AGENCE FRANCE LOCALE - SOCIÉTÉ TERRITORIALE

CONSOLIDATED ACCOUNTS FOR THE PERIOD FROM JANUARY 1st TO JUNE 30, 2026

AFL
La banque des collectivités locales

AGENCE FRANCE LOCALE - Société Territoriale
Consolidated annual financial statements (IFRS)

BALANCE SHEET

Assets as of 30 of June 2026

(€ '000s)	Notes	30/06/2026	31/12/2025
Cash, central banks	5	720,988	741,855
Financial assets at fair value through profit or loss	1	3,076	4,577
Hedging derivative instruments	2	653,687	663,081
Financial assets at fair value through other comprehensive income	3	934,727	721,498
Securities at amortized cost	4	563,038	533,829
Loans and receivables due from credit institutions and similar items at amortized cost	5	263,044	236,705
Loans and receivables due from customers at amortized cost	6	9,675,509	9,485,341
Revaluation adjustment on interest rate risk-hedged portfolios			
Current tax assets			
Deferred tax assets	7	888	1,501
Accruals and other assets	8	2,720	2,868
Intangible assets	9	3,624	3,072
Property, plant and equipment	9	14,235	13,261
Goodwill			
TOTAL ASSETS		**12,835,535**	**12,407,589**

Liabilities as of 30 of June 2026

(€ '000s)	Notes	30/06/2026	31/12/2025
Central banks			
Financial liabilities at fair value through profit or loss	1	2,613	4,578
Hedging derivative instruments	2	508,890	475,227
Debt securities	10	11,658,698	11,225,502
Due to credit institutions	11	212,186	256,411
Due to customers			
Revaluation adjustment on interest rate hedged portfolios		97,480	105,002
Current tax liabilities		297	678
Deferred tax liabilities	7	35	45
Accruals and other liabilities	12	4,732	4,649
Provisions	13	675	164
Equity		**349,930**	**335,332**
Equity, Group share		**349,930**	**335,331**
Share capital and reserves		295,521	285,408
Consolidated reserves		52,645	41,829
Gains and losses recognised directly in equity		(1,078)	(2,722)
Profit (loss) for the period		2,842	10,816
Non-controlling interests			
TOTAL LIABILITIES		**12,835,535**	**12,407,589**

Income statement

(€ '000s)	Notes	30/06/2026	30/06/2025	31/12/2025
Interest and similar income	15	188,515	189,642	367,638
Interest and similar expenses	15	(172,905)	(174,460)	(337,999)
Fee & Commission Income	16	282	177	527
Fee & Commission Expense	16	(98)	(107)	(227)
Net gains (losses) on financial instruments at fair value through profit or loss	17	(543)	(690)	1,890
Net gains or losses on financial instruments at fair value through other comprehensive income	18	(153)	843	(1,005)
Net gains and losses on derecognition of financial assets at amortised cost				
Income on other activities				
Expenses on other activities				
NET BANKING INCOME		**15,097**	**15,405**	**30,825**
Operating expenses	19	(10,452)	(8,527)	(17,004)
Net depreciation, amortisation and impairments of tangible and intangible assets	9	(467)	(536)	(542)
GROSS OPERATING INCOME		**4,178**	**6,341**	**13,278**
Cost of risk	20	(234)	(34)	39
OPERATING INCOME		**3,944**	**6,307**	**13,317**
Net gains and losses on other assets				
INCOME BEFORE TAX		**3,944**	**6,307**	**13,317**
Income tax	21	(1,102)	(1,653)	(2,501)
NET INCOME		**2,842**	**4,655**	**10,816**
Non-controlling interests				
NET INCOME GROUP SHARE		**2,842**	**4,655**	**10,816**
Basic earnings per share (in EUR)		0.99	1.65	3.79
Diluted earnings per share (in EUR)		0.99	1.65	3.79

Net income and other comprehensive income

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Net income	**2,842**	**4,655**	**10,816**
Items will be reclassified subsequently to profit or loss	**1,391**	**1,387**	**3,632**
Revaluation of financial assets at fair value through other comprehensive income recyclable to income	1,817	1,833	4,885
Other items recognized through other comprehensive income recyclable to income			
Related taxes	(426)	(446)	(1,254)
Elements not recyclable in profit or loss	**253**	**(1,419)**	**(3,053)**
Revaluation in respect of defined benefit plans			
Revaluation of financial assets at fair value through to equity	337	(1,892)	(4,070)
Other items recognized through other comprehensive income not recyclable to income			
Related taxes	(84)	473	1,018
Total gains and losses recognized directly in equity	**1,644**	**(32)**	**579**
COMPREHENSIVE INCOME	**4,486**	**4,622**	**11,395**

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				
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									16,666		**16,666**
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	**16,666**	**-**	**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)**
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 31 December 2025	**281,643**	**-**	**(4,112)**	**49,441**	**(4,818)**	**-**	**-**	**1,485**	**4,655**	**328,294**	**-**	**328,294**
Increase in share capital	3,765									3,765		**3,765**
Elimination of treasury shares												
Issuance / redemption of equity instruments												
Remuneration of undated deeplysubordinated notes			(3,500)							(3,500)		**(3,500)**
Allocation of profit 2024												
Dividends 2024 paid												
Sub-total of changes linked to transactions with shareholders	**3,765**	**-**	**(3,500)**	**-**	**-**	**-**	**-**	**-**	**-**	**265**	**-**	**265**
Changes in fair value through equity					2,787					2,787		**2,787**
Change in value of through profit or loss					265					265		**265**
Revaluation of financial assets at fair value through not recyclable equity								(2,179)		(2,179)		**(2,179)**
Changes in actuarial gains on retirement benefits												
Related taxes					(808)			545		(263)		**(263)**
Changes in gains and losses recognized directly in equity	**-**	**-**	**-**	**-**	**2,245**	**-**	**-**	**(1,634)**	**-**	**611**	**-**	**611**
2025 Net income									6,161	6,161		**6,161**
Sub-total	**-**	**-**	**-**	**-**	**2,245**	**-**	**-**	**(1,634)**	**6,161**	**6,773**	**-**	**6,773**
Effect of acquisitions and disposals on non-controlling interests												
Shareholders' equity at 31 December 2025	**285,408**	**-**	**(7,612)**	**49,441**	**(2,573)**	**-**	**-**	**(149)**	**10,816**	**335,332**	**-**	**335,332**

Shareholders' equity at 31 December 2025	**285,408**	**-**	**(7,612)**	**49,441**	**(2,573)**	**-**	**-**	**(149)**	**10,816**	**335,332**	**-**	**335,332**
Increase in share capital	10 113 (1)									10,113		**10,113**
Elimination of treasury shares												
Issuance / redemption of equity instruments												
Remuneration of undated deeplysubordinated notes												
Allocation of profit 2025			10,816						(10,816)			
Dividends 2025 paid												
Sub-total of changes linked to transactions with shareholders	**10,113**	**-**	**10,816**	**-**	**-**	**-**	**-**	**-**	**(10,816)**	**10,113**	**-**	**10,113**
Changes in fair value through equity					1,681					1,681		**1,681**
Change in value of through profit or loss					136					136		**136**
Revaluation of financial assets at fair value through not recyclable equity								337		337		**337**
Changes in actuarial gains on retirement benefits												
Related taxes					(426)			(84)		(511)		**(511)**
Changes in gains and losses recognized directly in equity	**-**	**-**	**-**	**-**	**1,391**	**-**	**-**	**253**	**-**	**1,644**	**-**	**1,644**
30th of June 2026 Net income									**2,842**	2,842		**2,842**
Sub-total	**-**	**-**	**-**	**-**	**1,391**	**-**	**-**	**253**	**2,842**	**4,486**	**-**	**4,486**
Effect of acquisitions and disposals on non-controlling interests												
Shareholders' equity at 30 of June 2026	**295,521**	**-**	**3,204**	**49,441**	**(1,182)**	**-**	**-**	**104**	**2,842**	**349,930**	**-**	**349,930**

(1) The share capital of Agence France Locale - Société Terrioriale which amounts on 30 of June 2026 to € 295,520,900 consists of 2,955,209 shares. The Company carried out a capital increase during the year 2026 subscribed on 17th of June for € 10,113K.

Cash flow statement

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Net income before taxes	**3,944**	**6,307**	**13,317**
+/- Net depreciation and amortisation of tangible and intangible non-current assets	467	536	542
+/- Net provisions and impairment charges	675	34	(39)
+/- Expense/income from investing activities	(16,423)	(15,512)	(22,522)
+/- Expense/income from financing activities	(8,247)	(7,531)	(16,258)
+/- Other non-cash items	62,575	48,351	(24,159)
= Non-monetary items included in net income before tax and other adjustments	**39,046**	**25,878**	**(62,436)**
+/- Cash from interbank operations			
+/- Cash from customer operations	(159,430)	(453,161)	(1,342,631)
+/- Cash from financing assets and liabilities	(99,400)	(44,141)	72,958
+/- Cash from not financing assets and liabilities	959	5,370	5,594
- Income tax paid	1,392	768	768
= Decrease/(increase) in cash from operating activities	(256,479)	(491,932)	(1,263,310)
= CASH FLOW FROM OPERATING ACTIVITIES (A)	**(213,489)**	**(458,979)**	**(1,312,429)**
+/- Flows linked to financial assets and investments	(242,946)	(264,877)	19,269
+/- Flows linked to investment properties			
+/- Flows linked to tangible and intangible non-current assets	(2,126)	(1,420)	(3,205)
= CASH FLOW FROM INVESTING ACTIVITIES (B)	**(245,072)**	**(266,297)**	**16,064**
+/- Cash from or for shareholders	10,543	16,804	20,054
+/- Other cash from financing activities	432,637	598,095	1,506,711
= CASH FLOW FROM FINANCING ACTIVITIES (C)	**443,179**	**614,899**	**1,526,765**
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH (D)			
Increase/(decrease) in cash equivalents (A + B+ C + D)	**(15,381)**	**(110,376)**	**230,399**
Cash flow from operating activities (A)	(213,489)	(458,979)	(1,312,429)
Cash flow from investing activities (B)	(245,072)	(266,297)	16,064
Cash flow from financing activities (C)	443,179	614,899	1,526,765
Effect of changes in exchange rates on cash and cash equivalents (D)			
Cash and cash equivalents at the beginning of the period	**851,717**	**621,318**	**621,318**
Cash and balances with central banks (assets & liabilities)	741,856	485,839	485,839
Interbank accounts (assets & liabilities) and loans/deposits at sight	109,861	135,479	135,479
Cash and cash equivalents at the end of the period	**836,336**	**510,942**	**851,717**
Cash and balances with central banks (assets & liabilities)	720,988	392,846	741,856
Interbank accounts (assets & liabilities) and loans/deposits at sight	115,348	118,096	109,861
CHANGE IN NET CASH	**(15,381)**	**(110,376)**	**230,399**

NOTES TO THE FINANCIAL STATEMENTS ACCORDING TO IFRS STANDARDS

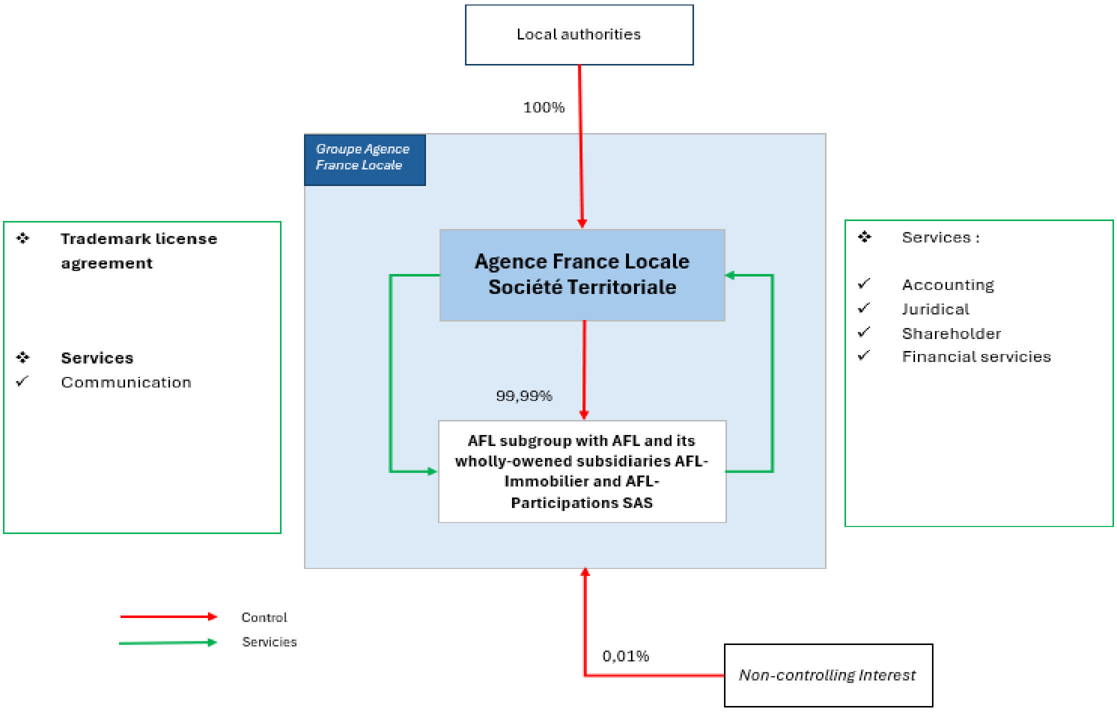
General framework

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 financial statements were approved by the Board of Directors as of September 17, 2026.

II - Highlights from the first half year

While core business revenues continued to grow—driven by the rapid and steady expansion of the outstanding loan portfolio with member local authorities—profitability was adversely affected primarily by exceptional charges during the half-year, a slight deterioration in the cost of carrying liquidity, and hedging inefficiencies resulting in negative IFRS impacts. As a result, the first half of 2026 saw a notable decline in results compared to the same period in 2025.

AFL's medium- and long-term lending volume in the first half of 2026 totaled €432 million, compared to €728 million in the first half of 2025. This year-on-year change in lending volume was primarily driven by a different borrowing cycle in 2026, resulting from the municipal elections held last March. Activity regarding treasury credit lines remained robust, with €203 million in new lending during the period, compared to €182 million a year earlier.

While maintaining a competitive long-term loan offering, AFL also fulfilled its role of providing a diversified range of loans by increasing its interventions in complementary segments, particularly bridge loans and cash facilities. This approach made it possible to offer AFL shareholders a comprehensive response, covering all their needs, from short-term to long-term, and thus to secure the financial balance of their projects.

In the first half of 2026, AFL executed five bond market transactions totaling €1 billion—representing nearly two-thirds of its funding requirements for the year—at an average spread of 14.6 basis points above the OAT curve, compared to a spread of 15.6 basis points in 2025 and an average maturity of 8.3 years versus 7.6 years in 2025.

These 5 transactions break down as follows:

- A syndicated euro-denominated issue of €500 million maturing in 2033, with a spread of 18 basis points over OATs;
- An Australian dollar-denominated issue of AUD 600 million (equivalent to €366 million) maturing in 2036, with a spread equivalent to OATs plus 10 basis points;
- Two tap issues linked to existing euro-denominated bond lines via private placement, totaling €125 million; and
- One fixed-rate euro-denominated private placement of €10 million.

2025 marks a record both in terms of the number of transactions and the diversity of debt instruments and currencies. It should be noted that among the debt securities issued in 2025, 5 transactions were carried out in the form of sustainable bonds under AFL's sustainable issuance framework.

This diversification is at the heart of AFL's issuance strategy and aims to optimize the maturity profile of AFL's debt as well as its financing cost.

During the first half of 2026, in furtherance of its corporate purpose, AFL-ST saw its capital increase by €10.1 million through a capital increase, thereby raising AFL's share capital from €285.4 million on January 1, 2026, to €295.5 million on June 30, 2026. The AFL Group now has 1,300 members, including 29 new local authorities that joined during the past six months.

As of June 30, 2026, net banking income (NBI) generated by operations stood at €15,097 thousand, compared to €15,405 thousand as of June 30, 2025. This 2% decline in NBI under the international accounting framework is attributable to the following factors:

- An increase in net interest margin—rising from €15,182k at June 30, 2025, to €15,610k at June 30, 2026—driven primarily by higher interest income resulting from the growth in outstanding loans. However, the cost of carrying liquidity raised during the period dampened this growth in net interest margin in the second quarter of 2026;
- An increase in net commissions, rising to €184k as of June 30, 2026, compared to €70k as of June 30, 2025;
- Capital gains on the disposal of investment securities arising from the management of the liquidity reserve, which fell to €257k, compared to €398k at June 30, 2025; and
- Capital gains on the disposal of investment securities arising from the management of the liquidity reserve, which fell to €257k, compared with €398k at June 30, 2025; and
- A charge of €954k related to hedging inefficiencies, compared to a charge of €269k as of June 30, 2025. This amount, recorded in the income statement, primarily reflects unrealized valuation differences between the hedged items and the hedging instruments.

The net interest margin of €15,610k comprises the following three elements:

- First, income from the loan portfolio amounted to €141.5 million after accounting for hedging effects—the same level as at June 30, 2025. This stability stems from two opposing factors: on the one hand, the continued growth of the outstanding loan balance, which generates higher interest income (at constant prices); on the other, the average 3-month Euribor rate (the index used for hedging) during the first half of 2026 was lower than in the first half of 2025 (the 3-month Euribor stabilized around 2% from June 2025 onwards, following a near-continuous decline since April 2024, before rising again from early March 2026), effectively resulting in a decrease in interest income received after hedging, assuming constant volumes.
- Secondly, income from the liquidity reserve amounted to €27.6 million, compared with €28.7 million as of June 30, 2025. Here again, this change is primarily attributable to the period-over-period decline in short-term rates, to which the liquidity reserve assets are indexed. In particular, the remuneration rate for central bank deposits stood at 2% for almost the entire first half of 2026, compared with a range of 2% to 3% during the first half of 2025. It should be noted that the outstanding balance of the liquidity reserve stood at €2,415 million as of June 30, 2026—an increase from June 30, 2025 (€2,099 million)—driven notably by solid progress in the 2026 borrowing program.
- Finally, interest expenses—net of hedging instruments—on the debt held on AFL's balance sheet amounted to €153.4 million, compared to €155 million in the first half of 2025. As with the lending business, this relative stability is attributable to the period-over-period decline in the 3-month Euribor rate—to which the majority of AFL's debt is indexed—combined with an increase in volume driven by the growth of lending activity.

The net result from hedge accounting—excluding the gain or loss on the disposal of a hedging relationship—amounted to -€954k at June 30, 2026, compared to -€269k at June 30, 2025; this figure represents the sum of the fair value differences between the hedged items denominated in euros and their corresponding hedges. Of these fair value differences, -€547k relate to micro-hedged assets, -€198k to macro-hedged assets, and -€209k to micro-hedged liabilities.

Indeed, latent valuation discrepancies persist between hedged items and hedging instruments—constituting hedge ineffectiveness—stemming in part from a market practice that accepts a valuation asymmetry: hedging instruments subject to daily collateralization are discounted using the €STER curve, whereas hedged items are discounted using the Euribor curve. In accordance with IFRS standards, this results in the recognition of hedge ineffectiveness in the income statement. It should be noted, however, that this represents an unrealized result.

As of June 30, 2026, general operating expenses amounted to €10,452k, compared to €8,527k as of June 30, 2025. This increase stems primarily from a €510k provision for other risks and charges and €929k in exceptional fees related to the planned acquisition of GE SCF. Personnel expenses totaled €5,038k as of June 30, 2026, compared to €4,185k for the first half of the previous financial year, while administrative expenses amounted to €5,414k, compared to €4,342k as of June 30, 2025. Excluding the aforementioned exceptional fees, the increase in administrative expenses was around 3% year-on-year, driven mainly by a rise in IT fees linked to the enhancement of AFL's information system.

The result for the period ending June 30, 2026, reflects charges for the amortization and impairment of intangible and tangible assets totaling €467k, compared to €536k for the period ending June 30, 2025. This slight decrease should be viewed in context, however, as a number of investments—particularly those related to the information systems master plan—are still underway and are expected to result in higher amortization charges during the second half of the year.

After depreciation charges, gross operating profit as of June 30, 2026, stands at €4,178k, compared with €6,341k for the first half of 2025.

The cost of risk associated with ex-ante impairment for expected credit losses (ECL) on financial assets under IFRS 9 amounted to €234k for the first half of 2026, compared to €34k in impairment charges recorded in the first half of 2025. AFL's cost of risk remains low, given the nature of the assets held on the balance sheet, with limited period-over-period fluctuations. This increase in the cost of risk stems primarily from the growth in outstanding amounts and, to some extent, from a deterioration in the assumptions used to construct macroeconomic scenarios by asset class, reflecting adverse trends in macroeconomic and geostrategic risks. The total stock of IFRS 9 impairment provisions stood at €1,738k as of June 30, 2026, compared to €1,504k as of December 31, 2025.

After accounting for the cost of risk resulting from the application of IFRS 9, operating income as of June 30, 2026, stands at €3,944k, compared to €6,307k as of June 30, 2025.

The tax charge of €1,102k as of June 30, 2026, consists of the following three elements:

- A corporate tax charge of €1,010k;
- A deferred tax asset of +€353k related to IFRS consolidation adjustments;
- A tax charge of €445k related to the reversal of deferred tax assets (DTAs) associated with the utilization of previously accumulated tax losses. This charge reduces the residual balance of deferred tax assets, which stands at €15k as of June 30, 2026.

After tax, AFL closed the first half of the year with a net profit of €2,842k, compared to €4,655k as of June 30, 2025.

Subsequent events

No major events likely to affect the presented financial statements have occurred during the early part of the second half of the 2026 financial year.

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

The condensed interim consolidated financial statements as of June 30, 2026 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).

Standards, amendments and interpretations published by the IASB, the application of which is mandatory for years beginning on or after January 1, 2026

- Amendments to IFRS 9 / IFRS 7: "Amendments to the classification and measurement of financial instruments"

These amendments to IFRS 9 and IFRS 7, adopted on May 27, 2025, and applicable to reporting periods beginning on or after January 1, 2026, clarify, in particular, the classification of financial assets with contingent features—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 at fair value through other comprehensive income and financial instruments with contingent features.
These amendments had no impact on AFL's financial statements as of June 30, 2026.

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

AFL Group has decided not to early adopt the following standards:

- IFRS 18 'Presentation and Disclosure in Financial Statements' – This standard will replace IAS 1 'Presentation of Financial Statements'. It was issued by the IASB on April 9, 2024. Subject to its endorsement by the European Commission, IFRS 18 will be applicable from January 1, 2027, with a comparative period as of January 1, 2026.

The standard does not alter the recognition or measurement of financial items but relates exclusively to their presentation in the income statement and the notes to the financial statements, in order to improve comparability and transparency.

The main changes are as follows:

- A new income statement structure organized around three mandatory categories: Operating, Investing, and Financing.

- Specification of the concept of "principal activity": for entities whose principal activity consists of granting financing or investing in assets (such as credit institutions like AFL), the standard allows all income and expenses related to these activities to be classified under the "Operating" category.

Based on an analysis of its activities, the AFL considers itself to be primarily engaged in financing and investment activities. Consequently, most items currently included in its operating aggregates are expected to remain classified under "Operations." However, limited reclassifications will occur—specifically regarding net interest on lease liabilities (IFRS 16) and interest on retirement benefit plans (IAS 19)—which will be excluded from operating income.

Finally, IFRS 18 introduces new requirements regarding the aggregation and disaggregation of information, as well as the disclosure in the notes to the financial statements of management-defined performance measures (MPMs), accompanied by a reconciliation with IFRS subtotals.

AFL is continuing its preparatory work. At this stage, IFRS 18 is not expected to have a significant impact on the presentation of the 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, 2025.

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 - Immobilier, an entity over which AFL exercises exclusive control, is consolidated using the global integration method
- During the first half of 2026, AFL created a wholly-owned subsidiary, AFL - Participations SAS, for the purposes of the planned GE SCF's acquisition. This new subsidiary is consolidated for the first time 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

	30/06/2026		31/12/2025	
(€ ‘000s)	Assets	Liabilities	Assets	Liabilities
Financial assets held for trading	3,076	2,613	4,577	4,578
Financial assets at fair value option through profit or loss				
Total financial assets at fair value through profit or loss	**3,076**	**2,613**	**4,577**	**4,578**

Financial assets held for trading

	30/06/2026		31/12/2025	
(€ ‘000s)	Assets	Liabilities	Assets	Liabilities
Equity instruments				
Debt securities				
Loans and advances				
Derivatives	3,076	2,613	4,577	4,578
Total Financial assets held for trading	**3,076**	**2,613**	**4,577**	**4,578**

	30/06/2026				31/12/2025			
	Notional amount		Fair value		Notional amount		Fair value	
(€ ‘000s)	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
FIRM TRANSACTIONS	**145,000**	**145,000**	**3,076**	**2,613**	**98,000**	**98,000**	**4,577**	**4,578**
Organised markets	-	-	-	-	-	-	-	-
Interest rate contracts								
Other contracts								
Over-the-counter markets	**145,000**	**145,000**	**3,076**	**2,613**	**98,000**	**98,000**	**4,577**	**4,578**
Interest rate contracts	145,000	145,000	3,076	2,613	98,000	98,000	4,577	4,578
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

(€ '000s)	30/06/2026		31/12/2025	
	Assets	Liabilities	Assets	Liabilities
Derivatives designated as fair value hedges	547,778	486,544	545,488	454,703
Derivatives designated as cash flow hedges				
Derivatives designated as portfolio hedges	105,909	22,346	117,593	20,524
Total Hedging derivatives	**653,687**	**508,890**	**663,081**	**475,227**

Detail of derivatives designated as fair value hedges

(€ '000s)	30/06/2026				31/12/2025			
	Notional amount		Fair value		Notional amount		Fair value	
	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
FIRM TRANSACTIONS	**12,274,145**	**7,442,197**	**547,778**	**486,544**	**11,825,948**	**7,208,318**	**545,488**	**454,703**
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	**12,274,145**	**7,442,197**	**547,778**	**486,544**	**11,825,948**	**7,208,318**	**545,488**	**454,703**
Interest rate contracts	10,651,826	7,206,740	491,009	419,932	10,580,632	6,972,002	498,056	379,209
FRA								
Cross Currency Swaps	1,622,319	235,458	56,769	66,612	1,245,315	236,315	47,432	75,494
Other contracts								
CONDITIONAL TRANSACTIONS	-	-	-	-	-	-	-	-
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	-	-	-	-	-	-	-	-

Detail of derivatives designated as interest rate hedged portfolios

(€ '000s)	30/06/2026				31/12/2025			
	Notional amount		Fair value		Notional amount		Fair value	
	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
FIRM TRANSACTIONS	**170,570**	**1,621,415**	**105,909**	**22,346**	**171,070**	**1,641,250**	**117,593**	**20,524**
Organised markets	-	-	-	-	-	-	-	-
Interest rate contracts								
Other contracts								
Over-the-counter markets	**170,570**	**1,621,415**	**105,909**	**22,346**	**171,070**	**1,641,250**	**117,593**	**20,524**
Interest rate contracts	170,570	1,621,415	105,909	22,346	171,070	1,641,250	117,593	20,524
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

(€ '000s)	30/06/2026						
	(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		
Financial instruments at fair value through profit or loss	656,763	-	656,763	444,891	212,179	-	(308)
Of which derivative financial instruments (including hedging derivatives)	656,763	-	656,763	444,891	212,179	-	(308)
Loans and receivables from credit institutions and customers	9,938,553	-	9,938,553	-	-	-	9,938,553
Of wich repurchase agreements	-	-	-	-	-	-	
Accrued income and other assets	2,720	-	2,720	-	-	-	2,720
Including security deposits given		-	-	-	-	-	
Other non offset assets	2,237,499	-	2,237,499	-	-	-	2,237,499
TOTAL ASSETS	12,835,535	-	12,835,535	444,891	212,179	-	12,178,464

(€ '000s)	31/12/2025						
	(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		
Financial instruments at fair value through profit or loss	667,659	-	667,659	404,311	256,397	-	6,951
Of which derivative financial instruments (including hedging derivatives)	667,659	-	667,659	404,311	256,397	-	6,951
Loans and receivables from credit institutions and customers	9,722,045	-	9,722,045	-	-	-	9,722,045
Of wich repurchase agreements	-	-	-	-	-	-	
Accrued income and other assets	2,868	-	2,868	-	-	-	2,868
Including security deposits given		-	-	-	-	-	
Other non offset assets	2,015,018	-	2,015,018	-	-	-	2,015,018
TOTAL ASSETS	12,407,589	-	12,407,589	404,311	256,397	-	11,746,881

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

	30/06/2026						
	(a)	(b)	(c) = (a) - (b)	(d)		(e)	(f) = (c) - (d) - (e)
				Other amounts that cannot be offset			
(€ '000s)	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	Financial instruments	Collatéral paid	instruments received as collateral	Net amount
Financial instruments at fair value through profit or loss	511,504	-	511,504	444,891	67,286	73,499	(74,173)
Of which derivative financial instruments (including hedging derivatives)	511,504	-	511,504	444,891	67,286	73,499	(74,173)
Loans and receivables from credit institutions and customers	212,186	-	212,186	-	-	-	212,186
Of wich repurchase agreements	-	-	-	-	-	-	-
Other non offset liabilities	11,761,915	-	11,761,915	-	-	-	11,761,915
TOTAL LIABILITIES	12,485,605	-	12,485,605	444,891	67,286	73,499	11,899,929

	31/12/2025						
	(a)	(b)	(c) = (a) - (b)	(d)		(e)	(f) = (c) - (d) - (e)
				Other amounts that cannot be offset			
(€ '000s)	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	Financial instruments	Collatéral paid	instruments received as collateral	Net amount
Financial instruments at fair value through profit or loss	479,805	-	479,805	404,311	66,352	69,024	(59,882)
Of which derivative financial instruments (including hedging derivatives)	479,805	-	479,805	404,311	66,352	69,024	(59,882)
Loans and receivables from credit institutions and customers	256,411	-	256,411	-	-	-	256,411
Of wich repurchase agreements	-	-	-	-	-	-	-
Other non offset liabilities	11,336,042	-	11,336,042	-	-	-	11,336,042
TOTAL LIABILITIES	12,072,258	-	12,072,258	404,311	66,352	69,024	11,532,570

PORTFOLIO

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

Fixed-income securities - Analysis by nature

(€ '000s)	30/06/2026	31/12/2025
Government paper and similar securities	656,866	566,468
Bonds	277,861	155,030
Other fixed income securities		
Net amount in balance sheet	**934,727**	**721,498**
Including depreciation	(513)	(402)
Including net unrealised gains and losses	(23,524)	(25,406)

Expected credit losses on debt instruments	12-month expected losses	Lifetime expected losses		Incurred losses
		Individual	collective	
Expected losses as of 31st December 2025	**(402)**	-	-	-
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	(112)	-	-	-
Acquisitions	(150)			
Re-estimate of parameters	(21)			
Bad debts written off				
On sales	59			
Expected losses as of 30 af June 2026	**(513)**	-	-	-

Fixed-income securities - Analysis by contreparty

(€ '000s)	30/06/2026	31/12/2025
Local public sector	588,365	511,457
Financial institutions and other financial corporations	322,358	209,054
Non-financial corporations	24,004	988
Net amount in balance sheet	**934,727**	**721,498**

Fixed income securities held on Financial institutions include €66,467K 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 31/12/2025	Additions	Disposals	Other movements	Change in fair value recognised in equity	Change in accrued interest	Prem/Disc Amort.	Total amount as of 30/06/2026
Government paper and similar securities	566,468	334,117	(243,716)	(93)	1,935	(2,120)	275	656,866
Bonds	155,030	250,224	(129,047)	-	164	(125)	1,614	277,861
Other fixed income securities	-	-	-	-	-	-	-	-
TOTAL	**721,498**	**584,341**	**(372,763)**	**(93)**	**2,099**	**(2,245)**	**1,888**	**934,727**

Note 4 - SECURITIES AT AMORTIZED COST

Fixed-income securities - Analysis by nature

(€ '000s)	30/06/2026	31/12/2025
Government paper and similar securities	517,565	505,439
Bonds	45,472	28,390
Other fixed income securities		
Net amount in balance sheet	**563,038**	**533,829**
Including expected credit losses on debt instruments	(568)	(516)

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 2025	**(516)**	-	-	-
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	**(52)**	-	-	-
Acquisitions	(21)			
Re-estimate of parameters	(35)			
Bad debts written off				
On sales	4			
Expected losses as of 30 af June 2026	**(568)**	-	-	-

Fixed-income securities - Analysis by contreparty

(€ '000s)	30/06/2026	31/12/2025
Local public sector	227,151	226,816
Financial institutions and other financial corporations	305,119	276,655
Non-financial corporations	30,768	30,358
Net amount in balance sheet	**563,038**	**533,829**

Fixed income securities held on Financial institutions include €290,414K of securities guaranteed by States of the European Economic Area.

Changes in securities at amortized cost

	Total amount as of 31/12/2025	Additions	Disposals	Other movements	Interest rate Reevaluation	Change in accrued interest	Prem/Disc Amort.	Expected credit losses change	Total amount as of 30/06/2026
Government paper and similar securities	505,439	9,909	(4,436)	5,274	(309)	(368)	2,098	(42)	517,565
Bonds	28,390	16,878	-	(38)	(126)	(1)	379	(10)	45,472
Other fixed income securities	-	-	-	-	-	-	-	-	-
TOTAL	**533,829**	**26,787**	**(4,436)**	**5,235**	**(436)**	**(369)**	**2,478**	**(52)**	**563,038**

Note 5 - RECEIVABLES ON CREDIT INSTITUTIONS

Accounts with central banks

(€ '000s)	30/06/2026	31/12/2025
Mandatory reserve deposits with central banks	721,032	741,897
Other deposits		
Cash and central banks	**721,032**	**741,897**
Impairment	(44)	(42)
Net amount in balance sheet	**720,988**	**741,855**

Receivables on credit institutions

(€ '000s)	30/06/2026	31/12/2025
Loans and receivables		
- on demand and short notice	115,380	110,039
- term	80,403	60,334
Cash collateral paid	67,286	66,352
Securities bought under repurchase agreements		
TOTAL	**263,069**	**236,724**
Impairment for expected losses	(25)	(20)
NET CARRYING AMOUNT	**263,044**	**236,705**

Note 6 - LOANS AND ADVANCES TO CUSTOMERS

(€ '000s)	30/06/2026	31/12/2025
Short-term credit facilities	206,470	198,685
Other loans	9,469,615	9,287,169
Customers transactions before impairment charges	**9,676,085**	**9,485,853**
Impairment	(575)	(513)
Net carrying amount	**9,675,509**	**9,485,341**
Of which individual impairment	(575)	(513)
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 2025	**(446)**	**(128)**	**-**	**-**
Transfers from 12-month to maturity	(0.2)	0.2		
Transfers from maturity to 12-month	1	(1)		
Transfers from expected to incurred losses				
Total transfer movement	**1**	**(1)**	**-**	**-**
Movement attributable to financial instruments recognized over the period	**(70)**	**(0.2)**	**-**	**-**
Production and acquisition	(58)	(1)		
Re-estimate of parameters	(35)	(2)		
Bad debts written off				
Repayments	23	2		
Expected losses as of 30 af June 2026	**(515)**	**(129)**	**-**	**-**

SUMMARY OF PROVISIONS ON SECURITIES, LOANS AND FINANCING COMMITMENTS

(€ '000s)	31/12/2025	Depreciation charges	Reversals amounts not used	Net charge	Utilised	30/06/2026
Financial assets at fair value through other comprehensive income						
Depreciations on performing assets	402	170	(59)	112		513
Depreciations on non-performing assets	-					-
Depreciations on doubtfull assets	-					-
Total	**402**	**170**	**(59)**	**112**		**513**
Financial assets at amortized cost						
Depreciations on performing assets	962	149	(28)	121		1,083
Depreciations on non-performing assets	129	3	(2)	1		129
Depreciations on doubtfull assets	-					-
Total	**1,091**	**151**	**(30)**	**122**		**1,212**

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	721,032			(44)			720,988
Financial assets at fair value through other comprehensive income	935,240			(513)			934,727
Securities at amortized cost	563,605			(568)			563,038
Loans and receivables due from credit institutions at amortized cost	263,069			(25)			263,044
Loans and receivables due from customers at amortized cost	9,507,721	168,173	191	(448)	(128)	(0.002)	9,675,509

Note 7 - DEFERRED TAX

The movement on the deferred tax account is as follows:

(€ '000s)	30/06/2026	31/12/2025
Net asset as at 1st of january	**1,456**	**2,745**
Of which deferred tax assets	1,501	4,366
Of which deferred tax liabilities	45	1,620
Recognised in income statement	**(92)**	**(1,053)**
Income statement (charge) / credit	(92)	(1,053)
Recognised in equity	**(511)**	**(236)**
Financial assets at fair value through other comprehensive income	(426)	(1,254)
Cash flow hedges	(84)	1,018
Other		
Net asset as at	**853**	**1,456**
Of which deferred tax assets	888	1,501
Of which deferred tax liabilities	35	45

Deferred tax are attributable to the following items:

(€ '000s)	30/06/2026	31/12/2025
Financial assets at fair value through other comprehensive income	565	991
Cash flow hedges		50
Losses carried forward	15	460
Other temporary differences	308	
TOTAL DEFERRED TAX ASSETS	**888**	**1,501**

(€ '000s)	30/06/2026	31/12/2025
Financial assets at fair value through other comprehensive income		
Cash flow hedges	35	
Other temporary differences		45
TOTAL DEFERRED TAX LIABILITIES	**35**	**45**

Note 8 - OTHER ASSETS AND ACCRUALS

(€ '000s)	30/06/2026	31/12/2025
Other assets		
Deposits	860	1,402
Other assets	537	184
Impairment		
Total	**1,397**	**1,586**
Accruals		
Prepaid charges	1,173	1,156
Other deferred income	1	1
Transaction to recieve and settlement accounts	0.4	1
Other accruals	148	124
Total	**1,323**	**1,282**
TOTAL OTHER ASSETS AND ACCRUALS	**2,720**	**2,868**

Note 9 - BREAKDOWN OF FIXED ASSETS

(€ '000s)

Intangible fixed assets	31/12/2025	Additions	Transfers	Disposals	Amort. and provisions	Other	30/06/2026
IT development costs	14,221	419				417	15,058
Other intangible assets	163						163
Intangible assets in progress	1,346	520				(417)	1,449
Intangible fixed assets gross amount	**15,730**	**939**	**-**	**-**	**-**	**-**	**16,670**
Depreciation and allowances - Intangible fixed assets	(12,658)				(388)		(13,046)
Intangible fixed assets net carrying amount	**3,072**	**939**	**-**	**-**	**(388)**	**-**	**3,624**

Tangible fixed assets	31/12/2025	Additions	Disposals	Amort. and provisions	Other	30/06/2026
Commercial leases	191					191
Property, plant & equipment	14,053	1,053				15,106
Tangible fixed assets gross amount	**14,244**	**1,053**	**-**		**-**	**15,298**
Depreciation and allowances - Tangible fixed assets	(984)			(79)		(1,063)
Tangible fixed assets net carrying amount	**13,261**	**1,053**	**-**	**(79)**	**-**	**14,235**

Note 10 - DEBT SECURITIES

(€ '000s)	30/06/2026	31/12/2025
Negotiable debt securities	301,947	100,906
Bonds	11,356,751	11,124,597
Other debt securities		
TOTAL	**11,658,698**	**11,225,502**

NOTE 11 - DUE TO CREDIT INSTITUTIONS

(€ '000s)	30/06/2026	31/12/2025
Loans and receivables		
- on demand and short notice	6	14
- term		
Cash collateral paid	212,179	256,397
Securities sold under repurchase agreements		
TOTAL	**212,186**	**256,411**

Note 12 - ACCRUALS AND OTHER LIABILITIES

(€ '000s)	30/06/2026	31/12/2025
Other liabilities		
Miscellaneous creditors	3,006	2,506
Total	**3,006**	**2,506**
Accruals		
Transaction to pay and settlement accounts		
Other accrued expenses	1,706	2,122
Unearned income		
Other accruals	20	22
Total	**1,726**	**2,143**
TOTAL ACCRUALS AND OTHER LIABILITIES	**4,732**	**4,649**

Note 13 - PROVISIONS

(€ '000s)	Balance as of 31/12/2025	Depreciation charges	Reversals amounts used	Reversals amounts not used	Other movements	Balance as of 30/062026
Provisions						
Financing commitment execution risks	12	13		(12)		12
Provisions for litigations						
Provisions for employee retirement and similar benefits	152					152
Provisions for other liabilities to employees						
Other provisions		510				510
TOTAL	**164**	**523**	**-**	**(12)**	**-**	**675**

Note 14 - UNDATED FINANCIAL INSTRUMENTS

(€ '000s)	Issue date	Interest rate	Amount	Currency	30/06/2026	31/12/2025
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:

(€ '000s)	30/06/2026	31/12/2025
UNDATED DEEPLY SUBORDINATED NOTES		
Interests paid accounted as reserves		(3,500)
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		
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)	30/06/2026	31/12/2025
Commitments given	**838,232**	**855,438**
Financing commitments	764,733	786,414
For credit institutions		
For customers	*764,733*	*786,414*
Guarantee commitments	73,499	69,024
For credit institutions		
For customers	*73,499*	*69,024*
Commitments on securities		
Securities to be delivered to the issuance		
Other securities to be delivered		
Commitments received	**1,484**	**1,554**
Financing commitments		
From credit institutions		
Guarantee commitments	1,484	1,554
From credit institutions		
From customers	*1,484*	*1,554*
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 2025	12	-	-	-
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	0.4			
Charge	13			
Utilised				
Reversal untilised	(12)			
Expected losses as of 30 af June 2026	12	-	-	-

VI - Notes to the Income Statement

Note 15 - INTEREST INCOME AND EXPENSES

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Interest and similar income	**188,515**	**189,642**	**367,638**
Due from banks	10,516	10,070	20,815
Due from customers	139,317	135,700	263,969
Bonds and other fixed income securities	19,269	21,284	40,309
Financial assets at fair value through other comprehensive income	*11,828*	*13,509*	*25,096*
Securities at amortized cost	*7,442*	*7,775*	*15,212*
Macro-hedge transactions	18,334	20,045	37,087
Other interest income	1,078	2,543	5,458
Interest and similar expenses	**(172,905)**	**(174,460)**	**(337,999)**
Due to banks	(2,192)	(2,630)	(4,665)
Debt securities	(153,440)	(155,021)	(298,684)
Macro-hedge transactions	(16,198)	(14,268)	(29,206)
Other interest expenses	(1,075)	(2,541)	(5,444)
Interest margin	**15,610**	**15,182**	**29,639**

Note 16 - NET FEE AND COMMISSION INCOME

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Fee & Commission Income	**282**	**177**	**527**
Interbank transactions			
Customer transactions			
Securities transactions			
Forward financial instruments transactions			
Currencies transactions			
Financing commitments and guarantee	282	177	527
Other commissions recieved			
Fee & Commission Expense	**(98)**	**(107)**	**(227)**
Interbank transactions	(20)	(15)	(27)
Securities transactions	4	(11)	(23)
Forward financial instruments transactions	(83)	(82)	(177)
Currencies transactions			
Financing commitments and guarantee			
Other commissions paid			
Net Fee and Commission income	**184**	**70**	**300**

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

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Gains/(losses) on Trading book	(2)	11	(0.02)
Net result of hedge accounting	(544)	(714)	1,877
Net result of foreign exchange transactions	3	13	13
TOTAL	**(543)**	**(690)**	**1,890**

Analysis of net result of hedge accounting

(€ '000s)	30/06/2026	30/06/2025	31/12/2024
Fair value hedges			
Fair value changes in the hedged item attributable to the hedged risk	39,288	(4,765)	38,332
Fair value changes in the hedging derivatives	(40,044)	4,355	(38,052)
Hedging relationship disposal gain	411	(445)	1,524
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	8,184	(19,687)	(48,599)
Fair value changes in the hedging derivatives	(8,383)	19,828	48,672
Net result of hedge accounting	**(544)**	**(714)**	**1,877**

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

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Gains from disposal of fixed income securities	264	844	1,152
Losses from disposal of fixed income securities	(418)	(1)	(2,156)
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	**(153)**	**843**	**(1,005)**

Note 19 - GENERAL OPERATING EXPENSES

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Employee expenses			
Wages and salaries	3,378	2,679	5,282
Post-employment benefit expenses	279	291	557
Other expenses	1,381	1,215	2,343
Total Employee expenses	**5,038**	**4,185**	**8,182**
Operating expenses			
Taxes and duties	329	277	549
External services	5,086	4,065	8,273
Total Administrative expenses	**5,414**	**4,342**	**8,822**
Charge-backs and reclassification of administrative expenses			
Total General operating expenses	**10,452**	**8,527**	**17,004**

Note 20 - COST OF RISK

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Net charge to provisions	(233)	(33)	41
for financial assets at fair value through other comprehensive income	*(112)*	*(48)*	*129*
for financial assets at amortized cost	*(122)*	*15*	*(88)*
Net charge to provisions	(0.4)	(1)	(2)
for financing commitments	*(0.4)*	*(1)*	*(2)*
for guarantee commitments			
Irrecoverable loans written off not covered by provisions			
Recoveries of bad debts written off			
Total Cost of risk	**(234)**	**(34)**	**39**

Note 21 - INCOME TAX

(€ '000s)	30/06/2026	30/06/2025	31/12/2025
Expense and income of current tax	(1,010)	(682)	(1,448)
Expense and income of differed tax	(92)	(971)	(1,053)
Ajustement on previous period			
Total Income tax	**(1,102)**	**(1,653)**	**(2,501)**

RECONCILIATION OF THE THEORETICAL TAX RATE AND THE EFFECTIVE TAX RATE

As of 30th of June 2026

(€ '000s)	Basis	Tax rate	Tax
Pre-tax income	3,944	25.83%	(1,019)
Impact of permanent differences		0.10%	(4)
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.73%	(29)
Impact of other items		1.29%	(51)
Effective tax rate and tax charge		**27.94%**	**(1,102)**

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France as at 30 June 2026.

As of 30th June 2025

(€ '000s)	Basis	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 31st December 2025

(€ '000s)	Basis	Tax rate	Tax
Pre-tax income	13,317	25.83%	(3,439)
Impact of permanent differences		(6.92)%	922
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		(0.25)%	33
Impact of other items		0.13%	(17)
Effective tax rate and tax charge		**18.78%**	**(2,501)**

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France as at 31 December 2025.

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:

	30/06/2026			
	Total	Measured using		
(€ '000s)		Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss	**3,076**	-	3,076	-
Hedging derivative instruments	**653,687**	-	653,687	-
Government paper and similar securities	656,866	499,652	-	157,215
Bonds	277,861	133,989	-	143,871
Other fixed income securities	-	-	-	-
Total Financial assets at fair value through other comprehensive income	**934,727**	**633,641**	**-**	**301,086**
Total Financial assets	**1,591,490**	**633,641**	**656,763**	**301,086**
Financial liabilities				
Financial liabilities at fair value through profit or loss	**2,613**	-	2,613	-
Hedging derivative instruments	**508,890**	-	508,890	-
Total Financial liabilities	**511,504**	**-**	**511,504**	**-**

Fair values of instruments carried at amortised cost:

	30/06/2026				
	Net Carrying value	Fair value	Measured using		
(€ '000s)			Level 1	Level 2	Level 3
Financial assets					
Cash, central banks and issuing institutions	**720,988**	**720,988**	-	-	720,988
Government paper and similar securities	517,565	515,973	348,922	-	167,051
Bonds	45,472	45,333	45,333	-	-
Other fixed income securities	-	-	-	-	-
Total Securities at amortized cost	**563,038**	**561,306**	394,255	-	167,051
Loans and receivables due from credit institutions	**263,044**	263,044	-	-	263,044
Loans and advances to customers	**9,578,030**	9,578,030	-	-	9,578,030
Total Financial assets	**11,125,099**	**11,123,367**	**394,255**	**-**	**10,729,112**
Financial liabilities					
Debt securities	**11,658,698**	11,554,785	9,638,143	1,614,695	301,947
Total Financial liabilities	**11,658,698**	**11,554,785**	**9,638,143**	**1,614,695**	**301,947**

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 2026 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 30/06/2026
Cash, central banks	721,032		(44)	**720,988**
Financial assets at fair value through profit or loss	3,076			**3,076**
Hedging derivative instruments	653,687			**653,687**
Financial assets at fair value through other comprehensive income	934,727			**934,727**
Securities at amortized cost	563,605		(568)	**563,038**
Loans and receivables due from credit institutions	263,069		(25)	**263,044**
Loans and advances to customers	9,676,085		(575)	**9,675,509**
Revaluation adjustment on interest rate hedged portfolios				**-**
Current tax assets				**-**
Other assets	1,397			**1,397**
Sub-total Assets	**12,816,678**	**-**	**(1,212)**	**12,815,466**
Financing commitments given	764,733			**764,733**
TOTAL Credit risk exposure	**13,581,411**	**-**	**(1,212)**	**13,580,199**

Exposure analysis by counterparty

(€ '000s)	Total 30/06/2026
Central banks	720,988
Local public sector	11,256,727
Credit institutions guaranteed by the EEA States	302,109
Credit institutions	1,245,175
Other financial corporations guaranteed by the EEA States	
Other financial corporations	
Non-financial corporations guaranteed by the EEA States	54,772
Non-financial corporations	428
Total Exposure by counterparty	**13,580,199**

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 30/06/2026
France	12,528,101
Supranational	331,203
Canada	222,639
Germany	153,366
Switzerland	116,536
Netherlands	73,574
New Zealand	41,136
Finland	34,127
Belgium	24,759
Poland	13,768
Denmark	12,475
South Korea	12,091
Australia	10,005
Sweden	6,420
Total Exposure by geographic area	**13,580,199**

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

This table presents the breakdown of balance sheet assets and liabilities according to their residual contractual maturity. In accordance with liquidity risk management principles, certain non-financial items as well as equity are not included in this maturity breakdown, insofar as they do not generate contractual liquidity cash flows.

	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 30/06/2026
Cash, central banks	720,988				**720,988**			**720,988**
Financial assets at fair value through profit or loss			1,477	1,764	**3,241**	(165)		**3,076**
Hedging derivative instruments	93	1,942	57,509	555,400	**614,945**	38,742		**653,687**
Financial assets at fair value through other comprehensive income								
Government paper and similar securities	23,009	18,023	374,783	258,389	674,204	4,209	(21,547)	656,866
Bonds		148,792	120,940	9,122	278,854	984	(1,977)	277,861
Total Financial assets at fair value through other comprehensive income	**23,009**	**166,815**	**495,723**	**267,511**	**953,058**	**5,192**	**(23,524)**	**934,727**
Securities at amortized cost								
Government paper and similar securities		47,424	262,344	215,615	525,383	3,100	(10,918)	517,565
Bonds			6,259	39,004	45,263	90	119	45,472
Total Securities at amortized cost	**-**	**47,424**	**268,603**	**254,619**	**570,647**	**3,190**	**(10,799)**	**563,038**
Loans and receivables due from credit institutions	182,337	40,000	40,000		**262,337**	707		**263,044**
Loans and advances to customers	214,036	1,040,547	2,833,164	5,963,430	**10,051,177**	31,597	(407,264)	**9,675,509**
Revaluation adjustment on interest rate hedged portfolios								**-**
Current tax assets					**-**			**-**
Other assets	1,397				**1,397**			**1,397**
TOTAL ASSETS	**1,141,861**	**1,296,728**	**3,696,477**	**7,042,723**	**13,177,790**	**79,263**	**(441,587)**	**12,815,466**
Central banks								**-**
Financial assets at fair value through profit or loss			1,480	1,765	**3,245**	(632)		**2,613**
Hedging derivative instruments	166	1,826	286,415	234,409	**522,816**	(13,926)		**508,890**
Debt securities	301,765	21,878	5,409,473	6,187,454	**11,920,569**	95,818	(357,690)	**11,658,698**
Due to credit institutions	212,186				**212,186**			**212,186**
Revaluation adjustment on interest rate hedged portfolios							97,480	**97,480**
Other liabilities					**-**			**-**
TOTAL LIABILITIES	**514,116**	**23,704**	**5,697,369**	**6,423,627**	**12,658,816**	**81,261**	**(260,210)**	**12,479,867**

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 2026 are described into the financial report as at 30th June 2026.

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75008 Paris

Agence France Locale - Société Territoriale S.A.

Statutory Auditors' Review Report on interim consolidated condensed financial statements

For the period from January 1 to June 30, 2026

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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 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 to June 30, 2026

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 S.A. prepared in compliance with IFRS (International Financial Reporting Standards) as adopted by the European Union, for the period from January 1, 2026 to June 30, 2026.

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 30, 2026 do not present fairly, in all material respects, the assets and liabilities and the financial position of the Group as at 30 June, 2026 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, 22 September 2026

KPMG S.A.

Sophie MEDDOURI

Partner

Paris, 22 September 2026

CAILLIAU DEDOUIT ET ASSOCIES

Laurent BRUN

Partner

Agence France Locale – Société Territoriale

Pillar 3 as of June 30, 2026

1. GENERAL PROVISIONS

The information contained in this document concerns "Agence France Locale - Société Territoriale" (LEI: 9695002K2HDLD20JU790) at the consolidated level as of June 30, 2026. 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 end of 2026.

The data are presented in euros and under IFRS.

The information presented complies with Commission Implementing Regulation (EU) 2024/3172 of November 29, 2024 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 25 (4) of the 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.

2. SPECIAL PROVISIONS

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	292 576 476	282 288 349	270 820 231	269 733 209	270 002 256
2	Tier 1 capital	301 492 178	291 212 827	279 391 904	269 733 209	270 002 256
3	Total capital	301 492 178	291 212 827	279 391 904	269 733 209	270 002 256
	Risk-weighted exposure amounts					
4	Total risk exposure amount	525 520 156	512 287 179	455 524 557	476 680 777	477 737 691
4a	Total risk exposure pre-floor	525 520 156	512 287 179	455 524 557	476 680 777	477 737 691
0	**Capital ratios (as a percentage of risk-weighted exposure amount)**					
5	Common Equity Tier 1 ratio (%)	0,5567	0,5510	0,5945	0,5659	0,5652
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	0,5567	0,5510	0,5945	0,5659	0,5652
6	Tier 1 ratio (%)	0,5737	0,5685	0,6133	0,5659	0,5652
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	0,5737	0,5685	0,6133	0,5659	0,5652
7	Total capital ratio (%)	0,5737	0,5685	0,6133	0,5659	0,5652
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	0,5737	0,5685	0,6133	0,5659	0,5652
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	-	-	-	-	-
EU 7e	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	-	-	-	-	-
EU 7g	Total SREP own funds requirements (%)	0,0800	0,0800	0,0800	0,0800	0,0800
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	0,0250	0,0250	0,0250	0,0250	0,0250
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 (%)	0,0098	0,0098	0,0097	0,0081	0,0076
EU 9a	Systemic risk buffer (%)					
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer (%)					
11	Combined buffer requirement (%)	0,0348	0,0348	0,0347	0,0331	0,0326
EU 11a	Overall capital requirements (%)	0,1148	0,1148	0,1147	0,1131	0,1126
12	CET1 available after meeting the total SREP own funds requirements (%)	0,4937	0,4885	0,5333	0,4859	0,4852
	Leverage ratio					
13	Total exposure measure	2 651 592 933	2 607 771 366	2 498 739 439	2 738 707 530	2 234 533 023
14	Leverage ratio (%)	0,1137	0,1117	0,1118	0,0985	0,1208
	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 (%)	0,0300	0,0300	0,0300	0,0300	0,0300
	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 (%)	0,0300	0,0300	0,0300	0,0300	0,0300
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	1 334 711 729	1 139 596 633	1 321 019 731	1 656 197 433	1 182 120 718
EU 16a	Cash outflows - Total weighted value	596 374 363	550 500 985	341 537 863	376 477 003	381 774 930
EU 16b	Cash inflows - Total weighted value	65 892 924	140 223 682	70 459 835	60 846 859	154 000 891
16	Total net cash outflows (adjusted value)	530 481 439	410 277 303	271 078 028	315 630 144	227 774 038
17	Liquidity coverage ratio (%)	2,5160	2,7776	4,8732	5,2473	5,1899
0	**Net Stable Funding Ratio**					
18	Total available stable funding	11 557 804 347	10 431 788 610	10 665 032 858	10 841 688 146	10 104 758 744
19	Total required stable funding	7 065 010 388	7 122 104 634	6 830 798 163	6 551 746 492	4 999 896 924
20	NSFR ratio (%)	1,6359	1,4647	1,5613	1,6548	2,0210

3. 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