

Action Logement Services

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

(For the year ended 31 December 2021)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

KPMG SA
Tour EQHO
2 Avenue Gambetta
CS 60055
92066 Paris la Défense Cedex

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

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

Opinion

In compliance with the engagement entrusted to us by your Articles of Association, we have audited the accompanying financial statements of Action Logement Services for the year ended 31 December 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

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

Basis for opinion

Audit framework

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

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

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2021 to the date of our report.

Justification of assessments

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. This crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the following matters that, in our professional judgement, were the most significant in our audit of the annual financial statements.

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

Impairment of loans granted to natural persons

Note 3.3 "Impairment of transactions with customers" to the financial statements describes the accounting principles and methods related to the impairment of loans granted to individuals.

As part of our assessment of the accounting principles applied by the Company, we verified the appropriateness and correct application of the aforementioned accounting policies and ensured that the notes to the financial statements contained appropriate disclosures.

Provisions for contingencies related to guarantee schemes

The Group sets aside provisions to cover risks relating to guarantee schemes, which have been estimated by an independent actuary as described in note 4/ "Guarantee fund" to the financial statements.

The main provision concerns the Visale guarantee scheme (€140.5 million out of a total €142.4 million in provisions for contingencies relating to guarantee schemes).

Using information available to date, our assessment of the provision for the Visale guarantee scheme was based on:

- a review and assessment of the methods used by the Group to estimate the provision;
- an assessment of the Group's procedures for monitoring and controlling the underlying data, as well as the assumptions on which its estimate was based, including a review of the sensitivity of the provision to these assumptions.

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

Specific verifications

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

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

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

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

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

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

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

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

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

Objective and audit approach

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

As specified in Article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

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

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

Report to the Audit and Accounts Committee

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

We also provide the Audit and Accounts Committee with the declaration provided for in Article L. 823-16 of the French Commercial Code, confirming our independence within the meaning of the rules applicable in France, as defined in particular in Articles L.822-10 to L.822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit and Accounts Committee.

Neuilly-sur-Seine and Paris-La Défense, 18 May 2022

The Statutory Auditors

PricewaterhouseCoopers Audit

KPMG SA

Isabelle Gallois

Erik Boulois

Individual financial statements at 31 December 2021

Board of Directors' meeting of 5 May 2022

(in € thousands)

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Company name: Action Logement Services

Legal form Simplified joint stock company (*société par actions simplifiée*) with a sole shareholder, with share capital of €20,000,000

Address: 19/21 quai d’Austerlitz – 75013 Paris, France

SIREN no.: 824 541 148 R.C.S. Paris

APE code: 8412Z

ANCOLS no.: 75 0010 35 82.....

Individual financial statements for the year ended 31 December 2021

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Balance Sheet

ASSETS

(in € thousands)

	Notes	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Cash and amounts due from central banks and postal cheque accounts						1	1	1
Amounts due from credit and similar institutions	1	1,148,849	978,973	141,797	233,061	106,520	2,609,201	4,209,238
Transactions with customers	2	16,187,307	168,067	48,682	90,368	167	16,494,591	16,099,338
<i>Government, local authorities and State agencies</i>								
<i>Amounts due from loans to individuals</i>		3,631,072	168,067	48,682	46,182	167	3,894,170	3,687,859
<i>Amounts due from loans to corporate entities</i>		12,556,236			44,185		12,600,421	12,411,480
Bonds and other fixed income securities	3	600					600	
Shares and other variable income securities								
Equity interests and other long-term securities								
Shares in affiliated companies	4	666,071			10,824	126,742	803,637	803,711
Intangible assets	5					38,203	38,203	34,030
Property, plant and equipment	5					66,157	66,157	65,412
Other assets		252,233	1,825	93	4,980	22,130	281,261	298,981
<i>Reciprocal account (intra-fund receivables)</i>								
<i>Other assets</i>	6	252,233	1,825	93	4,980	22,130	281,261	298,981
Accrual accounts	7	28,734					28,734	11,704
Total assets		18,283,794	1,148,866	190,572	339,233	359,919	20,322,385	21,522,416
	8	(352,625)	(146,983)	(186)	(15,983)	(58,650)	(574,427)	(627,884)
		17,931,169	1,001,883	190,387	323,251	301,269	19,747,958	20,894,532

Balance Sheet

LIABILITIES AND EQUITY

(in € thousands)

	Notes	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Amounts due to central banks and postal cheque accounts								
Amounts due to credit and similar institutions	9	1,102,125					1,102,125	1,156,966
Transactions with customers	10	7,173,914		19,785	107,303		7,301,002	6,479,598
<i>Government, local authorities and State agencies</i>		216,000					216,000	216,000
<i>Amounts due to individuals</i>		549,594		19,785	22		569,401	386,237
<i>Amounts due to corporate entities</i>		6,408,320			107,281		6,515,601	5,877,361
Debt securities	7	3,005,178					3,005,178	1,000,863
Other liabilities		15,076	2,076	47	134	73,835	91,168	94,699
Reciprocal account (intra-fund payables)								
Other liabilities	11	15,076	2,076	47	134	73,835	91,168	94,699
Accrual accounts								
Provisions	12	275	142,411		3,216	77,252	223,154	168,098
Equity	13	6,634,602	857,396	170,554	212,597	150,182	8,025,331	11,994,306
<i>Subscribed capital</i>		20,000					20,000	20,000
<i>Additional paid-in capital</i>								
<i>Reserves</i>		12,266,743	1,031,277	206,615	530,404	149,749	14,184,787	14,182,166
<i>Revaluation reserve</i>								
<i>Regulated provisions and subsidies</i>								
<i>Retained earnings (accumulated losses) (±)</i>		(1,783,246)	(104,130)	(14,658)	(308,447)		(2,210,481)	(302,503)
<i>Net income (loss) for the period (±)</i>		(3,868,894)	(69,751)	(21,403)	(9,360)	432	(3,968,976)	(1,905,357)
Total liabilities and equity		17,931,169	1,001,883	190,387	323,251	301,269	19,747,958	20,894,532

Income statement

(en K€)

	Notes	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total 2021	Total 2020
+ Employers' contribution	14	1,268,366		30,366	5,015		1,303,747	1,600,462
+ Subsidies received		11,263				319,339	330,601	319,686
<i>Subsidies received from another fund</i>						319,339	319,339	312,335
<i>Other subsidies</i>		11,263					11,263	7,351
- Subsidies paid	15	(5,255,121)	(7,309)	(52,636)	(6,815)	(26,134)	(5,348,016)	(3,596,340)
<i>Subsidies to Government, local authorities and State agencies</i>		(1,759,000)					(1,759,000)	(1,304,000)
<i>Subsidies to individuals</i>		(1,401,234)		(43,225)	(61)		(1,444,520)	(720,948)
<i>Subsidies to corporate entities</i>		(1,786,166)	(1,594)			(26,134)	(1,813,895)	(1,251,706)
<i>Subsidies to another fund</i>		(308,721)	(5,715)	(4,222)	(681)		(319,339)	(312,335)
<i>Other subsidies</i>				(5,189)	(6,074)		(11,263)	(7,351)
NET NON-BANKING INCOME (LOSS)		(3,975,493)	(7,309)	(22,270)	(1,800)	293,204	(3,713,668)	(1,676,191)
+ Interest receivable and similar income	16	129,083	8,519	888	1,640	370	140,500	153,422
<i>Transactions with credit institutions</i>		4,975	2,533	452	724	362	9,046	11,397
<i>Transactions with individuals</i>		41,697	5,986	436	507	4	48,630	51,524
<i>Transactions with corporate entities</i>		82,411			410	4	82,824	90,501
<i>Bonds and other fixed income securities</i>								
<i>Other interest and similar income</i>								
- Interest payable and similar expenses	17	(26,211)	(2,072)	(2)	(2)	(28)	(28,315)	(28,197)
<i>Transactions with credit institutions</i>		(16,232)	(13)	(2)	(2)	(28)	(16,276)	(18,474)
<i>Transactions with customers</i>		(640)	(2,059)			(0)	(2,700)	(4,702)
<i>Bonds and other fixed income securities</i>		(9,315)					(9,315)	(5,002)
<i>Other interest and similar expenses</i>		(24)					(24)	(19)
+ Income from variable income securities								
+ Commission (income)								
- Commission (expenses)		(4,000)					(4,000)	(1)
± Gains or losses on investment portfolio transactions								
+ Other banking income	18	1,670	1,260				2,930	2,277
- Other banking expenses		(1,329)					(1,329)	(884)
AC NET BANKING INCOME		99,212	7,707	887	1,638	342	109,786	126,616

Income statement

(in € thousands)

	Notes	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total 2021	Total 2020
- General operating expenses	19	(6,388)				(282,668)	(289,057)	(278,963)
Payroll costs						(167,787)	(167,787)	(157,147)
Other administrative expenses		(6,388)				(114,881)	(121,270)	(121,816)
- Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	19					(11,022)	(11,022)	(8,399)
NET OPERATING EXPENSE		(6,388)	-	-	-	(293,690)	(300,078)	(287,362)
GROSS OPERATING INCOME (LOSS)		(3,882,669)	398	(21,384)	(162)	(143)	(3,903,960)	(1,836,937)
- Cost of risk	20	13,042	(70,149)	(19)	446	-	(56,680)	(61,574)
OPERATING INCOME (LOSS)		(3,869,627)	(69,751)	(21,403)	284	(143)	(3,960,640)	(1,898,511)
± Gains or losses on fixed assets	21	732	-	-	(9,644)	576	(8,336)	(6,846)
PRE-TAX RECURRING INCOME (LOSS)		(3,868,894)	(69,751)	(21,403)	(9,360)	432	(3,968,976)	(1,905,357)
± Non-recurring income (expense)								
- Income tax								
± Movements in regulated provisions								
Net income (loss)		(3,868,894)	(69,751)	(21,403)	(9,360)	432	(3,968,976)	(1,905,357)

Off-balance sheet items

(in € thousands)

	Notes	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total 2021	Total 2020
COMMITMENTS GIVEN	<u>22</u>							
Financing commitments		4,950,693		4,229	2,772		4,957,694	4,031,271
<i>Commitments given to credit institutions</i>		785,668					785,668	806,163
<i>Commitments given to individuals</i>		242,247		4,229	2,522		248,998	223,342
<i>Commitments given to corporate entities</i>		3,922,778			250		3,923,028	3,001,766
Guarantee commitments		2,924,455	7,796,702			1,056	10,722,212	8,103,907
<i>Commitments given to credit institutions</i>		2,884,455					2,884,455	3,152,373
<i>Commitments given to individuals</i>			7,796,702				7,796,702	4,910,145
<i>Commitments given to corporate entities</i>		40,000				1,056	41,056	41,389
Securities commitments		99,400					99,400	
Subsidy commitments		6,437,000					6,437,000	7,405,000
<i>Subsidies to Government, local authorities and State agencies</i>		6,217,000					6,217,000	6,737,000
<i>Subsidies to corporate entities</i>		220,000					220,000	668,000
Total commitments given		14,411,548	7,796,702	4,229	2,772	1,056	22,216,306	19,540,178

Off-balance sheet items

(in € thousands)

	Notes	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
COMMITMENTS RECEIVED	<u>23</u>							
Financing commitments		(60,625)			(85)		(60,710)	(65,405)
<i>Commitments received from credit institutions</i>								
<i>Commitments received from corporate entities</i>		(60,625)			(85)		(60,710)	(65,405)
Guarantee commitments								
<i>Commitments received from Government, local authorities and State agencies</i>								
<i>Commitments received from credit institutions</i>								
Securities commitments								
Subsidy commitments								
Total commitments received		(60,625)			(85)		(60,710)	(65,405)

The individual financial statements approved by the Board of Directors on 5 May 2022 show total assets of €19,747,957,532.49 and a net loss of €3,968,975,729.55.

● Reporting period

The 2021 reporting period covers the 12 months from 1 January to 31 December.

■ 1/ SIGNIFICANT EVENTS

1.1 Impacts of the Covid-19 crisis

The Covid-19 health crisis and the periods of mandatory home working impacted the internal operation of Action Logement Services and the funds distributed by ALS in 2021 and 2020.

● Measures taken by Action Logement Services

Home-working arrangements remained firmly in place, with employees supplied with IT equipment as well as with remote communication and document scanning technologies. The Company operated throughout the year without any closures and did not have to put employees on furlough.

● Support for Action Logement Services customers

In line with its consultations with the French Government, in 2020 Action Logement Services set up two schemes to support those most affected by the public health crisis: special assistance with rent and mortgage payments for furloughed employees, and housing subsidies for employees in the farming sector. Rent assistance was ended in September 2021. However, subsidies for agricultural workers continued.

The public health crisis does not call into question the Company's ability to continue as a going concern, and the Company did not apply for Government support.

1.2 Two bond issues completed in 2021

Action Logement Services completed two bond issues as part of its €6.2 billion sustainable debt issuance programme set out in the information brochure prepared for its inaugural bond issue in 2019 and updated in June 2021:

- €1 billion issued on 19 July 2021 for a term of 20 years, bearing annual interest at 0.818% (0.75% coupon);
- €1 billion issued on 5 October 2021 for a term of 10 years, bearing annual interest at 0.435% (0.375% coupon).

1.3 Action Logement Group credit ratings

In order to issue debt on the financial markets, Action Logement was rated by credit rating agencies for the first time in 2019.

The credit rating assigned to the Group (ALG, ALS and ALI) is in line with the credit ratings assigned to the French State. In December 2021, Moody's confirmed the long-term rating of the three entities at Aa2 with a stable outlook, a rating they have held since February 2020, following the change from a positive to a stable outlook for Aa2-rated French Government bonds. Based on its credit ratings approach for Government-related entities, in January 2022 Fitch confirmed its AA rating for ALG, ALS and ALI, which has accompanied by a negative outlook since May 2020 following the downgrade of the outlook for France from stable to negative at the same date.

	Moody's Investors Service	Fitch Ratings
Long-term senior unsecured debt rating	Aa2	AA
Short-term rating		F1+
Outlook	Stable	Negative
Date of latest report	16 December 2021	18 January 2022

1.4 Transfer of assets and liabilities ("TUP") from Projimmo Conseil to Action Logement Services

Pursuant to a decision dated 29 October 2021, all of Projimmo Conseil's assets and liabilities were transferred to Action Logement Services in its capacity as sole shareholder. Projimmo Conseil's activities between 1 January and 1 December 2021, the effective date of the transfer, generated a merger loss of €3,755,000, which is included in losses on fixed assets. Only the insurance brokerage business was retained by ALS.

1.5 National Sales Operator for HLM Social Housing (ONV)

The 2018-2022 five-year agreement provided for the creation of a national sales operator for HLM social housing, to which Action Logement Services was to provide equity capital of €333 million over three years. The ONV received two capital injections (in 2018 and 2020) to enable it to purchase social housing real estate programmes intended to be sold on to their current tenants.

The amendment to the five-year agreement and to the voluntary investment plan (VIP) signed on 15 February 2021 modifies the funding arrangements for the ONV. The third €333 million funding tranche initially planned as a capital injection will now take the form of a shareholder advance. This advance was not paid in 2021.

Action Logement Services holds 99.99% of the ONV's share capital.

1.6 2021 Finance Act

The 2021 Finance Act published in France's *Journal Officiel* on 30 December 2020 provided for:

- the cancellation of the compensation for the loss in earnings relating to the "PACTE" law for 2021 (Article 82); and
- the deduction of €1 billion from Action Logement Services' cash in 2021 which is to be paid over to the French National Housing Fund (*Fonds National au logement* – FNAL) by 16 March 2021 at the latest (Article 196). This amount was paid within the deadline.

1.7 External voluntary mobility support agreement (CMVE)

The entities of the Action Logement economic and employee unit (UES) and the unions signed an external voluntary mobility support agreement on 30 January 2019. This agreement was rounded out by an amendment dated September 2019. The purpose of the agreement is to help secure business transitions, allowing employees who so wish to benefit from supportive measures to secure their career development outside the Action Logement Group, prepare their external business project, or adjust to their retirement through mobility leave.

The external voluntary mobility support agreement (CMVE) provides for 368 departures, representing an estimated initial cost of €52 million.

A total of 40 employees left under this scheme in 2019, 161 in 2020 and 113 in 2021. At 31 December 2021, the remaining provision set aside in this respect totalled €6.5 million and concerns 54 departures planned for 2022.

1.8 Changes in accounting software

2021 saw the continuation of the project launched in 2020 to phase out the accounting systems used by the former CIL entities. The project notably involves setting up interfaces between the management systems of the former CIL entities and the Qualiatic accounting software. The 2021 Qualiatic accounting software retrieves all accounting entries from all of the management systems.

Inflows received in the form of loans relating to the entities were migrated to the dedicated Cristal software. As a result, since 30 June 2021, all inflows have been managed by a single management software programme which is interfaced daily with Qualiatic.

1.9 Change in executive management

Following the resignation of Jean-Michel Royo from his position as Chief Executive Officer, on 5 February 2021 the Board of Directors of ALS appointed:

- Olivier Rico, previously Deputy Chief Executive Officer of the Company, as Chief Executive Officer;
- David Delage, previously General Secretary of the Company, as Deputy Chief Executive Officer.

■ 2/ AGREEMENTS IN FORCE IN 2021

2.1 Recovery plan, five-year agreement and voluntary investment plan (VIP)

On 15 February 2021, the Action Logement Group and the French Government signed an amendment to the 2018-2022 five-year agreement, and to the voluntary investment plan agreement signed on 25 April 2019, covering the period 2021-2022.

In light of the Covid-19 health emergency in the first quarter of 2020 and its economic and social ramifications, the amendment signed at the beginning of 2021 is designed to support the Government's recovery plan and specify the terms of Action Logement's contribution to the production of affordable and very low-cost social housing, and to support employees affected by the health and social crisis. The key measures of the amended agreement concern:

- Support for 20,000 employees in purchasing new homes (first-time buyers) through a €10,000 first-time buyer benefit (*prime accession*) subject to means-testing and depending on the type of purchase, in addition to first-time buyer loans (*prêt accession*);
- The extension of the €300 Covid benefit to employees who have lost their jobs;
- Additional funding of €1.2 billion for the production of 250,000 affordable social housing units over a two-year period;
- Increased housing security and support for young people and employees, in particular by extending the VISALE guarantees to all employees aged over 30 working in the private and agricultural sectors with net take-home pay of less than €1,500 per month, in order to help them access rented housing in the private sector, and by extending the €1,000 mobility benefit to all young people under 25 years of age in rented homes entering employment and paid between 0.3 and 1.1 times the French minimum wage ("SMIC");
- Mobilising a further €1.4 billion to accelerate ANRU-led urban regeneration and social diversity projects in priority districts, thereby increasing NPNRU (new national urban regeneration program) funding for urban regeneration projects from €10 billion to €12 billion together with the contribution of the French Government and HLM social housing bodies;
- Additional funding for Association Foncière Logement (AFL).

2.2 Three-way agreement between the French State, ANRU and Action Logement

Within the scope of the aforementioned recovery plan, a first amendment to the three-way agreement between the French Government, the French National Agency for Urban Regeneration (ANRU) and Action Logement was signed on 10 July 2021. This amendment consolidated the partnership entered into by the three parties in a bid to regenerate dysfunctional neighbourhoods identified as priority districts by urban policies. The aim of the amended agreement is to (i) define the basis for extending NPNRU urban regeneration funding from €10 billion to €12 billion in subsidy equivalents, and (ii) reflect the impact of the regulatory changes introduced by the "ELAN" housing, urban planning and digital reform law, particularly Article 90, which provides for the ANRU's transition to an industrial and business accounting system. Under the amended agreement, **€1.4 billion in additional subsidies are to be provided to ANRU by Action Logement Services**, while ensuring the sustainability of Action Logement's business and financial model and its continued role as collector of employers' contributions to construction work ("PEEC").

Its PNRU commitments were terminated on 31 December 2021. Some unused funds from the PNRU are transferred to the NPNRU.

Subsidies earmarked by Action Logement Services for urban regeneration programmes are as follows (in millions of euros):

(In € millions)

	2018	2019	2020	2021	2022 forecast.	Total
Annual commitments in the form of subsidies payable	476	475	445	390	324	2,110
Total amount paid for the year	460	450	450	390	540	2,290
⇒ Amount paid by ALS from the annual subsidy budget	280	450	450	390	540	2,110
⇒ Amount paid by ALS from the 2017 subsidy budget	180					180
Amount payable at 31 December	196	221	216	216	0	

Off-balance sheet commitments to ANRU at 31 December 2021 represent €5,848 million, including €5,524 million for 2023-2034.

2.3 Equity loans

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

◆ [Subsidised equity loan agreement \(PHB 2.0\)](#)

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

- Action Logement is financing €2 billion in subsidised equity loans that are offered to social housing bodies, in exchange for reservation rights on the assets underlying the financing provided, in order to support them with their construction and renovation projects;
- The financial cost of these subsidies is recognised over the term of the loans;
- The amount of the subsidies is paid over to CDC. These payments are guaranteed by the French Government and are counter-guaranteed by Action Logement Services;
- Off-balance sheet commitments relating to these subsidised equity loans total €785,668 and amounts paid to CDC in 2021 total €20,495.

◆ [Financial guarantee](#)

This stand-alone guarantee covers any unpaid amounts due by Action Logement Services to CDC in respect of the subsidies through to 2045. The guarantee is for a maximum cumulative amount of €1.2 billion.

The financial guarantee representing amounts receivable on loans granted to social landlords amounts to €917,004, or 116% of the outstanding subsidy payable to CDC. It is shown within off-balance sheet items at 31 December 2021.

■ 3/ ACCOUNTING PRINCIPLES AND METHODS

3.1 Accounting standards

Order No. 2016-1408 of 20 October 2016 classified Action Logement Services as a financial institution subject to regulation by the French banking supervisor (ACPR).

From an accounting perspective, Action Logement Services is required to comply with:

1. ANC Regulation 2017-02 of 5 July 2017 issued by the French accounting standards-setter on the individual and consolidated financial statements of the Action Logement Group, as ratified on 26 December 2017;
2. ANC Regulation 2014-07 of 26 November 2014 on financial statements prepared by entities operating in the banking sector, which is applied by ALS when preparing its individual financial statements subject to amendments provided for by ANC Regulation 2017-02;
3. Decree No. 2017-1730 of 21 December 2017, which introduces separate accounting for each fund. The five funds are the PEEC fund (employer contributions to construction work), the Guarantee fund, the PEAC fund (fund designed for the farming sector), the PSEEC fund (supplementary employer contributions to construction work) and the Operating fund (set up to cover the investments and costs needed for the Company to operate);
4. Based on the decree of 21 May 2019 setting down conditions for drawing on the operating fund, net accounting income is zero before taking into account gains and losses on disposals of property and land used in operations. Each fund contributes to the operating fund: (i) for its share of directly attributable expenses and (ii) for its share of overhead expenses, as allocated on the following pro rata basis: total expenses for each fund less expenses directly allocated relative to total expenses for all of the four funds (PEEC, guarantee, PEAC and PSEEC).

For the first year, the Company applied the mechanism provided for in the regulations⁽¹⁾ for reclassifying loans and receivables as non-performing/bad debts and identifying forborne exposures in the 2021 financial statements of Action Logement Services.

A pro forma calculation was made of non-performing loans relating to individual customers for 2020. The quality of the consolidated data available at the end of 2020 in the information systems of the former CIL entities did not enable application of the reclassification rules defined in the new debt reclassification policy introduced in 2021.

(1) EBA guidance on the application of the definition of default in Article 178 of EU Regulation 575/2013 of 18 January 2017 and EU Regulation 2019/630 of the European Parliament and of the Council of 17 April 2019 amending Regulation 575/2013.

3.2 Bases of measurement

The general accounting policies have been applied in line with the principle of prudence and with the following underlying assumptions:

- Going concern;
- Accrual;
- Consistency and comparability (except as regards the write-off of past-due inflows dating back to 2016). As a result of the migration of all inflows relating to the former CIL entities, past-due inflows from the entities dating back to 2016 were not written off in 2021. The resulting €16 million impact was not recognised as income for 2021 and will be recorded in the next annual reporting period.

The assumptions are applied in accordance with the general rules applicable to the preparation and presentation of individual financial statements and with ANC Regulation 2017-02.

The Company applied the specific requirements set out in the amended decree No. 90-101 of 26 January 1990 specifying the management, write-down and provisioning rules for former collection agencies (see note 3.3 below). ANC Regulation 2017-02 upheld these requirements (pending the amendments to ANC Regulation 2014-07).

3.3 Impairment of transactions with customers

● Loans to individuals

Loans that are more than six months overdue are written down in an amount equal to the overdue amount and the capital remaining payable, with the exception of loans secured by real property guarantees.

● Loans to corporate entities

Loans to corporate entities that are more than six months and less than one year overdue are written down in an amount equal to 50% of overdue capital plus interest and the remaining capital payable in less than five years.

Loans to corporate entities that are more than one year overdue are written down in full, i.e., in an amount equal to capital plus interest, and the remaining capital payable in less than five years.

Loans subject to litigation or court proceedings are written down based on a risk assessment. Amounts receivable from landlords rated "P" (subject to insolvency proceedings) by Banque de France are written down in full.

● Equity interests

Equity interests are valued by comparing the net carrying amount of the investment with the Company's equity interest in the entity concerned.

Investments in entities with negative equity are written down in full and a provision for contingencies recognised for the Group's share in the investee's negative equity.

Current accounts held by the subsidiaries Ma Nouvelle Ville and Atriom have also been written down in full.

3.4 Property, plant and equipment and intangible assets

Property, plant and equipment are recorded at their acquisition cost. All property, plant and equipment originate from the 20 former CIL entities and nine GIE economic interest groups merged at the time of the 2017 reform, except for items acquired since the creation of Action Logement Services. The fixed assets were migrated during 2018. The initial useful lives continue to apply.

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

Description	Method	Average period
<i>Patents, licences, software</i>	Straight-line	3 years
<i>Internal software development</i>	Straight-line	4 years
<i>Administrative and business premises</i>	Straight-line	28 years
<i>Fixtures and fittings</i>	Straight-line	10 years
<i>Transport equipment</i>	Straight-line	4 years
<i>Computer hardware – servers, telephone & audiovisual equipment</i>	Straight-line	5 years
<i>Staff restaurant equipment</i>	Straight-line	7 years
<i>Furniture</i>	Straight-line	8 years

3.5 Employee-related liabilities

Employee-related liabilities include a provision for pension commitments and long-service awards and a provision for external voluntary mobility leave (CMVE), for which the related agreement was signed on 30 January 2019.

Provisions for pension commitments and long-service awards were estimated by an independent firm of actuaries based on the Action Logement economic and social unit (UES) bargaining agreement signed on 30 March 2018.

The basis for the calculation is the file showing employees under permanent contracts as of 31 December 2021 (excluding employee under CMVE arrangements).

Obligations are calculated for each beneficiary using the projected unit credit method, as follows:

◆ Calculation of the estimated present value (EPV):

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

- **Mortality:**.....based on INSEE H/F 2015/2017 tables;
- **Staff turnover:**based on a decreasing turnover rate as employees age, ranging from 5% to 0% (for staff aged 55 years and over).

◆ Calculation of the projected benefit obligation (PBO):

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

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

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

The following assumptions and inputs are used:

- Retirement age:.....65 years for managerial-grade employees (*cadres*) and 62 years for other employees;
- Discount rate:0.89% in 2021 (2020: 0.45%) (iBoxx AA 10+ yield as observed at the end of October) for pension commitments and 0.59% (2020: 0.25%) for long-service awards;
- Salary increase rate:3% for managerial-grade employees and 2.5% for other employees (including inflation);
- PMSS (monthly social security cap) revaluation rate: 2.5%;
- Payroll tax rate 57%

The provision for pension commitments takes into account €1,518,000 of plan assets.

● **Changes in the provision for departures under CMVE agreements:**

In light of the departure of 113 employees under CMVE voluntary external mobility arrangements in 2021, an amount of €15 million was written back from the CMVE provision set aside in 2019, reducing the provision to €6.5 million at 31 December 2021. The provision covers notice periods, severance payments, compensation and training.

Provision for employee benefits					
<i>(in € thousands)</i>					
Type of provisions	31 Dec. 2021	Total at 31 Dec. 2020	ALS 2020	Projimmo 2020	Change 2021/2020
Provision for retirement benefits	50,641	50,487	46,962	3,525	+154
Provision for long-service awards	3,932	4,039	3,743	296	-107
Provision for voluntary external mobility leave	6,505	21,448	20,690	758	-14,943
Total	61,078	75,974	71,395	4,579	-14,896

3.6 “Capital injection” commitments under the five-year agreements and the voluntary investment plan

The Action Logement Group guidelines dated 12 June 2020 were applied when accounting for injections of capital into Action Logement Group entities by reference to Article L.313-18-1 II of the French Construction and Housing Code (CCH), the agreement referred to in paragraph 13 of Article L.313-3 of said Code, and the agreement relating to the voluntary investment plan amending the former.

The guidelines set out the rules determining the trigger for commitments and disbursements within the Action Logement Group.

This applies to the commitment for annual capital injections initially set down in the 2018-2022 five-year agreement and to the multi-year commitments stipulated in the voluntary investment plan agreement as amended by the recovery plan signed in February 2021, representing – for Action Logement Services – subsidies paid or payable to Action Logement Immobilier.

Further to a decision of its Board of Directors, the Action Logement Group defines the annual subsidies to be paid by Action Logement Services to Action Logement Immobilier based on Action Logement Immobilier’s financing requests as substantiated by forecast production commitments under the five-year agreement and voluntary investment plan.

Pursuant to the decisions of its sole shareholder, Action Logement Services allocates and pays the subsidies to Action Logement Immobilier following a call for funds and approval of its governing bodies.

These principles also apply to subsidies paid or payable to the association Foncière Logement.

- [Subsidies granted to Action Logement Immobilier \(ALI\) in respect of capital injections made pursuant to the five-year agreement, and to the association Foncière Logement \(AFL\)](#)

Annual subsidies granted by Action Logement Services to Action Logement Immobilier pursuant to the 2018-2022 five-year agreement in order to enable Action Logement Immobilier to purchase or subscribe to equity interests in companies referred to in paragraphs 1 and 2 of Article L. 313-20-1 of the French Construction and Housing Code (CCH), are expensed as incurred within non-banking expenses for the amount of the annual subsidy for the period concerned. The residual amount in respect of future periods as defined in said agreement is included within off-balance sheet items as a commitment given.

The funds are intended equally for social rented housing and for intermediate housing.

They are shown as an expense for the period and in off-balance sheet commitments in an amount of €140 million, payable in 2022.

The same principle is applied to allocations of subsidies to AFL provided for in the 2018-2022 five-year agreement (annual budget per each year concerned), as amended in February 2021.

The related amounts are shown as an expense for the period and in off-balance sheet commitments in an amount of €80 million (€25 million in respect of the five-year agreement and €55 million in respect of the recovery plan).

◆ Subsidies granted to Action Logement Immobilier (ALI) and Association Foncière Logement (AFL) under the voluntary investment plan

As part of the multi-annual capital commitments set out in the voluntary investment plan, the trigger for recognising an off-balance sheet commitment is the decision by the Board of Directors of the sole shareholder of the Action Logement Group, which defines the amount of subsidies payable by Action Logement Services to Action Logement Immobilier and to the association Foncière Logement.

Following the decision of the Action Logement Group's Board of Directors setting the annual amount, allocated subsidies are recognised as non-banking operating expenses in the period in which ALS receives the call for funds from Action Logement Immobilier and the association Foncière Logement. The uncalled amounts of the earmarked funds are included within off-balance sheet commitments given at the reporting date.

The related amounts are shown as an expense for the period in an amount of €1,206 million (€1,100 million in favour of ALI and €106 million in favour of AFL). There are no off-balance sheet commitments given.

3.7 Commitments in support of national policies

The reporting period in which these subsidies are to be booked is determined based on an analysis of continuing-performance contracts, as illustrated in the note accompanying ANC Regulation 2017-02 issued by the French accounting standards-setter on the individual and consolidated financial statements of the Action Logement Group.

The sums allocated by Action Logement Services in a given year in support of national housing policies, as set out in the agreements between Action Logement, the French Government and a third-party organisation (in the form of an annual predefined budget) represent non-banking operating expenses to be expensed as incurred. The remaining amount allocated to subsequent years is recognised in the financial statements within off-balance sheet items, as a commitment given.

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

The related expenses for the period amount to €1,000 million for FNAL, €350 million for FNAP, €9 million for ANIL-ADIL and €10 million for FNAVDL, while off-balance sheet commitments given represent €9 million for ANIL-ADIL, €350 million for FNAP and €10 million for FNAVDL.

Expenses and off-balance sheet commitments concerning ANRU are described in section 2.2.

3.8 Commitments in support of Ma Nouvelle Ville

The equity of Ma Nouvelle Ville, a subsidiary 99.67%-owned by Action Logement Services, is less than half of its share capital. At the Extraordinary Shareholders' Meeting of 26 November 2020, the shareholders decided not to dissolve the company ahead of term and Action Logement Services undertook to provide its subsidiary with the financing needed to meet its obligations.

A plan to return Ma Nouvelle Ville to profit was drawn up in summer 2021 and approved by its Board of Directors.

At the same time, following the decision to make the company autonomous, various actions were undertaken to prepare for implementation at the start of 2022, including the transfer of the 2022 book-keeping to an external accounting firm and the relocation of employees from Action Logement sites.

3.9 Consolidated financial statements

In accordance with ANC Regulation 2017-02 issued by the French accounting standards-setter, the entity's first consolidated financial statements covered the 2018 reporting period.

Action Logement Services prepares consolidated financial statements in accordance with CRC Regulation 99-07 regarding the consolidated financial statements of companies in the banking sector and, as from 1 January 2021, with the new ANC Regulation 2020-01 regarding consolidated financial statements.

The scope of consolidation includes the subsidiaries Astria Foncier, Ma Nouvelle Ville, Projimmo Conseil, Solendi Expansion and the National Sales Operator (ONV). Projimmo Conseil earnings are consolidated up to the date of the asset and liability transfer (TUP), i.e., from 1 January to 1 December 2021. The consolidated financial statements of Action Logement Services represent a consolidation sub-group within the Action Logement Group by which they are in turn consolidated pursuant to CRC Regulation 99-02 as amended on 29 April 1999 and relating to the consolidated financial statements of commercial companies and public entities.

3.10 Tax regime

Pursuant to Article 5 of the order of 26 October 2016, ALS is partially exonerated from income tax owing to its HLM social housing activities which qualify as a public-interest service ("SIEG").

This order was supplemented by a tax ruling dated 19 December 2017 which came into force on 1 January 2017.

The ruling establishes the principle for an allocation of income and expenses between tax-exempt and taxable sectors based on allocation keys.

Transactions carried out prior to 1 January 2017 are exempt from income tax.

Applying these principles results in:

- A net loss for the taxable sector of €1,053,345,000;
- A net loss for the tax-exempt sector of €2,915,631,000.

Taking account of tax deductions and add-backs, the net taxable loss comes out at €1,052,290,000.

Cumulative losses carried forward represent €1,571,880,000 at 31 December 2021.

3.11 Headcount

Headcount at 31 December 2021 was as follows:

	2021	2020
• Managerial-grade employees (<i>cadres</i>)	930	880
• Other employees and supervisors	1,807	1,728
o/w <i>work-study contracts</i>	79	57
Total	2,737	2,608

Total headcount of 2,737 includes 140 people transferred from Projimmo Conseil.

3.12 Remuneration, advances, loans and commitments

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

3.13 Statutory Auditor fees

Fees due to the Statutory Auditors for their statutory audit engagement amount to €1,229,000 including VAT (2020: €1,192,000 including VAT).

These fees take into account the complex environment in the wake of the 2017 reform of Action Logement which continued in 2021, including an audit of operations within 20 information systems, the consolidation of information in order to extract summarised data for ALS, and the involvement of specialist IT consultants. A specific project was carried out in 2021 to validate the migrations of inflows and the set-up of management system interfaces in Qualiac.

(in € thousands)

Statutory Auditor fees (*)		2021
➔ KPMG		650
➔ Pricewaterhouse Coopers (PWC)		579
Total		1,229

* Fees for audit-related services may be added to this amount.

3.14 Inflows

Inflows received from companies in 2021 amounted to €1,657,245,000 excluding amounts reinvested (€1,697,010,000 in 2020), down 2.4% year on year.

Payments from companies included €1,301,895,000 (79%) in the form of subsidies and €355,351,000 (21%) in the form of 20-year loans.

Repayments of loans falling due totalled €174,875,000 in the period (€128,574,000 in 2020).

Note 1 - Amounts due from credit and similar institutions

(in € thousands)

	Total at 31 Dec. 2021	Total at 31 Dec. 2020						
Bank current accounts	406,686	294,001						
Banking investments	2,202,515	3,915,237						
<i>Passbook accounts</i>	195,652	117,758						
<i>Remunerated accounts</i>	880,923	1,347,514						
<i>Term accounts</i>	1,101,755	2,413,735						
<i>Other investments</i>	24,186	36,229						
	2,609,201	4,209,238						
			PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	
Total cash per fund	1,148,849	978,973	141,797	233,061	106,520	2,609,201	Total at 31 Dec. 2021	
	3,025,491	680,547	159,178	221,559	122,463	4,209,238	Total at 31 Dec. 2020	

Note 2 - Transactions with customers

(in € thousands)

AMOUNTS DUE FROM INDIVIDUALS	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020 Pro forma
Loans to individuals	3,631,072	168,067	48,682	46,182	167	3,894,170	3,687,859
<i>Outstanding</i>	3,559,784		48,359	44,721		3,652,864	3,409,273
<i>Non-performing loans to individuals</i>	67,877	168,028	293	1,397		237,595	269,365
<i>Interest</i>	3,410	39	30	64		3,544	9,006
<i>Other</i>				1	166	167	214
Total	3,631,072	168,067	48,682	46,182	167	3,894,170	3,687,859
Impairment of loans to individuals	55,424	146,983	186	1,253	10	203,855	251,993
Net	3,575,648	21,084	48,497	44,930	157	3,690,315	3,435,866
AMOUNTS DUE FROM CORPORATE ENTITIES	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Loans to corporate entities	11,970,226			43,151		12,013,377	12,353,570
<i>Group</i>	5,624,486			32,045		5,727,970	5,662,200
<i>Non-Group</i>	6,345,740			11,106		6,285,408	6,691,370
Non-performing loans to corporate entities	528,897			891		529,788	
Interest on loans to corporate entities	57,112			144		57,256	57,910
Total	12,556,236			44,185		12,600,421	12,411,480
Impairment of loans to corporate entities	47,668			252		47,921	45,901
Net	12,508,568			43,933		12,552,501	12,365,579

A pro forma calculation was made of non-performing loans relating to individual customers for 2020. The quality of the consolidated data available at the end of 2020 in the information systems of the former CIL entities did not enable application of the reclassification rules defined in the new debt reclassification policy introduced in 2021.

An analysis of the breakdown of the various criteria for reclassifying non-performing loans to corporate entities, representing an amount of €530 million as at the end of 2021, shows that €323 million of non-performing loans were reclassified as a result of applying the principle of systematic contagion to the borrower.

Note 3 - Bonds and other fixed-income securities

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Equity securities	600					600	
Total	600					600	

This amount of €600,000 concerns Action Logement Services' subscription of equity securities for social landlords, corresponding to the voluntary investment plan measure, "Supporting the restructuring of social landlords".

Note 4 - Shares in affiliated companies

Details of ALS securities - gross value, provisions, subsidiary financial data

(in € thousands)

Company name	Legal form	Number of shares held	Par value of shares (€)	2021 acquisitions	2021 disposals	Gross value of shares held at 31 Dec. 2021	2020 impairment	2021 impairment expense	2021 impairment write-back	TUP 2021	Impairment at 31 Dec. 2021	Net value of shares held at 31 Dec. 2021	Capital amount	Projected earnings	Projected net equity	Risk provisions relating to negative net equity**	Share of capital held	2021 earnings	Total equity at 31 Dec. 2021		
PEEC investments						666,071	7,353		1,459		5,894	660,177									
ONV	SA	44,400,000	15.00			666,000	7,282		1,459		5,823	660,177	666,033	1,684	660,209		99.995%	3,103	661,629		
Astria Foncier	SCI	51,649	1.50			71	71				71		77	(667)	(464)		99.998%	(868)	(666)		
PEEC investments				1	76	10,824	10,300			76	10,224	600									
Ma nouvelle Ville	SA	478,211	15.00			9,489	9,489				9,489		7,196	(1,383)	(2,602)	(2,594)	99.679%	(1,407)	(2,626)		
Projimmo Conseil*	SARL	5,000	16.00		76		76			76											
Atriom	SA	45,734	15.25			697	697				697		698	(104)	(164)	(164)	99.987%	(163)	(238)		
Réunion Habitat	SA	5,994	100.00	1		600						600	600	(250)	959		99.900%	(209)	1,000		
Martinique Habitat	SA	2,494	15.24			38	38				38		38	(127)	(460)	(459)	99.760%	(202)	(535)		
Operating fund investments						126,742						126,742									
Solendi Expansion	SA	6,627,189	15.00			126,742						126,742	99,408	3,677	170,057		99.9999%	5,044	171,423		
Free shares																					
Promelia	SA	20																			
Total				1	76	803,637	17,653	0	1,459	76	16,118	787,519									

*Projimmo Conseil: asset and liability transfer (TUP) on 2 December 2021.

** Provisions for negative equity and impairment of securities were calculated on the basis of 2021 earnings as projected and validated by the Board of Directors of Action Logement Services in November 2021.

Note 5.1 – Fixed assets

(in € thousands)

	Gross value at 31 Dec. 2020	Increases		Decreases		Gross value at 31 Dec. 2021
		Acquisitions	Interaccount transfers	Interaccount transfers	Disposals/ retirements	
Intangible assets	34,030	6,435	727	727	2,263	38,203
<i>Leasehold rights</i>	169					169
<i>Software</i>	33,719	5,321	727		2,263	37,504
<i>Intangible assets in progress</i>	142	1,115		727		530
Property, plant and equipment	65,412	4,881	1,432	1,432	4,137	66,157
<i>Land</i>	492				42	450
<i>Buildings</i>	7,300				483	6,816
<i>Buildings - not used in operations</i>		80			80	
<i>General installations</i>	26,776	579	1,432		236	28,551
<i>Vehicles</i>	1,038				960	78
<i>Office and IT equipment and furniture</i>	28,718	3,271			2,335	29,655
<i>Property, plant and equipment in progress</i>	1,089	951		1,432		608
Total	99,443	11,316	2,160	2,160	6,399	104,360

Note 5.2 – Fixed assets, net

(in € thousands)

	Gross value at 31 Dec. 2021	Depreciation/ amortisation	Net at 31 Dec. 2021	Net at 31 Dec. 2020
Intangible assets	38,203	23,203	15,000	12,857
<i>Leasehold rights</i>	169		169	169
<i>Software</i>	37,504	23,203	14,301	12,546
<i>Intangible assets in progress</i>	530		530	142
Property, plant and equipment	66,157	35,437	30,720	33,014
<i>Land</i>	450		450	492
<i>Buildings</i>	6,816	5,229	1,588	1,900
<i>General installations</i>	28,551	10,988	17,563	17,871
<i>Vehicles</i>	78	78	0	13
<i>Office and IT equipment and furniture</i>	29,655	19,143	10,512	11,648
<i>Property, plant and equipment in progress</i>	608		608	1,089
Non-recurring impairment of property, plant and equipment				-117
Total	104,360	58,640	45,720	45,754

Note 6 - Other assets

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Cash pledges	243,312					243,312	258,312
Accrued income	1				716	717	2,111
Other amounts due from transactions with customers	3,473	213	92	540	7,645	11,963	11,699
Other taxes					243	243	293
Deposits paid		2			2,756	2,758	3,251
Subsidiaries' current accounts				4,254		4,254	2,000
Other receivables	5,447	1,611		187	10,769	18,014	21,314
Total	252,233	1,825	93	4,980	22,130	281,261	298,981
Impairment of cash pledge	243,312					243,312	258,312
Net	8,921	1,825	93	4,980	22,130	37,949	40,669

Note 7 - Debt securities

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Assets	28,734					28,734	11,704
Accrual accounts	28,734					28,734	11,704
<i>EMTN issue premium - tranches 1 to 3</i>	28,734					28,734	11,704
Liabilities	3,005,178					3,005,178	1,000,863
Debt securities	3,005,178					3,005,178	1,000,863
<i>EMTN - Tranches 1 to 3</i>	3,000,000					3,000,000	1,000,000
<i>Accrued EMTN interest*</i>	5,178					5,178	863
Total, net	2,976,444					2,976,444	989,160

* EMTN: European Medium Term Notes.

Issue of two bonds of €1 billion each on the fixed-income markets in 2021, in addition to the issue of a €1 billion bond in 2019.

Note 8 - Depreciation/amortisation and impairment

(in € thousands)

Depreciation/amortisation	Depr./amort. at 31 Dec. 2020	Increases	Decreases	Reversals	Depr./amort. at 31 Dec. 2021
Intangible assets	21,173	4,293	2,263		23,203
<i>Software</i>	21,173	4,293	2,263		23,203
Property, plant and equipment	32,399	6,779	3,741		35,437
<i>Buildings</i>	5,400	121	292		5,229
<i>Buildings - not used in operations</i>		1	1		
<i>General installations</i>	8,904	2,298	215		10,988
<i>Vehicles</i>	1,024	7	954		78
<i>Office and IT equipment and furniture</i>	17,070	4,351	2,279		19,143
Non-recurring impairment of property, plant and equipment	117			117	
Total	53,689	11,072	6,003		58,640

Impairment	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021
Cash pledges	243,312					243,312
Loans to individuals	55,424	146,983	186	1,253	10	203,855
Loans to corporate entities	47,668			252		47,921
Securities	5,894			14,478		20,372
Other	328					328
Total	352,625	146,983	186	15,983	10	515,787

Note 9 - Amounts due to credit institutions

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
CDC loans	1,102,125					1,102,125	1,156,966
Total	1,102,125					1,102,125	1,156,966

In 2013 and 2015, two loan agreements were signed by the former UESL and Caisse des Dépôts et Consignations (CDC) for a maximum amount of €1.7 billion. Eight drawdowns were made for a total of €1,477 million. An amount of €54.8 million was repaid during the year and the principal outstanding represented €1,102 million at end-2021.

Note 10 - Amounts due to customers

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Amounts due to the Government, local authorities and State agencies	216,000					216,000	216,000
<i>ANRU-PNRU urban regeneration funding</i>	216,000					216,000	216,000
Amounts due to individuals	549,594		19,785	22		569,401	386,237
<i>MOBILI aid in favour of professional mobility</i>	60,753		3,505	9		64,267	101,162
<i>Action Cœur de Ville initiative to revitalise city centres</i>	6,543					6,543	3,088
<i>Adapted housing for ageing and dependent populations</i>	86,197		4,309			90,506	62,443
<i>Energy retrofits for private tenants</i>	377,266		11,622			388,888	217,821
<i>New purchase benefit</i>	14,150					14,150	
<i>Other subsidies</i>	3,527		6	12		3,545	
<i>Other</i>	1,159		344			1,503	1,723
Amounts due to corporate entities	6,408,320			107,281		6,515,601	5,877,361
Sub-total A	5,661,207			107,281		5,768,488	5,590,028
<i>Outstanding loan inflows</i>	5,427,954			101,077		5,529,031	5,368,102
<i>Past-due loan inflows</i>	233,254			6,204		239,458	221,926
Sub-total B	747,112					747,112	287,333
<i>Subsidies paid</i>	397,435					396,204	101,704
<i>Non-Group subsidies</i>	349,677					350,908	185,629
Total	7,173,914		19,785	107,303		7,301,002	6,479,598

Note 11 - Other liabilities

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Other employee-related payables					38,350	38,350	37,081
Other taxes					6,008	6,008	5,256
Other trade payables	2,413	820	9	18	26,424	29,684	30,451
Other payables	12,663	1,255	38	116	3,053	17,125	21,912
Total	15,076	2,076	47	134	73,835	91,168	94,699

Note 12 – Provisions

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Provisions for risks	275	142,411		3,216	4,789	150,692	93,369
Provisions for expenses					72,463	72,463	74,730
Total	275	142,411		3,216	77,252	223,154	168,098

Risk provisions relating to the guarantee fund can be analysed as follows:

	31 Dec. 2021	31 Dec. 2020
• LOCA-PASS® guarantee provisions	863k	€6,875k
• GRL® and PASS-GRL® provisions		€420k
• VISALE provisions	€140,548k	€68,027k
• Sécurisation Accédants PASS provisions	€1,000k	€1,545k

Provisions for contingencies and expenses relating to the operating fund can be analysed as follows:

	31 Dec. 2021	31 Dec. 2020
• Provision for pension benefits	€50,641k	€46,962k
• Provision for long-service awards	€3,932k	€3,743k
• Provision for 2020-2022 CMVE leave (severance, training, notice period, benefits)	€6,505k	€20,690k
• Provision for fines and penalties	€120k	€120k
• Provision for operating expenses	€369k	€1,959k
• Provision for employee-related litigation	€2,265k	€2,014k
• Provision for employee-related expenses	€996k	€1,256k
• Provision for IT expenses	€9,900k	€9,900k
• Provision for IT litigation	€2,525k	€2,721k

® Registered Action Logement trademarks.

Note 13 – Equity

						<i>(in € thousands)</i>	
	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Share capital subscribed, called and paid	20,000					20,000	20,000
Additional paid-in capital							
Other reserves	12,266,743	1,031,277	206,615	530,404	149,749	14,184,787	14,182,166
Legal reserve	2,000					2,000	2,000
Statutory “development fund” reserve	20,000					20,000	280,513
“Supplementary ESS” law reserve	654,219	5,359	15,174	8,578	7,229	690,558	681,225
Regulatory reserve	-	11,590,524	1,025,918	191,440	521,826	142,520	13,472,229
Investment subsidies							
Retained earnings (accumulated losses)	(1,783,246)	(104,130)	(14,658)	(308,447)		(2,210,481)	(302,503)
Net income (loss) for the year (±)	(3,868,894)	(69,751)	(21,403)	(9,360)	432	(3,968,976)	(1,905,357)
Total	6,634,602	857,396	170,554	212,597	150,182	8,025,331	11,994,306

The Company’s share capital is wholly-owned by the Action Logement Group and is made up of 2,000 shares, each with a par value of €10,000.

Net income for the year reported by the operating fund relates to capital gains on property disposals.

Note 14 - Funds received in the form of subsidies

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Employers' contribution	1,268,366		30,366	5,015		1,303,747	1,600,462
<i>Funds received in the form of subsidies</i>	<i>1,265,321</i>		<i>30,366</i>	<i>4,799</i>		<i>1,300,487</i>	<i>1,339,895</i>
<i>Irrecoverable matured funds</i>	<i>2,137</i>			<i>216</i>		<i>2,353</i>	<i>21,350</i>
<i>Transformation into subsidies of funds received as loans</i>	<i>907</i>					<i>907</i>	<i>1,218</i>
<i>Government compensation for threshold increase from 20 to 50 employees</i>							<i>238,000</i>
Subsidies received from another fund					319,339	319,339	312,335
Funds received	11,263					11,263	7,351
<i>Other (1)</i>	<i>11,263</i>					<i>11,263</i>	<i>7,351</i>
Total	1,279,628		30,366	5,015	319,339	1,634,348	1,920,148

Employers' contribution: see point 3.14.

- (1) As part of intra-fund transactions, the PEEC fund received from the PEAEC and PSEEC funds the estimated value of reserved rented housing in 2021 for PEAEC and PSEEC employees under PEEC-financed programmes.

Note 15 - Subsidies expensed

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
National Policy Funding	(1,759,000)	-	-	-	-	(1,759,000)	(1,304,000)
<i>ANIL-ADIL funding (R313-19-6 I)</i>	<i>(9,000)</i>					<i>(9,000)</i>	<i>(9,000)</i>
<i>ANRU-PNRU funding</i>	<i>(390,000)</i>					<i>(390,000)</i>	<i>(445,000)</i>
<i>FNAL-FNAP funding</i>	<i>(1,350,000)</i>					<i>(1,350,000)</i>	<i>(850,000)</i>
<i>FNAVDL funding*</i>	<i>(10,000)</i>					<i>(10,000)</i>	
Subsidies to individuals	(1,401,234)		(43,225)	(61)		(1,444,520)	(720,948)
Subsidies to corporate entities	(1,786,166)	(1,594)	-	-	(26,134)	(1,813,895)	(1,251,706)
Subsidies to the Action Logement Group (1)	(1,562,366)				(26,134)	(1,588,500)	(1,089,261)
Subsidies to other corporate entities	(223,800)	(1,594)			-	(225,394)	(162,445)
Subsidies to another fund	(308,721)	(5,715)	(4,222)	(681)		(319,339)	(312,335)
Other subsidies	-	-	(5,189)	(6,074)	-	(11,263)	(7,351)
Rent assignments (2)			(5,189)	(6,074)		(11,263)	(7,351)
						-	-
Total	(5,255,121)	(7,309)	(52,636)	(6,815)	(26,134)	(5,348,016)	(3,596,340)

* FNAVDL: national housing support fund.

(1) Corporate entity subsidies, of which €1,280 million relating to ALI, €186 million to AFL under the PEEC fund and €20 million to CDC (PHBB2 subsidy).

(2) As part of intra-fund transactions, the PEEC fund received from the PEAEC and PSEEC funds the estimated value of reserved rented housing in 2021 for PEAEC and PSEEC employees under PEEC-financed programmes.

Note 16 - Interest receivable and similar income

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Transactions with credit institutions	4,975	2,533	452	724	362	9,046	11,397
<i>Investment income</i>	4,975	2,533	452	724	362	9,046	11,397
Transactions with individuals	41,697	5,986	436	507	4	48,630	51,524
<i>Interest on loans to individuals</i>	41,152	1,311	436	507		43,406	49,147
<i>Other income from ancillary activities</i>	545	4,675			4	5,225	2,377
Transactions with corporate entities	82,411			410	4	82,824	90,501
<i>Interest on loans to corporate entities</i>	82,411			403		82,814	90,450
<i>Amounts due from other interests in subsidiaries</i>				6	4	10	51
Total	129,083	8,519	888	1,640	370	140,500	153,422

Note 17 - Interest payable and similar expenses and commission

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Transactions with credit institutions	(16,232)	(13)	(2)	(2)	(28)	(16,276)	(18,474)
<i>Loan interest</i>	<i>(16,198)</i>			<i>(1)</i>	<i>-</i>	<i>(16,199)</i>	<i>(18,360)</i>
<i>Banking services</i>	<i>(35)</i>	<i>(13)</i>	<i>(2)</i>		<i>(28)</i>	<i>(77)</i>	<i>(114)</i>
Transactions with customers	(640)	(2,059)				(2,700)	(4,702)
<i>Operating costs</i>	<i>(193)</i>	<i>(13)</i>				<i>(206)</i>	<i>(2,662)</i>
<i>Notarial and litigation fees</i>	<i>(447)</i>	<i>(2,043)</i>				<i>(2,490)</i>	<i>(1,027)</i>
<i>Other</i>	<i>-</i>	<i>(4)</i>				<i>(4)</i>	<i>(1,013)</i>
Other interest payable and similar expenses	(9,339)					(9,339)	(5,021)
<i>Bonds and other fixed income securities</i>	<i>(9,315)</i>					<i>(9,315)</i>	<i>(5,002)</i>
<i>Expenses on management transactions</i>	<i>(24)</i>					<i>(24)</i>	<i>(19)</i>
Sub-total "Other interest payable and similar expenses"						(28,315)	(28,197)
Commission (expense)	(4,000)					(4,000)	(1)
<i>EMTN commission*</i>	<i>(4,000)</i>					<i>(4,000)</i>	
<i>Other charges</i>							<i>(1)</i>
Total	(30,211)	(2,072)	(2)	(2)	(28)	(32,315)	(28,198)

* EMTN: European Medium Term Notes.

Note 18 – Other banking income and expenses

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total 2021	Total 2020
Banking income	1,670	1,260				2,930	2,277
Ancillary income from customers	1,670	1,260				2,930	2,277
Banking expenses	(1,329)					(1,329)	(884)
Other expenses	(1,329)					(1,329)	(884)
Total	340	1,260				1,600	1,393

Note 19 - General operating expenses

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total 2021	Total 2020
Payroll costs					(167,787)	(167,787)	(157,147)
Wages and salaries					(115,428)	(115,428)	(115,891)
Social security contributions and taxes					(56,473)	(56,473)	(51,873)
Discretionary profit-sharing and matching contributions					(9,769)	(9,769)	(10,438)
Works council					(2,391)	(2,391)	(2,338)
Provision					16,275	16,275	23,394
Other administrative expenses	(6,388)				(114,881)	(121,270)	(121,816)
Insurance					780	780	(195)
ANCOLS contribution	(6,389)					(6,389)	(6,393)
ACPR contribution					(859)	(859)	(861)
Upkeep and repairs					(6,755)	(6,755)	(6,080)
Goods suppliers					(7,107)	(7,107)	(8,861)
Fees and litigation expenses					(24,097)	(24,097)	(20,952)
Property leases					(24,426)	(24,426)	(24,461)
Intra-group services					910	910	125
Operating provisions					456	456	(1,872)
Publications, entertainment					(2,306)	(2,306)	(2,571)
Sub-contracting					(39,427)	(39,427)	(41,318)
Miscellaneous taxes (CVAE tax on value added, office tax, C3S solidarity tax, etc.)					(689)	(689)	(812)
Vehicles and business travel					(609)	(609)	(951)
Other					(10,753)	(10,753)	(6,616)
Depreciation/amortisation of property, plant and equipment and intangible assets					(11,022)	(11,022)	(8,399)
Total	(6,388)				(293,690)	(300,078)	(287,362)

Payroll costs: The €16.3 million "Provision" line item corresponds to amounts written back from provisions for €18 million (of which €14.5 million relating to CMVE external voluntary mobility leave), less amounts set aside to provisions for €1.7 million.

Note 20 - Cost of risk

(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total 2021	Total 2020
Corporate entities	(2,442)			290		(2,152)	(13,327)
Additions	(28,842)			(226)		(29,068)	(28,198)
Write-backs	26,567			516		27,083	14,988
Losses	(167)					(167)	(117)
Individuals	15,484	(70,149)	(19)	156		(54,528)	(48,247)
Additions	(19,987)	(124,485)	(71)	(145)		(144,688)	(93,260)
Write-backs	50,767	75,896	66	441		127,170	82,115
Tax losses	(15,296)	(21,559)	(14)	(140)		(37,009)	(37,101)
Cash pledges							
Write-backs (1)	15,000					15,000	15,000
Losses (2)	(15,000)					(15,000)	(15,000)
Total	13,042	(70,149) *	(19)	446		(56,680)	(61,574)

(1) and (2) : the cash collateral within assets has been fully written down since inception. This collateral is used to subsidise the loans granted by the CDC to social housing bodies.

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

* Details are provided in the Guarantee fund financial statements on page 71.

Note 21 - ± Gains and losses on fixed assets

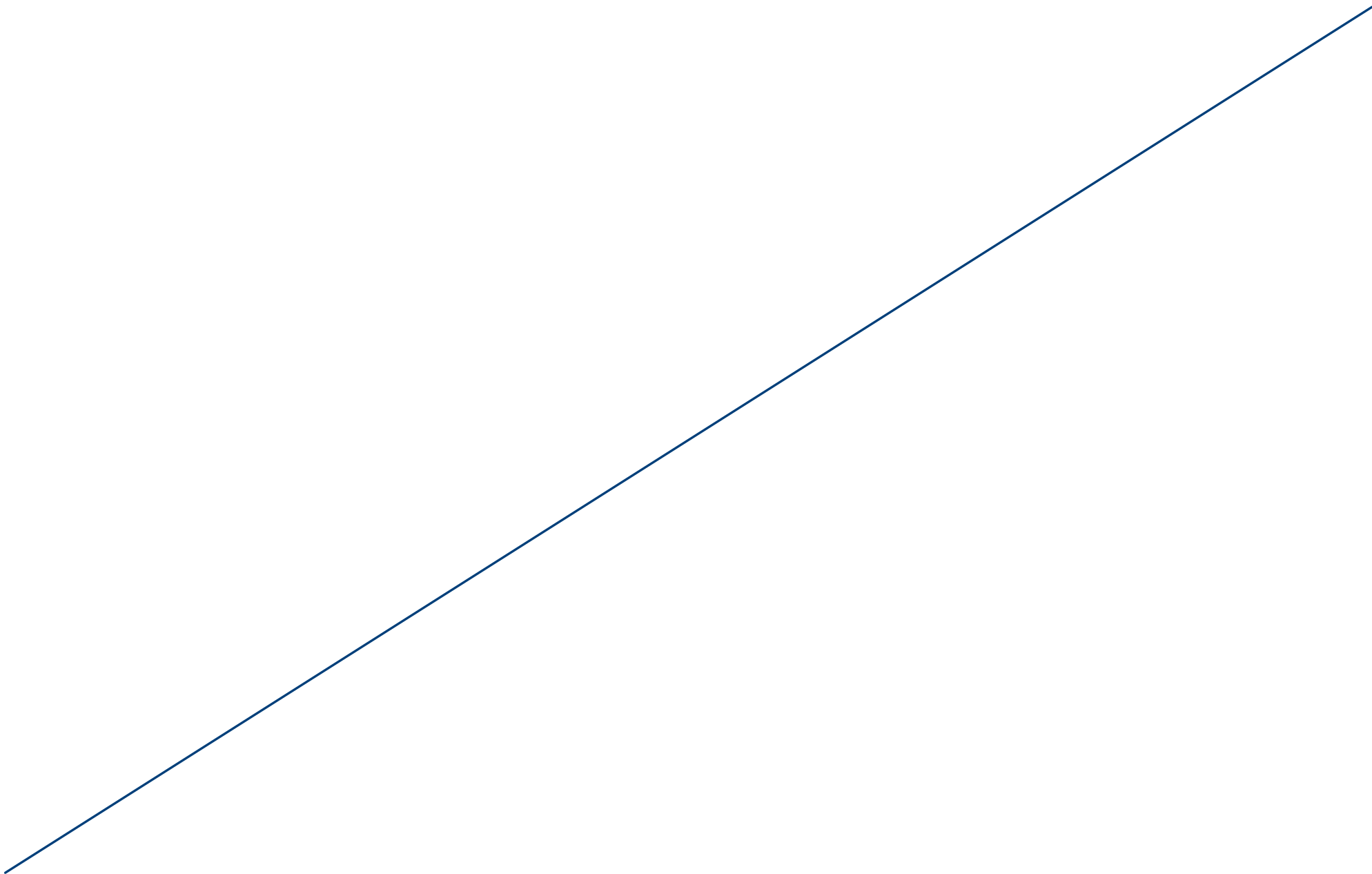
(in € thousands)

	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total 2021	Total 2020
Property, plant and equipment, intangible assets and financial assets					459	459	2,562
Proceeds from sales of property, plant and equipment					855	855 (1)	3,153
Carrying amount of property, plant and equipment sold					(396)	(396) (1)	(591)
Carrying amount of intangible assets sold							0
Affiliated companies	732			(9,644)	117	(8,795)	(9,408)
Additions				(6,359)		(6,359)	(8,687)
Write-backs	1,459			470	117	2,045	0
Losses	(726) (2)			(3,755) (3)		(4,481)	(721)
Total	732			(9,644)	576	(8,336)	(6,846)

(1) Capital gain of €433,000 in 2021 corresponding to the sale of a flat in Fontenay-le-Fleury and two office premises in Nîmes and Villefranche.

(2) Relating to the subsidiary Astria Foncier.

(3) Projimmo Conseil merger loss.



Income statement for/excluding the public interest activity (SIEG)

(in € thousands)

	Public-interest activity (SIEG)	Other (Non-SIEG)	Total 2021	Total 2020
+ Employers' contribution	697,162	606,585	1,303,747	1,600,462
+ Subsidies received	(60,609)	(247,468)	(308,076)	319,686
<i>Subsidies received from another fund</i>	<i>(60,609)</i>	<i>(258,730)</i>	<i>(319,339)</i>	<i>312,335</i>
<i>Other subsidies</i>		<i>11,263</i>	<i>11,263</i>	<i>7,351</i>
- Subsidies paid	(2,617,599)	(2,091,740)	(4,709,339)	(3,596,340)
<i>Subsidies to Government, local authorities and State agencies</i>		<i>(1,759,000)</i>	<i>(1,759,000)</i>	<i>(1,304,000)</i>
<i>Subsidies to individuals</i>	<i>(1,152,341)</i>	<i>(292,179)</i>	<i>(1,444,520)</i>	<i>(720,948)</i>
<i>Subsidies to corporate entities</i>	<i>(1,525,866)</i>	<i>(288,028)</i>	<i>(1,813,895)</i>	<i>(1,251,706)</i>
<i>Subsidies to another fund</i>	<i>60,609</i>	<i>258,730</i>	<i>319,339</i>	<i>(312,335)</i>
<i>Other subsidies</i>		<i>(11,263)</i>	<i>(11,263)</i>	<i>(7,351)</i>
NET NON-BANKING INCOME (LOSS)	(1,981,046)	(1,732,622)	(3,713,668)	(1,676,191)
+ Interest receivable and similar income	22,993	117,507	140,500	153,422
<i>Transactions with credit institutions</i>	<i>9,046</i>		<i>9,046</i>	<i>11,397</i>
<i>Transactions with individuals</i>	<i>4,777</i>	<i>43,853</i>	<i>48,630</i>	<i>51,524</i>
<i>Transactions with corporate entities</i>	<i>9,170</i>	<i>73,654</i>	<i>82,824</i>	<i>90,501</i>
<i>Bonds and other fixed income securities</i>				
<i>Other interest and similar income</i>				
- Interest payable and similar expenses	(5,411)	(22,903)	(28,315)	(28,197)
<i>Transactions with credit institutions</i>	<i>(42)</i>	<i>(16,234)</i>	<i>(16,276)</i>	<i>(18,474)</i>
<i>Transactions with customers</i>	<i>(398)</i>	<i>(2,302)</i>	<i>(2,700)</i>	<i>(4,702)</i>
<i>Bonds and other fixed income securities</i>	<i>(4,947)</i>	<i>(4,368)</i>	<i>(9,315)</i>	<i>(5,002)</i>
<i>Other interest and similar expenses</i>	<i>(24)</i>		<i>(24)</i>	<i>(19)</i>
+ Income from variable income securities				
+ Commission (income)				
- Commission (expenses)	(2,124)	(1,876)	(4,000)	(1)
±Gains or losses on investment portfolio transactions				
+ Other banking income	1,106	1,824	2,930	2,277
- Other banking expenses	(706)	(623)	(1,329)	(884)
NET BANKING INCOME	15,857	93,929	109,786	126,616

Income statement for/excluding the public interest activity (SIEG)

(in € thousands)

	Public-interest activity (SIEG)	Other (Non-SIEG)	Total 2021	Total 2020
NET OPERATING EXPENSE	(239,445)	(60,633)	(300,078)	(287,362)
- General operating expenses	(230,551)	(58,506)	(289,057)	(278,963)
Payroll costs	(135,403)	(32,384)	(167,787)	(157,147)
Other administrative expenses	(95,148)	(26,122)	(121,270)	(121,816)
- Depreciation/amortisation and impairment of property, plant and equipment and intangible assets	(8,894)	(2,127)	(11,022)	(8,399)
GROSS OPERATING INCOME (LOSS)	(2,204,634)	(1,699,326)	(3,903,960)	(1,836,937)
- Cost of risk	5,327	(62,006)	(56,680)	(61,574)
OPERATING INCOME (LOSS)	(2,199,308)	(1,761,332)	(3,960,640)	(1,898,511)
± Gains or losses on fixed assets	(8,796)	28	(8,768)	(6,846)
PRE-TAX RECURRING INCOME (LOSS)	(2,208,104)	(1,761,304)	(3,969,408)	(1,905,357)
± Non-recurring income (expense)				
- Income tax				
± Movements in regulated provisions				
Net income (loss)	(2,208,104)	(1,761,304)	(3,969,408)	(1,905,357)

Note 22 - Commitments given

(in € thousands)

Activity (E3)	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020 Pro forma
Financing commitments	4,950,362		4,229	2,772		4,957,362	4,031,271
Commitments given to credit institutions	785,668					785,668	806,163
<i>Subsidising of payments due to CDC</i>	785,668					785,668	806,163
Commitments given to individuals	242,247		4,229	2,522		248,998	223,342
<i>Specific regional initiatives</i>	4,910					4,910	3,420
<i>Acquisition loans</i>	159,358		3,519	2,257		165,134	163,087
<i>Works loans</i>	18,750		665	179		19,594	11,464
<i>LOCA-PASS ® guarantee deposits, advances</i>	42,531		4			42,535	34,787
<i>Loan refinancing</i>	2,658					2,658	3,000
<i>Action Cœur de Ville initiative</i>	12,784					12,784	6,231
<i>Energy retrofits for private tenants</i>	947		2			949	892
<i>Non-performing loans to individuals</i>	128					128	208
<i>Other</i>	180		40	85		305	253
Commitments given to corporate entities	3,922,446			250		3,922,696	3,001,766
<i>Action Cœur de Ville initiative</i>	302,015					302,015	178,850
<i>Specific regional initiatives</i>	(30,301)					(30,301)	13,210
<i>Improved energy performance</i>	338,000					338,000	338,000
<i>Cash advance to subsidiary</i>							64,000
<i>Migrant worker households (FTM)</i>	66,503					66,503	70,067
<i>Housing for non-migrant worker households</i>	140,744					140,744	104,728
<i>Social housing</i>	1,693,652					1,693,652	1,687,676
<i>NPNRU loans</i>	310,280					310,280	195,332
<i>Social Aparthotels (RHVS)</i>	20,139					20,139	19,081
<i>Non-performing loans to corporate entities</i>	105,646					105,646	
<i>Other</i>	975,769			250		976,019	330,821

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Note 22 - Commitments given

(in € thousands)

Activity (E3)	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020 Pro forma
Guarantee commitments	2,924,455	7,796,702			1,056	10,722,212	8,103,907
Commitments given to credit institutions	2,884,455					2,884,455	3,152,373
Association Foncière Logement guarantees, endorsements, deposits	703,498					703,498	875,602
Credit institution guarantees	2,180,957					2,180,957	2,276,771
Commitments given to individuals		7,796,702				7,796,702	4,910,145
Individual customers							
LOCA-PASS® rental expense guarantees		119,803				119,803	544,412
VISALE guarantees		7,445,657				7,445,657	4,210,748
Non-performing loans to individuals		231,242				231,242	154,984
Commitments given to corporate entities	40,000				1,056	41,056	41,389
Endorsements, security interests, guarantees	40,000				1,056	41,056	41,389
Securities commitments	99,400					99,400	
Group							
Non-Group	99,400					99,400	
Subsidy commitments	6,437,000					6,437,000	7,405,000
Subsidies to Government - National Policies	6,217,000					6,217,000	6,737,000
ANIL-ADIL subsidies (R313-19-6 I)	9,000					9,000	18,000
ANRU-PNRU-NPNRU subsidies	5,848,000					5,848,000	5,019,000
FNAL-FNAP subsidies	350,000					350,000	1,700,000
FNAVDL financing	10,000					10,000	
Commitments given to corporate entities	220,000					220,000	668,000
Action Logement Immobilier	140,000					140,000	618,000
Foncière Logement	80,000					80,000	50,000
Total	14,411,217	7,796,702	4,229	2,772	1,056	22,215,974	19,540,178

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Note 23 - Commitments received

(in € thousands)

Activity (E3)	PEEC fund	Guarantee fund	PEAEC fund	PSEEC fund	Operating fund	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Financing commitments	60,625			85		60,710	65,405
Acquisition loan financing	2,007			85		2,092	2,537
Works loan financing	26					26	38
PASS-FONCIER® financing	28,773					28,773	32,243
Landlord cash pledges	2,054					2,054	2,305
Other	27,765					27,765	28,281
Total	60,625			85		60,710	65,405

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

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Note 24 - Maturity of assets and liabilities

(in € thousands)

PEEC	< 3 months	> 3 months and < 1 year	1-5 years	> 5 years	Total
ASSETS					
Transactions with customers					
Amounts due from loans to individuals	87,504	252,380	1,336,853	1,954,334	3,631,072
Amounts due from loans to corporate entities	99,268	430,786	2,598,141	9,428,041	12,556,236
Group	30,553	152,321	1,034,186	4,506,137	5,761,609
Non-Group	68,714	278,465	1,563,955	4,921,904	6,794,627
Total	186,772	683,166	3,934,994	11,382,375	16,187,307
LIABILITIES AND EQUITY					
Amounts due to credit institutions		55,609	222,623	823,893	1,102,125
Debt securities				3,005,178	3,005,178
Amounts due to customers	240,771	1,700,656	1,042,467	4,190,019	7,173,914
Amounts due to Government		216,000			216,000
Amounts due to individuals		549,594			549,594
Amounts due to corporate entities	240,771	935,062	1,042,467	4,190,019	6,408,320
- PEEC companies	240,771	187,950	1,042,467	4,190,019	5,661,207
- Third-party corporate entities		747,112			747,112
Total	240,771	1,756,265	1,265,090	8,019,090	11,281,217

Note 24 - Maturity of assets and liabilities

(in € thousands)

Guarantee fund	< 3 months	> 3 months and < 1 year	1-5 years	> 5 years	Total
ASSETS					
Transactions with customers					
Amounts due from loans to individuals	37,772	35,479	66,907	27,909	168,067
Amounts due from loans to corporate entities					
Group					
Non-Group					
Total	37,772	35,479	66,907	27,909	168,067
LIABILITIES AND EQUITY					
Amounts due to credit institutions					
Amounts due to customers					
Amounts due to Government					
Amounts due to individuals					
Amounts due to corporate entities					
- PEEC and PSEEC companies					
- Third-party corporate entities					
Total					

Note 24 - Maturity of assets and liabilities

(in € thousands)

PEAEC	< 3 months	> 3 months and < 1 year	1-5 years	> 5 years	Total
ASSETS					
Transactions with customers					
Amounts due from loans to individuals	1,361	3,903	19,491	23,928	48,682
Amounts due from loans to corporate entities					
Group					
Non-Group					
Total	1,361	3,903	19,491	23,928	48,682
LIABILITIES AND EQUITY					
Amounts due to credit institutions					
Amounts due to customers		19,785			19,785
Amounts due to Government					
Amounts due to individuals		19,785			19,785
Amounts due to corporate entities					
- PEEC and PSEEC companies					
- Third-party corporate entities					
Total		19,785			19,785

Note 24 - Maturity of assets and liabilities

(in € thousands)

PSEEC	< 3 months	> 3 months and < 1 year	1-5 years	> 5 years	Total
ASSETS					
Transactions with customers					
Amounts due from loans to individuals	2,311	6,149	21,269	16,454	46,182
Amounts due from loans to corporate entities	1,196	2,694	16,115	24,180	44,185
Group	1,040	1,639	10,547	19,127	35,680
Non-Group	156	1,056	5,567	5,054	8,506
Total	3,507	8,843	37,384	40,634	90,368
LIABILITIES AND EQUITY					
Amounts due to credit institutions					
Amounts due to customers	6,498	2,841	7,749	90,216	107,303
Amounts due to Government					
Amounts due to individuals		22			22
Amounts due to corporate entities	6,498	2,819	7,749	90,216	107,281
- PSEEC companies	6,498	2,819	7,749	90,216	107,281
- Third-party corporate entities					
Total	6,498	2,841	7,749	90,216	107,303

Note 25 - Maturity of cash investments

(in € thousands)

Action Logement Services	< 3 months	> 3 months and < 1 year	1-5 years	> 5 years	Total
ASSETS					
Amounts due from credit and similar institutions*	149,811	285,274	679,197	11,658	1,125,941
Total	149,811	285,274	679,197	11,658	1,125,941

* Including capitalised interest.

GUARANTEE FUND FINANCIAL STATEMENTS



■ 4/ GUARANTEE FUND

The guarantee fund records transactions relating to the rent guarantees set up by Action Logement. Action Logement Services finances rental security deposits, monitors compliance with the maximum budgets agreed under the five-year agreement signed on 16 January 2018 and under the 2021 recovery plan, and ensures appropriate prudential coverage.

There are four major guarantee schemes (see the guarantee fund financial statements in the appendix on pages 67-73):

- Other guarantees;
- VISALE guarantees;
- Universal rent risk guarantees (GURL);
- Sécurisation Accédants PASS (home ownership support) guarantees.

The GURL and Sécurisation Accédants PASS funds are closed schemes that generated insignificant financial flows during the year.

VISALE guarantees saw a sharp increase in activity.

Information requests regarding LOCA-PASS® deposits repayable at maturity were sent out in 2021. The additional impairment recognised in 2020 was reversed in the year.

The liability provisions accrued in respect of these guarantees were calculated by an independent actuary who is a member of an actuary association recognised by the French prudential supervisory authority (ACPR) based on the LOCA-PASS® and VISALE guarantees as at the end of 2021.

Action Logement Services' June 2021 Board of Directors' meeting approved the recapitalisation of the guarantee fund by the PEEC fund for €200 million, with a further €100 million to be injected into the fund at the end of 2021 and €500 million in 2022, as agreed further to written consultations.

4.1 Other guarantees

These relate to the implementation of LOCA-PASS® guarantees representing sums requested by social housing landlords in respect of unpaid rent and charges that are to be reimbursed by tenants. LOCA-PASS® guarantees have not been granted by Action Logement Services since 31 May 2019.

The outstanding balance of LOCA-PASS® guarantees represented €106,099,000 (€141,956,000 at end-2020), and included a capital write-down of €97,409,000 (€125,693,000 at end-2020), i.e., an impairment rate of 92%.

The provision for claims and management fees, net of settlements by “generation” of guarantees granted, amounted to €863,000 at 31 December 2021, compared to €6,875,000 at end-2020. It is estimated by actuaries.

- The LOCA-PASS® business reported net income of €12,066,000 in 2021, corresponding mainly to net reversals of provisions.

At 31 December 2021, LOCA-PASS® guarantee commitments were 80% lower year on year at €119,803,000, compared to €577,245,000 at 31 December 2020.

4.2 VISALE guarantees

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

A / Organisation and accounting methods applicable to the VISALE fund

APAGL manages the VISALE guarantee scheme and acts as a link between the beneficiaries of the VISALE guarantee (landlords, tenants, partners) and ALS for financial transactions involving the implementation of guarantees and the collection of amounts owed.

- VISALE guarantees are managed in a specific accounting system integrated within the ALS general ledger. The ledger has been semi-automatically integrated on a monthly basis since 1 December 2020.
- To make it easier to track the VISALE scheme, three analytical axes are used in the sub-ledger:
 - Year of occurrence;
 - Type of beneficiary (employees subject to dual mobility arrangements, young people employed under confirmed permanent contracts, management or sub-letting associations, students or other young people);
 - Regional management (management centre).

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B / Notes to the balance sheet

1. Loans to individuals.....	€61,968,000
Depreciation, amortisation and impairment	€(49,574,000)

Up to the end of 2020, historical data on the recovery of VISALE guarantees did not give sufficient assurance as to permit an impairment rate below 100%. In 2021, based on historical data for the past six years (i.e., the age of the scheme), the Company was able to identify recovery behaviour by generation and population and to adjust the rate of impairment to 80%.

2. Provisions	€140,547,000
----------------------------	---------------------

To estimate VISALE liability provisions at 31 December 2021, the Company estimates all benefits payable throughout the entire term of the various rental contracts in respect of security deposits granted between 2016 and 2021.

As a result, these provisions factor in claims arising before 31 December 2021 as well those expected to arise after that date.

The provision is calculated as described below:

- Provision for late claims calculated using a “frequency × appropriate cost” method
(Guarantee implementation rate x implementation period x rent)**€159,571,000**

- Frequency

The guarantee implementation rate reflects the frequency of claims made under rental contracts eligible for the VISALE scheme. Frequency was determined on a prospective basis in light of the characteristics of the VISALE guarantee, and based on statistical data for GRL® and PASS-GRL®-type guarantees previously compiled by APAGL.

- Implementation period

This is the maximum period during which unpaid rent is guaranteed. The implementation period corresponds to the business plan for the VISALE scheme for each category of tenant.

- Rent

The amount of rent paid by a tenant under the VISALE scheme includes monthly maintenance fees.

- Provision for claims payable**€11,577,000**

The provision for claims payable is estimated using a flat-rate method (equal to 13 months’ rent) based on past experience under the PASS-GRL guarantee scheme.

● **Projected settlements..... €34,000,000**

For the first year, projected settlements were estimated taking into account the rates observed for the different populations, i.e., young people under 30, employees over 30, students and those concerned by rental intermediation. This rate varies between 14% and 40%, with the highest rate of 40% applicable to the student population.

The average rate correlates with the average recovery rate of 20% used for the estimated impairment of receivables.

● **Rental damage €3,400,000**

This risk arises after the tenant has left and relates to damage to the property.

C / Notes to the income statement

The VISALE fund reported a net loss of €86,475,000 for 2021, relating mainly to the cost of risk.

D / Off-balance sheet commitments

At 31 December 2021, commitments under the VISALE scheme represented €7,676,899,000 (31 December 2020: €4,332,900,000).

The increase in these commitments reflects the sharp increase in demand for these guarantees in 2021, but also the extension of the scheme to employees over 30 years of age as from June 2021 as well as the period covered by the guarantee for the second “generation” of support granted as from 2018, which was changed from the remaining period of the lease to a maximum of 36 incidences (i.e. 9 months) of unpaid rent (“first-generation” guarantee).

4.3 Rent risk guarantees

Rent risk guarantees include two generations of guarantees which are being phased out:

- **PASS-GRL®** guarantees introduced by decree No. 2007-92 of 24 January 2007;
- **GRL®** guarantees which replaced PASS-GRL guarantees pursuant to decree No. 2009-1621 of 23 December 2009 setting out the specifications provided for in section g, paragraph 3, Article L.313 of the French Construction and Housing Code (CCH) concerning the universal rent risk guarantee scheme (GURL). No new applications have been received since 2017 and the scheme will end at 31 December 2021.

PASS-GRL® and GRL® guarantees are designed for individual and professional landlords.

The universal rent risk guarantee (GRL) is financed by offsetting against losses incurred by the insurers.

Balance sheet liabilities no longer include a provision for these two schemes.

APAGL is responsible for the operational management of the PASS-GRL® and GRL® schemes.

On behalf of ALS, APAGL pays insurance indemnities and collects amounts due from defaulting tenants.

An amount of €481,000 was due to the Government at 31 December 2021 relating to the collection of settlements over the past two years.

Taking into account Action Logement Services' year-end restrictions and the sums still to be recovered by the insurers and paid to Action Logement Services, the liquidating balance sheet for the GRL scheme will be drawn up in the first quarter of 2022.

The phase-out of these two schemes is progressing satisfactorily.

- The universal rent risk guarantee fund (GURL) reported net income of €4,113,000 in 2021.

4.4 Sécurisation Accédants PASS (home ownership support) guarantees

The PASS home ownership support scheme concerns loans issued by banks and guaranteed by SGFGAS (which manages the financing and promotes access to home ownership) between April 1999 and December 2003. It covers the banks' actuarial cost of interest-free deferral of loan instalments during the borrowers' period of unemployment. As these loans can have a term of 30 years, this scheme will end in 2033.

The funding condition was met in March 2014 for the last generation of guarantees relating to 2003. SGFGAS has not received any calls for funds since 2015.

SGFGAS manages the operation of the PASS scheme supporting access to home ownership and the yearly calculation of the adjustment to the provision. The corresponding information is provided to Action Logement Services on a yearly basis.

A deposit of €60,000 with SFGAS represents the working capital in the event of a claim.

Pursuant to a decision of the Management Committee of 17 December 2021, the contingency provision was adjusted to €1,000,000 at 31 December 2021 (€1,545,000 at end-2020), and will be amortised on a straight-line basis over the next ten years.

- This scheme reported net income of €544,000 in 2021, representing the amount written back from the provision.

Balance Sheet

ASSETS

(in € thousands)

	Notes	Other guarantees	VISALE guarantees	GURL guarantees	Sécurisation Accédants PASS guarantees	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Cash and amounts due from central banks and postal cheque accounts							
Amounts due from credit and similar institutions		67,892	765,126	129,281	16,674	978,973	680,547
Transactions with customers		106,099	61,968			168,067	180,200
<i>Government, local authorities and State agencies</i>						-	-
<i>Amounts due from loans to individuals</i>		106,099	61,968			168,067	180,200
<i>Amounts due from loans to corporate entities</i>							
Bonds and other fixed income securities							
Shares and other variable income securities							
Equity interests and other long-term securities							
Shares in affiliated companies							
Intangible assets							
Property, plant and equipment							
Other assets		1,374	2	390	60	1,825	8,579
<i>Reciprocal account (intra-fund receivables)</i>						-	-
<i>Other assets</i>		1,374	2	390	60	1,825	8,579
Accrual accounts							
Total assets		175,365	827,096	129,671	16,734	1,148,866	869,326
		(97,409)	(49,575)			(146,983)	(163,937)
		77,956	777,521	129,671	16,734	1,001,883	705,389

Balance Sheet

LIABILITIES AND EQUITY

(in € thousands)

	Notes	Other guarantees	VISALE guarantees	GURL guarantees	Sécurisation Accédants PASS guarantees	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Amounts due to central banks and postal cheque accounts							
Amounts due to credit and similar institutions							
Transactions with customers							
<i>Government, local authorities and State agencies</i>							
<i>Amounts due to individuals</i>							
<i>Amounts due to corporate entities</i>							
Debt securities							
Other liabilities		185	752	1,139		2,076	1,374
Reciprocal account (intra-fund payables)							
Other liabilities		185	752	1,139		2,076	1,374
Accrual accounts							
Provisions		863	140,548		1,000	142,411	76,868
Equity		76,909	636,221	128,532	15,734	857,396	627,147
<i>Subscribed capital</i>							
<i>Additional paid-in capital</i>							
Reserves		131,609	818,930	78,517	2,221	1,031,277	731,277
Revaluation reserve							
Regulated provisions and subsidies							
Retained earnings (accumulated losses) (±)		(66,767)	(96,233)	45,902	12,968	(104,130)	(78,347)
Net income (loss) for the period (±)		12,066	(86,475)	4,113	545	(69,751)	(25,783)
Total liabilities and equity		77,956	777,521	129,671	16,734	1,001,883	705,389

Income statement

(in € thousands)

	Notes	Other guarantees	VISALE guarantees	GURL guarantees	Sécurisation Accédants PASS guarantees	Total at 31 Dec. 2021	Total at 31 Dec. 2020
+ Employers' contribution							
+ Subsidies received							
- Subsidies paid		(5,715)	(852)	(742)		(7,309)	(3,303)
<i>Subsidies to Government, local authorities and State agencies</i>							
<i>Subsidies to individuals</i>							
<i>Subsidies to corporate entities</i>			(852)	(742)		(1,594)	
<i>Subsidies to another fund</i>		(5,715)				(5,715)	(3,303)
<i>Other subsidies</i>						-	
NET NON-BANKING INCOME (LOSS)		(5,715)	(852)	(742)		(7,309)	(3,303)
+ Interest receivable and similar income		4,155	(72)	4,435		8,519	4,641
<i>Transactions with credit institutions</i>		2,524	(72)	80		2,533	1,836
<i>Transactions with individuals</i>		1,631		4,355		5,986	2,805
<i>Transactions with corporate entities</i>							
<i>Bonds and other fixed income securities</i>							
<i>Other interest and similar income</i>							
- Interest payable and similar expenses		(28)	(2,045)			(2,072)	(1,892)
<i>Transactions with credit institutions</i>		2	(15)			(13)	(45)
<i>Transactions with customers</i>		(29)	(2,030)			(2,059)	(1,843)
<i>Bonds and other fixed income securities</i>							
<i>Other interest and similar expenses</i>							(4)
+ Other banking income		793	468			1,260	436
- General operating expenses							
<i>Payroll costs</i>							
<i>Other administrative expenses</i>							
<i>External charges</i>							

Income statement

(in € thousands)

	Notes	Other guarantees	VISALE guarantees	GURL guarantees	Sécurisation Accédants PASS guarantees	Total at 31 Dec. 2021	Total at 31 Dec. 2020
- Depreciation/amortisation and impairment of property, plant and equipment and intangible assets							
GROSS OPERATING INCOME (LOSS)		(794)	(2,500)	3,693		398	(118)
- Cost of risk		12,861	(83,975)	420	545	(70,149)	(25,665)
OPERATING INCOME (LOSS)		12,066	(86,475)	4,113	545	(69,751)	(25,783)
± Gains or losses on fixed assets							
PRE-TAX RECURRING INCOME (LOSS)		12,066	(86,475)	4,113	545	(69,751)	(25,783)
± Non-recurring income (expense)							
- Income tax							
± Movements in regulated provisions							
Net income (loss)		12,066	(86,475)	4,113	545	(69,751)	(25,783)

Off-balance sheet items

(in € thousands)

	Notes	Other guarantees	VISALE guarantees	GURL guarantees	Sécurisation Accédants PASS guarantees	Total at 31 Dec. 2021	Total at 31 Dec. 2020
COMMITMENTS GIVEN							
Financing commitments							
Commitments given to credit institutions							
Commitments given to individuals							
Commitments given to corporate entities							
Guarantee commitments							
Commitments given to credit institutions		119,803	7,676,899			7,796,702	4,910,145
Commitments given to individuals		119,803	7,676,899			7,796,702	4,910,145
Commitments given to corporate entities							
Securities commitments							
Subsidy commitments							
Subsidies to Government, local authorities and State agencies							
Subsidies to individuals							
Subsidies to corporate entities							
Other subsidies							
Total commitments given		119,803	7,676,899			7,796,702	4,910,145

● Cost of risk

(in € thousands)

	Other guarantees	VISALE guarantees	GURL guarantees	Sécurisation Accédants PASS guarantees	Total at 31 Dec. 2021	Total at 31 Dec. 2020
Guarantee fund						
Additions	(6,634)	(117,851)			(124,485)	(56,913)
Write-backs	40,931	34,000	420	545	75,896	56,986
Losses	(21,435)	(124)			(21,559)	(25,738)
Total guarantee fund	12,861	(83,975)	420		(70,149)	(25,665)

■ 5/ SUBSEQUENT EVENTS

5.1 Bond issues

The Board of Directors' meeting of ALS on 15 December 2021 and ALG in its capacity as sole shareholder on 3 February 2022, authorised the completion of a bond issue for up to €3.2 billion in 2022, corresponding to the remaining amount under the Company's 100% sustainable EMTN programme (€6.2 billion).

After more than a month of closely monitoring the financial markets on a daily basis, on 1 April ALS took advantage of market conditions to launch a fourth bond issue. The issue was a great success, raising €1.25 billion in funding over a 10-year period at an interest rate of 1.44%.

■ 6/ OUTLOOK

In 2022, Action Logement will continue to step up its commitment to affordable housing, as the 2018-2022 five-year agreement comes to an end. In this context, 2022 will be used to launch discussions and negotiations with the French Government on the terms of the next five-year agreement.



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