

ACTION LOGEMENT SERVICES

Statutory Auditors' Report on the Financial Statements

(For the year ended 31 December 2018)

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

PricewaterhouseCoopers Audit
Grand Hôtel Dieu
3, Cour du Midi
CS 30 259
69287 Lyon Cedex 02

KPMG SSA
Tour HQCO
22 avenue Gambetta
92000 Paris La Défense Cedex

Statutory Auditors' Report on the Financial Statements
(Year ended 31 December 2018)

Action Logement Services
19/21 quai d'Austerlitz
75013 Paris

To the sole shareholder,

Opinion

In compliance with the engagement entrusted to us by the Articles of Association of your company, we have audited the accompanying financial statements of Action Logement Services (the "Company") for the year ended 31 December 2018.

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 as at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1st January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of ethics (code de déontologie) for statutory auditors.

Justification of assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.

These assessments were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Depreciation of loans to individuals

Note « 3.3.1. Depreciation of Transactions with customers » in the notes to the financial statements sets out the accounting rules and methods relating to the depreciation of loans granted to individuals.

In respect of our assessment of the accounting rules and principles followed applied by your Company, we have verified that the accounting practices specified above and the information provided in the notes are appropriate and gained satisfaction that they have been applied correctly.

Provisions for risks associated with the guarantee arrangements

Your Company recognises provisions to cover the risks associated with the guarantee arrangements, the estimate of which has been made by an independent actuary, as described in note "4/ Guarantee Fund" in the notes to the financial statements.

On the basis of the elements available to date, our assessment of the provisions was based on:

- awareness and appreciation of the approaches your company has used to make their estimates,
- an assessment of the procedures for monitoring and controlling the underlying data and assumptions on which these estimates are based, including a review of the sensitivity of provisions to these assumptions.

Within the context of our assessments, we have ensured the reasonableness of these estimates and the appropriateness of the information provided in the notes to the financial statements.

Provisions for pension commitments and employee benefits

Your Company recognises provisions to cover its pension commitments and employee benefits. We have reviewed the methodology for assessing these commitments and the assumptions and parameters on which these estimates are based, and we have ensured the appropriateness of the information provided in the note "3.3.3 Corporate Liabilities" to the financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the sole Shareholder

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

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-4 of the French Commercial Code (code de commerce).

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from 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 is expected to liquidate the Company or to cease operations.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

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 from 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 of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains an understanding of internal control 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses 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 his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Lyon and Paris La Défense, June 12, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

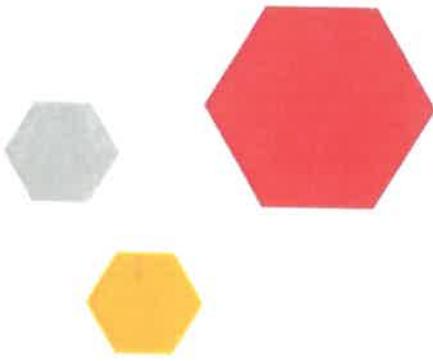
KPMG SA

Elisabeth L'hermite

Erik Boulois

Company Accounts

As at 31 December 2018



Organisation name:	Action Logement Services.....
Legal form	Simplified joint stock company (company with a sole shareholder) with share capital of EUR 20,000,000
Address:	19/21 quai d'Austerlitz – 75013 PARIS
SIREN Number:	824 541 148 PARIS TCR.....
APE Code:	8412Z
ANCOLS Number:	75 0010 35 82.....

Annual accounts for the year ended 31 December 2018

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Balance Sheet

(in Euros)

ASSETS					Total as at 31/12/2018	Total as at 31/12/2017
	Notes	PEFC Fund	Guarantee funds	PEAFC Fund	PSSEC Fund	Operating fund
Cash, central banks, postal cheque account					417.28	417.28
Receivables from credit and similar institutions	1	2841,413,923.73	353,097,774.54	161,932,963.80	479,287,346.74	175,920,929,32
Transactions with customers	2	16,095,328,168.90	212,879,547.71	45,196,814.59	155,042,663.96	2,672,944.97
State, local communities or State agency receivables		3,990,850,888.38	212,879,547.71	45,196,814.59	88,400,292.94	376,999.53
Loans to individuals					66,642,371.02	2,295,945.44
Loans to corporate		12,104,477,280.52				
Bonds and other fixed income securities						
Shares and other variable income securities						
Holdings and other long-term securities	3	70,726.00			10,898,717.63	76,742,079.24
Shares in affiliated companies	4				33,422,073.85	33,422,073.85
Intangible assets					58,488,318.92	58,488,318.92
Tangible assets	4	623,771,397.70	20,370,703.43	64,365.11	1,114,848.39	46,826,229.40
Other assets	5	623,771,397.70	20,370,703.43	64,365.11	1,114,848.39	46,826,229.40
Receivables liaison account between funds						
Other assets						
Accruals						
Gross		19,560,584,216.33	586,348,025.68	207,194,143.50	646,343,576.72	394,072,992.98
Amortisation and Depreciation	6	-403,584,356.18	-185,482,312.46	-112,057.31	-7,352,268.03	-67,260,016.54
Total assets		19,156,899,860.15	400,865,713.22	207,082,086.19	638,991,308.69	326,812,976.44
Net						

Balance Sheet

LIABILITIES

(in Euros)

	Notes	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Central Banks, postal cheque account								
Debts with credit and related institutions	7	1,261,584,692.89					1,261,584,692.89	1,385,391,894.02
Transactions with customers	8	5,446,020,286.84					5,648,121,430.81	5,372,802,672.20
<i>State, local communities or State agency liabilities</i>		<i>196,000,000.00</i>					<i>196,000,000.00</i>	<i>180,000,000.00</i>
<i>Liabilities to individuals</i>		<i>92,139,725.57</i>					<i>92,606,557.65</i>	<i>102,554,876.56</i>
<i>Corporate liabilities</i>		<i>5,157,880,561.27</i>					<i>5,359,514,873.16</i>	<i>5,090,247,795.64</i>
Debits represented by a security								
Other liabilities	4	1,141,534.31	1,591,781.67	6,299.88	159,213.45	105,461,258.63	111,360,087.94	94,473,304.32
<i>Liabilities liaison account between funds</i>								
<i>Other liabilities</i>	9	4,141,534.31	1,591,781.67	6,299.88	159,213.45	105,461,258.63	111,360,087.94	94,473,304.32
Accruals								
Provisions	10	1,306,882.84	107,061,249.99				75,753,027.97	184,121,160.80
Own equity	11	12,443,846,463.27	292,212,681.56	206,614,515.23	437,192,222.35	145,598,689.84	13,525,464,572.25	13,087,843,620.54
Subscribed Capital		<i>20,000,000.00</i>					<i>20,000,000.00</i>	<i>20,000,000.00</i>
Share premiums								8,023,384.71
Reserves								
Revaluation surplus								
<i>Regulated provisions and subsidies</i>								
<i>Balance brought forward (±)</i>								-48,275,716.30
<i>Result for the period (±)</i>								553,782,420.94 -30,070,872.28 7,079,037.03 -93,211,583.66 81,468.21 437,660,470.24 248,086,883.79
Total Liabilities		19,156,899,860.15	400,865,713.22	207,082,086.19	638,991,308.69	326,812,976.44	20,730,651,944.69	20,132,533,706.74

Income Statement

	(in Euros)							
	Notes	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
+ Employer equity								
+ Subsidies received	12	1,478,095,848.08		24,396,488.98	4,788,067.11		1,507,280,404.17	1,480,558,820.79
Subsidies received from another fund		8,070,000.00	400,000.00			316,705,227.02	428,219,282.93	
Other subsidies				8,070,000.00	400,000.00	316,631,429.74	318,214,473.12	
- Subsidies paid	13	-1,061,510,214.41	-29,496,176.32	-18,313,850.46	-101,008,602.36	-20,846,142.74	-1,231,174,986.29	-1,568,730,273.07
Subsidies to Government agencies, local communities or State agencies								
Subsidies to individuals		-535,000,000.00				-100,000,000.00		
Subsidies to legal entities		-91,834,870.76		-1,181,515.75	-13,600.00		-93,029,986.51	-117,277,261.86
Subsidies to another fund		-157,177,477.30				-20,846,142.74	-178,023,570.04	-165,594,651.84
Other subsidies		-277,497,916.35	-29,496,176.32	-8,662,334.71	-995,002.36		-316,631,429.74	-318,214,473.12
NET NON-BANKING INCOME		424,655,633.67	-29,096,176.32	6,082,638.52	-96,220,535.25	295,359,084.28	601,280,644.90	339,947,830.65
+ Interest and related income	14	165,712,453.29	3,951,827.30	1,043,438.20	3,917,654.78	604,587.81	175,229,961.38	194,766,552.54
Transactions with credit institutions		10,234,564.84	1,369,273.19	610,605.56	1,734,425.74	600,105.47	14,548,974.80	20,754,750.54
Transactions with individuals		56,715,159.76	2,582,554.11	432,832.64	1,236,187.39	4,482.34	50,991,256.24	67,695,443.72
Transactions with legal entities		98,762,688.69			927,041.65	0.00	99,689,730.34	106,313,229.65
Bonds and other fixed-income securities								
Other interest and related income							3,118.63	
- Interest payable and related charges	15	-22,869,683.35	-3,700,548.67	-38,169.55	-249,017.59	-37,513.18	-26,903,932.34	-25,117,933.95
Transactions with credit institutions		-22,298,671.41	-85,594.61	-38,169.55	-108,420.66	-37,513.18	-22,568,369.41	-22,507,230.41
Transactions with customers		-305,581.37	-3,623,542.56		-3,879.69		-3,933,003.62	-1,435,926.61
Bonds and other fixed-income securities								
Other interest payable and related charges		-265,430.57	-411.50		-136,717.24	0.00	-402,559.31	-1,174,746.93
+ Income from variable income securities							14,531.46	
+ Commissions (income)								
- Commissions (charges)								
± Gains or losses on investment portfolio transactions								
+ Other banking income	16	3,459,714.01	320,873.58		439,952.79		4,220,540.38	7,429,464.23
- Other banking expenses								
NET BANKING INCOME		146,302,483.95	563,152.21	1,005,268.65	4,108,589.98	567,074.63	152,546,569.42	177,092,664.28

Income Statement

31/12/2018

								(in Euros)
	Notes	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
- General operating expenses								
- Staff expenses	17	-6,433,897.28	-9,633.95	-1,148.00	-147.96	-290,258,998.36	-296,703,825.55	-299,881,860.61
- Other administrative charges		-6,433,897.28	-9,633.95	-1,148.00	-147.96	-102,660,258.75	-109,105,085.94	-110,372,006.28
- Depreciation and amortisation of intangible and tangible assets	17							
NET OPERATING INCOME		-6,433,897.28	-9,633.95	-1,148.00	-147.96	-295,377,084.47	-5,118,086.11	-5,960,966.64
GROSS OPERATING INCOME		564,524,220.34	-28,542,658.06	7,086,759.17	-92,112,093.23	1,049,074.44	452,005,302.66	211,197,667.68
- Cost of risk	18	-10,741,799.40	-1,528,214.22	-7,722.14	-1,099,490.43	0.00	-13,377,226.19	41,677,240.38
OPERATING INCOME		553,782,420.94	-30,070,872.28	7,079,037.03	-93,211,583.66	1,049,074.44	438,628,076.47	252,874,908.06
± Gains or losses on capital assets	19						-967,606.23	-967,606.23
PRE-TAX CURRENT INCOME		553,782,420.94	-30,070,872.28	7,079,037.03	-93,211,583.66	81,468.21	437,660,470.24	254,443,510.82
± Non-recurring income	20							
- Income tax								-6,427,219.80
± Allocations/Write-backs regulated reserves								70,592.77
Net profit		553,782,420.94	-30,070,872.28	7,079,037.03	-93,211,583.66	81,468.21	437,660,470.24	248,086,883.79

- Off-balance sheet items

(in Euros)

	Notes	PEEC Fund	Guarantee funds	PEAAC Fund	PSSEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
COMMITMENTS GIVEN								
Funding commitments								
<i>Commitments made to credit institutions</i>								
<i>Commitments made to individuals</i>								
<i>Commitments made to legal entities</i>								
Guarantee commitments								
<i>Commitments made to credit institutions</i>								
<i>Commitments made to individuals</i>								
<i>Commitments made to legal entities</i>								
Securities commitments								
Subsidies commitment								
<i>Subsidies to the State, local communities or State agencies</i>								
<i>Subsidies to individuals</i>								
<i>Subsidies to legal entities</i>								
<i>Other subsidies</i>								
Total commitments given								
		9,052,752,830.85	2,845,807,783.87	1,745,6109.27	201,952,613.40	2,055,555.32	12,104,314,392.71	10,393,860,735.22

- Off-balance sheet items

31/12/2018

	Notes	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
COMMITMENTS RECEIVED								
<u>Funding commitments</u>								
<i>Commitments received from credit institutions</i>		-77,715,726.02						
<i>Commitments received from legal entities</i>			-150,672.21				-77,866,398.23	-82,473,921.18
<u>Guarantee commitments</u>								
<i>Guarantee commitments received from the State, local communities or State agencies</i>		-77,715,726.02					-77,866,398.23	-82,473,921.18
<i>Commitments received from credit institutions</i>			-150,672.21					
<u>Securities commitments</u>								
<i>Subsidies commitment to be received</i>								
Total commitments given		-77,715,726.02		-150,672.21			-77,866,398.23	-82,473,921.18

(in Euros)

The annual accounts were approved by the Board of Directors on 29 April 2019. They show a balance sheet total of €20,730,651,944.69 and a net income of €437,660,470.24.

► Duration of the financial year

The year in question lasted for 12 months, covering the period from 1 January 2018 - 31 December 2018.

■ ■ ■ / HIGHLIGHTS

1.1 Continuity of implementation of the Action Logement reform

Order No. 2016-1408 of 20 October 2016 relating to the restructuring of the collection of the employers' participation (hereinafter "the Order") conducted an in-depth restructuring of the Action Logement network to simplify and streamline the collection of the employers' participation in the construction effort (hereinafter "PEEC") and the distribution of jobs for such participation.

This reform resulted in the disappearance of the various interprofessional housing committees (CIL), as well as the Union of Companies and Employees for Housing (hereinafter "UESL") and by centralising collection of the PEEC into a single collector, while implementing territorialisation to bring the social housing players closer geographically to the beneficiaries of their actions.

The Action Logement Group is now structured around three main parity governance bodies, the first of which holds the entire capital of the other two:

- the **Action Logement Group** (hereinafter "ALG"), an umbrella structure responsible for steering the group, relations with the State and institutional communication,
- the simplified joint stock company **Action Logement Services** (hereinafter "ALS"), a single structure for the collection of the PEEC collection and distribution of corporate support and services,
- the simplified joint stock company **Action Logement Immobilier** (hereinafter "ALI") which relates to all the holdings of the former CILs. 2018 is the second year of existence of Action Logement Services.

1.2 New five-year agreement

Pursuant to the provisions of Article R-313-3 of the Construction and Housing Code (hereinafter "CHC"), on 16 January 2018 a five-year agreement for the 2018 - 2022 financial years was signed. This agreement supersedes the 2015 - 2019 State / Action Logement agreement of 2 December 2014, the provisions of which are ineffective. It addresses changing housing needs depending on the territory and expectations of the residents, with the willingness to combat the territorial divide and relies on the convergence of shared ambitions between the State and the Action Logement.

1.3 ANRU Convention

Under the five-year agreement, a tripartite agreement between the State, the ANRU and Action Logement was signed on 11 July 2018, to confirm and reinforce the partnership that binds all three parties, with the goal of an in-depth transformation of the city's policy priority neighbourhoods that are experiencing particularly marked urban malfunctions. The agreement clarifies the terms of contribution from the Action Logement Group to the funding of the new national urban renewal programme, in the context of the doubling of funding of this programme relating to the ANRU's commitment capacities at EUR 10 billion of equivalent subsidy: the State pledging EUR 1 billion over the duration of the programme; Action Logement pledging EUR 2 billion equivalent subsidy to supplement its initial contribution of EUR 5 billion; the last EUR 2 billion to be contributed by the social landlords via the Social Rental Housing Guarantee Fund (CGLLS).

This agreement is concluded for a period from its date of signature to 31 December 2022.

The Action Logement envelopes for urban renovation programmes (in million Euros) are:

	2018	2019	2020	2021	2022	TOTAL
Financial contribution dedicated to urban renovation	692	692	692	692	692	3,460
► <i>including subsidies</i>	476	475	445	450	454	2,300

1.4 Equity financing

Agreements signed on 5 June 2018 between Action Logement Services, the Bank for Official Deposits (CDC) and the State:

- PHB 2.0 Subsidised equity financing loan agreement

In the extension of the five-year agreement, Action Logement is committed, as a result of its participation in national policy, to fund the EUR 2 billion subsidy of equity financing loans under the following conditions:

- Action Logement will fund the EUR 2 billion subsidy of equity financing loans that will be offered to the social housing agencies, in consideration of reservation rights over the basis of the funding provided, to support them in their construction and renovation projects.
- The impact of the financial cost of this subsidy will be smoothed over the duration of the loan.
- The amount of the subsidy of these loans will be paid to the benefit of the CDC. These payments will be subject to a State guarantee which will benefit from a counter-guarantee from Action Logement Services.
- No subsidy was paid in 2018 to the CDC. In this respect, €812,480 K appear in off-balance sheet commitments.

● Financial guarantee

This stand-alone guarantee covers the possible non-payment of amounts due by Action Logement Services to the CDC under the subsidy commitment until 2045, up to a maximum aggregate amount of EUR 1.2 billion.

The financial guarantee made up of receivables for loans subsidized to social landlords amounts to €731,268 K and is included in the off-balance sheet commitments as at 31 December 2018.

1.5 **Housing Land Association financing**

According to the 2018-2022 five-year agreement, Action Logement will fund the 12,500-housing creation programme, primarily implemented by Association Foncière Logement (AFL) on land or rights to be constructed obtained in respect of the ANRU financing counterparties.

This funding will be in the form of loans and subsidies from AFL and other entities of the group in question as their needs arise.

The funding by ALSO on PEFC funds will be supplemented by a matching contribution by ALS in the amount of EUR 300 million in the form of subsidies taken from the reserves of the PSEEC fund.

This commitment is reflected in the 2018 accounts by a debt of EUR 100 million in favour of AFL and an off-balance sheet commitment of EUR 200 million in PSEEC funds.

1.6 **National policies**

For 2018, the subsidies recorded for public policy funding amounted to €535,000 K, divided as follows:

- **ANRU** **€476,000K**
including €280,000 K paid in FY18.
- **FNAP** **€50,000K**
- **ANIL / ADIL** **€9,000K**

1.7 Subsidies paid by ALS to the Action Logement Group

- Subsidy of €140,000 K to ALG under the equity envelope planned in the five-year agreement for the recapitalisation of ALI subsidiaries (see Note 13 – Subsidies Paid).
 - Operating subsidies (see Note 13 – Subsidies paid)
 - ALG €11,712K
 - Social partners €5,591K
 - APAGL €4,135K
 - Experimental and innovation subsidies
 - ALG €290K
 - APAGL €67K
 - Ma Nouvelle Ville [My New City] €116K

1.8 Housing, Accommodation and Digital Development Act (ELAN)

The ELAN Act, published on November 24, 2018, is intended to increase the production capacity of housing. It provides for a series of changes and relaxation in the regulations.

In its Article 114, the ELAN Act puts forwards the principle of managing the rights in flows and not by inventory.
The Act provides for the publication of decrees for implementation.

However, the texts subsidy a three-year transition period for the compliance of existing agreements, with flow management of quotas.
The reservation rights appendix is maintained for the year-end as at 31 December 2018. It will not be renewable as it is for the next year.

1.9 HLM National Sales Organization (ONV)

Recorded in the 2018-2022 five-year agreement, and provided for by the ELAN Act, Action Logement created a universal tool for all social housing organisations in the territory.

This new entity “ONV” will develop and facilitate the ownership of occupants of their own housing in the HLM sector.
The system must also allow social housing organisations to regain a financial capacity to reinvest in the production of new social housing without the need to conduct the sales process with tenants.

Therefore, Action Logement has chosen to create a dedicated structure to buy back the buildings en bloc from all the social landlords and then resell them to the

occupying tenants.

In the medium term, Action Logement will equip ONV with a €1 billion envelope, allowing for a total of 4 billion investments through bank borrowings in favour of the HLM organisations. These resources will allow them to acquire 40,000 homes. A first tranche was opened in the Autumn of 2018: this first call for interest allowed 71 social landlords to file a sales project, representing a volume of some 11,000 homes and 447 buildings. This structure, which was being incorporated in late 2018, benefited from a EUR 333 million contribution from Action Logement Services paid on 20 December 2018 for a capital subscription.

1.10 PEEC equity allocation to the guarantee fund

ALS as a financing company is subject to the solvency ratio.

This ratio measures the ratio between equity and risk-weighted assets. It should be calculated for each fund and comply with the regulatory limit of 10.5%.

The guarantee fund benefits from the LOCA-PASS® and VISALE unpaid rent guarantee arrangements.

Structurally, the guarantee fund is a consumer of reserves intended to cover risks and losses.

Given the forecasts of these two-year horizon activities and in order to meet regulatory constraints, an equity allocation from the PEEC fund to the guarantee fund of €300,000 K took place, approved by the Board of Directors of Action Logement Group on 11 July 2018.

1.11 Other events during the financial year

2018 was also marked by the following events:

- The signing on March 7, 2018 of the commercial lease for the office building at 19-21 quai d'Austerlitz in Paris 13th district that from 31 January 2019 is the new headquarters of Action Logement Services and the Group,
- The signature of Human Resources Harmonization Agreements (HR) on 31 March 2018,
- The change in managing director which took place in September 2018, Mr. Jean-Luc GUITARD replaced Mrs. Elodie PIGNEAU-AUCOURT,
- The commitment to the general restructuring of the Action Logement Group, to optimise the functioning of its entities, and the joint commitment of a restructuring of Action Logement Services,
- The pursuit of signatures of the HR key agreements.

■ 2/ EVENTS SUBSEQUENT TO THE YEAR-END

2.1 GPEC 2 External Voluntary Mobility Support Agreement

The entities of the UES Action Logement and the unions signed a support agreement on January 30, 2019 for external mobility leave for up to 200 agreements. This agreement must help secure business transitions, allowing voluntary employees to leave, to benefit from supportive measures to secure their career development outside the Action Logement Group, to prepare their external business project, or to adjust to their retirement through mobility leave.

Communication with UES employees took place in late January and the application period took place from 1 February 2019 - 31 March 2019.

The cost of this GPEC 2 agreement was estimated for 200 departures at €27.5 million, net of renewal of reserves for retirement benefits for which Action Logement represents 85% of the workforce, or €23.375 million.

At the closing of the application period, 447 UES employees had volunteered.

2.2 Voluntary investment plan

In early January 2019, the social partners announced an investment plan to mobilise €9 billion for the benefit of the country's social and territorial cohesion. For the implementation of this arrangement, Action Logement will engage its financial capacity to benefit its social utility, by further mobilising its reserves and using a controlled and sustainable debt.

This investment plan adds to the commitments that Action Logement made as part of the five-year agreement with the State, whereby 15 billion will be contributed to fund the momentum of the employee housing over the period 2018-2022.

2.3 Change in headquarters

The Board of Directors of Action Accommodation has decided to transfer the headquarters from 66 Avenue du Maine to Paris (75014) to 19-21 Quai d'Austerlitz in Paris (75013) effective 31 January 2019.

The first moves of employees took place on February 9 and 10.

As the floors are ready, the employees from Île-de-France will gradually join the headquarters. The move will take place in stages until September 2019.

■ 3/ ACCOUNTING PRINCIPLES, RULES AND METHODS

3.1 Accounting referential

By Order No. 2016-1408 of 20 October 2016, ALS is qualified as a financial institution and subject to the French Prudential Supervision and Resolution Authority (ACPR).

The Action Logement Services accounts department is governed by the following texts:

1. The ANC Regulation 2017-02 of 5 July 2017 on the annual and consolidated accounts of the Action Logement Group approved on 26 December 2017,
2. Subject to the adjustments provided for in the ANC Regulation 2017-02, ALS applies to the establishment of its annual accounts the provisions of ANC Regulation N°2014-07 dated 26 November 2014 relating to accounts of firms in the banking sector.
3. Decree No. 2017-1730 of 21 December 2017 institutes separate accounting by fund.

There are five funds:

- PEEC fund,
- guaranteee fund,
- PEABC fund (dedicated to the agricultural sector),
- PSEECC fund,
- operating capital (dedicated to investments and charges required for operation).

The 2018 accounts are established in accordance with the Decree of 21 May 2019 on the conditions for the collection of operating fund resources, which allows for the release of a zero accounting result, before consideration of the results of disposals of operating buildings and land.

3.2 Accounting system

ALS accounts have been established from twenty-one information systems and integrated into single accounting software “Qualiac”.

The capital assets resulting from the twenty ex-CIL and the nine EIGs were all migrated into Qualiac Capital Assets during 2018.

3.3 Methods and rules for evaluation

The general accounting treaties have been applied in compliance with the principle of prudence, in accordance with the basic assumptions:

- continuity of operation,
- independence of financial years,
- comparability of financial years and continuity of accounting methods compared with the previous year.

and in accordance with the generally accepted rules for the production and presentation of annual financial statements and the ANC Regulation 2017-02.

The special provisions of the amended Decree No. 90-101 of 26 January 1990, relating to the rules for managing, impairing and provisioning the former collecting organisations, have been applied as specified below, in Note 3.3.1. ANC Regulation No. 2017-02 provides for the maintenance of these provisions (pending amendment to ANC Regulation No. 2014-07).

3.3.1 Depreciation of transactions with customers

Loans to individuals

Loans whose overdue receivables have been unpaid for more than six months are depreciated to the amount of the unpaid amounts and capital remaining due, excluding secured loans.

Loans to corporate

Loans to corporate whose overdue receivables have been unpaid for more than six months and for less than a year are depreciated to 50% (capital + interest), as well as the remaining capital due for less than five years.

Loans to corporate whose overdue receivables have been unpaid for more than a year are depreciated in full (capital + interest), as well as the remaining capital due for less than five years.

Litigation cases or those that are the subject of court proceedings are depreciated based on risk assessment.

Equity interests

Equity interests are assessed by comparison of the net book value and the quota share held in the equity of the company in question.

3.3.2 Fixed assets

Capital assets are recorded at the acquisition cost. They result from the twenty ex-CII and nine EIG merged during reform. Capital asset migration occurred during FY18. Original amortisation terms were maintained.

The amortisation applied to acquisitions since the creation of Action Logement Services is calculated in linear mode over durations varying based on the nature of capital assets and actual usage times:

Title	Mode	Average Term
<i>Patents, Licenses, Software</i>	Linear	6 years
<i>Internal Software IT studies</i>	Linear	3 years
<i>Administrative and commercial buildings</i>	Linear	28 years
<i>Facilities, building layout</i>	Linear	18 years
<i>Tangible assets, general facilities, layout, miscellaneous amenities</i>	Linear	11 years
<i>Transport equipment</i>	Linear	4 years
<i>Computer hardware server bays</i>	Linear	5 years
<i>Micro-IT PC hardware Wyse laptops</i>	Linear	5 years
<i>Telephony equipment</i>	Linear	5 years
<i>Audiovisual equipment</i>	Linear	5 years
<i>Company restaurant equipment</i>	Linear	4 years
<i>Furniture</i>	Linear	8 years

3.3.3 Corporate Liabilities

The provisions for retirement benefits and long service awards were calculated by an external actuary, based on a business agreement of the UES Action Logement signed on 30 March 2018.

The actuarial valuation method of commitments was carried out using the method called "Projected Unit Credit / Service Prorate". The calculations are made beneficiary per beneficiary according to the following process:

- **Probable Current Value Calculation (CVC):** the CVC is estimated by projection of the benefit at maturity and integration of financial discounting and probability factors:
 - survival table : INSEE H/F 2011 / 2013 tables,
 - turnover table : the tables are decreasing by age and range from 3.04% to 0%, none more than 55 years.
- **Determination of the Projected Benefit Obligation (PBO):** the calculation is based on the principle of linear allocation of rights over the employee's active life. It is equal to the fraction of the CVC corresponding to the rights acquired at year-end, pro rata to the length of service on that date relative to the total length of service of the employee on the date of payment of the benefit.

The assumptions and parameters retained are as follows:

- retirement age: 65 years for executives and 62 for non-executives,
- discount rate: 1.57% 2018 (1.42% in 2017) (iBoxx AA 10+ rate observed at end of December) for retirement benefits and 1.3% (0.9% in 2017) for long service awards,
- salary change rate: 2.5% for non-executives and 3% for executives, inflation included,
- PMSS revaluation rate: 2.5 %,

Provisions for corporate liabilities as at 31/12/2018

Type of provisions	31/12/2018	31/12/2017	2018 / 2017 Variation
IDR Provision	52,714	54,983	- 2,269
Long service award provision	4,078	4,533	- 455
Total (I + II)	56,792	59,516	- 2,724

- social charges rate: 57.2%.

The provision for IDR takes into account hedging assets for an amount of €1,067 K.

■ 4/ GUARANTEE FUND

The guarantee fund records the operations related to the rental security aids implemented by Action Logement. These are broken down into four main arrangements (see guarantee fund appendix pages 60-65):

1. Other guarantees

2. VISALE

3. Universal Rental Risk Guarantee (GURL)

4. Securing Access Funds PAS

The estimate of provisions related to these guarantee arrangements was performed by an independent actuary, member of an actuary association recognised by ACPR.

4.1 “Other guarantees” arrangement

This arrangement is primarily comprised of implementation of LOCA-PASS®. Action Logement Services issues LOCA-PASS guarantees to cover unpaid payments in the social inventory.

The arrangement is managed directly by ALS.

A/ Notes on the balance sheet

1. Receivables from credit and similar institutions €32,964 K

The cash for the “Other guarantees” arrangement amounts to €32,964 K as at 31 December 2018.

The Board of Directors of 11 July 2018 approved the allocation to the equity of the “Other guarantees” fund by the PEEC fund in the amount of €100,000 K.

2. Transactions with customers €212,879 K

The outstanding amount of this item as at 31 December 2018 was €212,879 K, with a capital impairment amount of €185,482 K. It corresponds to the amounts of the receivables representative of the advances to the landlords in the context of the implementations provided for by the arrangement and the reimbursement of which is requested from tenants.

3. Own equity

€11,809 K

- In accordance with the resolutions taken by the general meeting of 11 July 2018, the 2017 result, amounting to - €50,402 K, was allocated in the amount of:
 - - €50,402 K to the debit balance brought forward account.
- The Board of Directors of 11 July 2018 approved the allocation to the equity of the guarantee fund by the PEEC fund in the amount of €300,000 K, including €100,000 K to the “Other guarantee” fund.
- The result of the “Other guarantees” fund as at 31 December 2018 is a net deficit result of - €30,008 K.

4. Provisions

€50 469 K

- The amount of the provision for claims and management fees, net of application by generation of guarantees subsidized, is subject to actuarial estimate and amounts to €50,469 K as at 31 December 2018, compared with €56,688 K in 2017.
- Provisions for claims outstanding (PSAP) are estimated using a “Chain-Ladder” method:

The ultimate implementation rates are applied to the amounts of the guarantees subsidized.

$$PSAP = \text{Ultimate implementation amounts} - \text{Amounts of the guarantees implemented paid at 31 December 2018};$$
- The provisions include an estimate of the claims management fee (PFGS): a uniform fee rate is applied to the ultimate claims fee. The fee rate used for the assessment is the one recorded for the PASS-GRL arrangement®, a bond arrangement similar to the LOCA-PASS® arrangement.

$$PFGS = \text{Ultimate management fee} \times PSAP / \text{Ultimate claims charge.}$$
- Finally, they take into account the projected cash collection (PRAE):

Applying a recovery rate to the ultimate claims charge, at a rate observed over 2011 – 2014 (down 5%).

Consideration of an assumption of a percentage yet to be collected based on the age since the claim.

$$PRAE = \text{Ultimate collections} - \text{Estimated amount of cash collected.}$$

B / Notes on Outcome of this arrangement

The cost of risk consists of:

- | | |
|---|-------------|
| • Losses on receivables | - €54,180 K |
| • Allocations to depreciations | - €32,442 K |
| • Write-backs of depreciations | + €78,943 K |
| • Net change in net risk provisions | + €6,219 K |
| | + €1,460 K |

The result for the financial year for the fund is a deficit amount of €30,008 K due to the subsidy paid to the operating fund of €29,496K.

4.2 VISALE arrangement

VISALE arrangement – Law No. 89-462 of 6 July 1989 and Articles 228 et seq. of the French Civil Code – relies on a deposit subsidized by ALS to the tenant, to cover payment of the rent and rental charges of its main residence in the event of default.

A / VISALE Fund accounting methods and organisation

On December 9, 2015, the ex-UESL and the APALG signed a transitional agreement pending the organisation of ALS under the terms below:
The APAGL is responsible for ensuring the interface between VISALE beneficiaries (landlords, tenants, partners) and ALS, for financial transactions related to guarantee enforcement and debt collection, and for sending to ALS the information to enable financial flows.

It has been shown that:

- The APAGL manages and pays with specific bank accounts the financial transactions relative to the VISALE arrangement (payment of landlords, collection of outstanding amounts payment of litigation bodies);
- The VISALE arrangement is monitored in a specific accounting system held by ALS since March 2018;
- ALS, from the information communicated by the APAGL, ensures the general accounting of the VISALE arrangement and all securitisation arrangements (PASS- GRL®, GRL®);
- ALS ensures the funding for Action Logement's securitisation arrangements, monitoring and compliance with the maximum envelopes determined in the five-year agreement of 16 January 2018, as well as the prudential hedging of such arrangements;
- ALS ensures the payment of advances to APAGL of the amounts necessary for the payment of landlords and litigation bodies.

The retained accounting principles have been maintained and are as follows:

- The chart of accounts, as well as the key accounting records, have been established in consultation between APAGL and ALS. To facilitate monitoring of the arrangement, three analytical axes are in place in the auxiliary accounting:
 - year of occurrence,
 - the type of public (e.g., a double-mobility employee, a young person on a confirmed permanent contract, an association with a management or sub-rental mandate, student, other young person),
 - the DR (management centre).

B/ Notes on the balance sheet

1. Receivables from credit and similar institutions + €182,999K

The cash for the VISALE arrangement amount as at 31 December 2018 at + €182,999 K.

The Board of Directors of 11 July 2018 approved the allocation to the equity of the VISALE fund by the PEEC fund in the amount of €200,000 K.

2. Other assets €10,288K

Receivables mainly relate to:

- VISALE tenants for €9,092 K;
- The current account with APAGL for €1,196 K.

As previously seen, the VISALE arrangement operational management has been assigned to APAGL.

Claim settlement fees or collection fees are subject to cash calls by APAGL to the VISALE fund, taking into account the sums received by the APAGL on behalf of the VISALE fund, in the context of contentious or amicable settlements with tenants.

3. Provisions

€35,069 K

Provisions for claims outstanding as at 31/12/2018 (in €K)	
Type of provisions	31/12/18
<i>including provisions for claims outstanding in respect of lease deposits:</i>	
2010 impact (GRL guaranteees transfer as at 01/01/2017)	574
2016 impact	1,064
2017 impact	3 145
2018 impact	1 526
subtotal I	6,309
<i>Provisions for late claims</i>	
<i>including provisions for late claims in respect of lease deposits:</i>	
2010 impact (GRL guaranteees transfer as at 01/01/2017)	1 797
2016 impact	946
2017 impact	4,384
2018 impact	21,633
subtotal II	28 760
Total (I + II)	35,069

It should be noted that the valuation of provisions as at 31 December 2018 consists of estimating all benefits that will be paid over the duration of the various leases, in respect of the deposits subsidized during the years 2016-2018.

As such, such provisions include both the losses occurred prior to 31 December 2018, and those that occurred after that date.

The calculation criteria retained for the provisions are as follows:

- **Provisions for late claims assessed according to a “Frequency × Appropriate Cost Method”**
(Rate of implementation of deposit x duration of implementation of deposit x Rent) .. €28,760 K

- Frequency

The deposit implementation rate corresponds to the frequency of losses in relation to the leases affected by the VISALE arrangement. Frequency has been prospectively determined with respect to the characteristics of the VISALE arrangement based on statistical monitoring of the various lease guarantee arrangements such as GRL® and PASS-GRL® that APAGL has carried out in the past;

- Duration of implementation

This is the maximum unpaid term that corresponds to the duration the lease is covered by the deposit. The duration of the implementation for each tenant category (categories 1-7) was communicated to the actuary by APAGL. These terms are those on the VISALE arrangement's business plan;

- Rental amount

The amount of rent paid by the tenant covered by the VISALE arrangement under the relevant Visa includes the monthly charges.

- **Provisions for claims outstanding.....€6,309 K**

The provisions for claims outstanding are estimated using a lump sum method (equal to thirteen months of rent) based on the experience of the PASS-GRL arrangement.

It should be noted that the provision recorded does not take into account, unlike other guarantee arrangements, forecasts of settlements to be collected, given the current uncertainty on the level of recovery related to the novelty of this arrangement.

4. Own equity,€158,176 K

► In accordance with the resolutions taken by the general meeting of 11 July 2018, the 2017 result, amounting to - €32,184 K, was allocated in the amount of:

- - €32,184 K to the debit balance brought forward account.
- The Board of Directors of 11 July 2018 approved the allocation to the equity of the guarantee fund by the PEEC fund in the amount of €300,000 K, including €200,000 K to the VISALE fund.
- The result of the VISALE fund as at 31 December 2018 is a net deficit result of €20,650 K.

C / Notes on the Income Statement

1. Subsidy received €400 K

Agricultural employees benefitting from the VISALE arrangement, a fund transfer of €400K between the PEAC and VISALE was carried out in respect of 2018.

2. Operations with credit institutions €18 K

Investment products are acquired in the VISALE arrangement.

3. Transactions with customers €928 K

The item consists of fees (bailiffs, etc.) and legal and litigation fees.

4. Cost of risk €20,132 K

- Provisions for net risks of reversals - €20,132 K

4.3 “Rental Risk Guarantee” arrangement

A/Accounting Rules and Methods

These arrangements being phased out are:

- The PASS-GRL® instituted by Decree No. 2007-92 of 24 January 2007;
- The GRL® that replaces the PASS-GRL since the release of Decree No. 2009-1621 of 23 December 2009, setting out the specifications provided for in paragraph g section 3 of Article L.313 of the CHC under the Universal Rental Risk Guarantee (hereinafter “GURL”).

The PASS-GRL and GRL arrangements are intended for both individual and professional landlords.

The financing of the Universal Rental Risk Guarantee” (hereinafter “GRL”) is by compensating for losses incurred by insurers.

There are two types of compensation:

- Cash compensation, calculated from premiums collected, claims paid by insurers and settlements collected;
- Accounting compensation that takes into account the provisions to be formed and the forecasts of settlements to be collected.

Methods of provisioning claims to be paid for the GRL arrangement® are calculated using a settlement frequency method. This method, called the “Chain Ladder method”, is to statistically examine the temporal development of the number of claims on open cases. The amount of the provision retained for the calculation of accounting compensation as at 31 December 2018 amounts to €18,296 K, compared with €43,802 K for FY17.

This decrease in provision is partly explained by the funds paid to insurers amounting to €13,024 K in FY18.

B/Notes on the balance sheet

1. Receivables from credit and similar institutions €120,549 K

According to Article R.426-5 of Decree No. 2009-1620 of 23 December 2009, the provisions for risks in the “Universal Rental Risk Guarantee” arrangement shall at all times be represented by equivalent assets. The assets recognised in representation of the risk provisions of this arrangement are as follows:

1. Bonds and other securities issued or secured by a Member State of the European Community;
2. Securities issued by the Social Debt Amortization Fund (CADES) instituted by Article 1 of Order No. 96-50 of 24 January 1996 on the reimbursement of social debt;
3. The units or shares of undertakings for collective investment in transferable securities that are invested and exposed for more than 90% of their assets on:
 - a. the securities mentioned in 1 and 2,
 - b. negotiable debt securities,
 - c. deposits or cash.
4. The future payments by the State that correspond to the management of the share of the claims of unpaid rent that are incumbent on it, in implementation of Article 85 of the Amending Finance Law No. 2007-1824 of 25 December 2007 for 2007;
5. Deposits with a licensed credit institution in a Member State of the European Community, or in another State party to the European Economic Area (EEA) agreement.

The arrangement's cash amounted to €120,549 K at the end of 2018, including €70,000 K of term accounts.

This covers the provisions for risks of the PASS-GRL® and GRL arrangements in the amount of 659%.

2. Other assets €6,736 K

The receivables are recorded at their par value. They mainly include:

- The current accounts with APAGL for €265 K;
- State receivables for €6,627 K.

The operational management of the PASS-GRL® and GRL® arrangements has been assigned to APAGL.

As part of the PASS-GRL arrangement, APAGL is specifically responsible on behalf of ALS, for paying insurance benefits and collecting recoveries from defaulting tenants.

Claim settlement fees, or recovery fees, are initially subject to a cash call by APAGL to the GURL fund. Where policyholders or contractors are paid, the APAGL sends to the GURL fund a detailed report of the disbursements made on their behalf.

Conversely, the monies collected by the APAGL on behalf of the GURL fund, in the context of contentious or amicable settlement, are periodically transferred to the bank account of the GURL fund.

The State debt represents the quota share of the State's cumulative losses as a result of its participation in the financing of the arrangement, when it benefits the tenants covered by the State, after deduction of payments, of which €5,136 K received in FY18.

Broken down by financier, the cash represents:

Balance Sheet – GURL Fund		
	(in €K)	
Assets	31/12/18	31/12/17
<i>CAT-DAT Investments</i>	71,136	76,813
<i>Cash and cash equivalents</i>	49,412	48,533
Cash	120,549	125,346
Coverage rate	659%	285%
for ALS	123,152	130,482
for the State	-2,603	-5,136
	120,549	125,346

The coverage rate is the "Cash/Provision" ratio.

3. Other Liabilities €182 K

This item mainly relates to the benefits due to landlords.

4. Provisions €17,886 K

Balance Sheet - GURL Fund		
	Liabilities	(in €K)
Provisions	31/12/18	31/12/17
<i>Provisions for GLR risks</i>	18,296	43,802
<i>Provisions for risks PASS-GRL</i>	-410	129
Provisions for risks	17,886	43 931

4.1 Provisions for risks PASS-GRL (provisions for claims outstanding)

The provision for claims outstanding (hereinafter “PSAP”) represents the arrangement’s commitment to settlement of benefits for claims that have taken place but not yet paid in full. In practice, the amount of the provision will result from estimating the remaining benefits to be paid to policyholders for policies with claims prior to the closing date.

The provisioning method is based on a period of time (assessed by the Kaplan Meier method), which allows for each claim to be assessed for the residual duration of indemnity to be provisioned based on its age.

4.2 Provisions for risks GRL®

In accordance with Section 3 of the Appendix to Decree No. 2009-1621 of 23 December 2009, funding by ALS and by the State of the GRL arrangement is effected by a financial offsetting mechanism (excess losses).

The provision of the GRL arrangement corresponds to the difference between the amount of the accounting compensation calculated as at 31 December 2018 and the amounts already paid in respect of cash compensation since the implementation of the arrangement.

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The formula to be applied for calculation of accounting compensation for each financial year to which it belongs is as follows:

Compensation A

(= indemnifications + provisions for claims outstanding – collection of amicable settlements – forecasts of amicable settlements – 80% contentious claims collected
– 80% forecasts of contentious claims)

– (premiums acquired x reference rate) if positive, 0 otherwise.

According to Article 10.IV.1 of Decree No. 2009-1621 of 23 December 2009, the reference rate is 55%.

The calculation of provisions was decided on the basis of the technical data available at 31 December 2018.

5. Own equity

- In accordance with the resolutions taken by the general meeting of 11 July 2018, the 2017 result, amounting to €28,627 K, was allocated in the amount of:
 - €28,627 K to the credit balance brought forward account.
 - The result of the Universal Risk Guarantee Fund (GURL) amounts as at 31 December 2018 to a net profit of €13,295 K.

C / Notes on the Income Statement

1. Operations with credit institutions

In accordance with the provisions of Decree No. 2009-1620 of 23 December 2009 regarding the accounting of the GURL funds, investment proceeds are vested in the GiRI Fund® and are not subject to repayments to insurers.

2. Transactions with customers

The item includes litigation fees (bailiffs, etc.) and fees paid to companies responsible for collection from tenants. They are recorded separately, per year of occurrence and amount to - €507 K.

The share of the State for the 2018 GURL activity is - €2,096 K.

3. Cost of risk

The cost of risk is a net reversal of €12,938 K and is broken down as follows:

- Net change in risk provisions+ \$26,045 K
- Charges associated with claims (paid to landlords)..... - €82 K
- Cash off-setting with insurers - €13,024 K

4.4 “Secure Access PASS” arrangement

A/ Notes on the balance sheet

1. Receivables from credit institutions..... €16,586 K

The cash flow relating to the “Secure Access PASS” arrangement is €16,586 K as at 31 December 2018.

2. Provisions..... €3,637 K

The SGFGAS is responsible for managing the PASS access fund securitisation arrangement and updated its forecasts following the low recourse by banking institutions in coverage of their losses.
There is a surplus on payments made to the fund for the 1999 to 2003 generations of €7,127 K which resulted in a write-back of the risk provision reducing the amount of €10,764 K to €3,637 K.

B/ Notes on the result

1. Operations with credit institutions..... €167 K

Investment products acquired in the fund amounted over the 2018 financial year to €167 K.

2. Cost of risk

The cost of risk corresponds to the net change in risk provision.

3. Profit..... €7,293 K

The result of this arrangement amounts as at 31 December 2018 to a profit of €7,293 K.

5/ OTHER INFORMATION

5.1 Consolidated accounts

According to ANC Regulation No. 2017-02, the date of first consolidation relates to the financial year opened from 1 January 2018.

According to ANC Regulation No. 2017-02, the date of first consolidation relates to the financial year opened from 1 January 2018.
ALS establishes consolidated accounts in accordance with the provisions of CRC Regulation No. 99-07 relating to consolidated accounts of firms in the banking sector. The scope of consolidation includes the subsidiaries: Astria Foncier, Ma Nouvelle Ville, Projimmo Conseil and Solendi Expansion. These consolidated accounts are a sub-step to the consolidation of the Action Logement Group, into which they are integrated, in accordance with the provisions of Amended Regulation No. 99-02 on the Accounting Regulation Committee of 29 April 1999 relating to the consolidated accounts of commercial companies and public companies.

5.2 Fiscal regime

Fiscal regime

The Order of 26 October 2016 provides in its Article 5 for partial exemption of ALS' activities according to the general interest service criteria (SIEG) applicable to HLM organisations.

This Order is supplemented by a tax ruling dated 19 December 2017 with effective date of 1 January 2017. This ruling sets out the principle of a distribution of income and charges between the sectors exempted and taxable by means of distribution keys. Transactions concluded prior to 1 January 2017 are exempt from Corporation Tax.

Applying these principles leads to sectoring of the result as follows:

- Result from the taxed sector €60,964 K deficit
- Result from the exempt sector profit of €498,543 K

Based on the tax deductions and fiscal reintegrations, the tax result is €56,836 K deficit.

5.3 Staff

Current staff (ETP) as at 31 December 2018 is:

	<i>2018</i>	<i>2017</i>
• Permanent contract	2,238	2,400
• Fixed contract	606	515
including work-study contracts	32	34
Total.....	2,844	2,915

5.4 Compensation, advances, credits and commitments

The total amount of compensation and allowances allocated for the year to executive members is €435 K.
Members of the board of directors are not paid and do not receive any attendance fees.

5.5 Statutory Auditors' Fees

The amount of statutory auditors' fees is €1,386 K.

These fees take into consideration the complexity of the environment in 2018: monitoring of operations within twenty information systems, consolidation of information to obtain the ALS entity summary, specific migration work, intervention by IS specialists.

The collection received from companies in 2018 amounted to €1,838,355 K, up 3.2% compared with last year, including €1,488,702 K (81%) received in the form of subsidies and €349,652 K (19%) received in the form of twenty-year loans.

5.6 Collection

ALS Company Accounts

• Note 1 - Receivables from credit and similar institutions

(in Euros)

	Total as at 31/12/2018	Total as at 31/12/2017				
			PEEFC Fund	PEAEC Fund	PSEEC Fund	Operating fund
Banks current accounts	298,047,775.82	1,704,117,600.81				
Banking investments	3,713,605,162.31	1,911,184,796.75				
Passbooks	445,665,074.29	498,404,502.28				
<i>Remunerated account</i>	2,004,049,514.09	462,305,502.14				
<i>Term account</i>	1,220,325,379.00	894,532,581.95				
<i>Other investments</i>	43,565,194.93	55,942,210.38				
	4,011,652,938.13	3,615,302,397.56				
	2,748,530,429.11	99,628,756.20	156,493,007.88	439,612,127.17	171,038,077.20	3,615,302,397.56
Total cash by fund						
						Total as at 31/12/2017
						Total as at 31/12/2018

● Note 2 - Transactions with customers

31/12/2018

(in Euros)

RECEIVABLES WITH INDIVIDUALS		PEEC Fund	Guarantee funds	PEAEC Fund	PSEECC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Loans to individuals								
<i>Loans outstanding</i>		3,990,850,888.38	212,879,547.71	45,196,814.59	88,400,292.94	376,999.53	4,337,704,543.15	4,832,268,176.96
<i>Overdue</i>		3,941,990,362.43	177,347,184.44	45,160,085.81	87,712,134.89		4,252,209,767.57	4,725,870,135.99
<i>Interest</i>		11,191,526.17	35,480,289.98	9,024.34	302,140.74		46,982,981.23	33,576,711.61
<i>Management mandates</i>		32,652,351.52	52,073.29	27,704.44	123,662.75	711.20	32,856,503.20	55,886,317.02
<i>Other</i>		5,016,648.26			258,986.39		5,275,634.65	5,908,509.73
					3,368.17	376,288.33	379,656.50	11,026,502.61
Grand total		3,990,850,888.38	212,879,547.71	45,196,814.59	88,400,292.94	376,999.53	4,337,704,543.15	4,832,268,176.96
Depreciation Loans to individuals								
Net value		90,236,177.62	185,482,312.46	112,057.31	1,977,533.36	195,931.31	278,004,012.06	339,650,374.61
RECEIVABLES WITH LEGAL ENTITIES		PEEC Fund	Guarantee funds	PEAEC Fund	PSEECC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Financing loans to legal entities Outstanding legal entities								
<i>Group</i>		12,072,073,833.23		66,447,837.41	2,059,775.65		12,140,581,446.29	11,888,760,100.95
<i>Out of Group</i>		5,494,651,457.00		37,996,524.00			5,532,647,981.00	
<i>Interest in financing to legal entities</i>		6,577,422,376.23		28,451,313.41	2,059,775.65	6,607,933,465.29		
		32,403,447.29		194,533.61	236,169.79	32,834,150.69		9,274,035.28
Grand total		12,104,477,280.52		66,642,371.02	2,295,945.44		12,173,415,596.98	11,898,034,136.23
Depreciation Loans to corporate								
Net value		26,720,489.88		78,521.57			26,799,011.45	29,221,538.84
Net value		12,077,756,790.64		66,563,849.45	2,295,945.44		12,146,616,585.53	11,868,812,597.39

● Note 3 - Interests in associated undertakings

(in Euros)

ALS Securities Tracking Table - Gross, Provisions, Balance Sheets of Subsidiary Companies

Company name	Legal form	Fund	Number of securities held	Fair value of securities held \$	Gross value of securities held at 31.12.2018	2018	2018	Depreciation securities 2017	Depreciation allocations 2018	Depreciation write-backs 2018	Depreciation securities 31.12.18	Share of capital held	Capital amount	Result amount	Net position	Own equity			
						Acquisitions	Disposals					Net value of securities held at 31.12.2018	0.00	0.00	0.00	0.00	-728,164.00		
PEEC holding					70,726.00				70,726.00										
<i>Astria Foncier</i>	SCI	PEEC	51,650	1.50	70,726.00				70,726.00				0.00	100.00%	77,475.00	-930,807.00	-728,164.00		
PSEECC holdings					10,898,717.63				4,307,474.00	852,021.86		5,159,495.86	5,739,221.77						
<i>Ma nouvelle Ville *</i>	SA	PSEECC	478,203	15.00	9,488,754.97				4,307,474.00	643,939.77		4,951,413.77	4,537,341.20	99.67%	7,196,250.00	19,763.00	4,572,128.00	4,572,128.00	
<i>Projimmo Conseil</i>	SARL	PSEECC	5,000	16.00	76,165.79									76,165.79	100%	80,000.00	280,080.00	1,653,295.00	1,653,295.00
<i>Atrion</i>	SA	PSEECC	45,732	15.25	697,260.09				208,082.09		208,082.09		489,178.00	100%	697,535.00	-265,435.00	489,178.00	489,178.00	
<i>Réunion Habitat</i>	SA	PSEECC	5,985	100.00	598,500.00									598,500.00	99.75%	600,000.06	-14,577.49	1,733,556.48	1,733,556.48
<i>Martinique Habitat</i>	SA	PSEECC	2,494	15.25	38,036.78									38,036.78	99.76%	38,112.00	-152,602.00	-83,824.00	-83,824.00
Participation,Fonctionnement					76,742,079.24														
<i>SOLENDI Expansion</i>	SA	Operating	4,489,517	15.00	76,742,079.24									76,742,079.24	100.00%	67,342,935.00	481,140.00	92,494,979.00	92,494,979.00
Grand total					87,711,522.87														
																4,307,474.00	922,747.86	5,230,221.86	82,481,301.01

* Citéo Développement changed company name on 20 February 2018, to become Ma Nouvelle Ville.

◆ Note 4 - Fixed assets

(in Euros)

	Gross value as at 31.12.2017	Increases	Reductions	Gross value as at 31.12.2018
	Acquisitions	Sub-item to sub-item transfers	Sub-item to sub-item transfers	Expenditure
Intangible assets				
Leasehold right	30,727,001.11	2,415,589.08	1,971,289.34	31,1688.59
Software	456,859.56			456,859.56
Assets under construction	28,632,024.46	2,176,669.68	1,971,289.34	32,726,294.89
Tangible assets				
Land	1,638,117.64	238,919.40	1,638,117.64	238,919.40
Buildings	51,206,631.92	9,354,706.65	3,397,993.47	58,173,777.08
General facilities	620,905.04			620,905.04
Transport equipment	7,287,610.55			397,701.94
Office equipment, IT, furniture	13,554,410.20	671,621.21	684,743.90	6,889,908.61
Assets under construction	2,711,242.14	5,521,998.72	35,307.11	545,159.32
Grand total	81,933,633.03	11,770,295.73	5,369,282.81	5,375,353.13 1,787,465.67 91,910,392.77

● Note 5 - Other assets

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Cash pledges	286,656,000.00					286,656,000.00	300,000,000.00
Accrued income						1,302,365.05	2,042,836.11
Other receivables transactions with customers	2,569,516.56	2,528,537.82	64,015.50	401,897.99	1,489,458.44	7,053,426.31	2,467,979.03
Other social and State payables						821,385.23	377,788.35
Deposits paid		1,500.00			6,459,974.25	6,461,474.25	
Associated current accounts *		333,288,864.85		354,130.62	18,498,646.79	352,141,642.26	
Other receivables	1,257,016.29	17,840,665.61	349.61	358,819.78	18,254,399.64	37,711,250.93	47,708,298.54
Grand total	623,771,397.70	20,370,703.43	64,365.11	1,114,848.39	46,826,229.40	692,147,544.03	352,596,912.03
Depreciation cash pledges	286,656,000.00					286,656,000.00	300,000,000.00
Net value	337,115,397.70	20,370,703.43	64,365.11	1,114,848.39	46,826,229.40	405,491,544.03	52,596,902.03

* including ONV for EUR 333,000,000, company being formed

• Note 6 - Amortisation and Depreciation

31/12/2018

(in Euros)

	Amortisation	Amortisation amount as at 31.12.2017	Increase in allocations	Reduction in amortisation	Amortisation amount as at 31.12.2018
Intangible assets					
Software	24,207,354.64	2,429,218.19	39,441.61	26,597,131.22	
Tangible assets	24,207,354.64	2,429,218.19	39,441.61	26,597,131.22	
Buildings	37,694,077.03	2,688,039.09	938,887.82	39,443,228.30	
General facilities	4,474,361.95	294,764.66	119,741.15	4,649,385.46	
Transport equipment	10,441,149.42	490,740.52	473,822.94	10,458,067.00	
Office equipment, IT, furniture	1,518,279.79	165,117.48	20,233.84	1,663,163.43	
Exceptional depreciation on tangible assets	21,260,285.87	1,737,416.43	325,089.89	22,672,612.41	
	116,890.00	616,694.62	0.00	733,584.62	
Grand total	62,018,321.67	5,733,951.90	978,329.43	66,773,944.14	
Impairment					
PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018
Cash pledges	286,656,000.00	0.00	0.00	0.00	286,656,000.00
Loans to individuals	90,236,177.62	185,482,312.46	112,057.31	1,977,533.36	195,931.31
Loans to corporate	26,720,489.88	0.00	0.00	78,521.57	278,004,012.06
Securities	70,726.00	0.00	0.00	5,159,495.86	26,799,011.45
Other	962.68	0.00	0.00	136,717.24	5,230,221.86
Grand total	403,684,356.18	185,482,312.46	112,057.31	7,352,268.03	486,072.40

● Note 7 - Debts with credit institutions

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
CDC loans	1,261,584,692.89					1,261,584,692.89	1,312,623,773.84
Overdue CDC loans						50,210,605.95	
Accrued interest CDC loans						22,486,767.27	
Loans credit institutions						71,152.27	
Interest income loans credit institutions							
Grand total	1,261,584,692.89					1,261,584,692.89	1,385,391,894.02

In 2013 and 2015, two loan agreements were signed between ex-UESL and the Caisse des Dépôts et Consignations (CDC) amounting to €1,700,000 K. All drawdowns amounted to €1,564,000 K. The amount outstanding at 31 December 2018 is €1,261,585 K.

Note 8 - Customer deposits

(in Euros)

	PEEC Fund	Guarantee funds	PEAFC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
State, local commune or State agency liabilities							
196,000,000.00						196,000,000.00	180,000,000.00
<i>ANRU - PNRU funding</i>	196,000,000.00					196,000,000.00	180,000,000.00
Liabilities to individuals							
92,139,725.57							
461,271.08		5,561.00				92,606,557.65	102,554,876.56
<i>MOBILI support</i>	91,790,917.34		461,271.08	5,561.00		92,257,749.42	101,263,358.59
<i>Social assistance</i>							1,291,517.97
<i>Other</i>	348,808.23					348,808.23	
Corporate liabilities							
5,157,880,561.27							
						201,634,311.89	
Subtotal A	5,072,681,740.85					101,634,311.89	
<i>Funds received as a CEP loan</i>							
<i>Loans outstanding</i>	4,905,237,703.43		96,986,602.26			5,002,224,305.69	4,755,665,863.20
<i>Loans due</i>	167,444,037.42		4,647,709.63			172,091,747.05	232,218,116.70
Subtotal B	85,198,820.42		100,000,000.00			185,198,820.42	102,363,815.74
<i>Third party beneficiaries of legal entity subsidies</i>	85,198,820.42		100,000,000.00			185,198,820.42	102,363,815.74

● Note 9 - Other liabilities

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Other social payables					45,227,228.35	45,227,228.35	45,379,678.75
Other social and State payables	56,000.00	0.00			12,626,450.31	12,682,450.31	13,567,064.43
Other supplier payables	235,346.45	656,895.59		-141.01	31,942,919.13	32,835,020.16	31,313,288.43
Other payables	3,850,187.86	934,886.08	6,299.88	159,354.46	15,664,660.84	20,615,389.12	4,213,272.71
Grand total	4,141,534.31	1,591,781.67	6,299.88	159,213.45	105,461,258.63	111,360,087.94	94,473,304.32

Note 10 – Provisions

31/12/2018

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Provisions for risks	1,306,882.84	107,061,249.99			1,630,705.56	109,998,838.39	127,626,517.11
Provisions for charges		0.00			74,122,322.41	74,122,322.41	64,395,698.55
Grand total	1,306,882.84	107,061,249.99			75,753,027.97	184,121,160.80	192,022,215.66
			as at 31/12/2018		as at 31/12/2017		
					€50,469 K	€56,688 K	
					€17,886 K	€43,931 K	
					€35,069 K	€14,937 K	
					€3,637 K	€10,764 K	
							€2,494 K

The provisions for guarantee fund risk record:

- the provision for LOCA-PASS® guarantee risk
- the provision on GRL® and PASS-GRL arrangements®
- the VISALE provision
- the provision on PAS securitisation fund

The provisions for charges for operating funds is broken down into:

- provision for retirement benefits
- provision for long service award
- litigation provision
- provision for IT charges
- other provisions for charges

• Note 11 - Permanent capital

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Subscribed capital called paid						20,000,000.00	20,000,000.00
Share capital merger bonus							8,023,384.71
Other reserves							
Legal reserve	2,000,000.00		4,653,826.96	3,437,079.65	5,113,076.82	67,295,904.73	
Statutory reserve "Development Fund"	54,091,921.30		11,634,567.40	8,567,446.51			148,181,300.06
"ESS Supplemental Law" reserve	127,999,286.15		183,247,083.84	518,399,279.85	140,404,144.81	12,898,602,613.52	
"Regulatory" reserve	11,685,992,834.88		370,559,270.14	199,535,478.20	530,403,806.01	145,517,221.63	13,116,079,818.31
Investment subsidies							2,000,000.00
Balance brought forward (±)			-48,275,716.30				
Result for the period (±)	553,782,420.94	-30,070,872.28	7,079,037.03	-93,211,583.66	81,468.21	437,660,470.24	248,086,883.79
	12,443,846,463.27	292,212,681.56	206,614,515.23	437,192,222.35	145,598,689.84	13,525,464,572.25	13,087,843,620.54

The share capital is held in full by Action Logement Group (2,000 shares of €10 K each).

The result for the financial year of the operating fund corresponds to the capital gains on disposals of buildings (subject to the release of the decree).

● Note 12 - Funds received as a subsidy

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEECC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Participation of employers							
<i>Funds received as a subsidy</i>	1,478,095,848.08		24,396,488.98	4,788,067.11		1,507,280,404.17	1,480,458,820.79
<i>Overdue and prescribed funds</i>	1,457,793,306.99		24,396,488.98	4,610,208.08		1,486,800,004.05	1,446,443,179.17
<i>Fund subsidy transformation received in loans</i>	18,449,408.30			177,859.03		18,627,267.33	34,302,880.06
Subsidies received from another fund						1,853,132.79	-287,238.44
Funds received						316,651,429.74	318,651,429.74
<i>Subsidies write-back</i>	8,070,000.00	400,000.00				53,797.28	8,523,797.28
<i>Other (1)</i>	8,070,000.00	400,000.00					110,004,809.81
Grand total	1,486,165,848.08	400,000.00	24,396,488.98	4,788,067.11	316,705,227.02		4,809.81

(1) Within the context of inter-fund transactions, the PEAEC Fund made subsidies in favour of:

- the PEEC fund, for 2017 and 2018 rental reservations obtained by PEAEC employees and funded on PEEC programmes;
- the VISALE guarantee fund, for beneficiaries in the agricultural sector of the VISALE arrangement.

● Note 13 - Subsidies paid

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEECC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
National Policy Funding						-635,000,000.00	-950,000,000.00
<i>ANIL-ADIL funding (R313-19-61)</i>	-9,000,000.00					-9,000,000.00	-9,000,000.00
<i>ANRU - PNRU funding</i>	-346,000,000.00					-346,000,000.00	-850,000,000.00
<i>ANAH funding</i>						-100,000,000.00	-100,000,000.00
<i>Subsidy Subsidy in respect of the NPNRU</i>	-130,000,000.00					-130,000,000.00	-50,000,000.00
<i>FNAP funding</i>	-50,000,000.00					-100,000,000.00	-50,000,000.00
<i>AFL funding commitments</i>						-100,000,000.00	-100,000,000.00
Subsidies to individuals						-93,029,986.51	-117,277,261.86
<i>Subsidies to legal entities</i>	-157,177,427.30					-20,846,142.74	-178,023,570.04
<i>Subsidies to other entities</i>	-11,581,006.30					-11,581,006.30	-12,394,651.84
<i>Subsidies to the Action Logement Group</i>	-145,596,421.00					-20,846,142.74	-153,000,000.00
Subsidies to another fund	-277,497,916.35	-29,496,176.32	-8,662,334.71	-995,002.36		-316,651,429.74	-318,214,473.12
Other subsidies						-8,470,000.00	-8,843,886.25
<i>Lease assignments (1)</i>						-8,070,000.00	-8,843,886.25
<i>Other subsidies (1)</i>						-400,000.00	-400,000.00
Grand total	-1,061,510,214.41	-29,496,176.32	-18,313,850.46	-101,008,602.36	-20,846,142.74	-1,231,174,986.29	-1,568,730,273.07

- (1) Within the context of inter-fund transactions, the PEAC Fund made subsidies in favour of:
- the PEEC fund, for 2017 and 2018 rental reservations obtained by PEAC employees and funded on PEEC programmes;
 - the VISAIE guarantee fund, for beneficiaries in the agricultural sector of the VISAIE arrangement.

● Note 14 - Interest receivable and similar income

					(in Euros)		
	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
<i>Transactions with credit institutions</i>							
<i>Income from financial investments</i>	10,234,564.84	1,369,273.19	610,605.56	1,734,425.74	600,105.47	14,548,974.80	20,754,750.54
<i>Transactions with individuals</i>							
<i>Income from Loans to individuals</i>	55,282,862.20	256,817.86	407,969.67	1,240,648.87		57,188,298.60	65,075,827.95
<i>Accrued interest not due</i>	165,890.12		4,094.37	13,546.03		183,530.52	522,289.51
<i>Other revenue from ancillary activities</i>	1,266,447.44	2,325,736.25	20,768.60	1,992.49	4,482.34	3,619,427.12	2,097,326.26
<i>Transactions with legal entities</i>							
<i>Income from Loans to corporate</i>	86,403,082.08		607,792.13			87,010,874.21	84,718,537.63
<i>Other legal claims</i>	12,359,606.61		319,249.52			12,678,856.13	21,594,742.02
<i>Other interest and related income</i>							3,118.63

Note 15 - Interest payable and similar charges

(in Euros)

	PEECC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Transactions with credit institutions							
<i>CDC loan interest</i>	-22,298,671.41	-85,594.61	-38,169.55	-108,420.66	-37,513.18	-22,568,369.41	-22,507,250.41
<i>Banking services</i>	-21,658,292.27					-21,658,292.27	-22,486,767.27
	-640,379.14	-85,594.61	-38,169.55	-108,420.66	-37,513.18	-910,077.14	-20,483.14
Transactions with customers							
<i>Operating charges</i>	-305,581.37	-3,623,542.56			-3,879.69	-3,933,003.62	-1,435,926.61
<i>Litigation and legal fees</i>	-305,581.37	-3,623,542.56			-3,879.69	-3,933,003.62	-1,399,132.97
<i>Other</i>							-36,793.64
Other interest payable and related charges							
<i>Changes on management transactions</i>	-265,430.57	-411.50			-136,717.24	-0.00	-402,559.31
<i>Other</i>	-265,430.57	-411.50			-136,717.24	0.00	-402,559.31
							-23,575.18

● Note 16 - Other banking income

(in Euros)

	PEEC Fund	Guarantee funds	PEAFC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Related customer income	3,459,714.01	320,873.58		439,952.79		4,220,540.38	7,336,240.24
Other income							93,223.99
Grand total	3,459,714.01	320,873.58		439,952.79		4,220,540.38	7,429,464.23

Note 17 - General operating expenses

(in Euros)

	PEEC Fund funds	Guarantee funds	PEAAC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Staff expenses							
Salaries, wages						-187,598,739.61	-189,509,854.33
Social security contributions and taxes						-112,384,154.34	-110,206,847.03
Profit-sharing and incentives						-63,164,266.41	-69,566,444.87
Works Council						-11,267,256.14	-6,541,400.67
Provisioning						-1,369,431.34	-1,143,121.11
Other administrative charges	-6,433,897.28	-9,633.95	-1,148.00	-147.96	-102,660,258.75	-109,105,085.94	-110,372,006.28
ANCOLS dues	-6,413,684.49					-6,413,684.49	-6,395,107.84
ALG subsidy*							-10,719,296.58
ALI subsidy *							-11,320,000.00
APAGL subsidy*							-4,298,285.80
ACPR dues						-938,040.00	-938,040.00
ASF dues *							-72,142.00
Real estate leases						-30,478,915.11	-30,478,915.11
Sub-contracts						-22,344,708.39	-22,344,708.39
Fees and litigation fees						-10,991,133.51	-10,991,133.51
Upkeep and repairs						-6,844,879.77	-6,844,879.77
Goods suppliers	-20,212.79	-5,133.95	-1,148.00	-147.96	-10,674,441.28	-10,701,083.98	-6,049,410.00
Publications, receptions						-4,644,375.38	-4,644,375.38
Transportation, travel, relocations						-2,704,144.06	-2,704,144.06
Insurance						-878,532.72	-878,532.72
Miscellaneous Taxes (CVAE, Office Tax, C35, etc.)			-4,500.00		-2,350,464.67	-2,354,964.67	-1,023,804.22
Vacant premises rentals							-177,811.98
Intra-group services						2,483,789.27	2,483,789.27
Operating provisions						-13,112,885.24	-13,112,885.24
Other						818,472.11	-1,240,164.33
Amortization of intangible and tangible assets						-5,118,086	-5,118,086.11
							-5,960,966.64

* reclassified in 2018 in subsidies paid (see note 13)

● Note 18 - Cost of risk

31/12/2018

(in Euros)

	PEECC Fund	Guarantee funds	PEAACC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Legal entities							
Allowances	-3,983,262.50					-852,021.86	-4,835,284.36
Write-backs (1)	-8,067,774.20					-852,021.86	4,309,913.17
Losses (2)	18,160,794.81						-8,919,796.06
	-14,076,283.11						-1,370,351.67
Individuals							
Allowances	-6,758,536.90	-1,528,214.22		-7,722.14	-247,468.57	0.00	-8,541,941.83
Write-backs	-34,146,211.54	-84,261,231.75		-60,400.21	-725,105.80	0.00	-119,192,949.30
Losses	53,176,053.46	136,912,666.03		61,951.49	730,651.82	0.00	190,881,322.80
Payments to insurers	-25,788,378.82	-54,179,648.50		-9,273.42	-253,014.59	-80,230,315.33	322,373,054.34
							-84,626,796.40
							-24,596,976.87
Grand total	-10,741,799.40	-1,528,214.22		-7,722.14	-1,099,490.43	0.00	-13,377,226.19
(1) and (2)							41,677,240.38
Of which €13,344 K of cash pledges as write-back of depreciation and as losses corresponding to the subsidies realised by the CDC in favour of social housing organisations.							

 Note 19 - ± Gains or losses on capital assets

(in Euros)

	PEEC Fund	Guarantee funds	PSEEC Fund	PEAFC Fund	PSEEC Fund Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
					-967,606.23	-967,606.23	1,568,602.76
Income disposals tangible asset items					(1) 459,010.64	459,010.64	34,172,057.19
Book value disposals tangible asset items					(1) -794,313.97	-794,313.97	-28,272,054.73
Book value disposals intangible asset items					-15,608.28	-15,608.28	-23,925.70
Provision for depreciation					-616,694.62	-616,694.62	-4,307,474.00
(1)	Including gain on building disposal of EUR 81,468.21						

• Note 20 - Extraordinary income

31/12/2018

(in Euros)

	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Extraordinary result							
<i>Allowances</i>						-6,427,219.80	
<i>Write-backs</i>						-23,823,991.81	(1)
<i>Income</i>						912,255.37	
<i>Charges</i>						18,409,951.62	(2)
<i>Taxes due in France</i>						-1,925,434.98	
						70,592.77	

Reminder 2017:

(1) including €23,882 K extraordinary allocation IFC / MDT.

(2) including €18,467 K income related to the sale of receivables to ALS, after deduction of borrowings of €225 K.

SIEG and Non-SIEG Income Statement

(in Euros)			
	SIEG	Non-SIEG	Total as at 31/12/2018
+ Employer equity			1,507,280,404.17
+ Subsidies received	273,447,067.38	1,233,833,336.79	1,480,458,820.79
	8,470,000.00	53,797.28	8,523,797.28
Subsidies received from another fund	8,470,000.00	53,797.28	8,523,797.28
Other subsidies	-121,578,693.51	-792,944,863.04	-914,523,556.55
- Subsidies paid			-635,000,000.00
Subsidies to the State, local communities or State agencies	-93,029,986.51		-93,029,986.51
Subsidies to individuals	-20,078,707.00	-157,944,863.04	-178,023,570.04
Subsidies to legal entities			-165,394,651.84
Subsidies to another fund			-8,470,000.00
Other subsidies	160,338,373.87	440,942,271.03	601,280,644.90
NET NON-BANKING INCOME	158,091,443.69	171,38,517.70	175,229,961.39
+ Interest and related income	88,116.69	14,460,858.12	14,548,974.81
Transactions with credit institutions	58,313,596.66	2,677,659.58	60,991,256.24
Transactions with individuals	99,689,730.34		99,689,730.34
Transactions with legal entities			106,313,279.65
Bonds and other fixed-income securities			3,118.63
Other interest and related income	-25,557,007.20	-1,346,925.15	-26,903,932.35
- Interest payable and related charges	-21,890,231.19	-678,138.23	-22,568,369.42
Transactions with credit institutions	-3,665,602.27	-267,401.35	-3,933,003.62
Transactions with customers	-1,173.74	-401,385.57	-402,559.31
Bonds and other fixed-income securities			0.00
Other interest payable and related charges			-1,174,746.93
+ Income from variable income securities			14,531.46
+ Commissions (income)			
- Commissions (charges)			
± Gains or losses on investment portfolio transactions	1,670,006.13	2,550,534.25	4,220,540.38
+ Other banking income			7,429,464.23
- Other banking expenses			177,092,664.28
NET BANKING INCOME	134,204,442.62	18,342,126.80	152,546,569.42

SIEG and Non-SIEG Income Statement

(in Euros)

	SIEG	Non-SIEG	Total as at 31/12/2018	Total as at 31/12/2017
NET OPERATING INCOME				
- General operating expenses	-3,997,581.49	-297,824,330.17	-301,821,911.66	-305,842,827.25
<i>Staff expenses</i>	-3,997,581.49	-292,706,244.06	-296,703,825.55	-299,881,860.61
<i>Other administrative charges</i>	-3,997,581.49	-105,107,504.45	-109,105,085.94	-110,372,006.28
- Depreciation and amortisation of intangible and tangible assets	-5,118,086.11	-5,118,086.11	-5,118,086.11	-5,960,966.64
GROSS OPERATING INCOME	290,545,235.00	161,460,067.66	452,005,302.66	211,197,667.68
- Cost of risk	-12,157,025.58	-1,220,200.61	-13,377,226.19	41,677,240.38
OPERATING INCOME	278,388,209.42	160,239,867.05	438,628,076.47	252,874,908.06
± Gains or losses on capital assets				
PRE-TAX CURRENT INCOME	278,388,209.42	159,272,260.82	437,660,470.24	254,443,510.82
± Non-recurring income				
- Income tax				-6,427,219.80
± Allocations/Write-backs regulated reserves				70,592.77
Net profit	278,388,209.42	159,272,260.82	437,660,470.24	248,086,883.79

Note 21 - Commitments given

Activity (E3)	PEEC Fund	Guarantee funds	PEAEC Fund	PSEFC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
						3,358,019,390.92	2,291,945,346.95
Funding commitments	1,745,609.27	201,952,613.40				3,358,019,390.92	2,291,945,346.95
Commitments made to credit institutions	812,480,000.00					812,480,000.00	
Pooling payments due CDC	812,480,000.00					812,480,000.00	
Commitments made to individuals	131,466,028.66	1,745,609.27	825,470.28			134,037,108.21	144,211,805.29
<i>Acquisition loans</i>	<i>83,761,545.42</i>	<i>1,316,514.00</i>	<i>751,068.32</i>			<i>83,829,127.74</i>	<i>107,039,790.88</i>
<i>Works loans</i>	<i>15,625,651.61</i>	<i>415,203.45</i>	<i>58,305.12</i>			<i>16,099,160.18</i>	<i>20,599,736.53</i>
<i>Advances, LOCA-PASS guarantee deposits</i> ®	<i>27,552,358.52</i>	<i>13,772.86</i>				<i>27,566,131.38</i>	<i>5,145,810.58</i>
<i>Loan refinancing</i>	<i>4,437,486.24</i>					<i>4,437,486.24</i>	<i>3,016,703.05</i>
<i>Other</i>	<i>88,986.87</i>		<i>118.96</i>	<i>16,096.84</i>			
						105,202.67	8,409,764.25
						201,127,143.12	2,411,502,282.71
Commitments made to legal entities	2,210,375,139.59					2,147,733,541.64	16,926,585.47
Specific territory actions	16,926,585.47					58,328,231.20	58,328,231.20
<i>Misibility worker households (FTM)</i>	<i>58,328,231.20</i>					<i>67,141,922.00</i>	<i>67,141,922.00</i>
<i>Non-FTM households-housing</i>	<i>67,141,922.00</i>					<i>11,337,180.00</i>	<i>11,337,180.00</i>
<i>NPNRU loans</i>	<i>11,337,180.00</i>					<i>1,067,143.12</i>	<i>1,970,901,058.86</i>
<i>Social housing</i>	<i>1,969,833,915.74</i>					<i>12,306,049.00</i>	<i>12,306,049.00</i>
<i>Social apartmentels (RHVS)</i>	<i>12,306,049.00</i>					<i>200,000,000.00</i>	<i>200,000,000.00</i>
<i>AFL funding</i>	<i>74,501,256.18</i>					<i>60,000.00</i>	<i>74,561,256.18</i>
<i>Other</i>							

• Note 21 - Commitments given

(in Euros)					
Activity (E3)	PEEC Fund	Guarantee funds	PSEEC Fund	Operating fund	Total as at 31/12/2018
Guarantee commitments					
Commitments made to credit institutions					
<i>Endorsements, security interests, Foncière Logement association guarantee</i>	2,879,431,662.60	2,845,807,783.87		2,055,555.32	5,727,295,001.79
<i>Guarantees credit institutions (GIMINI)</i>	700,230,690.60				2,879,431,662.60
	2,179,200,972.00				700,230,690.60
Commitments made to individuals					
<i>Customer income individuals</i>		2,845,807,783.87			2,845,807,783.87
<i>LOCA-PASS charges rents guarantee ®</i>		1,838,039,676.87			1,838,039,676.87
<i>VISALE guarantee</i>		1,007,768,107.00			1,007,768,107.00
Commitments made to legal entities					
<i>Endorsements, security interests, guarantees</i>			2,055,555.32		2,055,555.32
<i>Miscellaneous</i>			2,055,555.32		2,055,555.32
					2,435,372.00
Subsidies commitment					
	3,019,000,000.00				3,019,000,000.00
Subsidies to the State (New Five-Year Convention - National Policies)					
<i>ANIL-ADIL funding (R313-19-6-I)</i>	35,000,000.00				35,000,000.00
<i>ANRU - PNRU funding</i>	2,984,000,000.00				2,984,000,000.00
					35,004,000,000.00
Grand total	9,052,752,830.85	2,845,807,783.87	1,745,609.27	201,952,613.40	2,055,555.32
					12,104,314,392.71
					10,393,860,735.22

• Note 22 - Commitments received

(in Euros)

Activity (E3)	PEEC Fund	Guarantee funds	PEAEC Fund	PSEEC Fund	Operating fund	Total as at 31/12/2018	Total as at 31/12/2017
Funding commitments	77,715,726.02				150,672.21	77,866,398.23	82,473,921.18
Funding loans acquisitions		3,354,388.95			150,672.21	3,505,061.16	3,715,076.03
Funding loans Works		75,433.90				75,433.90	102,973.54
PASS-FONCIER funding®		41,075,478.52				41,075,478.52	44,699,402.13
Cash pledge landlord		2,645,179.61				2,645,179.61	2,798,274.82
Other funding		30,565,245.04				30,565,245.04	31,158,194.66
Grand total	77,715,726.02				150,672.21	77,866,398.23	82,473,921.18

® Registered trademark on behalf of Action Logement

Part of the ALS PASS-FONCIER loans® is covered by a bond guarantee with MNCPA.

® Registered trademark on behalf of Action Logement

Table for tracking of reservation rights (Article 121-111)

Reservation rights relative to occupied housing (continuation rights only)

Headings	Notes	Stock at opening (A)	New rights (B)	Temporary allocations and returns made during the year (C)	Expired or cancelled rights during the year (D)	Stock at closing of financial year (E=A+B+C-D)
<i>Action Logement Group</i>		203,665	11,620	19,909	4,635	207,319
<i>Non-Action Logement Group</i>		374,306	22,366	36,088	20,164	367,864
Grand total		577,971	33,986	55,997	24,799	575,183
<hr/>						
Headings	Notes	Stock at opening (A)	New rights (B)	Temporary allocations and returns made during the year (C)	Expired or cancelled rights during the year (D)	Stock at closing of financial year (E=A+B-C-D)
<i>Continuation reservation rights</i>		31,884	54,289	55,960	4,035	26,178
<i>Action Logement Group</i>		13,011	18,849	20,024	2,283	9,553
<i>Non-Action Logement Group</i>		18,873	35,440	35,936	1,752	16,625
Single designation reservation right		8,793	23,056	25,234	2,048	4,567
<i>Action Logement Group</i>		3,043	7,396	7,082	1,268	2,089
<i>Non-Action Logement Group</i>		5,750	15,660	18,152	780	2,478
Grand total		40,677	77,345	81,194	6,083	30,745

(1) Material correction of the opening rights inventory for "Reservation rights relative to vacant housing" of + 11,846 reservations.

ALS Company Accounts

Table for tracking of reservation rights (Article 121-111)

	Financial Year N-1	Financial Year N				
Headings	Notes	Stock at opening (A)	New rights (B)	Rights made available during the financial year (C)	Cancelled rights during the year (D)	Stock at closing of financial year (E=A+B-C-D)
Continuation reservation rights (2)		116,173	18,926	18,237	12,272	104,590
<i>Action Logement Group</i>		37,614	7,789	6,017	5,639	33,747
<i>Non-Action Logement Group</i>		78,559	11,137	12,220	6,633	70,843
Single designation reservation right (3)		43,341	12,784	19,552	2,423	34,150
<i>Action Logement Group</i>		11,087	4,848	6,224	4,004	5,707
<i>Non-Action Logement Group</i>		32,254	7,936	13,328	-1,581	28,443
Grand total		159,514	31,710	37,789	14,695	138,740

(2) In the opening inventory of "Continuation reservation rights", a decrease of 6,126 bookings was operated from the Group in favour of the non-group.

(3) In the opening inventory of the "continuation reservation rights a decrease of 4,351 reservations was operated from the group to the non-group profit.

Note 23 - Asset / Liability Schedule

ASSETS	PEEC					More than 5 years	Total
	Less than 3 months	3 months to 1 year	1 - 5 years				
Transactions with customers							
Loans to individuals	81,297,743	345,119,014	1,265,650,033	2,298,784,099	3,990,850,889		
Loans to corporate	64,736,169	473,768,367	2,146,058,393	9,419,914,351	12,104,477,280		
<i>Group</i>	19,800,677	161,098,818	738,148,854	4,575,603,108	5,494,651,457		
<i>Out of Group</i>	44,935,492	312,669,549	1,407,909,539	4,844,311,243	6,609,825,823		
Total	146,033,911	818,887,381	3,411,708,426	11,718,698,450	16,095,328,169		
LIABILITIES							
Debts with credit institutions	51,881,226	272,532,745	937,170,723	1,261,584,693			
Customer deposits	26,669,212	534,810,830	772,889,347	4,111,650,898	5,446,020,287		
<i>Liabilities to Government</i>	196,000,000				196,000,000		
<i>Liabilities to individuals</i>	23,034,931	69,104,794				92,139,726	
<i>Liabilities to legal entities</i>	3,634,280	269,706,036	772,889,347	4,111,650,898	5,157,880,561		
- PEEC Companies	3,634,280	184,507,215	772,889,347	4,111,650,898	5,072,681,741		
- Third party legal entities		85,198,820			85,198,820		
Total	26,669,212	586,692,056	1,045,422,092	5,048,821,620	6,707,604,980		

● Note 23 - Asset / Liability Schedule

ASSETS	Guarantee funds	Less than 3 months	3 months to 1 year	1 - 5 years	More than 5 years	Total
Transactions with customers						
Loans to individuals		23,025,255	73,169,971	87,186,209	29,498,113	212,879,548
Loans to corporate						
Group						
Out of Group		23,025,255	73,169,971	87,186,209	29,498,113	212,879,548
Total						
LIABILITIES						
Debts with credit institutions						
Customer deposits						
Liabilities to Government						
Liabilities to individuals						
Liabilities to legal entities						
- PEEC and PSEECC Companies						
- Third party legal entities						
Total						

● Note 23 - Asset / Liability Schedule

ASSETS	PEAEC				Total
	Less than 3 months	3 months to 1 year	1 - 5 years	More than 5 years	
Transactions with customers					
Loans to individuals	1,114,758	4,808,226	18,156,877	21,116,954	45,196,815
Loans to corporate					
<i>Group</i>					
<i>Out of Group</i>					
Total	1,114,758	4,808,226	18,156,877	21,116,954	45,196,815
LIABILITIES					
Debts with credit institutions					
<i>Customer deposits</i>					
<i>Liabilities to Government</i>					
<i>Liabilities to individuals</i>					
<i>Liabilities to legal entities</i>					
- PEEC and PSEEC Companies					
- Third party legal entities					
Total	461,271				461,271

Note 23 - Asset / Liability Schedule

ASSETS	PSEECC	Less than 3 months	3 months to 1 year	1 - 5 years	More than 5 years	Total	
ASSETS							
Transactions with customers							
Loans to individuals		3,382,137	14,623,551	42,232,801	28,161,804	88,400,293	
Loans to corporate		1,748,165	4,866,821	17,971,536	42,055,850	66,642,371	
Group		1,526,549	2,852,582	7,538,943	26,078,451	37,996,524	
Out of Group		221,616	2,014,239	10,432,593	15,977,399	28,645,847	
Total		5,130,302	19,490,372	60,204,337	70,217,654	155,042,664	
LIABILITIES							
Debts with credit institutions							
Customer deposits		485,334	102,654,490	14,514,645	83,985,404	201,639,873	
<i>Liabilities to Government</i>							
<i>Liabilities to individuals</i>				5,561		5,561	
<i>Liabilities to legal entities</i>				485,334	102,648,929	14,514,645	
- PSEECC Companies				485,334	2,648,929	14,514,645	
- Third party legal entities				100,000,000		101,634,312	
Total		485,334	102,654,490	14,514,645	83,985,404	201,639,873	

GUARANTEE FUND APPENDIX

ALS Company Accounts - GUARANTEE FUND

31/12/2018

• Balance Sheet

ASSETS					Total as at 31/12/2018	Total as at 31/12/2017
	Notes	Other guarantees	VISALE	GURL	Securitisation access PAS	
Cash, central banks, postal cheque account						
Receivables from credit and similar institutions						
Transactions with customers						
State, local communities or State agency receivables						
Loans to individuals						
Loans to corporate						
Bonds and other fixed income securities						
Shares and other variable income securities						
Holdings and other long-term securities						
Shares in affiliated companies						
Intangible assets						
Tangible assets						
3,284,330.04	10,288,158.61	6,736,202.00		62,012.78	20,370,703.43	
Other assets						
Receivables liaison account between funds						
3,284,330.04	10,288,158.61	6,736,202.00		62,012.78	20,370,703.43	18,825,385.85
Other assets						
Accruals						
249,128,201.56	193,286,712.85	127,284,858.58	16,648,252.69	586,348,025.68	381,165,984.12	
Gross						
-185,482,312.46					-185,482,312.46	-232,270,390.53
Amortisation and Depreciation						
Total assets					16,648,252.69	400,865,713.22
Net						148,895,593.59

ALS Company Accounts - GUARANTEE FUND

• Balance Sheet	LIABILITIES
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(in Euros)					
	Notes	Other guarantees	VISALE	GURL	Securitisation access PAS
					Total as at 31/12/2018
Central Banks, postal cheque account					
Debts with credit and related institutions					
Transactions with customers					
<i>State, local communities or State agency liabilities</i>					
<i>Liabilities to individuals</i>					
<i>Corporate liabilities</i>					
Debts represented by a security					
Other liabilities					
Liabilities liaison account between funds	931,646.91	442,099.91	181,938.97	36,095.88	1,591,781.67
Other liabilities	931,646.91	442,099.91	181,938.97	36,095.88	1,591,781.67
Accruals					
Provisions					
Own equity					
Subscribed Capital	50,469,150.00	35,068,806.00	17,886,448.02	3,636,845.97	107,061,249.99
Share Premiums	11,809,016.91	158,175,833.98	109,216,471.59	13,011,359.08	292,212,681.56
Reserves					
Revaluation surplus	92,218,761.55	211,010,118.18	67,294,319.85	36,070.56	370,559,270.14
Regulated provisions and subsidies					
Balance brought forward (±)					
Result for the period (±)					
Total Liabilities	63,209,813.82	193,686,739.89	127,284,858.58	16,684,300.93	400,865,713.22
					148,895,593.59

ALS Company Accounts - GUARANTEE FUND

Income Statement

	(in Euros)					
	Notes	Other guarantees	VISALE	GURL	Securitisation access PAS	Total as at 31/12/2018
+ Employer equity					400,000.00	-29,496,176.32
+ Subsidies received						-95,921,428.14
- Subsidies paid						
Subsidies to Government agencies, local communities or State agencies						
Subsidies to individuals						-4,682,214.03
Subsidies to legal entities						-82,400,994.53
Subsidies to another fund						-8,838,219.58
Other subsidies						-29,066,176.32
-29,496,176.32			400,000.00			-95,921,428.14
NET NON-BANKING INCOME						
+ Interest and related income						
+ Interest and related income						
Transactions with credit institutions						
Transactions with individuals						
Transactions with legal entities						
Bonds and other fixed-income securities						
Other interest and related income						
-179,357.46			-927,466.57	-2,602,724.64		-3,709,548.67
Other interest payable and related charges						
-85,594.61						-85,594.61
Transactions with credit institutions						
-93,351.35			-927,466.57	-2,602,724.64		-3,623,542.56
Transactions with customers						
Bonds and other fixed-income securities						
-411.50						-411.50
Other interest payable and related charges						
320,873.58			-8,460.80	-977.57		320,873.58
+ Other banking income						
General operating expenses						
- General operating expenses						
Staff expenses						
Other administrative charges						
External services						

ALS Company Accounts - GUARANTEE FUND

Income Statement

31/12/2018

						(in Euros)	
	Notes	Other guarantees	VISALE	GURL	Securitisation access PAS	Total as at 31/12/2018	Total as at 31/12/2017
- Depreciation and amortisation of intangible and tangible assets							
GROSS OPERATING INCOME			-28,548,445.63	-517,990.27	357,164.85	166,612.99	-28,942,658.06
- Cost of risk			-1,460,030.66	-20,132,242.00	12,938,204.44	7,125,854.00	-1,528,214.22
OPERATING INCOME			-30,008,476.29	-20,650,232.27	13,295,369.29	7,292,466.99	43,715,854.42
± Gains or losses on capital assets							
PRE-TAX CURRENT INCOME			-30,008,476.29	-20,650,232.27	13,295,369.29	7,292,466.99	-30,470,872.28
± Extraordinary result							-48,274,756.30
- Income tax							-960.00
± Allocations/Write-backs regulated reserves							
Net profit			-30,008,476.29	-20,650,232.27	13,295,369.29	7,292,466.99	-30,470,872.28
							-48,275,716.30

ALS Company Accounts - GUARANTEE FUND

31/12/2018

Off-balance sheet items

<i>(in Euros)</i>					
	<i>Notes</i>	<i>Other guarantees</i>	<i>VISALE</i>	<i>GURL</i>	<i>Securitisation access PAS</i>
				Total as at 31/12/2018	Total as at 31/12/2017
COMMITMENTS GIVEN					
Funding commitments					
<i>Commitments made to credit institutions</i>					
<i>Commitments made to individuals</i>					
<i>Commitments made to legal entities</i>					
			1,838,039,676.87	1,007,768,107.00	2,845,807,783.87
Guarantee commitments					
<i>Commitments made to credit institutions</i>					
<i>Commitments made to individuals</i>					
<i>Commitments made to legal entities</i>					
			1,838,039,676.87	1,007,768,107.00	2,845,807,783.87
Securities commitments					
Subsidies commitment					
<i>Subsidies to the State, local communities or State agencies</i>					
<i>Subsidies to individuals</i>					
<i>Subsidies to legal entities</i>					
<i>Other subsidies</i>					
			1,838,039,676.87	1,007,768,107.00	2,845,807,783.87
Total commitments given					