

AGENCE FRANCE LOCALE - SOCIÉTÉ TERRITORIALE

**CONSOLIDATED ACCOUNTS
FOR THE PERIOD FROM
JANUARY 1st TO
JUNE 30, 2025**



Agence France Locale - Société Territoriale
Half-year consolidated financial statements (IFRS)

BALANCE SHEET

Assets as of June 30, 2025

(€ '000s)	Notes	30/06/2025	31/12/2024
Cash, central banks	5	392,847	485,842
Financial assets at fair value through profit or loss	1	4,777	6,056
Hedging derivative instruments	2	648,803	676,072
Financial assets at fair value through other comprehensive income	3	987,275	763,359
Securities at amortized cost	4	540,298	472,127
Loans and receivables due from credit institutions and similar items at amortized cost	5	239,546	251,885
Loans and receivables due from customers at amortized cost	6	8,666,789	8,247,330
Revaluation adjustment on interest rate risk-hedged portfolios			
Current tax assets		385	
Deferred tax assets	7	3,138	4,366
Accruals and other assets	8	3,263	4,270
Intangible assets	9	1,869	1,513
Property, plant and equipment	9	12,806	12,380
Goodwill			
TOTAL ASSETS		11,501,797	10,925,200

Liabilities as of June 30, 2025

(€ '000s)	Notes	30/06/2025	31/12/2024
Central banks			
Financial liabilities at fair value through profit or loss	1	4,470	6,054
Hedging derivative instruments	2	506,681	518,313
Debt securities	10	10,375,869	9,817,977
Due to credit institutions	11	204,108	211,737
Due to customers			
Revaluation adjustment on interest rate hedged portfolios		76,019	57,527
Current tax liabilities		683	361
Deferred tax liabilities	7	1,337	1,620
Accruals and other liabilities	12	4,174	4,443
Provisions	13	163	162
Equity		328,294	307,005
Equity, Group share		328,294	307,005
Share capital and reserves		281,643	264,977
Consolidated reserves		45,329	39,922
Gains and losses recognised directly in equity		(3,333)	(3,301)
Profit (loss) for the period		4,655	5,407
Non-controlling interests			
TOTAL LIABILITIES		11,501,797	10,925,200

Income statement

		30/06/2025	30/06/2024	31/12/2024
(€ '000s)	Notes			
Interest and similar income	15	189,642	236,565	457,908
Interest and similar expenses	15	(174,460)	(224,979)	(433,780)
Fee & Commission Income	16	177	287	441
Fee & Commission Expense	16	(107)	(112)	(223)
Net gains (losses) on financial instruments at fair value through profit or loss	17	(690)	(1,227)	(747)
Net gains or losses on financial instruments at fair value through other comprehensive income	18	843	251	461
Net gains and losses on derecognition of financial assets at amortised cost				
Income on other activities				
Expenses on other activities				
NET BANKING INCOME		15,405	10,785	24,061
Operating expenses	19	(8,527)	(7,336)	(15,019)
Net depreciation, amortisation and impairments of tangible and intangible assets	9	(536)	(548)	(1,194)
GROSS OPERATING INCOME		6,341	2,901	7,848
Cost of risk	20	(34)	(255)	(381)
OPERATING INCOME		6,307	2,645	7,467
Net gains and losses on other assets	21			(1)
INCOME BEFORE TAX		6,307	2,645	7,466
Income tax	22	(1,653)	(691)	(2,059)
NET INCOME		4,655	1,954	5,407
Non-controlling interests				
NET INCOME GROUP SHARE		4,655	1,954	5,407
Basic earnings per share (in EUR)		1.65	0.78	2.04
Diluted earnings per share (in EUR)		1.65	0.78	2.04

Net income and other comprehensive income

	30/06/2025	30/06/2024	31/12/2024
(€ '000s)			
Net income	4,655	1,954	5,407
Items will be reclassified subsequently to profit or loss	1,387	(105)	(3,082)
Revaluation of financial assets at fair value through other comprehensive income recyclable to income	1,833	(173)	(4,148)
Other items recognized through other comprehensive income recyclable to income			
Related taxes	(446)	67	1,067
Elements not recyclable in profit or loss	(1,419)	1,736	3,828
Revaluation in respect of defined benefit plans			(3)
Revaluation of financial assets at fair value through to equity	(1,892)	2,314	5,109
Other items recognized through other comprehensive income not recyclable to income			
Related taxes	473	(579)	(1,277)
Total gains and losses recognized directly in equity	(32)	1,630	746
COMPREHENSIVE INCOME	4,622	3,585	6,153

Consolidated statement of changes in equity

	Capital	Associated reserves to capital	Consolidated reserves	Other equity instruments	Gains and losses recognized directly in comprehensive income				Net income, Group share	Share-holders' equity - Group share	Share-holders' equity, non-controlling interests	Total share-holders equity
					Recyclable		Not recyclable					
					Net change in fair value of Financial assets at fair value through other comprehensive income	Net change in fair value of cash flow hedging derivatives, after tax	Revaluation in respect of defined benefit plans	Other items recognized through other comprehensive income not recyclable to income				
(€ '000s)												
Shareholders' equity at 1 January 2024	232,048	-	(15,254)	-	(3,123)	-	-	(928)	5,739	218,481	-	218,481
Increase in share capital	32,929									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
2024 Net income									5,407	5,407		5,407
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 2024	264,977	-	(9,519)	49,441	(6,204)	-	-	2,904	5,407	307,005	-	307,005
Increase in share capital	16,666 ⁽¹⁾									17,837		17,837
Elimination of treasury shares												
Issuance / redemption of equity instruments												
Remuneration of undated deeplysubordinated notes												
Allocation of profit 2024			5,407						(5,407)			
Dividends 2024 paid												
Sub-total of changes linked to transactions with shareholders	17,837	-	5,407	-	-	-	-	-	(5,407)	16,666	-	16,666
Changes in fair value through equity					1,779					1,779		1,779
Change in value of through profit or loss					54					54		54
Revaluation of financial assets at fair value through not recyclable equity								(1,892)		(1,892)		(1,892)
Changes in actuarial gains on retirement benefits										-		-
Related taxes					(446)			473		27		27
Changes in gains and losses recognized directly in equity	-	-	-	-	1,387	-	-	(1,419)	-	(32)	-	(32)
30 June 2025 Net income									4,655	4,655		4,655
Sub-total	-	-	-		1,387	-	-	(1,419)	4,655	4,622	-	4,622
Effect of acquisitions and disposals on non-controlling interests												
Shareholders' equity at 30 June 2025	281,643	-	(4,112)	49,441	(4,818)	-	-	1,485	4,655	328,294	-	328,294

(1) The share capital of Agence France Locale - Société Territoriale which amounts on 30 of June, 2025 to € 281,642,700 consists of 2,816,427 shares. The Company carried out two capital increases during the first year-half 2025 subscribed on 13th March for € 8,370K and on 18th June 2025 for €8,296K.

Cash flow statement

	30/06/2025	31/12/2024
(€ '000s)		
Net income before taxes	6,307	7,466
+/- Net depreciation and amortisation of tangible and intangible non-current assets	536	1,194
+/- Net provisions and impairment charges	34	406
+/- Expense/income from investing activities	(15,512)	(16,684)
+/- Expense/income from financing activities	(7,531)	(51,053)
+/- Other non-cash items	48,351	(18,161)
= Non-monetary items included in net income before tax and other adjustments	25,878	(84,298)
+/- Cash from interbank operations		
+/- Cash from customer operations	(453,161)	(1,556,758)
+/- Cash from financing assets and liabilities	(44,141)	161,080
+/- Cash from not financing assets and liabilities	5,370	(3,821)
- Income tax paid	768	812
= Decrease/(increase) in cash from operating activities	(491,932)	(1,399,498)
= CASH FLOW FROM OPERATING ACTIVITIES (A)	(458,979)	(1,475,518)
+/- Flows linked to financial assets and investments	(264,877)	(273,053)
+/- Flows linked to investment properties		
+/- Flows linked to tangible and intangible non-current assets	(1,420)	(10,736)
= CASH FLOW FROM INVESTING ACTIVITIES (B)	(266,297)	(283,789)
+/- Cash from or for shareholders	16,804	81,919
+/- Other cash from financing activities	598,095	1,308,272
= CASH FLOW FROM FINANCING ACTIVITIES (C)	614,899	1,390,191
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH (D)		
Increase/(decrease) in cash equivalents (A + B+ C + D)	(110,376)	(369,116)
Cash flow from operating activities (A)	(458,979)	(1,475,518)
Cash flow from investing activities (B)	(266,297)	(283,789)
Cash flow from financing activities (C)	614,899	1,390,191
Effect of changes in exchange rates on cash and cash equivalents (D)		
Cash and cash equivalents at the beginning 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
Cash and cash equivalents at the end of the period	510,942	621,318
Cash and balances with central banks (assets & liabilities)	392,846	485,839
Interbank accounts (assets & liabilities) and loans/deposits at sight	118,096	135,479
CHANGE IN NET CASH	(110,376)	(369,116)

NOTES TO THE FINANCIAL STATEMENTS ACCORDING TO IFRS STANDARDS

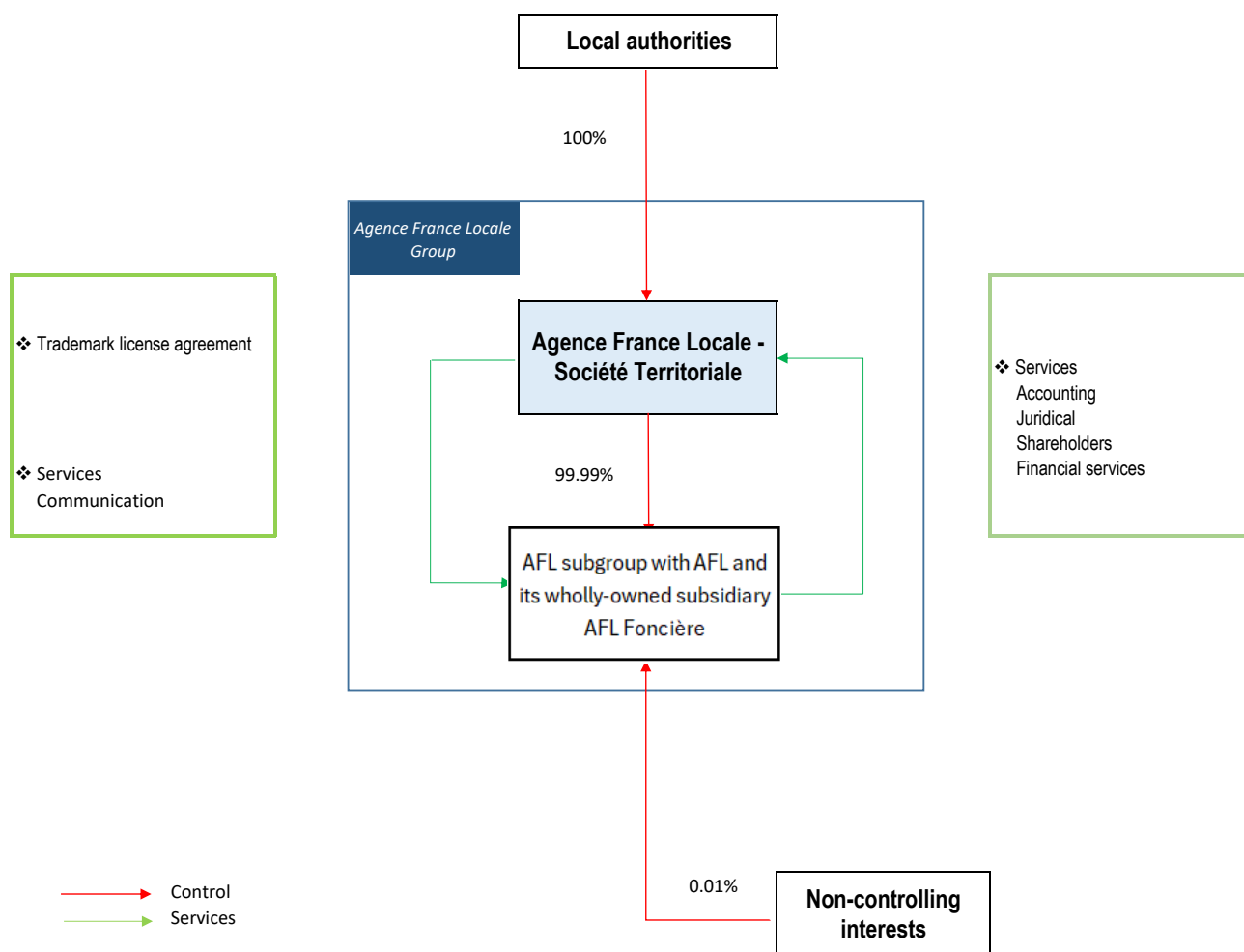
General framework

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 half year 2025 financial statements were approved by the Board of Directors on September 18, 2025.

II - Highlights from the first half year

The first half of 2025 marks a further increase in results linked to the credit activity, which is part of the AFL's development trajectory in accordance with its 2022-2026 strategic plan, the main objectives of which were revised upwards in 2023 and then in 2024. The increase in income generation 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 in the first half of 2025 amounted to 728 million euros compared to 619 million euros in the first half of 2024. This increase in the production volume from one year to the next is explained by two items: the regular increase in the number of Local Authorities Members of the AFL Group and the maintenance of good investment dynamics by French local authorities, which encourages the latter to resort to borrowing.

During the first months of 2025, AFL focused on eight private placements totaling €183 million with maturities ranging from 4 to 12 years. In addition, there was a syndicated issue denominated in Swiss francs with a 10-year maturity of €100 million. In May, AFL carried out an issue of €500 million at 8 years at OAT plus 18 basis points, followed by two top-ups of €250 million each, in the 2034 and 2029 issues, at a margin against OAT of 16 and 20 basis points respectively. As of June 30, 2025, AFL has raised €1,289 million, or 56% of its needs for the year 2025, at an average margin against OAT of 15.7 basis points and an average life of 7.6 years.

During the first half of the year, the AFL-ST, pursuing its corporate purpose, saw its capital increase by 16.7 million euros through two capital increases, bringing the share capital of the AFL-ST from 265 million euros as of December 31, 2024 to 281.6 million euros as of June 30, 2025. The AFL Group now has 1,131 members, including 87 new communities, which joined the AFL Group during the first half of 2025.

As of June 30, 2025, the net banking income (NBI) generated by the activity stands at €15,405K compared to €10,785K at the end of June 2024. This strong 43% increase in NBI in the International accounting framework is explained by the following elements:

- a sharp increase in the net interest margin (NIM), to €15,182K compared to €11,586K as of June 30, 2024. This change is explained, firstly, by the increase in interest income generated by the increase in outstanding credit and secondly by the significant decrease in the cost of carrying liquidity linked to the decrease in outstanding bank deposits and in particular the amount outstanding at the Banque de France.
- In addition to interest income, there are net commissions of €70K, a decrease of €105K compared to June 30, 2024, notably due to the decrease in non-use and commitment commissions linked to the decrease in the volume of cash lines of credit. The Agency also realized gains on financial instruments of €153K, compared to -€976K as of June 30, 2024. These gains on financial instruments consist of capital gains on the sale of securities at fair value through equity after taking into account the result of the cessation of hedging relationships for €398K and hedging inefficiencies for -€269K, compared to €282K and -€1,261K respectively as of June 30, 2024.

The net interest margin, which amounts to €15,182K as of June 30, 2025, is broken down as follows:

- €141.5 million in net interest income from hedging instruments, on outstanding loans for the first half of 2025, compared to €160.5 million in the first half of 2024. This apparent decrease is the result of the fall in the 3-month Euribor rate between the first half of 2024 and the first half of 2025. This decrease conceals the continued increase in outstanding loans generating an increase in interest income at constant prices, as highlighted by the increase in AFL's total net interest margin;
- €28.7 million in net interest income from hedging instruments on the liquidity and collateral management reserve assets for the first half of 2025, compared to €57.5 million in interest expenses in the first half of 2024. This change is again mainly explained by the period-on-period decline in short-term rates, to which the liquidity reserve assets are indexed. It should be noted that the outstanding amount of the liquidity reserve remained very stable at €2,099 million as of June 30, 2025, compared to €2,111 million as of June 30, 2024;
- Finally, €155 million in interest expenses net of hedging instruments, on the outstanding debt that AFL carries on its balance sheet, compared to €206.4 million in interest expenses in the first half of 2024. This decrease is also explained by the period-on-period decline in the 3-month Euribor to which all of AFL's debt is indexed, while the increase in volume continues in line with the growth in credit activity. Debt interest does not take into account the interest on the super-subordinated debt issued by AFL in December 2024, which will be recognized directly as a reduction in equity at the time of the annual payment in December 2025. As of June 30, 2025, only the amount of the debt is recorded in equity.

During the period, the liquidity reserve portfolio management generated €398K in profit on the disposal of securities in the portfolio at fair value through equity, net of the cancellation of interest rate hedging instruments on the securities sold. For comparison, portfolio management generated net capital gains on disposals of €282K in the first half of 2024.

As of June 30, 2025, net gains on financial instruments amounted to €153K compared to losses of €976K as of June 30, 2024. They consist of two major elements; on the one hand, capital gains on the sale of securities at fair value through equity after taking into account the result of the termination of hedging relationships for €398K and on the other hand, the sum of the fair value differences of the hedged items and their hedging instruments for -€269K. Of these differences, €141K relate to valuation differences on interest rate hedging instruments classified as macro-hedging, and -€410K 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, however, that this is a latent result.

As of June 30, 2025, general operating expenses represented €8,527K compared to €7,336K as of June 30, 2024. They account for €4,185K in personnel costs, compared to those of the first half of the previous year, which amounted to €3,699K. General operating expenses also include administrative expenses, which amounted to €4,342K compared to €3,637K as of June 30, 2024. This increase in administrative expenses of €705K is explained in particular by an increase in IT royalties, linked to the enrichment of the AFL's information system, and consulting fees associated with the management of a greater number of projects, required by regulations and by the growth of AFL's activities.

The result as of June 30, 2025 takes into account depreciation and amortization of intangible and tangible assets, which amount to €536K compared to €548K as of June 30, 2024; stability which reflects the AFL's maintenance of a relatively constant investment program from one financial year to the next, mainly focusing on the development of its information systems.

After depreciation and amortization, gross operating income as of June 30, 2025 stands at €6,341K compared to €2,901K for the first half of 2024.

The cost of risk relating to ex-ante impairments for expected credit losses (ECL) on financial assets under IFRS 9 represents a charge of €34K in the first half of 2025, compared to €255K for impairments recorded in the first half of 2024. AFL's cost of risk remains low, given the nature of the assets carried on the balance sheet, and with limited changes from one period to the next. These come mainly from the increase in AFL's balance sheet and partly from changes made to the assumptions used to construct macroeconomic scenarios by asset class. The overall stock of IFRS 9 impairments stands at €1,577K as of June 30, 2025, compared to €1,543K as of December 31, 2024.

After the allocation of the cost of risk resulting from the application of IFRS 9, the operating result as of June 30, 2025, stands at €6,307K, compared to €2,645K as of June 30, 2024.

Finally, the income tax charges as of June 30, 2025 amount to €1,653K. They break down as follows:

- €682K of current tax charges;
- €190K of deferred tax charges which corresponds to the taxation of all consolidation entries in the IFRS standard;
- €782K of charges related to the reduction of deferred tax assets, relating to the activation of previously created tax losses. This charge reduces the residual outstanding amount of deferred tax assets, which amounts to €1.3 million as of June 30, 2025.

After taking into account tax charges, net profit as of June 30, 2025 amounts to €4,655K compared to €1,954K as of June 30, 2024.

Subsequent events

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

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

The condensed interim consolidated financial statements as of June 30, 2025 have been prepared and are presented in accordance with IAS 34 Interim Financial Reporting, which defines the minimum content of information, and which identifies the recognition and measurement principles to be applied to an interim financial report.

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).

Accounting principles and methods applied

Standards, amendments and interpretations published by the IASB, the application of which is mandatory for years beginning on or after January 1, 2025

• Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - These amendments clarify 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 disclosed in the notes to the financial statements when a currency is not convertible. This amendment had no impact on the AFL'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 IFRS 9 / IFRS 7 "Changes to the Classification and Measurement of Financial Instruments" - These amendments to IFRS 9 and IFRS 7, adopted on May 27, 2025 and applicable to annual periods beginning on or after January 1, 2026, clarify the classification of financial assets with conditional characteristics, such as environmental, social, and corporate governance (ESG) characteristics, under the SPPI test. These amendments will require additional disclosures regarding investments in equity instruments designated as at fair value through other comprehensive income and financial instruments with conditional characteristics.

These amendments would have no impact on the AFL's financial statements.

IV - Accounting principles applied to the financial statements

The accounting policies applied by the Group in the condensed interim financial statements are identical to those used in the financial statements for the year ended December 31, 2024.

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
- AFL - Foncière, whose main purpose is the acquisition of a building located in the Lyon - Part Dieu district. This subsidiary is consolidated in the Group using the global integration method.

V - Notes to the Balance Sheet

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

	30/06/2025		31/12/2024	
(€ '000s)	Assets	Liabilities	Assets	Liabilities
Financial assets held for trading	4,777	4,470	6,056	6,054
Financial assets at fair value option through profit or loss				
Total financial assets at fair value through profit or loss	4,777	4,470	6,056	6,054

Financial assets held for trading

	30/06/2025		31/12/2024	
(€ '000s)	Assets	Liabilities	Assets	Liabilities
Equity instruments				
Debt securities				
Loans and advances				
Derivatives	4,777	4,470	6,056	6,054
Total Financial assets held for trading	4,777	4,470	6,056	6,054

	30/06/2025				31/12/2024			
	Notional amount		Fair value		Notional amount		Fair value	
(€ '000s)	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
FIRM TRANSACTIONS	148,000	148,000	4,777	4,470	144,000	144,000	6,056	6,054
Organised markets	-	-	-	-	-	-	-	-
Interest rate contracts								
Other contracts								
Over-the-counter markets	148,000	148,000	4,777	4,470	144,000	144,000	6,056	6,054
Interest rate contracts	148,000	148,000	4,777	4,470	144,000	144,000	6,056	6,054
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

	30/06/2025		31/12/2024	
(€ '000s)	Assets	Liabilities	Assets	Liabilities
Derivatives designated as fair value hedges	553,039	475,161	585,441	479,109
Derivatives designated as cash flow hedges				
Derivatives designated as portfolio hedges	95,764	31,519	90,631	39,204
Total Hedging derivatives	648,803	506,681	676,072	518,313

Detail of derivatives designated as fair value hedges

	30/06/2025				31/12/2024			
	Notional amount		Fair value		Notional amount		Fair value	
(€ '000s)	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
FIRM TRANSACTIONS	10,817,704	6,901,141	553,039	475,161	10,472,159	6,712,198	585,441	479,109
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	10,817,704	6,901,141	553,039	475,161	10,472,159	6,712,198	585,441	479,109
Interest rate contracts	9,922,173	6,625,175	483,771	398,705	8,941,514	6,526,148	514,909	395,295
FRA								
Cross Currency Swaps	895,531	275,967	69,268	76,456	1,530,645	186,050	70,532	83,814
Other contracts								
CONDITIONAL TRANSACTIONS	-	-	-	-	-	-	-	-
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	-	-	-	-	-	-	-	-

Detail of derivatives designated as interest rate hedged portfolios

	30/06/2025				31/12/2024			
	Notional amount		Fair value		Notional amount		Fair value	
(€ '000s)	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
FIRM TRANSACTIONS	161,170	1,520,584	95,764	31,519	175,870	1,473,029	90,631	39,204
Organised markets	-	-	-	-	-	-	-	-
Interest rate contracts								
Other contracts								
Over-the-counter markets	161,170	1,520,584	95,764	31,519	175,870	1,473,029	90,631	39,204
Interest rate contracts	161,170	1,520,584	95,764	31,519	175,870	1,473,029	90,631	39,204
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

	30/06/2025						
	(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
				Financial instruments	Collatéral received		
(€ '000s)							
Financial instruments at fair value through profit or loss	653,580	-	653,580	434,694	204,104	-	14,781
Of which derivative financial instruments (including hedging derivatives)	653,580	-	653,580	434,694	204,104	-	14,781
Loans and receivables from credit institutions and customers	8,906,335	-	8,906,335	-	-	-	8,906,335
Of wich repurchase agreements	-	-	-	-	-	-	-
Accrued income and other assets	3,263	-	3,263	-	-	-	3,263
Including security deposits given		-	-	-	-	-	
Other non offset assets	1,938,619	-	1,938,619	-	-	-	1,938,619
TOTAL ASSETS	11,501,797	-	11,501,797	434,694	204,104	-	10,862,999

	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
				Financial instruments	Collatéral received		
(€ '000s)							
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

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

	30/06/2025						
	(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
				Financial instruments	Collatéral paid		
(€ '000s)							
Financial instruments at fair value through profit or loss	511,151	-	511,151	434,694	60,779	68,755	(53,077)
Of which derivative financial instruments (including hedging derivatives)	511,151	-	511,151	434,694	60,779	68,755	(53,077)
Loans and receivables from credit institutions and customers	204,108	-	204,108	-	-	-	204,108
Of wich repurchase agreements	-	-	-	-	-	-	-
Other non offset liabilities	10,458,245	-	10,458,245	-	-	-	10,458,245
TOTAL LIABILITIES	11,173,503	-	11,173,503	434,694	60,779	68,755	10,609,276

	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
				Financial instruments	Collatéral paid		
En milliers d'euros							
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

PORTFOLIO

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

Fixed-income securities - Analysis by nature

	30/06/2025	31/12/2024
(€ '000s)		
Government paper and similar securities	631,927	615,439
Bonds	355,348	147,920
Other fixed income securities		
Net amount in balance sheet	987,275	763,359
Including depreciation	(579)	(531)
Including net unrealised gains and losses	(26,675)	(31,995)

Expected credit losses on debt instruments	12-month expected losses	Lifetime expected losses		Incurred losses
		Individual	collective	
Expected losses as of 31st December 2024	(531)	-	-	-
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	(48)	-	-	-
Acquisitions	(165)			
Re-estimate of parameters	72			
Bad debts written off				
On sales	45			
Expected losses as of 30th June 2025	(579)	-	-	-

Fixed-income securities - Analysis by counterparty

	30/06/2025	31/12/2024
(€ '000s)		
Local public sector	507,971	506,094
Financial institutions and other financial corporations	478,318	256,277
Non-financial corporations	985	988
Net amount in balance sheet	987,275	763,359

Fixed income securities held on Financial institutions include €87,747K of securities guaranteed by States of the European Economic Area.

Changes in Financial assets at fair value through other comprehensive income

	Total amount as of 31/12/2024	Additions	Disposals	Other movements	Change in fair value recognised in equity	Change in accrued interest	Prem/Disc Amort.	Total amount as of 30/06/2025
(€ '000s)								
Government paper and similar securities	615,439	213,406	(199,535)	(1,250)	4,431	(2,338)	1,774	631,927
Bonds	147,920	255,315	(50,231)	-	1,154	110	1,080	355,348
Other fixed income securities	-	-	-	-	-	-	-	-
TOTAL	763,359	468,721	(249,766)	(1,250)	5,586	(2,228)	2,853	987,275

Note 4 - SECURITIES AT AMORTIZED COST

Fixed-income securities - Analysis by nature

	30/06/2025	31/12/2024
(€ '000s)		
Government paper and similar securities	511,887	464,945
Bonds	28,412	7,181
Other fixed income securities		
Net amount in balance sheet	540,298	472,127
Including expected credit losses on debt instruments	(469)	(502)

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 2024	(502)	-	-	-
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	33	-	-	-
Acquisitions	(71)			
Re-estimate of parameters	95			
Bad debts written off				
On sales	8			
Expected losses as of 30th June 2025	(469)	-	-	-

Fixed-income securities - Analysis by contreparty

	30/06/2025	31/12/2024
(€ '000s)		
Local public sector	238,104	231,713
Financial institutions and other financial corporations	272,017	210,644
Non-financial corporations	30,177	29,769
Net amount in balance sheet	540,298	472,127

Fixed income securities held on Financial institutions include €273,783K of securities guaranteed by States of the European Economic Area.

Changes in securities at amortized cost

	Total amount as of 31/12/2024	Additions	Disposals	Other movements	Interest rate Reevaluation	Change in accrued interest	Prem/Disc Amort.	Expected credit losses change	Total amount as of 30/06/2025
(€ '000s)									
Government paper and similar securities	464,945	59,802	(11,709)	(6,568)	4,223	(526)	1,676	43	511,887
Bonds	7,181	21,150	-	(486)	377	(7)	207	(11)	28,412
Other fixed income securities	-	-	-	-	-	-	-	-	-
TOTAL	472,127	80,952	(11,709)	(7,054)	4,600	(533)	1,883	32	540,298

Note 5 - RECEIVABLES ON CREDIT INSTITUTIONS

Accounts with central banks

	30/06/2025	31/12/2024
(€ '000s)		
Mandatory reserve deposits with central banks	392,868	485,873
Other deposits		
Cash and central banks	392,868	485,873
Impairment	(20)	(30)
Net amount in balance sheet	392,847	485,842

Receivables on credit institutions

	30/06/2025	31/12/2024
(€ '000s)		
Loans and receivables		
- on demand and short notice	118,294	135,800
- term	60,493	60,440
Cash collateral paid	60,779	55,670
Securities bought under repurchase agreements		
TOTAL	239,566	251,911
Impairment for expected losses	(20)	(26)
NET CARRYING AMOUNT	239,546	251,885

Note 6 - LOANS AND ADVANCES TO CUSTOMERS

	30/06/2025	31/12/2024
(€ '000s)		
Short-term credit facilities	73,312	64,148
Other loans	8,593,955	8,183,627
Customers transactions before impairment charges	8,667,267	8,247,775
Impairment	(477)	(446)
Net carrying amount	8,666,789	8,247,330
<i>Of which individual impairment</i>	(477)	(446)
<i>Of which collective impairment</i>		

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 2024	(401)	(100)	-	-
<i>Transfers from 12-month to maturity</i>	0.3	(0.3)		
<i>Transfers from maturity to 12-month</i>				
<i>Transfers from expected to incurred losses</i>				
Total transfer movement	0.3	(0.3)	-	-
Movement attributable to financial instruments recognized over the period	7	(24)	-	-
<i>Production and acquisition</i>	(35)	(28)		
<i>Re-estimate of parameters</i>	23	2		
<i>Bad debts written off</i>				
<i>Repayments</i>	19	2		
Expected losses as of 30th June 2025	(394)	(124)	-	-

SUMMARY OF PROVISIONS ON SECURITIES, LOANS AND FINANCING COMMITMENTS

(€ '000s)	31/12/2024	Depreciation charges	Reversals amounts not used	Net charge	Utilised	30/06/2025
Financial assets at fair value through other comprehensive income						
Depreciations on performing assets	531	93	(45)	48		579
Depreciations on non-performing assets	-					-
Depreciations on doubtful assets	-					-
Total	531	93	(45)	48		579
Financial assets at amortized cost						
Depreciations on performing assets	902	(12)	(27)	(40)		863
Depreciations on non-performing assets	100	26	(2)	24		124
Depreciations on doubtful assets	-					-
Total	1,003	14	(29)	(16)		987

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	392,868			(20)			392,847
Financial assets at fair value through other comprehensive income	987,854			(579)			987,275
Securities at amortized cost	540,767			(469)			540,298
Loans and receivables due from credit institutions at amortized cost	239,566			(20)			239,546
Loans and receivables due from customers at amortized cost	8,528,668	138,569	30	(355)	(123)	(0.0003)	8,666,789

Note 7 - DEFERRED TAX

The movement on the deferred tax account is as follows:

	30/06/2025	31/12/2024
(€ '000s)		
Net asset as at 1st of january	2,745	4,244
Of which deferred tax assets	4,366	4,631
Of which deferred tax liabilities	1,620	387
Recognised in income statement	(971)	(1,288)
Income statement (charge) / credit	(971)	(1,288)
Recognised in equity	27	(211)
Financial assets at fair value through other comprehensive income	(446)	1,067
Cash flow hedges	473	(1,277)
Other		
Net asset as at	1,801	2,745
Of which deferred tax assets	3,138	4,366
Of which deferred tax liabilities	1,337	1,620

Deferred tax are attributable to the following items:

	30/06/2025	31/12/2024
(€ '000s)		
Financial assets at fair value through other comprehensive income	1,799	2,245
Cash flow hedges		
Losses carried forward	1,339	2,121
Other temporary differences		
TOTAL DEFERRED TAX ASSETS	3,138	4,366

	30/06/2025	31/12/2024
(€ '000s)		
Financial assets at fair value through other comprehensive income		
Cash flow hedges	495	968
Other temporary differences	842	652
TOTAL DEFERRED TAX LIABILITIES	1,337	1,620

Note 8 - OTHER ASSETS AND ACCRUALS

	30/06/2025	31/12/2024
(€ '000s)		
Other assets		
Deposits	1,945	2,487
Other assets	194	721
Impairment		
Total	2,139	3,208
Accruals		
Prepaid charges	991	887
Other deferred income		12
Transaction to recieve and settlement accounts	0.1	
Other accruals	133	163
Total	1,124	1,062
TOTAL OTHER ASSETS AND ACCRUALS	3,263	4,270

Note 9 - BREAKDOWN OF FIXED ASSETS

(€ '000s)

Intangible fixed assets	31/12/2024	Additions	Transfers	Disposals	Amort. and provisions	Other	30/06/2025
Intangible fixed assets							
IT development costs	13,534	141					13,675
Other intangible assets	163						163
Intangible assets in progress	93	672					765
Intangible fixed assets gross amount	13,790	813	-	-	-	-	14,603
Depreciation and allowances - Intangible fixed assets	(12,277)				(456)		(12,733)
Intangible fixed assets net carrying amount	1,513	813	-	-	(456)	-	1,869

Tangible fixed assets	31/12/2024	Additions	Disposals	Amort. and provisions	Other	30/06/2025
Commercial leases	191					191
Property, plant & equipment	13,020	506		(9)		13,517
Tangible fixed assets gross amount	13,211	506	-	(9)	-	13,709
Depreciation and allowances - Tangible fixed assets	(831)		9	(80)		(902)
Tangible fixed assets net carrying amount	12,380	506	9	(88)	-	12,806

Note 10 - DEBT SECURITIES

(€ '000s)

	30/06/2025	31/12/2024
Negotiable debt securities	149,478	99,654
Bonds	10,226,391	9,718,323
Other debt securities		
TOTAL	10,375,869	9,817,977

NOTE 11 - DUE TO CREDIT INSTITUTIONS

(€ '000s)

	30/06/2025	31/12/2024
Loans and receivables		
- on demand and short notice	4	0.2
- term		
Cash collateral paid	204,104	211,736
Securities bought under repurchase agreements		
TOTAL	204,108	211,737

Note 12 - ACCRUALS AND OTHER LIABILITIES

(€ '000s)

	30/06/2025	31/12/2024
Other liabilities		
Miscellaneous creditors	2,651	2,346
Total	2,651	2,346
Accruals		
Transaction to pay and settlement accounts		10
Other accrued expenses	1,499	2,062
Unearned income	1	
Other accruals	24	25
Total	1,523	2,097
TOTAL ACCRUALS AND OTHER LIABILITIES	4,174	4,443

Note 13 - PROVISIONS

	Balance as of 31/12/2024	Depreciation charges	Reversals amounts used	Reversals amounts not used	Other movements	Balance as of 30/06/2025
(€ '000s)						
Provisions						
Financing commitment execution risks	10	1				11
Provisions for litigations						
Provisions for employee retirement and similar benefits	152					152
Provisions for other liabilities to employees						
Other provisions						
TOTAL	162	1	-	-	-	163

Note 14 - UNDATED FINANCIAL INSTRUMENTS

	Issue date	Interest rate	Amount	Currency	30/06/2025	31/12/2024
(€ '000s)						
Agence France Locale	17-Dec.-2024	7%	50,000	EUR	49,441	49,441

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

	30/06/2025	31/12/2024
(€ '000s)		
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

	30/06/2025	31/12/2024
(€ '000s)		
Commitments given	617,149	613,459
Financing commitments	548,394	544,884
<i>For credit institutions</i>		
<i>For customers</i>	548,394	544,884
Guarantee commitments	68,755	68,574
<i>For credit institutions</i>		
<i>For customers</i>	68,755	68,574
Commitments on securities		
<i>Securities to be delivered to the issuance</i>		
<i>Other securities to be delivered</i>		
Commitments received	1,623	1,691
Financing commitments		
<i>From credit institutions</i>		
Guarantee commitments	1,623	1,691
<i>From credit institutions</i>		
<i>From customers</i>	1,623	1,691
Commitments on securities		
<i>Securities receivable</i>		

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 2024	10	-	-	-
<i>Transfers from 12-month to maturity</i>				
<i>Transfers from maturity to 12-month</i>				
<i>Transfers from expected to incurred losses</i>				
Total transfer movement	-	-	-	-
Movement attributable to financial instruments recognized over the period	1			
<i>Charge</i>	1			
<i>Utilised</i>				
<i>Reversal utilised</i>				
Expected losses as of 30th June 2025	11	-	-	-

VI - Notes to the Income Statement

Note 15 - INTEREST INCOME AND EXPENSES

	30/06/2025	30/06/2024	31/12/2024
(€ '000s)			
Interest and similar income	189,642	236,565	457,908
Due from banks	10,070	35,768	55,687
Due from customers	135,700	148,166	298,968
Bonds and other fixed income securities	21,284	23,668	47,253
<i>Financial assets at fair value through other comprehensive income</i>	13,509	15,621	30,405
<i>Securities at amortized cost</i>	7,775	8,047	16,848
Macro-hedge transactions	20,045	23,380	46,439
Other interest income	2,543	5,583	9,561
Interest and similar expenses	(174,460)	(224,979)	(433,780)
Due to banks	(2,630)	(1,983)	(4,571)
Debt securities	(155,021)	(206,389)	(396,342)
Macro-hedge transactions	(14,268)	(11,033)	(23,318)
Other interest expenses	(2,541)	(5,574)	(9,549)
Interest margin	15,182	11,586	24,128

Note 16 - NET FEE AND COMMISSION INCOME

	30/06/2025	30/06/2024	31/12/2024
(€ '000s)			
Fee & Commission Income	177	287	441
Interbank transactions			
Customer transactions			
Securities transactions			
Forward financial instruments transactions			
Currencies transactions			
Financing commitments and guarantee	177	287	441
Other commissions received			
Fee & Commission Expense	(107)	(112)	(223)
Interbank transactions	(15)	(25)	(43)
Securities transactions	(11)	(4)	(8)
Forward financial instruments transactions	(82)	(83)	(172)
Currencies transactions			
Financing commitments and guarantee			
Other commissions paid			
Net Fee and Commission income	70	174	219

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

	30/06/2025	30/06/2024	31/12/2024
(€ '000s)			
Gains/(losses) on Trading book	11	3	(1)
Net result of hedge accounting	(714)	(1,230)	(749)
Net result of foreign exchange transactions	13	0.4	3
TOTAL	(690)	(1,227)	(747)

Analysis of net result of hedge accounting

(€ '000s)	30/06/2025	30/06/2024	31/12/2024
Fair value hedges			
Fair value changes in the hedged item attributable to the hedged risk	(4,765)	72,312	(47,665)
Fair value changes in the hedging derivatives	4,355	(73,145)	46,863
Hedging relationship disposal gain	(445)	31	44
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	(19,687)	(14,587)	23,043
Fair value changes in the hedging derivatives	19,828	14,159	(23,034)
Net result of hedge accounting	(714)	(1,230)	(749)

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

(€ '000s)	30/06/2025	30/06/2024	31/12/2024
Gains from disposal of fixed income securities	844	261	471
Losses from disposal of fixed income securities	(1)	(10)	(10)
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	843	251	461

Note 19 - GENERAL OPERATING EXPENSES

(€ '000s)	30/06/2025	30/06/2024	31/12/2024
Employee expenses			
Wages and salaries	2,679	2,432	4,924
Post-employment benefit expenses	291	236	472
Other expenses	1,215	1,031	2,119
Total Employee expenses	4,185	3,699	7,515
Operating expenses			
Taxes and duties	277	360	604
External services	4,065	3,277	6,901
Total Administrative expenses	4,342	3,637	7,504
Charge-backs and reclassification of administrative expenses			
Total General operating expenses	8,527	7,336	15,019

Note 20 - COST OF RISK

(€ '000s)	30/06/2025	30/06/2024	31/12/2024
Net charge to provisions	(33)	(249)	(386)
<i>for financial assets at fair value through other comprehensive income</i>	(48)	(97)	(118)
<i>for financial assets at amortized cost</i>	15	(152)	(268)
Net charge to provisions	(1)	(6)	6
<i>for financing commitments</i>	(1)	(6)	6
<i>for guarantee commitments</i>			
Irrecoverable loans written off not covered by provisions			
Recoveries of bad debts written off			
Total Cost of risk	(34)	(255)	(381)

Note 21 - NET GAINS AND LOSSES ON OTHER ASSETS

(€ '000s)	30/06/2025	30/06/2024	31/12/2024
Gains on sales of Investment securities			
Gains on sales of tangible or intangible assets			
Reversal of impairment			
Total Gains on other assets	-	-	-
Losses on sales of Investment securities			
Losses on sales of tangible or intangible assets			(1)
Charge of impairment			
Total Losses on other assets	-	-	(1)

Note 22 - INCOME TAX

(€ '000s)	30/06/2025	30/06/2024	31/12/2024
Expense and income of current tax	(682)	(415)	(772)
Expense and income of deferred tax	(971)	(276)	(1,288)
Ajustement on previous period			
Total Income tax	(1,653)	(691)	(2,059)

RECONCILIATION OF THE THEORETICAL TAX RATE AND THE EFFECTIVE TAX RATE

As of 30th June 2025

(€ '000s)	Base	Tax rate	Tax
Pre-tax income	6,307	25.83%	(1,629)
Impact of permanent differences		0.01%	(1)
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.20%	(12)
Impact of other items		0.17%	(11)
Effective tax rate and tax charge		26.21%	(1,653)

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France as at 30 June 2025.

As of 30th June 2024

(€ '000s)	Base	Tax rate	Tax
Pre-tax income	2,645	25.83%	(683)
Impact of permanent differences			
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.94%	(25)
Impact of other items		(0.64)%	17
Effective tax rate and tax charge		26.13%	(691)

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France as at 30 June 2024.

As of 31st December 2024

(€ '000s)	Base	Tax rate	Tax
Pre-tax income	7,466	25.83%	(1,928)
Impact of permanent differences		(0.01)%	1
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.41%	(30)
Impact of other items		1.36%	(101)
Effective tax rate and tax charge		27.58%	(2,059)

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France as at 31 December 2024.

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:

(€ '000s)	30/06/2025			
	Total	Measured using		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss	4,777	-	4,777	-
Hedging derivative instruments	648,803	-	648,803	-
Government paper and similar securities	631,927	536,679	-	95,248
Bonds	355,348	149,058	-	206,290
Other fixed income securities	-	-	-	-
Total Financial assets at fair value through other comprehensive income	987,275	685,737	-	301,538
Total Financial assets	1,640,854	685,737	653,580	301,538
Financial liabilities				
Financial liabilities at fair value through profit or loss	4,470	-	4,470	-
Hedging derivative instruments	506,681	-	506,681	-
Total Financial liabilities	511,151	-	511,151	-

Fair values of instruments carried at amortised cost:

(€ '000s)	30/06/2025				
	Net Carrying value	Fair value	Measured using		
			Level 1	Level 2	Level 3
Financial assets					
Cash, central banks and issuing institutions	392,847	392,847	-	-	392,847
Government paper and similar securities	511,887	506,862	327,491	-	179,371
Bonds	28,412	28,013	28,013	-	-
Other fixed income securities	-	-	-	-	-
Total Securities at amortized cost	540,298	534,875	355,504	-	179,371
Loans and receivables due from credit institutions	239,546	239,546	-	-	239,546
Loans and advances to customers	8,590,770	8,590,770	-	-	8,590,770
Total Financial assets	9,763,462	9,758,039	355,504	-	9,402,535
Financial liabilities					
Debt securities	10,375,869	10,255,652	8,491,281	1,614,894	149,478
Total Financial liabilities	10,375,869	10,255,652	8,491,281	1,614,894	149,478

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 30 June 2025 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 30/06/2025
Cash, central banks	392,868		(20)	392,847
Financial assets at fair value through profit or loss	4,777			4,777
Hedging derivative instruments	648,803			648,803
Financial assets at fair value through other comprehensive income	987,275			987,275
Securities at amortized cost	540,768		(469)	540,298
Loans and receivables due from credit institutions	239,566		(20)	239,546
Loans and advances to customers	8,667,267		(477)	8,666,789
Revaluation adjustment on interest rate hedged portfolios				-
Current tax assets	385			385
Other assets	2,139			2,139
Sub-total Assets	11,483,846	-	(987)	11,482,859
Financing commitments given	548,394			548,394
TOTAL Credit risk exposure	12,032,241	-	(987)	12,031,254

Exposure analysis by counterparty

(€ '000s)	Total 30/06/2025
Central banks	392,847
Local public sector	9,962,247
Credit institutions guaranteed by the EEA States	330,167
Credit institutions	1,313,294
Other financial corporations guaranteed by the EEA States	
Other financial corporations	
Non-financial corporations guaranteed by the EEA States	31,162
Non-financial corporations	1,536
Total Exposure by counterparty	12,031,254

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 30/06/2025
France	10,934,734
Supranational	324,100
Canada	207,005
Spain	91,846
Finland	69,580
Belgium	66,578
Germany	61,346
Switzerland	60,281
Netherlands	59,112
New Zealand	52,584
Iceland	29,606
Norway	20,430
Poland	13,667
Denmark	12,311
South Korea	11,656
Australia	10,032
Sweden	6,386
Total Exposure by geographic area	12,031,254

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

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 30/06/2025
Cash, central banks	392,847				392,847			392,847
Financial assets at fair value through profit or loss		47	3,220	1,646	4,913	(136)		4,777
Hedging derivative instruments	56	9,865	73,444	557,820	641,184	7,618		648,803
Financial assets at fair value through other comprehensive income								
Government paper and similar securities	64,865	62,405	332,576	192,384	652,231	3,176	(23,479)	631,927
Bonds	50,069	146,037	136,911	24,359	357,376	1,167	(3,196)	355,348
Total Financial assets at fair value through other comprehensive income	114,934	208,443	469,487	216,742	1,009,606	4,343	(26,675)	987,275
Securities at amortized cost								
Government paper and similar securities	3,509	11,818	229,113	270,477	514,918	2,937	(5,967)	511,887
Bonds			6,372	21,355	27,727	91	594	28,412
Total Securities at amortized cost	3,509	11,818	235,485	291,832	542,644	3,028	(5,373)	540,298
Loans and receivables due from credit institutions	178,756		60,000		238,756	790		239,546
Loans and advances to customers	219,418	593,686	2,595,437	5,593,832	9,002,374	24,984	(360,568)	8,666,789
Revaluation adjustment on interest rate hedged portfolios								-
Current tax assets		385			385			385
Other assets	2,139				2,139			2,139
TOTAL ASSETS								11,482,859
Central banks								-
Financial assets at fair value through profit or loss		47	3,210	1,647	4,904	(434)		4,470
Hedging derivative instruments	40	13,099	152,238	366,370	531,748	(25,067)		506,681
Debt securities	99,678	721,725	3,903,824	5,853,041	10,578,269	66,772	(269,172)	10,375,869
Due to credit institutions	204,108				204,108			204,108
Revaluation adjustment on interest rate hedged portfolios							76,019	76,019
Other liabilities	2,651				2,651			2,651
TOTAL LIABILITIES								11,169,797

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. The rate risk management policy and its implications on the first half of 2025 are described into the financial report as at 30th June 2025.



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Agence France Locale - Société Territoriale S.A.

**Statutory Auditors' Review Report on interim consolidated condensed
financial statements**

For the period from January 1st, 2025 to June 30, 2025]



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This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Agence France Locale - Société Territoriale S.A.

Statutory Auditors' Review Report on interim consolidated condensed financial statements

For the period from January 1st, 2025 to June 30th, 2025]

To the Shareholders,

In our capacity as Statutory Auditors of Agence France Locale - Société Territoriale S.A. and in answer to your request made in the context of your willingness to produce an extended financial information to investors, we conducted a review of the accompanying interim consolidated condensed financial statements of Agence France Locale - Société Territoriale prepared in compliance with IFRS (International Financial Reporting Standards) as adopted by the European Union, for the period from January 1st, 2025 to June 30th, 2025.

These interim consolidated condensed financial statements are the responsibility of the Board of Directors. Our responsibility is to express a conclusion on these interim consolidated condensed financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional doctrine of the French national auditing body (Compagnie nationale des commissaires aux comptes) related to this engagement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements as at June 30th, 2025 do not present fairly, in all material respects, the assets and liabilities and the financial position of the Group as at June 30th, 2025 and the results of its operations for the period then ended,



in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

This report is addressed to your attention in the context described above and is not to be used, circulated, quoted or otherwise referred to for any other purposes.

This report is governed by French law. The Courts of France shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning the engagement letter or this report, and any matter arising from them. Each party irrevocably waives any right it may have to object to an action being brought in any of those Courts, to claim that the action has been brought in an inconvenient forum or to claim that those Courts do not have jurisdiction.

Paris La Défense, September 23rd, 2025

KPMG S.A

Paris, September 23rd, 2025

CAILLIAU DEDOUIT ET ASSOCIES

Sophie MEDDOURI

Partner

Laurent BRUN

Partner