# FINANCIAL ACCOUNT

# OF AFL-ST FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

AFL
La banque des collectivités

# KEY FIGURES

*(at 31/12/2024)*

**1,045**

number of member local authorities

**€8.8**

billion of outstanding signed loans

**€9.8**

billion of outstanding debt raised on the markets Outstanding debt raised on the markets

**€328**

million of pledged capital

**74%**

success rate with member local authorities in 2024 by number of consultations and

**40%**

by volume[1]

[1] Amount of medium and long-term loans signed / amount of medium and long-term loan requests submitted to AFL

# Agence France Locale - Société Territoriale
# Consolidated accounts (IFRS GAAP)

## BALANCE SHEET

### Assets as of December 31, 2024

| *(€ '000s)* | Notes | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| Cash, central banks | 5 | 485,842 | 975,130 |
| Financial assets at fair value through profit or loss | 1 | 6,056 | 13,374 |
| Hedging derivative instruments | 2 | 676,072 | 705,064 |
| Financial assets at fair value through other comprehensive income | 3 | 763,359 | 591,496 |
| Securities at amortized cost | 4 | 472,127 | 333,454 |
| Loans and receivables due from credit institutions and similar items at amortized cost | 5 | 251,885 | 180,074 |
| Loans and receivables due from customers at amortized cost | 6 | 8,247,330 | 6,576,479 |
| Revaluation adjustment on interest rate risk-hedged portfolios | | | |
| Current tax assets | | | |
| Deferred tax assets | 7 | 4,366 | 4,631 |
| Accruals and other assets | 8 | 4,270 | 1,328 |
| Intangible assets+B51 | 9 | 1,513 | 1,980 |
| Property, plant and equipment | 9 | 12,380 | 2,495 |
| Goodwill | | | |
| TOTAL ASSETS | | 10,925,200 | 9,385,506 |

### Liabilities as of December 31, 2024

| *(€ '000s)* | Notes | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| Central banks | | | |
| Financial liabilities at fair value through profit or loss | 1 | 6,054 | 13,219 |
| Hedging derivative instruments | 2 | 518,313 | 670,607 |
| Debt securities | 10 | 9,817,977 | 8,262,191 |
| Due to credit institutions | 11 | 211,737 | 133,307 |
| Due to customers | | | |
| Revaluation adjustment on interest rate hedged portfolios | | 57,527 | 81,770 |
| Current tax liabilities | | 361 | 406 |
| Deferred tax liabilities | 7 | 1,620 | 387 |
| Accruals and other liabilities | 12 | 4,443 | 4,999 |
| Provisions | 13 | 162 | 139 |
| Equity | | 307,005 | 218,482 |
| Equity, Group share | | 307,005 | 218,481 |
| Share capital and reserves | | 264,977 | 232,048 |
| Consolidated reserves | | 39,922 | (15,254) |
| Gains and losses recognised directly in equity | | (3,301) | (4,051) |
| Profit (loss) for the period | | 5,407 | 5,739 |
| Non-controlling interests | | | |
| TOTAL LIABILITIES | | 10,925,200 | 9,385,506 |

## Income statement

| (€ '000s) | Notes | 31/12/2024 | 31/12/2023 |
|---|---|---|---|
| Interest and similar income | 15 | 457,908 | 336,013 |
| Interest and similar expenses | 15 | (433,780) | (311,745) |
| Fee & Commission Income | 16 | 441 | 274 |
| Fee & Commission Expense | 16 | (223) | (184) |
| Net gains (losses) on financial instruments at fair value through profit or loss | 17 | (747) | 4,071 |
| Net gains or losses on financial instruments at fair value through other comprehensive income | 18 | 461 | (5,073) |
| Net gains and losses on derecognition of financial assets at amortised cost | | | |
| Income on other activities | | | |
| Expenses on other activities | | | |
| NET BANKING INCOME | | 24,061 | 23,355 |
| Operating expenses | 19 | (15,019) | (14,711) |
| Net depreciation, amortisation and impairments of tangible and intangible assets | 9 | (1,194) | (1,023) |
| GROSS OPERATING INCOME | | 7,848 | 7,620 |
| Cost of risk | 20 | (381) | 117 |
| OPERATING INCOME | | 7,467 | 7,738 |
| Net gains and losses on other assets | 21 | (1) | 0.1 |
| INCOME BEFORE TAX | | 7,466 | 7,738 |
| Income tax | 22 | (2,059) | (1,999) |
| NET INCOME | | 5,407 | 5,739 |
| Non-controlling interests | | | |
| NET INCOME GROUP SHARE | | 5,407 | 5,739 |
| Basic earnings per share (in EUR) | | 2.04 | 2.47 |
| Diluted earnings per share (in EUR) | | 2.04 | 2.47 |

## Net income and other comprehensive income

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Net income | 5,407 | 5,739 |
| Items will be reclassified subsequently to profit or loss | (3,082) | (1,577) |
| Revaluation of financial assets at fair value through other comprehensive income recyclable to income | (4,148) | (2,064) |
| Other items recognized through other comprehensive income recyclable to income | | |
| Related taxes | 1,067 | 487 |
| Elements not recyclable in profit or loss | 3,828 | 2,542 |
| Revaluation in respect of defined benefit plans | (3) | |
| Revaluation of financial assets at fair value through to equity | 5,109 | 3,389 |
| Other items recognized through other comprehensive income not recyclable to income | | |
| Related taxes | (1,277) | (847) |
| Total gains and losses recognized directly in equity | 746 | 965 |
| COMPREHENSIVE INCOME | 6,153 | 6,704 |

# Consolidated statement of changes in equity

| (€ '000s) | Capital | Associated reserves to capital | Consolidated reserves | Other equity instruments | Gains and losses recognized directly in comprehensive income — Recyclable: Net change in fair value of Financial assets at fair value through other comprehensive income, after tax | Gains and losses recognized directly in comprehensive income — Recyclable: Net change in fair value of cash flow hedging derivatives, after tax | Gains and losses recognized directly in comprehensive income — Not recyclable: Revaluation in respect of defined benefit plans | Gains and losses recognized directly in comprehensive income — Not recyclable: Other items recognized through other comprehensive income not recyclable to income | Net income, Group share | Share-holders' equity - Group share | Share-holders'equity, non-controlling interests | Total share-holders equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Shareholders' equity at 1 january 2023** | 217,658 | - | (18,030) | - | (1,546) | - | - | (3,470) | 2,775 | 197,388 | - | 197,388 |
| Increase in share capital | 14,389 | | | | | | | | | 14,389 | | 14,389 |
| Elimination of treasury shares | | | | | | | | | | | | |
| Issuance / redemption of equity instruments | | | | | | | | | | | | |
| Remuneration of undated deeplysubordinated notes | | | | | | | | | | | | |
| Allocation of profit 2022 | | | 2,775 | | | | | | (2,775) | | | |
| Dividends 2022 paid | | | | | | | | | | | | |
| Sub-total of changes linked to transactions with shareholders | 14,389 | - | 2,775 | - | - | - | - | - | (2,775) | 14,389 | - | 14,389 |
| Changes in fair value through equity | | | | | (1,959) | | | | | (1,959) | | (1,959) |
| Change in value of through profit or loss | | | | | (105) | | | | | (105) | | (105) |
| Revaluation of financial assets at fair value through not recyclable equity | | | | | | | | 3,389 | | 3,389 | | 3,389 |
| Changes in actuarial gains on retirement benefits | | | | | | | | | | | | |
| Related taxes | | | | | 487 | | | (847) | | (360) | | (360) |
| Changes in gains and losses recognized directly in equity | - | - | - | - | (1,577) | - | - | 2,542 | - | 965 | - | 965 |
| 2023 Net income | | | | | | | | | 5,739 | 5,739 | | 5,739 |
| Sub-total | - | - | - | - | (1,577) | - | - | 2,542 | 5,739 | 6,704 | - | 6,704 |
| Effect of acquisitions and disposals on non-controlling interests | | | | | | | | | | | | |
| **Shareholders' equity at 31 December 2023** | 232,048 | - | (15,254) | - | (3,123) | - | - | (928) | 5,739 | 218,481 | - | 218,481 |
| Increase in share capital | 32,929 (1) | | | | | | | | | 32,929 | | 32,929 |
| Elimination of treasury shares | | | | | | | | | | | | |
| Issuance / redemption of equity instruments | | | | 49,441 | | | | | | 49,441 | | 49,441 |
| Remuneration of undated deeplysubordinated notes | | | | | | | | | | | | |
| Allocation of profit 2023 | | | 5,739 | | | | | | (5,739) | | | |
| Dividends 2023 paid | | | | | | | | | | | | |
| Sub-total of changes linked to transactions with shareholders | 32,929 | - | 5,739 | 49,441 | - | - | - | - | (5,739) | 82,370 | - | 82,370 |
| Changes in fair value through equity | | | | | (4,298) | | | | | (4,298) | | (4,298) |
| Change in value of through profit or loss | | | | | 150 | | | | | 150 | | 150 |
| Revaluation of financial assets at fair value through not recyclable equity | | | | | | | | 5,109 | | 5,109 | | 5,109 |
| Changes in actuarial gains on retirement benefits | | | (3) | | | | | | | (3) | | (3) |
| Related taxes | | | | | 1,067 | | | (1,277) | | (211) | | (211) |
| Changes in gains and losses recognized directly in equity | - | - | (3) | - | (3,082) | - | - | 3,832 | - | 746 | - | 746 |
| 31 December 2024 Net income | | | | | | | | | 5,407 | 5,407 | | 5,407 |
| Sub-total | - | - | (3) | - | (3,082) | - | - | 3,832 | 5,407 | 6,153 | - | 6,153 |
| Effect of acquisitions and disposals on non-controlling interests | | | | | | | | | | | | |
| **Shareholders' equity at 31 December 2024** | 264,977 | - | (9,519) | 49,441 | (6,204) | - | - | 2,904 | 5,407 | 307,005 | - | 307,005 |

(1) The share capital of Agence France Locale - Société Terrioriale which amounts on 31 of December, 2024 to € 264,976,700 consists of 2,649,767 shares. The Company carried out four capital increases during the year 2024 subscribed on 18th March for € 10,035K, on 26th June 2024 for €7,802K, on 6th November 2024 for €2,695K and on 27th December 2024 for €12,397K.

## Cash flow statement

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Net income before taxes | 7,466 | 7,738 |
| +/- Net depreciation and amortisation of tangible and intangible non-current assets | 1,194 | 1,023 |
| +/- Net provisions and impairment charges | 406 | (117) |
| +/- Expense/income from investing activities | (16,684) | (4,944) |
| +/- Expense/income from financing activities | (51,053) | (46,776) |
| +/- Other non-cash items | (18,161) | (14,664) |
| = Non-monetary items included in net income before tax and other adjustments | (84,298) | (65,479) |
| +/- Cash from interbank operations | | |
| +/- Cash from customer operations | (1,556,758) | (1,670,641) |
| +/- Cash from financing assets and liabilities | 161,080 | 150,146 |
| +/- Cash from not financing assets and liabilities | (3,821) | (305) |
| - Income tax paid | 812 | |
| = Decrease/(increase) in cash from operating activities | (1,399,498) | (1,520,800) |
| = CASH FLOW FROM OPERATING ACTIVITIES (A) | (1,475,518) | (1,578,540) |
| +/- Flows linked to financial assets and investments | (273,053) | 115,672 |
| +/- Flows linked to investment properties | | |
| +/- Flows linked to tangible and intangible non-current assets | (10,736) | (737) |
| = CASH FLOW FROM INVESTING ACTIVITIES (B) | (283,789) | 114,934 |
| +/- Cash from or for shareholders | 81,919 | 15,432 |
| +/- Other cash from financing activities | 1,308,272 | 1,287,355 |
| = CASH FLOW FROM FINANCING ACTIVITIES (C) | 1,390,191 | 1,302,787 |
| EFFECT OF CHANGES IN EXCHANGE RATES ON CASH (D) | | |
| Increase/(decrease) in cash equivalents (A + B+ C + D) | (369,116) | (160,819) |
| Cash flow from operating activities (A) | (1,475,518) | (1,578,540) |
| Cash flow from investing activities (B) | (283,789) | 114,934 |
| Cash flow from financing activities (C) | 1,390,191 | 1,302,787 |
| Effect of changes in exchange rates on cash and cash equivalents (D) | | |
| Cash and cash equivalents at the beginning of the period | 990,434 | 1,151,253 |
| Cash and balances with central banks (assets & liabilities) | 974,861 | 1,134,476 |
| Interbank accounts (assets & liabilities) and loans/deposits at sight | 15,572 | 16,777 |
| Cash and cash equivalents at the end of the period | 621,318 | 990,434 |
| Cash and balances with central banks (assets & liabilities) | 485,839 | 974,861 |
| Interbank accounts (assets & liabilities) and loans/deposits at sight | 135,479 | 15,572 |
| CHANGE IN NET CASH | (369,116) | (160,819) |

NOTES TO THE FINANCIAL STATEMENTS ACCORDING TO IFRS STANDARDS

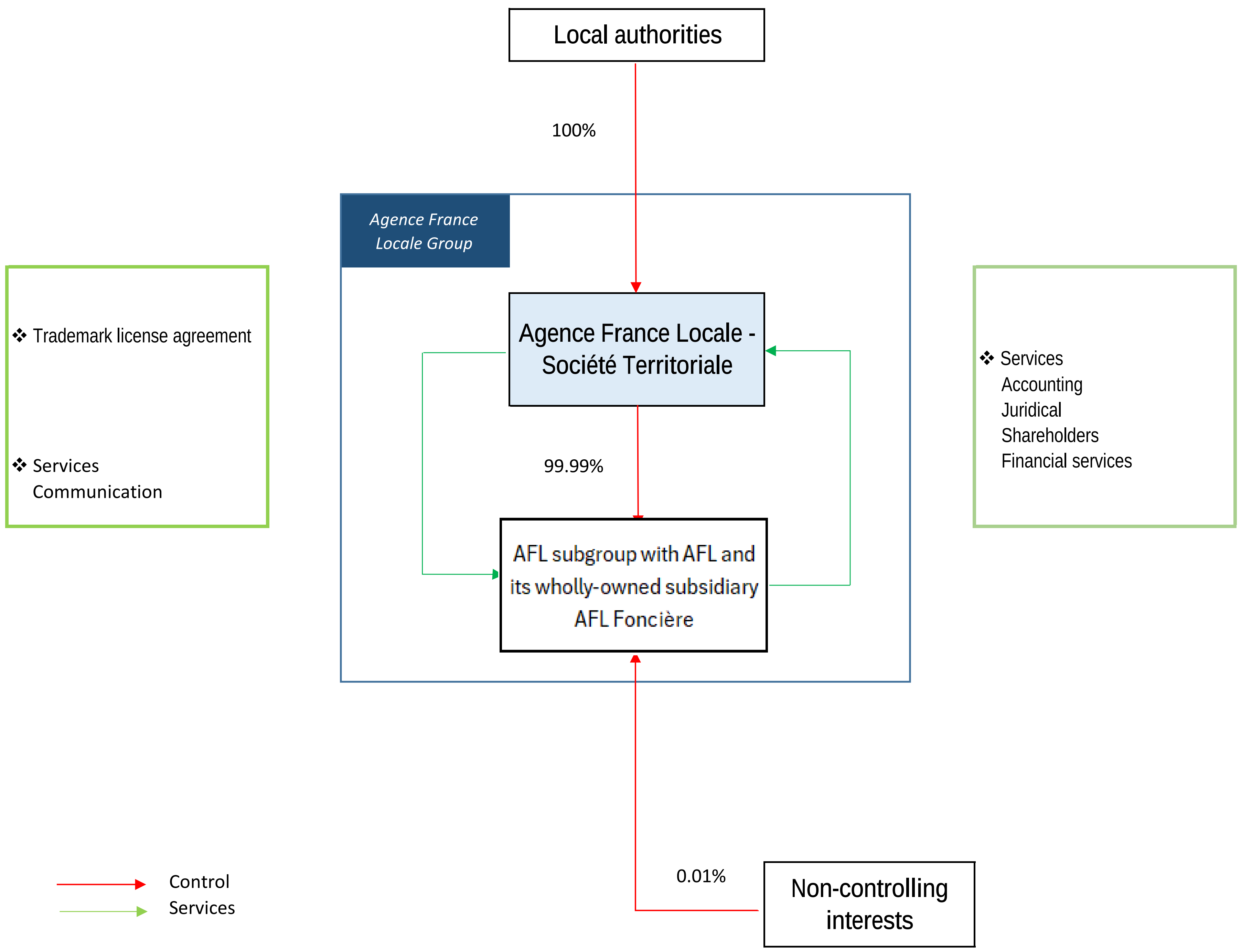
General framework

AFL (« Agence ») presentation

The AFL ("Agence") is the subsidiary of Agence France Locale - Société Territoriale ("AFL ST").

The AFL ST is a limited company with a Board of Directors whose shareholders are comprised exclusively of Communities that the membership of the Group AFL. The AFL ST is the parent company of the Agence. Agence is a limited company with an Executive Board and a Supervisory Board.

The diagram below shows the structure of the AFL group:



## I - Publication context

The annual financial statements were approved by the Board of Directors as of March 11, 2025.

## II - Highlights from financial year

The year 2024 marks a new progression in the AFL Group's results, driven by the growth of the credit activity, which is part of the Company's development trajectory in accordance with its 2022-2026 strategic plan, the main objectives of which were revised upwards in 2023, then in 2024. The increase in the generation of income from the credit activity since 2015, the year AFL began its activities, is the result of the regular and constant increase in the outstanding amount of credits granted to Member local authorities.

The production of medium and long-term loans carried out by the AFL for the 2024 financial year amounted to 1,964 million euros compared to 1,907 million euros for the year 2023. This new increase comes from a significant number of new memberships, most often followed by a call for credit, and generally speaking, from sustained growth in investment expenditure by local authorities in 2024, part of which is financed by recourse to borrowing.

In 2024, AFL carried out two syndicated issues in euros, at 8 and 10 years respectively. The first issue with a 10-year maturity and an amount of €750 million was carried out at a margin of 49 basis points above the OAT curve, and the second issue of €500 million with an 8-year maturity, in the format of sustainable bonds, at a margin of 24 basis points above the OAT curve. In addition to these two issues, there were two additional contributions of €250 million each, the first on the March 2034 bond issue, at a margin of 22.7 basis points above the OAT curve, to bring it to €1 billion and the second on the June 2028 bond issue, at a margin of 24.2 basis points above the OAT curve, to bring it to €1.25 billion. In addition, there was an inaugural issue denominated in Swiss francs for an amount of €110 million over 10 years and a new issue denominated in pounds sterling for an amount of €250 million over 3 years. Finally, the AFL made 7 private placements for a total amount of €244 million, including 6 private placements repayable at the AFL's option ("callable"). Generally speaking, private placements make it possible to optimize the maturity profile of AFL's debts as well as its financing cost.

On December 17, 2024, AFL issued perpetual fixed rate resettable deep subordinated debt securities, which will be 7% over the first period, and for a nominal amount of €50 million, intended to be recognized as additional tier 1 capital of AFL and the AFL Group.

During the 2024 financial year, AFL-ST, pursuing its corporate purpose, saw its capital increase by 32.9 million euros as part of 4 capital increases, thus bringing the share capital of AFL-ST from 232 million euros as of December 31, 2023 to 265 million euros as of December 31, 2024. The AFL Group now has 1,045 members.

In the first half of 2024, AFL created a wholly-owned subsidiary whose main purpose is the acquisition of a building located in the Lyon - Part Dieu district. This is a building that is currently being fully renovated and is of very high environmental quality. It will house AFL's headquarters from 2026.

The year 2024 is marked by a quasi-stability of the net interest margin (NIM), at €24,128K compared to €24,267K for 2023, a level which had then benefited, firstly, from an abnormal fixing of the 3-month Euribor index on March 20, 2023 and secondly from a better remuneration of the deposits of the liquidity reserve with a carrying cost which deteriorated sharply in 2024, in particular due to deposits in the Banque de France. These elements had the effect of neutralizing the increase in interest income generated by the increase in outstanding credit. In addition to interest income, there were net commissions of €219K compared to only €90K in 2023, due to the increase in non-use commissions and capital gains on the sale of investment securities of €493K, after taking into account the result of the cessation of securities hedging relationships, compared to €540K in 2023. Finally, the result of hedge accounting, excluding the result of the cessation of securities hedging relationships, represents an expense of €793K compared to €1,569K in 2023.

This results in net banking income of €24,061K as of December 31, 2024, compared to €23,355K as of December 31, 2023.

As of December 31, 2024, interest income breaks down as follows:

▪ €322.1 million in net interest income from hedging instruments, on outstanding loans for 2024, compared to €221.6 million in 2023. This strong increase in interest income from one period to the next is explained by the significant increase in the volume of loans as well as by the increase in the average level of interest rates.

▪ €98.4 million in net interest income from hedging instruments, on the assets of the liquidity reserve and collateral management for 2024, compared to €84.7 million in interest expenses in 2023. This change is mainly explained by the increase in interest rates over the period, while the outstanding amount of the liquidity reserve remained relatively stable. However, it should be noted that the cost of carrying liquidity increased significantly in 2024, due to an increase in the cost of debt that was only partially offset by the increase in the return on liquidity.

▪ €396.3 million in net interest charges from hedging instruments, on the outstanding debts that AFL carries on its balance sheet, compared to €282 million in interest income in 2023. This sharp increase in debt interest is also explained by the combined effect of the increase in the volume of debt and the higher average level of interest rates.

During the period, the liquidity reserve portfolio management generated €493K in income from sales of investment securities, net of the cancellation of interest rate hedging instruments for the securities that were sold. For comparison, portfolio management generated a net amount of capital gains from sales of €540K in 2023.

As of December 31, 2024, the net result of hedge accounting amounts to -€749K compared to €4,043K as of December 31, 2023. It is made up of two elements; on the one hand, proceeds from the termination of interest rate hedges related to the sales of securities mentioned above for €44K and on the other hand, the sum of the fair value differences of the hedged items and their hedging instruments for -€793K. Of these differences, €9K relate to valuation differences on interest rate hedging instruments classified as macro-hedging, and -€802K relate to valuation differences on interest rate hedging instruments classified as micro-hedging and denominated in euros. Indeed, there remain, as hedging inefficiencies, latent valuation differences between the hedged items and the hedging instruments, one of the components of which comes from a market practice leading to a valuation asymmetry between, on the one hand, the hedging instruments collateralized daily and discounted on a €STR curve, and, on the other hand, the hedged items discounted on a Euribor curve. It should be noted that this is, however, a latent result.

As of December 31, 2024, general operating expenses represented €15,019K compared to €14,711K as of December 31, 2023. They account for €7,515K in personnel expenses, compared to those of the previous financial year, which amounted to €7,655K. General operating expenses also include administrative expenses, which amount to €7,504K, once restated for the application of the IFRIC relating to software used in SaaS mode, compared to €7,056K as of December 31, 2023. This increase in administrative expenses of €448K is explained by the increase of €1,276K in external services mainly linked to the increase in operating costs of IT systems and an increase in consulting and service provider costs in the company's various businesses. This increase is not fully offset by the €828K decrease in taxes and duties, including contributions to banking regulatory bodies, which represent €118K for 2024 while they amounted to €1,075K in 2023, due to the disappearance in 2024 of the contribution to the "Fond de Resolution Unique". This represented €975K in 2023.

After depreciation and amortization, gross operating income as of December 31, 2024 stands at €7,848K compared to €7,620K for 2023.

The cost of risk relating to ex-ante impairments for expected credit losses (ECL) on financial assets under IFRS 9 represents a charge of €381K in 2024 compared to a reversal of impairments of €117K in 2023. This increase in the cost of risk comes mainly from the growth in outstanding amounts and partly from a deterioration in the assumptions used to construct macroeconomic scenarios by asset class in order to take into account an unfavorable change in macroeconomic and geostrategic risks. The stock of impairments stands at €1,543K as of December 31, 2024 compared to €1,163K as of December 31, 2023.

After the allocation of the cost of risk resulting from the application of IFRS 9, the operating result as of December 31, 2024, stands at €7,467K, compared to €7,738K as of December 31, 2023.

Finally, the tax charges for 2024 amount to €2,059K. They include:

• €772K of current tax charges;

• €1,288K of deferred tax charges, including €1,022K of charges related to the reduction of deferred tax assets, relating to the activation of previously constituted tax losses, and €265k of deferred tax charges related to consolidation restatements, the majority of which come from the cancellation under IFRS of depreciation provisions on portfolio securities calculated in accordance with French accounting standards, but also from hedge ineffectiveness charges.

After taking into account tax charges, net income as of December 31, 2024 amounts to €5,407K compared to €5,739K as of December 31, 2023.

### Subsequent events

No significant subsequent events occurred on the beginning of 2025 after the accounts closure date has to be reported.

## III - Principles and methods applicable to AFL Group, judgments and estimates used

The preparation of financial statements requires the formulation of assumptions and estimates that involve uncertainties as to their realization in the future. These estimates using the information available at the closing date call for the exercise of judgment by managers and preparers, particularly when assessing the fair value of financial instruments.
Future achievements depend on many factors: fluctuations in interest and foreign exchange rates, the economic environment, changes in regulations or legislation, etc., which means that the final outcome of the transactions concerned may differ from these estimates and have an impact on the financial statements.

The valuation of financial instruments not listed on organized markets involves the use of models based on observable market data for most OTC instruments. The determination of the value of certain instruments, like loans that are not traded on an active market is based on valuation techniques which, in certain cases, rely on parameters that are deemed to be non-observable.

Information on the fair value of financial assets and liabilities carried at cost is disclosed in appendix.

### Application of IFRS basis

In accordance with IFRS 1 "First-time Adoption of IFRS" and pursuant to European Regulation 1606/2002 of July 19, 2002, the financial statements for 2019 are presented in compliance with the IFRS (International Financial Reporting Standards) published by  and as approved by the European Union  and in force on that date. The IFRS framework includes IFRS standards and also include International Accounting Standards (IAS) and related interpretations issued by the International Financial Reporting Interpretations Committee) et SIC (Standing Interpretations Committee).

The format used for the summary financial statements is a banking format. It is consistent with Recommendation No. 2017-02 of 2 June 2017 of the French Accounting Standards Authority (Autorité des normes comptables).

### Standards, amendments and interpretations published by the IASB, the application of which is mandatory for years beginning on or after January 1, 2024

▪ Amendments to IFRS 16 “Leases – Lease Liability Arising from a Sale and Leaseback”: This amendment provides clarification on the subsequent measurement of sale and leaseback transactions when the initial sale of the asset meets the criteria in IFRS 15 “Revenue from Contracts with Customers” to be accounted for as a sale. In particular, this amendment clarifies how to subsequently measure the lease liability arising from such sale and leaseback transactions, consisting of variable rental payments that are not dependent on an index or rate.
▪ amendments to IAS 7 and IFRS 7 Supplier Financing Arrangements: published by the IASB in May 2023, adopted by the European Union on 15 May 2024 (EU Regulation No. 2024/1317) and immediately applicable to financial years beginning on or after 1 January 2024, these amendments specify the disclosure requirements in order to improve the current requirements, which aim to assist supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.
▪ amendment to IAS 12 “Deferred Taxes on Assets and Liabilities Arising from a Single Transaction”: this amendment removes the exemption from initial recognition of deferred taxes for transactions resulting from taxable and deductible temporary differences of the same amount
These amendments had no impact on the AFL Group's financial statements.

### IASB and IFRIC texts adopted by the European Union applicable in advance

AFL has decided not to apply the following standards in advance:
▪ amendments to IAS 21 “Effects of Changes in Foreign Exchange Rates”: these amendments specify the situations in which a currency is considered convertible, as well as the methods for measuring the exchange rate of a non-convertible currency. They also supplement the information to be communicated in the appendices to the financial statements when a currency is not convertible. The Group will not be affected by these amendments because it does not carry out transactions in non-convertible currencies.
▪ amendments to IAS 1 Presentation of Financial Statements: this amendment is immediately applicable to financial years beginning on or after 1 January 2024. These amendments specify the distinguishing criteria between current liabilities and non-current liabilities. These amendments have no impact on the Group’s consolidated financial statements since the Group presents its assets and liabilities in order of liquidity, like most credit institutions.
▪ amendments to IFRS 9 “changes to the classification and measurement of financial instruments”
These amendments provide clarifications on the classification of financial assets and in particular on how to assess the consistency of the contractual flows of a financial asset with a basic loan contract. They thus clarify the classification of financial assets with environmental, social and corporate governance (ESG) or similar characteristics.
Clarifications are also provided for the classification of contractually bound instruments and financial assets guaranteed only by real collateral.
Furthermore, these amendments clarify the terms of derecognition of financial liabilities settled using electronic payment systems.
New disclosures are also required regarding equity instruments designated from the outset to be measured at fair value through equity, as well as financial assets and liabilities with conditional characteristics, such as instruments with ESG factors.
These amendments would have no impact on the AFL Group's financial statements.

## IV - Accounting principles applied to the financial statements

### Scope of consolidation and control

The AFL Group is structured as follows:
- The Group parent company is AFL ST

- The AFL, "Agency" over which the AFL ST exercises exclusive control through its holding of 99.99% of the voting rights and which is consolidated using the global integration method

- During the first half of 2024, AFL created a wholly-owned subsidiary, AFL - Foncière, whose main purpose is the acquisition of a building located in the Lyon - Part Dieu district. This new subsidiary is consolidated for the first time in the Group using the global integration method.

### Consolidation methods

A subsidiary is an entity controlled by the group. The Group considers that it has exclusive control of a company when it is in a position to influence directly or indirectly the operational and financial policies of the company.The subsidiaries' financial statements are included in the consolidated financial statements from the date control is obtained to the date control ceases. Revenues, expenses and balance sheet items resulting from intra-group transactions are eliminated.
Changes in ownership interests in a subsidiary's equity instruments that do not result in a loss of control are accounted for as equity transactions.
AFL ST hold an exclusive control on Agence. The consolidation method used is full consolidation method.

### Offsetting financial assets and liabilities

Financial assets and liabilities are offset and only the net balance is presented in the balance sheet when there is a legally enforceable right to offset the amounts and it is the intention of the parties that the expected future cash flows will be settled on a net basis or that the asset will be derecognized and the liability extinguished simultaneously.

### Classification and measurement

On initial recognition, financial assets are classified at amortized cost, at fair value through other comprehensive income, or at fair value through profit of loss, according to the type of instrument (debt or equity), the characteristics of their contractual cash flows and how the entity manages its financial instruments (its business model).

*Business model*

The entity's business model represents the way in which it manages its financial assets to produce cash flow. Judgment must be exercised to assess the business model.

The choice of business model must take into account all information regarding the manner in which cash flows were generated in the past, along with all other relevant information.

For example:

- the way in which the performance of financial assets is assessed and presented to the main company directors;
- risks which have an impact on the business model's performance, in particular the way in which these risks are managed;
- the way in which directors are paid (for example, if pay is based on the fair value of assets under management or on the contractual cash flows received);
- the frequency of, volume of and reason for sales.

The IFRS 9 standard uses three business models:

- a business model whose objective is to hold financial assets in order to receive contractual cash flows ("hold to collect model"). This model, under which the concept of "holding" is relatively similar to holding to maturity, remains valid if disposals occur under the following conditions:

o the disposals are due to an increase in credit risk;

o the disposals occur just before maturity and at a price that reflects the contractual cash flows that are still owed;

o other disposals may also be compatible with the "hold to collect" model's objectives if they are in frequent(even if their value is significant) or if their value is insignificant when considered both individually and overall (even if they are frequent).

AFL Group applies "collect" business model for its local authorities lending activities.

- a mixed management model in which assets are managed with the objective of both collecting the contractual cash flows and selling the financial assets ("collect and sales model").

AFL Group applies the "collect and sale" model to its portfolio management activities in the liquidity reserve.

- a model specific to other financial assets, particularly trading assets, in which the collection of contractual flows is incidental and whose main objective is to sell the assets.

AFL Group does not apply this business model and does not have a trading portfolio.

*Types of contractual cash flows: the SPPI (Solely Payments of Principal and Interest) test*

A financial asset is classified as generating solely payments of principal and interest if, on specific dates, it gives rise to cash flows that are solely payments of principal and interest on the outstanding amount due. The SPPI test should be performed for each financial asset on initial recognition.

The principal amount is defined as the financial asset's fair value at its acquisition date. Interest is the consideration for the time value of money and the credit risk incurred on the principal amount, as well as other risks such as liquidity risk, administrative costs and the profit margin.

The instrument's contractual terms must be taken into account to assess whether contractual cash flows are solely payments of principal and interest. All elements that may cast doubts as to whether only the time value of money and credit risk are represented must therefore be analyzed.

For example:

Any contractual option that creates risk exposure or cash-flow volatility that is not consistent with a basic lending arrangement, such as exposure to fluctuations in the price of stocks or of a market index, or the introduction of leverage, would make it impossible to categorize contractual cash flows as SPPI.

- the applicable interest rate features (for example, consistency between the rate refixing period and the interest calculation period);

If a clear determination cannot be made through qualitative analysis, a quantitative analysis (a benchmark test) is carried out. This test involves comparing the contractual cash flows for the asset in question with the contractual cash flows of a benchmark asset.

- early redemption and extension conditions;

For the borrower or lender, a contractual option permitting prepayment of financial instruments does not violate the SPPI test for contractual cash flows if the prepayment amount mainly represents the unpaid amounts of principal and interest and, if applicable, a reasonable additional compensation for the early termination of the contract.

Basic financial assets (those that generate SPPI) are debt instruments such as fixed-rate loans, variable-rate loans without an interest rate tenor mismatch or that are not linked to a security or to a market index, and fixed-rate or variable-rate debt securities.

Non-SPPI financial assets include, for example, convertible bonds or mandatory convertible bonds with a fixed conversion ratio.

*Accounting categories*

Debt instruments (loans, receivables or debt securities) may be valued at amortized cost, at fair value through other comprehensive income recyclable to income or at fair value through profit and loss.

A debt instrument is valued at amortized cost if it meets the following two conditions:

- the asset is held under a business model where the objective is to collect contractual cash flows; and
- the contractual terms of the financial asset define it as basic (SPPI) within the meaning of the standard.

A debt instrument is valued at fair value through other comprehensive income if it meets the following two conditions:

- the asset is held under a business model where the objective is both to collect contractual cash flows and to sell financial assets; and
- the contractual terms of the financial asset define it as basic (SPPI) within the meaning of the standard.

All other financial assets are recorded at fair value through profit or loss. These financial assets include financial assets held for trading purposes, financial assets at fair value through profit or loss and non-basic (non-SPPI) assets.

Recognition at fair value through profit or loss as an option for financial assets only applies in the case of the elimination or significant reduction of an accounting mismatch. This option enables the elimination of accounting mismatches stemming from the application of different valuation rules to instruments managed in accordance with a single strategy.

Embedded derivatives are no longer recognized separately to their host contract when these are financial assets, such that the entire hybrid instrument must now be recognized at fair value through profit or loss.

Debts, which are not classified as financial liabilities at fair value, are initially recorded at cost, which is the fair value of the amounts borrowed net of transaction costs. At the closing date, they are measured at amortized cost using the effective interest rate method and recorded in the balance sheet under "Debts due to credit institutions" or "Debt securities".

### Financial assets at amortized cost

Financial assets at amortized cost include loans and receivables due from credit institutions and customers.

Loans and receivables from credit institutions are broken down according to their initial maturity or their nature: demand debts (demand deposits, ordinary accounts) or term deposits (term accounts).

They are recognized, after their initial recognition, at amortized cost using the effective interest rate method and may be subject to an impairment, if any.

The effective interest rate is the rate that exactly discounts estimated future cash flows (payments or receipts) to the carrying amount of the loan at inception. This rate includes any discounts recorded in respect of loans granted at below-market rates, as well as any external transaction income or costs directly related to the issue of the loans, which are treated as an adjustment to the effective yield on the loan.

When loans are extended under conditions that are less favorable than market conditions, a discount corresponding to the difference between the nominal value of the loan and the sum of future cash flows discounted at the market interest rate is deducted from the nominal value of the loan. The market interest rate is the rate applied by the vast majority of local financial institutions at a given time for instruments and counterparties with similar characteristics.This premium is spread over the life of the loans through the calculation of a new effective interest rate.

### Financial assets at fair value through profit or loss

This asset category includes:

• financial assets held for trading, i.e. securities acquired or issued principally for the purpose of selling them in the near term;

• financial assets that the Group has chosen to recognize at fair value through profit or loss at inception using the fair value option available under IFRS 9.

The Agence does not hold financial assets at fair value through profit or loss as such.

They are investment portfolio fair value hedging derivatives in a fixed-rate borrower position, which hedged items has been sold, which have been neutralised by fixed-rate lender derivatives. Those contracts, concluded in a clearing house, present positions which are rigorously symmetric in terms of rates and maturities. These financial assets and liabilities, although they are the object of a framework netting agreement, are presented as assets and liabilities because future cash flows payable and receivable differ in the amount of the fixed-rate coupon payable and receivable.

These assets are measured at fair value at the date of initial recognition and at each balance sheet date. Changes in fair value over the period, interest, dividends, and gains or losses on disposals on these instruments are recognized in “Net gains or losses on financial instruments at fair value through profit or loss”.

### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are initially recognized at fair value, plus any transaction costs.

- Debt instruments measured at fair value through other comprehensive income recyclable to income

On the balance sheet date, they are carried at their fair value and changes in fair value (excluding accrued interest) are recorded under "Gains and losses recognized directly in other comprehensive income recyclable to income”.

In the event of disposal, these changes in fair value are not transferred to income but directly to retained earnings under equity.

These instruments are subject to IFRS 9 impairment requirements. If they are sold, these changes in fair value are taken to income.

Interest income accrued or received on debt instruments is recorded under “Interest and similar income” based on the effective interest rate method.

Upon disposal of these securities, unrealized gains or losses previously recognized in equity are recycled in the income statement within "Net gains or losses on at fair value through other comprehensive income".

- Debt instruments measured at fair value through other comprehensive income not recyclable to income

AFL Group does not hold any debt instruments measured at fair value through non-recyclable equity.

### Recognition date of securities

AFL Group records financial securities on the settlement date.

### Financial assets designated at fair value through profit or loss (fair value option)

AFL Group does not use the option to designate its financial assets at fair value through profit or loss.

### Financial information regarding financial instruments

Information relating to the risk management as required by IFRS 7 are disclosed into annual management report.

### Impairment of assets at amortized cost and at fair value through other comprehensive income, and provisioning of loan and guarantee commitments

Debt instruments classified as financial assets at amortized cost or at fair value through other comprehensive income, loan commitments and financial guarantee contracts are impaired or covered by a provision for expected credit losses (ECL) as of the date of initial recognition.

These financial instruments are divided into three categories depending on the increase in credit risk observed since their initial recognition.

An impairment or a provision is recognized on outstanding amounts in each category, as follows:

#### Stage 1 (Performing assets)

· these are performing loans  for which credit risk has not increased materially since the initial recognition of the financial instrument;

· the impairment or the provision for credit risk corresponds to 12-month expected credit losses;

#### Stage 2 (Non-performing assets)

· performing loans for which credit risk has increased materially since the initial recognition of the financial instrument are transferred to this category;

Factors to detect an increase in credit risk for local government loans are:

- Degradation of three (3) points or more of the internal note
- Change to an internal note greater than 6.5
- Non-technical outstanding payment for more than 30 days all loans combined,
- Restructuring of a loan meaning that the local hautority is having difficulty meeting its deadlines,
- Significant internal or external event

Regarding the assets of the liquidity reserve the criteria retained are:

- Degradation of two (2) notchs or more of the internal note
- Non-technical outstanding payment for more than 30 days from a contractual cash flow, a security or any other product with the counterparty,
- Significant internal or external event
- Restructuring of the debt

· the impairment or the provision for credit risk is determined on the basis of the financial instrument’s lifetime expected credit losses;

When all the elements allowing to note a degradation of the risk are solved, the exposures are considered as having no more risk of degradation.

#### Stage 3 (Doubtfull assets)

· non-performing loans within the meaning of IFRS 9 are transferred to this category. These are loans for which there is objective evidence of impairment loss due to an event which represents a credit risk occurring after the initial recognition of the instrument in question. In particular, objective evidence of impairment includes any payments that are past due by at least three months, or regardless of whether any payment has been missed, the observation of financial hardship experienced by the counterparty leading to the expectation that some or all of the amounts owed may not be recovered or to the initiation of legal proceedings;

· these events are liable to lead to the recognition of incurred credit losses, that is, expected credit losses for which the probability of occurrence has become certain.

. the impairment or the provision for credit risk is calculated based on the financial instrument's lifetime expected credit losses on the basis of the recoverable amount of the receivable, i.e., the present value of estimated recoverable future cash flows taking into account the impact of any collateral;

When all the criteria having triggered the classification in default are cleared, that there is no new one whatever its nature, the counterparty can leave the default category.

All outstanding payment must have been regularized, no unpaid must therefore continue at the time of the release of the the default category.

A probationary period of 6 months begins when all the conditions of the default are met and the healthy return has been decided by the Credit Committee.

During the probationary period, payments must continue on a regular basis and without delay, an unpaid amount immediately causes the return to default category.

The Credit Committee instructs and validates the exit of the default category.

Depreciation charges and reversals amounts are registred in "Cost of risk" in income statement.

Estimation of Expected Credit Losses (ECL)

IFRS 9 requires institutions to calculate expected credit losses based on statistics produced from historical data that account for business cycles that affect their counterparties.

Agence France Locale has less than three years of existence at implementation of the standard, it does not have a default data history.

To overcome this lack of data, and considering the low level of risk represented by its exposures, AFL Group has decided to base its ECL method on external public data and on the documented opinion of its experts given at quarterly meetings.

The process is framed by two committees. The Provision Committee deals with the parameters used in the calculation of provisions: it sets the probability of realization of business cycle evolution scenarios and validates the calculation of default probabilities and losses in case of default. The Provision Credit Committee scans line by line exposures and validates their treatment in terms of provision.

- The exposures classification in the 3 phases is a function of the evolution of the ratings of these exposures since their entry in the balance sheet. The ratings used are rating agencies ratings or internal[1] ratings in the case of local governments, possibly supplemented by expert opinion to reflect recent information and future risks. The thresholds used are relative and absolute.
- The calculation of default probabilities (PD) is based on historical default rates ("point in time" default) and cumulated default rates ("through the cycle") published by rating agencies with a historical depth of 35 years. The default rates of the high point and low point of the cycle scenarios are derived from the first and last deciles of the histories; the average default rates are used for the central scenario.
- Beyond 10 years, cumulated default rates are extrapolated using a Weibull statistical law;
- For the liquidity reserve exposures, regulatory default losses (LGD) of the standard approach (45%) are used. For exposures on local authorities, an LGD was calculated by expert opinion;
- The experts decide on future developments in the business cycle and establish the forward-looking vision by defining the weightings of the 3 scenarios (central, low point of the cycle and high point of the cycle). The experts' expectations are underpinned by the macroeconomic, sectoral and geographical studies published by recognized institutions such as the World Bank, the European Central Bank, the economic research of the big banks or the rating agencies.

The process is framed by two committees. The “Comité expert provisions” deals with the parameters used in the calculation of provisions: it sets the probability of realization of scenarios of evolution of the economic cycle and validates the calculations of probabilities of default and losses in case of default. The “Comité de crédit provisions” scans line by line exposures and validates their treatment in terms of impairment.

Fixed assets

Fixed assets are recognised at their acquisition cost plus acquisition expenses that are directly related and required to put them in working order so that they can be used.

After initial recognition fixed assets are valued at their nominal value less accumulated depreciation and possible impairment losses.

Fixed assets that are depreciated are subject to impairment tests in cases where evidence of a loss of value is identified at year-end. Fixed assets that are not depreciated are subject to impairment tests in cases where potential evidence of a loss of value is identified at year-end, and at least once a year.

If evidence of a loss of value is recorded, the recoverable value of the asset is compared with its net book value. In the event of a loss of value, an impairment charge is recorded in the profit and loss statement. That impairment changes the depreciation schedule of the asset going forwards. The impairment is reversed in the event of a change in the estimated recoverable value or the evidence of impairment disappears.

Tangible assets

Tangible assets are depreciated linearly over their expected useful life.

| Fixed asset | Estimated usefull life |
|---|---|
| Fixtures and fittings | 10 years |
| Computer equipment | 3 years |
| Office furniture | 9 years |

Intangible assets

Software are recognised in intangible assets as they meet the following three criteria in respect of IAS 38:

- Must be identifiable;
- Be controlled by the Company;
- Is likely that the future economic advantages attributable to such an element will go to the Company.

Intangible assets are depreciated linearly over their expected useful life.

| Fixed asset | Estimated usefull life |
|---|---|
| Software | 5 years |
| Website | 3 years |
| Software development | 5 years |

Debt

Debt that is not classified in financial liabilities at fair value is initially recorded at cost, which corresponds to the fair value of the amounts borrowed net of transaction costs. At year-end, the debt is valued at amortised cost according to the effective interest rate and recorded in the balance sheet under “Debt payable to credit institutions” or “Debt represented by a security”.

Debts due to credit institutions are broken down according to their initial maturity or their nature: demand debts (demand deposits, ordinary accounts) or term deposits (term accounts).

Distinction between debt and equity: Indefinite-term subordinated securities

Subordinated securities are classified as debt or equity instruments based in particular on the analysis of their characteristics and more specifically on their method of remuneration depending on whether it is discretionary or not.

When the subordinated securities issued meet the criteria for classification as “Equity Instruments”, the coupons are treated as dividends and are deducted from equity. For these coupon distributions corresponding to profit distributions, the deferred tax asset, representing a tax saving, is recognised in profit or loss in accordance with IAS 12.

Hedge accounting

Fair value hedges are intended to provide protection from exposure to a change in the fair value of an asset or of a liability that has been recognised, or of a firm commitment that has not been recognised. Cash flow hedges are intended to provide protection from a change in future cash flows from financial instruments associated with a recognised asset or liability (for example, with all or part of future interest payments on a floating-rate debt) or a projected transaction that is considered to be highly probable. Hedges of net investments in a foreign operation are intended to provide protection from the risk of an adverse movement in fair value arising from the foreign exchange risks associated with a foreign investment in a currency other than the euro. Hedges must meet the following criteria in order to be eligible for hedge accounting:

- The hedging instrument and the instrument hedged must be eligible;
- There must be formal documentation from inception, primarily including the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk to assess whether the hedging relationship meets the effectiveness constraints of the hedge.

The hedging relationship satisfies the effectiveness constraints of the hedge if there is an economic link between the hedged item and the hedging instrument.
For an economic link to exist, the value of the hedging instrument and that of the hedged item must generally vary inversely with each other as a result of same risk, which is the risk covered.
The effectiveness of the hedge is the extent to which changes in the fair value or cash flows of the hedging instrument offset changes in the fair value or cash flows of the hedged item.
Depending on the factors involved, the method of assessing the effectiveness of the hedge may consist of a qualitative or quantitative assessment.
For example, when the critical terms (such as the nominal amount, maturity and underlying) of the hedging instrument and the hedged item match or are closely aligned, it might be possible for an entity to conclude on the basis of a qualitative assessment of those critical terms that the hedging instrument and the hedged item have values that will generally move in the opposite direction because of the same risk and hence that an economic relationship exists between the hedged item and the hedging instrument

*Fair value hedge*
Any revaluation of the derivative is recognised in profit and loss in a way that mirrors the revaluation of the item hedged. Gains or losses attributable to the hedged risk are recognised in "Net gains or losses on financial instruments at fair value through profit and loss" in the profit and loss statement. As soon as the hedge relationship becomes effective, movements in the fair value of the hedged item are mirrored by the movements in the fair value of the hedging instrument. Any potential failure in the hedge is directly recognised in profit and loss.
The potential ineffectiveness of the hedge is recognized directly in the income statement. The relative ineffectiveness of the bi-curve valuation of collateralised derivatives is taken into account in the efficiency calculations.
The portion relating to the accrued income or expenses of the derivative instrument is recognised in Income and interest expense in the profit and loss statement at the same time as the interest income and expense relating to the hedged item.
In case of interruption of the hedging relationship (management decision, non-compliance with the effectiveness criteria or sale of the hedged item before maturity), the hedging derivative is transferred to the trading portfolio. The amount of revaluation recorded in the balance sheet for the hedged item is amortized over the remaining life of the original hedge. If the hedged item is sold before maturity or redeemed early, the cumulative amount of the revaluation is recognized in the income statement for the period.

*Cash flow hedge*
The change in value of the derivative is recognised in the balance sheet through a specific account in other comprehensive income for the efficient portion and any inefficient portion of the hedge is recognised in the income statement. Any profits or losses on the derivative accrued through other comprehensive income are then reclassified in the income statement when the hedged cash flows occur.

*Macro-hedging*
AFL Group applies the provisions of IAS 39, as adopted by the European Union, to macro-hedging transactions that are performed as part of the asset & liability management of fixed-rate positions (IAS 39 carve-out). Macro-hedging instruments are interest-rate swaps designated as fair value hedges for the Group's fixed-rate resources. Macro-hedging derivatives are accounted for according to the same principles as those described above. The revaluation of the hedging component is recognised in "Revaluation differences on portfolios hedged against interest rate risk".

### Determining fair value or market value
IFRS 13 defines fair value as the price received for the sale of an asset or paid for the transfer of a liability in a standard transaction between market participants on the valuation date.
When an instrument is initially recognised, its fair value is generally the transaction price.
IFRS 13 recommends using a price quoted on an active market in the first instance to determine the fair value of a financial asset or liability. A market is considered to be active if prices are easily and regularly available from a stock exchange, a broker (multiple inputs), an intermediary or a regulatory agency, and if those prices represent real transactions (volume and price range) under normal competition conditions.
In the absence of an active market, the fair value must be determined using valuation techniques.
These techniques include the use of recent transactions performed in a normal competition environment. They are based on market data, on the fair value of substantially identical instruments, or on cash flow or option valuation discount models, and involve recognised valuation methods.
The aim of a valuation technique is to establish what the price of an instrument would be under normal market conditions.
The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, the asking price.
Fair value of financial instruments are presented in Appendix over three levels in descending order of observability of values and parameters used for their valuation:

level 1: Instruments valued using quoted prices (non-adjusted) in active markets for identical assets or liabilities. These specifically include bonds and negotiable debt securities listed on markets;

level 2: Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. derived from prices);
Level 2 is composed of:
- Instruments that are traded over the counter, the fair value of which is measured with models using observable market data, i.e. derived from various and independent available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of market interest rates as observed at the reporting
- Instruments that are traded over the counter, the fair value of which is measured with models using observable market data, i.e. derived from various and independent available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of market interest rates as observed at the reporting

Level 3: fair value that is measured using significant unobservable inputs
For some instruments that are not traded in an active market, fair value measurement is based on valuation techniques using assumptions i.e. that cannot be observed on the market for an identical instrument. Loans to local authorities are disclosed within Level 3.

### Provisions
Provisions are recorded in balance sheet liabilities when the AFL Group has an obligation towards a third party and that obligation is likely or certain to cause an outflow of funds for the benefit of the third party with no expectation of a counter-payment that is at least equivalent.
Provisions and provision reversals are recorded in profit and loss on the lines that correspond to the nature of the future expenditure involved.

### Interest income and expense
Interest income and expense are recognised in the profit and loss statement for all financial instruments valued at amortised cost using the effective interest rate.
Interest income and expense include for available for sale and held to maturity securities, the difference between the purchase price and the redemption value which is spread over the remaining life of the security on an actuarial basis.
The effective interest rate is the rate that discounts future cash outflows or inflows exactly over the expected life of the financial instrument, so as to arrive at the net book value of the financial asset or liability.
The calculation of this rate factors in commissions received or paid, which are by nature an integral part of the effective contract rate.

### Cost of risk
The cost of credit risk includes impairment charges and reversals on fixed-income securities, and customer loans and receivables, as well as charges and reversals of impairment relating to guarantee commitments given, losses on receivables, and the recovery of amortised receivables.

### Current tax expense

The current income tax expense is calculated using a 25% rate which is the effective tax rate for the 31 December 2022 period.
The Agence and its parent company AFL ST form a fiscal integration group since January 1, 2015, AFL ST is fiscal group head.

### Deferred taxes

Deferred taxes are recognized using the variable carry-forward method to account for temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and their tax bases.
The tax rates enacted or substantively enacted at the balance-sheet date are used to determine deferred taxes. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.
Deferred tax is recognised as tax income or expense in the profit and loss statement, except for tax relating to unrealised gains and losses on assets available for sale, and for movements in the value of derivatives classified as cash flow hedges, for which deferred tax is charged directly to equity capital.
IAS 12 prohibits discounting of deferred tax assets and liabilities.

### Post-employment benefits

In accordance with IAS 19 – Employee Benefits, obligations under defined benefit plans are measured by independent actuaries using the projected unit credit method.
Under this method, each period of service gives rise to an additional unit in terms of benefit entitlement and each unit is assessed separately so as to calculate the final obligation. This final obligation is then discounted. The main items taken into account in these calculations are:

- an estimated date of payment of the benefit,
- a financial discount rate
- an inflation rate
- assumptions on salary increases, staff turnover

Changes in actuarial assumptions and experience adjustments - corresponding to the effects of differences between the previous actuarial assumptions and what has actually occurred - give rise to actuarial gains and losses on the benefit obligation or on the plan assets. These gains and losses are recorded in the “Income and expenses recognized directly in equity” statement, and will not be recycled in the income statement.

The net cost of defined benefit pension plans for the period therefore corresponds to the sum of the following:

- The service cost (recognized in “Operating income” in “Other general operating expenses”);
- The finance cost less the expected yield on plan assets (recognized in “Non-operating income” in “Pension obligation expense or income”). These two items (finance cost and expected yield on assets) are measured based on the rate used to discount the obligations.

## V - Notes to the Balance Sheet

### Note 1 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | 31/12/2024 | | 31/12/2023 | |
|---|---|---|---|---|
| *(€ '000s)* | Assets | Liabilities | Assets | Liabilities |
| Financial assets held for trading | 6,056 | 6,054 | 13,374 | 13,219 |
| Financial assets at fair value option through profit or loss | | | | |
| Total financial assets at fair value through profit or loss | 6,056 | 6,054 | 13,374 | 13,219 |

### Financial assets held for trading

| | 31/12/2024 | | 31/12/2023 | |
|---|---|---|---|---|
| *(€ '000s)* | Assets | Liabilities | Assets | Liabilities |
| Equity instruments | | | | |
| Debt securities | | | | |
| Loans and advances | | | | |
| Derivatives | 6,056 | 6,054 | 13,374 | 13,219 |
| Total Financial assets held for trading | 6,056 | 6,054 | 13,374 | 13,219 |

| | 31/12/2024 | | | | 31/12/2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Notional amount | | Fair value | | Notional amount | | Fair value | |
| *(€ '000s)* | To receive | To deliver | Positive | Negative | To receive | To deliver | Positive | Negative |
| FIRM TRANSACTIONS | 144,000 | 144,000 | 6,056 | 6,054 | 276,700 | 276,700 | 13,374 | 13,219 |
| Organised markets | - | - | - | - | - | - | - | - |
| Interest rate contracts | | | | | | | | |
| Other contracts | | | | | | | | |
| Over-the-counter markets | 144,000 | 144,000 | 6,056 | 6,054 | 276,700 | 276,700 | 13,374 | 13,219 |
| Interest rate contracts | 144,000 | 144,000 | 6,056 | 6,054 | 276,700 | 276,700 | 13,374 | 13,219 |
| FRA | | | | | | | | |
| Cross Currency Swaps | | | | | | | | |
| Other contracts | | | | | | | | |
| CONDITIONAL TRANSACTIONS | - | - | - | - | - | - | - | - |
| Organised markets | - | - | - | - | - | - | - | - |
| Over-the-counter markets | - | - | - | - | - | - | - | - |

Derivatives classified as financial assets held for transaction purposes do not constitute interest rate positions taken with a view to drawing short-term profits. They are investment portfolio fair value hedging derivatives in a fixed-rate borrower position which have been neutralised by fixed-rate lender derivatives. These contracts, concluded in a clearing house, present positions which are rigorously symmetric in terms of rates and maturities. These financial assets and liabilities, although they are the object of a framework netting agreement, are presented as assets and liabilities because future cash flows payable and receivable differ in the amount of the fixed-rate coupon payable and receivable. The positions presented in the table above do not entail any kind of residual interest rate risk, the fair value difference is only the result of payable or receivable cash flows.

## Note 2 - HEDGING DERIVATIVES

### Analysis by type of hedge

| | 31/12/2024 | | 31/12/2023 | |
|---|---|---|---|---|
| *(€ '000s)* | Assets | Liabilities | Assets | Liabilities |
| Derivatives designated as fair value hedges | 585,441 | 479,109 | 593,493 | 636,719 |
| Derivatives designated as cash flow hedges | | | | |
| Derivatives designated as portfolio hedges | 90,631 | 39,204 | 111,571 | 33,888 |
| Total Hedging derivatives | 676,072 | 518,313 | 705,064 | 670,607 |

### Detail of derivatives designated as fair value hedges

| | 31/12/2024 | | | | 31/12/2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Notional amount | | Fair value | | Notional amount | | Fair value | |
| *(€ '000s)* | To receive | To deliver | Positive | Negative | To receive | To deliver | Positive | Negative |
| FIRM TRANSACTIONS | 10,472,159 | 6,712,198 | 585,441 | 479,109 | 9,235,506 | 5,576,037 | 593,493 | 636,719 |
| Organised markets | - | - | - | - | - | - | - | - |
| Over-the-counter markets | 10,472,159 | 6,712,198 | 585,441 | 479,109 | 9,235,506 | 5,576,037 | 593,493 | 636,719 |
| Interest rate contracts | 8,941,514 | 6,526,148 | 514,909 | 395,295 | 8,163,407 | 5,438,876 | 581,959 | 518,852 |
| FRA | | | | | | | | |
| Cross Currency Swaps | 1,530,645 | 186,050 | 70,532 | 83,814 | 1,072,099 | 137,162 | 11,534 | 117,867 |
| Other contracts | | | | | | | | |
| CONDITIONAL TRANSACTIONS | - | - | - | - | - | - | - | - |
| Organised markets | - | - | - | - | - | - | - | - |
| Over-the-counter markets | - | - | - | - | - | - | - | - |

### Detail of derivatives designated as interest rate hedged portfolios

| | 31/12/2024 | | | | 31/12/2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Notional amount | | Fair value | | Notional amount | | Fair value | |
| *(€ '000s)* | To receive | To deliver | Positive | Negative | To receive | To deliver | Positive | Negative |
| FIRM TRANSACTIONS | 175,870 | 1,473,029 | 90,631 | 39,204 | 178,010 | 1,123,745 | 111,571 | 33,888 |
| Organised markets | - | - | - | - | - | - | - | - |
| Interest rate contracts | | | | | | | | |
| Other contracts | | | | | | | | |
| Over-the-counter markets | 175,870 | 1,473,029 | 90,631 | 39,204 | 178,010 | 1,123,745 | 111,571 | 33,888 |
| Interest rate contracts | 175,870 | 1,473,029 | 90,631 | 39,204 | 178,010 | 1,123,745 | 111,571 | 33,888 |
| FRA | | | | | | | | |
| Cross Currency Swaps | | | | | | | | |
| Other contracts | | | | | | | | |
| CONDITIONAL TRANSACTIONS | - | - | - | - | - | - | - | - |
| Organised markets | - | - | - | - | - | - | - | - |
| Over-the-counter markets | - | - | - | - | - | - | - | - |

**OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

Financial assets subject to netting or an enforceable global netting agreement or similar arrangement

| | 31/12/2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | (a) | (b) | (c) = (a) - (b) | (d) | | (e) | (f) = (c) - (d) - (e) |
| | Gross amounts of recognised financial assets before offsetting | Gross amounts of recognised financial liabilities set off in the financial statements | Net amounts of financial assets presented in the financial statements | Other amounts that cannot be offset | | instruments received as collateral | Net amount |
| *(€ ‘000s)* | | | | Financial instruments | Collatéral received | | |
| Financial instruments at fair value through profit or loss | 682,128 | - | 682,128 | 440,553 | 211,736 | - | 29,839 |
| Of which derivative financial instruments (including hedging derivatives) | 682,128 | - | 682,128 | 440,553 | 211,736 | - | 29,839 |
| Loans and receivables from credit institutions and customers | 8,499,215 | - | 8,499,215 | - | - | - | 8,499,215 |
| Of wich repurchase agreements | - | - | - | - | - | - | |
| Accrued income and other assets | 4,270 | - | 4,270 | - | - | - | 4,270 |
| Including security deposits given | | - | - | - | - | - | |
| Other non offset assets | 1,739,587 | - | 1,739,587 | - | - | - | 1,739,587 |
| TOTAL ASSETS | 10,925,200 | - | 10,925,200 | 440,553 | 211,736 | - | 10,272,911 |

| | 31/12/2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | (a) | (b) | (c) = (a) - (b) | (d) | | (e) | (f) = (c) - (d) - (e) |
| | Gross amounts of recognised financial assets before offsetting | Gross amounts of recognised financial liabilities set off in the financial statements | Net amounts of financial assets presented in the financial statements | Other amounts that cannot be offset | | instruments received as collateral | Net amount |
| *(€ ‘000s)* | | | | Financial instruments | Collatéral received | | |
| Financial instruments at fair value through profit or loss | 718,438 | - | 718,438 | 565,959 | 133,307 | - | 19,172 |
| Of which derivative financial instruments (including hedging derivatives) | 718,438 | - | 718,438 | 565,959 | 133,307 | - | 19,172 |
| Loans and receivables from credit institutions and customers | 6,756,553 | - | 6,756,553 | - | - | - | 6,756,553 |
| Of wich repurchase agreements | - | - | - | - | - | - | |
| Accrued income and other assets | 1,328 | - | 1,328 | - | - | - | 1,328 |
| Including security deposits given | | - | - | - | - | - | |
| Other non offset assets | 1,909,187 | - | 1,909,187 | - | - | - | 1,909,187 |
| TOTAL ASSETS | 9,385,506 | - | 9,385,506 | 565,959 | 133,307 | - | 8,686,240 |

Financial liabilities subject to netting or an enforceable global netting agreement or similar arrangement

| | 31/12/2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | (a) | (b) | (c) = (a) - (b) | (d) | | (e) | (f) = (c) - (d) - (e) |
| | Gross amounts of recognised financial liabilities before offsetting | Gross amounts of recognised financial assets set off in the financial statements | Net amounts of financial liabilities presented in the financial statements | Other amounts that cannot be offset | | instruments received as collateral | Net amount |
| *(€ ‘000s)* | | | | Financial instruments | Collatéral paid | | |
| Financial instruments at fair value through profit or loss | 524,367 | - | 524,367 | 440,553 | 55,670 | 68,574 | (40,430) |
| Of which derivative financial instruments (including hedging derivatives) | 524,367 | - | 524,367 | 440,553 | 55,670 | 68,574 | (40,430) |
| Loans and receivables from credit institutions and customers | 211,737 | - | 211,737 | - | - | - | 211,737 |
| Of wich repurchase agreements | - | - | - | - | - | - | - |
| Other non offset liabilities | 9,882,091 | - | 9,882,091 | - | - | - | 9,882,091 |
| TOTAL LIABILITIES | 10,618,195 | - | 10,618,195 | 440,553 | 55,670 | 68,574 | 10,053,398 |

| | 31/12/2023 | | | | | | |
|---|---|---|---|---|---|---|---|
| | (a) | (b) | (c) = (a) - (b) | (d) | | (e) | (f) = (c) - (d) - (e) |
| | Gross amounts of recognised financial liabilities before offsetting | Gross amounts of recognised financial assets set off in the financial statements | Net amounts of financial liabilities presented in the financial statements | Other amounts that cannot be offset | | instruments received as collateral | Net amount |
| *En milliers d'euros* | | | | Financial instruments | Collatéral paid | | |
| Financial instruments at fair value through profit or loss | 683,826 | - | 683,826 | 565,959 | 103,784 | 61,217 | (47,134) |
| Of which derivative financial instruments (including hedging derivatives) | 683,826 | - | 683,826 | 565,959 | 103,784 | 61,217 | (47,134) |
| Loans and receivables from credit institutions and customers | 133,307 | - | 133,307 | - | - | - | 133,307 |
| Of wich repurchase agreements | - | - | - | - | - | - | - |
| Other non offset liabilities | 8,349,892 | - | 8,349,892 | - | - | - | 8,349,892 |
| TOTAL LIABILITIES | 9,167,024 | - | 9,167,024 | 565,959 | 103,784 | 61,217 | 8,436,064 |

**PORTFOLIO**

## Note 3 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Fixed-income securities - Analysis by nature

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Government paper and similar securities | 615,439 | 495,891 |
| Bonds | 147,920 | 95,604 |
| Other fixed income securities | | |
| Net amount in balance sheet | 763,359 | 591,496 |
| Including depreciation | (531) | (413) |
| Including net unrealised gains and losses | (31,995) | (40,073) |

| Expected credit losses on debt instruments | 12-month expected losses | Lifetime expected losses | | Incurred losses |
|---|---|---|---|---|
| | | Individual | collective | |
| Expected losses as of 31st December 2023 | (413) | - | - | - |
| *Transfers from 12-month to maturity* | | | | |
| *Transfers from maturity to 12-month* | | | | |
| *Transfers from expected to incurred losses* | | | | |
| Total transfer movement | - | - | - | - |
| Movement attributable to financial instruments recognized over the period | (118) | - | - | - |
| *Acquisitions* | (113) | | | |
| *Re-estimate of parameters* | (43) | | | |
| *Bad debts written off* | | | | |
| *On sales* | 37 | | | |
| Expected losses as of 31st December 2024 | (531) | - | - | - |

Fixed-income securities - Analysis by contreparty

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Local public sector | 506,094 | 409,455 |
| Financial institutions and other financial corporations | 256,277 | 182,041 |
| Non-financial corporations | 988 | - |
| Net amount in balance sheet | 763,359 | 591,496 |

Fixed income securities held on Financial institutions include €69,479K of securities guaranteed by States of the European Economic Area.

Changes in Financial assets at fair value through other comprehensive income

| *(€ '000s)* | Total amount as of 31/12/2023 | Additions | Disposals | Other movements | Change in fair value recognised in equity | Change in accrued interest | Prem/Disc Amort. | Total amount as of 31/12/2024 |
|---|---|---|---|---|---|---|---|---|
| Government paper and similar securitie: | 495,891 | 481,353 | (370,492) | (454) | 5,569 | 1,379 | 2,194 | 615,439 |
| Bonds | 95,604 | 97,110 | (47,874) | - | 2,409 | 365 | 306 | 147,920 |
| Other fixed income securities | - | - | - | - | - | - | - | - |
| TOTAL | 591,496 | 578,463 | (418,366) | (454) | 7,977 | 1,744 | 2,500 | 763,359 |

## Note 4 - SECURITIES AT AMORTIZED COST

Fixed-income securities - Analysis by nature

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Government paper and similar securities | 464,945 | 326,305 |
| Bonds | 7,181 | 7,149 |
| Other fixed income securities | | |
| Net amount in balance sheet | 472,127 | 333,454 |
| Including expected credit losses on debt instruments | (502) | (330) |

| Expected credit losses on securities at amortized cost | 12-month expected losses | Lifetime expected losses | | Incurred losses |
|---|---|---|---|---|
| | | Individual | collective | |
| Expected losses as of 31st December 2023 | (330) | - | - | - |
| *Transfers from 12-month to maturity* | | | | |
| *Transfers from maturity to 12-month* | | | | |
| *Transfers from expected to incurred losses* | | | | |
| Total transfer movement | - | - | - | - |
| Movement attributable to financial instruments recognized over the period | (172) | - | - | - |
| *Acquisitions* | (222) | | | |
| *Re-estimate of parameters* | (17) | | | |
| *Bad debts written off* | | | | |
| *On sales* | 67 | | | |
| Expected losses as of 31st December 2024 | (502) | - | - | - |

Fixed-income securities - Analysis by contreparty

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Local public sector | 231,713 | 179,000 |
| Financial institutions and other financial corporations | 210,644 | 154,454 |
| Non-financial corporations | 29,769 | - |
| Net amount in balance sheet | 472,127 | 333,454 |

Fixed income securities held on Financial institutions include €220,217K of securities guaranteed by States of the European Economic Area.

Changes in securities at amortized cost

| (€ '000s) | Total amount as of 31/12/2023 | Additions | Disposals | Other movements | Interest rate Reevaluation | Change in accrued interest | Prem/Disc Amort. | Expected credit losses change | Total amount as of 31/12/2024 |
|---|---|---|---|---|---|---|---|---|---|
| Government paper and similar securities | 326,305 | 213,579 | (82,875) | 1,257 | 4,795 | 704 | 1,352 | (172) | 464,945 |
| Bonds | 7,149 | - | - | (157) | 225 | (2) | (33) | 0.1 | 7,181 |
| Other fixed income securities | - | - | - | - | - | - | - | - | - |
| TOTAL | 333,454 | 213,579 | (82,875) | 1,101 | 5,020 | 702 | 1,318 | (172) | 472,127 |

## Note 5 - RECEIVABLES ON CREDIT INSTITUTIONS

### Accounts with central banks

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Mandatory reserve deposits with central banks | 485,873 | 975,186 |
| Other deposits | | |
| Cash and central banks | 485,873 | 975,186 |
| Impairment | (30) | (56) |
| Net amount in balance sheet | 485,842 | 975,130 |

### Receivables on credit institutions

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Loans and receivables | | |
| - on demand and short notice | 135,800 | 15,618 |
| - term | 60,440 | 60,692 |
| Cash collateral paid | 55,670 | 103,784 |
| Securities bought under repurchase agreements | | |
| TOTAL | 251,911 | 180,093 |
| Impairment for expected losses | (26) | (19) |
| NET CARRYING AMOUNT | 251,885 | 180,074 |

### Note 6 - LOANS AND ADVANCES TO CUSTOMERS

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Short-term credit facilities | 64,148 | 79,647 |
| Other loans | 8,183,627 | 6,497,162 |
| Customers transactions before impairment charges | 8,247,775 | 6,576,809 |
| Impairment | (446) | (329) |
| Net carrying amount | 8,247,330 | 6,576,479 |
| *Of which individual impairment* | (446) | (329) |
| *Of which collective impairment* | | |

| Expected credit losses on loans and financing commitments | 12-month expected losses | Lifetime expected losses | | Incurred losses |
|---|---|---|---|---|
| | | Individual | collective | |
| Expected losses as of 31st December 2023 | (310) | (94) | - | - |
| *Transfers from 12-month to maturity* | (1) | 1 | | |
| *Transfers from maturity to 12-month* | | | | |
| *Transfers from expected to incurred losses* | | | | |
| Total transfer movement | (1) | 1 | - | - |
| Movement attributable to financial instruments recognized over the period | (90) | (7) | - | - |
| *Production and acquisition* | (107) | (6) | | |
| *Re-estimate of parameters* | (7) | (1) | | |
| *Bad debts written off* | | | | |
| *Repayments* | 24 | 0.2 | | |
| Expected losses as of 31st December 2024 | (401) | (100) | - | - |

### SUMMARY OF PROVISIONS ON SECURITIES, LOANS AND FINANCING COMMITMENTS

| (€ '000s) | 31/12/2023 | Depreciation charges | Reversals amounts not used | Net charge | Utilised | 31/12/2024 |
|---|---|---|---|---|---|---|
| Financial assets at fair value through other comprehensive income | | | | | | |
| *Depreciations on performing assets* | 413 | 155 | (37) | 118 | | 531 |
| *Depreciations on non-performing assets* | - | | | | | - |
| *Depreciations on doubtfull assets* | - | | | | | - |
| Total | 413 | 155 | (37) | 118 | | 531 |
| Financial assets at amortized cost | | | | | | |
| *Depreciations on performing assets* | 640 | 352 | (90) | 262 | | 902 |
| *Depreciations on non-performing assets* | 94 | 7 | (1) | 6 | | 100 |
| *Depreciations on doubtfull assets* | - | | | | | - |
| Total | 734 | 360 | (91) | 268 | | 1,003 |

### CLASSIFICATION OF FINANCIAL ASSETS BY RISK LEVEL

| (€ '000s) | Gross amount | | | Depreciation | | | Net Amount |
|---|---|---|---|---|---|---|---|
| | Step 1 | Step 2 | Step 3 | Step 1 | Step 2 | Step 3 | |
| Accounts with central banks | 485,873 | | | (30) | | | 485,842 |
| Financial assets at fair value through other comprehensive income | 763,890 | | | (531) | | | 763,359 |
| Securities at amortized cost | 472,628 | | | (502) | | | 472,127 |
| Loans and receivables due from credit institutions at amortized cost | 251,911 | | | (26) | | | 251,885 |
| Loans and receivables due from customers at amortized cost | 8,132,567 | 115,208 | - | (346) | (99) | - | 8,247,330 |

## Note 7 - DEFERRED TAX

The movement on the deferred tax account is as follows:

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Net asset as at 1st of january | 4,244 | 6,197 |
| *Of which deferred tax assets* | 4,631 | 6,664 |
| *Of which deferred tax liabilities* | 387 | 467 |
| Recognised in income statement | (1,288) | (1,593) |
| Income statement (charge) / credit | (1,288) | (1,593) |
| Recognised in equity | (211) | (360) |
| Financial assets at fair value through other comprehensive income | 1,067 | 487 |
| Cash flow hedges | (1,277) | (847) |
| Other | | |
| Net asset as at | 2,745 | 4,244 |
| *Of which deferred tax assets* | 4,366 | 4,631 |
| *Of which deferred tax liabilities* | 1,620 | 387 |

Deferred tax are attributable to the following items:

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Financial assets at fair value through other comprehensive income | 2,245 | 1,179 |
| Cash flow hedges | | 309 |
| Losses carried forward | 2,121 | 3,143 |
| Other temporary differences | | |
| TOTAL DEFERRED TAX ASSETS | 4,366 | 4,631 |

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Financial assets at fair value through other comprehensive income | | |
| Cash flow hedges | 968 | |
| Other temporary differences | 652 | 387 |
| TOTAL DEFERRED TAX LIABILITIES | 1,620 | 387 |

## Note 8 - OTHER ASSETS AND ACCRUALS

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Other assets | | |
| Deposits | 2,487 | 453 |
| Other assets | 721 | 381 |
| Impairment | | |
| Total | 3,208 | 834 |
| Accruals | | |
| Prepaid charges | 887 | 271 |
| Other deferred income | 12 | |
| Transaction to recieve and settlement accounts | | |
| Other accruals | 163 | 224 |
| Total | 1,062 | 494 |
| TOTAL OTHER ASSETS AND ACCRUALS | 4,270 | 1,328 |

### Note 9 - BREAKDOWN OF FIXED ASSETS

*(€ '000s)*

| Intangible fixed assets | 31/12/2023 | Additions | Transfers | Disposals | Amort. and provisions | Other | 31/12/2024 |
|---|---|---|---|---|---|---|---|
| Intangible fixed assets | | | | | | | |
| IT development costs | 12,930 | 546 | | | | 58 | 13,534 |
| Other intangible assets | 163 | | | | | | 163 |
| Intangible assets in progress | 134 | 17 | | | | (58) | 93 |
| Intangible fixed assets gross amount | 13,227 | 563 | - | - | - | - | 13,790 |
| Depreciation and allowances - Intangible fixed assets | (11,247) | | | | (1,030) | | (12,277) |
| Intangible fixed assets net carrying amount | 1,980 | 563 | - | - | (1,030) | - | 1,513 |

| Tangible fixed assets | 31/12/2023 | Additions | Disposals | Amort. and provisions | Other | 31/12/2024 |
|---|---|---|---|---|---|---|
| Commercial leases | 191 | | | | | 191 |
| Property, plant & equipment | 2,995 | 10,050 | (26) | | | 13,020 |
| Tangible fixed assets gross amount | 3,187 | 10,050 | (26) | - | - | 13,211 |
| Depreciation and allowances - Tangible fixed assets | (692) | | 25 | (164) | | (831) |
| Tangible fixed assets net carrying amount | 2,495 | 10,050 | (1) | (164) | - | 12,380 |

### Note 10 - DEBT SECURITIES

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Negotiable debt securities | 99,654 | 385,077 |
| Bonds | 9,718,323 | 7,877,115 |
| Other debt securities | | |
| TOTAL | 9,817,977 | 8,262,191 |

### NOTE 11 - DUE TO CREDIT INSTITUTIONS

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Loans and receivables | | |
| - on demand and short notice | 0.2 | 0.004 |
| - term | | |
| Cash collateral paid | 211,736 | 133,307 |
| Securities bought under repurchase agreements | | |
| TOTAL | 211,737 | 133,307 |

### Note 12 - ACCRUALS AND OTHER LIABILITIES

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Other liabilities | | |
| Miscellaneous creditors | 2,346 | 2,731 |
| Total | 2,346 | 2,731 |
| Accruals | | |
| Transaction to pay and settlement accounts | 10 | 290 |
| Other accrued expenses | 2,062 | 1,950 |
| Unearned income | | |
| Other accruals | 25 | 28 |
| Total | 2,097 | 2,268 |
| TOTAL ACCRUALS AND OTHER LIABILITIES | 4,443 | 4,999 |

### Note 13 - PROVISIONS

| (€ '000s) | Balance as of 31/12/2023 | Depreciation charges | Reversals amounts used | Reversals amounts not used | Other movements | Balance as of 31/12/2024 |
|---|---|---|---|---|---|---|
| Provisions | | | | | | |
| Financing commitment execution risks | 15 | 10 | | (16) | | 10 |
| Provisions for litigations | | | | | | |
| Provisions for employee retirement and similar benefits | 124 | 25 | | | 3 | 152 |
| Provisions for other liabilities to employees | | | | | | |
| Other provisions | | | | | | |
| TOTAL | 139 | 35 | - | (16) | 3 | 162 |

### Note 14 - UNDATED FINANCIAL INSTRUMENTS

| (€ '000s) | Issue date | Interest rate | Amount | Currency | 31/12/2024 | 31/12/2023 |
|---|---|---|---|---|---|---|
| Agence France Locale | 17-Dec.-2024 | 7% | 50,000 | EUR | 49,441 | |

The movements relating to subordinated and super-subordinated financial instruments of indefinite duration impacting Equity are detailed as follows:

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| UNDATED DEEPLY SUBORDINATED NOTES | | |
| Interests paid accounted as reserves | | |
| Changes in nominal amounts | 50,000 | |
| Income tax savings related to interest paid to security holders recognised in net income | | |
| Issuance costs (net of tax) accounted as reserves | (559) | |
| Other | | |
| UNDATED SUBORDINATED NOTES | | |
| Interests paid accounted as reserves | | |
| Changes in nominal amounts | | |
| Income tax savings related to interest paid to security holders recognised in net income | | |
| Issuance costs (net of tax) accounted as reserves | | |
| Other | | |

As undated subordinated and deeply subordinated financial instruments are considered equity instruments issued, the tax effects on the compensation paid are recognised as income tax in the income statement.

OFF-BALANCE SHEET

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Commitments given | 613,459 | 893,312 |
| Financing commitments | 544,884 | 832,095 |
| *For credit institutions* | | |
| *For customers* | *544,884* | *832,095* |
| Guarantee commitments | 68,574 | 61,217 |
| *For credit institutions* | | |
| *For customers* | *68,574* | *61,217* |
| Commitments on securities | | |
| *Securities to be delivered to the issuance* | | |
| *Other securities to be delivered* | | |
| | | |
| Commitments received | 1,691 | 1,827 |
| Financing commitments | | |
| *From credit institutions* | | |
| Guarantee commitments | 1,691 | 1,827 |
| *From credit institutions* | | |
| *From customers* | *1,691* | *1,827* |
| Commitments on securities | | |
| *Securities receivable* | | |

EXPECTED LOSSES ON COMMITMENTS

| Expected credit losses on loans and financing commitments | 12-month expected losses | Lifetime expected losses | | Incurred losses |
|---|---|---|---|---|
| | | Individual | collective | |
| Expected losses as of 31st December 2023 | 15 | - | - | - |
| *Transfers from 12-month to maturity* | | | | |
| *Transfers from maturity to 12-month* | | | | |
| *Transfers from expected to incurred losses* | | | | |
| Total transfer movement | - | - | - | - |
| Movement attributable to financial instruments recognized over the period | (6) | | | |
| *Charge* | 10 | | | |
| *Utilised* | | | | |
| *Reversal untilised* | (16) | | | |
| Expected losses as of 31st December 2024 | 10 | - | - | - |

## VI - Notes to the Income Statement

### Note 15 - INTEREST INCOME AND EXPENSES

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Interest and similar income | 457,908 | 336,013 |
| Due from banks | 55,687 | 50,337 |
| Due from customers | 298,968 | 202,606 |
| Bonds and other fixed income securities | 47,253 | 37,621 |
| *Financial assets at fair value through other comprehensive income* | *30,405* | *26,228* |
| *Securities at amortized cost* | *16,848* | *11,394* |
| Macro-hedge transactions | 46,439 | 33,616 |
| Other interest income | 9,561 | 11,833 |
| Interest and similar expenses | (433,780) | (311,745) |
| Due to banks | (4,571) | (3,215) |
| Debt securities | (396,342) | (282,025) |
| Macro-hedge transactions | (23,318) | (14,656) |
| Other interest expenses | (9,549) | (11,850) |
| Interest margin | 24,128 | 24,267 |

### Note 16 - NET FEE AND COMMISSION INCOME

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Fee & Commission Income | 441 | 274 |
| Interbank transactions | | |
| Customer transactions | | |
| Securities transactions | | |
| Forward financial instruments transactions | | |
| Currencies transactions | | |
| Financing commitments and guarantee | 441 | 274 |
| Other commissions recieved | | |
| Fee & Commission Expense | (223) | (184) |
| Interbank transactions | (43) | (22) |
| Securities transactions | (8) | (8) |
| Forward financial instruments transactions | (172) | (154) |
| Currencies transactions | | |
| Financing commitments and guarantee | | |
| Other commissions paid | | |
| Net Fee and Commission income | 219 | 90 |

### Note 17 - NET RESULT OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| (€ '000s) | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Gains/(losses) on Trading book | (1) | 16 |
| Net result of hedge accounting | (749) | 4,043 |
| Net result of foreign exchange transactions | 3 | 11 |
| TOTAL | (747) | 4,071 |

### Analysis of net result of hedge accounting

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
| --- | --- | --- |
| Fair value hedges | | |
| Fair value changes in the hedged item attributable to the hedged risk | (47,665) | (35,543) |
| Fair value changes in the hedging derivatives | 46,863 | 34,988 |
| Hedging relationship disposal gain | 44 | 5,613 |
| Cash flow hedges | | |
| Fair value changes in the hedging derivatives – ineffective portion | | |
| Discontinuation of cash flow hedge accounting | | |
| Portfolio hedge | | |
| Fair value changes in the hedged item | 23,043 | 49,087 |
| Fair value changes in the hedging derivatives | (23,034) | (50,102) |
| Net result of hedge accounting | (749) | 4,043 |

### Note 18 - NET GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
| --- | --- | --- |
| Gains from disposal of fixed income securities | 471 | 718 |
| Losses from disposal of fixed income securities | (10) | (5,791) |
| Gains from disposal of variable income securities | | |
| Other income/(expenses) from Financial assets at fair value through other comprehensive income | | |
| Impairment (charges) and reversals on Financial assets at fair value through other comprehensive income | | |
| Gains or (losses) on Financial assets at fair value through other comprehensive income | 461 | (5,073) |

### Note 19 - GENERAL OPERATING EXPENSES

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
| --- | --- | --- |
| Employee expenses | | |
| Wages and salaries | 4,924 | 5,004 |
| Post-employment benefit expenses | 472 | 465 |
| Other expenses | 2,119 | 2,186 |
| Total Employee expenses | 7,515 | 7,655 |
| Operating expenses | | |
| Taxes and duties | 604 | 1,431 |
| External services | 6,901 | 5,625 |
| Total Administrative expenses | 7,504 | 7,056 |
| Charge-backs and reclassification of administrative expenses | | |
| Total General operating expenses | 15,019 | 14,711 |

**Note 20 - COST OF RISK**

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Net charge to provisions | (386) | 116 |
| *for financial assets at fair value through other comprehensive income* | *(118)* | *115* |
| *for financial assets at amortized cost* | *(268)* | *1* |
| Net charge to provisions | 6 | 1 |
| *for financing commitments* | *6* | *1* |
| *for guarantee commitments* | | |
| Irrecoverable loans written off not covered by provisions | | |
| Recoveries of bad debts written off | | |
| Total Cost of risk | (381) | 117 |

**Note 21 - NET GAINS AND LOSSES ON OTHER ASSETS**

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Gains on sales of Investment securities | | |
| Gains on sales of tangible or intangible assets | | 1 |
| Reversal of impairment | | |
| Total Gains on other assets | - | 1 |
| Losses on sales of Investment securities | | |
| Losses on sales of tangible or intangible assets | (1) | (1) |
| Charge of impairment | | |
| Total Losses on other assets | (1) | (1) |

**Note 22 - INCOME TAX**

| *(€ '000s)* | 31/12/2024 | 31/12/2023 |
|---|---|---|
| Expense and income of current tax | (772) | (406) |
| Expense and income of differed tax | (1,288) | (1,593) |
| Ajustement on previous period | | |
| Total Income tax | (2,059) | (1,999) |

**Note 23 - EXTERNAL AUDITOR FEES**

| | Caillau Dedouit et Associés | | | | KPMG Audit | | | |
|---|---|---|---|---|---|---|---|---|
| | 2024 (€ '000s) | | 2023 (€ '000s) | | 2024 (€ '000s) | | 2023 (€ '000s) | |
| Audit | | | | | | | | |
| Fees related to statutory audit, certification, examination of: | | | | | | | | |
| AFL-Société Territoriale (Parent company) | 21 | 15 | 20 | 21 | 21 | 15 | 21 | 21 |
| AFL-Société Opérationelle (Subsidiary company) | 121 | 85 | 76 | 79 | 121 | 85 | 76 | 79 |
| Sub-total | 142 | 100 | 96 | 100 | 142 | 100 | 97 | 100 |
| Other fees and benefits (*) : | | | | | | | | |
| AFL-Société Territoriale (Parent company) | | - | | - | | - | | - |
| AFL-Société Opérationelle (Subsidiary company) | 22 | 100 | 40 | 100 | 22 | 100 | 74 | 100 |
| Sub-total | 22 | 100 | 40 | 100 | 22 | 100 | 74 | 100 |
| TOTAL | 165 | | 136 | | 165 | | 171 | |

(*) Other fees and benefits are related to issue prospectus audit, capital increases, reliance letter.

## Note 24 - RELATED PARTIES

There are, on 31 December 2024, an agreement of administrative services and a licensing for the use of a mark, as well as a professional lease, which were concluded which have been concluded between Agence France Locale - Société térritoriale at normal market conditions.

Remuneration for Board of AFL and the CEO of the Territorial Company :

Neither members of AFL Board nor the CEO of the Territorial Company benefited from a payment in actions in conformance with the exercise 2024 and a compensation was settled because of termination of contract of employment. No other long-term advantage was granted to them.

Their Director's remunerations on the exercise 2024 were the following ones :

| *(€ '000s)* | 31/12/2024 |
|---|---|
| Fixed remuneration | 1,190 |
| Variable remuneration | 165 |
| Payments in kind | 29 |
| Total | 1,384 |

In addition, members of the AFL Supervisory Board received €191K attendance fees. No attendance fees were paid to members of the Board of Directors of Agence France Locale - Société Territoriale.

# VII - Notes to Risk exposure

## A - Fair value of financial instruments

For financial reporting purposes, the new standard IFRS 13 requires fair value measurements applied to financial instruments to be allocated to one of three Levels, reflecting the extent to which the valuation is based on observable data.

**level 1:** Instruments valued using quoted prices (non-adjusted) in active markets for identical assets or liabilities. These specifically include bonds and negotiable debt securities listed on markets;

**level 2:** Instruments valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability concerned, either directly (i.e. prices) or indirectly (i.e. derived from prices);

**Level 3:** Fair value instruments which are measured at least in part on the basis of non-observable market in the valuation.

**Fair value of instruments carried at fair value:**

| | 31/12/2024 | | | |
|---|---|---|---|---|
| | Total | Measured using | | |
| *(€ '000s)* | | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | |
| Financial assets at fair value through profit or loss | 6,056 | - | 6,056 | - |
| Hedging derivative instruments | 676,072 | - | 676,072 | - |
| Government paper and similar securities | 615,439 | 531,130 | - | 84,309 |
| Bonds | 147,920 | 127,900 | - | 20,020 |
| Other fixed income securities | - | - | - | - |
| Total Financial assets at fair value through other comprehensive income | 763,359 | 659,030 | - | 104,329 |
| **Total Financial assets** | 1,445,487 | 659,030 | 682,128 | 104,329 |
| | | | | |
| **Financial liabilities** | | | | |
| Financial liabilities at fair value through profit or loss | 6,054 | - | 6,054 | - |
| Hedging derivative instruments | 518,313 | - | 518,313 | - |
| **Total Financial liabilities** | 524,367 | - | 524,367 | - |

**Fair values of instruments carried at amortised cost:**

| | 31/12/2024 | | | | |
|---|---|---|---|---|---|
| | Net Carrying value | Fair value | Measured using | | |
| *(€ '000s)* | | | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | |
| Cash, central banks and issuing institutions | 485,842 | 485,842 | - | - | 485,842 |
| Government paper and similar securities | 464,945 | 459,317 | 334,654 | - | 124,662 |
| Bonds | 7,181 | 6,968 | 6,968 | - | - |
| Other fixed income securities | - | - | - | - | - |
| Total Securities at amortized cost | 472,127 | 466,284 | 341,622 | - | 124,662 |
| Loans and receivables due from credit institutions | 251,885 | 251,885 | - | - | 251,885 |
| Loans and advances to customers (*) | 8,189,802 | 8,189,802 | - | - | 8,189,802 |
| **Total Financial assets** | 9,399,656 | 9,393,814 | 341,622 | - | 9,052,192 |
| | | | | | |
| **Financial liabilities** | | | | | |
| Debt securities | 9,817,977 | 9,590,329 | 8,037,172 | 1,453,157 | 100,000 |
| **Total Financial liabilities** | 9,817,977 | 9,590,329 | 8,037,172 | 1,453,157 | 100,000 |

(*) The fair value of loans and receivables to customers includes the outstanding capital and the revaluation in interest rates of the loans hedged on the closing date.

For Loans and receivables due from credit institutions, which are deposits, the fair value used was the nominal value.

## B - Credit risk exposure

The tables below disclose the maximum exposure to credit risk at 31 December 2024 for financial assets with exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

| *(€ '000s)* | Performing assets | Past due but not impaired | Impairment allowance | Total 31/12/2024 |
|---|---|---|---|---|
| Cash, central banks | 485,873 | | (30) | 485,842 |
| Financial assets at fair value through profit or loss | 6,056 | | | 6,056 |
| Hedging derivative instruments | 676,072 | | | 676,072 |
| Financial assets at fair value through other comprehensive income | 763,359 | | | 763,359 |
| Securities at amortized cost | 472,628 | | (502) | 472,127 |
| Loans and receivables due from credit institutions | 251,911 | | (26) | 251,885 |
| Loans and advances to customers | 8,247,775 | | (446) | 8,247,330 |
| Revaluation adjustment on interest rate hedged portfolios | | | | - |
| Current tax assets | | | | - |
| Other assets | 3,208 | | | 3,208 |
| Sub-total Assets | 10,906,882 | - | (1,003) | 10,905,879 |
| Financing commitments given | 544,884 | | | 544,884 |
| TOTAL Credit risk exposure | 11,451,766 | - | (1,003) | 11,450,763 |

Exposure analysis by counterparty

| *(€ '000s)* | Total 31/12/2024 |
|---|---|
| Central banks | 485,842 |
| Local public sector | 9,531,153 |
| Credit institutions guaranteed by the EEA States | 258,940 |
| Credit institutions | 1,141,995 |
| Other financial corporations guaranteed by the EEA States | |
| Other financial corporations | |
| Non-financial corporations guaranteed by the EEA States | 30,757 |
| Non-financial corporations | 2,076 |
| Total Exposure by counterparty | 11,450,763 |

Agence France Locale's very cautious investment policy prefers securities issued by States and central governments, or ones that are guaranteed by such counterparties.
Credit institutions exposures primarily result from cash management and interest rates hedging transactions.

Exposure analysis by geographic area

| *(€ '000s)* | Total 31/12/2024 |
|---|---|
| France | 10,595,964 |
| Supranational | 283,660 |
| Canada | 206,227 |
| Belgium | 85,732 |
| Finland | 69,254 |
| New Zealand | 52,683 |
| Switzerland | 39,866 |
| Iceland | 29,299 |
| Netherlands | 23,802 |
| Sweden | 13,722 |
| Poland | 13,436 |
| South Korea | 13,015 |
| Denmark | 12,154 |
| Germany | 11,952 |
| Total Exposure by geographic area | 11,450,763 |

As credits are solely granted to French local authorities, the largest exposure is to France.
Exposures to other countries (EEA, North America, Asia and Oceania) result from Agence France Locale's cash management policy and its investment in sovereign or equivalent securities.

## C - Liquidity risk : Assets and liabilities, analysed by remaining contractual maturity

| (€ '000s) | Less than 3 month | 3 month to 1 year | 1 year to 5 years | more than 5 years | Total | Related receivables and payables | Revaluation | Total 31/12/2024 |
|---|---|---|---|---|---|---|---|---|
| Cash, central banks | 485,842 | | | | 485,842 | | | 485,842 |
| Financial assets at fair value through profit or loss | | 362 | 2,860 | 2,687 | 5,909 | 148 | | 6,056 |
| Hedging derivative instruments | 5,379 | 12,954 | 48,714 | 601,256 | 668,303 | 7,769 | | 676,072 |
| Financial assets at fair value through other comprehensive income | | | | | | | | |
| Government paper and similar securities | 47,276 | 44,408 | 354,249 | 191,904 | 637,836 | 5,514 | (27,911) | 615,439 |
| Bonds | | | 141,593 | 9,353 | 150,946 | 1,057 | (4,084) | 147,920 |
| Total Financial assets at fair value through other comprehensive incom | 47,276 | 44,408 | 495,842 | 201,257 | 788,783 | 6,571 | (31,995) | 763,359 |
| Securities at amortized cost | | | | | | | | |
| Government paper and similar securities | 8,847 | 13,511 | 114,670 | 334,643 | 471,671 | 3,463 | (10,188) | 464,945 |
| Bonds | | | 6,866 | | 6,866 | 98 | 217 | 7,181 |
| Total Securities at amortized cost | 8,847 | 13,511 | 121,536 | 334,643 | 478,537 | 3,561 | (9,971) | 472,127 |
| Loans and receivables due from credit institutions | 190,984 | | 60,000 | | 250,984 | 902 | | 251,885 |
| Loans and advances to customers | 218,685 | 581,807 | 2,404,043 | 5,344,721 | 8,549,256 | 24,854 | (326,780) | 8,247,330 |
| Revaluation adjustment on interest rate hedged portfolios | | | | | | | | - |
| Current tax assets | | | | | | | | - |
| Other assets | 3,208 | | | | 3,208 | | | 3,208 |
| TOTAL ASSETS | | | | | | | | 10,905,879 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Central banks | | | | | | | | - |
| Financial assets at fair value through profit or loss | | 362 | 2,861 | 2,687 | 5,910 | 144 | | 6,054 |
| Hedging derivative instruments | 19 | 5,611 | 171,989 | 402,175 | 579,795 | (61,481) | | 518,313 |
| Debt securities | 220,341 | 600,168 | 3,324,130 | 5,858,150 | 10,002,790 | 100,029 | (284,841) | 9,817,977 |
| Due to credit institutions | 211,737 | | | | 211,737 | | | 211,737 |
| Revaluation adjustment on interest rate hedged portfolios | | | | | | | 57,527 | 57,527 |
| Other liabilities | 2,346 | | | | 2,346 | | | 2,346 |
| TOTAL LIABILITIES | | | | | | | | 10,613,954 |

Agence France Locale oversees the transformation of its balance sheet into liquidity by monitoring several indicators, including the difference in average maturity between assets and liabilities which is limited to 12 months, temporarily increased to 18 months, and limits in gaps.

## D - Interest rate risk: sensitivity to interest rate changes

Exposure to interest rate risk relates to that of the Operational subsidiary, Agence France Locale.

Interest rate risk includes the risk that AFL will suffer losses due to unfavourable changes in interest rates due to all of its balance sheet and off-balance sheet transactions, in particular in the event of a mismatch between the interest rates generated by its assets and those arising from its liabilities. Interest rate risk includes the risk of refinancing an asset at a higher interest rate than the original interest rate, or the risk of replacing an asset at a lower rate than the original one. In both cases, in the event of a change in interest rates, there may be a negative impact on the net margin of interest that reduces AFL's income.

In order to maintain its financial base for the development of its lending activities, AFL has also set up a hedging policy for interest rate risks in order to limit the exposure of its balance sheet and the volatility of its revenues to unwanted market movements.

AFL's interest rate hedging policy consists of:

- a systematic micro-hedging of fixed-rate debt to be converted into floating-rate debt mainly indexed to the three-month Euribor reference using interest rate swaps;

- micro-hedging of loans contracted at a fixed or floating Euribor six-month or twelve-month rate to convert them into floating-rate loans indexed to the Euribor three-month reference, except for fixed-rate loans corresponding to a limited portion of the balance sheet at least equal to the re-use of prudential capital. The resulting exposure to interest rate risk is influenced by the sensitivity to AFL's net present value rate, which measures the impact of a predefined rate shock on the variation in discounted cash flows of all assets and liabilities on the AFL balance sheet; and

- a macro-hedging of fixed-rate loans that are small or whose depreciation profile is not linear.

The hedging strategy for interest rate risk translated into a notional outstanding amount of swaps of €19.1 billion at December 31, 2024.

Throughout 2024, the sensitivity of the AFL Group's net present value to the various rate variation scenarios remained below 15% of equity.

The table below shows interest rate risk in the banking book (IRRBB) excluding the trading book through changes in the economic value of equity and net interest income.

### Template EU IRRBB1 - Interest rate risks of non-trading book activities

| Supervisory shock scenarios | | a | b | c | d |
|---|---|---|---|---|---|
| | | Changes of the economic value of equity | | Changes of the net interest income | |
| | | Current period | Last period | Current period | Last period |
| 1 | Parallel up | -6.93% | -6.71% | -0.15% | 0.13% |
| 2 | Parallel down | 9.19% | 9.26% | 0.27% | -0.15% |
| 3 | Steepener | -2.13% | -3.16% | | |
| 4 | Flattener | 1.05% | 2.15% | | |
| 5 | Short rates up | -1.15% | -0.08% | | |
| 6 | Short rates down | 1.56% | 0.13% | | |

Currency risk covers the risk for the AFL Group through AFL of generating losses on capital borrowed or loaned in currencies other than the euro. AFL's policy aims to systematically hedge this risk by setting up currency micro-hedging swaps, also called cross currency swaps. Thus, assets and liabilities denominated in currencies other than the euro are systematically swapped into euros as soon as they are entered on the balance sheet and until their final maturity.

# *Agence France Locale - Société Territoriale S.A.*

**Statutory auditors' report on the consolidated financial statements**

For the year ended 31 December 2024

Agence France Locale - Société Territoriale S.A.

41 Quai d'Orsay - 75007 PARIS

*This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.*
*This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

**Agence France Locale - Société Territoriale S.A.**

Adress : 41 Quai d'Orsay - 75007 PARIS

**Statutory auditors' report on the consolidated financial statements**

For the year ended 31 December 2024

To the Annual General Meeting of Agence France Locale - Société Territoriale S.A.,

## Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Agence France Locale – Société Territoriale S.A. for the year ended 31 December 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Risks 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 those standards are further described in the Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

### *Independence*

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors for the period from 01 January 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014.

**Justification of Assessments - Key Audit Matters**

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (code de commerce) relating to the justification of our assessments and in our professional judgment, we considered there was no key audit matters relating to risks of material misstatement to express in our report to the consolidated financial statements.

**Specific Verifications**

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

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

## Report on Other Legal and Regulatory Requirements

***Appointment of the Statutory Auditors***

We were appointed as auditors of Agence France Locale – Société Territoriale S.A. by your General Assembly on December 17, 2013.

As of December 31, 2024, the firms KPMG S.A. and Cailliau Dedouit et Associés were in the 11th year of their uninterrupted engagement, including three years since the date on which the entity came within the scope of Public Interest Entities (PIEs) as defined by European legislation, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Audit and Risks Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

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

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

***Objectives and audit approach***

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

As specified in Article L.821-55 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

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

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

*Report to the Audit and Risks Committee*

We submit to the Audit and Risks Committee a report 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, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.
Our report to the Audit and Risks Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.
We also provide the Audit and Risks Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 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 with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, le 26 mars 2025

Paris, le 26 mars 2025

The statutory auditors
French original signed by

Sophie Meddouri
*Associée*

Laurent Brun
*Associé*

# Rapport Pilier III consolide

# (Groupe AFL)

# Agence France Locale

# Pillar 3 at December 31, 2024

## I. GENERAL PROVISIONS

*The information contained in this document concerns "Agence France Locale - Société Territoriale" (LEI: 9695002K2HDLD20JU790) at the consolidated level as of December 31, 2024. Also, when AFL-ST is mentioned in the rest of the report, the AFL Group should be understood as a consolidated one.*

*The scope of consolidation consists of "Agence France Locale" (LEI: 969500NMI4UP00IO8G47), which is 99.9999% owned. In early 2024, "Agence France Locale" created "Agence France Locale – Foncière", a wholly owned and consolidated subsidiary to acquire a high-environmental-quality building undergoing rehabilitation. It will house AFL's headquarters from 2026.*

*The data are presented in euros and under IFRS.*

*The information presented complies with Commission Implementing Regulation (EU) 2021/637 of March 15, 2021 defining implementing technical standards for the publication, by institutions, of the information referred to in Titles II and III of the eighth part of Regulation (EU) No. 575/2013 of the European Parliament and of the Council, known as "Pillar 3".*

*In accordance with Article 19 (4) of the aforementioned regulation, the numerical values are presented as follows:*

- *Quantitative monetary data is published with a precision corresponding to the units.*
- *Quantitative data published in "Percentage" is expressed with a minimum precision of four decimal places.*

## II. SPECIAL PROVISIONS

### A. Publication of key indicators and an overview of risk-weighted exposure amounts

*Template EU OV1 - Overview of total risk exposure amounts*

| | Data as of 31/12/2024 (T) and 31/12/2023 (T-1) | Total risk exposure amounts (TREA) | | Total own funds requirements |
|---|---|---|---|---|
| | | a | b | c |
| | | T | T-1 | T |
| 1 | Credit risk (excluding CCR) | 298 664 245 | 1 486 475 279 | 23 893 140 |
| 2 | Of which the standardised approach | 298 664 245 | 1 486 475 279 | 23 893 140 |
| 3 | Of which the Foundation IRB (F-IRB) approach | - | - | - |
| 4 | Of which slotting approach | - | - | - |
| EU 4a | Of which equities under the simple riskweighted approach | - | - | - |
| 5 | Of which the Advanced IRB (A-IRB) approach | - | - | - |
| 6 | Counterparty credit risk - CCR | 38 379 016 | 30 281 600 | 3 070 321 |
| 7 | Of which the standardised approach | 32 294 656 | 23 659 013 | 2 583 572 |
| 8 | Of which internal model method (IMM) | - | - | - |
| EU 8a | Of which exposures to a CCP | 11 500 039 | 11 707 521 | 920 003 |
| EU 8b | Of which credit valuation adjustment - CVA | 26 878 977 | 18 574 079 | 2 150 318 |
| 9 | Of which other CCR | - 32 294 656 | - 23 659 013 | - 2 583 572 |
| 10 | Not applicable | | | |
| 11 | Not applicable | | | |
| 12 | Not applicable | | | |
| 13 | Not applicable | | | |
| 14 | Not applicable | | | |
| 15 | Settlement risk | - | - | - |
| 16 | Securitisation exposures in the non-trading book (after the cap) | - | - | - |
| 17 | Of which SEC-IRBA approach | - | - | - |
| 18 | Of which SEC-ERBA (including IAA) | - | - | - |
| 19 | Of which SEC-SA approach | - | - | - |
| EU 19a | Of which 1250% / deduction | - | - | - |
| 20 | Position, foreign exchange and commodities risks (Market risk) | 17 819 145 | 13 815 517 | 1 425 532 |
| 21 | Of which the standardised approach | - | - | - |
| 22 | Of which IMA | - | - | - |
| EU 22a | Large exposures | - | - | - |
| 23 | Operational risk | 39 985 112 | 34 007 981 | 3 198 809 |
| EU 23a | Of which basic indicator approach | 39 985 112 | 34 007 981 | 3 198 809 |
| EU 23b | Of which standardised approach | - | - | - |
| EU 23c | Of which advanced measurement approach | - | - | - |
| 24 | Amounts below the thresholds for deduction (subject to 250% risk weight) | - | - | - |
| 25 | Not applicable | | | |
| 26 | Not applicable | | | |
| 27 | Not applicable | | | |
| 28 | Not applicable | | | |
| 29 | **Total** | **394 847 518** | **1 564 580 377** | **31 587 801** |

## *Template EU KM1 - Template for key indicators*

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | T | T-1 | T-2 | T-3 | T-4 |
| | **Available own funds (amounts)** | | | | | |
| 1 | Common Equity Tier 1 (CET1) capital | 247 760 074 | 233 201 925 | 232 930 529 | 223 971 429 | 207 027 615 |
| 2 | Tier 1 capital | 247 760 074 | 233 201 925 | 232 930 529 | 223 971 429 | 207 027 615 |
| 3 | Total capital | 247 760 074 | 233 201 925 | 232 930 529 | 223 971 429 | 207 027 615 |
| | **Risk-weighted exposure amounts** | | | | | |
| 4 | Total risk exposure amount | 394 847 518 | 315 563 954 | 299 789 722 | 1 628 465 230 | 1 564 580 377 |
| | **Capital ratios (as a percentage of risk-weighted exposure amount)** | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | 62,75% | 73,90% | 77,70% | 13,75% | 13,23% |
| 6 | Tier 1 ratio (%) | 62,75% | 73,90% | 77,70% | 13,75% | 13,23% |
| 7 | Total capital ratio (%) | 62,75% | 73,90% | 77,70% | 13,75% | 13,23% |
| | **Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)** | | | | | |
| EU 7a | Additional own funds requirements to address risks other than the risk of excessive leverage (%) | 1,25% | 1,25% | 1,25% | 1,25% | 1,25% |
| EU 7b | of which: to be made up of CET1 capital (percentage points) | 0,70% | 0,70% | 0,70% | 0,70% | 0,70% |
| EU 7c | of which: to be made up of Tier 1 capital (percentage points) | 0,94% | 0,94% | 0,94% | 0,94% | 0,94% |
| EU 7d | Total SREP own funds requirements (%) | 9,25% | 9,25% | 9,25% | 9,25% | 9,25% |
| | **Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)** | | | | | |
| 8 | Capital conservation buffer (%) | 2,50% | 2,50% | 2,50% | 2,50% | 2,50% |
| EU 8a | Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%) | - | - | - | - | - |
| 9 | Institution specific countercyclical capital buffer (%) | 0,76% | 0,75% | 0,75% | 0,52% | 0,23% |
| EU 9a | Systemic risk buffer (%) | - | - | - | - | - |
| 10 | Global Systemically Important Institution buffer (%) | - | - | - | - | - |
| EU 10a | Other Systemically Important Institution buffer (%) | - | - | - | - | - |
| 11 | Combined buffer requirement (%) | 3,26% | 3,25% | 3,25% | 3,02% | 2,73% |
| EU 11a | Overall capital requirements (%) | 12,51% | 12,50% | 12,50% | 12,27% | 11,98% |
| 12 | CET1 available after meeting the total SREP own funds requirements (%) | 53,50% | 64,65% | 68,45% | 4,50% | 3,98% |
| | **Leverage ratio** | | | | | |
| 13 | Total exposure measure | 2 203 088 324 | 2 412 428 539 | 2 404 521 001 | 3 628 362 927 | 2 336 145 260 |
| 14 | Leverage ratio (%) | 11,25% | 9,67% | 9,69% | 6,17% | 8,86% |
| | **Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)** | | | | | |
| EU 14a | Additional own funds requirements to address the risk of excessive leverage (%) | - | - | - | - | - |
| EU 14b | of which: to be made up of CET1 capital (percentage points) | - | - | - | - | - |
| EU 14c | Total SREP leverage ratio requirements (%) | 3,00% | 3,00% | 3,00% | 3,00% | 3,00% |
| | **Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)** | | | | | |
| EU 14d | Leverage ratio buffer requirement (%) | - | - | - | - | - |
| EU 14e | Overall leverage ratio requirement (%) | 3,00% | 3,00% | 3,00% | 3,00% | 3,00% |
| | **Liquidity Coverage Ratio** | | | | | |
| 15 | Total high-quality liquid assets (HQLA) (Weighted value -average) | 1 343 598 364 | 1 564 753 184 | 1 609 633 578 | 2 491 502 894 | 1 718 336 562 |
| EU 16a | Cash outflows - Total weighted value | 381 568 041 | 315 993 423 | 328 903 288 | 373 142 213 | 343 741 844 |
| EU 16b | Cash inflows - Total weighted value | 81 059 149 | 163 669 450 | 70 249 807 | 49 343 270 | 28 004 493 |
| 16 | Total net cash outflows (adjusted value) | 300 508 892 | 152 323 973 | 258 653 482 | 323 798 943 | 315 737 351 |
| 17 | Liquidity coverage ratio (%) | 447,11% | 1027,25% | 622,31% | 769,46% | 544,23% |
| | **Net Stable Funding Ratio** | | | | | |
| 18 | Total available stable funding | 8 611 011 297 | 8 232 239 388,6600 | 8 033 302 123,5200 | 8 592 495 156,0600 | 6 795 291 422,4000 |
| 19 | Total required stable funding | 3 922 367 527 | 4 852 319 723,1300 | 4 691 693 667,0200 | 4 521 400 975,0000 | 2 934 955 300,2300 |
| 20 | NSFR ratio (%) | 219,54% | 169,66% | 171,22% | 190,04% | 231,53% |

*EU OVC table - ICAAP information*

| Legal basis | Row number | |
|---|---|---|
| Article 438, point a), of the CRR | (a) | Equity capital adequacy assessment method:<br>AFL has adopted the "augmented Pillar 1" method, which uses the Pillar 1 assessment for risks covered by Pillar 1. Other risks are assessed by applying stress scenarios.<br>The evolution of the risk weighting of most Local Authorities that are AFL counterparties in mid-2024 led the institution to abandon the "augmented Pillar I" method for these exposures. AFL experts have established a new methodology based on the internal assessment of the risk weighting of these counterparties. |
| Article 438, point c), of the CRR | (b) | AFL did not receive a request for the publication of the results of the institution's internal equity capital adequacy assessment process. |

*Lastly, Agence France Locale - Société Territoriale, which does not hold funds in insurance or reinsurance companies or insurance holding companies and does not publish the "EU INS1" and "EU INS2" tables.*

## B. Publication of risk management objectives and policies

***Table EU OVA - Institutional approach to risk management***

| Legal basis | Row number | |
|---|---|---|
| **Article 435, paragraph 1, point f), of the CRR.** | (a) | As of December 31, 2024 the AFL's financial risk situation is good:<br>• Credit exposures are primarily related to loans granted to AFL's member local authorities. The average credit portfolio rating stands at 3.63, below 4.5. Over 2024, the average portfolio rating has slightly deteriorated.<br>• Credit exposures also stem from sovereign-supra-agency exposures and, to a lesser extent, from banks linked to the liquidity reserve and interest rate hedging of the balance sheet. 79% of exposures are rated at least AA-.<br>• In terms of liquidity risk, as of 12/31/2024, AFL's liquidity reserve amounts to €1.9 billion, with an NCRR ratio of 91%. In line with the risk appetite, the transformation – measured by the difference in the average duration of assets and liabilities – stands at 1.36. Consolidated regulatory indicators remain within their limits, with an LCR of 447% (30-day liquidity) and an NSFR of 220% (stable funding).<br>• Regarding interest rate risk, the decrease in AFL's net present value due to interest rate changes never exceeds 15% (regulatory scenarios). The decline in AFL's net interest margin due to interest rate changes never falls below the regulatory limit of 5%.<br>AFL has implemented a comprehensive framework aimed at mitigating operational risks.<br>As of December 31, 2024, AFL's non-financial risk situation is adequate, though challenges remain, including adapting the |

| *Legal basis* | *Row number* | |
|---|---|---|
| | | *operational model to increased volumes and compliance projects in response to new regulatory requirements.*<br>• *In 2024, no significant incidents (i.e., with an impact exceeding €1 million) were recorded.*<br>***In terms of capitalization:***<br>• *The solvency ratio stands at 63%.*<br>• *The banking leverage ratio is 2.31%.*<br>*Risk appetite is detailed in section V.1 of the annual report and risk exposure in section V.2.* |
| ***Article 435, paragraph 1, point b), of the CRR.*** | *(b)* | *Information on the risk governance structure for each type of risk:*<br>*See section V.4 of the annual report* |
| ***Article 435, paragraph 1, point e), of the CRR.*** | *(c)* | *Statement approved by the management body on the adequacy of the risk management systems:*<br>*On 26 March 2025, the Management Board, the AFL Supervisory Board and the AFL-ST Board of Directors certified the adequacy of the AFL Group's risk management system and ensured that the risk management systems put in place since AFL's creation are appropriate in view of the Group's risk profile and strategy.* |
| ***Article 435, paragraph 1, point c), of the CRR.*** | *(d)* | *Publication of the scope and nature of risk reporting and/or assessment systems:*<br>*The Global Risk Committee oversees all AFL risks, in terms of volume and in kind. It monitors and manages the institution's risk measurement, monitoring and management systems.*<br>*It periodically analyzes and measures the risks incurred by AFL and assesses the level of control by AFL, in a cross-functional and prospective manner. It defines the scope of its monitoring and the frequency of monitoring of each of the risks it has identified.*<br>*It has the measurement and control systems adapted to changes in risks, through action plans, the implementation of which it monitors. It ensures the existence of an appropriate system of limits and updates them, ensures compliance with existing limits and their periodic review.*<br>*Risks are monitored using internal and regulatory indicators published at a frequency appropriate to the nature of the risk; these indicators are produced by the Commitments and Risk Department or by operational staff and controlled by the CRD. Non-financial risk indicators are mainly based on expert opinions by operational staff and the Commitments and Risk Department.*<br>*The measurement of credit risk on local authorities is based on a rating model implemented by AFL since its creation. Each local authority is assessed by the AFL Commitments Division, which relies on the rating model. The rating[1] corresponds to an assessment of* |

[1] *The score assigned to the local authorities follows a grid ranging from 1 (best score) to 7.*

| Legal basis | Row number | |
|---|---|---|
| | | *the financial health of the local authority and is a key element in the credit policy.*<br><br>*This is based on a quantitative rating based, on the one hand, on financial indicators and, on the other hand, on socio-economic indicators. In addition, a qualitative analysis may be carried out depending on the risk profile or the amount granted. Moreover, the Commitments Division may have to propose to the Credit Committee an override of the system rating by downgrading or improving it. Overriding takes place exceptionally.*<br><br>*The financial and socio-economic rating grids in place are common to all local authorities - with the exception of trade unions for which the socio-economic rating is not applied, making it possible to have homogeneous rating criteria, regardless of the type of community. The system rating (quantitative rating including socio-economic elements) is automatically generated by a rating tool on the basis of financial data (provisional data at mid-year n+1 and final data in January n+2) and socio-economic data (data available in September).*<br><br>*In addition, AFL reserves the right to update the rating at its discretion, in accordance with the principles of monitoring and prudence.*<br><br>*The rating model is an expert opinion model. It is undergoing maintenance work. Work to ensure the robustness and stability of the rating model is carried out at regular intervals.*<br><br>*Liquidity and interest rate risks are monitored in ALCo on a monthly basis using indicators detailed below.*<br><br>*Main identification and measurement tools non-financial risks are risk mapping and the incident reporting system.*<br><br>*The objective of the risk mapping process is to consistently identify and assess the main risk areas for the entire AFL Group. To this end, it focuses on the main risks, with as criterion the importance of the potential impact and the frequency of occurrence. The exercise thus makes it possible to prioritize risks on an objective basis and to ensure coherence of evaluation between the various departments and functions involved. It is reviewed on a biannual basis.*<br><br>*The incident collection system makes it possible to measure the impact and frequency of occurrence of the risks identified. The system provides for the systematic reporting of incidents within the AFL Group beyond predefined thresholds.* |
| ***Article 435, paragraph 1, point c), of the CRR.*** | *(e)* | *Information on the main characteristics of the information and risk assessment systems:*<br><br>*The AFL information system is mainly based on a software architecture "Software As A Service" implemented in the cloud, managed by a set of service commitments signed with the various suppliers. The information system is based on two main business applications (Credit / Accounting and Market) whose data is poured into a single information center hosted in the cloud in "Infrastructure As A Service" mode at MS-Azure.* |

| Legal basis | Row number | |
|---|---|---|
| | | *Financial data and socio-economic data from local authorities are downloaded from open data and uploaded to the information center. A portal open to members and prospects makes it possible to manage loans, perform loan simulations and obtain information on AFL membership conditions.*<br><br>*The main risk indicators are calculated using data from the information center.*<br><br>*Certain liquidity and interest rate risk indicators are calculated using the Market Information System.*<br><br>*Regulatory production is centralized in a repository, the data of which are produced by the information center.* |
| ***Article 435, paragraph 1, point a), of the CRR.*** | *(f)* | *Risk management strategies and processes implemented for each distinct risk category:*<br><br>*The AFL Group's risk management system is detailed in section V.4 of the annual report.* |
| ***Article 435, paragraph 1, points a) and d), of the CRR.*** | *(g)* | *Information on risk management, hedging and mitigation strategies and processes, as well as the monitoring of the effectiveness of hedges and mitigation techniques:*<br><br>*AFL manages its activities over time so as not to exceed its risk mandate. In the event of overruns, for example due to external developments, corrective actions are initiated to comply with the mandate. These actions may be the disposal of positions or the implementation of hedges. Relevant information is provided to stakeholders.* |

*Table EU OVB - Disclosure of information on governance arrangements*

| *Legal basis* | *Row number* | |
|---|---|---|
| *Article 435, paragraph 2, point a), of the CRR.* | *(a)* | *Number of positions held by members of the management body:*<br>• *For AFL, information relating to this Committee is detailed in the AFL Supervisory Board report on corporate governance.*<br>• *For AFL-ST, this information is detailed in the AFL-ST Board of Directors' report on corporate governance.* |
| *Article 435, paragraph 2, point b), of the CRR.* | *(b)* | *Information concerning the recruitment policy for the selection of members of the management body as well as their knowledge, skills and expertise:*<br>• *For AFL, information relating to this Committee is detailed in the AFL Supervisory Board report on corporate governance.*<br>• *For AFL-ST, this information is detailed in the AFL-ST Board of Directors' report on corporate governance.* |
| *Article 435, paragraph 2, point c), of the CRR.* | *(c)* | *Information on the diversity policy applicable to the selection of members of the management body :*<br>• *For AFL, information relating to this Committee is detailed in the AFL Supervisory Board report on corporate governance.*<br>• *For AFL-ST, this information is detailed in the AFL-ST Board of Directors' report on corporate governance.* |
| *Article 435, paragraph 2, point d), of the CRR.* | *(d)* | *Information on whether the institution has set up a separate Risk Committee, and the frequency of its meetings:*<br>*AFL has established a Risk Committee, while AFL-ST has set up an Audit and Risk Committee.*<br>• *For AFL, information relating to this Committee is detailed in the AFL Supervisory Board report on corporate governance.*<br>• *For AFL-ST, information relating to this Committee is detailed in the AFL-ST Board of Directors' report on corporate governance.* |
| *Article 435, paragraph 2, point e), of the CRR.* | *(e)* | *Description of the flow of information on risks to the management body:*<br>• *The Global Risk Committee aims to provide the Management Board with an aggregated and forward-looking view of all the risks incurred by the AFL Group.*<br>• *The Committee meets at least quarterly, and covers all risks borne by the two legal entities; AFL and AFL-ST.*<br>• *An annual update on the AFL Group's risk situation is made by the Management Board to the AFL Supervisory Board and its Risk Committee.*<br>• *An annual update on the AFL Group's risk situation is provided to the AFL-ST Board of Directors and its Audit and Risk Committee.*<br>• *This information is detailed in the AFL corporate governance report for the AFL Audit and Risk Committee and in the AFL-ST corporate governance report for AFL-ST's Audit and Risk Committee.* |

## C. Publication of scope

*Template EU LI1 - Differences between the accounting scope of consolidation and the prudential consolidation scope and mapping of financial statement categories to regulatory risk categories*

| | | a | b | c | d | e | f | g |
|---|---|---|---|---|---|---|---|---|
| | | | | Carrying values of items | | | | |
| | | Carrying values as reported in published financial statements | Carrying values under scope of prudential consolidation | Subject to the credit risk framework | Subject to the CCR framework | Subject to the securitisation framework | Subject to the market risk framework | Not subject to own funds requirements or subject to deduction from own funds |
| | **Breakdown by asset clases according to the balance sheet in the published financial statements** | | | | | | | |
| 1 | Cash, central banks | 485 842 487 | | 485 842 487 | | | | |
| 2 | Financial assets at fair value through profit or loss | 6 056 299 | | | 6 056 299 | | | |
| 3 | Hedging derivative instruments | 676 071 759 | | | 676 071 759 | | | |
| 4 | Financial assets at fair value through other comprehensive income | 763 358 797 | | 763 358 797 | | | | |
| 5 | Securities at amortized cost | 472 126 518 | | 472 126 518 | | | | |
| 6 | Loans and receivables due from credit institutions and similar items at amortized cost | 251 885 086 | | 251 885 086 | | | | |
| 7 | Loans and receivables due from customers at amortized cost | 8 247 329 658 | | 8 247 329 658 | | | | |
| 8 | Revaluation adjustment on interest rate risk-hedged portfolios | - | | - | | | | |
| 9 | Current tax assets | - | | - | | | | |
| 10 | Deferred tax assets | 4 365 614 | | 2 245 096 | | | | 2 120 518 |
| 11 | Accruals and other assets | 4 270 452 | | 4 270 452 | | | | |
| 12 | Intangible assets | 1 513 156 | | | | | | 1 513 156 |
| 13 | Property, plant and equipment | 12 380 406 | | 12 380 406 | | | | |
| 14 | Goodwill | | | | | | | |
| 15 | **Total assets** | **10 925 200 231** | | **10 239 438 500** | **682 128 058** | **-** | **-** | **3 633 674** |
| | **Breakdown by liability classes according to the balance sheet in the published financial statements** | | | | | | | |
| 1 | Central banks | - | | - | | | | |
| 2 | Financial liabilities at fair value through profit or loss | 6 053 792 | | | 6 053 792 | | | |
| 3 | Hedging derivative instruments | 518 313 446 | | | 518 313 446 | | | |
| 4 | Debt securities | 9 817 977 155 | | | | | | |
| 5 | Due to credit institutions | 211 736 540 | | 211 736 540 | | | | |
| 6 | Deferred tax liabilities | 1 620 160 | | | | | | |
| 7 | Accruals and other liabilities | 4 443 073 | | 4 443 073 | | | | |
| 8 | Provisions | 162 103 | | 162 103 | | | | |
| 9 | Equity | 307 005 330 | | | | | | |
| 10 | Equity, Group share | 307 005 230 | | | | | | |
| 11 | Share capital and reserves | 264 976 700 | | | | | | |
| 12 | Consolidated reserves | 39 922 243 | | | | | | 39 922 243 |
| 13 | Reevaluation reserve | - | | | | | | |
| 14 | Gains and losses recognised directly in equity | - 3 300 683 | | | | | | - 3 300 683 |
| 15 | Profit (loss) for the period | 5 406 969 | | | | | | 5 406 969 |
| 16 | Non-controlling interests | 100 | | | | | | |
| 17 | **Total liabilities** | **10 925 200 232** | | **216 341 716** | **524 367 238** | **-** | **-** | **42 028 530** |

*Model EU LI2 - Main sources of differences between the regulatory exposure amounts and the carrying amounts of the financial statements*

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | Total | Items subject to | | | |
| | | | Credit risk framework | Securitisation framework | CCR framework | Market risk framework |
| 1 | **Assets carrying value amount under the scope of prudential consolidation (as per template LI1)** | 10 921 566 557 | 10 239 438 500 | - | 682 128 058 | - |
| 2 | **Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)** | 10 883 171 702 | 216 341 716 | - | 524 367 238 | - |
| 3 | **Total net amount under the scope of prudential consolidation** | 10 180 857 603 | 10 023 096 783 | - | 157 760 820 | - |
| 4 | **Off-balance-sheet amounts** | 544 884 414 | 544 884 414 | - | - | |
| 5 | *Differences in valuations* | - | - | - | - | |
| 6 | *Differences due to different netting rules, other than those already included in row 2* | - | - | - | - | |
| 7 | *Differences due to consideration of provisions* | - | - | - | - | |
| 8 | *Differences due to the use of credit risk mitigation techniques (CRMs)* | - | - | - | - | |
| 9 | *Differences due to credit conversion factors* | - 36 079 015 | - 36 079 015 | - | - | |
| 10 | *Differences due to Securitisation with risk transfer* | - | - | - | - | |
| 11 | *Other differences* | - 22 223 537 | - 9 153 296 | - | - 13 070 241 | |
| 12 | **Exposure amounts considered for regulatory purposes** | **10 667 439 465** | **10 522 748 886** | - | **144 690 579** | - |

*Template EU LI3 - Summary of the differences between the scopes of consolidation (entity by entity)*

| a | b | c | d | e | f | g | h |
|---|---|---|---|---|---|---|---|
| | | Method of prudential consolidation | | | | | |
| Name of the entity | Method of accounting consolidation | Full consolidation | Proportional consolidation | Equity method | Neither consolidated nor deducted | Deducted | Description of the entity |
| Agence France Locale - Société Territoriale | Full consolidation | X | | | | | Financial holding company |
| Agence France Locale | Full consolidation | X | | | | | Credit institution |
| Agence France Locale - Foncière | Full consolidation | X | | | | | AFL's Real Estate Entity |

*Table EU LIA - Explanation of differences between accounting and regulatory exposure amounts*

| *Legal basis* | *Row number* | |
|---|---|---|
| *Article 436, point b), of the CRR.* | *(a)* | *Differences between columns a) and b) in the EU LI1 model:*<br>*There are no differences between columns a) and b) in the EU LI1 model.* |
| *Article 436, point d), of the CRR* | *(b)* | *Qualitative information on the main sources of differences between the accounting scope of consolidation and the regulatory scope of consolidation presented in the EU LI2 model:*<br>*There are no differences between the accounting scope of consolidation and the regulatory scope of consolidation presented in the EU LI2 model.* |

*Table EU LIB - Other qualitative information on the scope*

| *Legal basis* | *Row number* | |
|---|---|---|
| *Article 436, point f), of the CRR* | *(a)* | *Obstacle to the rapid transfer of equity capital or the rapid redemption of commitments within the Group:*<br>*There are no significant legal or factual impediments to the rapid transfer of equity capital or the rapid redemption of liabilities by its parent company, present or anticipated.* |
| *Article 436, point g), of the CRR* | *(b)* | *Subsidiaries not included in the scope of consolidation whose effective equity capital is lower than the regulatory equity capital:*<br>*There are no subsidiaries not included in the scope of consolidation whose effective equity capital is lower than the regulatory equity capital.* |
| *Article 436, point h), of the CRR* | *(c)* | *Use of the exemption referred to in Article 7 of the CRR or the individual consolidation method provided for in Article 9 of the CRR:*<br>*Agence France Locale has been authorized by the ACPR to use the exemption referred to in Article 7 of the CRR.* |
| *Article 436, point g), of the CRR* | *(d)* | *Total amount of any negative difference between the regulatory equity capital and the effective equity capital of all subsidiaries not included in the consolidation:* |

| *Legal basis* | *Row number* | |
|---|---|---|
| | | *There are no subsidiaries not included in the consolidation.* |

*Mode EU PV1 - Value adjustments for prudent valuation purposes (PVA)*

*As AFL-ST determines the AVA according to the simplified approach in accordance with Article 4 §1 of Delegated Regulation 2016/101, the following table is empty.*

| | | a | b | c | d | e | EU e1 | EU e2 | f | g | h |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Risk category | | | | | Category level AVA - Valuation uncertainty | | Total category level post-diversification | | |
| | Category level AVA | Equity | Interest Rates | Foreign exchange | Credit | Commodities | Unearned credit spreads AVA | Investment and funding costs AVA | | Of which: Total core approach in the trading book | Of which: Total core approach in the banking book |
| 1 | Market price uncertainty | - | - | - | - | - | - | - | - | - | - |
| 2 | Not applicable | | | | | | | | | | |
| 3 | Close-out cost | - | - | - | - | - | - | - | - | - | - |
| 4 | Concentrated positions | - | - | - | - | - | - | - | - | - | - |
| 5 | Early termination | - | - | - | - | - | - | - | - | - | - |
| 6 | Model risk | - | - | - | - | - | - | - | - | - | - |
| 7 | Operational risk | - | - | - | - | - | - | - | - | - | - |
| 8 | Not applicable | | | | | | | | | | |
| 9 | Not applicable | | | | | | | | | | |
| 10 | Future administrative costs | - | - | - | - | - | - | - | - | - | - |
| 11 | Not applicable | | | | | | | | | | |
| 12 | **Total Additional Valuation Adjustments (AVAs)** | | | | | | | | - | - | - |

## D. Disclosure of equity capital information

*AFL-ST only holds Common Equity Tier 1 (CET1) equity capital. In December 2024, AFL issued super-subordinated debt securities intended to qualify as Additional Tier 1 (AT1) capital, with a nominal amount of 50 million euros, aimed at supporting the implementation of its business plan while strengthening its equity capital base. These instruments will become eligible as Additional Tier 1 capital once AFL, which currently benefits from an exemption under Article 7 of Regulation (EU) No. 575/2013, as amended notably by Regulation (EU) 2019/876 (hereinafter the 'CRR Regulation'), is supervised both at AFL Group level and at the credit institution level.*

*As of December 31, 2024, AFL-ST did not include the profit(loss) for the period in the calculation of its prudential capital.*

## *Template EU CC1 - Composition of regulatory equity capital*

| | | (a) | (b) |
|---|---|---|---|
| | | Amounts | Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
| | **Common Equity Tier 1 (CET1) capital: instruments and reserves** | | |
| 1 | Capital instruments and the related share premium accounts | 264 976 800 | a |
| | of which: Instrument type 1 | 264 976 800 | |
| | of which: Instrument type 2 | | |
| | of which: Instrument type 3 | | |
| 2 | Retained earnings | - 9 505 488 | b |
| 3 | Accumulated other comprehensive income (and other reserves) | - 3 314 205 | c |
| EU-3a | Funds for general banking risk | - | |
| 4 | Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1 | - | |
| 5 | Minority interests (amount allowed in consolidated CET1) | - | |
| EU-5a | Independently reviewed interim profits net of any foreseeable charge or dividend | - | |
| **6** | **Common Equity Tier 1 (CET1) capital before regulatory adjustments** | **252 157 107** | |
| | **Common Equity Tier 1 (CET1) capital: regulatory adjustments** | | |
| 7 | Additional value adjustments (negative amount) | - 763 359 | |
| 8 | Intangible assets (net of related tax liability) (negative amount) | - 1 513 156 | d |
| 9 | Not applicable | | |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount) | - 2 120 518 | e1 |
| 11 | Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value | - | |
| 12 | Negative amounts resulting from the calculation of expected loss amounts | - | |
| 13 | Any increase in equity that results from securitised assets (negative amount) | - | |
| 14 | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | - | |
| 15 | Defined-benefit pension fund assets (negative amount) | - | |
| 16 | Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount) | - | |
| 17 | Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - | |
| 18 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 19 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 20 | Not applicable | | |
| EU-20a | Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative | - | |
| EU-20b | of which: qualifying holdings outside the financial sector (negative amount) | - | |
| EU-20c | of which: securitisation positions (negative amount) | - | |
| EU-20d | of which: free deliveries (negative amount) | - | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount) | - | e2 |
| 22 | Amount exceeding the 17,65% threshold (negative amount) | - | |
| 23 | of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities | - | |
| 24 | Not applicable | | |
| 25 | of which: deferred tax assets arising from temporary differences | - | |
| EU-25a | Losses for the current financial year (negative amount) | - | |
| EU-25b | Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount) | - | |
| 26 | Not applicable | | |
| 27 | Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount) | - | |
| 27a | Other regulatory adjustments | - | |
| **28** | **Total regulatory adjustments to Common Equity Tier 1 (CET1)** | - 4 397 033 | d+e1+e2 |
| **29** | **Common Equity Tier 1 (CET1) capital** | **247 760 074** | a+b+c+d+e1+e2 |

| | | | |
|---|---|---|---|
| | **Additional Tier 1 (AT1) capital: instruments** | | |
| 30 | Capital instruments and the related share premium accounts | - | |
| 31 | of which: classified as equity under applicable accounting standards | 264 976 800 | a |
| 32 | of which: classified as liabilities under applicable accounting standards | - | |
| 33 | Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 | - | |
| EU-33a | Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1 | - | |
| EU-33b | Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1 | - | |
| 34 | Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties | - | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | - | |
| **36** | **Additional Tier 1 (AT1) capital before regulatory adjustments** | - | |
| | **Additional Tier 1 (AT1) capital: regulatory adjustments** | | |
| 37 | Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount) | - | |
| 38 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - | |
| 39 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 40 | Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | - | |
| 41 | Not applicable | | |
| 42 | Qualifying T2 deductions that exceed the T2 items of the institution (negative amount) | - | |
| 42a | Other regulatory adjustments to AT1 capital | - | |
| **43** | **Total regulatory adjustments to Additional Tier 1 (AT1) capital** | - | |
| **44** | **Additional Tier 1 (AT1) capital** | - | f |
| **45** | **Tier 1 capital (T1 = CET1 + AT1)** | **247 760 074** | a+b+c+d+e+f |
| | **Tier 2 (T2) capital: instruments** | | |
| 46 | Capital instruments and the related share premium accounts | - | |
| 47 | Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR | - | |
| EU-47a | Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2 | - | |
| EU-47b | Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2 | - | |
| 48 | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties | - | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 50 | Credit risk adjustments | - | |
| **51** | **Tier 2 (T2) capital before regulatory adjustments** | - | |
| | **Tier 2 (T2) capital: regulatory adjustments** | | |
| 52 | Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount) | - | |
| 53 | Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | - | |
| 54 | Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | - | |
| 54a | Not applicable | | |
| 55 | Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | - | |
| 56 | Not applicable | | |
| EU-56a | Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount) | - | |
| EU-56b | Other regulatory adjustments to T2 capital | - | |
| **57** | **Total regulatory adjustments to Tier 2 (T2) capital** | - | |
| **58** | **Tier 2 (T2) capital** | - | g |
| **59** | **Total capital (TC = T1 + T2)** | **247 760 074** | a+b+c+d+e+f+g |
| **60** | **Total Risk exposure amount** | **394 847 518** | |

| | | | |
|---|---|---|---|
| | **Capital ratios and requirements including buffers** | | |
| 61 | Common Equity Tier 1 capital | 62,75% | |
| 62 | Tier 1 capital | 62,75% | |
| 63 | Total capital | 62,75% | |
| 64 | Institution CET1 overall capital requirements | 8,46% | |
| 65 | of which: capital conservation buffer requirement | 2,50% | |
| 66 | of which: countercyclical capital buffer requirement | 0,76% | |
| 67 | of which: systemic risk buffer requirement | 0,00% | |
| EU-67a | of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement | 0,00% | |
| EU-67b | of which: additional own funds requirements to address the risks other than the risk of excessive leverage | 0,70% | |
| **68** | **Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements** | 54,29% | |
| | **National minima (if different from Basel III)** | | |
| 69 | Not applicable | | |
| 70 | Not applicable | | |
| 71 | Not applicable | | |
| | **Amounts below the thresholds for deduction (before risk weighting)** | | |
| 72 | Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) | - | |
| 73 | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17,65% thresholds and net of eligible short positions) | - | |
| 74 | Not applicable | | |
| 75 | Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) | - | |
| | **Applicable caps on the inclusion of provisions in Tier 2** | | |
| 76 | Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap) | - | |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach | 3 877 054 | |
| 78 | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | - | |
| 79 | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | - | |
| | ***Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)*** | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | - | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | - | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | - | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | - | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | - | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | |

*Template EU CC2 - Reconciliation between regulatory equity capital and statement of financial position in audited financial statements*

| | | a | b | c |
|---|---|---|---|---|
| | | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
| | | As at period end | As at period end | |
| | **Assets** - *Breakdown by asset clases according to the balance sheet in the published financial statements* | | | |
| 1 | Cash, central banks | | 485 842 487 | |
| 2 | Financial assets at fair value through profit or loss | | 6 056 299 | |
| 3 | Hedging derivative instruments | | 676 071 759 | |
| 4 | Financial assets at fair value through other comprehensive income | | 763 358 797 | |
| 5 | Securities at amortized cost | | 472 126 518 | |
| 6 | Loans and receivables due from credit institutions and similar items at amortized cost | | 251 885 086 | |
| 7 | Loans and receivables due from customers at amortized cost | | 8 247 329 658 | |
| 8 | Revaluation adjustment on interest rate risk-hedged portfolios | | - | |
| 9 | Current tax assets | | - | |
| 10 | Deferred tax assets | | 4 365 614 | e1+e2 |
| 11 | Accruals and other assets | | 4 270 452 | |
| 12 | Intangible assets | | 1 513 156 | d |
| 13 | Property, plant and equipment | | 12 380 406 | |
| 14 | Goodwill | | - | |
| **15** | **Total assets** | | **10 925 200 231** | |
| | **Liabilities** - *Breakdown by liability clases according to the balance sheet in the published financial statements* | | | |
| 1 | Central banks | | - | |
| 2 | Financial liabilities at fair value through profit or loss | | 6 053 792 | |
| 3 | Hedging derivative instruments | | 575 840 846 | |
| 4 | Debt securities | | 9 817 977 155 | |
| 5 | Due to credit institutions | | 211 736 540 | |
| 6 | Deferred tax liabilities | | 1 620 160 | |
| 7 | Accruals and other liabilities | | 4 804 307 | |
| 8 | Provisions | | 162 103 | |
| **9** | **Total liabilities** | | **10 618 194 902** | |
| | Shareholders' Equity | | | |
| 1 | Share capital and reserves | | 264 976 700 | a |
| 2 | Consolidated reserves | | 39 922 243 | b |
| 3 | Reevaluation reserve | | - | |
| 4 | Gains and losses recognised directly in equity | - | 3 300 683 | c |
| 5 | Profit (loss) for the period | | 5 406 969 | |
| **6** | **Total shareholders' equity** | | **307 005 330** | |

*Since its creation, Agence France Locale – Société Territoriale has issued only ordinary shares. However, in December 2024, it issued super-subordinated debt securities (Additional Tier 1) for the first time, with a nominal amount of 50 million euros, aimed at strengthening its capital. These instruments will qualify as Tier 1 capital once AFL is supervised both at the group and credit institution levels. As such, it is not affected by the publication of the information in table EU CCA - Main characteristics of regulatory equity capital instruments and eligible liabilities.*

## E. Disclosure of countercyclical equity capital buffer information

*As of December 31, 2024, AFL holds relevant (according to CCyB) exposures towards counterparties located in three countries. Out of these three countries only France is applying a countercyclical capital buffer, of 1.00%.*

### *Model EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer*

| | | a | b | c | d | e | f | g | h | i | j | k | l | m |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | General credit exposures | | Relevant credit exposures – Market risk | | Securitisation exposures | Total exposure value | Own fund requirements | | | | Risk-weighted exposure amounts | Own fund requirements weights (%) | Countercyclical buffer rate (%) |
| | | Exposure value under the standardised approach | Exposure value under the IRB approach | Sum of long and short positions of trading book exposures for SA | Value of trading book exposures for internal models | Exposure value for non-trading book | | Relevant credit risk exposures - Credit risk | Relevant credit exposures – Market risk | Relevant credit exposures – Securitisation positions in the non-trading book | Total | | | |
| 010 | **Breakdown by country:** | | | | | | | | | | | | | |
| 1 | Canada | 58 759 292 | | | | | | 470 074 | | | 470 074 | | 17,85% | 0,00% |
| 2 | France | 73 598 212 | | | | | | 2 007 700 | | | 2 007 700 | | 76,23% | 1,00% |
| 3 | New Zealand | 19 475 077 | | | | | | 155 801 | | | 155 801 | | 5,92% | 0,00% |
| | | | | | | | | | | | | | | |
| 020 | Total | 151 832 581 | - | - | - | - | 151 832 581 | 2 633 575 | - | - | 2 633 575 | 32 919 682 | 100,00% | |

### *Model EU CCyB2 - Amount of countercyclical equity capital buffer specific to the institution*

| | | a |
|---|---|---|
| 1 | Total risk exposure amount | 394 847 518 |
| 2 | Institution specific countercyclical capital buffer rate | 0,0076 |
| 3 | Institution specific countercyclical capital buffer requirement | 3 000 841 |

## F. Disclosure of leverage ratio information

*At its meeting of March 11, 2021, the ACPR's College of supervisors recognized AFL's status as a public development lending institution.*

*This status allows institutions to deduct incentive loans from the denominator of their leverage ratio. In the case of AFL, these are medium-long-term loans that it grants to local authorities.*

***Model EU LR1 - LRSum: Summary of reconciliation between accounting assets and leverage ratio exposures***

| | Data as of 31/12/2024 | a<br>Applicable amount |
|---|---|---|
| 1 | Total assets as per published financial statements | 10 937 348 129 |
| 2 | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation | - 12 147 896 |
| 3 | (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference) | - |
| 4 | (Adjustment for temporary exemption of exposures to central banks **(if applicable))** | - |
| 5 | (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR) | - |
| 6 | Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting | - |
| 7 | Adjustment for eligible cash pooling transactions | - |
| 8 | Adjustment **for derivative financial instruments** | 12 937 476 |
| 9 | Adjustment for securities financing transactions (SFTs) | - |
| 10 | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 410 721 922 |
| 11 | (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital) | - |
| EU-11a | (Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR) | - |
| EU-11b | (Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR) | - |
| 12 | Other adjustments | - 9 145 771 307 |
| 13 | **Total exposure measure** | **2 203 088 324** |

*Model EU LR2 - LRCom: Leverage ratio - joint declaration*

| Data as of 31/12/2024 (T) and 31/12/2023 (T-1) | | CRR leverage ratio exposures | |
|---|---|---|---|
| | | a | b |
| | | T | T-1 |
| **On-balance sheet exposures (excluding derivatives and SFTs)** | | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs, but including collateral) | 10 126 610 360 | 8 476 341 254 |
| 2 | Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework | - | - |
| 3 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | - | - |
| 4 | (Adjustment for securities received under securities financing transactions that are recognised as an asset) | - | - |
| 5 | (General credit risk adjustments to on-balance sheet items) | - | - |
| 6 | (Asset amounts deducted in determining Tier 1 capital) | - 1 513 156 | - 1 980 423 |
| 7 | **Total on-balance sheet exposures (excluding derivatives and SFTs)** | **10 125 097 204** | **8 474 360 831** |
| **Derivative exposures** | | | |
| 8 | Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin) | 94 572 362 | 40 164 474 |
| EU-8a | Derogation for derivatives: replacement costs contribution under the simplified standardised approach | - | - |
| 9 | Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions | 75 603 071 | 170 505 956 |
| EU-9a | Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach | - | - |
| EU-9b | Exposure determined under Original Exposure Method | - | - |
| 10 | (Exempted CCP leg of client-cleared trade exposures) (SA-CCR) | - | - |
| EU-10a | (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach) | - | - |
| EU-10b | (Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method) | - | - |
| 11 | Adjusted effective notional amount of written credit derivatives | - | - |
| 12 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | - | - |
| 13 | **Total derivatives exposures** | **170 175 433** | **210 670 430** |
| **Securities financing transaction (SFT) exposures** | | | |
| 14 | Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions | - | - |
| 15 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | - | - |
| 16 | Counterparty credit risk exposure for SFT assets | - | - |
| EU-16a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR | - | - |
| 17 | Agent transaction exposures | - | - |
| EU-17a | (Exempted CCP leg of client-cleared SFT exposure) | - | - |
| 18 | **Total securities financing transaction exposures** | **-** | **-** |
| **Other off-balance sheet exposures** | | | |
| 19 | Off-balance sheet exposures at gross notional amount | 541 499 891 | 832 413 167 |
| 20 | (Adjustments for conversion to credit equivalent amounts) | - 130 777 969 | - 256 465 435 |
| 21 | (General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures) | - | - |
| 22 | **Off-balance sheet exposures** | **410 721 922** | **575 947 732** |

| | | | |
|---|---|---|---|
| **Excluded exposures** | | | |
| EU-22a | (Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR) | - | - |
| EU-22b | (Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet)) | - | - |
| EU-22c | (Excluded exposures of public development banks (or units) - Public sector investments) | - | - |
| EU-22d | (Excluded exposures of public development banks (or units) - Promotional loans) | - 8 502 906 235 | - 6 924 833 733 |
| EU-22e | (Excluded passing-through promotional loan exposures by non-public development banks (or units)) | - | - |
| EU-22f | (Excluded guaranteed parts of exposures arising from export credits) | - | - |
| EU-22g | (Excluded excess collateral deposited at triparty agents) | - | - |
| EU-22h | (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR) | - | - |
| EU-22i | (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR) | - | - |
| EU-22j | (Reduction of the exposure value of pre-financing or intermediate loans) | - | - |
| EU-22k | **(Total exempted exposures)** | **- 8 502 906 235** | **- 6 924 833 733** |
| **Capital and total exposure measure** | | | |
| 23 | Tier 1 capital | 247 760 074 | 207 027 615 |
| 24 | **Total exposure measure** | **2 203 088 324** | **2 336 145 260** |
| **Leverage ratio** | | | |
| 25 | Leverage ratio (%) | 11,25% | 8,86% |
| EU-25 | Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%) | 2,31% | 2,24% |
| 25a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%) | 11,25% | 8,86% |
| 26 | Regulatory minimum leverage ratio requirement (%) | 3,00% | 3,00% |
| EU-26a | Additional own funds requirements to address the risk of excessive leverage (%) | - | - |
| EU-26b | of which: to be made up of CET1 capital | - | - |
| 27 | Leverage ratio buffer requirement (%) | - | - |
| EU-27a | Overall leverage ratio requirement (%) | 3,00% | 3,00% |
| **Choice on transitional arrangements and relevant exposures** | | | |
| EU-27b | Choice on transitional arrangements for the definition of the capital measure | NA | NA |
| **Disclosure of mean values** | | | |
| 28 | Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable | - | - |
| 29 | Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables | - | - |
| 30 | Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 2 203 088 324 | 2 336 145 260 |
| 30a | Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 2 203 088 324 | 2 336 145 260 |
| 31 | Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 11,25% | 8,86% |
| 31a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 11,25% | 8,86% |

*Model EU LR3 - LRSpl: Breakdown of statement of financial position exposures (excluding derivatives, SFTs and exempt exposures)*

| | Data as of 31/12/2024 (T) | a |
|---|---|---|
| | | CRR leverage ratio exposures |
| EU-1 | **Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:** | **2 001 731 555** |
| EU-2 | Trading book exposures | - |
| EU-3 | Banking book exposures, of which: | 2 001 731 555 |
| EU-4 | Covered bonds | 104 786 122 |
| EU-5 | Exposures treated as sovereigns | 975 519 720 |
| EU-6 | Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns | 517 319 488 |
| EU-7 | Institutions | 355 546 610 |
| EU-8 | Secured by mortgages of immovable properties | - |
| EU-9 | Retail exposures | - |
| EU-10 | Corporates | 30 756 737 |
| EU-11 | Exposures in default | - |
| EU-12 | Other exposures (eg equity, securitisations, and other non-credit obligation assets) | 17 802 879 |

*Table EU LRA: Publication of qualitative information on the leverage ratio*

| *Row number* | *Topic addressed* | *A* |
|---|---|---|
| *(a)* | *Description of the procedures used to manage the risk of excessive leverage* | *Description of the procedures used to manage the risk of excessive leverage:*<br>*To manage its leverage and avoid excessive leverage, the Financial Department of AFL uses a simulation tool that allows it to estimate the leverage ratio over the long term with a monthly analysis step.*<br>*This tool is based on a central scenario representing the AFL business plan and makes it possible to calculate the leverage according to several alternative scenarios. Endogenous items are updated monthly according to AFL's activity (loan production, size of the liquidity reserve, changes in the cost structure, publication of financial statements, etc.) to better reflect the institution's situation.* |
| *(b)* | *Description of the factors that had an impact on the leverage ratio during the period to which the leverage ratio reported by the institution relates* | *Description of the factors that had an impact on the leverage ratio during the period to which the leverage ratio reported by the institution relates:*<br>*AFL is a specialized lending institution that only finances the investment budgets of French local authorities. Having obtained the status of a public development lending institution in 2021, the main factor that has an impact on the leverage ratio is the size of the liquidity reserve.*<br>*The size of the liquidity reserve increases when AFL issues bonds and decreases with loan production.* |

## G. Disclosure of global systemically important indicators

*Agence France Locale - Société Territoriale is not recognized as a global systemically important institution (G-SII).*

*As such, it is not concerned by the publication of this information.*

## H. Disclosure of liquidity requirements

***Model EU LIQ1 - Quantitative information on the liquidity coverage ratio (LCR)***

| | | a | b | c | d | e | f | g | h |
|---|---|---|---|---|---|---|---|---|---|
| | | Total unweighted value (average) | | | | Total weighted value (average) | | | |
| EU 1a | Quarter ending on (DD Month YYY) | T | T-1 | T-2 | T-3 | T | T-1 | T-2 | T-3 |
| EU 1b | Number of data points used in the calculation of averages | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| HIGH-QUALITY LIQUID ASSETS | | | | | | | | | |
| 1 | **Total high-quality liquid assets (HQLA)** | | | | | **1 666 774 769** | **1 698 261 569** | **2 052 943 536** | **2 515 951 636** |
| CASH - OUTFLOWS | | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | - | - | - | - | - | - | - | - |
| 3 | Stable deposits | - | - | - | - | - | - | - | - |
| 4 | Less stable deposits | - | - | - | - | - | - | - | - |
| 5 | Unsecured wholesale funding | 176 545 282 | 240 770 904 | 549 480 182 | 232 008 516 | 176 545 282 | 240 770 904 | 549 480 182 | 232 008 516 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | - | - | - | - | - | - | - | - |
| 7 | Non-operational deposits (all counterparties) | - | - | - | - | - | - | - | - |
| 8 | Unsecured debt | 176 545 282 | 240 770 904 | 549 480 182 | 232 008 516 | 176 545 282 | 240 770 904 | 549 480 182 | 232 008 516 |
| 9 | Secured wholesale funding | | | | | - | - | - | - |
| 10 | Additional requirements | 676 382 797 | 713 761 169 | 739 451 737 | 770 844 143 | 173 174 248 | 101 808 579 | 111 076 147 | 109 916 993 |
| 11 | Outflows related to derivative exposures and other collateral requirements | 117 262 187 | 33 813 847 | 41 256 637 | 36 480 643 | 117 262 187 | 33 813 847 | 41 256 637 | 36 480 643 |
| 12 | Outflows related to loss of funding on debt products | - | - | - | - | - | - | - | - |
| 13 | Credit and liquidity facilities | 559 120 610 | 679 947 322 | 698 195 100 | 734 363 500 | 55 912 061 | 67 994 732 | 69 819 510 | 73 436 350 |
| 14 | Other contractual funding obligations | 8 612 811 | 17 486 567 | 2 787 602 | 25 251 427 | 7 602 811 | 16 476 567 | 1 777 602 | 24 241 427 |
| 15 | Other contingent funding obligations | 206 570 086 | 66 768 088 | 103 017 532 | 35 585 266 | 206 570 086 | 66 768 088 | 103 017 532 | 35 585 266 |
| 16 | TOTAL CASH OUTFLOWS | | | | | **563 892 428** | **425 824 138** | **765 351 463** | **401 752 203** |
| CASH - INFLOWS | | | | | | | | | |
| 17 | Secured lending (e.g. reverse repos) | - | - | - | - | - | - | - | - |
| 18 | Inflows from fully performing exposures | 197 339 846 | 171 131 572 | 164 331 017 | 124 401 089 | 75 955 022 | 61 868 868 | 62 236 525 | 44 130 898 |
| 19 | Other cash inflows | 248 762 842 | 92 394 954 | 245 817 042 | 83 541 359 | 248 762 842 | 92 394 954 | 245 817 042 | 83 541 359 |
| EU-19a | (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | | | | | - | - | - | - |
| EU-19b | (Excess inflows from a related specialised credit institution) | | | | | - | - | - | - |
| 20 | TOTAL CASH INFLOWS | **189 486 513** | **108 120 078** | **335 024 568** | **139 881 400** | **154 593 173** | **78 173 475** | **307 923 897** | **116 532 264** |
| EU-20a | Fully exempt inflows | - | - | - | - | - | - | - | - |
| EU-20b | Inflows subject to 90% cap | - | - | - | - | - | - | - | - |
| EU-20c | Inflows subject to 75% cap | 446 102 688 | 263 526 526 | 410 148 059 | 207 942 448 | 324 717 864 | 154 263 822 | 308 053 566 | 127 672 257 |
| TOTAL ADJUSTED VALUE | | | | | | | | | |
| EU-21 | LIQUIDITY BUFFER | | | | | 1 666 774 769 | 1 698 261 569 | 2 052 943 536 | 2 515 951 636 |
| 22 | TOTAL NET CASH OUTFLOWS | | | | | 332 555 810 | 271 560 316 | 457 297 896 | 274 079 946 |
| 23 | LIQUIDITY COVERAGE RATIO | | | | | 713,19% | 760,53% | 533,20% | 1073,62% |

*Table EU LIQB on qualitative information on the LCR ratio, supplementing the EU LIQ1 model*

| Row number | Topics | |
|---|---|---|
| (a) | *Explanations concerning the main factors behind the results of the liquidity coverage ratio (LCR) calculation and the evolution over time of the contribution of the input data to the LCR calculation.* | *Explanations concerning the main factors behind the results of the liquidity coverage ratio (LCR) calculation and the evolution over time of the contribution of the input data to the LCR calculation:*<br>*In line with the risk appetite framework validated by the AFL-ST Board of Directors and the AFL Supervisory Board, the AFL Group must hold a liquidity reserve to cover 100% of its 1-year liquidity needs, with a range of 80%-125%.*<br>*Coupled with a prudent investment policy, favoring the sovereign and sub-sovereign sector classified as HQLA1 and 2A, AFL's LCR is still well above regulatory limits.* |
| (b) | *Explanations concerning changes in the LCR ratio over time.* | *Explanations concerning changes in the LCR ratio over time:*<br>*The variability of the ratio is mainly due to two factors: bond debt repayments and loan disbursements. As loans to local authorities are seasonal in nature, they are concentrated in the last quarter of the year.* |
| € | *Explanations concerning the actual concentration of funding sources.* | *Explanations concerning the actual concentration of funding sources:*<br>*AFL's sole source of stable funding is the bond market. AFL issues on different maturities, in different forms (benchmark, private placements) and in different currencies in order to broaden its investor base as much as possible, by category and geographical area.* |
| (d) | *High-level description of the composition of the institution's liquidity buffer.* | *High-level description of the composition of the institution's liquidity buffer:*<br>*AFL's liquidity reserve comprises more than 70% of High-Quality Liquid Assets (HQLA), mainly consisting of securities issued by sovereign entities, agencies, or supranational institutions. These exposures have a minimum rating of A-according to Standard & Poor's rating scale. This reserve is calibrated to cover 12 months of activity.*<br>*Within this cushion, a minimum amount of liquidity in the current account with the Banque de France is defined in order to secure in advance the redemption of future medium- to long-term issues.* |
| € | *Derivative exposures and potential collateral calls.* | *Derivative exposures and potential collateral calls:*<br>*AFL hedges almost all of its statement of financial position (assets and liabilities) against interest rate risk. The notional amount of hedging derivatives is equivalent to twice the size of the statement of financial position. The residual position is broadly balanced. Potential security calls are made daily and on the first euro.* |

| Row number | Topics | |
|---|---|---|
| (f) | Currency mismatch in the LCR ratio. | Currency mismatch in the LCR ratio:<br><br>AFL manages a statement of financial position in euros. Issues and reserve securities that are not denominated in euros are systematically asset-swapped, so that no residual foreign exchange position remains (excluding ineffective hedges). |
| (g) | Other items of the LCR ratio calculation not taken into account in the LCR disclosure model but that the institution considers relevant for its liquidity profile. | Other items of the LCR ratio calculation not taken into account in the LCR disclosure model but that the institution considers relevant for its liquidity profile:<br><br>No additional information is relevant |

### Model EU LIQ2: net stable funding ratio

| | Data as of 31/12/2024 | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | Unweighted value by residual maturity | | | | Weighted value |
| | (in currency amount) | No maturity | < 6 months | 6 months to < 1yr | ≥ 1yr | |
| **Available stable funding (ASF) Items** | | | | | | |
| 1 | Capital items and instruments | 250 787 689 | - | - | - | 250 787 689 |
| 2 | *Own funds* | 250 787 689 | - | - | - | 250 787 689 |
| 3 | *Other capital instruments* | | - | - | - | - |
| 4 | Retail deposits | | - | - | - | - |
| 5 | *Stable deposits* | | - | - | - | - |
| 6 | *Less stable deposits* | | - | - | - | - |
| 7 | Wholesale funding: | | 500 103 832 | - | 8 363 251 223 | 8 363 251 223 |
| 8 | *Operational deposits* | | - | - | - | - |
| 9 | *Other wholesale funding* | | 500 103 832 | - | 8 363 251 223 | 8 363 251 223 |
| 10 | Interdependent liabilities | | - | - | - | - |
| 11 | Other liabilities: | **80 845** | 6 225 336 | - | - | - |
| 12 | *NSFR derivative liabilities* | 80 845 | | | | |
| 13 | *All other liabilities and capital instruments not included in the above categories* | | 6 225 336 | - | - | - |
| 14 | **Total available stable funding (ASF)** | | | | | **8 611 011 297** |
| **Required stable funding (RSF) Items** | | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | | | | | - |
| EU-15a | Assets encumbered for a residual maturity of one year or more in a cover pool | | - | - | - | - |
| 16 | Deposits held at other financial institutions for operational purposes | | 170 044 329 | - | - | 85 022 165 |
| 17 | Performing loans and securities: | | 392 810 576 | 51 147 715 | 5 486 565 037 | 3 800 778 881 |
| 18 | *Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut* | | - | - | - | - |
| 19 | *Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions* | | - | - | - | - |
| 20 | *Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:* | | 352 810 576 | 51 147 715 | 5 423 902 726 | 3 727 515 917 |
| 21 | *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | 352 810 576 | 51 147 715 | 5 423 902 726 | 3 727 515 917 |
| 22 | *Performing residential mortgages, of which:* | | - | - | - | - |
| 23 | *With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk* | | - | - | - | - |
| 24 | *Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products* | | 40 000 000 | - | 62 662 311 | 73 262 964 |
| 25 | Interdependent assets | | - | - | - | - |
| 26 | Other assets: | | | | | |
| 27 | *Physical traded commodities* | | | | | |
| 28 | *Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs* | | - | - | - | - |
| 29 | *NSFR derivative assets* | | - | | | - |
| 30 | *NSFR derivative liabilities before deduction of variation margin posted* | | 55 500 336 | | | 2 775 017 |
| 31 | *All other assets not included in the above categories* | | 1 814 517 | - | 22 168 392 | 22 168 392 |
| 32 | Off-balance sheet items | | 172 867 420 | 14 182 031 | 45 411 985 | 11 623 072 |
| 33 | **Total RSF** | | | | | **3 922 367 527** |
| 34 | **Net Stable Funding Ratio (%)** | | | | | 219,54% |

*Table EU LIQA - Liquidity risk management*

| Row number | Topics | |
|---|---|---|
| (a) | *Liquidity risk management strategies and processes, including policies to diversify the sources and duration of planned financing.* | *AFL has a particularly conservative liquidity policy. AFL's financial strategy in terms of liquidity is based on three areas, the purpose of which is to limit the three components of liquidity risk: illiquidity risk, financing risk and liquidity transformation risk:*<br><br>*A. The establishment of a significant liquidity reserve.*<br>• *AFL has a liquidity reserve at its disposal at all times, the size of which represents one year of activity. The tool used to measure this objective is the NCRR (or "Net Cash Requirement Ratio"), which makes it possible to verify that the reserve of liquid assets makes it possible to meet 100% of its foreseeable needs over a rolling 12-month horizon with a range of 80% to 125%.*<br>• *In order to secure the repayment of future medium- and long-term issues three months in advance, AFL undertakes to hold an amount of cash in its Banque de France account corresponding to the debt repayments for the period net of certain cash inflows.*<br>• *At the same time, the regulatory LCR ratio must be respected ("Liquidity Coverage Ratio"); this makes it possible to verify that the AFL reserve enables it to meet its liquidity requirements at 30 days under stress assumptions. The regulatory requirement is 100%.*<br><br>*B. A diversified financing strategy.*<br>• *Agence France Locale pursues an issuance strategy that aims to diversify its sources of financing by type of investor, maturity, geographical area and currency in order to avoid any excessive concentration of refinancing falls and to limit its financing risk. These issues mainly comprise listed bonds, in the form of benchmarks or private placements, under a program known as EMTN (Euro Medium Term Note), but also, and to a lesser extent, money market negotiable debt securities, under a program known as ECP (Euro Commercial Paper). AFL may also issue debt repayable before maturity for a limited portion of its liabilities.*<br><br>*C. Limiting the transformation of the statement of financial position;*<br>• *The statement of financial position includes amortizable loans on its assets side and debts on its liabilities side, in both cases hedged against interest and exchange rates. Unlike the loans on the assets side, the debts on the liabilities side are not amortizable, so AFL is subject to a transformation risk or price risk in liquidity. AFL severely limits its transformation into liquidity, measured by three main indicators:*<br>o *Difference in average life to maturity or "ALT difference" corresponds to the average maturity difference between assets and liabilities and* |

| Row number | Topics | |
|---|---|---|
| | | measures the transformation practiced by AFL; the activity will be managed in order to limit this difference to one year with potentially an additional buffer for limited periods raising the limit to 2 years (making it possible to absorb the possible drift of this indicator during the production of end-of-loan loans). The difference will return to 12 months by June 30 of the following year.<br>o The "Net Stable Funding Ratio" or "NSFR" compares AFL's stable funding (at more than 12 months) to long-term funding requirements. The minimum regulatory requirement is 100%.<br>o In addition to compliance with the average life to maturity gap, monitoring the liquidity transformation risk requires AFL to assess its liquidity by analyzing its maturity gaps ( liquidity differences) arising from potential maturities of liabilities and assets, and likely to occur over different time horizons (time buckets). The liquidity difference is regulated via the definition of alert thresholds by buckets.<br><br>With regard to access to liquidity, it should be noted that AFL has a line of credit with the Banque de France, available at any time, through the mobilization of receivables from local authorities that AFL carries on its balance sheet, via the TRiCP (Traitement Informatique des Créances Privées - Data Processing of Private Claims) system.<br><br>This policy, while conservative, cannot fully protect AFL from liquidity risks. It remains sensitive, for example, to refinancing risk, i.e. the risk of not being able to raise resources at competitive levels for long maturities, or to the liquidity risk associated with the margin calls inherent in the hedging derivatives required for its hedging policy. |
| (b) | Structure and organization of the liquidity risk management function (authority, Articles of Association, other provisions). | The AFL Group's liquidity risk management system is detailed in section V.4 of the annual report. |
| (c) | Description of the degree of centralization of liquidity management and interaction between the group's units. | Due to the structure of the AFL Group, operational activities are carried out by AFL, a specialized lending institution. The AFL Group's liquidity is managed by AFL. |
| (d) | Scope and nature of liquidity risk reporting and assessment systems. | Regulatory ratios are produced by the Data, Processes & Reportings Department from a tool dedicated to their production as well as to the production of Corep. A tool is used to identify and measure other liquidity risk indicators via AFL's market IT system; it is maintained by ALM.<br><br>Three main metrics are used to monitor liquidity risks:<br><br>A. Difference in average life to maturity or ALT difference: the difference in average maturity between assets and |

| Row number | Topics | |
|---|---|---|
| | | *liabilities and measures the transformation into liquidity practiced by AFL. This indicator is monitored monthly in ALCo.*<br>*B. NCRR or "Net Cash Requirement Ratio": the NCRR is a 12-month liquidity ratio specific to AFL. It is monitored monthly.*<br>*C. Liquidity gap: the liquidity gap measures the flow of assets and liabilities (in static view) during a given period in order to measure the refinancing risk carried on the statement of financial position. The liquidity gap is monitored monthly by the ALM Committee, and is governed by the implementation of alert thresholds. It is presented monthly in ALCo.*<br>*D. The LCR (Liquidity Coverage Ratio), a liquidity ratio that must enable banks to withstand acute liquidity crises (both systemic and bank-specific) with a 30-day horizon, is calculated monthly.* |
| *(e)* | *Liquidity risk hedging and mitigation policies, and the strategies and processes put in place to monitor the continued effectiveness of these hedges and mitigation techniques.* | *These items are described in lines (a) and (d) of this table.* |
| *(f)* | *An overview of the bank's potential financing plans.* | *AFL's financing plan is updated annually when the budget for the following year is drawn up. AFL's financing plan is based exclusively on the financial markets and depends on anticipated activity.* |
| *(g)* | *An explanation of how stress tests are used.* | *Stress tests are carried out quarterly and their results are presented in ALCo.*<br>*The results influence the completion of the year's financing program.* |
| *(h)* | *A statement on the adequacy of the institution's liquidity risk management systems, approved by the management body, which ensures that the liquidity risk management systems in place are appropriate in relation to the profile and the institution's strategy.* | *See row (a) of the EU OVA table - "Institutional approach to risk management"* |
| *(i)* | *A brief statement on liquidity risk, approved by the management body, briefly describing the institution's overall liquidity risk profile associated with the business strategy. This* | *See row (c) of the EU OVA table - "Institutional approach to risk management"* |

| Row number | Topics | |
|---|---|---|
| | *statement contains key figures and ratios (other than those already covered in the EU LIQ1 model within the framework of this technical standard) that give external stakeholders a comprehensive overview of the liquidity risk management by the EU. institution, including how its liquidity risk profile interacts with the risk tolerance level set by the management body.* | |

## I. Disclosure of exposure to credit risk, dilution risk and credit quality

***Table EU CRA: general qualitative information on credit risk***

| Row number | |
|---|---|
| (a) | *Indicate how the business model gives rise to the components of the institution's credit risk profile:*<br>*The business model aims to finance investment budgets of French local authorities, their groupings, and local public enterprises (EPL). Credit risk arises partly from this financing activity, and partly from exposures related to AFL's liquidity reserve and balance sheet hedging operations.* |
| (b) | *Indicate the criteria and approach used to define the credit risk management policy and set credit risk limits:*<br>*The credit risk management policy and credit risk limits reflect the institution's risk appetite.* |
| (c) | *Indicate the structure and organization of the credit risk management and control function:*<br>*Information on the risk governance structure for each type of risk is provided in section V.4 of the annual report* |
| (d) | *Specify the links between the credit risk management, risk control, compliance and internal audit functions:*<br>*Information on the risk governance structure for each type of risk is provided in section V.4 of the annual report* |

*Table EU CRB: additional disclosures on the credit quality of assets*

| Row number | |
|---|---|
| (a) | *Scope and definitions:*<br>*AFL has aligned the accounting and prudential definitions of past due, impaired and defaulted exposures with the definition in Article 178 of the CRR.*<br>*Past due exposures are identified based on significant, non-technical past-due payments of more than 90 days. The definitions of "impaired" and "defaulted" exposures are identical and include, in addition to "past due" exposures, exposures for which AFL has doubts about the borrower's solvency.* |
| (b) | *Significance of exposures past due (more than 90 days) not considered as impaired and the reasons for this:*<br>*AFL has no post due exposures (significant past due for more than 90 days) not considered to be impaired. Downgrading to default is decided by the Credit Committee at last at the end of the 90-day period. The only reason which could delay the downgrading to default would be the "technical" nature of an outstanding payment, unrelated to the borrower's solvency.* |
| (c) | *Description of the methods used to determine the adjustments for general and specific credit risk:*<br>*AFL does not calculate an adjustment for general credit risk. For exposures representing a downgraded risk (stage 2 & 3 of IFRS 9), AFL calculates the adjustments for specific risk in accordance with IFRS 9.* |
| (d) | *Definition of restructured exposures:*<br>*AFL applies the definition of restructured exposures as specified by the EBA Guidelines on default in accordance with Article 178 of the CRR, set out in Appendix V of Implementing Regulation (EU) No. 680/2014 of the Commission.* |

## *Model EU CR1: performing and non-performing exposures and corresponding provisions.*

| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Gross carrying amount/nominal amount | | | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | | | Accumulated partial write-off | Collateral and financial guarantees received | |
| | | Performing exposures | | | Non-performing exposures | | | Performing exposures – accumulated impairment and provisions | | | Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions | | | | On performing exposures | On non-performing exposures |
| | | | Of which stage 1 | Of which stage 2 | | Of which stage 2 | Of which stage 3 | | Of which stage 1 | Of which stage 2 | | Of which stage 2 | Of which stage 3 | | | |
| 005 | Cash balances at central banks and other demand deposits | 621 673 016 | 621 673 016 | - | - | - | - | - 55 550 | - 55 550 | - | - | - | - | - | - | - |
| 010 | Loans and advances | 8 308 215 561 | 8 193 007 499 | 115 208 062 | - | - | - | - 445 528 | - 346 483 | - 99 044 | - | - | - | - | 1 691 465 | - |
| 020 | *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 030 | *General governments* | 8 247 775 186 | 8 132 567 124 | 115 208 062 | - | - | - | - 445 528 | - 346 483 | - 99 044 | - | - | - | - | 1 691 465 | - |
| 040 | *Credit institutions* | 60 440 375 | 60 440 375 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 050 | *Other financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 060 | *Non-financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 070 | *Of which SMEs* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 080 | *Households* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 090 | Debt securities | 1 235 986 878 | 1 235 986 878 | - | - | - | - | - 501 562 | - 501 562 | - | - | - | - | - | - | - |
| 100 | *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 110 | *General governments* | 738 044 588 | 738 044 588 | - | - | - | - | - 237 516 | - 237 516 | - | - | - | - | - | - | - |
| 120 | *Credit institutions* | 467 152 586 | 467 152 586 | - | - | - | - | - 231 080 | - 231 080 | - | - | - | - | - | - | - |
| 130 | *Other financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 140 | *Non-financial corporations* | 30 789 704 | 30 789 704 | - | - | - | - | - 32 966 | - 32 966 | - | - | - | - | - | - | - |
| 150 | Off-balance-sheet exposures | ***613 458 580*** | ***613 458 580*** | - | - | - | - | ***9 663*** | ***9 663*** | - | - | - | - | | - | - |
| 160 | *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| 170 | *General governments* | 544 884 414 | 544 884 414 | - | - | - | - | 9 663 | 9 663 | - | - | - | - | | - | - |
| 180 | *Credit institutions* | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| 190 | *Other financial corporations* | 68 574 166 | 68 574 166 | - | - | - | - | - | - | - | - | - | - | | - | - |
| 200 | *Non-financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| 210 | *Households* | - | - | - | - | - | - | - | - | - | - | - | - | | - | - |
| 220 | ***Total*** | ***10 779 334 036*** | ***10 664 125 974*** | ***115 208 062*** | - | - | - | - ***992 977*** | - ***893 932*** | - ***99 044*** | - | - | - | - | ***1 691 465*** | - |

### Model EU CR1-A: maturity of exposures

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | | Net exposure value | | | | | |
| | | On demand | <= 1 year | > 1 year <= 5 years | > 5 years | No stated maturity | Total |
| 1 | Loans and advances | 190 983 513 | 801 393 069 | 2 464 043 310 | 5 344 720 911 | - 301 926 059 | 8 499 214 744 |
| 2 | Debt securities | - | 66 765 464 | 617 378 350 | 535 899 761 | - 31 834 205 | 1 235 485 316 |
| 3 | *Total* | **190 983 513** | **868 158 534** | **3 081 421 660** | **5 880 620 672** | **- 333 760 265** | **9 734 700 060** |

### Model EU CR2: changes in the stock of non-performing loans and advances

| | | a |
|---|---|---|
| | | Gross carrying amount |
| **010** | **Initial stock of non-performing loans and advances** | - |
| 020 | Inflows to non-performing portfolios | - |
| 030 | Outflows from non-performing portfolios | - |
| 040 | Outflows due to write-offs | - |
| 050 | Outflow due to other situations | - |
| **060** | **Final stock of non-performing loans and advances** | - |

### Model EU CQ1: credit quality of renegotiated exposures

| | | a | b | c | d | e | f | g | h |
|---|---|---|---|---|---|---|---|---|---|
| | | Gross carrying amount/nominal amount of exposures with forbearance measures | | | | Accumulated impairment, accumulated negative changes in fair value due to credit risk and | | Collateral received and financial guarantees received on forborne exposures | |
| | | Performing forborne | Non-performing forborne | | | On performing forborne exposures | On non-performing forborne exposures | | Of which collateral and financial guarantees received on non-performing exposures with forbearance |
| | | | | Of which defaulted | Of which impaired | | | | |
| 005 | Cash balances at central banks and other demand deposits | - | - | - | - | - | - | - | - |
| 010 | Loans and advances | 77 420 148 | - | - | - | - 80 244 | - | - | - |
| 020 | *Central banks* | - | - | - | - | - | - | - | - |
| 030 | *General governments* | 77 420 148 | - | - | - | - 80 244 | - | - | - |
| 040 | *Credit institutions* | - | - | - | - | - | - | - | - |
| 050 | *Other financial corporations* | - | - | - | - | - | - | - | - |
| 060 | *Non-financial corporations* | - | - | - | - | - | - | - | - |
| 070 | *Households* | - | - | - | - | - | - | - | - |
| 080 | Debt Securities | - | - | - | - | - | - | - | - |
| 090 | Loan commitments given | - | - | - | - | - | - | - | - |
| **100** | *Total* | **77 420 148** | - | - | - | **- 80 244** | - | - | - |

*Model EU CQ3: credit quality of performing and non-performing exposures by number of days past due*

| | | a | b | c | d | e | f | g | h | i | j | k | l |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Gross carrying amount/nominal amount | | | | | | | | | | | |
| | | Performing exposures | | | Non-performing exposures | | | | | | | | |
| | | | Not past due or past due ≤ 30 days | Past due > 30 days ≤ 90 days | | Unlikely to pay that are not past due or are past due ≤ 90 days | Past due > 90 days ≤ 180 days | Past due > 180 days ≤ 1 year | Past due > 1 year ≤ 2 years | Past due > 2 years ≤ 5 years | Past due > 5 years ≤ 7 years | Past due > 7 years | Of which defaulted |
| 005 | Cash balances at central banks and other demand deposits | 621 673 016 | 621 673 016 | - | - | - | - | - | - | - | - | - | - |
| 010 | Loans and advances | 8 308 215 561 | 8 308 215 561 | - | - | - | - | - | - | - | - | - | - |
| 020 | *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - |
| 030 | *General governments* | 8 247 775 186 | 8 247 775 186 | - | - | - | - | - | - | - | - | - | - |
| 040 | *Credit institutions* | 60 440 375 | 60 440 375 | - | - | - | - | - | - | - | - | - | - |
| 050 | *Other financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - |
| 060 | *Non-financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - |
| 070 | *Of which SMEs* | - | - | - | - | - | - | - | - | - | - | - | - |
| 080 | *Households* | - | - | - | - | - | - | - | - | - | - | - | - |
| 090 | Debt securities | 1 235 986 878 | 1 235 986 878 | - | - | - | - | - | - | - | - | - | - |
| 100 | *Central banks* | - | - | - | - | - | - | - | - | - | - | - | - |
| 110 | *General governments* | 738 044 588 | 738 044 588 | - | - | - | - | - | - | - | - | - | - |
| 120 | *Credit institutions* | 467 152 586 | 467 152 586 | - | - | - | - | - | - | - | - | - | - |
| 130 | *Other financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - |
| 140 | *Non-financial corporations* | - | - | - | - | - | - | - | - | - | - | - | - |
| 150 | Off-balance-sheet exposures | 613 458 580 | | | - | | | | | | | | - |
| 160 | *Central banks* | - | | | - | | | | | | | | - |
| 170 | *General governments* | - | | | - | | | | | | | | - |
| 180 | *Credit institutions* | - | | | - | | | | | | | | - |
| 190 | *Other financial corporations* | - | | | - | | | | | | | | - |
| 200 | *Non-financial corporations* | - | | | - | | | | | | | | - |
| 210 | *Households* | - | | | - | | | | | | | | - |
| **220** | ***Total*** | 10 779 334 036 | 10 165 875 455 | - | - | - | - | - | - | - | - | - | - |

*EU CQ4 model: quality of non-performing exposures by geographical location*

| | | a | b | c | d | e | f | g |
|---|---|---|---|---|---|---|---|---|
| | | Gross carrying/nominal amount | | | | Accumulated impairment | Provisions on off-balance-sheet commitments and financial guarantees given | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
| | | | Of which non-performing | | Of which subject to impairment | | | |
| | | | | Of which defaulted | | | | |
| **010** | ***On-balance-sheet exposures*** | ***9 557 102 225*** | - | - | ***9 557 102 225*** | - ***947 089*** | | - |
| 020 | *France* | 8 706 248 681 | - | - | 8 706 248 681 | - 646 260 | | - |
| 030 | | - | - | - | - | - | | - |
| 040 | | - | - | - | - | - | | - |
| 050 | | - | - | - | - | - | | - |
| 060 | | - | - | - | - | - | | - |
| 070 | *Other countries* | 850 853 544 | - | - | 850 853 544 | - 300 829 | | - |
| 080 | ***Off-balance-sheet exposures*** | ***613 458 580*** | - | - | | | ***9 663*** | |
| 090 | *France* | 893 311 530 | - | - | | | - | |
| 100 | | | | | | | | |
| 110 | | | | | | | | |
| 120 | | | | | | | | |
| 130 | | | | | | | | |
| 140 | *Other countries* | - 279 852 950 | - | - | | | 9 663 | |
| **150** | ***Total*** | ***10 170 560 805*** | - | - | ***9 557 102 225*** | - ***947 089*** | ***9 663*** | - |

*Model EU CQ5: credit quality of loans and advances granted to non-financial companies by industry*

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | | Gross carrying amount | | | | Accumulated impairment | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
| | | | Of which non-performing | | Of which loans and advances subject to impairment | | |
| | | | | Of which defaulted | | | |
| 010 | Agriculture, forestry and fishing | - | - | - | - | - | - |
| 020 | Mining and quarrying | - | - | - | - | - | - |
| 030 | Manufacturing | - | - | - | - | - | - |
| 040 | Electricity, gas, steam and air conditioning supply | - | - | - | - | - | - |
| 050 | Water supply | - | - | - | - | - | - |
| 060 | Construction | - | - | - | - | - | - |
| 070 | Wholesale and retail trade | - | - | - | - | - | - |
| 080 | Transport and storage | - | - | - | - | - | - |
| 090 | Accommodation and food service activities | - | - | - | - | - | - |
| 100 | Information and communication | - | - | - | - | - | - |
| 110 | Financial and insurance actvities | - | - | - | - | - | - |
| 120 | Real estate activities | - | - | - | - | - | - |
| 130 | Professional, scientific and technical activities | - | - | - | - | - | - |
| 140 | Administrative and support service activities | - | - | - | - | - | - |
| 150 | Public administration and defense, compulsory social security | - | - | - | - | - | - |
| 160 | Education | - | - | - | - | - | - |
| 170 | Human health services and social work activities | - | - | - | - | - | - |
| 180 | Arts, entertainment and recreation | - | - | - | - | - | - |
| 190 | Other services | - | - | - | - | - | - |
| **200** | ***Total*** | - | - | - | - | - | - |

*Model EU CQ7: security interests obtained by taking possession and execution*

| | | a | b |
|---|---|---|---|
| | | Collateral obtained by taking possession | |
| | | Value at initial recognition | Accumulated negative changes |
| 010 | Property, plant and equipment (PP&E) | - | - |
| 020 | Other than PP&E | - | - |
| 030 | *Residential immovable property* | - | - |
| 040 | *Commercial Immovable property* | - | - |
| 050 | *Movable property (auto, shipping, etc.)* | - | - |
| 060 | *Equity and debt instruments* | - | - |
| 070 | *Other collateral* | - | - |
| **080** | ***Total*** | - | - |

## J. Disclosure of information on the use of credit risk mitigation techniques

*Table EU CRC - Qualitative disclosure requirements for CRM techniques*

| *Legal basis* | *Row number* | |
|---|---|---|
| *Article 453, point a), of the CRR* | *(a)* | *Description of the main characteristics of the policies and procedures applied in terms of on- and off-balance sheet netting and the extent to which institutions use this type of netting:*<br>*AFL uses balance sheet netting for swap positions with counterparties with which it has signed an ISDA contract or equivalent. AFL does not compensate for off-balance sheet items.* |
| *Article 453, point b), of the CRR* | *(b)* | *Main features of the policies and procedures applied in terms of valuation and management of eligible collateral:*<br>*AFL accepts only cash collateral for margin calls in its derivative transactions. No other eligible security is accepted by AFL.* |
| *Article 453, point c), of the CRR* | *(c)* | *Description of the main types of collateral accepted by the institution to mitigate credit risk:*<br>*AFL accepts only cash collateral for margin calls in its derivative transactions. No other eligible security is accepted by AFL.* |
| *Article 453, point d), of the CRR* | *(d)* | *Main categories of guarantors and credit derivatives counterparties:*<br>*On an exceptional basis, AFL accepts guarantees from member local authorities on credit exposures. Only one case has been identified to date, the guarantor is a local authority classified as a regional or local government according to the CRR.* |
| *Article 453, point e), of the CRR* | *(e)* | *Information on concentrations of market risk or credit risk in the context of credit risk mitigation operations:*<br>*AFL does not engage in credit risk mitigation.* |

***Model EU CR3 - Overview of CRM techniques: information to be published on the use of CRM techniques***

| | | Unsecured carrying amount | Secured carrying amount | | | |
|---|---|---|---|---|---|---|
| | | | | Of which **secured by collateral** | Of which **secured by financial guarantees** | |
| | | | | | | Of which **secured by credit derivatives** |
| | | a | b | c | d | e |
| 1 | Loans and advances | 8 928 197 112 | 1 691 465 | - | 1 691 465 | - |
| 2 | Debt securities | 1 237 678 343 | - 1 691 465 | - | - 1 691 465 | |
| 3 | Total | 10 165 875 455 | 0 | - | 0 | - |
| 4 | *Of which non-performing exposures* | - | - | - | - | - |
| EU-5 | *Of which defaulted* | - | - | | | |

## K. Publication of information on the use of the standardized approach

*Model EU CC1 - Composition of regulatory equity capital, complying with Article 444 §e is presented in the paragraph "D. Disclosure of equity capital information" on page 11 and following.*

*Table EU CRD - Qualitative disclosure requirements for the standardized approach*

| *Legal basis* | *Row number* | |
|---|---|---|
| *Article 444, point a), of the CRR* | *(a)* | *Names of external credit assessment agencies (ECAIs):*<br>*AFL uses the services of OEEC Moody's for risk assessment. Certain public information of S&P and Fitch may be consulted for analysis. AFL does not use the services of any ECA. No change occurred during the period.* |
| *Article 444, point b), of the CRR.* | *(b)* | *Categories of exposures for which each ECAI or ECA is used:*<br>*AFL uses the services of OEEC Moody's for all exposure categories.* |
| *Article 444, point c), of the CRR* | *(c)* | *Description of the process applied to transfer the issuer's credit ratings:*<br>*AFL does not hold a trading book. When available, AFL uses the credit rating of the exposure, otherwise it uses the credit rating of the issuer.* |
| *Article 444, point d), of the CRR* | *(d)* | *The association between the external rating performed by each ECAI or ECA designated and the risk weightings:*<br>*AFL complies with the standard association published by the EBA.* |

*EU CR4 models - Standardized approach - Credit risk exposure and CRM effects*

| | Exposure classes | Exposures before CCF and before CRM | | Exposures post CCF and post CRM | | RWAs and RWAs density | |
|---|---|---|---|---|---|---|---|
| | | On-balance-sheet exposures | Off-balance-sheet exposures | On-balance-sheet exposures | Off-balance-sheet exposures | RWAs | RWAs density (%) |
| | | a | b | c | d | e | f |
| 1 | Central governments or central banks | 666 357 055 | - | 666 357 055 | - | 14 159 784 | 2,12% |
| 2 | Regional government or local authorities | 8 461 317 105 | 541 499 891 | 8 461 317 105 | 410 721 922 | 156 700 511 | 1,77% |
| 3 | Public sector entities | 206 384 180 | - | 206 384 180 | - | 14 759 979 | 7,15% |
| 4 | Multilateral development banks | 202 804 129 | - | 202 804 129 | - | - | 0,00% |
| 5 | International organisations | 80 855 544 | - | 80 855 544 | - | - | 0,00% |
| 6 | Institutions | 355 546 610 | - | 355 546 610 | - | 80 124 290 | 22,54% |
| 7 | Corporates | 30 756 737 | - | 30 756 737 | - | 6 151 347 | 20,00% |
| 8 | Retail | - | - | - | - | - | |
| 9 | Secured by mortgages on immovable property | - | - | - | - | - | |
| 10 | Exposures in default | - | - | - | - | - | |
| 11 | Exposures associated with particularly high risk | - | - | - | - | - | |
| 12 | Covered bonds | 104 786 122 | - | 104 786 122 | - | 10 478 612 | 10,00% |
| 13 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | |
| 14 | Collective investment undertakings | - | - | - | - | - | |
| 15 | Equity | 100 | - | 100 | - | 100 | 100,00% |
| 16 | Other items | 16 289 622 | - | 16 289 622 | - | 16 289 622 | 100,00% |
| 17 | **TOTAL** | 10 125 097 204 | 541 499 891 | 10 125 097 204 | 410 721 922 | 298 664 245 | 2,83% |

*EU CR5 model - Standardized approach*

| | Exposure classes | Risk weight | | | | | | | | | | | | | | | Total | Of which unrated |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 0 | 0,02 | 0,04 | 0,1 | 0,2 | 0,35 | 0,5 | 0,7 | 0,75 | 1 | 1,5 | 2,5 | 3,7 | 12,5 | Others | | |
| | | a | b | c | d | e | f | g | h | i | j | k | l | m | n | o | p | q |
| 1 | Central governments or central banks | 621 376 736 | - | - | - | 42 735 223 | - | - | - | - | - | - | 2 245 096 | - | - | - | 666 357 055 | 2 245 096 |
| 2 | Regional government or local authorities | 8 088 536 472 | - | - | - | 783 502 555 | - | - | - | - | - | - | - | - | - | - | 8 872 039 027 | 8 616 543 882 |
| 3 | Public sector entities | 132 584 285 | - | - | - | 73 799 895 | - | - | - | - | - | - | - | - | - | - | 206 384 180 | 43 343 445 |
| 4 | Multilateral development banks | 202 804 129 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 202 804 129 | |
| 5 | International organisations | 80 855 544 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 80 855 544 | |
| 6 | Institutions | - | - | - | - | 325 496 717 | - | 30 049 893 | - | - | - | - | - | - | - | - | 355 546 610 | 154 527 228 |
| 7 | Corporates | - | - | - | - | 30 756 737 | - | - | - | - | - | - | - | - | - | - | 30 756 737 | - |
| 8 | Retail exposures | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Exposures secured by mortgages on immovable property | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Exposures in default | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | Exposures associated with particularly high risk | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 12 | Covered bonds | - | - | - | 104 786 122 | - | - | - | - | - | - | - | - | - | - | - | 104 786 122 | - |
| 13 | Exposures to institutions and corporates with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Units or shares in collective investment undertakings | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Equity exposures | - | - | - | - | - | - | - | - | - | 100 | - | - | - | - | - | 100 | - |
| 16 | Other items | - | - | - | - | - | - | - | - | - | 16 289 622 | - | - | - | - | - | 16 289 622 | 16 289 622 |
| 17 | **TOTAL** | 9 126 157 167 | - | - | 104 786 122 | 1 256 291 127 | - | 30 049 893 | - | - | 16 289 722 | - | 2 245 096 | - | - | - | 10 535 819 126 | 862 037 273 |

## L. Disclosure of information on the use of the IRB approach for credit risk

*Agence France Locale - Société Territoriale does not use the Internal Ratings-Based (IRB) approach for credit risk.*

*As such, it is not concerned by the publication of this information.*

## M. Information on specialized financing exposures and exposures in the form of equities under the simple weighting method

*Agence France Locale - Société Territoriale has no specialized financing exposures or equity exposures under the simple weighting method.*

*As such, it is not concerned by the publication of this information.*

## N. Disclosure of counterparty credit risk exposures

*AFL uses the standardized approach (SA-CCR) to calculate its exposure to counterparty credit risk.*

*Table EU CCRA - Qualitative information on CCR*

| *Row number* | *Legal basis* | |
|---|---|---|
| *a)* | *Article 439, point a), of the CRR*<br>*Description of the equity capital allocation methodology and credit limit setting for counterparty credit exposures, and in particular the methods for setting limits for central counterparty exposures.* | *AFL's interest rate risk management policy provides for almost complete variability of the institution's asset and liability exposures against Euribor3M or €ster. Exposures from derivative contracts are subject to limits via the investment and counterparty risk management policy. AFL does not set limits on its exposures with central counterparties. AFL does not allocate equity capital to these transactions.* |
| *b)* | *Article 439, point b), of the CRR.*<br>*Description of policies relating to guarantees and other credit risk mitigation* | *AFL has set up daily margin call procedures, at the first Euro with all its derivative counterparties.* |

| *Row number* | *Legal basis* | |
|---|---|---|
| | *measures, such as the policies applied to obtain collateral and build up credit reserves.* | |
| *c)* | *Article 439, point c), of the CRR*<br>*Description of policies relating to correlation risk, within the meaning of Article 291 of the CRR.* | *AFL has no trading book and is not exposed to correlation risk.* |
| *d)* | *Article 431, points 3) and 4), of the CRR*<br>*Other risk management objectives and relevant policies related to counterparty credit risk (CCR).* | *AFL has no other risk management objectives and relevant policies related to counterparty credit risk (CCR).* |
| *e)* | *Article 439, point d), of the CRR*<br>*The amount of collateral that the institution would have to provide if its credit rating were downgraded.* | *AFL uses a "Clearing Broker" for its derivatives business with clearing houses. This intermediary applies a "credit buffer" to the amount of IMR claimed by the clearing house. In the event of a deterioration in AFL's credit rating, this buffer could increase, without this being mandatory, in proportions left to the discretion of the clearing broker.* |

### *Model EU CCR1 - Analysis of CCR exposures by approach*

| | | a | b | c | d | e | f | g | h |
|---|---|---|---|---|---|---|---|---|---|
| | | Replacement cost (RC) | Potential future exposure (PFE) | EEPE | Alpha used for computing regulatory exposure value | Exposure value pre-CRM | Exposure value post-CRM | Exposure value | RWEA |
| EU-1 | EU - Original Exposure Method (for derivatives) | - | - | | 1.4 | - | - | - | - |
| EU-2 | EU - Simplified SA-CCR (for derivatives) | - | - | | 1.4 | - | - | - | - |
| 1 | SA-CCR (for derivatives) | 67 601 016 | 35 749 398 | | 1.4 | 144 690 579 | 144 690 579 | 144 690 579 | 11 500 039 |
| 2 | IMM (for derivatives and SFTs) | | | - | - | - | - | - | - |
| 2a | *Of which securities financing transactions netting sets* | | | - | | - | - | - | - |
| 2b | *Of which derivatives and long settlement transactions netting sets* | | | - | | - | - | - | - |
| 2c | *Of which from contractual cross-product netting sets* | | | - | | - | - | - | - |
| 3 | Financial collateral simple method (for SFTs) | | | | | - | - | - | - |
| 4 | Financial collateral comprehensive method (for SFTs) | | | | | - | - | - | - |
| 5 | VaR for SFTs | | | | | - | - | - | - |
| **6** | **Total** | | | | | **144 690 579** | **144 690 579** | **144 690 579** | **11 500 039** |

### *Template EU CCR2 - Transactions subject to CVA risk equity capital requirements CVA*

| | | a | b |
|---|---|---|---|
| | | Exposure value | RWEA |
| 1 | Total transactions subject to the Advanced method | - | - |
| 2 | (i) VaR component (including the 3× multiplier) | | - |
| 3 | (ii) stressed VaR component (including the 3× multiplier) | | - |
| 4 | Transactions subject to the Standardised method | 32 294 656 | 26 878 977 |
| EU-4 | Transactions subject to the Alternative approach (Based on the Original Exposure Method) | - | - |
| 5 | **Total transactions subject to own funds requirements for CVA risk** | 32 294 656 | 26 878 977 |

## *Model EU CCR3 - Standardized approach - CCR exposures by regulatory exposure class and risk weighting*

| | Exposure classes | Risk weight | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l |
| | | 0% | 2% | 4% | 10% | 20% | 50% | 70% | 75% | 100% | 150% | Others | Total exposure value |
| 1 | Central governments or central banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 2 | Regional government or local authorities | - | - | - | - | - | - | - | - | - | - | - | - |
| 3 | Public sector entities | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Multilateral development banks | - | - | - | - | - | - | - | - | - | - | - | - |
| 5 | International organisations | - | - | - | - | - | - | - | - | - | - | - | - |
| 6 | Institutions | - | 112 395 924 | - | - | 22 984 022 | 9 310 633 | - | - | - | - | - | 144 690 579 |
| 7 | Corporates | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | Retail | - | - | - | - | - | - | - | - | - | - | - | - |
| 9 | Institutions and corporates with a short-term cre | - | - | - | - | - | - | - | - | - | - | - | - |
| 10 | Other items | - | - | - | - | - | - | - | - | - | - | - | - |
| 11 | **Total exposure value** | - | **112 395 924** | - | - | **22 984 022** | **9 310 633** | - | - | - | - | - | **144 690 579** |

## *Model EU CCR5 - Composition of collateral for CCR exposures*

| | Collateral type | a | b | c | d | e | f | g | h |
|---|---|---|---|---|---|---|---|---|---|
| | | Collateral used in derivative transactions | | | | Collateral used in SFTs | | | |
| | | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | | Fair value of posted collateral | |
| | | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated | Segregated | Unsegregated |
| 1 | Cash – domestic currency | 211 651 501 | - | - | - | - | - | - | - |
| 2 | Cash – other currencies | - | - | - | - | - | - | - | - |
| 3 | Domestic sovereign debt | - | - | - | - | - | - | - | - |
| 4 | Other sovereign debt | - | - | - | - | - | - | - | - |
| 5 | Government agency debt | - | - | - | - | - | - | - | - |
| 6 | Corporate bonds | - | - | - | - | - | - | - | - |
| 7 | Equity securities | - | - | - | - | - | - | - | - |
| 8 | Other collateral | - | - | - | - | - | - | - | - |
| 9 | **Total** | **211 651 501** | - | - | - | - | - | - | - |

## *Model EU CCR8 - CCP exposures*

| | | a | b |
|---|---|---|---|
| | | Exposure value | RWEA |
| 1 | **Exposures to QCCPs (total)** | | 2 247 918 |
| 2 | Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 112 395 924 | 2 247 918 |
| 3 | (i) OTC derivatives | 112 395 924 | 2 247 918 |
| 4 | (ii) Exchange-traded derivatives | - | - |
| 5 | (iii) SFTs | - | - |
| 6 | (iv) Netting sets where cross-product netting has been approved | - | - |
| 7 | Segregated initial margin | - | |
| 8 | Non-segregated initial margin | - | - |
| 9 | Prefunded default fund contributions | - | - |
| 10 | Unfunded default fund contributions | - | - |
| 11 | **Exposures to non-QCCPs (total)** | | 9 252 121 |
| 12 | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | 32 294 656 | 9 252 121 |
| 13 | (i) OTC derivatives | - | - |
| 14 | (ii) Exchange-traded derivatives | - | - |
| 15 | (iii) SFTs | - | - |
| 16 | (iv) Netting sets where cross-product netting has been approved | 32 294 656 | 9 252 121 |
| 17 | Segregated initial margin | - | |
| 18 | Non-segregated initial margin | - | - |
| 19 | Prefunded default fund contributions | - | - |
| 20 | Unfunded default fund contributions | - | - |

*Agence France Locale - Société Territoriale does not use the internal IRB rating approach. As such, it is not affected by the publication of the EU CCR4 model - IRB approach - CCR exposures by exposure category and PD scale.*

*Agence France Locale - Société Territoriale does not use credit derivatives. As such, it is not affected by the publication of the EU CCR6 - Credit derivative exposures model.*

*Agence France Locale - Société Territoriale does not use internal models. As such, it is not affected by the publication of the EU CCR7 model - Flow statements of RWEAs relating to CCR exposures in the context of IMM.*

## O. Disclosure of exposure to securitization positions

*Agence France Locale - Société Territoriale has no exposure to securitization positions.*

*As such, it is not concerned by the publication of tables EU SEC 5, EU SEC1, EU SEC2, EU SEC3, EU SEC4 et EU SECA.*

## P. Disclosure of information on the use of the standardized approach and internal models for market risk

*Agence France Locale - Société Territoriale is not exposed to market risks.*

*As such, it does not publish the following tables:*

- *Table EU MR1: Market risk under the standardized approach*
- *Table EU MRA: Qualitative disclosure requirements on market risk*
- *Table EU MRB: Qualitative disclosure requirements for institutions using internal market risk models*
- *Model EU MR2-A - Market risk under the Internal Models Approach (IMA)*
- *Model EU MR2-B - Flow statements of RWEAs relating to market risk exposures under the IMA*
- *Model EU MR3 - MAI values for trading books*
- *Model EU MR4 - Comparison of VaR estimates with profit / loss*

## Q. Disclosure of operational risk

### 1. Standardized approaches

***Table EU ORA - Qualitative information on operational risk***

| Legal basis | Row number | |
|---|---|---|
| Article 435, paragraph 1, points a), b), c) and d), of the CRR. | (a) | Publication of risk management objectives and policies:<br>In order to best prevent the materialization of operational risks and the consequences of their possible occurrence, Agence France Locale has an internal control framework and risk management system. These systems aim to ensure the identification, measurement and early treatment of operational risks.<br>These systems, which were built in compliance with best market practices, involve regular assessment of risks and the effectiveness of controls to minimize those risks and the implementation of an improvement/remediation action plan where necessary.<br>The Management Board, through the Global Risk Committee, oversees the operational risk and the action plans to be implemented to improve the system.<br>In accordance with regulatory requirements, the AFL Supervisory Board, assisted by its Risk Committee, as well as the AFL-ST Board of Directors, assisted by its Audit and Risk Committee, are informed of the essential elements and the main lessons that can |

| Legal basis | Row number | |
|---|---|---|
| | | be drawn from the risk analysis and monitoring. To this end, they are sent a report extracted from the reports of the Global Risk Committee detailing the main risks and their treatment methods. It also receives an extract from the internal control reports.<br><br>The systems are based on the four lines of defence of internal controls (business lines – operational risk monitoring function – second-level permanent control – periodic control). |
| Article 446 of the CRR. | (b) | Publication of approaches for the assessment of minimum equity capital requirements:<br><br>AFL uses the Basic Indicator Approach (BIA) to assess minimum equity capital requirements for operational risks. |

***Model EU OR1 - Operational risk equity capital requirements and risk-weighted exposure amounts***

| | Banking activities | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | | Relevant indicator | | | Own funds requirements | Risk exposure amount |
| | | Year-3 | Year-2 | Last year | | |
| 1 | Banking activities subject to basic indicator approach (BIA) | 17 608 373 | 22 814 874 | 23 552 931 | 3 198 809 | 39 985 111 |
| 2 | Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches | - | - | - | - | - |
| 3 | Subject to TSA: | - | - | - | | |
| 4 | Subject to ASA: | - | - | - | | |
| 5 | Banking activities subject to advanced measurement approaches AMA | - | - | - | - | - |

### 2. AMA models

*Agence France Locale - Société Territoriale does not use AMA models to calculate equity capital requirements for operational risk.*

*In this respect, the parts of tables "EU ORA, rows c and d" and "EU OR1" concerning the AMA method are not provided.*

## R. Disclosure of interest rate exposures for positions not held in the trading book

*AFL uses the standard method to calculate the NPV sensitivity (excluding interest rate options) as referred to in Article 84, paragraph 1, of Directive 2013/36/EU. Regarding interest rate options (primarily floors on the indexation of interest rates for variable-rate loans), the approach is based on the intrinsic value of the instruments.*

***Table EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities***

| Row number | | | Legal basis |
|---|---|---|---|
| (a) | A description of how the institution defines IRRBB for purposes of risk control and measurement. | Interest rate risk (IRRBB) corresponds to the potential loss caused by adverse movements in market rates due to all of the bank's balance sheet and off-balance sheet transactions. It materializes the risk incurred on the bank's results, in particular via the Net Interest Margin (NIM), and on the economic value of its equity in the event of a change in interest rates (NPV). | Article 448.1 (e), first paragraph |

| Row number | | | Legal basis |
|---|---|---|---|
| (b) | A description of the institution's overall IRRBB management and mitigation strategies. | To hedge against interest rate risk, AFL implements a quasi-systematic micro-hedging policy for its debts and part of its assets (mainly loans and securities making up the liquidity reserve) at a fixed rate. to convert them into floating rate debt and assets using 3-month Euribor fixed/floating rate swaps. For part of the balance sheet (shortest assets and liabilities), the coverage index used can be the Ester. In addition to this central micro-hedging policy, there is a macro-hedging policy, in particular fixed-rate loans for low unit amounts granted to local authorities. Some items on the balance sheet (e.g. current accounts, fixed-rate loans/securities replacing a fraction of equity, etc.) escape this variability via swaps against 3-month Euribor. The amounts allocated to these components are steered and monitored monthly by the AL Committee, subject to the sensitivity of the NPV and the sensitivity of the NIM. | Article 448.1 (f) |
| (c) | The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB. | As part of interest rate risk monitoring, two main metrics are used:<br>1°) The Sensitivity of the Net Present Value (NPV) to various standard rate shocks: the change in the rate curve impacts the economic value of the AFL. The NPV is calculated by summing the discounted fixed rate flows of all assets and liabilities except net equity. The sensitivity of the NPV represents the change in economic value due to an immediate interest rate shock (parallel movements of the curve, deformations such as steepening/flattening of the curve) in static view. This metric is sensitive to a change in long-term balance sheet fixed rates positions and is one of the indicators monitored monthly in ALCO.<br>2°) AFL monitors the sensitivity of the net interest margin to different rate scenarios. This measure, calculated on a constant balance sheet basis, reflects the impact of interest rate movements on the 12-month net interest margin. The metric is monitored quarterly in ALCO.<br>To measure the interest rate risk, a 3rd metric is also monitored in ALCO: the fixed rate gap which measures the difference between the assets and the liabilities whose income is fixed for a given period of time so as to measure the refinancing risk. and the replacement risk carried on the balance sheet. This gap is by nature limited due to AFL's balance sheet variability policy, with the exception of a few non-swap fixed rate exposures.<br>Finally, AFL is also exposed to a certain number of residual risks: the basis risk induced by the use of different indexation references (Euribor 3Mois, Ester mainly) and the fixing risk linked to the use of different fixing dates. Reports relating to these 2 risks are monitored monthly by ALCo. | Article 448.1 (e) (i) and (v); Article 448.2 |
| (d) | A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable). | To estimate changes in economic value and net interest income, AFL uses standardized rate scenarios as defined by IRRBB. | Article 448.1 (e) (iii); Article 448.2 |

| Row number | | | Legal basis |
|---|---|---|---|
| (e ) | *A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable).* | *Early repayments are considered at 0%, based on the historical data observed to date (very low early repayment amounts and limited occurrences over a still relatively short period)..* | *Article 448.1 (e) (ii); Article 448.2* |
| (f) | *A high-level description of how the bank hedges its IRRBB, as well as the associated accounting treatment (if applicable).* | *The strategy of variabilization of almost the entire balance sheet involves a strategy of systematic micro-hedging of debts and part of the assets. In addition, a macro-hedging strategy is deployed for fixed-rate loans of low unit amounts granted to local authorities for which micro-hedging is too costly in order to transform them into variable-rate loans on a 3-month Euribor reference as well as for amortizing loans of the constant maturity type, given their characteristics and loans with a tailor-made profile that cannot be swapped in compensation.* | *Article 448.1 (e) (iv); Article 448.2* |
| (g) | *A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable).* | *The AFL's Net Present Value (NPV) is calculated by summing the discounted fixed-rate cash flows of all assets and liabilities, excluding net equity, based on a 3-Month Euribor swap curve. For non-maturity balance sheet items, runoff assumptions are validated annually by the ALCO. This primarily concerns nostro accounts and accounts with the Banque de France, for which the interest rate reset period is daily.*<br>*The consideration of floors in the balance sheet (mainly in the indexation of interest on variable-rate loans) is based on an approach using the intrinsic value of the options.* | *Article 448.1 (c); Article 448.2* |
| (h) | *Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures* | *In 2024, interest rate risk indicators remained relatively stable compared to the end of 2023. AFL's interest rate risk strategy remained unchanged, with a strong focus on neutralizing the sensitivity of Net Interest Margin (NIM) as much as possible. As a result, NPV sensitivity indicators (for parallel shocks) are higher.* | *Article 448.1 (d)* |
| (i) | *Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)* | | |
| (1) (2) | *Disclosure of the average and longest repricing maturity assigned to non-maturity deposits* | *For AFL, unscheduled deposits correspond to nostri accounts or current accounts at the central bank. For these assets, the rate reset period is defined as daily.* | *Article 448.1 (g)* |

### *Template EU IRRBB1 - Interest rate risks of non-trading book activities*

| Supervisory shock scenarios | | a | b | c | d |
|---|---|---|---|---|---|
| | | Changes of the economic value of equity | | Changes of the net interest income | |
| | | Current period | Last period | Current period | Last period |
| 1 | Parallel up | -6,93% | -6,71% | -0,15% | 0,13% |
| 2 | Parallel down | 9,19% | 9,26% | 0,27% | -0,15% |
| 3 | Steepener | -2,13% | -3,16% | | |
| 4 | Flattener | 1,05% | 2,15% | | |
| 5 | Short rates up | -1,15% | -0,08% | | |
| 6 | Short rates down | 1,56% | 0,13% | | |

## S. Publication of information on the compensation policy

*Table EU REMA - Compensation policy*

| Line | | |
|---|---|---|
| (a) | *Information on the bodies that supervise compensation.* | *The components of compensation and the criteria for determining them are presented to the Appointments, Remuneration and Corporate Governance Committee and to the Supervisory Board of AFL in accordance with the applicable provisions of the French Monetary and Financial Code. The related information is specified in the AFL corporate governance report.* |
| (b) | *Information on the design and structure of the compensation system for identified staff.* | *AFL's compensation policy is built in compliance with regulations, in particular with the French Monetary and Financial Code and the amended Decree of November 3, 2014 on the internal control of companies in the banking, payment services and investment services sector subject to control by the ACPR.*<br><br>*The compensation policy applies to all employees of Agence France Locale.*<br><br>*Agence France Locale's compensation policy is based on seven main principles:*<br><br>*1. Compliance with regulations;*<br>*2. Alignment with the economic strategy, objectives, values and long-term interests of Agence France Locale and, more broadly, of the Agence France Locale Group;*<br>*3. Consistency with sound risk management and financial balances and the strengthening of its financial base;*<br>*4. The ability to attract talent and involve them in the development and sustainability of AFL, with a view to building employee loyalty;*<br>*5. Recognition of the key role of a compensation policy in employee motivation in the banking sector;*<br>*6. The principle of equity*<br>*7. Compensation policy and practice are based on the principle of equal compensation for men and women workers for the same work or work of the same value.*<br><br>*AFL has long-term objectives and specificities (bank, local sector, VSE). Its compensation policy has been designed in line with AFL's economic strategy, objectives, values and long-term interests, which are the long-term financing of the French local sector.*<br><br>*Talent is attracted because of fixed compensation corresponding to market standards for similar positions. AFL is a specialized lending institution, composed of qualified people, recognized in their functions, and whose image must enable local authorities to benefit from the technical expertise of their pooled financing tool.* |

| | | |
|---|---|---|
| | | *From 2021, AFL set up a profit-sharing scheme for all employees excluding the Chairperson of the Management Board.*<br><br>*From 2022, the AFL is implementing a system for allocating eco-responsible company vehicles to all volunteer employees, as a loyalty and motivation tool. The vehicles made available, as a benefit in kind, comply with the company's CSR approach.*<br><br>*From 2023, AFL updates the conditions of application of the Sustainable Mobility Package (FMD) for all eligible employees, in accordance with the company's CSR approach.*<br><br>*Variable compensation is a key element in a company. AFL implements a policy that values the efforts made to serve the Company.* |
| *(c)* | *Description of the way in which current and future risks are taken into account in the compensation process. The information to be published includes an overview of the main risks, their assessment and how this assessment affects compensation.* | *Agence France Locale awards variable compensation based on the following criteria:*<br>*a. Achievement of objectives set, individual and collective, quantitative and qualitative;*<br>*b. The combined assessment of the individual's performance, the department to which they belong and the performance and financial trajectory of AFL as a whole;*<br>*c. Assessment of the need to comply with regulatory requirements and best practices in terms of internal control, risk management and compliance;*<br>*d. Performance measurement takes into account the risks taken or likely to be taken by AFL, liquidity requirements and the cost of capital;*<br>*e. Depending on the performance and financial trajectory, the qualitative and quantitative results obtained by AFL, the Management Board sets a variable compensation package attributable for the year to all employees.* |
| *(d)* | *Ratios between the fixed and variable components of the compensation defined in accordance with point g) of Article 94, paragraph 1, of the CRD.* | *As part of its compensation policy, AFL caps each variable compensation at 15% of the employee's fixed salary.* |
| *(e)* | *Description of how the institution seeks to link compensation levels to the performance achieved during a performance measurement period.* | *The limit on variable compensation to 15% of the fixed salary of each AFL employee is a ceiling particularly low in the professions held by these categories of employees in the banking sector. However, this amount appears to be large enough to motivate the staff of Agence France Locale to make the necessary efforts to benefit from it. If the maximum is paid, this may correspond to more than a month and a half of annual salary. This very limited cap aims to differentiate Agence France Locale from its competitors, both private and public; it is a strong focus of professional ethics which is one* |

| | | |
|---|---|---|
| | | *of the essential foundations of the Agence France Locale Group's creation.*<br>*This cap of 15% and the other factors to which the allocation of variable compensation is linked does not encourage excessive risk-taking.* |
| *(f)* | *Description of how the institution seeks to adjust compensation to reflect long-term performance.* | *In accordance with the requirements of the regulations, for employees having a significant impact on the Company's risk and those having a significant role, Agence France Locale sets up a deferred payment of variable compensation in accordance with the provisions expressly contained in their employment contract for those whose annual variable compensation exceeds €50 thousand euros. To date, given the amount of fixed salaries at AFL coupled with the limit of 15% for the variable salary, this deferral will not be activated.*<br>*This deferred payment, adapted to the size and internal organization of Agence France Locale as well as the nature, scope and complexity of the activities carried out, takes the following form:*<br>- *The deferral is only triggered when the variable amount exceeds €50 thousand;*<br>- *The amount of the variable compensation less than or equal to the threshold of €50 thousand is paid at the beginning of year n+1, subject to the employee's presence in the AFL workforce on the date of payment of the variable compensation;*<br>- *The variable amount above the €50 thousand threshold is deferred and paid at the beginning of year n+2 and at the beginning of year n+3, then at the beginning of year n+4 for 33% at each of these financial years subject to the condition of the employee's presence in the AFL workforce on the payment date of the variables for years n+1, n+2 or n+3, n+4.*<br>*The population of individuals with an impact on risk and employees with a significant role in AFL include:*<br>- *The Members of the Supervisory Board,*<br>- *The Members of the Management Board, namely the Chairperson of the Management Board, the Chief Financial Officer and the Head of Commitments and Risks – Climate and Sustainable Finance, and Head of Membership and Credit,*<br>- *The Corporate Secretary,*<br>- *The General Counsel,*<br>- *The Accounting Director,*<br>- *Head of Treasury and Short-Term Financing, Head of Long-Term Financing in the Finance Department,*<br>- *The ALM manager,*<br>- *The Head of the Prudential and Financial Risks division,*<br>- *The Head of the Non-Financial Risks and Compliance division,*<br>- *The Head of Data, Process & Reportings Department,*<br>- *The Head of the Commitments division in the Commitments and Risks Department.* |
| *(g)* | *The description of the main parameters and rationale for* | |

| | | |
|---|---|---|
| | *any variable-component scheme and non-cash benefits, in accordance with Article 450, paragraph 1, point f), of the CRR.* | *The Agence France Locale Group does not grant any shares or options to its employees or executives.* |
| *(h)* | *At the request of the Member State concerned or the relevant competent authority, the total compensation for each member of the management body or senior management.* | *These elements are presented in the AFL corporate governance report for the AFL management body and in the AFL-ST corporate governance report for AFL-ST's management body.* |
| *(i)* | *Information on whether the institution benefits from an exemption under Article 94, paragraph 3, of the CRD in accordance with Article 450, paragraph 1, point k), of the CRR.* | *Due to the level of compensation granted to AFL, it benefits from an exemption under b of Article 94, paragraph 3, of the CRD. All employees and managers are concerned.* |
| *(j)* | *Large institutions publish quantitative information on the compensation of their collective management body, distinguishing between executive and non-executive members, in accordance with Article 450, paragraph 2, of the CRR.* | *AFL is not considered to be a large institution.* |

### *Model EU REM1 - Compensation granted for the financial year*

| | | | a | b | c | d |
|---|---|---|---|---|---|---|
| | | | MB Supervisory function | MB Management function | Other senior management | Other identified staff |
| 1 | Fixed remuneration | Number of identified staff | 14 | 7 | - | 8 |
| 2 | | Total fixed remuneration | 62 700 | 1 433 957 | - | 996 625 |
| 3 | | Of which: cash-based | | 1 433 957 | - | 996 625 |
| 4 | | (Not applicable in the EU) | | | | |
| EU-4a | | Of which: shares or equivalent ownership interests | | | | |
| 5 | | Of which: share-linked instruments or equivalent non-cash instruments | | | | |
| EU-5x | | Of which: other instruments | | | | |
| 6 | | (Not applicable in the EU) | | | | |
| 7 | | Of which: other forms | | | | |
| 8 | | (Not applicable in the EU) | | | | |
| 9 | Variable remuneration | Number of identified staff | 14 | 7 | - | 8 |
| 10 | | Total variable remuneration | 176 500 | 188 061 | - | 132 210 |
| 11 | | Of which: cash-based | 176 500 | 188 061 | - | 132 210 |
| 12 | | Of which: deferred | | 15 061 | - | |
| EU-13a | | Of which: shares or equivalent ownership interests | | | | |
| EU-14a | | Of which: deferred | | | | |
| EU-13b | | Of which: share-linked instruments or equivalent non-cash instruments | | | | |
| EU-14b | | Of which: deferred | | | | |
| EU-14x | | Of which: other instruments | | | | |
| EU-14y | | Of which: deferred | | | | |
| 15 | | Of which: other forms | | | | |
| 16 | | Of which: deferred | | | | |
| **17** | **Total remuneration (2 + 10)** | | **239 200** | **1 622 018** | **-** | **1 128 835** |

*Model EU REM2 - Special payments to staff whose professional activities have a significant impact on the institution's risk profile (identified staff)*

| | | a | b | c | d |
|---|---|---|---|---|---|
| | | MB Supervisory function | MB Management function | Other senior management | Other identified staff |
| | Guaranteed variable remuneration awards | | | | |
| 1 | Guaranteed variable remuneration awards - Number of identified staff | 14 | 7 | - | 8 |
| 2 | Guaranteed variable remuneration awards -Total amount | - | - | - | - |
| 3 | Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into a | - | - | - | - |
| | Severance payments awarded in previous periods, that have been paid out during the financial year | | | | |
| 4 | Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff | - | - | - | - |
| 5 | Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount | - | - | - | - |
| | Severance payments awarded during the financial year | | | | |
| 6 | Severance payments awarded during the financial year - Number of identified staff | - | - | - | - |
| 7 | Severance payments awarded during the financial year - Total amount | - | - | - | - |
| 8 | Of which paid during the financial year | - | - | - | - |
| 9 | Of which deferred | - | - | - | - |
| 10 | Of which severance payments paid during the financial year, that are not taken into account in the bonus cap | - | - | - | - |
| 11 | Of which highest payment that has been awarded to a single person | - | - | - | - |

*Model EU REM3 - Deferred compensation*

| | | a | b | c | d | e | f | EU - g | EU - h |
|---|---|---|---|---|---|---|---|---|---|
| | Deferred and retained remuneration | Total amount of deferred remuneration awarded for previous performance periods | Of which due to vest in the financial year | Of which vesting in subsequent financial years | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year | Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years | Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments) | Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year | Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods |
| 1 | MB Supervisory function | | | | | | | | |
| 2 | Cash-based | | | | | | | | |
| 3 | Shares or equivalent ownership interests | | | | | | | | |
| 4 | Share-linked instruments or equivalent non-cash instruments | | | | | | | | |
| 5 | Other instruments | | | | | | | | |
| 6 | Other forms | | | | | | | | |
| 7 | MB Management function | 123 513 | 84 847 | 38 666 | | | | 15 061 | 90 122 |
| 8 | Cash-based | 123 513 | 82 847 | 38 666 | | | | 15 061 | 90 122 |
| 9 | Shares or equivalent ownership interests | | | | | | | | |
| 10 | Share-linked instruments or equivalent non-cash instruments | | | | | | | | |
| 11 | Other instruments | | | | | | | | |
| 12 | Other forms | | | | | | | | |
| 13 | Other senior management | 8 566 | | | | | | | |
| 14 | Cash-based | 8 566 | | | | | | | |
| 15 | Shares or equivalent ownership interests | | | | | | | | |
| 16 | Share-linked instruments or equivalent non-cash instruments | | | | | | | | |
| 17 | Other instruments | | | | | | | | |
| 18 | Other forms | | | | | | | | |
| 19 | Other identified staff | 11 300 | | | | | | | |
| 20 | Cash-based | 11 300 | | | | | | | |
| 21 | Shares or equivalent ownership interests | | | | | | | | |
| 22 | Share-linked instruments or equivalent non-cash instruments | | | | | | | | |
| 23 | Other instruments | | | | | | | | |
| 24 | Other forms | | | | | | | | |
| **25** | **Total amount** | **143 379** | **84 847** | **38 666** | | | | **15 061** | **90 122** |

*Model EU REM5 - Information on the compensation of staff whose professional activities have a significant impact on the institution's risk profile (identified staff)*

| | | a | b | c | d | e | f | g | h | i | j |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Management body remuneration | | | Business areas | | | | | | |
| | | MB Supervisory function | MB Management function | Total MB | Investment banking | Retail banking | Asset management | Corporate functions | Independent internal control functions | All other | Total |
| 1 | **Total number of identified staff** | | | | | | | | | | **15** |
| 2 | Of which: members of the MB | 14 | 7 | 7 | | | | | | | |
| 3 | Of which: other senior management | | | | | | | | | | |
| 4 | Of which: other identified staff | | | | | 6 | | | 2 | | |
| 5 | **Total remuneration of identified staff** | **239 200** | **1 622 018** | **1 622 018** | | **831 311** | | | **297 524** | | |
| 6 | Of which: variable remuneration | 176 500 | 188 061 | 188 061 | | 99 889 | | | 32 321 | | |
| 7 | Of which: fixed remuneration | 62 700 | 1 433 957 | 1 433 957 | | 731 422 | | | 265 203 | | |

*Agence France Locale - Société Territoriale did not pay compensations of €1 million or more per financial year.*

*In this respect, the EU REM4 Model - Compensation of €1 million or more per financial year is not provided.*

## T. Disclosure of encumbered and unencumbered assets

### *Model EU AE1 - Encumbered and unencumbered assets*

| | | Carrying amount of encumbered assets | | Fair value of encumbered assets | | Carrying amount of unencumbered assets | | Fair value of unencumbered assets | |
|---|---|---|---|---|---|---|---|---|---|
| | | | of which notionally eligible EHQLA and HQLA | | of which notionally eligible EHQLA and HQLA | | of which EHQLA and HQLA | | of which EHQLA and HQLA |
| | | 010 | 030 | 040 | 050 | 060 | 080 | 090 | 100 |
| 010 | **Assets of the disclosing institution** | **133 101 165** | **67 520 290** | | | **10 172 477 398** | **1 634 892 701** | | |
| 030 | Equity instruments | | | | | | | | |
| 040 | Debt securities | 67 985 885 | 67 985 885 | 67 985 885 | 67 985 885 | 1 112 661 663 | 882 892 947 | 1 112 661 663 | 882 892 947 |
| 050 | of which: covered bonds | 67 054 695 | 67 054 695 | 67 054 695 | 67 054 695 | 1 041 022 110 | 811 449 303 | 1 041 022 110 | 811 449 303 |
| 060 | of which: securitisations | | | | | | | | |
| 070 | of which: issued by general governments | | | | | 708 061 093 | 545 341 893 | 708 061 093 | 545 341 893 |
| 080 | of which: issued by financial corporations | | | | | 466 958 518 | 36 214 528 | 466 958 518 | 36 214 528 |
| 090 | of which: issued by non-financial corporations | | | | | 18 344 860 | 5 349 923 | 18 344 860 | 5 349 923 |
| 120 | **Other assets** | **57 400 000** | - | | | **8 705 743 248** | **607 462 708** | | |

### *Model EU AE2 - Collateral received and own debt securities issued*

| | | Fair value of encumbered collateral received or own debt securities issued | | Unencumbered | |
|---|---|---|---|---|---|
| | | | | Fair value of collateral received or own debt securities issued available for encumbrance | |
| | | | of which notionally eligible EHQLA and HQLA | | of which EHQLA and HQLA |
| | | 010 | 030 | 040 | 060 |
| 130 | **Collateral received by the disclosing institution** | - | - | - | - |
| 140 | Loans on demand | | | | |
| 150 | Equity instruments | | | | |
| 160 | Debt securities | | | | |
| 170 | of which: covered bonds | | | | |
| 180 | of which: securitisations | | | | |
| 190 | of which: issued by general governments | | | | |
| 200 | of which: issued by financial corporations | | | | |
| 210 | of which: issued by non-financial corporations | | | | |
| 220 | Loans and advances other than loans on demand | | | | |
| 230 | Other collateral received | - | - | | |
| 240 | **Own debt securities issued other than own covered bonds or securitisations** | | | | |
| 241 | **Own covered bonds and securitisations issued and not yet pledged** | | | | |
| 250 | TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED | | | | |

### *Model EU AE3 - Sources of asset encumbrance*

| | | Matching liabilities, contingent liabilities or securities lent | Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered |
|---|---|---|---|
| | | 010 | 030 |
| 010 | **Carrying amount of selected financial liabilities** | - | - |

*Table EU AE4 - Additional descriptive information*

| *Row number* | |
|---|---|
| *(a)* | *General descriptive information on asset encumbrance:*<br>*The only source of congestion is the payment of daily margin calls and initial margin calls to derivative counterparties and clearing houses.* |
| *(b)* | *Descriptive information on the impact of the business model on asset encumbrance:*<br>*AFL's business model requires all assets and liabilities of the institution to be hedged against Euribor 3M and marginally €ster. The notional amount of derivatives is therefore significant. The residual position requiring the encumbrance of assets (variation margin and initial margin) is relatively balanced due to the hedging of both assets and liabilities.* |

## III. STATEMENT ON THE ADEQUACY OF THE AFL GROUP'S RISK MANAGEMENT SYSTEMS

*We certify the adequacy of the AFL Group's risk management system and ensure that the risk management systems put in place since the creation of the AFL are appropriate, given the risk profile of the AFL Group and its strategy.*

*Yves MILLARDET*

*Deputy Chief Executive Officer of Agence France Locale – Société Territoriale*

*President of the Management Board of Agence France Locale*