

AGENCE FRANCE LOCALE - SOCIÉTÉ TERRITORIALE

CONSOLIDATED ACCOUNTS
FOR THE PERIOD FROM
JANUARY 1st TO
JUNE 30, 2024



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

BALANCE SHEET

Assets as of June 30, 2024

(€ '000s)	Notes	30/06/2024	31/12/2023
Cash, central banks	5	818,835	975,130
Financial assets at fair value through profit or loss	1	11,120	13,374
Hedging derivative instruments	2	717,168	705,064
Financial assets at fair value through other comprehensive income	3	689,953	591,496
Securities at amortized cost	4	428,683	333,454
Loans and receivables due from credit institutions and similar items at amortized cost	5	245,520	180,074
Loans and receivables due from customers at amortized cost	6	6,815,449	6,576,479
Revaluation adjustment on interest rate risk-hedged portfolios			
Current tax assets		203	
Deferred tax assets	7	3,849	4,631
Accruals and other assets	8	8,835	1,328
Intangible assets	9	1,726	1,980
Property, plant and equipment	9	9,506	2,495
Goodwill			
TOTAL ASSETS		9,750,846	9,385,506

Liabilities as of June 30, 2024

(€ '000s)	Notes	30/06/2024	31/12/2023
Central banks			
Financial liabilities at fair value through profit or loss	1	11,096	13,219
Hedging derivative instruments	2	685,488	670,607
Debt securities	10	8,613,470	8,262,191
Due to credit institutions	11	101,115	133,307
Due to customers			
Revaluation adjustment on interest rate hedged portfolios		94,864	81,770
Current tax liabilities		415	406
Deferred tax liabilities	7	392	387
Accruals and other liabilities	12	3,957	4,999
Provisions	13	145	139
Equity		239,903	218,482
Equity, Group share		239,903	218,481
Share capital and reserves		249,885	232,048
Consolidated reserves		(9,516)	(15,254)
Gains and losses recognised directly in equity		(2,420)	(4,051)
Profit (loss) for the period		1,954	5,739
Non-controlling interests			
TOTAL LIABILITIES		9,750,846	9,385,506

Income statement

(€ '000s)	Notes	30/06/2024	30/06/2023	31/12/2023
Interest and similar income	14	236,565	135,248	336,013
Interest and similar expenses	14	(224,979)	(122,308)	(311,745)
Fee & Commission Income	15	287	76	274
Fee & Commission Expense	15	(112)	(122)	(184)
Net gains (losses) on financial instruments at fair value through profit or loss	16	(1,227)	2,733	4,071
Net gains or losses on financial instruments at fair value through other comprehensive income	17	251	(3,448)	(5,073)
Net gains and losses on derecognition of financial assets at amortised cost	18			
Income on other activities				
Expenses on other activities				
NET BANKING INCOME		10,785	12,179	23,355
Operating expenses	19	(7,336)	(7,857)	(14,711)
Net depreciation, amortisation and impairments of tangible and intangible assets	9	(548)	(454)	(1,023)
GROSS OPERATING INCOME		2,901	3,868	7,620
Cost of risk	20	(255)	(71)	117
OPERATING INCOME		2,645	3,797	7,738
Net gains and losses on other assets	21		(0.1)	0.1
INCOME BEFORE TAX		2,645	3,797	7,738
Income tax	22	(691)	(957)	(1,999)
NET INCOME		1,954	2,840	5,739
Non-controlling interests				
NET INCOME GROUP SHARE		1,954	2,840	5,739
Basic earnings per share (in EUR)		0.78	1.27	2.47
Diluted earnings per share (in EUR)		0.78	1.27	2.47

Net income and other comprehensive income

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Net income	1,954	2,840	5,739
Items will be reclassified subsequently to profit or loss	(105)	222	(1,577)
Revaluation of financial assets at fair value through other comprehensive income recyclable to income	(173)	285	(2,064)
Other items recognized through other comprehensive income recyclable to income			
Related taxes	67	(63)	487
Elements not recyclable in profit or loss	1,736	(1,953)	2,542
Revaluation in respect of defined benefit plans			
Revaluation of financial assets at fair value through to equity	2,314	(2,604)	3,389
Other items recognized through other comprehensive income not recyclable to income			
Related taxes	(579)	651	(847)
Total gains and losses recognized directly in equity	1,630	(1,730)	965
COMPREHENSIVE INCOME	3,585	1,109	6,704

Consolidated statement of changes in equity

	Capital	Associated reserves to capital	Consolidated reserves	Gains and losses recognized directly in comprehensive income				Net income, Group share	Share-holders' equity - Group share	Share-holders' equity, non-controlling interests	Total share-holders equity
				Recyclable		Not recyclable					
				Net change in fair value of Financial assets at fair value through other comprehensive income, after tax	Net change in fair value of cash flow hedging derivatives, after tax	Revaluation in respect of defined benefit plans	Other items recognized through other comprehensive income not recyclable to income				
(€ '000s)											
Shareholders' equity at 1 January 2023	217,658	-	(18,030)	(1,546)	-	-	(3,470)	2,775	197,388	-	197,388
Increase in share capital	14,389								14,389		14,389
Elimination of treasury shares											
Allocation of profit 2022			2,775					(2,775)			
Dividends 2022 paid											
Sub-total of changes linked to transactions with shareholders	14,389	-	2,775	-	-	-	-	(2,775)	14,389	-	14,389
Changes in fair value through equity				(1,959)					(1,959)		(1,959)
Change in value of through profit or loss				(105)					(105)		(105)
Revaluation of financial assets at fair value through not recyclable equity							3,389		3,389		3,389
Changes in actuarial gains on retirement benefits											
Related taxes				487				(847)	(360)		(360)
Changes in gains and losses recognized directly in equity	-	-	-	(1,577)	-	-	2,542	-	965	-	965
2023 Net income								5,739	5,739		5,739
Sub-total	-	-	-	(1,577)	-	-	2,542	5,739	6,704	-	6,704
Effect of acquisitions and disposals on non-controlling interests											
Shareholders' equity at 31 December 2023	232,048	-	(15,254)	(3,123)	-	-	(928)	5,739	218,481	-	218,481
Increase in share capital	17,837 ⁽¹⁾								17,837		17,837
Elimination of treasury shares											
Allocation of profit 2023			5,739					(5,739)			
Dividends 2023 paid											
Sub-total of changes linked to transactions with shareholders	17,837	-	5,739	-	-	-	-	(5,739)	17,837	-	17,837
Changes in fair value through equity				(366)					(366)		(366)
Change in value of through profit or loss				194					194		194
Revaluation of financial assets at fair value through not recyclable equity							2,314		2,314		2,314
Changes in actuarial gains on retirement benefits											
Related taxes				67				(579)	(511)		(511)
Changes in gains and losses recognized directly in equity	-	-	-	(105)	-	-	1,736	-	1,630	-	1,630
30 June 2024 Net income								1,954	1,954		1,954
Sub-total	-	-	-	(105)	-	-	1,736	1,954	3,585	-	3,585
Effect of acquisitions and disposals on non-controlling interests											
Shareholders' equity at 30 June 2024	249,885	-	(9,516)	(3,228)	-	-	808	1,954	239,903	-	239,903

(1) The share capital of Agence France Locale - Société Territoriale which amounts on 30 of June, 2024 to € 249,885K consists of 2,498,846 shares. The Company carried out two capital increases during the first year-half 2024 subscribed on 18th March for € 10,035K and on 26th June 2024 for € 7,802K.

Cash flow statement

(€ '000s)	30/06/2024	31/12/2023
Net income before taxes	2,645	7,738
+/- Net depreciation and amortisation of tangible and intangible non-current assets	548	1,023
+/- Net provisions and impairment charges	255	(117)
+/- Expense/income from investing activities	(10,891)	(4,944)
+/- Expense/income from financing activities	(33,713)	(46,776)
+/- Other non-cash items	26,715	(14,664)
= Non-monetary items included in net income before tax and other adjustments	(17,085)	(65,479)
+/- Cash from interbank operations		
+/- Cash from customer operations	(286,332)	(1,670,641)
+/- Cash from financing assets and liabilities	(20,707)	150,146
+/- Cash from not financing assets and liabilities	(2,188)	(305)
- Income tax paid	(406)	
= Decrease/(increase) in cash from operating activities	(309,227)	(1,520,800)
= CASH FLOW FROM OPERATING ACTIVITIES (A)	(324,073)	(1,578,540)
+/- Flows linked to financial assets and investments	(190,882)	115,672
+/- Flows linked to investment properties		
+/- Flows linked to tangible and intangible non-current assets	(12,736)	(737)
= CASH FLOW FROM INVESTING ACTIVITIES (B)	(203,618)	114,934
+/- Cash from or for shareholders	17,327	15,432
+/- Other cash from financing activities	451,505	1,287,355
= CASH FLOW FROM FINANCING ACTIVITIES (C)	468,832	1,302,787
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH (D)		
Increase/(decrease) in cash equivalents (A + B+ C + D)	(58,859)	(160,819)
Cash flow from operating activities (A)	(324,073)	(1,578,540)
Cash flow from investing activities (B)	(203,618)	114,934
Cash flow from financing activities (C)	468,832	1,302,787
Effect of changes in exchange rates on cash and cash equivalents (D)		
Cash and cash equivalents at the beginning of the period	990,434	1,151,253
Cash and balances with central banks (assets & liabilities)	974,861	1,134,476
Interbank accounts (assets & liabilities) and loans/deposits at sight	15,572	16,777
Cash and cash equivalents at the end of the period	931,575	990,434
Cash and balances with central banks (assets & liabilities)	818,630	974,861
Interbank accounts (assets & liabilities) and loans/deposits at sight	112,945	15,572
CHANGE IN NET CASH	(58,859)	(160,819)

NOTES TO THE FINANCIAL STATEMENTS ACCORDING TO IFRS STANDARDS

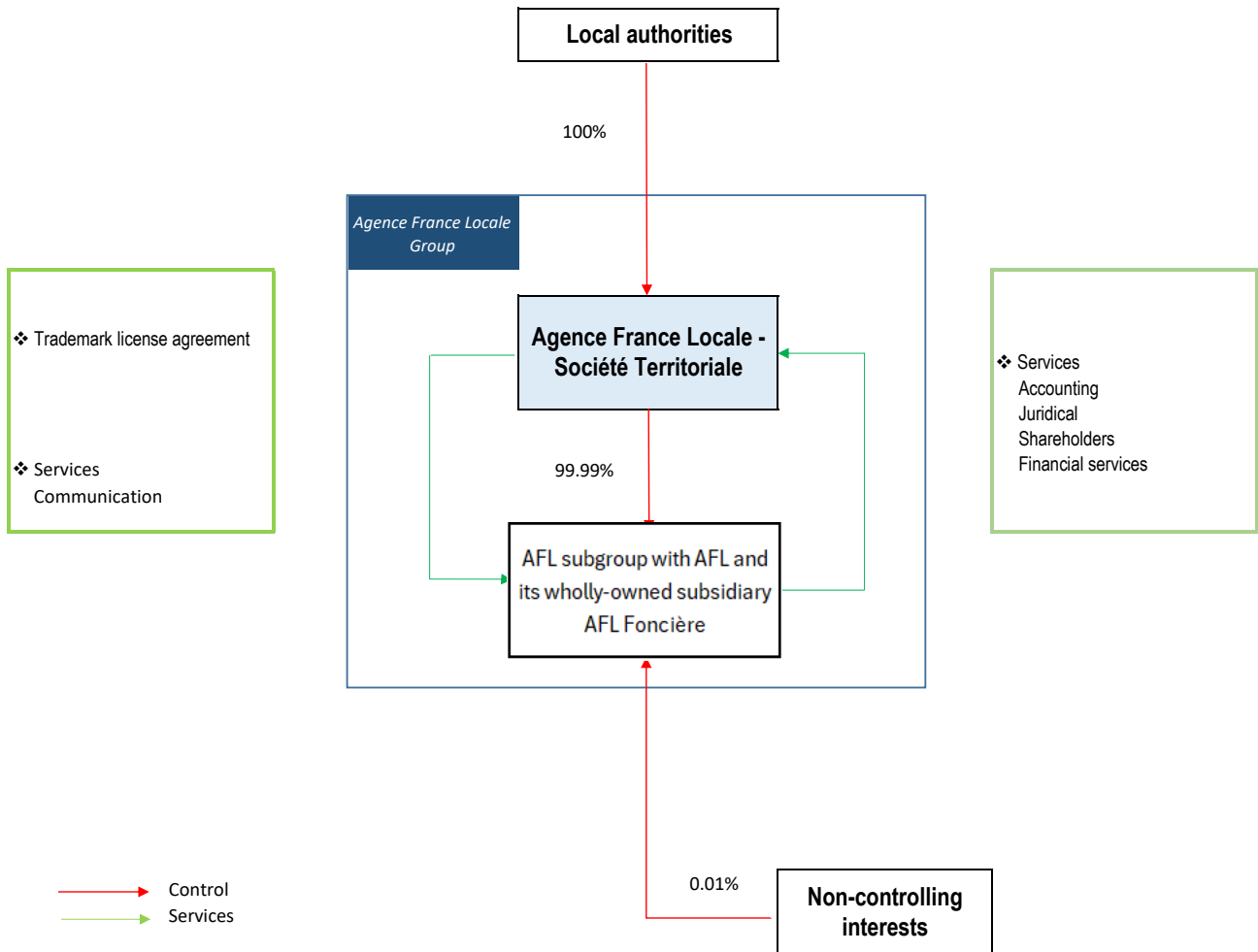
General framework

AFL (« Agence ») presentation

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

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

The diagram below shows the structure of the AFL group:



I - Publication context

The half year 2024 financial statements were approved by the Executive Board on September 10, 2024.

II - Highlights from the first half year

The production of medium and long-term loans carried out by the AFL in the first half of 2024 amounted to €622 million compared to €525 million in the first half of 2023. This new increase in the volume of production from one year to the next is explained by two phenomena: the regular increase in the number of local authorities Members of the AFL Group, and the maintenance of good investment dynamics by French local authorities.

In January 2024, a syndicated issue of €750 million at 10 years was successfully completed. As part of its diversification strategy, AFL carried out for the first time an issue denominated in Swiss francs, for an amount of €110 million at 10 years, then a new issue denominated in pounds sterling, for an amount of €250 million at 3 years. These two transactions were carried out under good conditions, thus helping to improve AFL's resource mix and strengthen its image among the investment community. Finally, AFL continued its fundraising in the form of private placements, including the issue of 6 transactions repayable early, on a contractually fixed date, for a total of €221 million, with the main characteristic being a significant cost advantage.

In the first half of 2024, AFL-ST, pursuing its corporate purpose, saw its capital increase by €17.8 million as part of two capital increases, thus bringing the share capital of AFL-ST from €232 million as of December 31, 2023 to €249.9 million euros as of June 30, 2024. The AFL Group now has 878 members.

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

The first half of 2024 marks a decline in the net interest margin (NIM), to €11,586K compared to €12,940K on June 30, 2023, a level which had then benefited, firstly, from an abnormal fixing of the 3-month Euribor index on March 20, 2023, secondly, from the increase in the remuneration of variable rate assets replacing equity, and finally, from better remuneration of liquidity reserve deposits. In addition to interest income, there are commitment and non-use fees on cash lines of €287K, compared to €76K in the first half of 2023, and capital gains on the sale of investment securities of €282K, after taking into account the result of the termination of securities hedging relationships, compared to €450K in the first half of 2023. Finally, the result of hedge accounting represents an expense of €1,230K compared to €2,708K as of June 30, 2023.

This results in net banking income of €10,785K as of June 30, 2024, compared to €12,179K as of June 30, 2023.

As of June 30, 2024, interest income breaks down as follows:

- €160.5 million in net interest income from hedging instruments, on outstanding loans for the first half of 2024, compared to €85.4 million in the first half of 2023. This strong increase in interest income from one period to the next is explained by the significant increase in the volume of loans as well as by the change in short-term interest rates.
- €57.5 million in net interest income from hedging instruments, on the assets of the liquidity reserve and collateral management for the first half of 2024, compared to €36.7 million in interest expenses in the first half of 2023. This change is mainly explained by the increase in interest rates over the period, while the outstanding amount of the liquidity reserve remained relatively stable.
- €206.4 million in net interest charges on hedging instruments, on the outstanding debts that AFL carries on its balance sheet, compared to €109.3 million in interest income in the first half of 2023. This near doubling of debt interest is also explained by the combined effect of the increase in the volume of debt and the rise in short-term interest rates from one period to the next.

During the period, the liquidity reserve portfolio management generated €282K in income from sales of investment securities, net of the cancellation of interest rate hedging instruments for the securities that were sold. For comparison, portfolio management generated a net amount of capital gains from sales of €450K in the first half of 2023.

As of June 30, 2024, the net result of hedge accounting amounts to -€1,230K compared to €2,708K as of June 30, 2023. It consists of two elements; on the one hand, proceeds from the termination of interest rate hedges related to the sales of securities mentioned above for €31K and on the other hand, the sum of the fair value differences of the hedged items and their hedging instruments for -€1,261K. Among these differences, -€428K relate to valuation differences on interest rate hedging instruments classified as macro-hedging, and -€833K relate to valuation differences on interest rate hedging instruments classified as micro-hedging and denominated in euros. Indeed, there remain, as hedging inefficiencies, latent valuation differences between the hedged items and the hedging instruments, one of the components of which comes from a market practice leading to a valuation asymmetry between, on the one hand, the hedging instruments collateralized daily and discounted on a €STR curve, and, on the other hand, the hedged items discounted on a Euribor curve. It should be noted that this is, however, a latent result.

As of June 30, 2024, general operating expenses represented €7,336K compared to €7,857K as of June 30, 2023. They account for €3,699K of personnel costs, compared to those of the first half of the previous financial year, which amounted to €3,535K. General operating expenses also include administrative expenses, which amount to €3,637K, after re-invoicing to Société Territoriale, compared to €4,321K as of June 30, 2023. This reduction in administrative expenses of €684K is mainly explained by the decrease in taxes and duties, including contributions to banking regulatory bodies, which represent €117K as of June 30, 2024, while they amounted to €1,358K in the first half of 2023, due to the disappearance of the 2024 contribution to the Single Resolution Fund. This represented €1,258K in 2023. Excluding taxes and duties, administrative expenses increased by €417K. This increase comes from the increase in consulting fees, legal fees and IT royalties.

After depreciation and amortization, gross operating income as of June 30, 2024 stands at €2,901K compared to €3,868K for the first half of 2023.

The cost of risk relating to ex-ante impairments for expected credit losses (ECL) on financial assets under IFRS 9 represents a charge of €255K in the first half of 2024 compared to impairments of €71K in the first half of 2023. This increase in the cost of risk comes mainly from the increase in outstanding amounts and partly from a deterioration in the assumptions used to construct macroeconomic scenarios by asset class in order to take into account an unfavorable change in macroeconomic and geostrategic risks. The stock of impairments stands at €1,413K as of June 30, 2024 compared to €1,347K as of June 30, 2023.

After the allocation of the cost of risk resulting from the application of IFRS 9, the operating result as of June 30, 2024, stands at €2,648K, compared to €3,797K as of June 30, 2023.

Finally, the tax charges for 2023 amount to €691K. They include:

- €415K of current tax charges;
- €276K of deferred tax charges, including €540K of charges related to the reduction of deferred tax assets, relating to the activation of previously constituted tax losses, and €264k of deferred tax income related to consolidation restatements, the majority of which come from hedging ineffectiveness charges.

After taking into account tax charges, net income as of June 30, 2024 amounts to €1,954K compared to €2,840K as of June 30, 2023.

Subsequent events

No significant subsequent events occurred on the beginning of the second half 2024 after the accounts closure date has to be reported.

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

The condensed interim consolidated financial statements as of June 30, 2024 have been prepared and are presented in accordance with IAS 34 Interim Financial Reporting, which defines the minimum content of information, and which identifies the recognition and measurement principles to be applied to an interim financial report.

The preparation of financial statements requires the formulation of assumptions and estimates that involve uncertainties as to their realization in the future. These estimates using the information available at the closing date call for the exercise of judgment by managers and preparers, particularly when assessing the fair value of financial instruments.

Future achievements depend on many factors: fluctuations in interest and foreign exchange rates, the economic environment, changes in regulations or legislation, etc., which means that the final outcome of the transactions concerned may differ from these estimates and have an impact on the financial statements.

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

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

Application of IFRS basis

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

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

Accounting principles and methods applied

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

- Amendments to IFRS 16 "Leases – Lease Liability Arising from a Sale and Leaseback": This amendment provides clarification on the subsequent measurement of sale and leaseback transactions when the initial sale of the asset meets the criteria in IFRS 15 "Revenue from Contracts with Customers" to be accounted for as a sale. In particular, this amendment clarifies how to subsequently measure the lease liability arising from such sale and leaseback transactions, consisting of variable rental payments that are not dependent on an index or rate.

- amendments to IAS 7 and IFRS 7 Supplier Financing Arrangements: published by the IASB in May 2023, adopted by the European Union on 15 May 2024 (EU Regulation No. 2024/1317) and immediately applicable to financial years beginning on or after 1 January 2024, these amendments specify the disclosure requirements in order to improve the current requirements, which aim to assist supplier financing arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

These amendments had no impact on the AFL Group's financial statements.

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

AFL has decided not to apply the following standards in advance:

- amendments to IAS 21 "Effects of Changes in Foreign Exchange Rates": these amendments specify the situations in which a currency is considered convertible, as well as the methods for measuring the exchange rate of a non-convertible currency. They also supplement the information to be communicated in the appendices to the financial statements when a currency is not convertible. The Group will not be affected by these amendments because it does not carry out transactions in non-convertible currencies.

- amendments to IAS 1 Presentation of Financial Statements: this amendment is immediately applicable to financial years beginning on or after 1 January 2024. These amendments specify the distinguishing criteria between current liabilities and non-current liabilities. These amendments have no impact on the Group's consolidated financial statements since the Group presents its assets and liabilities in order of liquidity, like most credit institutions.

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

IV - Accounting principles applied to the financial statements

The accounting policies applied by the Group in the condensed interim financial statements are identical to those used in the financial statements for the year ended December 31, 2023.

Scope of consolidation and control

The AFL Group is structured as follows:

- The Group parent company is AFL ST

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

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

V - Notes to the Balance Sheet

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

	30/06/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities
(€ '000s)				
Financial assets held for trading	11,120	11,096	13,374	13,219
Financial assets at fair value option through profit or loss				
Total financial assets at fair value through profit or loss	11,120	11,096	13,374	13,219

Financial assets held for trading

	30/06/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities
(€ '000s)				
Equity instruments				
Debt securities				
Loans and advances				
Derivatives	11,120	11,096	13,374	13,219
Total Financial assets held for trading	11,120	11,096	13,374	13,219

	30/06/2024				31/12/2023			
	Notional amount		Fair value		Notional amount		Fair value	
	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
(€ '000s)								
FIRM TRANSACTIONS	199,200	199,200	11,120	11,096	276,700	276,700	13,374	13,219
Organised markets	-	-	-	-	-	-	-	-
Interest rate contracts								
Other contracts								
Over-the-counter markets	199,200	199,200	11,120	11,096	276,700	276,700	13,374	13,219
Interest rate contracts	199,200	199,200	11,120	11,096	276,700	276,700	13,374	13,219
FRA								
Cross Currency Swaps								
Other contracts								
CONDITIONAL TRANSACTIONS	-	-	-	-	-	-	-	-
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	-	-	-	-	-	-	-	-

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

Note 2 - HEDGING DERIVATIVES

Analysis by type of hedge

	30/06/2024		31/12/2023	
	Assets	Liabilities	Assets	Liabilities
(€ '000s)				
Derivatives designated as fair value hedges	600,119	655,840	593,493	636,719
Derivatives designated as cash flow hedges				
Derivatives designated as portfolio hedges	117,049	29,647	111,571	33,888
Total Hedging derivatives	717,168	685,488	705,064	670,607

Detail of derivatives designated as fair value hedges

	30/06/2024				31/12/2023			
	Notional amount		Fair value		Notional amount		Fair value	
	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
(€ '000s)								
FIRM TRANSACTIONS	9,587,739	6,149,426	600,119	655,840	9,235,506	5,576,037	593,493	636,719
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	9,587,739	6,149,426	600,119	655,840	9,235,506	5,576,037	593,493	636,719
Interest rate contracts	8,078,749	5,993,169	566,754	555,822	8,163,407	5,438,876	581,959	518,852
FRA								
Cross Currency Swaps	1,508,991	156,257	33,365	100,018	1,072,099	137,162	11,534	117,867
Other contracts								
CONDITIONAL TRANSACTIONS	-	-	-	-	-	-	-	-
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	-	-	-	-	-	-	-	-

Detail of derivatives designated as interest rate hedged portfolios

	30/06/2024				31/12/2023			
	Notional amount		Fair value		Notional amount		Fair value	
	To receive	To deliver	Positive	Negative	To receive	To deliver	Positive	Negative
(€ '000s)								
FIRM TRANSACTIONS	175,870	1,195,260	117,049	29,647	178,010	1,123,745	111,571	33,888
Organised markets	-	-	-	-	-	-	-	-
Interest rate contracts								
Other contracts								
Over-the-counter markets	175,870	1,195,260	117,049	29,647	178,010	1,123,745	111,571	33,888
Interest rate contracts	175,870	1,195,260	117,049	29,647	178,010	1,123,745	111,571	33,888
FRA								
Cross Currency Swaps								
Other contracts								
CONDITIONAL TRANSACTIONS	-	-	-	-	-	-	-	-
Organised markets	-	-	-	-	-	-	-	-
Over-the-counter markets	-	-	-	-	-	-	-	-

PORTFOLIO

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

Fixed-income securities - Analysis by nature

	30/06/2024	31/12/2023
(€ '000s)		
Government paper and similar securities	538,084	495,891
Bonds	151,869	95,604
Other fixed income securities		
Net amount in balance sheet	689,953	591,496
Including depreciation	(510)	(413)
Including net unrealised gains and losses	(46,666)	(40,073)

Expected credit losses on debt instruments	12-month expected losses	Lifetime expected losses		Incurred losses
		Individual	collective	
Expected losses as of 31st December 2023	(413)	-	-	-
<i>Transfers from 12-month to maturity</i>				
<i>Transfers from maturity to 12-month</i>				
<i>Transfers from expected to incurred losses</i>				
Total transfer movement	-	-	-	-
Movement attributable to financial instruments recognized over the period	(97)	-	-	-
<i>Acquisitions</i>	(104)			
<i>Re-estimate of parameters</i>	(14)			
<i>Bad debts written off</i>				
<i>On sales</i>	21			
Expected losses as of 30th June 2024	(510)	-	-	-

Fixed-income securities - Analysis by counterparty

	30/06/2024	31/12/2023
(€ '000s)		
Local public sector	452,996	409,455
Financial institutions and other financial corporations	235,960	182,041
Non-financial corporations	997	-
Net amount in balance sheet	689,953	591,496

Fixed income securities held on Financial institutions include €54,717K of securities guaranteed by States of the European Economic Area.

Changes in Financial assets at fair value through other comprehensive income

	Total amount as of 31/12/2023	Additions	Disposals	Other movements	Change in fair value recognised in equity	Change in accrued interest	Prem/Disc Amort.	Total amount as of 30/06/2024
(€ '000s)								
Government paper and similar securities	495,891	272,143	(219,681)	(3,074)	(6,453)	(1,354)	611	538,084
Bonds	95,604	87,110	(31,397)	-	(230)	495	287	151,869
Other fixed income securities	-	-	-	-	-	-	-	-
TOTAL	591,496	359,253	(251,078)	(3,074)	(6,683)	(858)	898	689,953

Note 4 - SECURITIES AT AMORTIZED COST

Fixed-income securities - Analysis by nature

	30/06/2024	31/12/2023
(€ '000s)		
Government paper and similar securities	421,633	326,305
Bonds	7,049	7,149
Other fixed income securities		
Net amount in balance sheet	428,683	333,454
Including expected credit losses on debt instruments	(444)	(330)

Expected credit losses on securities at amortized cost	12-month expected losses	Lifetime expected losses		Incurred losses
		Individual	collective	
Expected losses as of 31st December 2023	(330)	-	-	-
<i>Transfers from 12-month to maturity</i>				
<i>Transfers from maturity to 12-month</i>				
<i>Transfers from expected to incurred losses</i>				
Total transfer movement	-	-	-	-
Movement attributable to financial instruments recognized over the period	(114)	-	-	-
<i>Acquisitions</i>	(119)			
<i>Re-estimate of parameters</i>	(4)			
<i>Bad debts written off</i>				
<i>On sales</i>	10			
Expected losses as of 30th June 2024	(444)	-	-	-

Fixed-income securities - Analysis by contreparty

	30/06/2024	31/12/2023
(€ '000s)		
Local public sector	229,632	179,000
Financial institutions and other financial corporations	194,138	154,454
Non-financial corporations	4,912	-
Net amount in balance sheet	428,682	333,454

Fixed income securities held on Financial institutions include €166,532K of securities guaranteed by States of the European Economic Area.

Changes in securities at amortized cost

	Total amount as of 31/12/2023	Additions	Disposals	Other movements	Interest rate Reevaluation	Change in accrued interest	Prem/Disc Amort.	Expected credit losses change	Total amount as of 30/06/2024
(€ '000s)									
Government paper and similar securities	326,305	118,853	(22,813)	561	(995)	(496)	333	(114)	421,633
Bonds	7,149	-	-	(46)	(36)	(1)	(17)	0.04	7,049
Other fixed income securities	-	-	-	-	-	-	-	-	-
TOTAL	333,454	118,853	(22,813)	515	(1,031)	(496)	316	(114)	428,683

Note 5 - RECEIVABLES ON CREDIT INSTITUTIONS

Accounts with central banks

	30/06/2024	31/12/2023
(€ '000s)		
Mandatory reserve deposits with central banks	818,886	975,186
Other deposits		
Cash and central banks	818,886	975,186
Impairment	(51)	(56)
Net amount in balance sheet	818,835	975,130

Receivables on credit institutions

	30/06/2024	31/12/2023
(€ '000s)		
Loans and receivables		
- on demand and short notice	113,305	15,618
- term	60,698	60,692
Cash collateral paid	71,541	103,784
Securities bought under repurchase agreements		
TOTAL	245,544	180,093
Impairment for expected losses	(24)	(19)
NET CARRYING AMOUNT	245,520	180,074

Note 6 - LOANS AND ADVANCES TO CUSTOMERS

	30/06/2024	31/12/2023
(€ '000s)		
Short-term credit facilities	109,097	79,647
Other loans	6,706,719	6,497,162
Customers transactions before impairment charges	6,815,816	6,576,809
Impairment	(368)	(329)
Net carrying amount	6,815,449	6,576,479
<i>Of which individual impairment</i>	(368)	(329)
<i>Of which collective impairment</i>		

Expected credit losses on loans and financing commitments	12-month expected losses	Lifetime expected losses		Incurred losses
		Individual	collective	
Expected losses as of 31st December 2023	(310)	(94)	-	-
<i>Transfers from 12-month to maturity</i>				
<i>Transfers from maturity to 12-month</i>	(8)	8		
<i>Transfers from expected to incurred losses</i>				
Total transfer movement	(8)	8	-	-
Movement attributable to financial instruments recognized over the period	(48)	10	-	-
<i>Production and acquisition</i>	(36)			
<i>Re-estimate of parameters</i>	(25)	10		
<i>Bad debts written off</i>				
<i>Repayments</i>	14			
Expected losses as of 30th June 2024	(366)	(77)	-	-

SUMMARY OF PROVISIONS ON SECURITIES, LOANS AND FINANCING COMMITMENTS

(€ '000s)	31/12/2023	Depreciation charges	Reversals amounts not used	Net charge	Utilised	30/06/2024
Financial assets at fair value through other comprehensive income						
<i>Depreciations on performing assets</i>	413	118	(21)	97		510
<i>Depreciations on non-performing assets</i>	-					-
<i>Depreciations on doubtful assets</i>	-					-
Total	413	118	(21)	97		510
Financial assets at amortized cost						
<i>Depreciations on performing assets</i>	640	185	(16)	170		810
<i>Depreciations on non-performing assets</i>	94	(10)	(8)	(17)		77
<i>Depreciations on doubtful assets</i>	-					-
Total	734	175	(23)	152		886

CLASSIFICATION OF FINANCIAL ASSETS BY RISK LEVEL

(€ '000s)	Gross amount			Depreciation			Net Amount
	Step 1	Step 2	Step 3	Step 1	Step 2	Step 3	
Accounts with central banks	818,886			(51)			818,835
Financial assets at fair value through other comprehensive income	690,463			(510)			689,953
Securities at amortized cost	429,127			(444)			428,683
Loans and receivables due from credit institutions at amortized cost	245,544			(24)			245,520
Loans and receivables due from customers at amortized cost	6,737,772	78,044	-	(452)	84	-	6,815,449

Note 7 - DEFERRED TAX

The movement on the deferred tax account is as follows:

	30/06/2024	31/12/2023
(€ '000s)		
Net asset as at 1st of january	4,244	6,197
Of which deferred tax assets	4,631	6,664
Of which deferred tax liabilities	387	467
Recognised in income statement	(276)	(1,593)
Income statement (charge) / credit	(276)	(1,593)
Recognised in equity	(511)	(360)
Financial assets at fair value through other comprehensive income	67	487
Cash flow hedges	(579)	(847)
Other		
Net asset as at	3,457	4,244
Of which deferred tax assets	3,849	4,631
Of which deferred tax liabilities	392	387

Deferred tax are attributable to the following items:

	30/06/2024	31/12/2023
(€ '000s)		
Financial assets at fair value through other comprehensive income	1,246	1,179
Cash flow hedges		309
Losses carried forward	2,603	3,143
Other temporary differences		
TOTAL DEFERRED TAX ASSETS	3,849	4,631

	30/06/2024	31/12/2023
(€ '000s)		
Financial assets at fair value through other comprehensive income		
Cash flow hedges	269	
Other temporary differences	123	387
TOTAL DEFERRED TAX LIABILITIES	392	387

Note 8 - OTHER ASSETS AND ACCRUALS

	30/06/2024	31/12/2023
(€ '000s)		
Other assets		
Deposits	5,877	453
Other assets	1,980	381
Impairment		
Total	7,858	834
Accruals		
Prepaid charges	767	271
Other deferred income	2	
Transaction to receive and settlement accounts		
Other accruals	209	224
Total	977	494
TOTAL OTHER ASSETS AND ACCRUALS	8,835	1,328

Note 9 - BREAKDOWN OF FIXED ASSETS

(€ '000s)

Intangible fixed assets	31/12/2023	Additions	Transfers	Disposals	Amort. and provisions	Other	30/06/2024
Intangible fixed assets							
IT development costs	12,930	213				129	13,272
Other intangible assets	163						163
Intangible assets in progress	134					(129)	5
Intangible fixed assets gross amount	13,227	213	-	-	-	-	13,440
Depreciation and allowances - Intangible fixed assets	(11,247)				(468)		(11,714)
Intangible fixed assets net carrying amount	1,980	213	-	-	(468)	-	1,726

Tangible fixed assets	31/12/2023	Additions	Disposals	Amort. and provisions	Other	30/06/2024
Commercial leases	191					191
Property, plant & equipment	2,995	7,091				10,086
Tangible fixed assets gross amount	3,187	7,091	-	-	-	10,278
Depreciation and allowances - Tangible fixed assets	(692)			(81)		(772)
Tangible fixed assets net carrying amount	2,495	7,091	-	(81)	-	9,506

Note 10 - DEBT SECURITIES

(€ '000s)

	30/06/2024	31/12/2023
Negotiable debt securities	243,771	385,077
Bonds	8,369,699	7,877,115
Other debt securities		
TOTAL	8,613,470	8,262,191

NOTE 11 - DUE TO CREDIT INSTITUTIONS

(€ '000s)

	30/06/2024	31/12/2023
Loans and receivables		
- on demand and short notice	0.005	0.004
- term		
Cash collateral paid	101,115	133,307
Securities bought under repurchase agreements		
TOTAL	101,115	133,307

Note 12 - ACCRUALS AND OTHER LIABILITIES

(€ '000s)

	30/06/2024	31/12/2023
Other liabilities		
Miscellaneous creditors	2,302	2,731
Total	2,302	2,731
Accruals		
Transaction to pay and settlement accounts	280	290
Other accrued expenses	1,349	1,950
Unearned income		
Other accruals	27	28
Total	1,656	2,268
TOTAL ACCRUALS AND OTHER LIABILITIES	3,957	4,999

Note 13 - PROVISIONS

(€ '000s)	Balance as of 31/12/2023	Depreciation charges	Reversals amounts used	Reversals amounts not used	Other movements	Balance as of 30/06/2024
Provisions						
Financing commitment execution risks	15	22		(16)		22
Provisions for litigations						
Provisions for employee retirement and similar benefits	124					124
Provisions for other liabilities to employees						
Other provisions						
TOTAL	139	22	-	(16)	-	145

OFF-BALANCE SHEET

(€ '000s)	30/06/2024	31/12/2023
Commitments given	1,027,073	893,312
Financing commitments	960,521	832,095
<i>For credit institutions</i>		
<i>For customers</i>	960,521	832,095
Guarantee commitments	66,552	61,217
<i>For credit institutions</i>		
<i>For customers</i>	66,552	61,217
Commitments on securities		
<i>Securities to be delivered to the issuance</i>		
<i>Other securities to be delivered</i>		
Commitments received	1,759	1,827
Financing commitments		
<i>From credit institutions</i>		
Guarantee commitments	1,759	1,827
<i>From credit institutions</i>		
<i>From customers</i>	1,759	1,827
Commitments on securities		
<i>Securities receivable</i>		

EXPECTED LOSSES ON COMMITMENTS

Expected credit losses on loans and financing commitments	12-month expected losses	Lifetime expected losses		Incurred losses
		Individual	collective	
Expected losses as of 31st December 2023	15	-	-	-
<i>Transfers from 12-month to maturity</i>				
<i>Transfers from maturity to 12-month</i>				
<i>Transfers from expected to incurred losses</i>				
Total transfer movement	-	-	-	-
Movement attributable to financial instruments recognized over the period	6			
<i>Charge</i>	22			
<i>Utilised</i>				
<i>Reversal utilised</i>	(16)			
Expected losses as of 30th June 2024	22	-	-	-

VI - Notes to the Income Statement

Note 14 - INTEREST INCOME AND EXPENSES

	30/06/2024	30/06/2023	31/12/2023
(€ '000s)			
Interest and similar income	236,565	135,248	336,013
Due from banks	35,768	23,586	50,337
Due from customers	148,166	78,371	202,606
Bonds and other fixed income securities	23,668	14,481	37,621
<i>Financial assets at fair value through other comprehensive income</i>	15,621	9,915	26,228
<i>Securities at amortized cost</i>	8,047	4,566	11,394
Debt securities			
Macro-hedge transactions	23,380	13,149	33,616
Other interest income	5,583	5,661	11,833
Interest and similar expenses	(224,979)	(122,308)	(311,745)
Due to banks	(1,983)	(1,265)	(3,215)
Bonds and other fixed income securities			
<i>Financial assets at fair value through other comprehensive income</i>			
<i>Securities at amortized cost</i>			
Debt securities	(206,389)	(109,273)	(282,025)
Macro-hedge transactions	(11,033)	(6,086)	(14,656)
Other interest expenses	(5,574)	(5,684)	(11,850)
Interest margin	11,586	12,940	24,267

Note 15 - NET FEE AND COMMISSION INCOME

	30/06/2024	30/06/2023	31/12/2023
(€ '000s)			
Fee & Commission Income	287	76	274
Interbank transactions			
Customer transactions			
Securities transactions			
Forward financial instruments transactions			
Currencies transactions			
Financing commitments and guarantee	287	76	274
Other commissions received			
Fee & Commission Expense	(112)	(122)	(184)
Interbank transactions	(25)	(43)	(22)
Securities transactions	(4)	(4)	(8)
Forward financial instruments transactions	(83)	(75)	(154)
Currencies transactions			
Financing commitments and guarantee			
Other commissions paid			
Net Fee and Commission income	174	(46)	90

Note 16 - NET RESULT OF FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30/06/2024	30/06/2023	31/12/2023
(€ '000s)			
Gains/(losses) on Trading book	3	15	16
Net result of hedge accounting	(1,230)	2,708	4,043
Net result of foreign exchange transactions	0.4	10	11
TOTAL	(1,227)	2,733	4,071

Analysis of net result of hedge accounting

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Fair value hedges			
Fair value changes in the hedged item attributable to the hedged risk	72,312	92,692	(35,543)
Fair value changes in the hedging derivatives	(73,145)	(93,691)	34,988
Hedging relationship disposal gain	31	3,898	5,613
Cash flow hedges			
Fair value changes in the hedging derivatives – ineffective portion			
Discontinuation of cash flow hedge accounting			
Portfolio hedge			
Fair value changes in the hedged item	(14,587)	8,220	49,087
Fair value changes in the hedging derivatives	14,159	(8,411)	(50,102)
Net result of hedge accounting	(1,230)	2,708	4,043

Note 17 - NET GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Gains from disposal of fixed income securities	261	335	718
Losses from disposal of fixed income securities	(10)	(3,783)	(5,791)
Gains from disposal of variable income securities			
Other income/(expenses) from Financial assets at fair value through other comprehensive income			
Impairment (charges) and reversals on Financial assets at fair value through other comprehensive income			
Gains or (losses) on Financial assets at fair value through other comprehensive income	251	(3,448)	(5,073)

Note 18 - NET GAINS AND LOSSES ON DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Gains on derecognition of fixed income securities at amortised cost			
Losses on derecognition of fixed income securities at amortised cost			
Gains on loans sold			
Losses on loans sold			
Total Net gains and losses on derecognition of financial assets at amortised cost	-	-	-

Note 19 - GENERAL OPERATING EXPENSES

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Employee expenses			
Wages and salaries	2,432	2,285	5,004
Post-employment benefit expenses	236	212	465
Other expenses	1,031	1,038	2,186
Total Employee expenses	3,699	3,536	7,655
Operating expenses			
Taxes and duties	360	1,461	1,431
External services	3,277	2,860	5,625
Total Administrative expenses	3,637	4,321	7,056
Charge-backs and reclassification of administrative expenses			
Total General operating expenses	7,336	7,857	14,711

Note 20 - COST OF RISK

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Net charge to provisions	(249)	(69)	116
<i>for financial assets at fair value through other comprehensive income</i>	(97)	(33)	115
<i>for financial assets at amortized cost</i>	(152)	(36)	1
Net charge to provisions	(6)	(2)	1
<i>for financing commitments</i>	(6)	(2)	1
<i>for guarantee commitments</i>			
Irrecoverable loans written off not covered by provisions			
Recoveries of bad debts written off			
Total Cost of risk	(255)	(71)	117

Note 21 - NET GAINS AND LOSSES ON OTHER ASSETS

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Gains on sales of Investment securities			
Gains on sales of tangible or intangible assets		1	1
Reversal of impairment			
Total Gains on other assets	-	1	1
Losses on sales of Investment securities			
Losses on sales of tangible or intangible assets		(1)	(1)
Charge of impairment			
Total Losses on other assets	-	(1)	(1)

Note 22 - INCOME TAX

(€ '000s)	30/06/2024	30/06/2023	31/12/2023
Expense and income of current tax	(415)	(230)	(406)
Expense and income of differed tax	(276)	(727)	(1,593)
Ajustement on previous period			
Total Income tax	(691)	(957)	(1,999)

VII - Notes to Risk exposure

A - Fair value of financial instruments

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

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

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

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

Fair value of instruments carried at fair value:

(€ '000s)	30/06/2024			
	Total	Measured using		
		Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss	11,120	-	11,120	-
Hedging derivative instruments	717,168	-	717,168	-
Government paper and similar securities	538,084	538,084	-	-
Bonds	151,869	99,962	-	51,908
Other fixed income securities	-	-	-	-
Total Financial assets at fair value through other comprehensive income	689,953	638,045	-	51,908
Total Financial assets	1,418,241	638,045	728,288	51,908
Financial liabilities				
Financial liabilities at fair value through profit or loss	11,096	-	11,096	-
Hedging derivative instruments	685,488	-	685,488	-
Total Financial liabilities	696,583	-	696,583	-

Fair values of instruments carried at amortised cost:

(€ '000s)	30/06/2024				
	Net Carrying value	Fair value	Measured using		
			Level 1	Level 2	Level 3
Financial assets					
Cash, central banks and issuing institutions	818,835	818,835	-	-	818,835
Government paper and similar securities	421,633	418,544	292,545	-	125,999
Bonds	7,049	6,856	6,856	-	-
Other fixed income securities	-	-	-	-	-
Total Securities at amortized cost	428,683	425,400	299,401	-	125,999
Loans and receivables due from credit institutions	245,520	245,520	-	-	245,520
Loans and advances to customers	6,720,585	6,720,585	-	-	6,720,585
Total Financial assets	8,213,623	8,210,341	299,401	-	7,910,939
Financial liabilities					
Debt securities	8,613,470	8,465,633	6,800,102	1,420,531	245,000
Total Financial liabilities	8,613,470	8,465,633	6,800,102	1,420,531	245,000

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

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

B - Credit risk exposure

The tables below disclose the maximum exposure to credit risk at 30 June 2024 for financial assets with exposure to credit risk, without taking account of collateral held or other credit risk mitigation.

(€ '000s)	Performing assets	Past due but not impaired	Impairment allowance	Total 30/06/2024
Cash, central banks	818,886		(51)	818,835
Financial assets at fair value through profit or loss	11,120			11,120
Hedging derivative instruments	717,168			717,168
Financial assets at fair value through other comprehensive income	689,953			689,953
Securities at amortized cost	429,127		(444)	428,683
Loans and receivables due from credit institutions	245,544		(24)	245,520
Loans and advances to customers	6,815,816		(368)	6,815,449
Revaluation adjustment on interest rate hedged portfolios				-
Current tax assets	203			203
Other assets	7,858			7,858
Sub-total Assets	9,735,675	-	(887)	9,734,789
Financing commitments given	960,521			960,521
TOTAL Credit risk exposure	10,696,196	-	(887)	10,695,310

Exposure analysis by counterparty

(€ '000s)	Total 30/06/2024
Central banks	818,835
Local public sector	8,461,091
Credit institutions guaranteed by the EEA States	215,339
Credit institutions	1,188,567
Other financial corporations guaranteed by the EEA States	
Other financial corporations	
Non-financial corporations guaranteed by the EEA States	5,909
Non-financial corporations	5,568
Total Exposure by counterparty	10,695,310

Agence France Locale's very cautious investment policy prefers securities issued by States and central governments, or ones that are guaranteed by such counterparties.

Credit institutions exposures primarily result from cash management and interest rates hedging transactions.

Exposure analysis by geographic area

(€ '000s)	Total 30/06/2024
France	9,902,001
Supranational	290,361
Canada	200,684
Finland	67,389
Belgium	44,125
New Zealand	42,216
Iceland	28,386
Netherlands	23,553
Japan	18,097
Germany	17,360
Sweden	13,436
Poland	12,956
South Korea	12,274
Denmark	11,744
Spain	10,728
Total Exposure by geographic area	10,695,310

As credits are solely granted to French local authorities, the largest exposure is to France.

Exposures to other countries (EEA, North America, Asia and Oceania) result from Agence France Locale's cash management policy and its investment in sovereign or equivalent securities.

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

(€ '000s)	Less than 3 month	3 month to 1 year	1 year to 5 years	more than 5 years	Total	Related receivables and payables	Revaluation	Total 30/06/2024
Cash, central banks	818,835				818,835			818,835
Financial assets at fair value through profit or loss		1,542	5,487	3,812	10,842	278		11,120
Hedging derivative instruments	6,689	4,925	56,172	648,756	716,542	626		717,168
Financial assets at fair value through other comprehensive income								
Government paper and similar securities	18,103	31,604	321,571	203,967	575,246	2,782	(39,944)	538,084
Bonds		5,815	142,159	9,430	157,405	1,187	(6,722)	151,869
Total Financial assets at fair value through other comprehensive income	18,103	37,420	463,730	213,398	732,651	3,969	(46,666)	689,953
Securities at amortized cost								
Government paper and similar securities		66,800	111,165	258,626	436,590	2,263	(17,220)	421,633
Bonds			6,994		6,994	100	(44)	7,049
Total Securities at amortized cost	-	66,800	118,158	258,626	443,584	2,363	(17,264)	428,683
Loans and receivables due from credit institutions	184,221		60,000		244,221	1,300		245,520
Loans and advances to customers	98,644	347,863	2,104,896	4,727,776	7,279,179	19,405	(483,135)	6,815,449
Revaluation adjustment on interest rate hedged portfolios								-
Current tax assets		203			203			203
Other assets	7,858				7,858			7,858
TOTAL ASSETS								9,734,789
Central banks								-
Financial assets at fair value through profit or loss		1,539	5,488	3,812	10,839	256		11,096
Hedging derivative instruments	1	18,116	240,427	442,052	700,596	(15,108)		685,488
Debt securities	243,771	698,147	3,079,379	5,117,891	9,139,187	37,814	(563,531)	8,613,470
Due to credit institutions	101,115				101,115			101,115
Revaluation adjustment on interest rate hedged portfolios							94,864	94,864
Other liabilities	2,302				2,302			2,302
TOTAL LIABILITIES								9,508,334

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

D - Interest rate risk: sensitivity to interest rate changes

Exposure to interest rate risk relates to that of the Operational subsidiary, Agence France Locale. The rate risk management policy and its implications on the first half of 2024 are described into the financial report as at 30th June 2024.

Agence France Locale – Société

Territoriale S.A

Statutory Auditors' Review Report on interim consolidated condensed financial statements

For the period from January 01 to June 30, 2024]

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

Agence France Locale – Société TerritorialeS.A.

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the period from January 1st to June 30, 2024]

To the Shareholders,

In our capacity as Statutory Auditors of Agence France Locale - Société Territoriale and in answer to your request made in the context of your willingness to produce an extended financial information to investors, we conducted a review of the accompanying interim consolidated condensed financial statements of Agence France Locale - Société Territoriale prepared in compliance with IFRS (International Financial Reporting Standards) as adopted by the European Union, for the period from January 1, 2024 to June 30, 2024.

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

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

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated condensed financial statements as at June 30, 2024 do not present fairly, in all material respects, the assets and liabilities and the financial position of the Group as at 30 June, 2024 and the results of its operations for the period then ended, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

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

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

Paris la Défense, on 25 September 2024

Paris , on 25 September 2024

KPMG S.A.

Cailliau Dedouit et Associés

Sophie MEDDOURI
Partner

Laurent BRUN
Partner