

INVESTOR INFORMATION

Annual income 2020 for Action Logement Services

The Board of Directors for Action Logement Services, meeting under the joint chairmanship and vice-chairmanship of MEDEF (Movement of French Companies) and CFTC (French Confederation of Christian Workers) on 6th May 2021, approved the Company's annual financial statements.

1. Commercial activity and annual income 2020 for Action Logement Services

En millions d'euros	2019	2020	2020/2019	
			Montant	%
Collecte nette	1 742	1 572	- 170	-9,8%
Remboursement de prêts	1 275	1 213	- 62	-4,9%
Compensation Etat	-	238	238	na
Total des ressources hors appel aux marchés	3 018	3 023	6	0,2%
Aides aux salariés	569	1 188	619	108,8%
Aides aux bailleurs sociaux	1 450	3 233	1 783	123,0%
Politiques publiques de l'habitat	634	1 404	770	121,5%
Total des engagements	2 653	5 825	3 172	119,6%

The net inflow of repayments due in 20 years, mainly from the contribution of companies to the employer contributions to construction costs (PEEC), amounted to €1.6 billion in 2020, down 9.8% compared to 2019.

This decrease is due to the increase on 1st January 2020 of the threshold for companies to be subject to the PEEC from 20 to 50 employees, in application of the Law on the Action Plan for Growth and Transformation of Companies (PACTE Law).

The impact of this increase for the financial year 2020 is a decrease in gross inflows, offset by a payment from the State of €238m, in accordance with the provisions of the 2018-2022 Five-Year Agreement.

Loan repayments, the second component of Action Logement Services' resources, represent €1.2bn. They are down by 4.9%, as a result of the downward trend in outstanding customer loans.

Therefore, the resources, excluding the call for tenders, amount to €3 billion for the financial year 2020. These resources are stable compared to the previous year.

Following the launch of its inaugural €1bn bond issue in the second half of 2019, the Company's funding requirements did not lead to a call for tenders in 2020.

Activity in 2020 rose sharply to €5.8 billion in commitments in the form of grants and loans, due to the intensification of support for all beneficiaries in the current health crisis and the ramping up of all measures in the Voluntary Investment Plan (PIV) signed with the State on 25th April 2019 for a total amount of €9.1 billion.

- Grants for employees:
 - €1.2bn, a level which has been doubled compared to the financial year 2019, mainly with the distribution of Voluntary Investment Plan (PIV) grants to adapt ageing housing stock, residential mobility to move closer to the workplace and energy renovation work.
 - Action Logement Services supported nearly 644,000 families in 2020 alone, i.e. more than 134,000 beneficiaries than in 2019, in particular helping employees in difficulty. In this respect, in order to meet the needs of people made vulnerable by the health crisis, Action Logement Services has deployed special aid for unpaid rent and mortgage payments from June 2020.
- Funding from social housing landlords:
 - €3.2bn, up by €1.8bn compared to the financial year 2019, at the heart of which is the deployment of the voluntary investment plan (PIV) for an amount of €1.9bn.
- Contribution to public housing policies:
 - €1.4 billion in commitments, including the payment of an exceptional amount of €0.5 billion to the French National Housing Assistance Fund (FNAL), in accordance with the 2020 Finance Act.

In June 2020, Action Logement Services launched AL'in, a fully digitalised national rental solution platform that aims to facilitate the processing of housing applications. Thanks to this platform, which brings together all the players involved in the customer journey (landlords, companies and employees), each applicant now has a personalised space.

2. Social financial results

En millions d'euros	2019		2020		2020/2019	
	Montant	%	Montant	%	Montant	%
Produit net non bancaire	580	-	1 676	-	2 257	-389%
Produit net bancaire	138		127		12	-8%
Produit net d'exploitation	719	-	1 550	-	2 268	-316%
Frais de gestion	-	347	-	287	60	-17%
Résultat brut d'exploitation	371	-	1 837	-	2 208	-595%
Coût du risque	11	-	62	-	72	-682%
Résultat d'exploitation	382	-	1 899	-	2 280	-597%
Gains ou pertes sur actifs immobilisés	-	8	-	7	1	-9%
Résultat courant avant impôt	374	-	1 905	-	2 280	-609%
Résultat exceptionnel	-	0	-	-	0	na
Résultat net	374	-	1 905	-	2 280	-609%

The non-banking net income (PNNB) represents a net charge of €1.676m, made up of the employer contributions to construction costs (PEEC) and reduced by the aid distributed in the form of subsidies to the beneficiaries of Action Logement Services, both physical persons and legal entities.

Net banking income went down to €127m in 2020, mainly due to a decrease in the net interest margin.

Management costs decreased by 17% compared to the previous year, as 2019 was strongly impacted by the provisioning of the support agreement for external mobility (CMVE).

The cost of risk, a net allocation of €62 million, remains limited in relation to outstanding customer loans.

The net income is a deficit of €1.905m, mainly due to the acceleration in the deployment of the voluntary investment plan (PIV).

This mobilisation in favour of employees and employment was fuelled by the ALS' (Action Logement Services') historical resources, as had been anticipated when the amendment to the Five-Year Agreement on the Voluntary Investment Plan was signed.

3. Balance sheet information

Action Logement Services' balance sheet total is €20.9bn in 2020; down €1.4bn compared to 2019.

Customer loans represent €16.1 billion.

Off-balance sheet commitments given amounted to €19.5bn, which were up by €4.8bn on the year 2020.

The increase in these commitments reflects the activity of Action Logement Services as presented in the paragraph "*Business activity and annual income 2020 for Action Logement Services*" plus the commitments made in favour of the financing of Public Housing Policies.

4. Prudential information

On a holistic view of all of Action Logement Services' activities, the solvency ratio was 72.9% on 31st December 2020, confirming Action Logement Services' financial strength.

5. Rating of Action Logement Services on 31st December 2020

ALS' rating is aligned with that of the French State.

Moody's confirmed the long-term rating at Aa2 in December 2020 with a stable outlook since February 2020, following the change from positive to stable in the perspective associated with France's Aa2 sovereign bond rating.

Based on its methodology for rating government-related entities, Fitch confirmed in December 2020 ALS' AA rating with a negative perspective since May 2020, reflecting the downgrade of France's perspective from stable to negative on the same date.

	Moody's Investors Service	Fitch Ratings
Note long terme senior unsecured	Aa2	AA
Note court terme		F1+
Perspective	Stable	Négative
Date du dernier rapport	23/12/2020	16/12/2020

6. Events since the end of the financial year

On 15th February 2021, Action Logement Groupe and the State signed an amendment to the Five-Year Agreement. This amendment, which aims to define the contribution of Action Logement Services to the France Relance plan in the context of the economic and social crisis, includes three major areas of intervention, around which the objectives and budgets of the Five-Year Agreement and the PIV (Voluntary Investment Plan) are specified, namely:

- support for 20,000 employees who are becoming first time buyers for a new property with the payment of a €10,000 grant
- securing career paths and support for young people and employees:
- the mobilisation of an additional €1.4 billion to intensify the urban renewal and social diversity operations carried out by the National Agency for Urban Renewal in the Priority City Districts.

7. Perspectives of Action Logement Services

Following on from the year 2020 and taking into account the measures adopted in the Recovery Plan of 15th February 2021, the activity of Action Logement Services, a player in benefiting society, will continue to develop in 2021.

In this perspective, the financing needs linked to the deployment of the announced measures could lead Action Logement Services to renew its call for tenders in 2021.

The audit procedures on the annual corporate accounts of Action Logement Services for the period from 1st January 2020 to 31st December 2020 have been carried out by the Statutory Auditors, whose audit report on the certification of the accounts is currently being issued.

The regulated information is available on the Action Logement website:

[Investor Relations | Action Logement Group](#)

This press release contains certain forward-looking statements concerning the prospects of Action Logement Services, which are based on reasonable assumptions at the date of publication of this press release, but are by their nature subject to uncertainties that could lead to a difference between the actual results and those projected.

ABOUT ACTION LOGEMENT SERVICES

Since its creation in 2016, Action Logement Services has aimed to finance actions in the field of housing, in particular for employee housing, in order to promote employment and contribute to the economic dynamic throughout France. As such, Action Logement Services collects the employer contributions to construction costs (PEEC) and grants loans, financial aid and services for employees, companies and social and intermediary landlords.

CONTACT

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