

ACTION LOGEMENT SERVICES

Statutory auditors' report on the consolidated financial statements

(For the year ended 31 December 2018)

This is a translation into English of the statutory auditors' report on the consolidated 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.

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Statutory auditors' report on the consolidated financial statements
(Year ended 31 December 2018)

Action Logement Services
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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 consolidated financial statements of Action Logement Services ("the Group") for the year ended 31 December 2018.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

We specify that your Group is not legally required (« ordonnance No. 2016-1408 dated October 20, 2016 » relating to the restructuring of the collection of the employers' participation in the construction effort), to produce consolidated financial statements for the year ended 31 December 2017. Therefore only the consolidated financial statements for the year ended 31 December 2018 are certified.

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 Consolidated 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.

Emphasis of Matter

We draw attention to notes « 2. General Information » and « 3.5.1. Action Logement Group first consolidation » to the consolidated financial statements which describe methods of Action Logement Services Group first consolidation. Our opinion is not modified in respect of this matter.

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 consolidated financial statements of the current period.

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

Consolidation methods

Note “3.3 Consolidation methods” in the notes to the consolidated financial statements states:

- the consolidation methods applied;
- as well as the materiality thresholds defined.

In respect of our assessment of the accounting principles and methods followed by your Company, we have ensured the appropriateness of the consolidation methods specified above and of the information provided in notes to the consolidated financial statements and we have ensured their correct application.

Goodwill

Note “3.5 Goodwill” in the consolidated financial statements states:

- the methods of Group first consolidation;
- the general principles for goodwill accounting treatment ;

In respect of our assessment of the accounting principles and methods applied by your Group, we have reviewed the methods of goodwill determination and accounting treatment, as well as the information provided in the notes to the consolidated financial statements, and we have ensured their correct application.

Depreciation of loans to individuals

Note “3.7 Transactions with customers” in the consolidated financial statements sets out the accounting rules and methods relating to the depreciation of loans made to individuals.

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

Provisions for risks associated with the guarantee arrangements

Your Group 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 “3.15.1. Guarantee fund provisions” in the notes to the consolidated 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 Group 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 consolidated financial statements.

Provisions for pension commitments and similar benefits

Your Group 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 notes “3.13 Pension commitments and similar benefits” and “5.9 Provisions” to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

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

We attest that the consolidated non-financial statement required by Article L.225-102-1 of the French Commercial Code (code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L.823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Lyon and Paris La Défense, June 12, 2019

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG SA

Elisabeth L'hermite

Erik Boulois

CONSOLIDATED ACCOUNTS 31/12/2018

ACTION LOGEMENT SERVICES



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CONSOLIDATED BALANCE SHEET

<i>In thousands of Euros</i>	<i>Notes</i>			31 December 2018	31 December 2017
ASSETS					
		Gross	Amortisation and Depreciation	Net	Net
Receivables from credit and similar institutions	5.1	4,039,983		4,039,983	3,640,659
Transactions with customers	5.2	16,311,695	-307,277	16,004,418	16,158,603
<i>State, local communities and State agency receivables</i>					
<i>Loans to individuals</i>		4,337,705	-280,478	4,057,227	4,291,997
<i>Loans to corporate</i>		11,973,990	-26,799	11,947,191	11,866,606
Bonds and other fixed income securities					
Shares and other variable income securities					
Holdings and other long-term securities	5.3	1,335	-208	1,127	1,335
Shares in affiliated companies					
Goodwill					
Intangible assets	5.4	33,906	-26,676	7,230	6,596
Tangible assets	5.4	510,003	-72,384	437,619	428,178
Other assets	5.5	720,506	-287,565	432,941	76,517
Total assets		21,617,428	-694,110	20,923,318	20,311,888

<i>In thousands of Euros</i>	<i>Notes</i>			31 December 2018	31 December 2017
LIABILITIES					
Debts with credit and related institutions	5.6			1,295,655	1,422,605
Transactions with customers	5.7			5,648,122	5,372,802
<i>State, local communities or State agency liabilities</i>				196,000	180,000
<i>Liabilities to individuals</i>				92,607	102,554
<i>Liabilities to corporate</i>				5,359,515	5,090,248
Other liabilities	5.8			248,457	218,101
Provisions	5.9			188,988	192,735
Equity (group share)				13,542,081	13,105,630
<i>Subscribed Capital</i>				20,000	20,000
<i>Share premium</i>					
<i>Reserves</i>				13,085,590	12,833,071
<i>Regulated provisions and subsidies</i>					40
<i>Result for the period</i>				436,491	252,560
Minority interests				15	15
Total liabilities				20,923,318	20,311,888

CONSOLIDATED INCOME STATEMENT

In thousands of Euros	Notes	31 December 2018	31 December 2017
Employer's Contribution	5.10.1	1,507,280	1,480,457
+ Subsidies received	5.10.1	325,175	428,219
<i>Subsidies received from another fund</i>		316,651	318,214
<i>Other subsidies</i>		8,524	110,005
- Subsidies paid	5.10.2	-1,231,165	-1,595,062
<i>Subsidies to Government agencies, local communities or State agencies</i>		-635,000	-959,000
<i>Subsidies to legal entities</i>		-165,046	-165,395
<i>Subsidies to individuals</i>		-93,030	-117,277
<i>Subsidies to another fund</i>		-316,651	-318,214
<i>Other subsidies</i>		-21,438	-35,176
Net non-banking income		601,290	313,614
+ Interest and related income	5.11.1	172,534	191,799
- Interest payable and related charges	5.11.2	-27,841	-25,652
+ Income from variable income securities			15
+ Commissions (income)			
- Commissions (charges)			
Gains or losses on investment portfolio transactions		2,999	3,823
+ Other banking income		4,221	7,429
- Other banking expenses			
Net banking income		151,913	177,414
Other banking income	5.12	40,319	17,172
General operating expenses	5.13	-333,381	-289,108
<i>Staff expenses</i>		-204,221	-179,843
<i>Other administrative charges</i>		-129,160	-109,265
Allocations for amortisation and depreciation of tangible and intangible assets		-9,680	-7,598
Gross Operating Income		450,461	211,494
Cost of risk	5.14	-13,378	41,677
Operating Income		437,083	253,171
Gains or losses on capital assets		38	116
Pre-tax current income		437,121	253,287
Extraordinary result		-41	-736
Income Tax		-589	9
Net income of integrated companies		436,491	252,560
Quota Share in the results of equity-accounted companies			
Net allocation amort. Goodwill			
Net income from consolidated companies		436,491	252,560
Minority interests		0	0
Net Income (Group Share)		436,491	252,560

CHANGES IN EQUITY

<i>In thousands of Euros</i>	Subscribed Capital	Consolidated Reserves	Result for the period	Other Variations	Own equity Group Share	Minority Interests	Total own equity
1 January 2017					0		0
Result for the period			252,560		252,560		252,560
Contribution in equity	20,000				20,000		20,000
Changes in scope		12,833,071			12,833,071	15	12,833,085
31 December 2017	20,000	12,833,071	252,560	0	13,105,630	15	13,105,645
Allocation of income N-1		252,560	-252,560		0		0
Result for the period			436,491		436,491	0	436,491
Other Movements		-40			-40		-40
31 December 2018	20,000	13,085,590	436,491	0	13,542,081	15	13,542,096

The "Changes in scope" line in FY17 corresponds mainly to the effects of the Action Logement reform resulting from Order No. 2016-1408 of 20 October 2016 relating to the restructuring of the collection of the employers' participation in the construction effort.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. SIGNIFICANT FACTS FOR THE PERIOD

1.1. REFORM OF ACTION LOGEMENT

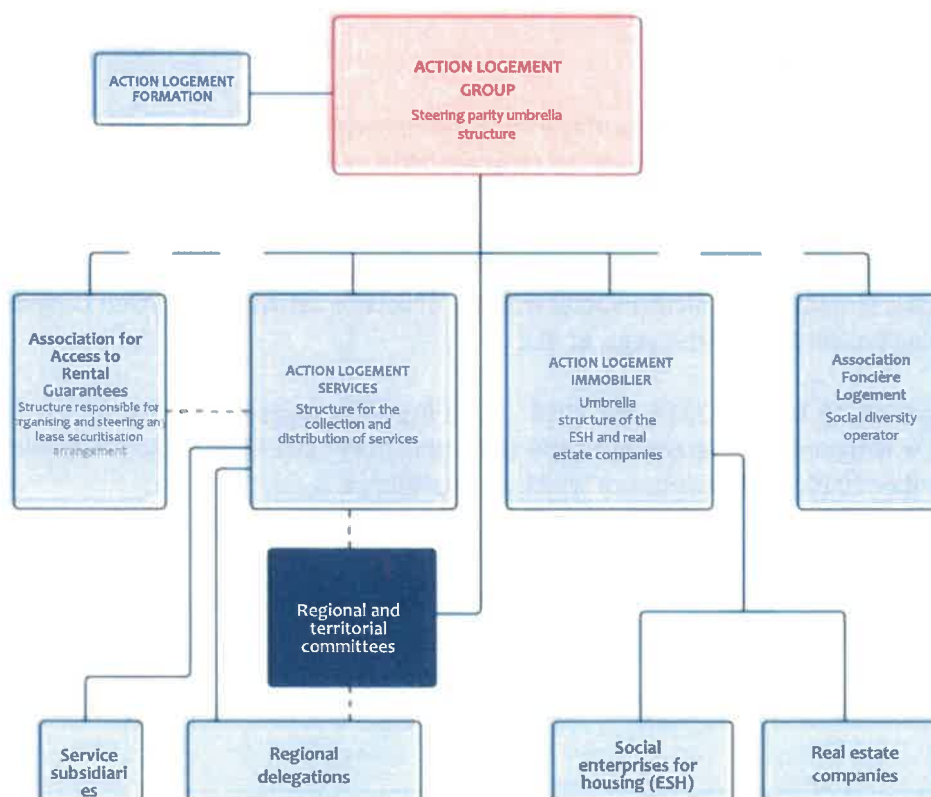
Order No. 2016-1408 of 20 October 2016 relating to the restructuring of the collection of the employers' participation in the construction effort (hereinafter "the Order") conducted an in-depth restructuring of the Action Logement network to simplify and streamline the collection of the employers' participation 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 strengthen its territorial anchoring by reaffirming the priority given to the local level of action by our ESH in support of local housing policies conducted by local communities.

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 and distribution of corporate support and services;
- the **SAS Action Logement Immobilier** (hereinafter "ALI") that has holdings in all the real estate subsidiaries in the Group. This holding is intended to ensure for the Action Logement Group the mission of supporting and securitisation of the steering of its subsidiaries and holdings.

The associations AFL (Association Foncière Logement [Residential Land Association]) and APAGL (Association Pour l'Accès aux Garanties Locatives [Association for Access to Rental Guarantees]) are also part of the Action Logement Group.



1.2. TRANSFER OF ASSETS AND LIABILITIES (DISSOLUTION OF THE UESL AND THE 20 CIL IN FAVOUR OF ALG, ALI AND ALS)

Order No. 2016-14 08 of 20 October 2016, relating to the restructuring of the collection of the employers' participation in the construction effort, has set the conditions for the vesting of the CILs (Interprofessional Housing Committees) and the UESL through Article 6 III and IV and has appointed ALG as a liquidator (Article 6 II of the Order of 20 October 2016).

The Order provides for:

1. the transfer of the goods, rights and obligations of the CILs as follows (reference, Article 6, III):
 - Transfer to ALS of all goods, rights and obligations excluding holdings:
 - By Original Fund (PEEC, PEAC, PSEEC) and transferred to the same Funds excluding transactions carried out in the form of a guarantee that must be transferred to the guarantee fund;
 - Transfer to ALI of all goods, rights and obligations relative to the holdings.
2. the transfer of the goods, rights and obligations of the UESL as follows: (reference, Article 6, IV)
 - Transfer to ALS in the PEEC Fund of all goods, rights and obligations arising from the Intervention Fund and the Social Intervention Fund to the exclusion of goods, rights and obligations relating to the holdings;
 - Transfer to ALS in the Guarantee Fund of all goods, rights and obligations arising from the GURL Fund (Universal Rental Risk Guarantee);
 - Transfer to ALI of goods, rights and obligations relative to the holdings;
 - Transfer to ALG of all goods, rights and obligations arising from the Operating Fund.

Thus, in accordance with Article 6, IV of the Order and the Decree of the Minister responsible for housing and sustainable habitat of 28 October 2016 relating to the dissolution of the UESL and CILs, the latter were dissolved on 31 December 2016 after the vesting of their assets and liabilities in favour of ALG, ALI and ALS.

1.3. OTHER SIGNIFICANT FACTS

- Restructuring of subsidiaries of securities V: transfer of services activities to ALS

Under the terms of Order No. 2016-1408 of 20 October 2016, the subsidiaries of the CILs (more than 600 entities) were originally transferred to ALI.

The restructuring operations were conducted under the aegis of ALG in FY17 to reallocate all service activities under ALS.

The other subsidiaries (remaining structures after transfer of service activities and other subsidiaries) of the ex-CILs of ALI are being finalised under the aegis of ALI.

- Furthermore on 16 January 2018, the 2018 - 2022 five-year agreement between the State and Action Logement was signed. This agreement supersedes the 2015 - 2019 State / Action Logement agreement of 2 December 2014, the provisions of which are ineffective.

2. GENERAL INFORMATION

ALS SASU and its subsidiaries together constitute the “ALS Group”. Action Logement Service, a subsidiary of Action Logement Group, is steered by the employer organisations and employee unions, primarily managing employers’ participation in the construction effort (PEEC) to facilitate access to housing for employees and to promote access to employment. Action Logement is helping to improve the housing situation in France, contributing to the development of the economic attractiveness and social balance of territories.

These consolidated financial statements were established as at 31 December 2018, for a period of 12 months. For comparison, FY17 is presented in the consolidated statements. This financial year is 12 months and 10 days long, ALS having been created on 22 December 2016 and establishing its first consolidated accounts. The takeover of control of the UESL and the 20 CILs by the Action Logement Group (and therefore of the service subsidiaries by ALS) having taken place on 31 December 2016, the 2017 result and balance sheet correspond to 12 months of activity. As such, the majority of the 2018 variation tables on the balance sheet show a variation from 1 January 2018 to 31 December 2018, the column 1 January 2018 representing the balances from the ALS consolidation as at 31 December 2017.

The vesting entries, as well as the transcription of ALG Group restructuring in the accounting by fund for ALS (more than one million entries), were not clearly identified in the accounts of the subsidiaries. Therefore, not all the vesting/restructuring flows can be separated from the operating flows for FY17, making it impossible to present certain ancillary information (balance sheet flows).

3. ACCOUNTING PRINCIPLES, RULES AND METHODS

3.1. GENERAL PRINCIPLES

The ALS Group financial statements are established in accordance with:

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

The establishment of consolidated accounts involves standardisation of individual accounts as well as consolidation restatements.

The consolidating entity has defined and disseminated the accounting methods and principles that are applicable to entities included within its scope of consolidation. Thus, the ALS group may retain different accounting options and methods in individual accounts and in the consolidated accounts, even if a preferred method is applied in individual accounts: following the principle of standardisation of valuation and presentation methods prevails over applying preferred methods.

Some restatements may be necessary at the level of the consolidated accounts. These restatements are performed centrally and are not applicable to individual accounts.

Unless otherwise stated, accounts are presented in thousands of Euros, rounded to the nearest thousand Euro. For the income statement, the income is positive and expenditure negative. For the balance sheet, the asset accounts are positive except for amortisation and depreciation, liabilities accounts are positive except for potential accounts receivable for own capital.

3.2. OVERVIEW OF SEPARATELY IDENTIFIABLE OPERATIONS

The financial statements for the ALS subsidiaries, which have the status of commercial companies, are established in accordance with ANC Regulation No. 2014-07.

The following features are taken into account:

- Only the interest income and expenditure of the subsidiaries fall within the determination of the Net Banking Income,
- The production sold of services as well as ancillary income not falling within the consolidation of the “net banking income” are grouped within the same consolidation “Other operating income”.

3.3. METHODS OF CONSOLIDATION

The consolidation methods are as follows:

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

Significance thresholds are applied to retain only the controlled subsidiaries with a significant contribution to the consolidated accounts of the Action Logement Group, including for subsidiaries in the real estate sector. These alternative thresholds are as follows:

- total balance sheet greater than EUR 6 million and total turnover greater than EUR 5 million;
- or subsidiaries not exceeding balance sheet and result thresholds but holding over 150 homes;
- or holdings not exceeding the thresholds but controlling subsidiaries that meet threshold conditions.

The scope of consolidation is shown in paragraph 9.

3.4. CONVERSION OF CURRENCY TRANSACTIONS

The consolidated financial statements are established in Euros. All consolidated entities are located in France.

3.5. GOODWILL

3.5.1. FIRST CONSOLIDATION OF THE ACTION LOGEMENT GROUP

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

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

3.5.2. GENERAL PRINCIPLES

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

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

When positive, the goodwill is recorded in capital assets under the heading "Goodwill". When there is no predictable limit to the length of time the goodwill will provide economic benefits to the group, it is not depreciated. In this case, a depreciation test is performed at least once per financial year regardless of whether there is a loss of value index. Recorded depreciation is never reversed.

When there is a predictable limit to its duration of use, the goodwill is amortised linearly over that period, or,

if it cannot be reliably determined, over 10 years.

When negative, the goodwill is recorded in liabilities on the consolidated balance sheet in provisions for risks and charges and is reported in the result over a period that must reflect, as far as is reasonably practicable, the assumptions retained and the objectives set during the acquisition.

Goodwill recorded in the individual accounts of consolidated entities, and the analysis of which confirms that the constituent elements cannot be valued separately is also considered as goodwill.

3.6. RECEIVABLES FROM CREDIT AND SIMILAR INSTITUTIONS

The “Cash and cash equivalents” heading includes cash and on demand bank deposits (CAT, DAT, Passbooks).

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

Where necessary, they are the subject of depreciation, calculated for each line of securities of the same type, to return their value to the average stock exchange price during the last month (or, for non-listed securities, to their likely realisation).

3.7. TRANSACTIONS WITH CUSTOMERS

Loans are recorded in assets on the balance sheet at the time of disbursements of funds to third parties, pursuant to contractual provisions by which the entity undertakes to transmit to individuals or legal entities the use of payment facilities for longer than one year.

Signature of the contract therefore does not result in recording in assets. It creates a financial commitment however to be recorded in off-balance sheet commitments.

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

Loans to individuals: Loans whose overdue receivables have been unpaid for more than six months are depreciated in full, excluding loans with guarantees that can actually be implemented.

Loans to corporate: Loans whose overdue receivables have been unpaid for more than one year are depreciated as follows:

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

Corporate loans whose overdue receivables have been unpaid for more than six months and for less than a year are depreciated as follows:

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

No minimum value is applicable to loans with a guarantee that can actually be implemented.

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

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

3.8. INTANGIBLE ASSETS

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

- **Software and websites**

Software licenses are recorded in assets based on costs incurred to acquire and commission the software in question. These costs are amortised over the estimated useful life of the software (between one and five years). The costs of creating a website that participates in the information systems or business systems are recorded in charges or in capital assets depending on the development phase of the website.

Intangible assets are, if applicable, amortised linearly in accordance with the following amortisation periods:

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

3.9. TANGIBLE ASSETS

3.9.1. GENERAL PRINCIPLES

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

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

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

Depreciation is calculated based on the rate of consumption of the expected economic benefits of the asset, over the actual useful life of the asset. The Group retains a depreciation according to the linear mode, over the following periods:

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

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

The net book value of an asset is immediately depreciated to return it to its current value when the net book value of the asset is significantly greater than its estimated current value.

3.10. DEPRECIATION OF INTANGIBLE AND TANGIBLE ASSETS

Assets with an undetermined useful life, such as land and brands, are not amortised and are subject to impairment testing when there is a loss of value index at closing.

Amortised assets are subject to impairment testing when, due to special events or circumstances, the recoverability of their net book value is questioned.

The potential recovery of the depreciation is reviewed at each closing date.

3.11. INTERESTS AND OTHER LONG-TERM SECURITIES

Equity interests and other long-term securities are recorded at their acquisition cost including, where applicable, costs directly attributable to the acquisition (transfer tax, fees or commissions, legal fees). If an acquisition fee is recorded in the company accounts, these charges must be restated in the consolidated accounts to be incorporated into the cost of acquiring the securities.

Depreciation is recorded when the inventory value of the securities falls below their acquisition cost. This inventory value is assessed based on different criteria such as net assets at the closing of the relevant companies' year, their level of profitability, their prospects for the future, and their value for the Group.

3.12. DEBT ISSUE EXPENSES

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

3.13. PENSION COMMITMENTS AND SIMILAR BENEFITS

The companies in the ALS group have different pension plans; however, the primary pension commitment borne is constituted by the retirement benefits (IFC) for the staff, the legislation providing that benefits are paid to employees at the time of retirement, based on their length of service and salary at retirement age. These retirement benefits are therefore recorded in liabilities on the balance sheet as a provision.

3.13.1. PENSION COMMITMENTS

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

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

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

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

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

The actuarial variances and the cost of past services are recorded immediately in the results.

3.13.2. OTHER LONG-TERM BENEFITS

Other long-term benefits that can be granted by ALS group are mainly the long service awards assessed based on actuarial assumptions.

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

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

3.14. OTHER PROVISIONS

3.14.1. GUARANTEE FUND PROVISIONS

The various guarantee arrangements offered by ALS (LOCA-PASS®, GRL®/PASS GRL, VISALE, Secure Access Fund PASS) are subject to provisions at the end of the financial year based on loss exposures and management fees assessed as follows:

- LOCA PASS®: the provision includes an estimate of claims and management fees, net of settlement by generation of guarantees granted. It is estimated by actuaries;
- GRL®/PASS GRL: the provisioning of claims to be paid and the provision 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. Pursuant to Decree No. 2001-1620 on the operation of the GURL fund, the provisions are assessed by an independent actuary (member of an actuary association recognised by ACPR);
- VISALE: on the basis of the work of an independent actuary (a member of an actuary association recognised by ACPR), a provision is recorded for late claims or payable under lease bonds. This provision takes into account the implementation rate and the implementation period of the deposit;
- Secure Access Fund PASS - SGFGAS (the Company for the Management of Finance and the Guarantee of Social Access to the Property) is responsible for the management of the Secure Access Fund PASS. As such, the SGFGAS provides the forecast of the number of claims of each loan "generation" (one year of production) that allows for the updating of the provision.

On the income statement the provisions and write-backs of provisions are grouped under the "Cost of Risk" line. For balance sheet provisions, see note 5.9.

3.15. DETERMINATION OF INCOME

Income is recorded in the result for the financial year if it is:

- Realised, i.e. it is certain in its principle and amount;
- Acquired in the financial year.

The main aggregates of income are:

- Net Non-Banking Income (PNNB): consists of the employer's participation (collection) net of subsidies paid.
- Net Banking Income (PNB): made up of net interest margin on customer loans.
- Other operating income include previous operating income, transfers of operating charges and other income not falling within the determination of the Net Non-Banking Income and the Net Banking Income.

3.16. DEFERRED TAXES

According to the terms of the tax ruling specific to ALS and based on activities defined to date in the 2018 2022 five-year agreement, the ALS tax result for the coming years should remain deficit in the same way as the 2017 and 2018 tax deficits. As such, no deficit is activated and neither is any deferred tax recognised.

3.17. CRITICAL ACCOUNTING ESTIMATES

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

The results realised may in fine differ materially from these estimates depending on assumptions or different situations.

4. SECTORAL INFORMATION

The ALS subsidiaries included in the consolidated accounts have, pooled or individually, a contribution less than 2% of the main aggregates on the balance sheet and income statement.

Information showing the contribution of ALS on the one hand and the pooling of other subsidiaries on the other hand does not, in our opinion, provide us with relevant information allowing the reader of the consolidated accounts to have a better vision of the ALS Group's activities.

5. NOTES ON THE BALANCE SHEET AND INCOME STATEMENT

5.1. RECEIVABLES FROM CREDIT AND SIMILAR INSTITUTIONS

In thousands of Euros	31 December 2018	31 December 2017
Banks current accounts	2,330,278	2,687,934
Banking investments	1,709,705	952,725
Total receivables from credit and similar institutions	4,039,983	3,640,659

The item Banks current accounts includes 298 million current accounts and 2,004 million remunerated accounts.

Investments are mainly made up of 1,220 million term accounts and 445 million passbook accounts.

5.2. TRANSACTIONS WITH CUSTOMERS

In thousands of Euros	1 January 2018	Increases	Reductions	Losses on unrecoverable debts	Other variations	31 December 2018
Loans to individuals	4,631,648	653,656	-856,868	-80,230	-10,501	4,337,705
Loans to corporate	11,895,900	764,952	-683,287	-14,076	10,501	11,973,990
Total transactions with customers	16,527,548	1,418,608	-1,540,155	-94,306	0	16,311,695

This item corresponds to the loans granted to individuals and legal entities by Action Logement Services and saw a decrease in loans granted to individuals in 2018 compared with 2017.

Depreciation of loans:

In thousands of Euros	1 January 2018	Allowances	Write-backs	Other variations	31 December 2018
Loans to individuals	-339,651	-119,194	190,881	-12,514	-280,478
Loans to corporate	-29,294	-8,919	18,160	-6,746	-26,799
Total depreciation	-368,945	-128,113	209,041	-19,260	-307,277

Reclassifications for presentation purposes were carried out in respect of loan impairments to best reflect the cost of risk in respect of the result, these reclassifications equating to €19.3 million of net write-backs of the risk provisions for the guarantee fund (See notes 5.9 and 5.14).

Loans schedule:

In thousands of Euros	Gross value as at 31/12/2018	Up to one year	Between 1 year and 5 years	More than 5 years
Loans to individuals	4,337,705	546,540	1,413,225	2,377,940
Loans to corporate	11,973,990	545,118	2,164,029	9,264,843
Total loans	16,311,695	1,091,658	3,577,254	11,642,783

5.3. EQUITY INTERESTS AND OTHER LONG TERM SECURITIES

In thousands of Euros	01 January 2018	31 December 2018	Share of capital held	Capital amount	Result	Own equity
Atriom	698	698	100.00%	696	-265	489
Réunion Habitat SAS	599	599	99.75%	600	-15	1,734
Martinique Habitat	38	38	99.76%	38	-153	-83
Total equity interests and other long term securities	1,335	1,335				

This item corresponds to unconsolidated interests held by ALS Group. Note that Atriom's securities are depreciated in the amount of €208 million.

5.4. INTANGIBLE AND TANGIBLE ASSETS

Gross values:

In thousands of Euros	1 January 2018	Increases	Reductions	Other variations	31 December 2018
Intangible assets	30,787	2,839	-54	334	33,906
Leasehold right	457				457
Software	28,691	2,370	-54	1,972	32,979
Current intangible assets	1,638	239		-1,638	239
Goodwill	1	230			231
Tangible assets	494,307	26,815	-10,785	-334	510,003
Land	326,422		-8,953	7,244	324,713
Buildings	115,907	64	-398	11,743	127,316
Other tangible assets	37,055	4,027	-1,336	8,524	48,270
Current tangible assets	14,923	22,724	-98	-27,845	9,704
Intangible and tangible assets - Gross values	525,094	29,654	-10,839		543,909

The increase in capital assets primarily corresponds to acquisitions of Solendi Expansion's buildings and land, as well as the acquisitions of ALS' office equipment, furniture and computer software.

Other variations correspond to the reclassification into constructions of received buildings, previously classified as assets under construction at Solendi Expansion.

Amortisation and Depreciation:

In thousands of Euros	1 January 2018	Allowances	Write-backs / Disposals	Other variations	31 December 2018
Intangible assets	-24,191	-2,524	39		-26,676
Leasehold right					
Software	-24,191	-2,481	39		-26,633
Goodwill		-43			-43
Tangible assets	-66,129	-7,201	1,045	-99	-72,384
Land	-8		8		
Buildings	-35,862	-3,866	120	4,278	-35,330
Other tangible assets	-30,259	-3,335	917	-4,377	-37,054
Total amortisation and depreciation	-90,320	-9,725	1,084	-99	-99,060

5.5. OTHER ASSETS

Other assets are broken down as follows:

In thousands of Euros	31 December 2018	31 December 2017
Cash pledges	286,656	300,000
Other receivables individuals	19,201	18,529
Loans granted	31,898	24,997
Other customer receivables	351,060	25,076
Other receivables	31,691	8,036
Total other assets	720,506	376,638

The other assets are mainly the cash pledge of €286.6 M depreciated in full, and the contribution of €333 M for the incorporation of ONV (suspense account before structure creation).

Depreciation of other assets:

In thousands of Euros	1 January 2018	Allowances	Write-backs	31 December 2018
Cash pledges	-300,000	0	13,344	-286,656
Other	-121	-846	58	-909
Total depreciation of other assets	-300,121	-846	13,402	-287,565

Write-back of depreciation of cash pledge corresponds to the amount recorded in losses of €13.3 million.

5.6. DEBTS WITH CREDIT INSTITUTIONS

In thousands of Euros	1 January 2018	Variation	Increases	Reductions	31 December 2018
CDC loans	1,362,905			-101,320	1,261,585
Accrued interest CDC loans	22,486	-22,486			
Loans credit institutions	36,992			-3,117	33,875
Accrued interest loans credit institutions	222	-27			195
Total debts with credit institutions	1,422,605	-22,513		-104,437	1,295,655

In 2013 and 2015, two loan agreements were signed between the CDC and ex-UESL for EUR 1,700 million in order to support the level of construction, rehousing, acquisition of social housing, or participation in the capital of landlords. Total drawdowns amounted to €1,564 million and the amount outstanding at the end of 2018 is €1,261.6 million.

Borrowings from credit institutions are the bank loan outstanding taken out by Solendi Expansion.

5.7. AMOUNTS DUE TO CUSTOMERS

In thousands of Euros	1 January 2018	Increases	Reductions	Other variations	31 December 2018
State, local communities and State agency liabilities	180,000	196,000	-180,000		196,000
Liabilities to individuals	102,554	119,672	-129,619		92,607
Corporate liabilities	5,090,248	463,985	-174,238	-20,480	5,359,515
Total amounts due to customers	5,372,802	779,657	-483,857	-20,480	5,648,122

State, local communities and State agency liabilities correspond to the ANRU-PNRU funding in respect of the 2018 envelope.

The liabilities to individuals are mainly related to the outstanding MOBILI Support.

Liabilities to legal entities correspond to funds received as loans in respect of the PEEC, other variations correspond to the prescribed funds prescribed as well as conversions into subsidies of funds received as loans.

Schedule of customer deposits:

In thousands of Euros	Gross value as at 31/12/2018	Up to one year	Between 1 year and 5 years	More than 5 years
State, local communities and State agency liabilities	196,000	196,000		
Liabilities to individuals	92,607	92,607		
Corporate liabilities	5,359,515	376,474	787,404	4,195,637
Total amounts due to customers	5,648,122	665,081	787,404	4,195,637

5.8. OTHER LIABILITIES

Other liabilities include:

In thousands of Euros	31 December 2018	31 December 2017
Other social payables	50,430	54,101
Other social and State payables	15,436	6,556
Other supplier payables	31,458	28,029
Advances stakeholders Pass Foncier	115,101	119,048
Other payables	36,032	10,367
Total other liabilities	248,457	218,101

5.9. PROVISIONS

Provisions are broken down as follows:

In thousands of Euros	1 January 2018	Allowances	Write-backs	Other variations	31 December 2018
Provisions for risks	130,566	4,911	-1,577	-19,258	114,642
Provisions for pensions and retirement	60,130	3,836	-3,102		60,864
Other provisions for charges	2,039	11,480	-37		13,482
Total provisions	192,735	20,227	-4,716	-19,258	188,988

Risk provisions include provisions of the ALS guarantee fund:

- €50.5 million related to the claims provision and management fees for the LOCA-PASS® arrangement, net of settlement by generation of guarantees granted. This provision is estimated by actuaries,
- €17.9 million in provision on the GURL fund (PASS-GRL® and GRL® arrangements). Note that these provisions are covered by the cash of the GURL fund amounting to €120.5 million as at 31 December 2018,
- €35.1 million in provision for claims and management fees related to the VISALE arrangement,
- €3.6 million in provisions on the Secure Access Fund PASS.

The amount of €19.3 million in other variations corresponds to the allocations net of write-backs of provisions for risks, which have been reclassified to variations in loan impairments, for needs of presentation in respect of the cost of risk (see detail below, also notes 5.2 and 5.14).

In thousands of Euros	31 December 2017	Allocations / Write-backs	31 December 2018
Provision for LOCA-PASS® guarantee risk®	56,688	-6,219	50,469
Provision on GRL® and PASS-GRL arrangements®	43,931	-26,045	17,886
the VISALE provision	14,937	20,132	35,069
Provision on PASS securitisation fund	10,764	-7,127	3,637
Provisions for guarantee fund risk	126,320	-19,258	107,061

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

Assumptions common to all subsidiaries	
Discount rate	1.50
Mortality Table	INSEE H/F 2011-2013
Assumptions specific to each subsidiary	
Annual salary increase	Between 0.5% and 3%
Staff turnover rate	Staff turnover tables decreasing based on age, and taking values varying between 5% and 0%.
Retirement age	Between 62 and 65 years old
Social charges rate by job category	Between 50% and 69.8%

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

- Provisions for IT charges at ALS for €10.4 million;
- Miscellaneous risk and expense provisions for €3.2 million.

5.10. NET NON-BANKING INCOME

Net Non-Banking Income (PNNB) consists of the employer's participation (collection) net of subsidies paid.

5.10.1. FUNDS RECEIVED AS A GRANT

In thousands of Euros	31 December 2018	31 December 2017
Participation of employers	1,507,280	1,480,457
<i>Funds received as a grant</i>	<i>1,486,800</i>	<i>1,446,441</i>
<i>Overdue and prescribed funds</i>	<i>18,627</i>	<i>34,303</i>
<i>Fund grant transformation received in loans</i>	<i>1,853</i>	<i>-287</i>
Subsidies received from another fund	316,651	318,214
Funds received	8,524	110,005
Total funds received as a grant	1,832,455	1,908,676

Employer participations remain relatively stable in 2018. The amount of Funds received of 110 million in 2017 was consistent with the write-back of the grant recorded in the ex- UESL and contributed on 1 January 2017, in the amount of €60 million to ANRU and €50 million to ANAH in respect of the 2017 national policy commitments.

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

5.10.2. SUBSIDIES PAID

In thousands of Euros	31 December 2018	31 December 2017
National Policy Funding	-635,000	-959,000
Subsidies to individuals	-93,030	-117,277
Subsidies to legal entities	-165,046	-165,395
Subsidies to another fund	-316,651	-318,214
Other subsidies	-21,438	-35,176
Total subsidies paid	-1,231,165	-1,595,062

The change in subsidies paid in 2018 is due in particular to the reduction of 324 million in national policy funding (ANRU-PNRU, ANAH, NPNRU, FNAP and AFL).

The other subsidies relate to subsidies paid to other companies in the Action Logement Group (ALG in the amount of €17.3 million and APAGL in the amount of €4.1 million).

5.11. NET BANKING INCOME

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

5.11.1. INTEREST RECEIVABLE AND RELATED INCOME

In thousands of Euros	31 December 2018	31 December 2017
Transactions with credit institutions	14,549	20,755
Operations with individuals	60,991	67,695
Transactions with legal entities	96,988	103,339
Other interest and related income	6	10
Total Interest receivable and similar income	172,534	191,799

The decline in interest income is mainly related to the reduction in outstanding amounts and exit of high-yielding assets in FY18.

5.11.2. INTEREST PAYABLE AND RELATED CHARGES

In thousands of Euros	31 December 2018	31 December 2017
Transactions with credit institutions	-22,568	-22,507
Transactions with customers	-3,933	-1,436
Other interest payable and related charges	-1,340	-1,709
Total Interest payable and similar charges	-27,841	-25,652

5.12. OTHER OPERATING INCOME

In thousands of Euros	31 December 2018	31 December 2017
Production sold of services	13,937	7,236
Other income from ancillary activities	22,198	2,380
Provision of recharged staff	4,184	7,556
Other banking income	40,319	17,172

The production sold of services mainly relate to the MOBILI-PASS® Support in the amount of €11.5 million and €1.1 million from the FASTT (Temporary Work Social Assistance Fund) with the subsidiary Ma Nouvelle Ville.

The income from ancillary activities includes commissions received from banks in the amount of €10.3 million and €2.7 million insurance income with the subsidiary Projimmo Conseil.

5.13. GENERAL OPERATING EXPENSES

In thousands of Euros	31 December 2018	31 December 2017
Staff expenses	-204,221	-179,843
<i>Staff remuneration</i>	-135,644	-116,739
<i>Social security and provident charges</i>	-68,107	-56,624
<i>Other staff charges</i>	-904	-6,576
Other administrative charges	-129,160	-109,265
<i>Sub-contracting</i>	-20,678	-18,343
<i>Rents and rental charges</i>	-22,299	-18,456
<i>Intermediaries and fees</i>	-12,471	-17,053
<i>Allocations to operating provisions</i>	-20,243	
<i>Upkeep and repairs</i>	-7,756	-8,468
<i>Miscellaneous Taxes</i>	-17,077	-17,095
<i>ANCOLS/ACPR/ Other Dues</i>	-7,352	-7,395
<i>Post and Telecommunications Fees</i>	-7,300	-7,072
<i>Travel and receptions</i>	-3,242	-4,393
<i>Insurance</i>	-983	-1,276
<i>Other administrative charges</i>	-9,759	-9,714
Total general operating expenses	-333,381	-289,108

The amount of EUR 20.2 million for allocations to operating provisions specifically corresponds to provisions for IT charges of EUR 10.3 million, as well as the provision of retirement benefits and other provisions relative to staff throughout the ALS Group.

5.14. COST OF RISK

In thousands of Euros	31 December 2018	31 December 2017
Losses on unrecoverable debts Personal loans	-80,230	-84,627
Losses on unrecoverable debts Corporate loans	-14,076	-1,749
Payments to insurers	0	-24,597
Allocations to depreciation Personal/Corporate Loans	-128,113	-177,152
Write-backs on depreciation Personal/Corporate Loans	209,041	329,802
Total cost of risk	-13,378	41,677

This aggregate includes allocations net of write-backs of depreciation of loans to individuals and legal entities, unrecoverable loan losses, as well as allocations net of write-backs of provisions for guarantee funds (see notes 5.2 and 5.9).

The cost of risk records an increase of EUR 55.1 million in 2018, related to the decrease in net allocations to loan depreciation of 71.7 million, partially offset by reduced losses and payments to insurers of EUR 16.7 million compared with 2017.

5.15. COMMITMENTS GIVEN

In thousands of Euros	31 December 2018	31 December 2017
Mortgages and collateral	7,425	7,425
LOCA-PASS and VISALE guarantees granted	2,845,808	2,213,550
Endorsements, security interests, guarantees	2,881,487	2,384,365
Sub-total guarantees given	5,734,720	4,605,340
National Policies (subsidies payable)	3,019,000	3,504,000
Loans to other legal entities	3,223,982	2,147,734
Personal loans	134,037	144,212
Payable on signed contracts - Rental operations	150	6,982
Other commitments given	0	0
Commitments given	12,111,889	10,408,268

5.16. COMMITMENTS RECEIVED

In thousands of Euros	31 December 2018	31 December 2017
Endorsements, security interests, guarantees - Received	25,379	145
Sub-total guarantees received	25,379	145
Other loans - Received	77,866	82,474
Commitments received	103,245	82,619

6. OTHER INFORMATION

6.1. STAFF

Average staff during FY18:

	31 December 2018	31 December 2017
Executives including directors	891	895
Non-executive employees	2,239	2,186
Average staff (FTE)	3,130	3,081

6.2. TRANSACTIONS WITH RELATED PARTIES

In thousands of Euros		31 December 2018					
		Balance Sheet			Result		Off-balance sheet items
		Gross amount of loans granted	Depreciation	Net amount of loans granted	Interest and related income	Subsidies paid	Loan commitments given
ANCOLS Code	Company name						
7500100034	AFL	1,648,012	0	1,648,012	8,252	0	0
7500050216	IMMOBILIERE 3F	807,643	-1,389	806,254	6,339	-111	164,864
7500530018	IN'LI (ex OGIF)	307,830	0	307,830	3,156	0	42,772
7500050273	FRANCE HABITATION	259,236	0	259,236	2,241	0	124,287
9400050106	DOMAXIS	176,272	-5	176,267	1,557	0	66,149
7500051033	3F RESIDENCES (ex Résidences Sociales France)	206,478	0	206,478	759	0	41,639
6900050040	ALLIADE HABITAT	116,746	0	116,746	1,116	0	23,895
1300050013	UNICIL (ex DOMICIL)	97,522	0	97,522	3	0	16,025
5100050024	PLURIAL NOVLIA	81,334	0	81,334	570	0	33,580
7500050497	ERIGERE	75,636	-16	75,620	506	0	9,189
9704050053	SHLMR - Palier SA D'HLM DE OF REUNION	85,039	0	85,039	854	0	14,841
2500050019	NEOLIA	68,595	0	68,595	512	0	17,129
0200050016	CLESENCE (EX Maison du Cil)	85,231	0	85,231	917	0	13,030
3100050052	PROMOLOGIS	63,282	0	63,282	49	0	21,111
3300050019	DOMOFRANCE	52,626	0	52,626	141	0	13,952
7500050554	3F SEINE ET MARNE (ex Résidence Urbaine de France)	63,791	0	63,791	416	-401	16,532
9500050048	LSVO - LE LOGIS SOCIAL DU VAL D'OISE	51,252	0	51,252	481	0	26,674
6900050032	IMMOBILIERE RHONE-ALPES	52,154	0	52,154	384	-375	12,195
7800050015	SOGEMAC	49,844	0	49,844	166	0	13,033
7600050033	LOGEO SEINE ESTUAIRE	37,441	0	37,441	645	218	13,373
6800050041	DOMIAL (ex Habitat Familial A)	37,960	0	37,960	303	0	14,823
7900050022	IMMOB. ATLANTIC AMENAGEMENT (ex SA D'HLM DES DEUX-SEVRES ET DE LA REGION)	36,168	0	36,168	306	0	5,114
6900530032	IN'LI AURA (ex ENT.Habitat Im)	57,152	0	57,152	604	0	4,190
3500050041	ESPACIL HABITAT	33,551	0	33,551	243	0	6,295
6000050015	PICARDIE HABITAT	38,365	0	38,365	299	0	19,140
4400050065	LA NANTAISE D'HABITATIONS	35,541	0	35,541	296	0	7,210
7600050025	IMMOBILIERE BASSE SEINE	37,854	0	37,854	300	0	3,150
6700050133	3F Grand EST (ex Immo Grand Est)	29,712	0	29,712	326	0	4,921
0600050012	IMMOBILIERE MEDITERRANEE	28,665	0	28,665	0	0	15,272
9701050012	SIKOA	28,502	0	28,502	296	0	3,996
4900050045	IMMOBILIERE PODELIHA	24,453	0	24,453	5	-144	2,893
7600050132	LOGISEINE	21,696	0	21,696	172	0	2,543
0600530012	IN'LI PACA (ex PARLONIAM)	22,326	0	22,326	0	0	7,491
4500050064	3F CENTRE VAL DE LOIRE (ex IMMOB CENTRE LOIRE)	21,408	0	21,408	223	0	3,560
5700050036	LOGIEST	25,686	-1,393	24,293	200	0	9,658
4500050015	VALLOGIS	21,446	0	21,446	207	0	4,799
1000050016	MON LOGIS	22,353	0	22,353	197	0	10,074
3300050068	CLAIRSIENNE	21,631	0	21,631	25	0	9,331
0600050038	LOGEO MEDITERRANEE (ex SUD HABITAT)	18,136	0	18,136	0	0	3,365
3100530011	IN'LI Sud Ouest ex Ciléo Habitat	27,347	0	27,347	5	0	3,930
3100050029	LA CITE JARDINS	16,021	0	16,021	1	0	12,381
7200050029	F2M (ex Foyer Manceau)	15,933	0	15,933	47	0	549
4200050042	CITE NOUVELLE	17,534	0	17,534	128	0	3,092
6300050012	AUVERGNE HABITAT	30,928	0	30,928	105	0	8,185
6700530018	IN'LI GRAND EST (ex SICI)	12,262	0	12,262	70	0	0
6900050016	HBVS - HABITAT BEAUJOLAIS VAL DE SAONE	12,158	0	12,158	107	0	2,625
4700050021	CILIOPEE HABITAT	11,005	0	11,005	161	0	711
2100050013	HABELLIS (ex VILLEO)	26,980	0	26,980	290	0	6,339
5900050224	3F NORD ARTOIS (ex Immo Nord Artois)	10,649	0	10,649	85	-96	2,685
5400050039	SOCIETE LORRAINE D'HABITAT	9,773	0	9,773	18	0	1,857
7500103581	ACTION LOGEMENT GROUP	0	0	0	0	157,303	0
7500100083	APAGL	0	0	0	0	4,135	0
7500103583	ACTION LOGEMENT IMMOBILIER	3,819	0	3,819	16	0	0
Other related parties		155,256	-6	155,250	1,201	940	33,193
Totals		5,298,234	-2,809	5,295,425	38,002	161,469	897,634

6.3. STATUTORY AUDITORS' FEES

In thousands of Euros (including taxes)	31 December 2018			31 December 2017		
	Auditors, certification, review of individual accounts	Ancillary services to account certification	Total	Auditors, certification, review of individual accounts	Ancillary services to account certification	Total
KPMG	759	0	759	851	0	851
PricewaterhouseCoopers (PWC)	693	0	693	793	0	793
Total fees paid to auditors	1,452	0	1,452	1,644	0	1,644

7. RESERVATIONS RIGHTS

In numbers	31 December 2018	31 December 2017
Reservation rights relative to occupied housing (continuation rights)	575,183	575,183
<i>of which outside the ALG Group</i>	367,864	374,306
<i>of which ALG Group</i>	207,319	203,665
Reservation rights relative to vacant housing (continuation rights)	26,178	31,884
<i>of which outside the ALG Group</i>	16,625	18,873
<i>of which ALG Group</i>	9,553	13,011
Reservation rights relative to vacant housing (single designation)	4,567	8,793
<i>of which outside the ALG Group</i>	2,478	5,750
<i>of which ALG Group</i>	2,089	3,043
Reservation rights relative to delivered housing	605,928	615,860
Reservation rights relative to housing not yet delivered (continuation rights)	104,590	116,173
<i>of which outside the ALG Group</i>	70,843	78,559
<i>of which ALG Group</i>	33,747	37,614
Reservation rights relative to housing not yet delivered (single designation)	34,150	43,341
<i>of which outside the ALG Group</i>	28,443	32,254
<i>of which ALG Group</i>	5,707	11,087
Reservation rights relative to housing not yet delivered	138,740	159,514

8. POST-CLOSING EVENTS

GPEC 2 External Voluntary Mobility Support Agreement

The entities of the UES Action Logement and the unions signed a support agreement on 30 January 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.

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

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.

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, including those of ALI SASU, 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.

Disposals of premises by Solendi Expansion

The disposal of premises authorised during the meeting of the Council on 30 October 2018 continued in the first quarter of 2019:

- 63 avenue Gambetta in Valencia: promise to purchase in the process of being signed;
- Premises rue Fourier in Chartres: promise to purchase in the process of being signed;
- 110 avenue de la Jallère in Bordeaux: promise to purchase in the process of being signed;
- 99 Boulevard Mons in Villeneuve-d'Ascq: prospective purchaser;
- 32 rue de Flanders in Marcq-en-Barœul: marketing in progress.

9. LIST OF CONSOLIDATED COMPANIES AS AT 31 DECEMBER 2018

ANCOLS No.	SIREN	Company name	Legal form	Movement	Integration Method	% control	% interest
7500103582	824541148	ACTION LOGEMENT SERVICES	SASU	Closure	Parent undertaking of group		
9200500245	444222046	ASTRIA FONCIER	SCI		Global	100.00	100.00
9300860024	382373116	SOLENDI EXPANSION	SA		Global	100.00	100.00
3100531427	394003289	MA NOUVELLE VILLE	SA		Global	100.00	99.68
9300862434	391969094	PROJIMMO CONSEIL	SARL		Global	100.00	100.00