105.0 million in 2023) and €4.7 million in amortisation of issue premiums (€4.7 million in 2023).

### 4.3. GENERAL OPERATING EXPENSES

This item can be analysed as follows:

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
<b>Payroll costs</b>	<b>(192,127)</b>	<b>(186,147)</b>
Wages and salaries	(112,723)	(111,254)
Social security contributions and taxes	(67,331)	(60,886)
Discretionary profit-sharing and matching contributions	(10,432)	(10,024)
Works council	(2,521)	(2,470)
Provision	879	(1,513)
<b>Other administrative expenses</b>	<b>(110,366)</b>	<b>(107,572)</b>
Insurance	3,699	3,294
ANCOLS contribution	(6,382)	(6,391)
ACPR contribution	(1,219)	(1,146)
Upkeep and repairs	(4,080)	(5,177)
Goods suppliers	(5,490)	(5,303)
Professional fees and dispute-related costs	(22,815)	(23,351)
Property leases	(28,020)	(27,357)
Intra-group services	3,993	3,293
Operating provisions	(1,976)	3,795
Publications, entertainment	(3,577)	(3,627)
Sub-contracting	(25,241)	(24,666)
Miscellaneous taxes (CVAE tax on value added, office tax, C3S solidarity tax, etc.)	(543)	(406)
Vehicles and business travel	(1,261)	(1,141)
Other	(17,453)	(19,389)
<b>Depreciation/amortisation of property, plant and equipment and intangible assets</b>	<b>(16,777)</b>	<b>(13,181)</b>
<b>TOTAL</b>	<b>(319,270)</b>	<b>(306,900)</b>

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 (€17.5 million) chiefly comprise maintenance and IT licence costs.

### 4.4. COST OF RISK

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>Corporate entities</b>	<b>51,199</b>			<b>111</b>		<b>51,310</b>	<b>(24,873)</b>
Additions	(17,154)			(5)		(17,158)	(49,095)
Write-backs	68,833			118		68,951	24,366
Losses and recoveries – written-off receivables	(480)			(3)		(483)	(144)
<b>Individuals</b>	<b>11,871</b>	<b>(91,659)</b>	<b>107</b>	<b>243</b>	<b>0</b>	<b>(79,439)</b>	<b>(44,889)</b>
Additions	(12,343)	(87,271)	(67)	(93)		(99,774)	(117,082)
Write-backs	28,164	14,846	191	525		43,726	100,646
Losses and recoveries – written-off receivables	(3,951)	(19,234)	(17)	(189)	0	(23,391)	(28,453)
<b>Cash pledges</b>							
Write-backs	15,000					15,000	15,000
Losses	(15,000)					(15,000)	(15,000)
<b>TOTAL</b>	<b>63,070</b>	<b>(91,659)</b>	<b>107</b>	<b>354</b>	<b>0</b>	<b>(28,129)</b>	<b>(69,762)</b>

The cash pledges recognised as assets in the balance sheet have been fully written down since they were first given. These pledges are used to subsidise the loans granted by Caisse des Dépôts et Consignation to social housing bodies. As the subsidies are called, the debt is written off and a reversal of the provision is recorded for the same amount.

- [Visale](#)

<i>(in thousands of euros)</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
Net impairment of assets	(38,785)	(44,828)
Net additions to liability provisions	(45,119)	16,981
Losses and recoveries – written-off receivables	(12,554)	(11,330)
<b>TOTAL</b>	<b>(96,458)</b>	<b>(39,177)</b>

The cost of risk related to the Visale scheme corresponded to a net expense of €96,458 thousand in 2024. The net €16,981 thousand write-back recorded under “Net additions to liability provisions” in 2023 was due to changes in the methods used to estimate claims provisions under unpaid rent guarantees.

#### 4.5. GAINS AND LOSSES ON OTHER ASSETS

<i>(in thousands of euros)</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Property, plant and equipment, intangible assets and financial assets</b>	<b>486</b>	<b>220</b>
<i>Proceeds from sales of property, plant and equipment</i>		321
<i>Carrying amount of intangible assets sold</i>	0	
<i>Proceeds from sales of property, plant and equipment</i>	490	
<i>Carrying amount of property, plant and equipment sold</i>	(3)	(101)
<b>Affiliated companies</b>	<b>(2,528)</b>	<b>(13,520)</b>
<i>Additions</i>	(1,890)	(14,471)
<i>Write-backs</i>	214	1,379
<i>Losses</i>	(853)	(428)
<b>TOTAL</b>	<b>(2,042)</b>	<b>(13,300)</b>

The amount recorded under “Additions” in 2023 in relation to affiliated companies concerned the Company’s investment in Ma Nouvelle Ville.

#### 4.6. INCOME TAX

At the reporting date, tax losses carried forward relating to 2017 and representing €24,238 thousand (€26,289 in 2023) were recognised against estimated 2024 taxable net income of €47,476 thousand (€51,579 thousand in 2023).

## 4.7. INCOME STATEMENT FOR/EXCLUDING THE PUBLIC-INTEREST ACTIVITY (SIEG)

<i>(in thousands of euros)</i>	Public-interest activity (SIEG)	Other (Non-SIEG)	31 December 2024	31 December 2023
<b>Employers' contribution</b>	<b>910,935</b>	<b>586,718</b>	<b>1,497,653</b>	<b>1,447,200</b>
<b>Subsidies received</b>				<b>342,057</b>
<i>Subsidies received from another fund</i>				324,674
<i>Other subsidies</i>				17,383
<b>Subsidies paid</b>	<b>(744,532)</b>	<b>(472,182)</b>	<b>(1,216,714)</b>	<b>(1,716,728)</b>
<i>Subsidies to the French State, local authorities and government agencies</i>	(559,000)		(559,000)	(633,000)
<i>Subsidies to individuals</i>	(86,918)	(18)	(86,936)	(197,039)
<i>Subsidies to corporate entities</i>	(93,438)	(472,164)	(565,602)	(542,400)
<i>Subsidies to another fund</i>				(324,674)
<i>Other subsidies</i>	(5,176)		(5,176)	(19,615)
<b>NET NON-BANKING INCOME</b>	<b>166,402</b>	<b>114,536</b>	<b>280,939</b>	<b>72,528</b>
<b>Interest receivable and similar income</b>	<b>182,563</b>	<b>83,782</b>	<b>266,344</b>	<b>219,639</b>
<i>Transactions with credit institutions</i>		80,683	80,683	87,610
<i>Transactions with individuals</i>	41,576	3,047	44,623	38,059
<i>Transactions with corporate entities</i>	140,986	52	141,038	93,969
<i>Bonds and other fixed-income securities</i>				
<i>Other interest and similar income</i>				
<b>Interest payable and similar expenses</b>	<b>(128,738)</b>	<b>(59,364)</b>	<b>(188,101)</b>	<b>(139,858)</b>
<i>Transactions with credit institutions</i>	(39,150)	(47)	(39,197)	(30,475)
<i>Transactions with customers</i>	(248)		(248)	(945)
<i>Bonds and other fixed-income securities</i>	(89,340)	(59,316)	(148,656)	(108,438)
<i>Other interest and similar expenses</i>				
<b>Income from variable income securities</b>				
<b>Commission (income)</b>	<b>1,229</b>		<b>1,229</b>	
<b>Commission (expense)</b>	<b>(1,028)</b>	<b>(697)</b>	<b>(1,725)</b>	<b>(5,413)</b>
<b>Gains or losses on investment portfolio transactions</b>				
<b>Other banking income</b>				<b>1,775</b>
<b>Other banking expenses</b>				
<b>NET BANKING INCOME</b>	<b>54,025</b>	<b>23,721</b>	<b>77,747</b>	<b>76,143</b>
<b>General operating expenses</b>	<b>(99,355)</b>	<b>(203,138)</b>	<b>(302,493)</b>	<b>(293,719)</b>
<i>Payroll costs</i>	(63,623)	(128,504)	(192,127)	(186,147)
<i>Other administrative expenses</i>	(35,732)	(74,634)	(110,366)	(107,572)
<b>Depreciation/amortisation and impairment of property, plant and equipment and intangible assets</b>	<b>(5,556)</b>	<b>(11,221)</b>	<b>(16,777)</b>	<b>(13,181)</b>
<b>NET OPERATING EXPENSE</b>	<b>(104,911)</b>	<b>(214,359)</b>	<b>(319,270)</b>	<b>(306,900)</b>
<b>GROSS OPERATING INCOME (LOSS)</b>	<b>115,517</b>	<b>(76,102)</b>	<b>39,415</b>	<b>(158,228)</b>
<b>Cost of risk</b>	<b>(29,402)</b>	<b>1,273</b>	<b>(28,129)</b>	<b>(69,762)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>86,115</b>	<b>(74,829)</b>	<b>11,286</b>	<b>(227,990)</b>
<b>Gains or losses on fixed assets</b>	<b>(1)</b>	<b>(2,041)</b>	<b>(2,042)</b>	<b>(13,300)</b>
<b>PRE-TAX RECURRING INCOME (LOSS)</b>	<b>86,115</b>	<b>(76,870)</b>	<b>9,244</b>	<b>(241,290)</b>
<b>Non-recurring income (expense)</b>				
<b>Income tax</b>	<b>18</b>	<b>(5,927)</b>	<b>(5,909)</b>	<b>(6,531)</b>
<b>Movements in regulated provisions</b>				
<b>NET INCOME (LOSS)</b>	<b>86,133</b>	<b>(82,797)</b>	<b>3,336</b>	<b>(247,821)</b>

## 5. OFF-BALANCE SHEET COMMITMENTS

### 5.1. COMMITMENTS GIVEN

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>Financing commitments</b>	<b>5,059,209</b>		<b>10,405</b>	<b>3,549</b>		<b>5,073,163</b>	<b>5,490,280</b>
<b><u>Commitments given to credit institutions</u></b>	<b>679,050</b>					<b>679,050</b>	<b>719,674</b>
<i>Subsidising of payments due to CDC</i>	679,050					679,050	719,674
<b><u>Commitments given to individuals</u></b>	<b>245,429</b>		<b>10,405</b>	<b>944</b>		<b>256,779</b>	<b>344,154</b>
<i>Specific regional initiatives</i>	3,907					3,907	4,108
<i>Acquisition loans</i>	199,915		8,991	662		209,568	289,062
<i>Works loans</i>	15,061		1,275	247		16,583	23,264
<i>LOCA-PASSO guarantee deposits, advances</i>	13,558		6	1		13,565	12,806
<i>Loan refinancing</i>	2,392					2,392	1,378
<i>Action Cœur de Ville initiative</i>	9,711					9,711	12,524
<i>Energy retrofits for private tenants</i>							124
<i>Other</i>	229		133	16		378	234
<i>Doubtful commitments to individuals</i>	657			18		675	651
<b><u>Commitments given to corporate entities</u></b>	<b>4,134,729</b>			<b>2,605</b>		<b>4,137,334</b>	<b>4,426,452</b>
<i>Action Cœur de Ville initiative</i>	608,008					608,008	587,110
<i>Specific regional initiatives</i>	8,142					8,142	8,142
<i>Improved energy performance</i>							
<i>Migrant worker households (FTM)</i>	16,688					16,688	22,953
<i>Housing for non-migrant worker households</i>	160,467					160,467	159,845
<i>Social housing</i>	1,824,039					1,824,039	2,094,961
<i>Intermediate housing</i>	65,796					65,796	132,545
<i>NPNRU loans</i>	673,905					673,905	516,619
<i>Social appartements (RHVS)</i>	18,319					18,319	28,201
<i>Other</i>	756,026			2,605		758,631	850,887
<i>Doubtful commitments to corporate entities</i>	3,340					3,340	25,189
<b>Guarantee commitments</b>	<b>3,467,725</b>	<b>9,769,598</b>			<b>56</b>	<b>13,237,378</b>	<b>12,338,782</b>
<b><u>Commitments given to credit institutions</u></b>	<b>3,427,725</b>					<b>3,427,725</b>	<b>3,108,447</b>
<i>Guarantees given for Association Foncière Logement</i>	541,203					541,203	594,097
<i>Credit institution guarantees</i>	2,886,522					2,886,522	2,514,350
<b><u>Commitments given to individuals</u></b>		<b>9,769,598</b>				<b>9,769,598</b>	<b>9,189,946</b>
<i>VISALE guarantees</i>		9,501,819				9,501,819	8,958,102
<i>Doubtful VISALE guarantees</i>		267,780				267,780	231,844
<b><u>Commitments given to corporate entities</u></b>	<b>40,000</b>				<b>56</b>	<b>40,056</b>	<b>40,389</b>
<i>Endorsements, security interests, guarantees</i>	40,000				56	40,056	40,389
<b>Subsidy commitments</b>	<b>4,914,842</b>					<b>4,914,842</b>	<b>5,422,064</b>
<b><u>Subsidies to Government - National Policies</u></b>	<b>4,827,000</b>					<b>4,827,000</b>	<b>5,386,000</b>
<i>ANIL-ADIL subsidies</i>	27,000					27,000	36,000
<i>NPNRU subsidies</i>	4,800,000					4,800,000	5,200,000
<i>FNAP subsidies</i>							150,000
<b><u>Commitments given to corporate entities</u></b>	<b>87,842</b>					<b>87,842</b>	<b>36,064</b>
<i>Miscellaneous corporate entities</i>	87,842					87,842	36,064
<b>TOTAL</b>	<b>13,441,776</b>	<b>9,769,598</b>	<b>10,405</b>	<b>3,549</b>	<b>56</b>	<b>23,225,384</b>	<b>23,251,125</b>

Credit institution guarantees include €1,958 million in guarantees given to Caisse des Dépôts et Consignation (financial guarantee linked to the PHB 2.0 subsidised equity loan agreement and pledge of receivables in respect of loans included in liabilities), €482 million in guarantees issued to secure loans taken out by landlords with Banque des Territoires to finance the construction of affordable housing, and a €447 million guarantee given to the ONV's lenders.

## 5.2. COMMITMENTS RECEIVED

<i>(in thousands of euros)</i>	PEEC activity	Guarantees activity	PEAEC activity	PSEEC activity	Other	31 December 2024	31 December 2023
<b>Financing commitments</b>							
<b>Commitments received from credit institutions</b>					500,000	500,000	500,000
<i>Credit lines</i>					500,000	500,000	500,000
<b>Commitments received from corporate entities</b>	33,504					33,504	39,389
<i>Acquisition loan financing</i>							1,619
<i>Works loan financing</i>							10
<i>PASS-FONCIER financing ®</i>	24,013					24,013	26,173
<i>Landlord cash pledges</i>							1,969
<i>Other</i>	9,491					9,491	9,618
<b>TOTAL</b>	<b>33,504</b>				<b>500,000</b>	<b>533,504</b>	<b>539,389</b>

A portion of the PASS-FONCIER loans granted by ALS is backed by a MNCAP credit insurance guarantee.

## 6. OTHER INFORMATION

### 6.1. HEADCOUNT

ALS's average full-time equivalent headcount breaks down as follows:

	2024	2023
Managerial-grade employees ( <i>cadres</i> )	913	919
Supervisors and other employees <i>O/w work-study contracts</i>	1,622 85	1,661 67
<b>Total</b>	<b>2,535</b>	<b>2,580</b>

### 6.2. REMUNERATION, ADVANCES, LOANS AND COMMITMENTS

Members of the Board of Directors are not remunerated and do not receive attendance fees.

### 6.3. STATUTORY AUDITORS' FEES

Fees due to the Statutory Auditors for their statutory audit engagement amount to €762 thousand including VAT (2023: €974 thousand including VAT). These fees were higher in 2023 due to the complexity of the work involved in the changes following the reform of Action Logement, which required the involvement of information systems specialists.

<i>(in thousands of euros)</i>	31 December 2024	31 December 2023
Forvis Mazars	225	367
PricewaterhouseCoopers (PwC)	410	445
<b>Amount excl. VAT (*)</b>	<b>635</b>	<b>812</b>
20% VAT	127	162
<b>TOTAL INCL. VAT</b>	<b>762</b>	<b>974</b>

(\*) Including €30 thousand (excl. VAT) for the audit of the consolidated financial statements.

Fees for audit-related services, such as comfort letters issued in relation to bond issuances and the non-financial performance report, are added to this amount.

## 7. SUBSEQUENT EVENTS

### 7.1. 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.

### 7.2. 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.

### 7.3. 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.