ANNUAL REPORT 2024

CREDIT LOGEMENT

GARANTIR VOTRE SÉRÉNITÉ

A commitment for a greener planet

Pursuing its CSR effort, Crédit Logement has chosen not to print its annual report.

This document features interactive navigation.

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Introduction

01

.1 *Message from the General Management*

2024: a year of recovery

2023 was a year of crisis for the property market.

With inflation falling throughout the year, encouraging the ECB to cut interest rates regularly, 2024 was a year of slow and gradual recovery. Mortgage loan interest rates fell steadily, by an average of 9 basis points per month, and significantly, by almost 100 points compared with the previous year.

After being weakened by the sharp rise in rates, but also by the level of personal contribution required by HCSF standards, demand recovered and marked its return throughout the year with two record months in July and December 2024, each with more than €11 billion in production.

For Crédit Logement, €55.7 billion in guarantee agreements were issued in 2024, an increase of 20% compared to 2023.

Outstanding loans nevertheless continued to decline slightly, from €421 billion at the end of 2023 to €416 billion at the end of 2024.

The Crédit Logement teams were ready for this recovery and supported all banks wishing to return to the market.

What can we expect from 2025?

The year 2025 is off to a flying start thanks to a very good end to 2024.

Many indicators are positive for borrowers: credit conditions are once again favourable and prices have been adjusted.

The momentum of the recovery is therefore continuing, but remains closely linked to the international political and economic environment, which remains uncertain for the time being.

Crédit Logement remains committed to dealing with the unexpected and ensuring peace of mind for borrowers and banks!

.2 *Board of Directors*

31st December 2024

→ **Olivier BÉLORGEY**
Chairman
Deputy Chief Executive Officer
Finance Director at Crédit Agricole CIB
Head of Treasury and Funding, Crédit Agricole Group

→ **Yves MARTRENCHAR**
Honorary Chairman

BNP PARIBAS
represented by
→ **Maryline ANGLARET**
Chief Financial Officer, Retail Banking France

LCL - LE CRÉDIT LYONNAIS
represented by
→ **Yann LHUISSIER**
Head of Entrepreneurs, Private Banking, Savings and Subsidiaries

SOCIÉTÉ GÉNÉRALE
represented by
→ **Marianne AUVRAY-MAGNIN**
Head of Customer Focus and Sales Performance

CAISSE CENTRALE DU CRÉDIT MUTUEL
(Crédit Mutuel Group) represented by
→ **Emmanuelle RÉVOLON**
Deputy CEO, Head of Finance, Confédération Nationale du Crédit Mutuel

BPCE
represented by
→ **Sylvain PETIT**
Head of Strategy

CRÉDIT FONCIER DE FRANCE
represented by
→ **Éric FILLIAT**
Chief Executive Officer

LA BANQUE POSTALE
represented by
→ **Thomas GUITTET**
Chief Risk Officer, La Banque Postale Group

→ **Paul ESPAGNO**
Head of the Finance and Risk Department, Fédération Nationale du Crédit Agricole

→ **Danielle TONDENIER**
Head of Finance, Procurement, Legal Affairs, LCL (Le Crédit Lyonnais)

→ **Nicolas DRAUX**
Director of the Paris Region, BNP Paribas

→ **Martine LASSÈGUES**
Deputy Head of Sustainability for the French retail banking division of Société Générale

Statutory auditors

CTF
represented by
→ **Jean-Marie IDELON-RITON**

Forvis Mazars SA
represented by
→ **Virginie CHAUVIN**

.3 *Share capital*

SHARE CAPITAL

31st December 2024

Private limited company with a share capital amouting 1,259,850,270 euros with 17,997,861 shares worth 70 euros each.

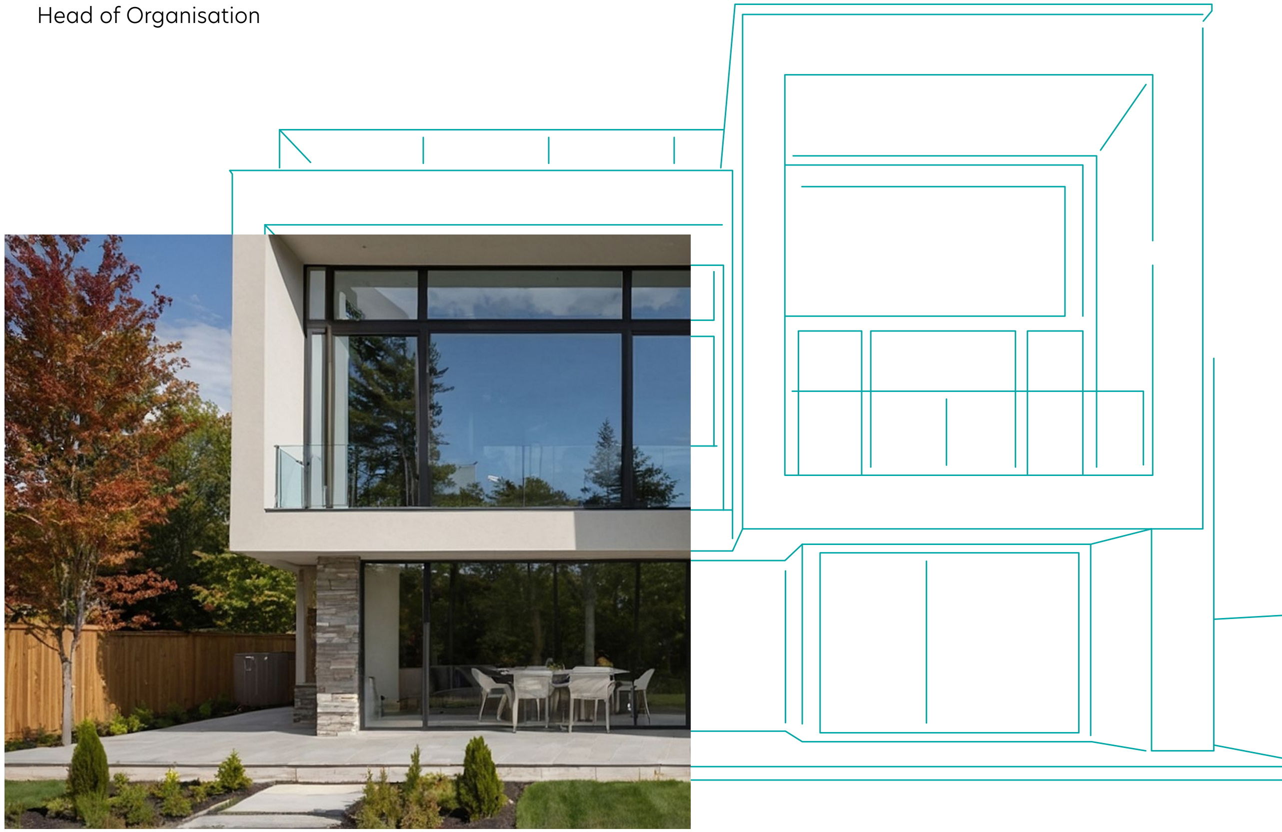
Shareholders	*Numbers of shares*	*Total amount*	*%*
SOCIÉTÉ GÉNÉRALE	2,970,599	207,941,930	16.5053 %
BNP PARIBAS	2,969,699	207,878,930	16.5003 %
LCL - LE CRÉDIT LYONNAIS	2,969,599	207,871,930	16.4997 %
CRÉDIT AGRICOLE	2,879,547	201,568,290	15.9994 %
CRÉDIT MUTUEL / CIC	1,799,788	125,985,160	10.0000 %
GROUPE BPCE	1,530,063	107,104,410	8.5014 %
CRÉDIT FONCIER DE FRANCE	1,258,022	88,061,540	6.9898 %
LA BANQUE POSTALE	1,079,944	75,596,080	6.0004 %
CCF	539,806	37,786,420	2.9993 %
OTHER LOANS INSTITUTIONS	530	37,100	0.0029 %
PHYSICAL PERSONS	264	18,480	0.0015 %
Total	**17,997,861**	**1,259,850,270**	**100 %**

.4 *Management committee*

31st December 2024

- **Jean-Marc VILON**
  Chief Executive Officer
- **Antoine FRACHOT**
  Deputy Chief Executive Officer
- **Fabien NEUFINCK**
  Deputy Chief Executive Officer
  Head of Production
- **Caroline ALLORANT**
- **Philippe LAINÉ**[1]
  Head of Development and Communication
- **Étienne AUVRAI**
  Head of Risk and Guarantee Models
- **Blaise BEUTIER**
  Head of Compliance and Risk Management
- **Sandrine HICHARD-ROBIN**
  Head of Human Resources
- **Zenabou JOIN**
- **Franck FRADET**[2]
  Head of Collection
- **Michel LAVERNHE**
  Head of Information Systems
- **Claire de MONTESQUIOU**
  Head of Internal Audit
- **Valérie PERRIER**
  Chief Financial Officer,
  Head of CSR
- **Jean-François ROUSSEL**
  Head of Organisation

1. Exercised his right to retire at 30 September 2024
2. Exercised his right to retire at 31 December 2024



.5 *Key figures*

31st December 2024

Gross annual production

€ 55.7 billions

320,705 loans for 247,014 transactions

Regulatory capital

€ 8.6 billions

Mutual guarantee fund

€ 7.1 billions

Outstandings guarantee

€ 416 billions

3,403,855 loans

Long-term rating

MOODY'S
AA3 STABLE

DBRS
AA LOW STABLE

Workforce

320 employees

.6 *Guaranteeing your peace of mind*

For more than 45 years, Crédit Logement has taken a neutral, expert and considerate approach to ensure that banks and borrowers can have peace of mind when it comes to financing residential property loans.

Ten million borrowers have availed of the Crédit Logement Guarantee to take out a property loan without a mortgage charge mechanism and successfully buy their home.

At Crédit Logement, we are committed to providing everyone with peace of mind so that, together, we can build and maintain a more secure, stable and responsible financing system.

Our businesses

GUARANTEE

The Crédit Logement Guarantee provides banks and borrowers alike with security when it comes to financing property loans. It is a reliable, safe and hassle-free alternative to the mortgage charge mechanism.

With a mortgage charge, the loan is secured against the property: in the event of non-payment, the bank may seize the property and sell it at auction in order to recover the amount it has lent the borrower before any other creditors.

With a financial guarantee, such as the one provided by Crédit Logement, the commitment lies with a third party.

Partner banks can rely on Crédit Logement's expert risk analysis teams.

Helped by an expert decision-making system, our teams examine every loan application that is sent to us. A response is provided within 48 hours (for complete applications) and can even be obtained in real time thanks to our automatic acceptance system.

DEBT COLLECTION

Debt collection management is included in the Crédit Logement Guarantee.

In the event of personal difficulties or unforeseen events that prevent a borrower from honouring the repayment schedule, Crédit Logement will help the borrower find an amicable and suitable arrangement to rectify the situation.

Crédit Logement seeks to reconcile two objectives:

1. **Keeping commitments secure.**
2. **Acting in the interests of all parties (lender, borrower and surety) by limiting events of default and taking steps to enable repayments to resume so that bank and borrower can have peace of mind.**

.6 *Guaranteeing your peace of mind*

The advantages

FOR BORROWERS

The Crédit Logement Guarantee goes far beyond a surety mechanism tied to a loan: it is an active guarantee that involves supporting the borrower throughout the life of the loan at no additional cost.

A fast, cost-effective and supportive solution

The formalities involved in a Crédit Logement Guarantee are fewer and simpler than with a mortgage charge mechanism.

It involves a simple private agreement, which means that the loan can be disbursed quickly.

The guarantee is not strictly linked to the property for which the borrower has applied for a loan.

If a borrower wishes to sell the property before the end of the term of the guaranteed loan, he or she will have no release fee to pay, contrasting with the mortgage charge mechanism.

Peace of mind

Throughout the life of the loan, Crédit Logement and its staff will always try to find the most suitable solution for each borrower.

That is why we place an emphasis on responsibility, consideration and on clearly explaining every step of the process.

FOR BANKS

No ultimate risk

At Crédit Logement, we reassure our partners.

By providing a second opinion on a loan application, we give banks peace of mind and lend weight to their own analysis of financing applications.

We carefully examine each application sent to us by our banking partners.

The decision to provide a guarantee is based on a set of criteria and human analysis designed to ensure that the borrower is solvent and able to meet the repayments.

Our work is part of a system to secure home loans that takes borrower solvency into account and is not limited solely to the value of a property. Our aim is always to limit borrower default and to best handle any unexpected life events.

Crédit Logement looks after the collection of debts backed by its guarantees, thereby eliminating the risk that a bank might incur a loss on a loan.

An effective economic guarantee

At Crédit Logement, we provide a comprehensive collection service.

The bank is better protected against default-related losses than with a mortgage portfolio and requires less capital through more favourable risk-weighting. Reassured and partnered, banks can be safe in the knowledge that Crédit Logement is committed to their peace of mind.

Crédit Logement is a 'Société de Financement' (financial institution) that is overseen by the French prudential supervisory and resolution authority (Autorité de Contrôle Prudentiel et de Résolution - ACPR).

Since the guarantee provided by Crédit Logement is recognised as being comparable to a physical collateral guarantee in the eyes of the Basel Committee (Basel III framework) and the credit rating agencies, banks that avail of the Crédit Logement guarantee qualify to use various forms of refinancing, e.g. through 'SFH' ('sociétés de financement de l'habitat' - specialised credit institutions), covered bonds and securitisation.

Our other solutions

Crédit Logement plays an important role in making life easier for our banking partners when it comes to residential property lending by developing innovative solutions:

CLR SERVICING

Our debt collection solution for third parties provides a range of benefits to enable efficient and responsible debt collection for both banks and borrowers. In particular, we act as servicer in the context of the assignment of non-performing loans (NPLs).

Our goal? To prioritise an amicable outcome by supporting the borrower.

CL.DATA

CL.Data provides access to national or regional interest rate data for the property market and information on how these rates are evolving.

It is your best ally to analyse, compare and explore home loan rates!

CL.ESTIM

This is our property appraisal solution. CL.Estim provides appraisal values for property portfolios and individual properties and integrates diagnosis of energy performance and climate risk exposure to take energy efficiency retrofitting into consideration. It has been developed for all players in the real estate industry in order to meet the regulatory and operational challenges of appraising residential property in France (mainland and overseas territories).

LA FORMATION

Crédit Logement's training activity closed on 31 December 2024. Launched in 2019 to help our partners meet the regulatory requirements of the Mortgage Credit Directive (MCD), this project was a great human and professional success, with very high customer satisfaction levels and QUALIOPI certification maintained.

Management report 02

.1 *Financing residential property in France**

The year 2023 ended with a sharp downturn in the property market, with loan production down 41% compared to 2022 and the average rate levelled off at 4.20% in December, reaching a level comparable to that of spring 2009 after two years of increases.**

The start of 2024 saw the return of certain banks that had remained on the sidelines in 2023. The context of slowing inflation and, above all, the announced cut in the ECB's refinancing rate, which has remained stable at 4.50% since mid-September, is enabling them to review their lending conditions.

The downward trend in lending rates began as early as January, falling to 3.90% in March and dropping below the symbolic 4% threshold, with a rapid monthly pace averaging around 10 basis points. This decline was accompanied by an average loan term of 247 months, a historically high level (20.6 years, compared with 13.6 years in 2001 and 17.1 years in 2014), to help maintain household solvency.

Nevertheless, although the decline in the credit market has become less severe, loan production was still down 40.9% year-on-year in the first quarter, weighed down by very weak activity in November and December 2023. Despite improving indicators, the recovery remains tentative and production is still at a low level.

The turning point in the mortgage market was reached in February, opening the door to a potential rebound over the course of 2024. Signs of recovery began to emerge in the second quarter, but demand remained cautious. The momentum was supported by the continued decline in lending rates, which fell to 3.66% in June (the same level as in July 2023), and then to 3.54% in September.

Thus, after falling to low levels in early summer 2023, property purchase intentions picked up significantly and the associated indicator rose above its long-term average. The recovery observed since September 2023 continued throughout 2024, returning to the level seen in early summer 2022, before the ECB raised interest rates. These intentions were not affected by recent political and economic uncertainties.

The year 2024 ended better than it started!

The average mortgage rate settled at 3.32% in December 2024, down 88 basis points.

Although the market recovered slowly from the second quarter onwards, it was severely penalised by a poor first quarter. The landing thus confirms the forecasts revised during the year, with production at €140 billion compared with €149 billion in 2023. These figures remain far below the boom years.

However, market indicators gradually improved in 2024: improved credit conditions (lower mortgage rates, longer loan terms) and renewed momentum among some banks accompanied the recovery in households' intentions to purchase property and fuelled a sustained increase in their demand for mortgage loans. This was despite continuing economic uncertainty at both the national and international levels.

* Source: Property loan production observatory (Observatoire de la Production de Crédits Immobiliers - OPCI) and L'Observatoire Crédit Logement (both excluding loan refinancing).
** Source: Banque de France

.2 Commitments during the year

Crédit Logement recorded a year-on-year increase of 20.9% in its production levels, with 247,014 property transactions guaranteed for €55.7 billion.

The average transaction amount guaranteed fell very slightly from €1,147 to €225,620.

Production of guarantees arranged during the year amounted to €36.4 billion, up 2.7% on 2023.

Accordingly, commissions on arranged guarantees came to €121.1 million, an increase of 7.5%.

Payments into the mutual guarantee fund increased by 4.3% with €370.5 million collected.

With a 2.6% rate of early repayments, the level of outstandings decreased slightly by 1.2% compared with 2023 to €416 billion.

.3 Debt collection

Collection of guaranteed debts

The amount of exposure to the risk of loss managed through collection rose to €1.64 billion in 2024 for a total of 15,823 loans managed, representing an increase of a little over 9% in amount.

Banks triggered the guarantee mechanism on 8,081 loans during the year and there were 7,034 exits from the stock of loans.

Of these exits, more than 61% related to loans that re-entered the usual loan management cycle.

Debts repaid in full accounted for approximately 20% of all exits.

€137.8 million in payments were received and allocated to the mutual guarantee fund, representing a decrease of a little over 7% compared with 2023.

Financial claims on behalf of banks amounted to €235 million for the same period.

Collection for third parties

The portfolio of collection for third parties fell to €190.6 million at 31 December 2024 relating to 1,792 receivables.

€29 million were collected and 274 new unpaid debts were entrusted to Crédit Logement.

The "auction support and sell-on services" activity, which supports real estate foreclosures initiated by debt owners, analysed 280 auction support applications over the year.

.4 Cash and balance sheet management

Cash management in 2024 remained faithful to the principle of cautious matching of bond resources and the reinvestment of liquidity from the mutual guarantee fund. The rates, which remained high in 2024, led to opportunities to invest liquidity across all maturity horizons and to continued monitoring of interest rate risk linked to changes in rates.

Cash comprises two main components:

- "conventional" cash stemming from equity loans, subordinated loans and equity contributed by shareholders, reinvested directly with capital contributors according to the conditions set by the Board of Directors;
- available cash, which includes investments made possible by all other sources of cash, particularly the mutual guarantee fund (FMG) and commissions collected in advance, as well as subordinated bond issues.

At decision-making level, cash management is overseen by a Cash Management Committee, which is also in charge of overall interest rate and liquidity risk management. The committee comprises five experts from five shareholder institutions, and members of Crédit Logement's Executive Management, Compliance and Risk Management function and the Finance Department. After review, the committee submits all the supervisory and strategic limits to the Board of Directors for approval and provides guidance on the rate and liquidity policies to be implemented, which is then approved by the Board.

At the executive level, an Investment Committee chaired by the CEO of Crédit Logement, comprising the two Deputy CEOs, the Chief Financial Officer and the relevant directors, in particular the head of Risk Management, steers operational management and monitors its implementation by the Finance Department.

As at 31 December 2024, almost all counterparties had signed the financial guarantee agreement, which secures investments through the contribution of different collateral, calculated in variable portions on the basis of a counterparty's credit rating and the investment duration. An amendment was made to this agreement in 2021 to include the subordinated loans issued as at 30 December 2021, for an amount of €250 million.

Given the high rates throughout 2024, Crédit Logement's strategy has been to prioritise liquidity investments across all maturities via straight-forward vehicles with acceptable levels of profitability, and to monitor more closely the basis risk generated by macrohedging against the 6-month Euribor. Collateralised investments decreased to €3.4 billion as at 31 December 2024 compared with €3.7 billion at 31 December 2023 and outstanding balances on sovereign/quasi-sovereign debt increased to €2.4 billion compared with €2.2 billion at 31 December 2023. The credit profile of the portfolio remained very good in 2024 with an average rating of AA- and continued application of the investment strategy in place for several years. The portfolio's exposure at default by sector stood at 74.9% in the banking sector (77% in 2023) and 23.2% in sovereign/quasi-sovereign (21% in 2023), with the remaining 1.9% invested in UCITS with an SRRI of less than or equal to 2. The portfolio's exposure at default was 86.6% to France and 13.4% to the Eurozone.

The principles adopted for the management of available cash are essentially based on matching the maturities of applications of funds and sources of funds, to partially immunise the income statement against changes in short-term rates, while taking into account the results of stress tests that, in particular, allow appropriate liquidity levels to be maintained in all circumstances.

At 31 December 2024, cash and cash equivalents totalled €7.41 billion, stable compared with 31 December 2023, due

.4 *Cash and balance sheet management*

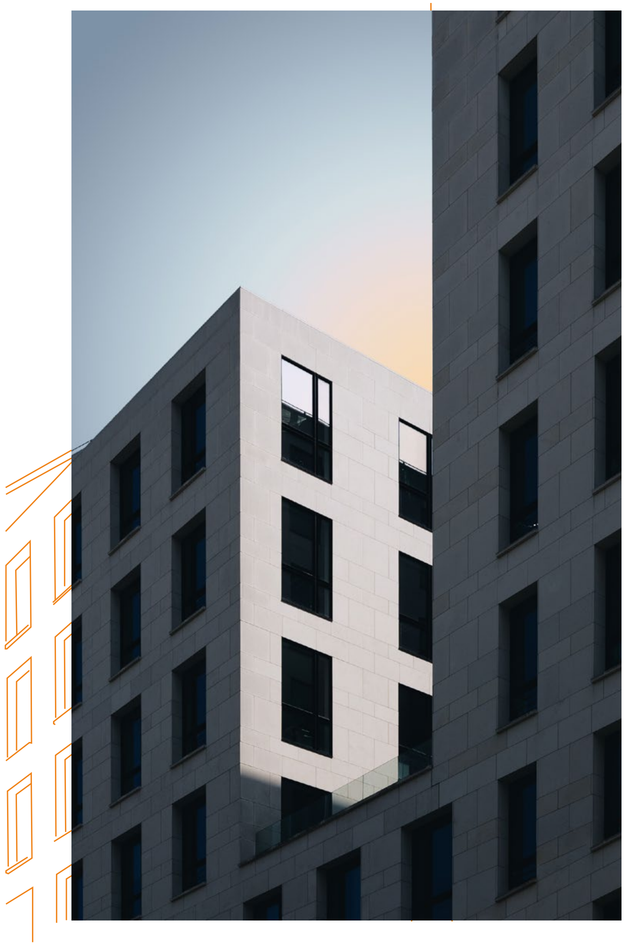
to the very gradual recovery of the property market from the second half of the year and low interest rate volatility. Long-term investments of available cash, excluding the replacement of fixed-rate bond issues with a remaining maturity of more than five years, fell to €2.39 billion (€2.49 billion at 31 December 2023). Medium-term investments (between 1 and 5 years) rose as a result of interest rates remaining high on these maturities in 2024, which lead to medium-term opportunities, and amounted to €2.84 billion, compared with €2.57 billion at the end of 2023. The remainder of available cash, i.e. €2.18 billion, was placed at less than one year or in deposits redeemable at will by the investor in less than one year, with the aim of preserving a sufficient liquidity buffer for margin calls related to interest rate volatility. 61.53% of the securities portfolio held is HQLA 1 or 2 as at 31 December 2024, with 38.35% being HQLA 1.

New transactions carried out in 2024 were mainly in the form of term deposits for 11.75% of the portfolio and high investment grade securities for 11.23% of the portfolio. Securities exchanges accounted for 42.92% of new transactions, with the securities received being recognised as trading account securities. The remaining 34.10% were securities transactions (repurchase agreements and reverse repurchase agreements).

The company hedges its overall interest rate position, specifically the 6-month Euribor position, via macro-hedging swaps and basis swaps. Since 2019, all swaps put in place have been cleared using a clearing broker and a clearing house based in Europe, while daily margin calls have continued for almost all other swaps.

Crédit Logement also incorporates ESG criteria into its investment strategy. Firstly, when taking positions in UCITS, Crédit Logement examines the funds from an ESG perspective. Currently, as in 2023, 83% of funds held have SRI labels and 83% of funds comply with Article 8 of the SFDR. Since 1 January 2022, the funds selected must be classified as Article 8 or Article 9 funds under the SFDR. During fund selection, the existence of an ESG rating or label is taken into account in the valuation.

Similarly, when buying sovereign or quasi-sovereign securities, Crédit Logement only invests in securities issued in core Eurozone countries to which the ratings agencies have assigned the highest ESG ratings. In 2024, 86.7% of Crédit Logement's counterparties at group level had obtained a score equal to or higher than CIS-3 (according to Moody's, "A CIS-3 score indicates that the ESG risks have a limited impact on the current rating [...]"), compared with 85% in 2023, representing 90.1% of securities outstanding.



.5 Management of additional capital

On 28 November 2024, Crédit Logement exercised an early redemption option for the total amount of €500 million of its subordinated securities issued in November 2017, maturing in 2029, and classified as Tier Two. Crédit Logement held this option for the first time at the exclusive initiative of the issuer. On 21 June 2024, the Board of Directors approved the exercise of this option, which was subsequently authorised by the ACPR.

Ongoing transactions as at 31 December 2024 involved the following tier two transactions:

- a €500 million issue of redeemable subordinated notes, maturing in 2034, rated A1/A (Moody's/DBRS), carrying an adjustable fixed-rate coupon of 1.081%, with a first redemption date in 2028;
- equity loans and subordinated loans taken out by partner banks of Crédit Logement, proportional to their outstanding loans under Crédit Logement guarantee, for a total of €932.33 million.

.6 Risk management

Risk monitoring by the Risk Management function

The Risk Management function's mission is to ensure cross-disciplinary monitoring of the risks to which Crédit Logement is exposed.

It is responsible for preparing and updating a cross-disciplinary risk map and overseeing compliance with risk management strategies. Reporting to the Chief Compliance and Risk Officer, who in turn reports to Executive Management, the Risk Management function has the necessary hierarchical authority and independence, as required by law, in relation to the sales, finance and accounting functions.

The strategies to manage the different risks are determined by Executive Management and approved by the Board of Directors. They are reviewed by the Board of Directors at least once every year.

The Risk Management function carries out half-yearly reviews of the suitability of the risk management system, based on the strategies that have been defined. It presents the findings of these reviews at meetings of the Risk Monitoring Committee, which oversees the entire risk monitoring process. These meetings are chaired by Executive Management and attended by all members of the management team. Following the meetings of the Risk Monitoring Committee, a summary of the reports presented to it is submitted to the Risk Committee.

Every year, the Risk Management function updates the cross-disciplinary risk map that is submitted for approval to the Risk Monitoring Committee and prepares a report on the measurement and monitoring of risks covering all of the identified risks. This report is signed off by Executive Management and then reviewed by the Risk Committee. It is presented to the Board of Directors.

The strategy employed to manage the various risks is implemented on an operations level by three special committees: aspects relating to credit risk in the guarantee activity are handled by the Risk Policy Committee, financial risk considerations are handled by the Treasury and Liquidity and Interest Rate Risk Management Committee, and operational risk aspects are dealt with by the Operational Risk Committee.

Credit risk in the retail banking business: guarantee portfolio

Management of credit risk relating to the portfolio of guarantees hinges on the mutualisation of risk and is aimed at maintaining a high level of coverage through the mutual guarantee fund. The internal rating system is the basis for follow-up of this strategy.

Pursuant to a decision by the ACPR dated 24 April 2007, Crédit Logement was granted the right to use its own internal rating model to calculate its regulatory capital (Pillar 1). Crédit Logement overhauled this model to incorporate new regulatory requirements and improve its performance. This resulted in a decision by the ACPR on 24 November 2022 to authorise Crédit Logement to use this new version of the internal model from 31 December 2022.

The new model involves a segmentation into 26 homogeneous risk classes across the probability of default (PD), loss given default (LGD) and exposure at default (EAD).

For the probability of default (PD) segment at one year, Crédit Logement uses an outstanding asset score to build its various homogeneous risk classes, this score being a good predictor of the probability of default (PD) at one year, throughout the lifetime of the guaranteed transaction. If a transaction defaults, Crédit Logement will have all the information needed to manage collections.

For the loss given default (LGD) segment, Crédit Logement drew up a model based on a statistical analysis of correlations between the observed rate of loss and a number of business variables related to the characteristics of the borrower and transaction on the one hand, and the collection process on the other.

To calculate the exposure at default (EAD), a 100% Credit Conversion Factor (CCF) is applied to the guarantees that have been arranged and are pending arrangement.

Furthermore, as the Crédit Logement Guarantee is the only lender guarantee, Crédit Logement does not factor in risk mitigation techniques.

This rating model has been operational since December 2022. All new transactions are automatically scored and analysed using guarantee analysis tools and then assigned to a risk category of the internal rating model.

All of the work and reports prepared by the risk management and guarantee model function are submitted each month to the Risk Policy Committee, which is overseen by Executive Management.

The internal rating model entails back-testing by the risk and guarantee model function, which makes it possible to check its performance level on an annual basis. It is reviewed annually by the Compliance and Risk Management function as part of the model validation process. In accordance with the regulations in force, the entire system is reviewed annually by the Internal Audit function.

The calculation of the regulatory capital requirement (Pillar 1) and the results of permanent and periodic controls are presented to the Risk Committee and to the Board of Directors.

As at 31 December 2024, this internal rating system was applicable to an EAD of €444 billion, breaking down into €427 billion in guarantees arranged and €17 billion in guarantees not yet arranged.

As at that same date, the default rate at one year on the guarantee portfolio was 0.19%, marking a 3.5bp increase compared with the end of 2023.

The ability of the Debt Collection Department to return delinquent loans to normal management, or to quickly take the required protective measures for transactions in default, leads to an estimate of the portfolio's average LGD over the medium to long term of 17.61% of the EAD on transfer to default status, representing a decrease of 3bp compared with the end of 2023.

The "downturn LGD" is then obtained after applying a downturn margin and a margin of conservatism (MoC).

Given these parameters, the risk-weighted assets (RWA) of the portfolio stood at €55.48 billion, corresponding to a weighting of 12.50%, up slightly by 10bp over the year.

As at 31 December 2024, the minimum regulatory capital requirement for guarantee portfolio credit risk in respect of Pillar 1 (unexpected losses) calculated in accordance with Article 154 of the Capital Requirements Regulation (CRR), and expected losses deducted from capital stood at €5.2 billion, before the application of the capital conservation buffer and the countercyclical buffer.

The mutual guarantee fund, set up to address guarantee portfolio credit risk, represented 1.4 times the amount of the regulatory capital requirement (Pillar 1) for this portfolio.

Excluding the equivalent value in euros of the EAD of loans guaranteed in Switzerland (legacy assets since 2015) in the amount of €24.2 million, the credit risk for the guarantee portfolio derives exclusively from the French residential property financing market.

Crédit Logement's risk selection criteria are based primarily on the ability of borrowers to repay their loans, and only secondarily on the value of the assets being financed or on the whole of the borrower's wealth. Additionally, Crédit Logement's production is essentially with commercial and mutual banks in a non-speculative residential property market, and most loans are fixed-rate loans. Furthermore, the fall in interest rates between 2014 and 2021 led to an unprecedented volume of loan renegotiation and refinancing transactions, helping to improve the solvency of borrowers.

The diversity of geographic spread and of customer type resulting from the wide variety of partnerships we hold with retail banks in France ensures good risk spreading and contributes to the diversification of credit risk on the guarantee portfolio.

Operational risks

Due to its size, the fact that it has a single production site, its single-product business, the limited number of transactions deriving from its cash management activity and its governance choices, Crédit Logement has opted for the "standardised" method to assess its capital requirements for operational risks.

Among those identified from the outset, the most material risks are those related to IT, hosting and the security of information systems, as well as the unavailability of premises or personnel.

Two specific committees chaired by the Executive Management, the Operational Risk Committee (CRO) and the IT Security Committee (CSI), regularly monitor these risks, with reports on the monitoring of security indicators sent to Executive Management.

Crédit Logement has implemented a system for collecting and measuring operational risk events, mainly on a reporting basis, with quarterly monitoring. 11 risk events were reported in 2024 (compared with 14 in 2023) and were mainly related to the information system. After analysis, these were classified as minor incidents.

Beyond a strictly financial and regulatory approach, Crédit Logement is taking advantage of this procedure to improve its processes and increase their reliability. Vulnerability and intrusion tests are carried out at least once a year on the information system and have not revealed any major flaws in the risk management system.

Since 2020, a new IS infrastructure includes two mirror sites with real time replication, so that either one may serve as a back-up site. This also means that, depending on the scenarios considered, the sites at numbers 50 and 84 boulevard de Sébastopol may also serve as user fallback sites in addition to the fallback site integrated into the business continuity plan (BCP).

In the event of a major incident, the objective is to ensure, within 24 hours of unavailability, the continued processing of guarantee applications and, in the following days, the continued processing of debt collection and account keeping.

These systems are regularly tested to check that they are operational. Technical tests on the back-up platform are supplemented by tests carried out directly by users to ensure the correct functioning of "business line" applications, alongside remote staff log-in tests, validating available staffing capacities that would include almost every member of staff in the event of a large-scale event.

Following the application of the Crédit Logement remote working agreement, all members of staff who are able to work remotely have secure access to Crédit Logement's IT environment from their homes.

The Contingency and Business Continuity Plan is the same for the internal information system and for the applications exposed to the Internet.

The capital requirement for operational risk stood at €29 million as at 31 December 2024.

Liquidity risk management

Crédit Logement's liquidity risk is very specific, since the residential transaction financing guarantee business generates liquidity. A liquidity risk could therefore arise only from a mismatch between its cash management policy and the requirements resulting from its surety role.

For the management of this liquidity risk, an extreme stress test was developed regarding the loss experience of the guarantee portfolio. This is applied as long as it remains sufficiently conservative relative to the latest known risk parameters. This extreme stress scenario included a deterioration of the risk parameters that would lead to a more than fivefold increase in expected losses on sound debt at the peak of the stress, and delays in recovering certain liquid assets.

Crédit Logement makes liquid investments but must ensure that its gap under extreme stress remains positive at all times. However, according to the applicable internal rules, since 2015, plots above fifteen years may be negative up to a maximum of €100 million.

Crédit Logement's internal model for managing liquidity risk, which is based mainly on this extreme stress scenario and on several liquidity indicators in various timeframes (day, month, quarter), was approved by the ACPR in May 2011 and, as required, showed a still-positive gap over the first three years as at 31 December 2024, with a low of €1.317 billion in the [1-day, 3-day] bucket and a high of €4.260 billion in the [9-month, 1-year] bucket.

The stabilisation of interest rates at high levels and the lower degree of volatility in interest rates and the gradual recovery of the property market had a positive impact on Crédit Logement's available liquidity, enabling new investments to be made while maintaining a sufficient liquidity buffer for estimated margin calls in the context of interest rate stress. Crédit Logement also continued to pursue a prudent policy with a very low risk appetite by selecting investments designed to always provide a high level of immediately-available liquidity, regardless of market conditions.

The emergency response plan in place to handle a liquidity crisis was tested in 2024 and the outcome of the test was satisfactory.

Overall interest rate risk management

In addition to managing liquidity risk, Crédit Logement strives to minimise its overall interest rate risk, which consists mainly of a long-term resource, the mutual guarantee fund, and investments. Risk analysis involves, in particular, liquidity stress scenarios.

Its net interest margin, consisting exclusively of the margin on the management and investment of its regulatory capital, which includes the mutual guarantee fund in particular, is therefore sensitive above all to interest rate variations, earning a higher margin when rates are high, although low rates are more favourable to the business of guaranteeing property transactions.

Crédit Logement measures and manages its interest rate risk with an overall rate gap, so that it can gauge the impact of an interest-rate stress scenario, both on its net interest margin and on the Net Present Value (NPV) of its balance sheet, assuming the straight-line amortisation of book equity over a period of 10 years. In particular, the regulatory stress test of a 200bp change across the entire rate curve is applied, on the basis – since the beginning of 2015 – of a floor rate equivalent to the ECB overnight deposit rate, and a limit has been set for the sensitivity of NPV to this stress. Other Basel-recommended scenarios relating to interest rate risk sensitivity have been simulated. The regulatory stress test involving a 200bp decline in the rate curve stands out as the most adverse scenario.

Crédit Logement, which falls into category 3 of the Supervisory Review and Evaluation Process (SREP), has been subject to IRRBB requirements since 31 December 2019 and all applicable limits as of that date are being met. For Tier One capital, EVE (Economic Value of Equity) sensitivity must be greater than -15% of T1. As at 31 December 2024, the minimum sensitivity corresponds to the linear +200bp translation scenario and is -11.51%. With regard to NIM (net interest margin), the sensitivities estimated at 31 December 2024 are -€1 million (+200 bp) and +€1 million (-200 bp) respectively, compared with a limit of -5% of Tier 1, i.e. -€358 million.

.6 *Risk management*

Market risk, counterparty risk and other risks

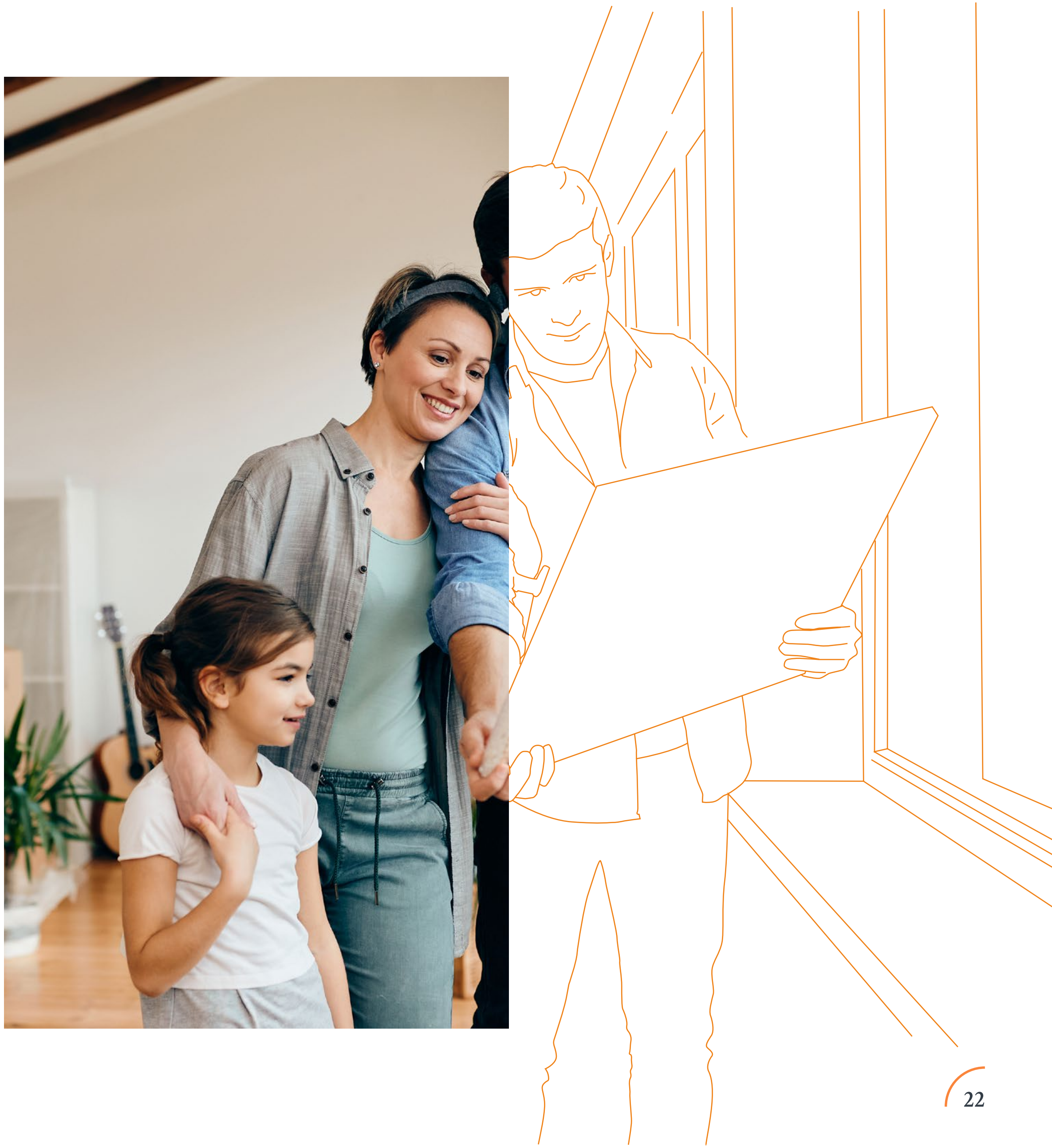
Within the meaning of point 86 of paragraph 1 of Article 4 of CRR, the trading portfolio corresponds to all positions in financial instruments held for trading or for the purpose of hedging other items in the trading portfolio.

At the end of 2024, Crédit Logement did not hold any instruments classified as isolated open positions and held only borrowed securities (bond and equity portfolios) received as collateral in securities swaps in its trading book. Crédit Logement never acquires securities or financial instruments with the intention of reselling them in the short term. It therefore has no trading portfolio within the meaning of CRR. Crédit Logement is therefore not subject to market risk.

Crédit Logement does not manage any means of payment for third parties and therefore has no counterparty risk in this respect.

There is counterparty risk in relation to financial futures (interest rate swaps all categorised under micro or macro hedging) for which Crédit Logement applies the regulatory SA-CCR approach.

Stripping out the subsidiary described below (i.e. SNC Foncière Sébastopol) and the borrowed securities mentioned above, Crédit Logement has no other holdings or shares. Therefore, Crédit Logement is not exposed to "equity" risk.



.7 *Internal capital requirement assessment process*

Based on the methodologies proposed by the European Banking Authority (EBA) and the principles of proportionality laid down by the French regulator, Crédit Logement has mapped its position for each of the risks to which it is exposed.

It completed this risk map by factoring in the risks referred to in the French order of 3 November 2014 on internal control.

Economic approach used to measure internal capital requirements

The approach adopted by Crédit Logement combines a structured method via an approach involving an internal management model for credit risk on the guarantee portfolio and a simple method for other risks.

The total internal capital requirement, intended to cover all risks, is determined by adding together the results observed for each of the risks identified.

Crédit Logement does not therefore use a correlation effect or offsetting between the various risks.

Guarantee portfolio credit risk

With the economic approach, coverage of the expected loss on the guarantee portfolio is calculated over the lifetime of the guarantee portfolio, not over one year.

Unexpected losses are calculated using a stressed default correlation coefficient that, for prudential reasons, corresponds to the coefficient observed for the guarantee portfolio following the application of a stress scenario when testing the Recovery Plan, which presented an impact on the risk parameters comparable to that observed with the Spanish crisis of 2008.

Investment portfolio credit risk

As part of its assessment of internal capital requirements, Crédit Logement measures investment portfolio credit risk by factoring in the associated concentration risk. To reduce the latter, a plan to collateralise investments with its main counterparties was implemented in 2013 and is ongoing. This agreement was amended in 2021 to include subordinated loans.

Market risk

Crédit Logement has no market risk as understood by the applicable regulation, as no instrument is classified as an isolated open position.

Operational risk

The economic approach aims to check that regulatory capital covers the residual risk of the major risk events that have been identified. If this is not the case, the unexpected risk is measured by the impact that a major risk event could provoke.

Liquidity risk

Liquidity gaps in the portfolio of liquid assets are examined under an extreme stress scenario to verify that Crédit Logement would be in a position honour all of its commitments, even under such a scenario.

Interest rate risk

Since 31 December 2019 and the BCBS' standards for Interest Rate Risk in the Banking Book (IRRBB) published on 21 April 2016, Crédit Logement, which falls into SREP category 3, measures interest rate risk based on the EVE (Economic Value of Equity).

Based on the 2018 IRRBB guidelines, the EBA proposed a regulatory framework consisting of one guideline and two RTS. In July 2023, the EBA also published an ITS on new harmonised COREP-type regulatory reporting requirements on IRRBB, applicable in the European Union and required from December 2024 for finance companies.
In the event of an interest rate shock, institutions must not see their Economic Value of Equity (EVE) decrease by more than 15% of Tier 1 or their NIM experience a significant decline. The definition of significant decline thresholds for SOT on NIM is (NIMshock – NIMbaseline)/Capital <-5%.

.7 Internal capital requirement assessment process

Climate and environmental risks

The inclusion of EPC ratings in legislation, particularly by imposing constraints on the lowest ratings, as well as rising energy costs, suggest that EPCs will have an increasing impact on property values.

Initial analyses show that EPCs have already been incorporated into the market value of properties.

The approach has therefore been to pass on the impact of the EPC on property prices in the loss rate and then deduct the additional internal capital requirement.

Structural foreign exchange risk

A revaluation of the Swiss franc against the euro would only have an impact on the amount of financing guarantees denominated in this currency and translate into an increase in the EAD of the guarantee portfolio and in the Pillar 1 regulatory capital requirements relating to this portfolio (boundary risk).

Any change in regulatory capital requirements
would therefore be covered in respect of credit risk on the guarantee portfolio.

Other risks

An analysis of the risks referred to in the order of 3 November 2014, as revised under the internal control process, did not give rise to any additional capital charge with respect to internal capital.

Internal capital adequacy

The internal capital adequacy process confirmed that all risks were covered by the level of available capital.

.8 Information on the business of subsidiaries and controlled companies

SNC FONCIÈRE SÉBASTOPOL

This property dealer, which is wholly-owned by Crédit Logement, auctions property assets following court proceedings to recover secured debt.

In 2024, SNC Foncière Sébastopol carried out six new auctions and sold on five assets.

At the end of 2024, there were seven properties in stock representing a total net amount of €1,555,000, compared with €1,307,000 as at 31 December 2023.

The agreement for the provision of administrative and accounting services signed by Crédit Logement and SNC Foncière Sébastopol on 14 May 2012 continues to apply, and has not been amended.

The income statement shows a loss of €233,000, consisting mainly of current management expenses and interest on the partner's current account, as well as capital gains net of provision reversals in connection with sales.

.9 Accounts for the financial year

Balance sheet

Total assets on the balance sheet amounted to €12.4 billion as at 31 December 2024, representing a decrease of €73 million compared with 31 December 2023.

This decrease mainly stemmed from a €125 million overall decrease relating to a group of items made up of receivables due from credit institutions, investments in bonds and equities, plus debit margin calls in connection with forward financial instruments included in accruals and with repurchase agreements in other assets, i.e. €10.77 billion at 31 December 2024, compared with €10.89 billion for the previous year.

Within this total, the decrease in receivables from credit institutions (-€413 million) was mainly due to the early repayment of subordinated debt issued in November 2017 (€500 million), offset by the decrease in margin calls paid on forward financial instruments and repurchase agreements (€180 million) and the change in business activity reflected in the increase in the mutual guarantee fund (€116 million).

The change in bonds (+€629 million) and equities (-€161 million) was mainly due to new securities lending in 2024 (+€383 million to €911 million), with the portfolio of securities borrowed to secure loans (€869 million as at 31 December 2024) consisting mainly of bonds (€585 million, up €476 million) and, to a lesser extent, equities (€285 million, down €170 million).

In addition to these changes in assets, non-performing loans increased by €46 million.

On the liabilities side, the above changes were offset by liabilities under securities borrowed (+€306 million), mutual guarantee funds (+€116 million) and subordinated securities (-€500 million).

Off-balance sheet commitments: outstandings

Crédit Logement's off-balance sheet outstandings, representing guarantees covering the repayment of loans distributed by other institutions, fell by €4.9 billion to €416 billion as at 31 December 2024, compared with €421 billion as at 31 December 2023.

Guarantee agreements not yet arranged increased by €2.7 billion in 2024 to €17 billion, compared with €14.3 billion at the end of 2023.

Outstandings for which surety agreements had been arranged therefore decreased by €4.9 billion, i.e. by -1.2%, factoring in annual amortisation and early repayments in the amount of €39.4 billion.
The average rate of early repayments in relation to outstandings was 2.6% in 2024, down in relation to the previous year (3.3%).

Solvency ratio at the end of the year

Crédit Logement's Pillar 1 solvency ratio, established in accordance with the decree of 23 December 2013, stood at 14.47%, down 77 points compared with 31 December 2023 (15.24%). This decrease mainly results from the exercise of the repayment option on the €500 million issue carried out in 2017 (see above).

Pillar 2 capital, for which the methods of calculation were revised by the regulator with effect from 1 January 2024, stood at 2% of outstanding guarantees at 31 December 2024, amounting to €8.3 billion.

Change in regulatory capital

Prudential capital decreased by €0.42 billion to €8.6 billion as at 31 December 2024. As with the decline in the solvency ratio, this decrease was mainly due to the early repayment of the subordinated securities issued in November 2017 (€500 million), offset to a lesser extent by the strengthening of the mutual guarantee fund (FMG, +€116 million).

.9 *Accounts for the financial year*

In thousands of euros

	12/31/2024	12/31/2023	Évolution
Equity capital on the liability side of the balance sheet	1,589,818	1,579,933	9,885
Fund for general banking risks	610	610	
Mutual guarantee fund	7,102,500	6,986,350	116,150
Income (losses) to be allocated	-111,165	-103,746	-7,419
Deductions	-1,430,622	-1,431,820	1,198
COMMON EQUITY CAPITAL TIER 1	**7,151,141**	**7,031,327**	**119,814**
Subordinated Tier 1 securities			
ADDITIONAL TIER 1 CAPITAL			
TIER 1 EQUITY CAPITAL	**7,151,141**	**7,031,327**	**119,814**
Subordinated loans	932,330	932,330	
Subordinated securities - Tier 2	500,000	1,000,000	-500,000
Add-back of Tier 1 capital incorporated into Tier 2 capital			
Mutual guarantee fund held in Tier 2	16,678	56,430	-39,752
Deductions	-6,364	-6,121	-243
ADDITIONAL TIER 2 EQUITY CAPITAL	**1,442,644**	**1,982,639**	**-539,995**
TOTAL REGULATORY CAPITAL (numerator)	**8,593,785**	**9,013,966**	**-420,181**
Risk-weighted assets - advanced IRB model	55,483,843	55,202,897	
Risk-weighted assets - standardised method	3,001,300	3,065,072	
Other assets not corresponding to loan obligations	536,561	520,244	
Operational risks	360,642	359,316	
TOTAL RISK-WEIGHTED ASSETS (denominator)	**59,382,346**	**59,147,529**	**234,817**
Common Equity Tier 1 solvency ratio	**12.04%**	**11.89%**	
Tier 1 solvency ratio	**12.04%**	**11.89%**	
CRD4 SOLVENCY RATIO	**14.47%**	**15.24%**	
Pillar 2 capital requirements	**8,320,803**	**8,419,008**	

Common Equity Tier 1 (CET1) capital

The total amount of CET1 capital was €7.2 billion at 31 December 2024, equating to an increase of €120 million compared with 31 December 2023, mainly due to the €116 million increase in the Mutual Guarantee Fund.

Tier 1 capital

This is the Common Equity Tier 1 plus additional tier 1 (AT1) capital. After the early redemption at the end of 2021 of perpetual subordinated notes worth €326 million, additional Tier 1 capital was nil.

Tier 2 capital

Tier 2 capital decreased by €540 million to €1.44 billion, due to the early repayment of €500 million in subordinated securities and the €40 million decrease in the Mutual Guarantee Fund retained in Tier 2.

Maturities and payment schedules for receivables and payables

The receivables analysed in this paragraph relate to the guarantee activity for third parties and various services provided to third parties. The payables correspond to amounts due to suppliers for purchases.

We have not included own-account banking transactions in the information provided hereafter, as we consider that they do not fall within the scope of the information that is required to be disclosed.

SCHEDULE OF PAYABLES AND RECEIVABLES

In thousands of euros

	12/31/2024						12/31/2023					
	1 to 30 days	31 to 60 days	More than 60 days	More than 90 days	Payables and receiv. due	**Total**	1 to 30 days	31 to 60 days	More than 60 days	More than 90 days	Payables and receiv. Due	**Total**
Accounts payable	511				127	**638**	626				194	**820**
Accounts receivable	1,307	81			44	**1,432**	957	292			7	**1,256**

.9 *Accounts for the financial year*

PAYABLES AND RECEIVABLES DUE AT 12/31/2024

In thousands of euros

	Article D 4411. -1°: Invoices received, unpaid and overdue at the end of the period						Article D 4411. -2°: Invoices issued, unpaid and overdue at the end of the period					
	Day 0 (guide)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	Day 0 (guide)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(A) Bands of late payment												
Number of invoices affected		18	5	2		25		1	6	2		9
Total amount (incl. tax) of invoices affected		87	2	38		127		26	16	2		44
Percentage of total amount of purchases (incl. tax) for the year		0.75%	0.02%	0.33%		1.10%						
Percentage of revenue for the year (incl. tax)								0.01%	0.00%	0.00%	0.00%	0.01%
(B) Invoices excluded from (A) relating to disputed or unrecognised payables and receivables												
Number of invoices excluded												
Total amount of invoices excluded												
(C) Reference payment terms used (contractual or statutory term - Article L.441-6 or Article L.443-1 of the French commercial code)												
Payment terms used to calculate late payments	■ Contractual term: from "on receipt" until "60 days from invoice date" ☐ Statutory term						■ Contractual term: "30 days from invoice date" ☐ Statutory term					

.9 *Accounts for the financial year*

Income statement

It is recalled that Crédit Logement was not subject to the CSRD or green taxonomy as at 31 December 2024. However, a sustainability report will be published before the end of the first half of 2025.

Net banking income amounted to €207.3 million, compared with €195.7 million a year earlier, representing an increase of 5.9%.

Of this, net financial income increased by 21.3% on the previous year, mainly due to the following:

- **an increase in average capital to be invested due to lower margin calls linked to lower interest rate volatility, which remained high despite the ECB's rate cuts from June 2024 onwards;**
- **the low level of steepening, which helped to limit the cost of basis risk hedging instruments;**
- **a very high ESTER rate, which increased the income generated by the remuneration of margin calls on hedging swaps and repos;**
- **an increase in the volume of interest-bearing liquidity via demand deposits and term accounts;**
- **a systematic search for the best market opportunities during investment renewals and when making new investments.**

Although activity increased in 2024, the fees recognised in the income statement nevertheless declined by 2.9% due to the drop in early repayments.

Finally, other operating income net of expenses decreased by 19.5%, mainly due to miscellaneous and ancillary income.

Overheads and depreciation and amortisation charges edged up by 4.9% to €60.4 million, from €57.6 million in 2023.

This was due to the following:

- **personnel expenses rose by 4.6%, essentially due to changes in the workforce;**
- **other administrative expenses increase by 2.5%;**
- **depreciation and amortisation charges and impairment provisions increased by 13.0%.**

As a result, gross operating income, before non-recurring income and expenses, corporate income tax and tax-driven provisions, amounted to €146.9 million, up by 6.3% on the previous financial year.

The corporate tax expense was €38.4 million, compared with €37 million in 2023.

Overall, net profit for the financial year came to €111.2 million, pointing to a return on equity of 7.51% in 2024.

.10 Outlook and significant events since the end of the financial year

The 2025 budget was based on the assumption that the current trend at the end of 2024 would continue and lead to a slow improvement in activity.

The downward trend in interest rates should continue in 2025 and credit supply should remain in line with 2024, with banking partners keen to adopt a more proactive lending policy.

However, political uncertainty and the lack of measures to support the property market could slow down the completion of property projects.

Finally, the French High Council for Financial Stability is unlikely to ease restrictions on lending to individuals for fear that property prices will start to rise again.

In this context, guaranteed production activity is expected to reach €60 billion, representing an increase of just over 9% compared with 2024.

The interest rate assumption includes a decline in short-term rates attributable to the ECB's monetary policy, corresponding to a 25 bps cut in the ECB deposit rate at each ECB meeting until May 2025, as currently anticipated by the markets.

In this scenario, long-term rates would remain relatively high in 2025 as a result of a steeper yield curve than in 2024.

.11 Proposed appropriation of earnings

The net distributable profit of €111,173,666.02 breaks down as follows:

- **net profit for the financial year** — **€ 111,164,753.99**
- **plus retained earnings** — **€ 8,912.03**

The following appropriation is proposed:

- **legal reserve** — **€ 5,558,237.70**
- **dividends allocated to shares** — **€ 105,467,465.46**
- **retained earnings** — **€ 147,962.86**

This gives rise to a dividend per share of €5.86 for 17,997,861 shares of €70 each.

The dividend per share for the last three financial years was as follows:

- **2023: € 5.48**
- **2022: € 6.36**
- **2021: € 9.89**

As provided by law, the appropriation of earnings and dividend amounts paid out for the past three financial years are mentioned in the wording of the third resolution submitted to the shareholders for approval.

The resolutions submitted approve the accounts presented to the shareholders and the proposed appropriation of earnings for the financial year in question.

.12 Other specific resolutions proposed

Three ratifications of the co-optation of directors are proposed to the Annual General Meeting.

The shareholders were asked to renew the term of office of BPCE as a member of the Board of Directors for a period of six years.

.13 *Board of Directors' report on corporate governance*

In accordance with Articles L. 225-37 et seq. of the French Commercial Code (Code du Commerce)

Introduced by the order of 19 July 2017, this new report prepared by the Board of Directors will be presented with the management report at the general meeting of the shareholders on 7 May 2025.
The statutory auditor's report will certify that it contains the required information. The information contained in this report is listed in Article L. 225-37-4, subparagraphs 1 to 4, of the French commercial code. Please be advised that Crédit Logement has not held securities admitted for trading on a regulated market since December 2017.

Operating procedures for Executive Management (Art. L.225-51-1 of the French commercial code)

These provisions were clarified in the first report drawn up in 2018 and have undergone no changes since then.

List of the corporate offices and roles of each company officer in 2024.

The Crédit Logement Board of Directors has 12 members. A list of their corporate offices and roles and of those of the executive management may be obtained from the company on request.

Agreements entered into directly or through an intermediary between a company officer or a shareholder holding more than 10% of the voting rights in a company, and another company in which the former company holds, directly or indirectly, an interest of more than 50%.

No new agreement meeting these criteria was entered into in 2024.

Summary Table of Currently Valid Delegations
Granted by the General Meeting of Shareholders in the Area of Capital Increases: Not applicable.

Indeed, the last delegation expired on September 3, 2017.

It had been granted by the Extraordinary General Meeting held on March 3, 2016, for the issuance of AT1 bonds convertible into ordinary shares, with the cancellation of shareholders' preferential subscription rights and delegation of authority to the Board to carry out the operation.

Ultimately, it did not need to be implemented.

Financial elements

03

.1 *Assets balance sheet* *at 31 december 2024*

In thousands of euros

	12/31/2024	12/31/2023	Notes
CASH, CENTRAL BANKS, CCP	1	2	
DEPOSITS ON CREDIT INSTITUTIONS	4,014,271	4,427,114	A1
On sight	325,715	414,978	
Term	3,688,556	4,012,136	
CUSTOMER TRANSACTIONS	1,044,776	999,018	A3
Other customer loans	517	554	
Doubtful loans	1,044,259	998,464	
BONDS AND OTHER FIXED-INCOME SECURITIES	5,878,982	5,249,573	A4-1
SHARES AND OTHER VARIABLE-INCOME SECURITIES	467,899	628,787	A4-1
INTERESTS IN AFFILIATED COMPANIES	2,316	999	A4-2
INTANGIBLE FIXED ASSETS	14,864	13,288	A5
TANGIBLE FIXED ASSETS	11,323	11,333	A5
OTHER ASSETS	13,796	92,524	A6
ACCRUALS	940,990	1,039,749	A6
TOTAL ASSETS	12,389,218	12,462,387	

OFF-ASSETS BALANCE SHEET

	12/31/2024	12/31/2023	Notes
COMMITMENTS			
GUARANTEE OUTSTANDINGS	416,040,134	420,950,409	A12-1
GUARANTEE COMMITMENTS NOT YET IMPLEMENTED	17,034,908	14,331,970	A12-1
OTHER GUARANTEE GIVEN		42	
COMMITMENTS GIVEN	433,075,042	435,282,421	

.1 Liabilities balance sheet *at 31 december 2024*

In thousands of euros

	12/31/2024	12/31/2023	Notes
AMOUNTS DUE TO CREDIT INSTITUTION		**572**	**A7**
Term		572	
AMOUNTS DUE TO CUSTOMER	**29,154**	**27,624**	**A7**
OTHER LIABILITIES	**1,231,233**	**926,934**	**A8**
ACCRUALS	**987,108**	**989,759**	**A8**
DEPRECIATIONS FOR RISK AND EXPENSES	**322**	**295**	**A8**
SUBORDINATED DEBT	**8,550,973**	**8,936,660**	
Mutual guarantee deposits	7,103,563	6,987,492	A9-1
Subordinated borrowings	932,330	932,330	A9-2
Accrual on borrowings	10,340	11,472	A9-2
Surbordinated securities	500,000	1,000,000	A9-2
Accruals on subordinated securities	4,740	5,366	A9-2
FUNDS FOR GENERAL BANKING RISKS	**610**	**610**	**A9-3**
SHAREHOLDERS' EQUITY	**1,589,818**	**1,579,933**	
Capital	1,259,850	1,259,850	A9-4
Reserves	176,352	171,164	A9-4
Regulatory provisions	42,442	45,095	A9-3
Retained earnings	9	78	
Earnings for the year	111,165	103,746	
TOTAL LIABILITIES	**12,389,218**	**12,462,387**	

OFF-LIABILITIES BALANCE SHEET

COMMITMENTS			
GUARANTEE COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS	**1,199,981**	**1,258,963**	**A11**
ON SECURITIES TO BE RECEIVED	**310,000**	**310,000**	**A11**
COMMITMENTS RECEIVED	**1,509,981**	**1,568,963**	

.2 *Profit and loss* *at 31 december 2024*

In thousands of euros

	12/31/2024	12/31/2023	Notes
INTEREST INCOME	**378,036**	**332,399**	**B1**
INTEREST EXPENSES	**-295,788**	**-261,123**	
INCOME FROM VARIABLE-INCOME SECURITIE	**114**	**66**	**B2**
COMMISSION (INCOME)	**112,664**	**116,159**	**B3**
COMMISSION (EXPENSES)	**-661**	**-761**	
GAIN OR LOSS ON EXCHANGE	**3**	**-9**	**B4**
GAINS OR LOSSES ON OPERATIONS OF INVESTMENT PORTFOLIOS AND SIMILAR	**8,778**	**3,832**	**B5**
OTHER BANKING OPERATING INCOME	**4,540**	**5,458**	**B6**
OTHER BANKING OPERATING EXPENSES	**-372**	**-280**	
NET BANKING INCOME	**207,314**	**195,741**	
GENERAL OPERATING EXPENSE	**-54,417**	**-52,295**	**B7**
ALLOWANCES FOR DEPRECIATION AND AMORTISATION ON TANGIBLE AND INTANGIBLE FIXED ASSETS INCLUDING EQUITY SECURITIES	**-6,021**	**-5,327**	**B8**
GENERAL OPERATING EXPENSES AND ALLOWANCES FOR DEPRECIATIONS AND PROVISIONS	**-60,438**	**-57,622**	
GROSS OPERATING INCOME	**146,876**	**138,119**	
OPERATING INCOME	**146,876**	**138,119**	
Cost of credit risk		-1	B9
OPERATING INCOME	**146,876**	**138,118**	
Non-recurring income/loss	-38,364	-37,025	B10
Corporate income tax / Allowances/write back for provisions	2,653	2,653	B11
NET INCOME FOR THE YEAR	**111,165**	**103,746**	

.3 *Statutory auditor's report on the annual financial statements*

To the general meeting of the shareholders of Crédit Logement - Year ended 31 December 2024

Opinion

In compliance with the engagement entrusted to us by the shareholders at the general meeting, we have audited the annual financial statements of Crédit Logement for the year ended 31 December 2024, as enclosed in this report.

In our opinion, with regard to French accounting rules and principles, the annual financial statements provide a true and fair view of the assets and liabilities and of the financial position of the company for the year under review and of the results of its operations for that year.

The opinion expressed above is consistent with the content of our report to the Audit Committee.

Basis for our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France.

We consider that the audit evidence that we have collected is sufficient and appropriate to form the basis of our opinion.

Our responsibilities under those standards are described herein under "Responsibilities of the statutory auditors for the audit of the annual financial statements".

Independence

We conducted our audit in accordance with the rules of independence set out in the French commercial code (Code de commerce) and the French code of ethics for statutory auditors (Code de déontologie de la profession de commissaire aux comptes) for the period from 1 January 2024 to the date of issuance of our report.

Justification of our assessments

Pursuant to the provisions of Articles L. 821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we bring to your attention the key audit matters relating to the risks of material misstatement which, in our professional judgement, were of the most significance for the audit of the annual financial statements, and our responses to these risks.

→ **The section relating to "doubtful loans" in the notes to the financial statements states that, when a debt is deemed to be irrecoverable, any outstanding payments due are drawn from the mutual guarantee fund (Fonds Mutuel de Garantie).**

As part of our assessment of the reasonableness of the accounting estimates used to prepare the financial statements, we examined the control system in place to identify and monitor the risks relating to the guarantee business, to assess the risks of non-recovery and to cover these risks through the mutual guarantee fund.

→ **The section of the notes on the "securities portfolio" (accounting principles and methods) outlines the methodology used to measure the value of the securities portfolio (trading account securities, securities held for sale, debt securities held to maturity and participating interests) and, where necessary, to recognise impairment charges.**

As part of our assessment of the reasonableness of the accounting estimates used to prepare the financial statements, we examined the system in place to monitor and examine these securities, making it possible to assess the level of impairment necessary.

These assessments were made as part of our audit of the annual financial statements taken as a whole and therefore contributed to the opinion we formed, as expressed above. We shall not express a separate opinion on specific items of these annual financial statements.

.3 Statutory auditor's report on the annual financial statements

To the general meeting of the shareholders of Crédit Logement - Year ended 31 December 2024

Specific verifications

In accordance with professional standards applicable in France, we also carried out the specific verifications required by law and the regulations in force.

Disclosures made in the management report and in the other documents provided to the shareholders relating to the company's financial position and annual financial statements

With the exception of the matter referred to in the following paragraph, we have no matters to report as to the fair presentation and consistency with the annual financial statements of the disclosures made in the management report prepared by the Board of Directors and in the other documents relating to the company's financial position and annual financial statements presented to the attendees at the general meeting.

We have the following observation with regard to the fair presentation and consistency with the annual financial statements of the disclosures relating to payment terms, referred to in Article D.441-6 of the French commercial code: as stipulated in the management report, such disclosures do not include banking transactions and related transactions, as your company holds the view that they do not fall within the scope of the disclosures to be made.

Disclosures relating to corporate governance

We certify that the section of the Board of Directors' report on corporate governance contains the disclosures required by Article L. 225-37-4 et seq. of the French Commercial Code.

Responsibilities of the management and of persons with governance roles with respect to the annual financial statements

It is the duty of management to prepare annual financial statements that provide a fair presentation of the financial position of the company and to implement the internal control measures that it deems necessary to the preparation of annual financial statements that are free of material misstatement, whether due to fraud or error.

When preparing the annual financial statements, management is required to assess the capacity of the company to continue as a going concern, to make any necessary disclosures in these financial statements relating to matters of going concern and to use the going concern basis of accounting, unless there is a plan to liquidate the company or to cease its business.

The Audit Committee is responsible for monitoring the financial reporting process and for monitoring the effectiveness of the internal control and risk management systems, as well as, where appropriate, the internal audit system, with regard to the procedures applied in the preparation and reporting of accounting and financial information.

The annual financial statements have been approved by the Board of Directors.

.3 *Statutory auditor's report on the annual financial statements*

To the general meeting of the shareholders of Crédit Logement - Year ended 31 December 2024

Responsibility of the statutory auditors for the audit of the annual financial statements

Objective and audit approach

We are required to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance that the annual financial statements taken as a whole do not contain material misstatements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will systematically detect any material misstatement that might exist. Misstatements can arise from fraud or error and are considered material if, individually or cumulatively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As stipulated in Article L. 821-55 of the French commercial code, our statutory audit does not consist in providing assurance as to the viability of the company or the quality of its management.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor is required to exercise professional judgement throughout the audit.

Furthermore to:

- identify and assess the risks of material misstatement in the annual financial statements, whether due to fraud or error, define and perform audit procedures to respond to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for the statutory auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of non-detection of one resulting from error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentations, or the circumvention of internal control;
- obtain an understanding of internal control relevant to the audit in order to define audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of the accounting methods applied and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, relying on the audit evidence obtained, ascertain whether a significant uncertainty exists related to events or circumstances that may call into question the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report, bearing in mind, however, that future circumstances or events may call into question the company's ability to continue as a going concern. Should the statutory auditor deem that a significant uncertainty exists, it shall draw the attention of the recipients of its report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, it shall express reservations or refuse to certify the annual financial statement;
- evaluate the overall presentation of the annual financial statements and assess whether these statements provide a fair presentation of the underlying transactions and events.

.3 *Statutory auditor's report on the annual financial statements*

To the general meeting of the shareholders of Crédit Logement - Year ended 31 December 2024

Report to the Audit Committee

We submit a report to the Audit Committee that notably includes a description of the scope of the audit and the work programme implemented, as well as the results of our audit. We also report on any significant shortcomings in internal control that we may have identified with respect to the procedures applied in the preparation and reporting of accounting and financial information.

We also provide the Audit Committee with the declaration provided for in Article L.821-63 of the French commercial code, confirming our independence within the meaning of the rules applicable in France such as they are set forth in particular by Articles L.821-27 to L.821-34 of said code and in the French code of ethics for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may have a bearing on our independence and the related safeguards.

Paris-La Défense and Paris, 16 April 2025

The Statutory Auditors

CTF

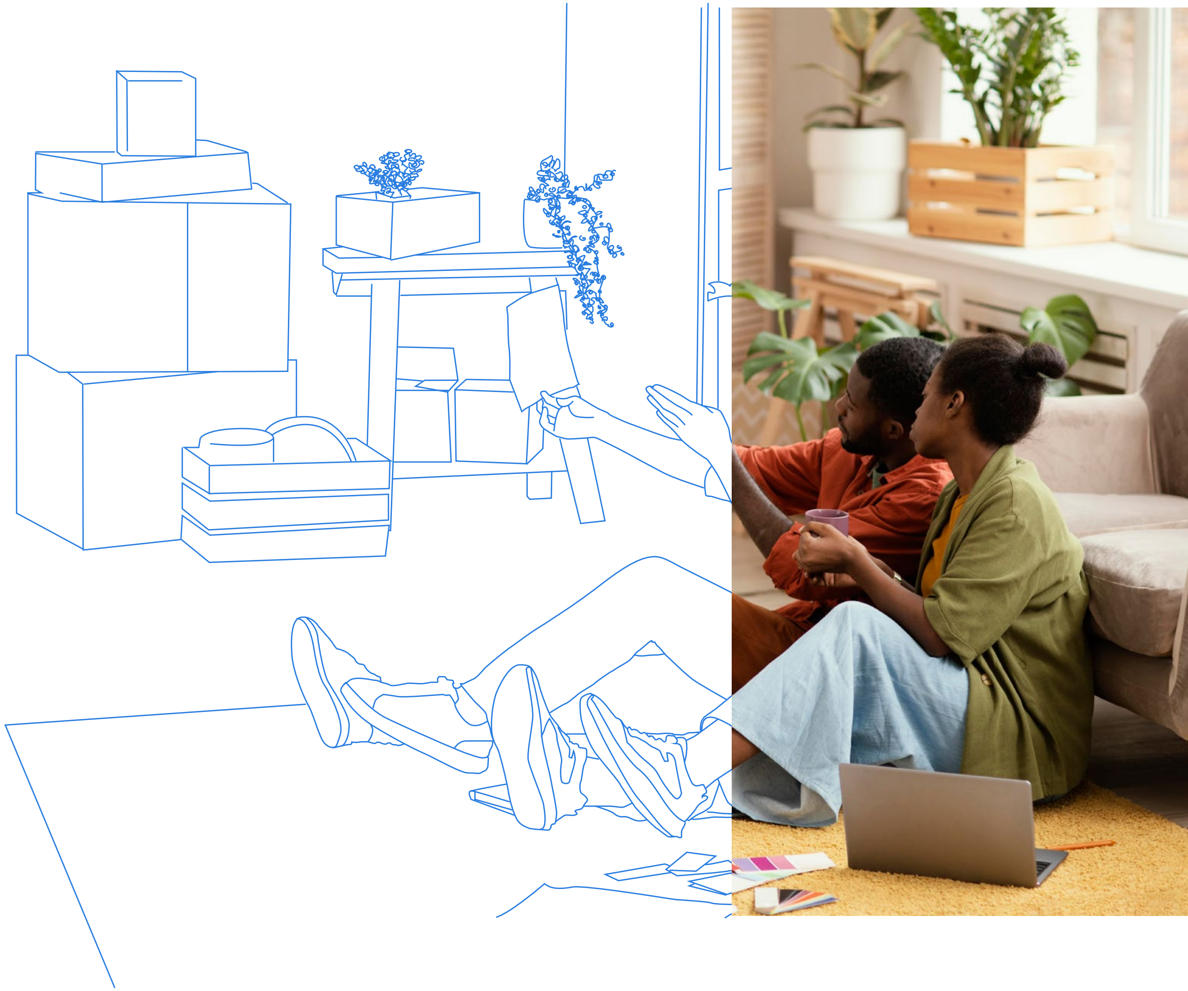
Jean-Marie IDELON-RITON
Partner

Forvis Mazars SA

Virginie CHAUVIN
Partner

Natacha ANDRÉ
Partner

CHAUVIN Virginie ANDRE Natacha



.4 *Notes to the financial statements*

Outlook and significant events since the end of the financial year

The 2025 budget was based on the assumption that the current trend at the end of 2024 would continue and lead to a slow improvement in activity.

The downward trend in interest rates should continue in 2025 and credit supply should remain in line with 2024, with banking partners keen to adopt a more proactive lending policy.

However, political uncertainty and the lack of measures to support the property market could slow down the completion of property projects.

Finally, the French High Council for Financial Stability is unlikely to ease restrictions on lending to individuals for fear that property prices will start to rise again.

In this context, guaranteed production activity is expected to reach €60 billion, representing an increase of just over 9% compared with 2024.

The interest rate assumption includes a decline in short-term rates attributable to the ECB's monetary policy, corresponding to a 25 bps cut in the ECB deposit rate at each ECB meeting until May 2025, as currently anticipated by the markets.

In this scenario, long-term rates would remain relatively high in 2025 as a result of a steeper yield curve than in 2024.

Presentation of the accounts

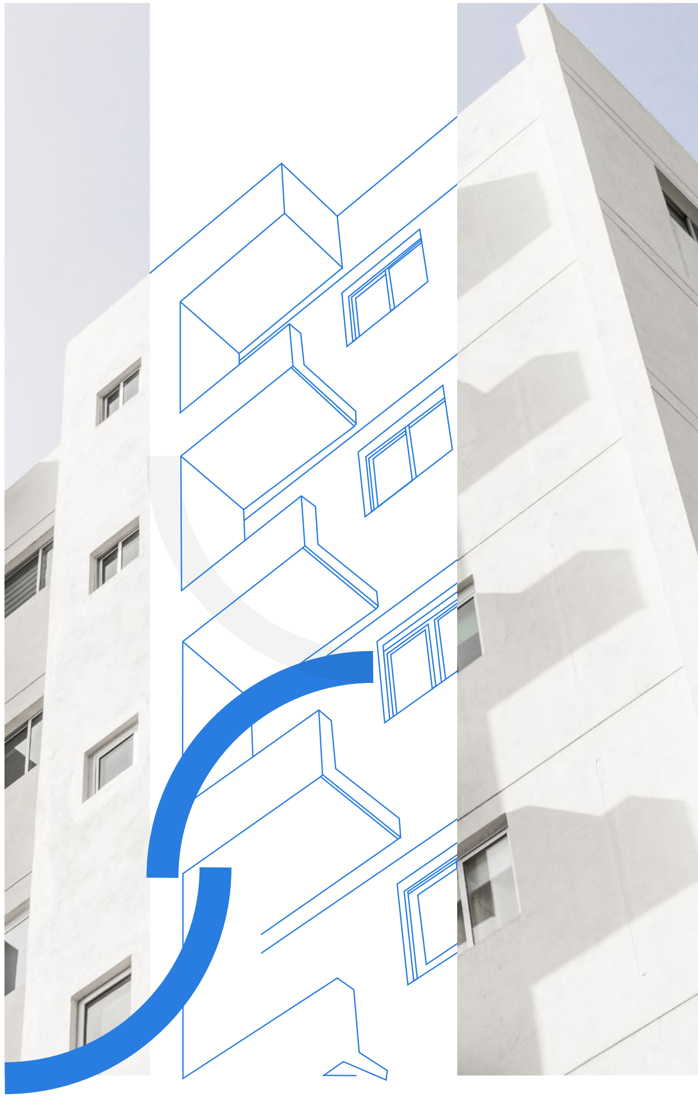
The rules applied for the preparation of Crédit Logement's financial statements are based on principles adopted by the French accounting standards setter (Autorité des Normes Comptables - ANC), the regulations of the advisory committee on financial legislation and regulations (Comité Consultatif de la Législation et de la Réglementation Financières - CCLRF) and the instructions of the French prudential supervision authority (Autorité de Contrôle Prudentiel et de Résolution - ACPR) relative to the preparation and publication of individual annual financial statements for financial institutions (sociétés de financement).

The balance sheet, income statement and notes have been drawn up in accordance with ANC regulation 2014-03 on the French general chart of accounts, subject to modifications provided for in ANC regulation 2014-07 of 26 November 2014 on the financial statements of companies in the banking sector, enacted by the decree of 26 December 2014 published in the French Official Journal (Journal Officiel) on 31 December 2014.

The items making up the assets, liabilities and off-balance sheet commitments expressed in foreign currency are recorded and measured according to the principles set out in the aforementioned regulation 2014-07 of 26 November 2014.

Transactions in foreign currencies are valued based on prices on the last day of the financial year. Gains or losses that occur are taken to the income statement.

There was no change of accounting method in 2024.



Accounting principles and methods

ASSETS

Loans and advances to credit institutions

These amounts receivable are broken down in the notes as follows:

- demand or term accounts;
- according to their remaining term.

Loans and advances to customers

Other customer loans and advances

These are loans granted to the company's salaried staff. They take two forms:

- capped loans with a maximum term of three years;
- zero-rate cash advances equal to the amount payable into the mutual guarantee fund in respect of the surety for one or more property loans for the duration of the loans guaranteed.

Loubtful loans

This item includes all amounts settled in connection with unpaid instalments (principal and interest), penalties and events of default for which Crédit Logement has been subrogated as per its right as initial lender, and those required to launch collection proceedings (expenses and fees).

Where relevant, if it has been established that a debt cannot be recovered, the amount still due is drawn from the mutual guarantee fund in accordance with the regulations of that fund.

According to the aforementioned regulation 2014-07 of 26 November 2014 on the accounting treatment of credit risk in companies overseen by the CRBF, doubtful loans have been divided, on a non-accounting basis, into the following categories:

- doubtful loans;
- non-performing loans.

The definition of each category is described at the end of these notes under off-balance sheet commitments.

Given the existence of the mutual guarantee fund, which absorbs all risks to date, including the loss experience of the guarantee portfolio on residential loans, such doubtful loans are not provisioned.

Securities portfolio

A distinction is made between four types of securities:

- trading account securities;
- securities held for sale;
- debt securities held to maturity;
- participating interests and interests in affiliated companies.

The presentation of the portfolio in the financial statements for publication is broken down into the following categories:

- bonds and other fixed-income securities;
- shares and other variable-income securities;
- interests in affiliated companies.

Trading account securities

Trading account securities are, according to chapter 2, title 3, Book II of the aforementioned regulation 2014-07 of 26 November 2014, either purchased or sold with the intent to re-sell or repurchase them within a short timeframe, or held by an institution for market-making purposes.

They must be negotiable on an active market where the market price is readily available. All types of securities (regardless of whether they are fixed- or variable-income instruments) may be classified in this category if they satisfy these conditions.

Trading account securities are recognised at their date of purchase at cost, excluding fees and including any accrued interest. The acquisition cost is taken directly to expenses.

The securities are marked to market at the end of every reporting period.

Crédit Logement's portfolio of trading account securities is composed exclusively of securities received as collateral as part of the exchange of securities.

Securities held for sale

Securities held for sale are fixed- or variable-income securities that are not recognised as trading account securities, debt securities held to maturity or as belonging to the type of securities referred to in chapter 5, title 3, Book II of the regulation 2014-07 of 26 November 2014 (equity securities available for sale, other equity securities held for long-term investment, participating interests and interests in affiliated companies).

These securities are recorded at their date of purchase at cost, excluding fees and accrued interest. Securities sold are measured on a first in-first out (FIFO) basis.

When the acquisition price of fixed-income securities is higher than their redemption price, the difference is amortised over the remaining life of the securities. When the acquisition price of fixed-income securities is lower than their redemption price, the difference is recognised as income over the remaining life of the securities.

At the end of every reporting period, unrealised capital losses arising from the difference between the carrying amount, adjusted for amortisation and reversals of differences mentioned in the previous paragraph, and the market price of the securities are subject to impairment, which may be assessed by homogeneous groups of securities, without offsetting against capital gains recognised on other categories of securities. Unrealised capital gains are not recorded.

Debt securities held to maturity

According to chapter 4 of regulation 2014-07 of 26 November 2014, debt securities held to maturity are fixed-income securities that the company has the clear intention of holding until maturity.

They are subscribed with the financing capacity necessary to continue to hold these securities until their maturity. They must not be subject to any existing restriction, legal or otherwise, that may be likely to call into question the intention to hold them until they reach maturity. Their classification as debt securities held to maturity is no obstacle to their designation as instruments hedged against interest-rate risk.

Debt securities held to maturity are recorded at their acquisition date at their acquisition price. The acquisition cost is taken directly to expenses.

Securities that have been reclassified from the "securities held for sale" category are recorded at cost and any previous write-down is reversed over the remaining term of the securities.

When the acquisition price of fixed-income securities is higher than their redemption price, the difference is amortised over the remaining life of the securities.

When the acquisition price of fixed-income securities is lower than their redemption price, the difference is recognised as income over the remaining life of the securities.

At the end of the reporting period, unrealised capital losses arising from the difference between the book value, adjusted for depreciation and reversals of the differences described above, and the market price of fixed-income securities are not subject to impairment, unless there is a strong likelihood that the institution will not hold these securities to maturity due to new circumstances.

.4 *Notes to the financial statements*

Unrealised capital gains are not recorded.

At the end of every reporting period, institutions use related accounts to record, in the income statement, the accrued interest adjusted for the spreading of the differences described in the second paragraph of this article. The interest relating to these securities is recognised in the income statement under "Other interest income and equivalent".

Participating interests and interests in affiliated companies

According to chapter 5, title 3, Book II of the regulation 2014-07 of 26 November 2014, these interests group together securities whose long-term ownership is considered useful to the company's operations. Such securities are recorded on the balance sheet at cost.

Securities of companies that may be included in the scope of consolidation or that are part of the same group are considered to be related.

At the end of every reporting period, unrealised capital losses resulting from the difference between the carrying amount and the value in use, calculated on a security-by-security basis, are recognised as an impairment loss without offsetting the unrealised capital gains recognised. Unrealised capital gains are not recorded.

Value in use represents the amount the company would be willing to pay to acquire these securities, based on its intended holding objective.

.4 *Notes to the financial statements*

Fixed assets

Pursuant to CRC regulations 2002-10 and 2004-06, accounting rules have been in effect with regard to asset definition, valuation and impairment since 1 January 2005.

Our institution opted for the "forward-looking" simplification measure set out in Article 17 of regulation 2004-06, repealed and replaced by ANC regulation 2014-03.

Tangible fixed assets in respect of buildings have been divided using the simplified re-allocation method, by component, based on the net book values at 1 January 2005.

The change in method in 2005 has had no impact on either net assets or taxable income.

An inventory of the components was drawn up with the assistance of an external firm.

Fully depreciated fixed assets were not restated.

Taking into account the nature of our fixed assets, only four components have been used, namely:

- structural components;
- roof/facade;
- technical equipment;
- fixtures and fittings.

They are depreciated as follows.

Depreciation/Amortisation	Method	Period
Assets under construction	**N/A**	
Intangible fixed assets		
Lease	N/A	
Software	Straight-line	1 to 12 years
Tangible fixed assets		
Land	N/A	
Structural components	Straight-line	10 to 150 years from 1 Jan. 1945
Roof/facade	Straight-line	10 to 30 years
Vehicles	Straight-line	4 years
Office equipment	Straight-line	2 to 5 years
Technical equipment	Straight-line	2 to 5 years
Furniture	Straight-line	3 to 10 years
Computer hardware	Straight-line	3 to 5 years
Technical equipment	Straight-line	2 to 20 years
Fixtures and fittings	Straight-line	2 to 20 years

Accruals: assets

This essentially relates to accrued income on guarantees, with a different tariff structure. Payment of the guarantee commission does not become due until the release of the guarantee and the commission is drawn from the returned portion of mutual guarantee fund payments at the end of the guarantee.

This item also includes margin calls paid in cash in respect of adjustments to forward financial instruments as well as the accrued income and losses to be amortised on these instruments.

LIABILITIES

Amounts due to credit institutions

In accordance with Article L. 211-38 of the French Monetary and Financial Code (Code Monétaire et Financier - CMF), cash guarantee deposits may be put in place for financial guarantee agreements. Regular adjustments are made on a quarterly basis in respect of the master agreement.

Amounts due to customers

Other amounts due

These include amounts payable to customers, either in relation to the return of mutual guarantee fund payments, overpayments received on guarantee fees, or amounts for which the allocation is still being determined.

The amounts that are due in respect of the return of mutual guarantee fund payments owed to borrowers, whose loans have terminated according to information that is unchallenged by the lending banks, and are held by Crédit Logement, and for which the banks cannot find the original borrowers, are taken to “Other Amounts Due – Segregated Amounts”.

Other liabilities

These are liabilities on security repurchase agreements and borrowed securities as well as other amounts due, which break down as follows:

- **sums to be paid back for the collection activity on behalf of third parties, which only become available at the end of the collection or payback period;**
- **sums payable to suppliers (invoices for general expenses or fixed assets);**
- **sums due to staff and employee profit-sharing;**
- **tax and social security liabilities.**

In accordance with Article L. 441-6 paragraphs 8 and 9 of the French Commercial Code, the settlement deadline for amounts due falls on the 30th day following the receipt of goods or the delivery of the requested service, without exceeding 45 days from the end of the month or 60 days from the invoice date.

The balance of trade payables, broken down by due date, is contained in the notes.

Accruals: liabilities

In response to the continuous guarantee service practised by our company, guarantee commissions are accrued on a monthly basis (taking into account the number of days in the month) based on a constant that is equal to the total amount of commission payable on a contract, divided by the duration of the loan expressed in years, multiplied by a factor F, incorporating adjustments for the first and final year.

This formula makes it possible to match the rate of staggered allocation of commissions to the rate of incurrence of expenses attributable to the transactions in question.

Prepaid income relates to guaranteed loans on which the guarantee commission is payable as soon as the loan is put in place by the lender.

Deferred income relates to guaranteed loans on which the guarantee commission is payable at the end of the loan. The receivable relating to the guarantee commission is recorded as an asset under "income receivable" and the corresponding amount will be drawn from the returned mutual guarantee fund amount on normal or early termination of the loan.

This item is also used to recognise the amount of cash guarantees received to cover positive interest rate swap valuations in accordance with the French banking federation's (Fédération Bancaire Française - FBF) master agreement on forward financial transactions entered into with our counterparties or in accordance with the swap clearing arrangements set up in June 2019.

Provisions for liabilities and charges

These notably include provisions for litigation and the risk of having to pay compensation, damages and legal fees in respect of ongoing proceedings or those subject to appeal.

A provision is set aside:

- **if the company has an actual obligation towards a third party at the reporting date;**
- **and if, at the reporting date, it is probable that the company will have to make a payment to this third party, without receiving at least an equivalent consideration from the third party after the reporting date;**
- **and if it is possible to reliably estimate this disbursement.**

Subordinated debt

Mutual guarantee fund

In accordance with regulation 2014-07 of 26 November 2014 on the financial statements of companies in the banking sector, approved by the aforementioned order of 26 December 2014, mutual guarantee funds are grouped together under "Subordinated debt".

The guarantee system used by Crédit Logement is based on the principle of the pooling of risk, through which each borrower pays into a mutual guarantee fund that is intended to take the place of any borrower who defaults on loan repayments, on a partial basis in the case of unpaid instalments and in full when an event of default has been recorded.

In accordance with the mutual guarantee fund regulations, the contribution of each borrower may be returned once Crédit Logement's commitment has been released. The returned amount will be proportional to the fraction not used in litigation in connection with defaulting borrowers.

The calculation of the return rate takes into account the prudentially measured risk of non-repayment across all borrowers paying into the fund (ex-ante provisioning) as well as the expected recovery rate on doubtful loans.

An amended version of the regulations of the mutual guarantee fund, applicable since 1 January 2014, renders the return of payments into the fund subject to the prior agreement of the ACPR and the Board of Directors. The fund also covers other recognised losses in proportion to its weight in the regulatory capital

Subordinated securities, equity loans and subordinated debt

These instruments were issued in accordance with Article L. 228-97 of the French Commercial Code and with the law of 1 August 2003 (No. 2003-706). In the event that the company is liquidated, the nominal value of the liabilities will be repaid according to the seniority of the claim: firstly, unsecured debt, then Tier 2 debt, including subordinated loans, followed by equity loans and, lastly, Tier 1 debt.

1. Dated bond issue (lower Tier 2) – FR 00132994688

5,000 dated subordinated notes were issued with a par value of €100,000 on 28 November 2017, in accordance with Article 63 of Regulation (EU) No. 575/2013, transposed into French law for financial institutions (sociétés de financement) by the order of 23 December 2013, and may therefore be included in the Tier 2 capital base.

On 28 November 2024, Crédit Logement exercised an early call option held on a quarterly basis at the exclusive initiative of the issuer. On 21 June 2024, the Board of Directors approved the exercise of this option, which was subsequently authorised by the ACPR.

Accordingly, no more securities remained from this issue as at 31 December 2024.

2. Dated bond issue (lower Tier 2) – FR 0014006IG1

55,000 dated subordinated notes were issued with a par value of €100,000 on 15 November 2021, in accordance with Article 63 of Regulation (EU) No. 575/2013, transposed into French law for financial institutions (sociétés de financement) by the order of 23 December 2013, and can be included in the Tier 2 capital base.

They have a maximum maturity of 12 and a half years, i.e. until 15 February 2034, with a call that can be exercised at the earliest and at any time between 7 years, on 15 November 2028, and 7 and a half years, on 15 February 2029, at a resettable fixed rate.

They are traded on Luxembourg's EURO MTF market. Interest is calculated annually in arrears on 15 February, at a fixed rate of 1.081% until 15 February 2028, and up to 15 February 2029 at the latest, and annually in arrears at the 5-year mid-swaps rate plus 110bp up to 2034.

3. Equity loans

Equity loans, granted to the company by its shareholders and partners, are incorporated into the Tier 2 capital base.

Existing equity loans correspond to those that were granted on 30 June 2019 and 30 December 2019 for a total amount of €681.73 million, with a 12-year term, but repayable after five years at the sole initiative of the borrower, and subject to prior approval by the ACPR. These loans satisfy all the criteria laid down in Regulation (EU) No. 575/2013 and are incorporated in full into the Tier 2 capital base.

4. Subordinated loans

On 30 December 2021, Crédit Logement issued subordinated loans in the amount of €250.6 million with a 10-year term, repayable after five years at the sole initiative of the borrower, and subject to prior approval by the ACPR. These subordinated loans satisfy all the criteria laid down in Regulation (EU) No. 575/2013 and are incorporated in full into the Tier 2 capital base.

Fund for general banking risk

A provision is set aside for general banking risks, as provided for under Article 1121-3 of ANC regulation 2014-07, in order to cover general risks linked to the banking activity.

The fund for general banking risks includes general provisions that have not been set aside to cover various expenses or probable, clearly-identified risks.

Shareholders' equity

Share capital

In accordance with the combined general meeting of the shareholders of 9 May 2012, the share capital is composed of 17,997,861 ordinary shares of €70 each, fully paid up. These new shares are eligible for dividend distribution as from 1 January 2012. The entitlements conferred by each share have been set as follows.

Distribution of earnings in accordance with Article 18 of the articles of association.

"The shareholders may decide at general meetings to deduct from the distributable income any amount to be allocated to retained earnings or to the creation of any extraordinary reserve, contingency fund or other fund with a specific assignment or otherwise.

The shareholders may vote at the general meetings held to reviewing the annual financial statements to grant each shareholder an option to receive in cash or in shares all or part of the dividend or interim dividends to be paid out."

Off-balance sheet commitments

Guarantee commitments at the request of customers

Financial guarantees

The guarantee offered by Crédit Logement is arranged as part of services contracts signed in the form of bank guarantees in the context of an auction. It is recognised at an amount corresponding to a maximum of 10% of the amount of the upset price and cannot be lower than €3,000.

The guarantee is valid for an undated period and expires, depending on the case:

- on the day of the auction, from the purchase by a third party other than the principal in the guarantee arrangement;
- on the date of payment of the auction price and associated fees, when the auction is in favour of the principal in the guarantee arrangement.

Crédit Logement provides bank guarantees for the benefit of the regional court at the request and on behalf of its customer and books this guarantee under off-balance sheet commitments.

Guarantee on loans distributed by other credit institutions

The guarantee offered by Crédit Logement, in the form of a joint and several guarantee covering residential loans to retail customers, is recognised at an amount corresponding to the principal still due by the borrowers at the end of each year.

In accordance with regulation 2014-07 of 26 November 2014, commitments relative to guarantee agreements entered into have been broken down into the following categories:

- sound loans;
- sound restructured loans;
- doubtful loans;
- non-performing loans;
- doubtful loans through contagion.

The exposures have been categorised according to the following criteria:

- sound loans

  All loans that do not meet the conditions for classification as "doubtful", including:

  - the first three unpaid instalments before a guarantee is called, which are taken to off-balance sheet guarantee commitments. This amount is calculated by obtaining from our main partners the delinquency rates at one month, two months and three months and applying, using a conservative approach, the maximum rates obtained to all sound loans under off-balance sheet commitments;
  - guarantee agreements at the request of customers not yet arranged, which have been taken to off-balance sheet commitments since 2013.

→ **sound restructured loans**

Commitments that have been restructured on non-market terms. They have been identified and must remain in this category until the final instalment, except in cases of failure to comply with the agreed terms and conditions, in which case, they will be transferred directly to non-performing loans.

→ **doubtful loans**

All commitments with a recognised credit risk in the following cases:

- existence of one or more past-due payments for a period of at least three months;
- knowledge of a deteriorated financial position for a counterparty, even those for which no past-due payment has been previously recorded;
- existence of litigation procedures between the institution and the counterparty.

A return to sound loan status is only warranted if regular repayments have resumed in the amounts corresponding to the initial contractual instalments, or on market terms.

→ **non-performing loans**

This category includes the following commitments:

- any commitments that have been treated as doubtful for one year and for which no return to sound loan status is foreseeable, or for which an event of default has been recorded;
- any failure to honour the repayment schedule drawn up for a restructured loan (restructured sound loans);
- doubtful loans through contagion. The classification of a counterparty into one of the two doubtful categories automatically results in an identical status being assigned to all the sound and sound restructured loans granted to that counterparty.

→ **non-performing exposures due to association**

When a counterparty is classified under either of the two categories of non-performing exposures, all performing or restructured performing exposures and related off-balance-sheet commitments linked to that counterparty are automatically reclassified accordingly.

Guarantee commitments received

Commitment to replenish the mutual guarantee fund

Commitment given by Crédit Logement's shareholders and/or partners in proportion to their guaranteed commitments to replenish the mutual guarantee fund under the rules applying to payments made into the fund prior to 1 January 2014, should the fund be depleted. This joint commitment is updated on a half-yearly basis.

Commitments in respect of forward financial instruments

Recording and qualification principles for a transaction

Transactions in forward financial instruments outstanding at the reporting date are taken to off-balance sheet commitments. Transactions in interest rate and foreign exchange forward financial instruments are recorded in accordance with the provisions of regulation 2014-07 of 26 November 2014.

Although not incorporated into reportable off-balance sheet commitments, the amounts taken to off-balance sheet commitments corresponding to the nominal value of commitments are detailed in note A13. They represent the volume of transactions and not the risks that are associated with them.

Amounts corresponding to commitments in respect of interest rate forwards traded over-the-counter are taken to off-balance sheet commitments at their nominal value.

A position category is assigned as soon as a transaction is arranged:

→ **isolated open positions:**

contracts classified in isolated open position portfolios are valued at the lower of the acquisition price or their market value. Unrealised capital gains are not recognised and a provision for risk on unrealised capital losses is only set aside when there is a counterparty risk;

→ **micro-hedging transactions:**

in micro-hedging transactions, the expenses and income relative to the forward financial instruments used, assigned from the outset to an item or to a consistent set of identified items, are recognised in income so as to match them with the income and expenses recognised on the hedged positions;

→ **macro-hedging transactions:**

in macro-hedging transactions, the expenses and income are recognised in the income statement on a time-apportioned basis.

.4 *Notes to the financial statements*

The adjustments recognised on the conclusion of a contract are taken to the income statement over the lifetime of the contract. When a contract is terminated or transferred, or replaced by another contract, the arising adjustments are immediately taken to the income statement. They are amortised on a time-apportioned basis for macro-hedging and micro-hedging transactions.

The expenses and income are recognised in the income statement on a time-apportioned basis. The offsetting entry is booked under accruals until the collection or disbursement date.

The valuation rules are laid out in the counterparty master agreement covering the transaction, according to generally-applicable market rules.

If the difference is negative, a provision for liabilities and charges is set aside to cover an isolated open position, or to cover a micro-hedging position when the unrealised gain on the hedged position is recognised.

Firm transactions in interest-rate instruments

Hedging transactions

Crédit Logement has entered into hedging swaps (seller floating rate / buyer fixed rate), commonly known as interest-rate swaps, with a view to rendering its earnings insensitive to short-term interest rates. These are booked according to the categories provided for in title 5 of regulation 2014-07 of 26 November 2014 on the financial statements of companies in the banking sector.

Mechanism of credit risk mitigation on cash investments

This mechanism is intended to hedge the risk of financial loss in the event that a counterparty to a financial instrument fails to fulfil its contractual obligations.

To mitigate this risk, Crédit Logement has opted to enter into "FBF" master collateralisation agreements on derivatives with bank counterparties, which provide for the netting of exposures and regular margin calls (cash deposit), making it possible to reduce its actual exposure. Regular adjustments are made on a daily basis under the master agreement.

Other securities received as collateral

Financial guarantee master agreements put in place in 2013 stipulate the conditions under which partner banks, which are the counterparties to the investments of Crédit Logement, must pledge to it eligible assets within the framework of Article L. 211-38 of the French Monetary and Financial Code.

These guarantees, given by counterparties in the form of pledges, can take a number of forms:

- **cash deposits in our books (these sums are recorded in the form of cash guarantees under liabilities);**
- **cash accounts opened in the name of our counterparty and pledged to us;**
- **eligible securities traded in euros;**
- **claims on Crédit Logement - equity and subordinated loans;**
- **claims eligible according to the criteria defined in the agreement, resulting from loans, credit or financing for legal entities.**

Regular quarterly adjustments are made to the collateral under the master agreement.

Other information

Overall remuneration amount allocated during the financial year - principles and criteria used to determine the items that make up the total remuneration paid to the members of management (Chairman of the Board, directors and members of senior management).

The off-balance sheet commitments in respect of the Chairman, the directors and all members of management concern property loan guarantee transactions, without being subject to any special terms and conditions relating to their management function.

As a member of the Board of Directors, the Chairman only receives remuneration in respect of which the terms and conditions were approved by the Board at its meeting of 7 April 2022. Accordingly, an amount of €8,000 was paid in respect of the 2024 financial year. This remuneration is paid based on the effective attendance rate at Board meetings.

The remuneration paid to senior members of management (Chief Executive Officer and Deputy Chief Executive Officers) is set by the Board of Directors based on a recommendation by the Remuneration Committee. This committee examines the remuneration packages at least once every year, even when there have been no modifications.

.4 *Notes to the financial statements*

The remuneration packages contain a fixed component (corporate office, and salary for the Deputy Chief Executive Officers alone) and a variable component that is capped in proportion to the fixed component.

The fixed component of the remuneration package intended for the Chief Executive Officer and the Deputy Chief Executive Officers is designed to be attractive in order to appeal to and secure high-quality candidates, in keeping with market practices for such positions and levels of responsibility, and according to the company's own circumstances. The Remuneration Committee may, for instance, draw on the practices in place at comparable companies within French banking groups.

As regards the variable remuneration component, an annual bonus may be paid, subject to the company's earnings. This bonus is capped at 25% of the gross annual fixed remuneration paid to the Chief Executive Officer and 20% of the gross annual fixed remuneration paid to the Deputy Chief Executive Officers. The bonus amounts are set by the Chairman of the Board, acting on behalf of the Remuneration Committee to which he reports, and depend on business volumes and earnings, quality of operational management, risk control, budget implementation and quality of internal control.

At the proposal of the Remuneration Committee, the Board of Directors may order the payment of a special exceptional bonus for the completion of specific projects.

The Deputy Chief Executive Officers' employment contracts stipulate that they may receive payments in respect of the statutory and discretionary profit-sharing schemes.

Lastly, company officers that joined the company before 1 January 2020 may benefit from a top-up pension plan, introduced further to a 2007 decision by the Board of Directors (cf. detailed terms in C4 of the notes), and potentially a company car, added back as a benefit in kind.

At its meeting of 7 April 2016, the Board of Directors decided to extend the scope of "regulated staff" to include not only members of management but also the head of the risk management function, the head of audit and internal control, managing members of staff performing control duties within these two departments and managers in charge of control within the operational divisions.

These members of staff may receive an individual variable bonus in addition to the fixed component of their remuneration (salary). This bonus is capped depending on hierarchical rank, always below the thresholds set for members of Executive Management.

They may also receive payments in respect of the statutory and discretionary profit-sharing schemes.

Employee benefits

Commitments relating to post-employment benefits and the supplementary pension scheme for senior members of staff (collective defined-benefit supplementary pension insurance policy covering all senior members of staff under certain conditions) are covered by collective funds managed by an insurance company.

Crédit Logement makes regular contributions to these funds. There is no obligation to set aside a provision in the accounts for any difference between the actuarial value of such commitments and the value of the funds managed by the insurance company.

Consolidation scope

Companies that do not qualify as significant in accordance with the criteria set out in the applicable regulations are not included in the scope of consolidation.

SNC Foncière Sébastopol is therefore not consolidated.

Accordingly, Crédit Logement does not prepare consolidated financial statements.

NOTES A: Information on the balance sheet and off-balance sheet items

NOTE A 1 - LOANS AND ADVANCES AND BREAKDOWN BY RESIDUAL TERM

In thousands of euros

	< 3 months	3 months to 1 year	1 to 5 years	> 5 years	TOTAL
CREDIT INSTITUTIONS	510,105	109,353	737,365	2,657,448	4,014,271
Demand accounts	324,923				**324,923**
Term accounts	180,000	100,000	720,000	2,647,162	**3,647,162**
Accrued interest	5,182	9,353	17,365	10,286	**42,186**
LOANS AND ADVANCES TO CUSTOMERS	1,044,290	64	64	358	1,044,776
Other customer loans and advances	31	64	64	358	**517**
Doubtful loans	1,044,259				**1,044,259**
BONDS AND OTHER FIXED-INCOME SECURITIES	923,761	1,278,264	2,051,221	1,625,736	5,878,982

NOTE A 2 - BREAKDOWN OF LOANS AND ADVANCES

	Affiliated companies	Equity interests	Other companies	Retail customers	TOTAL
Loans and advances to credit institutions		3,955,539	58,732		**4,014,271**
Loans and advances to customers			183,856	860,920	**1,044,776**
Bonds and other fixed-income securities		2,608,700	3,270,282		**5,878,982**

NOTE A 3 - LOANS AND ADVANCES TO CUSTOMERS

NOTE A 3-1 - CHANGES IN CUSTOMER OUTSTANDINGS

	12/31/2023	Releases / Disbursements	Repayments / Collections	Write-offs	12/31/2024
Cash loans - loans to staff	554	115	152		**517**
Doubtful loans	998,397	235,779	138,818	51,166	**1,044,192**
Other third party doubtful loans	616				**616**
Impairment of other third party doubtful loans	-549				**-549**
TOTAL	**999,018**	**235,894**	**138,970**	**51,166**	**1,044,776**

NOTE A 3-2 - CREDIT RISK: BREAKDOWN BY EXPOSURE CATEGORY

	Sound loans	o/w restructured loans	Doubtful loans	o/w non-performing loans	Total outstandings
Cash loans - loans to staff	517				**517**
Doubtful loans			1,044,259	1,032,327	**1,044,259**
TOTAL	**517**		**1,044,259**	**1,032,327**	**1,044,776**

NOTE A 4 - SECURITIES PORTFOLIO

NOTE A 4-1 - BREAKDOWN OF SECURITIES PORTFOLIO

	VALEUR D'ACQUISITION				MARKET OR NET ASSET VALUE	REDEMPTION VALUE
	Issued by public agencies	Other issuers				
		listed	unlisted	Total		
BONDS AND OTHER FIXED-INCOME SECURITIES						
Trading account securities - Securities borrowed		584,501		584,501	584,501	
Trading account securities		**584,501**		**584,501**	**584,501**	
Securities received under repurchase agreements		476,425		476,425	489,612	
Accrued interest		7,871		7,871		
Securities received under repurchase agreements		**484,296**		**484,296**	**489,612**	
Bonds	2,294,870	2,487,369		2,487,369	4,359,898	4,696,000
Accrued interest	10,322	17,624		17,624		
Debt securities held to maturity	**2,305,192**	**2,504,993**		**2,504,993**	**4,359,898**	**4,696,000**
SHARES AND OTHER VARIABLE-INCOME SECURITIES						
Trading account securities - Securities borrowed		284,731		284,731	284,731	
Trading account securities		**284,731**		**284,731**	**284,731**	
UCITS		183,168		183,168	184,902	
Impairment provision						
Securities held for sale		**183,168**		**183,168**	**184,902**	
Interests in affiliated companies			2,316	2,316	2,316	
PARTICIPATING INTERESTS			**2,316**	**2,316**	**2,316**	
TOTAL SECURITIES PORTFOLIO	**2,305,192**	**4,041,689**	**2,316**	**4,044,005**	**5,905,960**	

NOTE A 4-2 - EQUITY INTERESTS AND INTERESTS IN AFFILIATED COMPANIES

	% interest	Share capital *	Shareholders' equity other than share capital *	Earnings *	Gross carrying amount	Net carrying amount
Other securities						
SNC Foncière Sébastopol	100	15	-	-98	15	15
Partner advances and current accounts						
SNC Foncière Sébastopol					2,301	2,301
INTERESTS IN AFFILIATED COMPANIES					**2,316**	**2,316**

* Data as at 12/31/2023

NOTE A 5 - FIXED ASSETS [1/2]

GROSS FIXED ASSETS	Gross value at beginning of year	Acquisitions	Disposals or internal transfers	Gross value at end of year	Net value at end of year
INTANGIBLE FIXED ASSETS	**49,736**	**6,475**	**7**	**56,218**	**14,864**
Assets under construction	3,014	1,655	-2,672	1,997	1,997
Software and licenses	46,722	4,820	2,679	54,221	12,867
TANGIBLE FIXED ASSETS	**34,234**	**1,116**	**-32**	**35,318**	**11,323**
Assets under construction	827	215	-815	227	227
Land	2,909			2,909	2,909
Structural components of buildings	5,499	132		5,631	3,289
Roof/facade	2,183			2,183	113
Office equipment	406			406	
Club Affaires machinery and equipment	88	3		91	12
Office furniture	1,704	4		1,708	224
Club Affaires furniture	123			123	35
Computer hardware	3,057	732	443	4,232	1,388
Fixtures and fittings - non building	5,665			5,665	94
Fixtures and fittings - building	5,054	30		5,084	768
Technical equipment	6,719		340	7,059	2,264
TOTAL	**83,970**	**7,591**	**-25**	**91,536**	**26,187**

.4 *Notes to the financial statements*

NOTE A 5 - FIXED ASSETS [2/2]

AMORTISATION OR PROVISIONS	Opening balance	Charges	Reductions	Closing balance
INTANGIBLE FIXED ASSETS	**36,448**	**4,906**		**41,354**
Software and licenses	36,448	4,906		41,354
TANGIBLE FIXED ASSETS	**22,901**	**1,115**	**-21**	**23,995**
Land				
Structural components of buildings	2,291	51		2,342
Roof/facade	2,060	10		2,070
Office equipment	404	2		406
Club Affaires machinery and equipment	73	6		79
Office furniture	1,437	47		1,484
Club Affaires furniture	88			88
Computer hardware	2,426	439	-21	2,844
Fixtures and fittings - non building	5,528	43		5,571
Fixtures and fittings - building	4,108	208		4,316
Technical equipment	4,486	309		4,795
TOTAL	**59,349**	**6,021**	**-21**	**65,349**

All buildings are exclusively used for the exercise of Crédit Logement's own activities.

NOTE A 6 - OTHER ASSETS AND ACCRUALS

	12/31/2024	12/31/2023
Deposits and bonds given	297	274
Guarantee deposit paid	12,010	90,283
Amounts in respect of tax and social security payments	5	682
Sundry debtors (staff)	52	30
Other sundry debtors (customers)	1,323	1,240
Other sundry debtors (other)	109	15
OTHER ASSETS	**13,796**	**92,524**

	12/31/2024	12/31/2023
Forward financial instrument adjustment accounts (cash margin calls)		495,073
Currency adjustment accounts		156
Losses to be amortised on forward financial instr.		1,371
Prepaid expenses		2,060
Accrued income on guarantees		500,145
Accrued income on forward financial instruments		37,843
Miscellaneous accrued income		1
Accrued income on securities lent		3,100
ACCRUALS	**940,989**	**1,039,749**

NOTE A 7 - AMOUNTS DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

	12/31/2024	12/31/2023
Accounts and borrowings		
- Deposits of cash collateral		571
- Accrued interest		1
Credit institutions		**572**
Other amounts due - including segregated amounts	11,985	11,525
Other amounts due - deduction from MGF on matured loans	17,169	16,099
Customers	**29,154**	**27,624**

NOTE A 8 - OTHER LIABILITIES, ACCRUALS AND PROVISIONS

	12/31/2024	12/31/2023
Dets on bonds	155	18
Securities and the Repo	333,052	348,340
Amounts due in respect of tax and social security payments	869,232	562,814
Amounts due in respect of tax and social security payments	5,270	3,701
Sundry creditors (staff)	4,358	4,041
Sundry creditors (suppliers)	1,894	3,011
Amounts payable to staff	3,357	3,026
Other sundry creditors	1,305	1,983
Security deposits received	12,610	
Other liabilities	**1,231,233**	**926,934**

	12/31/2024	12/31/2023
Prepaid income on guarantees		531,135
Deferred income on guarantees		297,061
Miscellaneous deferred revenue		207
Accrued expenses on forward financial instruments		54,871
Gains spread forward on forward financial instr.		103,515
Currency adjustment accounts		158
Forward financial instrument adjustment accounts (cash margin calls)		2,760
Other accruals	105	52
Accruals	**987,108**	**989,759**

Provisions for liabilities and charges

Category	12/31/2023	Charges	Releases	Release of unused prov.	12/31/2024
Provisions for litigation	295	100	-11	-62	322
TOTAL	**295**	**100**	**-11**	**-62**	**322**

NOTE A 9 - SHAREHOLDERS' EQUITY AND EQUIVALENTS

NOTE A 9-1 - MUTUAL GUARANTEE FUND

	Opening balance	Incoming	Outgoing	Closing balance
Mutual guarantee fund in euros	7,661,028	370,566	-203,251	7,828,343
Mutual guarantee fund in foreign currency	1,511		-78	1,433
Use of the mutual guarantee fund to cover irrecoverable written-off debt	-675,047	-53,468	2,302	-726,213
Mutual guarantee fund - liabilities	**6,987,492**	**317,098**	**-201,027**	**7,103,563**
Doubtful loans to be recovered - assets	-998,397	-235,779	189,984	-1,044,192
Available mutual guarantee fund after doubtful loans	**5,989,095**	**81,319**	**-11,043**	**6,059,371**

NOTE A 9-2 - SUBORDINATED DEBT

	Issue date	Due or early repayment date	12/31/2024 Amount	12/31/2024 Accrued interest	12/31/2023 Amount	12/31/2023 Accrued interest
SUBORDINATED LOANS	06/30/2019	06/30/2031	393,460		393,460	
	06/30/2019	12/30/2031	287,930		287,930	
	06/30/2020	12/30/2031	340		340	
Dated			681,730	10,292	681,730	11,409
Total subordinated loans			**681,730**	**10,292**	**681,730**	**11,409**
SUBORDINATED SECURITIES	12/30/2021	12/30/2031	250,600		250,600	
Dated			250,600	48	250,600	63
Total subordinated loans			**250,600**	**48**	**250,600**	**63**
	Issue date / Due date	Number of securities				
SUBORDINATED SECURITIES						
Perpetual bonds	11/28/2017	5,000			500,000	627
ISIN FR 0013299468	11/28/2029					
Redeemable bonds	11/15/2021	5,000	500,000	4,740	500,000	4,739
ISIN FR 0014006IG1	02/15/2034					
Total subordinated securities			**500,000**	**4,740**	**1,000,000**	**5,366**
TOTAL SUBORDINATED DEBT			**1,432,330**	**15,080**	**1,932,330**	**16,838**

.4 *Notes to the financial statements*

NOTE A 9-3 - FUND FOR GENERAL BANKING RISK AND REGULATORY PROVISIONS

	Opening balance	Charges for the year	Releases for the year	Closing balance
Regulatory provision for medium and long-term credit risks	45,095		-2,653	42,442
Fund for general banking risks	610			610
TOTAL	**45,705**		**-2,653**	**43,052**

NOTE A 9-4 - CHANGES IN SHARE CAPITAL AND RESERVES

The main shareholders are divided into groups of shareholders containing the parent entity and the subsidiaries that belong to it:

Crédit Agricole and LCL Le Crédit Lyonnais	**32.50 %**	Crédit Mutuel and CIC	**10.00 %**
BNP Paribas	**16.50 %**	La Banque Postale	**6.00 %**
Société Générale	**16.50 %**	CCF	**3.00 %**
BPCE / Crédit Foncier de France	**15.50 %**		

	12/31/2023	Increase / allocation	Decrease / allocation	12/31/2024
The share capital, fully paid-up, comprises: 17,997,861 ordinary shares	1,259,850	-	-	1,259,850
	1,259,850			**1,259,850**
Legal reserve	103,926	5,187		109,113
General reserve	67,238	-	-	67,238
TOTAL	**171,164**	**5,187**		**176,351**

NOTE A 10 - RECEIVABLES AND PAYABLES ASSOCIATED WITH EACH BALANCE SHEET ITEM

ASSETS	12/31/2024	12/31/2023
Credit institutions	42,187	31,661
Interests in affiliated companies	33	19
Bonds and other fixed-income securities	35,817	26,604
Other assets:		
- tax claims	5	682
Accruals:		
- guarantees	513,113	500,144
- suppliers	25	1
- forward financial instruments	32,332	37,843
- repurchases		3,100
Accrued income	**623,512**	**596,954**
Accruals:		
- suppliers	1,725	2,059
Prepaid expenses	**1,725**	**2,059**

LIABILITIES	12/31/2024	12/31/2023
Credit institutions		2
Subordinated debt	15,080	16,838
Bonds and other fixed-income securities	155	18
Other liabilities:		
- tax and social security liabilities	5,270	3,701
- amounts of payable on repurchase agreements	6,627	1,773
Accruals:		
- forward financial instruments	50,484	54,871
Deferred expenses	**77,616**	**77,203**
Accruals:		
- sureties - Initio tariff	297,214	297,061
- sureties - classical tariff	539,121	531,135
- customers	262	207
Deferred income	**836,597**	**828,403**

NOTE A 11 - OFF-BALANCE SHEET COMMITMENTS RECEIVED

	12/31/2023	Changes	12/31/2024
Counter-guarantee received (from shareholders or otherwise) relative to the commitment to replenish the mutual guarantee fund	1,258,963	-58,982	1,199,981
TOTAL GUARANTEE COMMITMENTS RECEIVED FROM CREDIT INSTITUTIONS	**1,258,963**	**-58,982**	**1,199,981**
Underlying assets on credit linked certificates	310,000		310,000
COMMITMENTS ON SECURITIES TO BE RECEIVED	**310,000**		**310,000**
Master financial guarantee agreement pursuant to Art. L211-38 of the French monetary and financial code (CMF)			
Listed securities received as collateral	80,000		80,000
Claim on Crédit Logement - equity loans	168,300	-139,600	28,700
Eligible receivables resulting from loans, credits or funding to legal persons	97,068	-42,543	54,525
ADDITIONAL INFORMATION: OTHER SECURITIES RECEIVED AS COLLATERAL - PLEDGES	**345,368**	**-182,143**	**163,225**

NOTE A 12 - OFF-BALANCE SHEET COMMITMENTS GIVEN

NOTE A 12-1 - CHANGES IN COMMITMENTS GIVEN

	12/31/2023	Incoming	Amortisation/ diff.	Outgoing	12/31/2024
Guarantees on property loans - Guarantee agreements arranged	420,906,445	36,264,838	-28,529,692	-12,645,421	415,983,942
Estimated unpaid instalments on property loans before call-in of guarantee	43,964		12,228		56,192
	420,950,409	36,264,838	-28,517,464	-12,645,421	416,040,134
Guarantee agreements not yet arranged	14,331,970		2,702,938		17,034,908
Guarantee of property loans to retail customers	**435,282,379**	**36,264,838**	**-25,814,526**	**-12,645,421**	**433,075,042**
Financial guarantees	**42**			**-42**	
GUARANTEE COMMITMENTS AT THE REQUEST OF CUSTOMERS	**435,282,421**	**36,264,838**	**-25,814,526**	**-12,645,463**	**433,075,042**

NOTE A 12-2 - BREAKDOWN BY RESIDUAL TERM

Guarantees at the request of customers	< 3 months	3 months to 1 year	1 to 5 years	> 5 years	Total
Guarantees on property loans - Guarantee agreements arranged	411,018	1,915,460	17,537,733	396,119,731	415,983,942
Guarantee agreements not yet arranged		17,034,908			17,034,908
Estimated unpaid instalments on property loans before call-in of guarantee	56,192				56,192
Financial guarantees					
TOTAL	**467,210**	**18,950,368**	**17,537,733**	**396,119,731**	**433,075,042**

NOTE A 12-3 - CREDIT RISK: BREAKDOWN BY EXPOSURE CATEGORY

Guarantees at the request of customers	Sound loans	o/w restructured loans	Doubtful loans	o/w non-performing loans	Total outstandings
Guarantees outstandings	415,229,862	343,272	754,080	183,953	415,983,942
Estimated unpaid installments before call on guarantee	56,192				56,192
Guarantee agreements not yet arranged	17,034,908				17,034,908
Financial guarantees					
TOTAL	**432,320,962**	**343,272**	**754,080**	**183,953**	**433,075,042**

NOTE A 13 - FORWARD FINANCIAL INSTRUMENTS

Interest rate instruments - over-the-counter	Notional value	Margin call paid / received	Market value (coupon included)	Market value (coupon excluded)
Covered by the FBF master agreement	6,211,500	-391,207	-302,194	-284,021
TOTAL	**6,211,500**	**-391,207**	**-302,194**	**-284,021**

There were no transfer of securities from one portfolio category to another during the period

Interest rate instruments - by remaining term	< 3 months	3 months to 1 year	1 to 5 years	> 5 years	Total
Firm micro-hedging transactions	55,000	237,500	939,000	400,000	1,631,500
Firm macro-hedging transactions (fixed rate for buyer)		170,000	3,000,000	1,420,000	4,590,000
TOTAL	**55,000**	**407,500**	**3,939,000**	**1,820,000**	**6,221,500**

NOTE B - Information on the income statement (in thousands of euros)

NOTE B 1 - INTEREST INCOME AND EQUIVALENT - INTEREST EXPENSE AND EQUIVALENT [1/2]

	12/31/2024	12/31/2023
Interest on demand deposit accounts	7,442	6,613
Interest on term deposit accounts (counterparty for subordinated loans)	36,938	30,724
Interests on term deposit acounts for “cash from capital subscriptions”	47,324	37,224
Interest on term loans and advances	53,643	36,877
Income on forward financial instruments	148,146	145,702
Transactions with credit institutions	**293,493**	**257,140**
Loans to Crédit Logement staff	6	3
Interest on doubtful loans (late payment interest on guaranteed debt)	6,594	6,214
Transactions with customers	**6,600**	**6,217**
Interest on securities received under repurchase agreements	3,641	3,422
Interest income on debt securities held to maturity	72,305	61,606
Miscellaneous income on securities transactions	1,689	914
Accrued income on repurchases	308	3,100
Interest on bonds and fixed-income securities	**77,943**	**69,042**
TOTAL INTEREST INCOME AND EQUIVALENT	**378,036**	**332,399**

NOTE B 1 - INTEREST INCOME AND EQUIVALENT - INTEREST EXPENSE AND EQUIVALENT [2/2]

	12/31/2024	12/31/2023
Interest on demand deposit accounts	-59	
Interest on Repo	-263	-646
Interest or balancing payment on term loans		-2
Interest on term account		
Interest on subordinated loans	-47,039	-40,795
Interest on subordinated securities	-11,530	-12,153
Expenses on debt securities held to maturity	-7,161	-8,626
Expenses on forward financial instruments	-229,736	-198,901
TOTAL INTEREST EXPENSE AND EQUIVALENT	**-295,788**	**-261,123**

NOTE B 2 - PROCEEDS FROM VARIABLE-INCOME SECURITIES

	12/31/2024	12/31/2023
Interest on partner current account with SNC Foncière Sébastopol	114	66
TOTAL PROCEEDS FROM VARIABLE INCOME SECURITIES	**114**	**66**

.4 *Notes to the financial statements*

NOTE B 3 - COMMISSION (INCOME AND EXPENSE)

	12/31/2024	12/31/2023
Guarantee commissions relating to off-balance-sheet commitments given on guaranteed property loans	112,664	116,159
TOTAL COMMISSION (INCOME)	**112,664**	**116,159**
Bank commission and fees	-661	-758
Commission and fees on the issue of subordinated securities		-3
TOTAL COMMISSION (EXPENSE)	**-661**	**-761**

NOTE B 4 - GAIN OR LOSS ON TRADING PORTFOLIO AND EQUIVALENT

	12/31/2024	12/31/2023
Loss on foreign exchange transactions	-6	-11
Gain on foreign exchange transactions	9	2
TOTAL GAIN OR LOSS ON TRADING PORTFOLIO	**3**	**-9**

NOTE B 5 - GAIN OR LOSS ON INVESTMENT PORTFOLIO AND EQUIVALENT

	12/31/2024	12/31/2023
Capital loss on the disposal of securities held for investment		
Capital gains on disposals of available-for-sale securities	8 778	3,567
Charges to and reversals of provisions on securities held for investment		265
TOTAL GAIN OR LOSS ON INVESTMENT PORTFOLIO	**8,778**	**3,832**

NOTE B 6 - OTHER INCOME AND EXPENSE FROM BANKING OPERATIONS

	12/31/2024	12/31/2023
Income from debt collection on behalf of third parties (management and recovery fees)	2,434	2,623
Ancillary income (Crédit Logement Assurance / SNC Foncière Sébastopol)	21	21
Other ancillary income	267	304
Miscellaneous income	1,818	2,510
TOTAL OTHER OPERATING INCOME	**4,540**	**5,458**
Loss on SNC Foncière Sébastopol	-233	-98
Miscellaneous expenses	-139	-182
TOTAL OTHER OPERATING EXPENSE	**-372**	**-280**

.4 *Notes to the financial statements*

NOTE B 7 - GENERAL OPERATING EXPENSES

	12/31/2024	12/31/2023
Salaries and wages	-21,120	-20,559
Social security charges	-9,563	-9,101
Salary-based taxes	-3,728	-3,512
Expenses related to retirement benefits	-2,119	-1,858
Discretionary employee profit-sharing		
Statutory employee profit-sharing	-3,357	-3,026
Provisions for litigation		-66
Personnel costs	**-39,887**	**-38,122**
Taxes	**-4,748**	**-4,721**
Rentals	-1,885	-1,702
Transport and travel	-121	-132
Other external services	-7,749	-7,679
Provisions for risks and expenses	-27	61
External services	**-9,782**	**-9,452**
Other administrative expenses	**-14,530**	**-14,173**
TOTAL GENERAL OPERATING EXPENSES	**-54,417**	**-52,295**

NOTE B 8 - CHARGES TO DEPRECIATION AND AMORTISATION AND FIXED ASSET IMPAIRMENT

	12/31/2024	12/31/2023
Software and licenses	-4,906	-4,239
Intangible fixed assets	**-4,906**	**-4,239**
Structural components	-51	-49
Roof/facade	-10	-10
Office equipment	-2	-3
Club Affaires machinery and equipment	-6	-6
Office furniture	-47	-56
Club Affaires furniture		
Computer hardware	-439	-392
Fixtures and fittings - non building	-43	-56
Fixtures and fittings - building	-208	-222
Technical equipment	-309	-294
Tangible fixed assets	**-1,115**	**-1,088**
TOTAL	**-6,021**	**-5,327**

NOTE B 9 - GAINS OR LOSSES ON FIXED ASSETS

	12/31/2024	12/31/2023
Capital losses on the disposal of fixed assets		-1
Capital gains on disposal of fixed assets		
Capital losses on disposals of equity interests		
Provisions for impairment of participating interests		
TOTAL		**-1**

NOTE B 10 - CORPORATE INCOME TAX

	12/31/2024	12/31/2023
On ordinary income	-38,365	-37,025
Additional tax assessment	1	
TOTAL*	**-38,364**	**-37,025**
* of which corporate income tax instalments already paid.	-37,030	-37,610

NOTE B 11 - ALLOCATIONS AND REVERSALS ON REGULATED PROVISIONS (FRBG AND OTHERS)

	12/31/2024	12/31/2023
Release of provisions for risks relating to medium and long-term transactions	2,653	2,653
TOTAL	**2,653**	**2,653**

NOTE C - Other information (in thousands of euros)

NOTE C 1 - TOTAL REMUNERATION AMOUNT ALLOCATED FOR THE YEAR

	Remuneration	Advances and loans	Off-balance sheet commitments
To members of all governance bodies *	50		4,331
To all managers	1,066	15	2,018
- fixed component	805		
- variable component	177		
- benefits in kind and add-back of death, disability and related benefits	84		
To all "regulated" staff members	1,573		

* no benefit or remuneration was paid by subsidiaries during the year.

NOTE C 2 - TOTAL STATUTORY AUDITORS' FEES FOR THE YEAR

	Fees
Statutory audit	206
Ancillary services	

NOTE C 3 - AVERAGE WORKFORCE BY OCCUPATIONAL CATEGORY

	12/31/2024	12/31/2023
Management *		
Senior members of staff	256	253
Technicians **	64	70
TOTAL*	**320**	**323**

* Excluding company officers.
** New classification of the national collective agreement of the Financial Companies put in place on 01/01/2022 and which includes employees and supervisors.

NOTE C 4 - OTHER OUTSOURCED EMPLOYEE-RELATED COMMITMENTS

The commitments corresponding to services rendered in respect of the various employee benefit schemes are covered by collective funds administered by external entities.

Supplementary pension schemes for senior members of staff	
Value of the collective fund administered externally	5,662
Amount corresponding to actuarial commitments	5,754

- Collective defined-benefit supplementary pension insurance scheme (Art. 39 of French tax code - CGI)
- Beneficiaries: certain senior members of staff, subject to certain coefficient and seniority-based retirement conditions
- 2% accrued annually up to a maximum of 20% of the salary paid in the retirement year
- Bonuses paid by the company are subject to the 24% or 29.7% flat-rate social security contribution (forfait social)
- The actuarial liabilities amount is covered by the external fund
- Projected annual pension to be paid to corporate officers as of 12/31/2024 according to article D 225-104-1 or the Frend Code de Commerce: 64

Benefits in respect of voluntary or compulsory retirement	
Value of the collective fund administered externally	2,325
Amount corresponding to actuarial commitments	1,646

- Collective post-employment benefit scheme
- Beneficiaries: all employees of the company

Rules and methods

These amounts are updated, by type of contract, according to the “unit cost per year of service” method by an independent actuarial firm based on aggregate or individual information.

Total commitments are calculated over the entire projected careers of the participants.

Actuarial liabilities correspond to commitments updated on the reporting date for each policy.

Post-employment benefits will be paid according to employee seniority under the rules of common law.

NOTE C 5 - SPECIAL-PURPOSE ENTITIES

The company did not hold any interest in a special-purpose entity as at the reporting date.

NOTE C 6 - PROPOSED APPROPRIATION OF EARNINGS

Profit for the year	111,165
Retained earnings from the previous year	9
Earnings to be allocated	**111,174**
BREAKDOWN OF ALLOCATED EARNINGS	
Legal reserve	5,559
General reserve	
Dividends - shares	105,467
Retained earnings	148
TOTAL	**111,174**

.5 Financial results for the last five financial years

In thousand euros

Nature of the indications	2020	2021	2022	2023	2024
I - Financial position at year-end					
Share capital	1,259,850	1,259,850	1,259,850	1,259,850	1,259,850
Number of shares issued	17,997,861	17,997,861	17,997,861	17,997,861	17,997,861
II - Total earnings for effective operations					
Revenues (net of tax)	270,705	292,902	316,317	457,650	504,140
Earnings before tax, depreciation and provisions	150,793	170,037	164,678	143,186	152,924
Corporate income tax	46,649	47,958	41,981	37,025	38,364
Earnings after tax, depreciation and provisions	99,150	120,121	120,412	103,746	111,165
Profit distributed	129,045*	177,999	114,466	98,628	105,467
III - Earnings per share for operations (in euros)					
Earnings after tax but before depreciation and provisions	5.79	6.78	6.82	5.90	6.37
Earnings after tax, depreciation and provisions	5.51	6.67	6.67	5.76	6.18
Dividend per share	7.17	9.89	6.36	5.48	5.86
IV - Workforce					
Average headcount*	330	333	324	323	320
Payroll	18,387	19,612	20,469	20,559	21,120
Staff benefits	10,861	11,323	10,781	10,959	11,682

* Without managing director.

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