

**FINANCIAL
MANAGEMENT
AND ACCOUNTS**



**ANNUAL
REPORT
2024**



Financial balances

Rigorous management of Banque de France resources since 2015

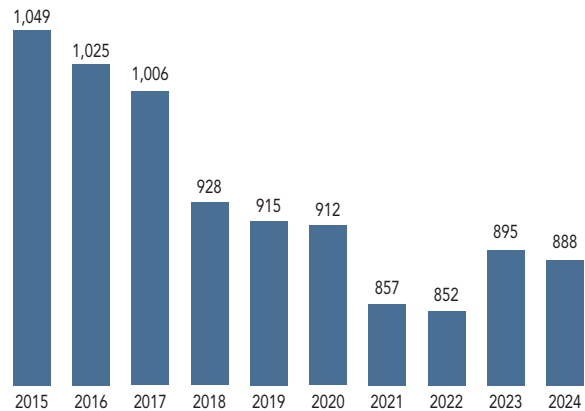
Since its first Ambitions 2020 strategic plan, which began in 2016, the Banque de France has been committed to reducing its workforce and controlling its operating expenses. This commitment was reaffirmed as part of the Building 2024 Together strategic plan launched at the beginning of 2021.

The rigorous management of its resources implemented by the Banque de France means that it has been able to reduce its net operating expenditure by 15% over the 2015-24 period, which represents a reduction of EUR 160 million or 1.7% per year despite an inflationary environment since 2022. Staff numbers have been cut back by 28% over the same period, which equates to a reduction of 3,383 full-time equivalent employees.

Significant income for the community, particularly since 2015

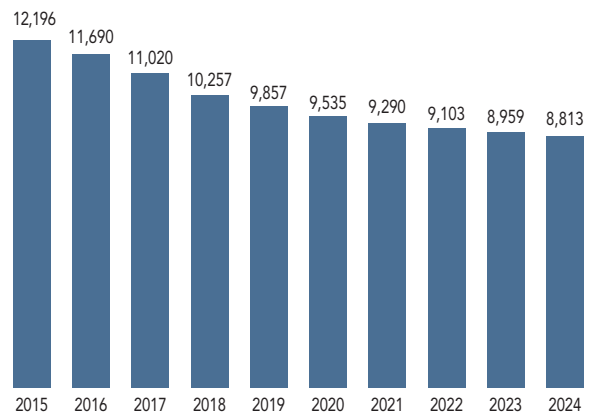
In addition to the exemplary management of its expenses, it is important to highlight the substantial profits made in previous years thanks to income generated by monetary policy and the Banque de France's own assets. More recently, the unconventional monetary policies put in place by the euro area central banks had contributed to a sharp increase in their income, particularly due to the scale of their asset purchase programmes and proceeds from bank deposits as a result of negative interest rates. Thus, between 2015 and 2023, the Banque de France paid a cumulative total of almost EUR 32 billion to the state in corporation tax and dividends, driven by monetary policy income that amounted to EUR 25.7 billion. In addition to these direct payments, monetary policy also helped to substantially reduce the debt burden of the government, which for several years was able to issue its securities at low and even negative rates. Thanks to the Banque de France's productivity drives in recent years, it has also been able to reduce the cost of the services it provides to the state by EUR 70 million, or 26%, over a nine-year period.

Net operating expenditure (EUR millions)



Source: Banque de France.

Total staff



■ Total full-time equivalent employees at year-end

Source: Banque de France.

Exiting unconventional monetary policies reduces central bank income

The normalisation of monetary policy begun in 2022 with rapid hikes in key rates against a backdrop of persistently high inflation resulted in a sharp fall in monetary policy income for the vast majority of central banks that conducted unconventional monetary policies, particularly in the United States, Canada, Australia, and the United Kingdom. Across the Eurosystem, key rates were thus raised by 450 basis points between July 2022 and September 2023.

Payments to the state since 2012

(EUR millions)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Cumulative total since 2015
Corporation tax	3,110	2,449	2,151	1,902	2,038	2,690	2,400	2,650	1,633	1,895	1,067	0	0	16,275
Dividends	2,387	1,699	1,503	1,543	2,464	2,306	3,222	3,478	1,913	568	0	0	0	15,494
TOTAL PAYMENT TO THE STATE	5,497	4,148	3,654	3,445	4,502	4,996	5,622	6,128	3,546	2,463	1,067	0	0	31,769

Source: Banque de France.

Within the framework of the asset purchase programmes, the Eurosystem central banks acquired public and private sector bonds with long maturities to allow interest rates to decrease after key rates had been reduced to close to zero. These long-term, low, and even negative, fixed-rate securities generated excess liquidity that resulted in bank deposits on the liabilities side being remunerated at the deposit facility rate, which, when it is positive, represents an expense for central banks. This expense, which rose sharply in 2023 with successive increases in key rates, remained significant in 2024 despite rates beginning to come down. Within the Eurosystem, excess liquidity decreased significantly during 2024 (down EUR 700 billion compared to December 2023), particularly as targeted longer-term refinancing operations (TLTRO III) were fully repaid. However, excess liquidity is still high, and stood at more than EUR 2,800 billion at the end of December 2024.

Turning more specifically to the Banque de France, as in 2023, the significant expenses related to the remuneration of excess liquidity incurred in 2024 weighed on monetary policy income and, more broadly, on net income from activities, which remained in negative territory with a net expense of EUR 15.7 billion. Nevertheless, the gradual reduction in excess liquidity combined with the fall in the deposit facility rate since 2024 (down 100 basis points over the year) means that very significant cost reductions can be expected from 2025 onwards. Estimating the scale of that future expenditure remains highly uncertain as it depends on future monetary policy decisions, which in turn depend on changes in inflation.

The primary objective of the Eurosystem's monetary policy is price stability, not profitability. However, central banks' credibility and capacity to act rely on the financial

solidity of their balance sheets, their ability to absorb losses in periods of imbalance caused by significant excess liquidity, and their preparedness to rebuild their levels of capitalised reserves, with appropriate provisioning of risks, during periods of relative stability.

As a result, the loss before tax for the financial year of EUR 17.9 billion could be covered in part by a EUR 10.1 billion transfer from available reserves. The residual net loss of EUR 7.7 billion was carried forward to the liabilities side of the balance sheet and will be absorbed by future profits.

At the end of 2024, the Banque de France continued to have a particularly sound financial position. After taking into account the loss for the 2024 financial year, net own funds – consisting of equity and unrealised capital gains on assets held (recorded in the revaluation accounts) – amounted to EUR 202.7 billion, up EUR 32.9 billion year on year due to the increase in the value of gold and foreign exchange assets observed in 2024.

Financial statements of the Banque de France

The Banque de France General Council approved the financial statements for the year ended 31 December 2024 at its meeting of 19 March 2025.

The Banque de France's balance sheet reduced from EUR 1,597 billion at 31 December 2023 to EUR 1,516 billion at 31 December 2024. This further contraction was a direct result of monetary policy normalisation measures (since mid-2022), which notably reduced (i) loans to credit institutions, and (ii) the portfolios of purchased monetary policy securities. With regard to the APP (asset purchase programme), the Eurosystem stopped reinvestments of maturing securities in July 2023. As for the PEPP (pandemic emergency purchase programme), purchases continued to be restricted, as in 2023, to the reinvestment of maturities in the first half of 2024, and the PEPP portfolio itself was reduced by around EUR 7.5 billion per month in the second half of 2024, before the Eurosystem brought a halt to all reinvestments at the end of the year.

Furthermore, as the reduction in outstanding loans to credit institutions continued (down EUR 97 billion in 2024 compared with a decrease of EUR 222 billion in 2023) and outstanding amounts of euro-denominated securities acquired under purchase programmes dropped again by EUR 74 billion in 2024 (down EUR 43.8 billion in 2023), there was a significant decline in euro-denominated liabilities to credit institutions related to monetary policy operations (down EUR 189 billion).

Net expense from the Banque de France's activities was up year on year at EUR 15,725 million from EUR 10,086 million in 2023. The costs of remunerating excess liquidity continued to be significant due to the high deposit facility rate (3.7% on average, compared with 3.3% in 2023), which was gradually lowered over the second half of 2024, from 4% in June 2024 to 3% in December 2024. Furthermore, income from the inflation-linked securities held as part of the APP and PEPP purchase programmes (EUR 62,193 million) declined by EUR 1,029 million in line with lower inflation.

Operating expenses decreased to EUR 2,130 million, down EUR 230 million, or 10%, year on year, mainly due to pension expenses being financed by a transfer from the special pension reserve fund. After operating expenses, profit/loss before tax showed a loss of EUR 17,855 million (against a loss of EUR 12,446 million in 2023). This loss before write-back of provisions was partly absorbed by a EUR 10,118.8 million transfer from the fund for general risks (FRG) – *see the above section on "financial balances"*. After accounting for this reversal in provisions, the Banque de France reported a net loss for the 2024 financial year of EUR 7,734.4 million.

At its meeting of 19 March 2025, the General Council reviewed the annual financial statements for the year ended 31 December 2024 and decided to carry forward the entirety of this sum.

The balance sheet and profit and loss account

Balance sheet at 31 December 2024

(EUR millions)

Notes to the balance sheet	ASSETS	At 31 Dec. 2024	At 31 Dec. 2023	Notes to the balance sheet	LIABILITIES	At 31 Dec. 2024	At 31 Dec. 2023
1 A1	Gold and gold receivables	196,745	146,345	12 L1	Banknotes in circulation	292,327	292,115
2 A2	Claims denominated in foreign currency (excluding relations with the IMF)	31,224	31,625	4 L2	Liabilities to euro area credit institutions related to monetary policy operations	694,670	883,661
	2.1 Claims on non-euro area residents denominated in foreign currency	28,582	26,820		2.1 Current accounts (covering the minimum reserve system)	30,536	31,318
	2.2 Claims on euro area residents denominated in foreign currency	2,642	4,805		2.2 Other liabilities	664,134	852,342
3 A3	Receivables from the IMF	47,197	45,197	13 L3	Other liabilities to euro area credit institutions denominated in euro	1,252	14,660
5 A4	Claims on non-euro area residents denominated in euro	4,163	1,735	14 L4	Euro-denominated liabilities to non-euro area residents	55,323	45,764
4 A5	Lending to euro area credit institutions related to monetary policy operations denominated in euro	2,052	99,006	2 L5	Foreign currency liabilities	117	2,514
5 A6	Other claims on euro area credit institutions denominated in euro	21,818	18,178	3 L6	Counterpart of Special Drawing Rights allocated by the IMF	37,150	36,054
6 A7	Securities of euro area residents denominated in euro	998,348	1,034,043	15 L7	Intra-Eurosystem liabilities	108,667	27,945
	7.1 Securities held for monetary policy purposes	909,144	983,571	16 L8	Liabilities to other euro area residents denominated in euro	15,150	25,082
	7.2 Other securities	89,204	50,472		8.1 Liabilities vis-à-vis the state and government agencies	7,351	14,947
	A8 Intra-Eurosystem claims	82,642	96,391		8.2 Other liabilities	7,799	10,134
11 8.1	Participating interest in the ECB	1,782	1,901	17 L9	Items in course of settlement	54	28
7 8.2	Claims equivalent to the transfer of foreign reserves to the ECB	8,404	8,510	18 L10	Banking transactions	96,685	87,095
	8.3 Claims on the Eurosystem for euro banknotes in circulation	69,202	83,810	19 L11	Other items	10,826	11,466
7 8.4	Other claims within the Eurosystem	3,253	2,170	20 L12	Provisions for liabilities and charges	700	684
8 A9	Advance to the IEDOM	7,456	7,407	21 L13	Revaluation accounts	186,266	134,216
9 A11	Other euro and foreign currency denominated financial assets	105,966	108,556	23 L14	Fund for general risks and tax-regulated provisions	75	3,996
10 A12	Other items	16,071	6,529	22 L15	Revaluation reserve for state gold and foreign exchange reserves	16,448	22,771
11 A13	Fixed assets	2,028	1,972	24 L17	Capital, reserves and retained earnings	7,737	8,932
	13.1 Tangible and intangible fixed assets	1,340	1,286	L18	Profit/loss for the year	-7,734	0
	13.2 Participating interests other than the ECB	687	686				
	TOTAL ASSETS	1,515,709	1,596,984		TOTAL LIABILITIES	1,515,709	1,596,984

Note: Each item of the balance sheet and profit and loss account is rounded up or down to the nearest EUR million. For this reason, discrepancies between totals or sub-totals and the items underlying them may arise. This also applies to the figures presented in the Notes to the financial statements.

Profit and loss account for 2024

(EUR millions)

Notes to the P&L		2024	2023
1	Net income from Banque de France activities	-15,725	-10,086
29	1.1 Net interest income/expense	-19,274	-16,838
	1.1.1 Interest and related income	20,493	26,009
	1.1.2 Interest and related expenses	-39,767	-42,848
30	1.2 Net result of financial operations and write-downs	-691	3,821
	1.2.1 Net realised gains/losses and unrealised losses on foreign exchange	-124	4,648
	1.2.2 Transfers to/from the foreign currency revaluation reserve	124	0
	1.2.3 Other income and expenses on financial transactions	-691	-827
31	1.3 Net result of pooling of monetary income	3,262	2,159
	1.4 Net income/expense from fees and commissions	-20	-18
	1.4.1 Income from fees and commissions	36	36
	1.4.2 Expense from fees and commissions	-56	-54
32	1.5 Income from equity securities and participating interests	76	50
33	1.6 Other income and expenses, net	922	740
2	Operating expenses	-2,130	-2,360
34	2.1 Staff costs and related expenses	-1,025	-1,026
	2.2 Pensions and related expenses	-219	-540
	2.3 Taxes other than income tax	-34	-33
	2.4 Provisions, depreciation and amortisation	-170	-168
	2.5 Other operating income and expenses, net	-681	-593
	Profit/loss before tax and exceptional items (1 + 2)	-17,855	-12,446
22	3 Net additions to fund for general risks and tax-regulated provisions	10,121	12,446
4	Exceptional items	0	0
	4.1 Exceptional income	0	0
	4.2 Exceptional expenses	0	0
35	5 Corporate income tax	0	0
	Profit/loss for the year (1 + 2 + 3 + 4 + 5)	-7,734	0

Notes to the financial statements

Accounting principles and valuation methods

Legal framework

The annual financial statements of the Banque de France are presented in accordance with a format decided by its General Council¹ and with the provisions of the Order of the Minister of the Economy, Finance and Industry of 7 February 2000, which was amended on 16 November 2010. Their structure is designed to reflect the specific nature of the tasks carried out by the Banque de France as part of the European System of Central Banks (ESCB), and its diverse range of activities. The financial statements are expressed in millions of euro.

The accounting and valuation methods applied by the Banque de France are defined in Article R. 144 6 of the French Monetary and Financial Code, which specifies the following provisions.

- For all activities carried out within the ESCB framework, the Banque de France must comply with the accounting and valuation methods laid down by the European Central Bank (ECB) in its Guideline of 3 November 2016 (ECB/2016/34), amended in 2019 (ECB/2019/34), in 2021 (ECB/2021/51), and in 2024 (ECB/2024/31).
- This Guideline establishes in particular the accounting rules applicable to refinancing operations for the

banking sector, securities, foreign currency transactions carried out in the course of foreign exchange reserve management, and the issue of banknotes.

- The accounting rules established by the *Autorité des normes comptables* (ANC – the French accounting standards authority) apply to all the Banque de France's other activities. However, the Banque de France General Council may also decide to apply the accounting and valuation methods recommended by the ECB.

With effect from 1 January 2003, the General Council extended the accounting methods laid down by the ECB Governing Council to securities portfolios recorded in asset item A11. Since 1 January 2018, and by decision of the General Council, this provision has also applied to securities portfolios held in the Banque de France Employee Reserve Fund recorded in asset item A12.

General accounting principles

The accounting rules are applied in accordance with the principles of prudence, going concern, consistency (of methods between reporting periods), accruals, matching and revenue recognition (independence of reporting periods), cost (economic reality), full disclosure, and recognition of significant post-balance sheet events.

Valuation methods

Foreign currency transactions and resulting gains and losses

Spot and forward purchases and sales of foreign currencies are recorded as off balance sheet commitments at the trade date. They are recognised in the balance sheet at the settlement date.

Gold and foreign currency positions are valued at year-end on the basis of the prevailing rates and prices on the last business day of the year. Unrealised gains are recorded as liabilities in the revaluation accounts under item L13. Unrealised losses are recorded in profit and loss item 1.2.1 as financial transaction expenses. Unrealised gains and losses are not offset.

Foreign currency gains and losses on gold and foreign exchange reserves

Realised gains and losses are calculated for each currency. A weighted average price is calculated daily, firstly on inflows (spot or forward purchases on the trade date, and foreign currency denominated income,

in particular daily accrued interest), and secondly on outflows (spot or forward sales on the trade date, and foreign currency denominated expenses). The realised gain or loss is calculated by applying the difference between these average prices to the lower of the day's inflows or outflows.

Revaluation reserve for state gold and foreign exchange reserves (RRRODE)

The amended agreement between the state and the Banque de France dated 3 July 2024 and published on 6 July 2024 neutralises the impact on the Banque de France's profit and loss account of realised gold and foreign currency gains and losses (including currency option premiums) and unrealised losses at year-end, thanks to a mechanism whereby the counterpart in the profit and loss account is symmetrically offset against the RRRODE. The amount of net foreign currency gains taken to the RRRODE is limited to the net profit for the year before transfers to the reserves.

The agreement also stipulates that:

- the amount of the RRRODE must be at least equal to 12% of the foreign currency positions and must also be sufficient to cover any losses that would arise if prices fell to their worst level of the past ten years;
- if the RRRODE falls below its minimum amount as defined above, it shall be replenished by way of an appropriation from profit for the financial year (which may not exceed 20% of net profit).

¹ In accordance with Article R. 144-6 of the French Monetary and Financial Code that stipulates that the "General Council approves the presentation of

the published financial statements" and that the General Council "may restrict the details of publicly disclosed information".

Foreign currency gains and losses other than on gold and foreign exchange reserves

The Banque de France applies ANC Regulation 2014-03 to foreign currency transactions that are not connected to its main responsibilities as a central bank. Foreign currency deposits and investments are marked to market on the last business day of the year. Realised and unrealised foreign currency gains and losses are recorded in profit and loss item 1.2.3, "Other income and expenses on financial transactions, net". Accrued income and expenses are converted into euro at the rate prevailing on the day the transaction is recorded. Forward foreign currency hedges are valued at the closing date exchange rate.

Securities portfolios

Securities held by the Banque de France are recorded in the following balance sheet items:

- A2 for foreign currency denominated securities held in connection with foreign exchange reserve management;
- A7.1 for securities held for monetary policy purposes;
- A11 for euro-denominated securities earmarked against the Banque de France's own funds, provisions and customer deposits recorded in items L4 or L10;
- A12 for securities held in the Banque de France Employee Reserve Fund;
- A4 or A7.2 for other euro-denominated securities depending on whether they are issued by non-residents or residents.

Securities held for monetary policy purposes

Debt securities held for monetary policy purposes (item A7.1) are valued at amortised cost, regardless of their holding intention. They may therefore be sold before maturity if the ECB Governing Council so decides. Impairment tests are conducted annually.

Securities held for monetary policy purposes following corporate debt restructuring are reported at their year-end market value.

Other securities

Other securities are recognised as follows.

- Debt securities that the Banque de France has decided to hold to maturity are recognised in the financial statements at amortised cost. They are tested for impairment annually and may be written down if there is a risk of non-recovery.
- Debt securities that may be sold before maturity and equities (or similar securities) are marked to market on a line-by-line basis on the last business day of the year. Unrealised gains are recorded as liabilities in the revaluation accounts under item L13. Unrealised losses are recorded in profit and loss item 1.2.3 as financial transaction expenses. Unrealised gains and losses are not offset. Gains and losses arising from sales carried out during the year are calculated on the basis of the weighted average price of each line of securities and are recorded in profit and loss item 1.2.3, "Other income and expenses on financial transactions, net".

Marketable investment fund units, held for investment purposes without the Banque de France intervening in the decisions on the purchase or sale of the underlying assets, are recognised at their year-end net asset value. No offsetting is performed between unrealised gains and losses on the various units of the marketable investment funds held.

Non-marketable investment fund units are recognised in the balance sheet at purchase cost. At the end of the financial period, the units are valued at the lower of their historical cost and value in use. When the latter is lower than the purchase cost, the units may be written down based on the risk analysis methodology adopted by the Banque de France's Risk Committee.

Specific treatment of Banque de France Employee Reserve Fund securities

The rules described in the note on "Other securities" (see above) apply to the securities held in the *Caisse de réserve des employés* (CRE – the Banque de France Employee Reserve Fund). However, unrealised losses recognised on debt securities that can be sold, equities

and units of marketable investment funds in connection with their mark-to-market, and the gains and losses on disposal of these securities, are booked to the Employee Reserve Fund's equity capital. Consequently, there is no impact on the Banque de France's profit and loss account. The same applies to any depreciation recognised by way of provisions for debt securities held to maturity and for non-marketable investment fund units (see Note 28).

Financial futures

Interest rate financial futures traded on organised markets are recorded off balance sheet at the notional amount, while daily margin calls paid or received are recognised in profit and loss item 1.2.3.

Interest rate swaps are marked to market at 31 December. Unrealised gains are recorded as liabilities in the revaluation accounts under item L13. Unrealised losses are recorded in profit and loss item 1.2.3 as financial transaction expenses. Unrealised gains and losses are not offset. Unrealised losses are amortised over the remaining life of the contract. The interest is recorded in profit and loss item 1.1 on an accruals basis.

Currency option premiums are recorded on the asset side of the balance sheet if they relate to purchases and on the liabilities side if they relate to sales. In the event that the option is exercised, the premium is included in the price of the currency purchased. If the option is not exercised, at its expiry date the premium is recorded in profit and loss item 1.2.1, "Net realised gains/losses and unrealised losses on foreign exchange". At year-end, the premium amounts booked to the profit and loss account during the year are transferred to the revaluation reserve for state gold and foreign exchange reserves (RRRODE) in the same way as realised foreign currency gains and losses (see above).

Open positions on currency options are marked to market at the balance sheet date. Unrealised gains are recorded as liabilities in the revaluation accounts (item L13). Unrealised losses are recorded in profit and loss item 1.2.3 as financial transaction expenses. Unrealised gains and losses are not offset.

Forward foreign currency transactions with customers (see Note 26) are marked to market at 31 December.

Eurosystem claims and liabilities

Eurosystem claims and liabilities arise on cross-border euro payments made within the European Union and settled in central bank money. These payments are allocated to TARGET (the Trans-European Automated Real-time Gross settlement Express Transfer system) and give rise to bilateral balances in the TARGET accounts of the ESCB central banks. Payments conducted by the ECB and the national central banks (NCBs) also affect these accounts. All settlements are automatically aggregated and adjusted to form part of a single position for each NCB vis-à-vis the ECB. The movements in TARGET accounts are reflected in the accounting records of the NCBs and the ECB on a daily basis. The Banque de France's net position in TARGET is carried on the Banque de France's balance sheet either as a net liability to the Eurosystem in item L7 (see Note 15) if it is a credit or as a net claim on the Eurosystem in item A8 (see Note 7) if it is a debit.

The Banque de France's participating interest in the ECB is recorded in balance sheet item A8.1 (see Note 11). This item also includes the net amounts paid by the Banque de France in connection with an increase in the proportion of its subscription of the ECB's equity value resulting from a change in the capital key.

The Banque de France's claim on the ECB resulting from the transfer of a part of reserve assets is recorded in item A8.2. The claim that results from interim dividends and accrued income receivable from the ECB in respect of the allocation of the balance of monetary income (see Note 7) is recorded in item A8.4. Lastly, the claim that results from the shared responsibility for issuing euro banknotes among NCBs and the ECB is recorded in item A8.3. Accrued expenses in respect of the pooling of monetary income are recorded in liability item L7 (see Note 15).

Tangible and intangible fixed assets

Tangible and intangible fixed assets are valued and accounted for in accordance with French reporting standards.

Land is carried at acquisition cost. Buildings and equipment are carried at historical cost, less depreciation or provisions for impairment booked since they were brought into service.

In accordance with Article 322-1 of the *plan comptable général* (the French general chart of accounts), the depreciation period for each asset is determined on the basis of its probable useful life. The Banque de France's property assets are therefore depreciated over 10, 20, 33 or 50 years, depending on the asset type. Computer equipment is depreciated over 2 to 10 years and other equipment is depreciated over periods ranging from 3 to 12 years. Purchased software is amortised over 3 to 6 years. Most fixed assets are depreciated using the straight-line method. In accordance with ANC Regulation 2014-03, the useful life of fixed assets is reviewed regularly and modified as required.

External expenditure relating to the development and integration of computer software is capitalised.

Projects developed by one or more Eurosystem NCBs are capitalised in accordance with the full cost accounting methodology set down by the Eurosystem. The Banque de France recognises any share in those projects – calculated at the Eurosystem level – in the total amount to be capitalised.

Accelerated tax depreciation is applied to fixed assets that can be depreciated more rapidly for tax purposes than for accounting purposes.

Banknotes in circulation

The ECB and the euro area member NCBs that together make up the Eurosystem issue euro banknotes. The total value of euro banknotes in circulation in the Eurosystem is allocated on the last business day of each month in accordance with the banknote allocation key.² The ECB has been allocated an 8% share of euro banknotes in circulation, with the remaining 92% allocated between NCBs according to their share of the ECB's paid-up capital.

The share of banknotes in circulation allocated to the Banque de France is disclosed in liability item L1, "Banknotes in circulation".

The difference between (i) the value of banknotes in circulation allocated to each NCB in accordance with the banknote allocation key and (ii) the value of banknotes actually put into circulation by the NCB gives rise to an interest-bearing intra Eurosystem position presented in item A8.3 if it is a debit and in item L7 if it is a credit. This position earns interest³ at the main refinancing operation rate. The corresponding interest income and expenses are included in profit and loss item 1.1, "Net interest income/expense".

A mechanism to smooth any adjustments that may arise during the first five years following a country's entry into the euro area is in place.⁴

Dividend paid by the ECB

The ECB's seigniorage income arising from its 8% share of euro banknotes in circulation, as well as the income generated on its monetary policy securities purchased under the SMP, CBPP3, ABSPP, PSPP and PEPP programmes,⁵ are distributed in January of the following year in the form of an interim dividend unless the ECB Governing Council decides otherwise.⁶ This income is distributed in full unless it exceeds the ECB's profit. The ECB Governing Council may decide to transfer all or part of this income to the provision for ECB financial risks. It may also decide to deduct the total expenses incurred by the ECB in issuing and handling euro banknotes from the total income from euro banknotes in circulation to be distributed in January.

The amount distributed to NCBs is recorded in profit and loss item 1.5, "Income from equity securities and participating interests".

Fund for general risks

The *fonds pour risques généraux* (FRG – fund for general risks) is intended to cover the possible risks to which the Banque de France is exposed through its activities, except for the exchange rate risk on gold and foreign exchange reserves, which is covered by the relevant revaluation accounts and by the RRRODE (see above). Its amount is determined on a discretionary basis depending on exposures at the balance sheet closing date and an analysis of the attendant risks using a forward-looking approach. It is booked as a liability in

item L14. Charges to and reversals from the fund are recorded through item 3 of the profit and loss account.

Pension scheme

See Note 28.

Changes in accounting presentation

“Net result of pooling of monetary income”, previously listed as profit and loss item 1.5, has been moved up to item 1.3. Consequently, “Fees and commission” and “Income from equity securities and participating interests” are now shown as profit and loss items 1.4 and 1.5, respectively.

Key events in 2024

Against a backdrop of inflation that was gradually brought back under control, the ECB Governing Council eased financing conditions during the second half of the year, by lowering key interest rates four times between 6 June 2024 and 12 December 2024. In addition, the monetary policy portfolios continued to be run off. Reinvestments of maturities in the asset purchase programme (APP) portfolio were halted in July 2023 and pandemic emergency purchase programme (PEPP) purchases were restricted to reinvestments of maturities in the first half of 2024 only, after which the portfolio was run off by around EUR 7.5 billion per month in the second half of 2024, before the Eurosystem halted reinvestments completely at the end of the year.

These measures resulted in a further contraction of the Banque de France’s total balance sheet, which decreased by 5.1% in 2024 after a 15.3% reduction in 2023. Nonetheless, although excess liquidity was reduced, levels remained high and expenses related to its remuneration continued to be significant. This situation resulted in a net loss.

Post-balance sheet events

On 30 January 2025, between the end of the 2024 financial reporting period and the date on which the Banque de France General Council approved the financial statements, the ECB Governing Council decided to lower its three key interest rates by 25 basis points. The Governing Council of 13 March 2024 also decided that, from 1 January 2025, the deposit facility rate (DFR) would replace the main refinancing operations (MRO)

rate as the basis for the remuneration of (i) TARGET balances, (ii) claims related to the allocation of euro banknotes within the Eurosystem, (iii) liabilities related to the transfer of foreign exchange reserves to the ECB, and (iv) monetary policy securities with non-shared risks within the framework of the pooling of monetary income.

Balance sheet

Note 1: Gold and gold receivables

At 31 December 2024, the Banque de France held 78 million ounces (2,436 tonnes) of fine gold. The sharp increase in the equivalent euro value of these reserves is due to the continuing rise in the market price of gold (up 34% in 2024 after a 9% increase in 2023).

Note 2: Claims and liabilities denominated in foreign currency (excluding relations with the IMF)

Foreign currency assets are primarily US dollar holdings. At 31 December 2024, US dollars accounted for almost half of total foreign currency assets. Holdings in other currencies are intended to diversify risks. A breakdown of holdings by main currencies is provided below.

2 ECB decision of 13 December 2010 on the issue of euro banknotes (recast) (ECB/2010/29).

3 ECB decision of 3 November 2016 on the allocation of monetary income of the national central banks of Member States whose currency is the euro (ECB/2016/36).

4 This mechanism was applied in 2023 when Croatia became a member of the Eurosystem.

5 SMP: securities markets programme; CBPP: covered bond purchase programme; ABSPP: asset backed securities purchase programme; PSPP: public sector purchase programme; PEPP: pandemic emergency purchase programme.

6 ECB decision of 15 December 2014 on the interim distribution of the income of the ECB (ECB/2014/57).

Foreign exchange reserves are invested in overnight deposits, fixed-term deposits and fixed-rate and index-linked bonds. As part of its foreign exchange reserve management, the Banque de France lends and borrows foreign currency denominated securities through repo and reverse repo transactions. These transactions are recorded in asset item A2 and liability item L5.

Breakdown of holdings by main currency

(%)

	At 31 Dec. 2024	At 31 Dec. 2023
US dollar (USD)	49	47
Australian dollar (AUD)	10	11
Canadian dollar (CAD)	6	<5
South Korean won (KRW)	5	6
Net assets vis-à-vis the IMF (SDR)	23	24
Other	7	7

Claims and liabilities denominated in foreign currency (excluding relations with the IMF)

Asset item A2 and liability item L5

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
ASSETS – Foreign currency assets		
Overnight deposits	131	118
Fixed-term deposits	1,782	3,801
Foreign currency liquidity provision to Eurosystem counterparties	0	0
Securities received under repurchase agreements	58	138
Fixed-rate or index-linked bonds	29,022	27,286
<i>o/w recognised at amortised cost</i>	16,184	14,508
<i>o/w marked to market line-by-line</i>	12,838	12,778
Accrued interest receivable	231	281
TOTAL	31,224	31,625
LIABILITIES – Foreign currency liabilities		
Securities delivered under repurchase agreements	116	2,508
Accrued interest payable	0	6
TOTAL	116	2,514

Note 3: Relations with the IMF

The Banque de France's net asset position on its special drawing rights (SDR) increased to EUR 10,046 million at year-end 2024, up from EUR 9,143 million at the end of 2023.

In accordance with the agreement of 3 July 2024 between the state and the Banque de France on the management of and accounting for state foreign exchange reserves, International Monetary Fund (IMF) receivables and liabilities are recognised in the Banque de France's balance sheet.

On the asset side:

- The reserve tranche position is equal to the proportion of the IMF quota (France's share in the IMF's capital) settled in gold and foreign currencies plus or minus the net utilisation of the quota in euro. Since 2016, France's quota has been SDR 20.2 billion.
- Special drawing rights (SDRs) allocated to IMF member countries in proportion to their quota, or acquired under voluntary swap agreements with IMF-designated member countries.
- Loans granted to the IMF within the framework of the New Arrangements to Borrow (NAB), the Poverty Reduction and Growth Trust (PRGT) and the Resilience and Sustainability Trust (RST) set up under the auspices of the IMF for low-income countries, or drawdowns on the quota.

The cumulative SDR allocations by the IMF to France are recorded in liability item L6. The last entry was made on 23 August 2021 to reflect an allocation of SDR 19.3 billion, thus raising the total to SDR 29.5 billion.

Relations with the IMF

Asset item A3 and liability item L6

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
ASSETS		
Receivables from the IMF		
Reserve tranche position	6,139	6,667
Loans as part of the NAB	0	23
SDR holdings	34,270	35,244
Loans as part of the PRGT	5,198	2,113
Loans as part of the RST	1,331	841
Accrued interest receivable	260	309
TOTAL	47,197	45,197
LIABILITIES		
Counterpart of Special Drawing Rights allocated by the IMF	36,945	35,805
Accrued interest payable	205	249
TOTAL	37,150	36,054

Note 4: Lending to and liabilities to euro area credit institutions related to monetary policy operations

Transactions carried out by the Banque de France with credit institutions as part of the Eurosystem's monetary policy are recorded in asset item A5 and liability item L2.

On the asset side, item A5 primarily includes loans granted to credit institutions of EUR 2 billion (EUR 99 billion at year-end 2023). The risks related to these transactions are shared within the framework of the Eurosystem on the basis of a Eurosystem key, which is calculated for each NCB as the proportion of its subscription of the ECB's capital (its capital key) against the total capital keys for all euro area NCBs (see Note 11). At 31 December 2024, the Banque de France thus bore the risks on 20.00% of loans to credit institutions granted by the Eurosystem NCBs, which amounted to EUR 34 billion at year end (EUR 410 billion at year-end 2023). As loans to credit institutions are secured by collateral, losses may occur only in the event of counterparty default when the sums from the sale of the collateral are insufficient to cover the loans granted.

Loans to credit institutions cover the main financing operations, which are short-term open market operations conducted by the Eurosystem. They play a key role in steering interest rates, managing bank liquidity and

signalling monetary policy stances. They are conducted through weekly tenders in the form of temporary sales of assets (repurchase agreements) with a one-week maturity. Since October 2008, these operations have been conducted as fixed-rate tender procedures.

In 2019, the ECB Governing Council launched seven longer-term refinancing operations (LTRO) and targeted longer-term refinancing operations (TLTRO). Three new operations, each with a three-year maturity, were added between June 2021 and December 2021. As no new operations have been launched since then, all outstanding TLTROs were repaid by 31 December 2024 (including EUR 96 billion in 2024).

As a reminder, on 27 October 2022, against a backdrop of rapidly increasing ECB key rates, the ECB Governing Council decided that the interest rate of each TLTRO III operation would be indexed to the average key ECB interest rate from 23 November 2022 until the maturity date or early repayment date. Therefore, it was impossible to know the effective interest rate for each of these TLTRO III operations until they matured or were repaid early. Before that date, an estimate had to be applied. This means that for the last transactions recorded in the 2024 financial statements, the rate used to calculate accrued interest was the average key interest rate since 23 November 2022.

Deposits from credit institutions held by the Banque de France for monetary policy purposes are recorded in liability item L2, and include the following.

- Credit institutions' current accounts held by the Banque de France and recorded in liability item L2.1. Current account amounts are made up of minimum reserve requirements (calculated as 1% of the reserve base⁷ since January 2012) and sums in excess of minimum reserve requirements.

⁷ The reserve base includes liabilities corresponding to "deposits", "debt securities" and "money market paper" (denominated in euro and/or foreign currencies, with regard to residents or non-residents) as defined within the framework of the ECB provision on the collection of monetary

and banking statistics. However, it excludes interbank liabilities between institutions that are themselves subject to the minimum reserve system and liabilities vis-à-vis other participating national banks and the ECB. <https://www.banque-france.fr/en/monetary-strategy/>

- Deposit facilities, recorded in liability item L2.2, which enable Banque de France counterparties to make overnight deposits, remunerated at a rate set by the ECB Governing Council.⁸

Minimum reserves were remunerated at the ECB's deposit facility rate⁹ until 19 September 2023. On 27 July 2023, the ECB Governing Council decided to set the remuneration of minimum reserves at 0% with effect from 20 September 2023.¹⁰

Deposits in excess of minimum reserve requirements bear interest at the lower of 0% or the deposit facility rate.

Lending and liabilities to euro area credit institutions related to monetary policy operations denominated in euro

Asset item A5 and liability item L2

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
LOANS		
Main refinancing operations	2,003	682
Longer-term refinancing operations	0	96,037
Fine-tuning operations (a)	0	0
Structural operations	0	0
Marginal lending facilities (b)	48	10
Margin calls paid	0	0
Accrued interest receivable (c)	0	2,277
TOTAL	2,052	99,006
LIABILITIES		
Current accounts	30,536	31,318
Other liabilities	664,134	852,153
Deposit facilities	664,134	852,153
Collection of fixed-term deposits (a)	0	0
Repurchase agreements	0	0
Margin calls received	0	0
Accrued interest payable (c)	0	189
TOTAL	694,670	883,661

(a) Fine-tuning operations are executed on an ad-hoc basis with the aim of managing market liquidity and steering interest rates. They take the form of reverse transactions, outright cross-currency swaps or the collection of fixed-term deposits, generally executed by means of quick tenders or bilateral procedures.

(b) Marginal lending facilities are overnight facilities granted in the form of reverse transactions to Banque de France counterparties at their request. Interest is paid on these facilities at a rate fixed by the Eurosystem.

(c) Accrued interest and other receivables and payables for the financial year.

Note 5: Claims on non-euro area residents denominated in euro (A4) and Other claims on euro area credit institutions denominated in euro (A6)

These items include euro-denominated investments earmarked against euro-denominated deposits, particularly securities purchased under repurchase agreements, recorded in liability item L4 (see Note 14). These amounts, unrelated to monetary policy operations, are split between asset items A4 and A6 on the basis of whether the counterparty is located within or outside the euro area.

Claims on non-euro area residents denominated in euro and other claims on euro area credit institutions denominated in euro

Asset items A4 and A6

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Securities held to maturity	3,855	1,487
Other claims	246	219
Accrued interest receivable	62	29
Total claims on non-euro area residents denominated in euro	4,163	1,735
Securities received under repurchase agreements	21,237	15,481
Other including loans	560	2,664
Accrued interest receivable	21	32
Total other claims on euro area credit institutions denominated in euro	21,818	18,178

Note 6: Securities of euro area residents denominated in euro

A7.1 "Securities held for monetary policy purposes"

In addition to securities held as a result of conventional monetary policy measures, this item includes securities purchased by the Banque de France under the asset purchase programmes organised by the Eurosystem since 2009. These are purchased within the scope of the securities markets programme (SMP),¹¹ the third corporate bond purchase programme (CBPP3),¹² the public sector purchase programme (PSPP)¹³ and the corporate sector purchase programme (CSPP).¹⁴ Since March 2020, this item has also included securities purchased within the scope of the pandemic emergency purchase programme (PEPP).¹⁵ The ECB is responsible for the asset-backed securities purchase programme (ABSPP).¹⁶

Programme	Programme start date	Programme end date	Risk-sharing between NCBs and the Eurosystem	Universe of eligible securities (a)
Completed programmes				
SMP	May 2010	September 2012	Risk-sharing based on the key for subscription of the ECB's capital	Public and private debt securities issued in the euro area (b)
ABSPP	November 2014	June 2023	Risk-sharing based on the key for subscription of the ECB's capital Purchases borne by the ECB	Purchases of asset-backed securities
CBPP3	October 2014	June 2023	Risk-sharing based on the key for subscription of the ECB's capital	Covered bonds of euro area residents
PSPP	March 2015	June 2023	Risk-sharing based on the key for subscription of the ECB's capital on securities issued by supranational bodies No risk-sharing on government bonds acquired by NCBs	Euro area public sector bonds
CSPP	June 2016	June 2023	Risk-sharing based on the key for subscription of the ECB's capital	Bonds and commercial paper issued by non-bank corporations established in the euro area
PEPP	March 2020	December 2024	Follows APP asset rules	All asset categories eligible under the APP

(a) Other eligibility criteria for specific programmes are defined in ECB Governing Council decisions.

(b) Only public debt securities issued by five euro area states were purchased under the SMP.

Debt securities held for monetary policy purposes are valued at amortised cost and tested for impairment annually (see *"Securities held for monetary policy purposes"* in the section on valuation methods above).

The amortised cost¹⁷ of securities held by the Banque de France and their market value (provided for comparative purposes only) are presented in the table below.

The variation in the amortised cost of securities held for monetary policy purposes between 2023 and 2024 is shown in the second table below.

These securities are tested for impairment at the Eurosystem level on the basis of available information and an estimate of recoverable amounts at the balance sheet closing date. Based on the results of impairment tests carried out at 31 December 2024 and in compliance with the principle of prudence, no impairment loss in respect of the portfolios held by the Eurosystem for monetary policy purposes was recognised in the financial statements. The provision set aside in 2023 on securities

held by a Eurosystem central bank in the PEPP-CSPP portfolio was fully reversed at 31 December 2024 as the securities in question were sold in 2024 (see Note 20 on *"Provisions for liabilities and charges"*).

8 The deposit facility rate was set during 2024 at 4.00% until 11 June, at 3.75% from 12 June to 17 September, at 3.50% from 18 September to 22 October, at 3.25% from 23 October to 17 December, and at 3.00% from 18 December.

9 See the chapter on *Monetary Strategy* in this annual report for more details on changes in policy rates.

10 Banque de France (2023), "La BCE ajuste la rémunération des réserves obligatoires", press release.

11 Securities markets programme – ECB decision No. 2010/5 of 14 May 2010.

12 Covered bond purchase programme – ECB decision No. 2020/8 of 3 February 2020 (recast).

13 Public sector purchase programme – ECB decision No. 2020/9 of 3 February 2020.

14 Corporate sector purchase programme – ECB decision No. 2016/16 of 1 June 2016 (recast).

15 Pandemic emergency purchase programme – ECB decision No. 2020/17 of 24 March 2020 (recast).

16 Asset-backed securities purchase programme – ECB decision No. 2014/45 of 19 November 2014 (recast).

17 With the exception of shares received following corporate debt restructuring, which are recognised at market value.

Securities held for monetary policy purposes

Asset item A7.1

(EUR millions)

	2023		2024		Variation	
	Amortised cost	Market price	Amortised cost	Market price	Amortised cost	Market price
Completed programmes						
SMP	212	235	128	141	-84	-95
Total completed programmes	212	235	128	141	-84	-95
Asset purchase programme (APP)						
CBPP3	64,238	58,242	57,725	52,814	-6,513	-5,428
PSPP – issued by French public bodies	423,026	384,468	378,517	338,210	-44,509	-46,258
PSPP – issued by supranational bodies	71,386	61,588	65,435	56,416	-5,951	-5,171
CSPP	101,764	92,660	91,556	84,398	-10,208	-8,261
Total APP	660,414	596,958	593,232	531,839	-67,182	-65,118
Pandemic emergency purchase programme (PEPP)						
PEPP-PSPP – issued by French public bodies	258,865	224,604	250,708	215,916	-8,157	-8,688
PEPP-PSPP – issued by supranational bodies	45,262	37,648	46,413	39,379	1,151	1,731
PEPP-CSPP	11,132	10,120	11,156	10,345	24	225
PEPP-CBPP	2,052	1,745	2,079	1,813	27	69
Total PEPP	317,311	274,117	310,356	267,454	-6,955	-6,663
Accrued interest receivable	5,634		5,428		-206	
TOTAL	983,571		909,144		-74,426	

Variation in the amortised cost of securities held for monetary policy purposes

(EUR millions)

	At 31 Dec. 2023	Inflows	Outflows	Other variations (a)	At 31 Dec. 2024
Completed programmes					
SMP	212	0	-74	-10	128
Total completed programmes	212	0	-74	-10	128
Asset purchase programme (APP)					
CBPP3	64,238	0	-6,825	312	57,725
PSPP – issued by French public bodies	423,026	0	-43,802	-707	378,517
PSPP – issued by supranational bodies	71,386	0	-6,064	112	65,435
CSPP	101,764	30	-10,254	16	91,556
Total APP	660,414	30	-66,945	-267	593,232
Pandemic emergency purchase programme (PEPP)					
PEPP-PSPP – issued by French public bodies	258,865	18,592	-25,333	-1,416	250,708
PEPP-PSPP – issued by supranational bodies	45,262	2,949	-1,784	-14	46,413
PEPP-CSPP	11,132	818	-788	-6	11,156
PEPP-CBPP	2,052	47	-18	-1	2,079
Total PEPP	317,311	22,406	-27,923	-1,438	310,356
TOTAL (excluding accrued interest)	977,937	22,436	-94,943	-1,714	903,716

(a) Amortisation of mark-ups/mark-downs corresponding to the difference between the acquisition price and the redemption price of securities (spread over their remaining lives on a discounted basis) and the impact of indexing the redemption value of securities to inflation.

A7.2 "Other securities"

This item includes euro-denominated securities issued by euro area residents, other than those held for monetary policy purposes or for the Banque de France Employee Reserve Fund (CRE), or those that are specifically earmarked against the Banque de France's own funds or against customer deposits that are recorded in asset items A7.1, A11 and A12 (see Notes 6, 9, 10 and 26).

Just as it tests its portfolios of monetary policy securities, the Banque de France also carries out impairment tests on its other securities portfolios. Based on these tests, it was concluded that no impairment was needed.

Securities issued by euro area residents denominated in euro

Asset item A7.2

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Securities held to maturity	69,880	47,674
Other securities and accrued interest receivable	19,324	2,798
TOTAL	89,204	50,472

Note 7: Claims equivalent to the transfer of reserves to the ECB and other claims within the Eurosystem

A8.2 "Claims equivalent to the transfer of foreign reserves to the ECB"

Pursuant to Article 30.2 of the Statute of the ESCB, the euro area NCBs transferred foreign exchange reserve assets to the ECB in proportion to their share of the ECB's subscribed capital. Item A8.2 corresponds to the Banque de France's claim against the ECB resulting from this transfer. It is adjusted each time the allocation of the ECB's subscribed capital among euro area NCBs is changed. The last change took place on 1 January 2024 as part of the scheduled five-yearly adjustment, at which time the Banque de France's share decreased from 20.26% to 20.00%.

Claims equivalent to the transfer of reserves to the ECB

Asset item A8.2

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Claims equivalent to the transfer of reserves to the ECB	8,114	8,240
Accrued interest receivable	290	270
TOTAL	8,404	8,510

Claims are remunerated daily at the marginal rate applied to main refinancing operations, adjusted to reflect a zero return on the gold component of the transferred reserve assets.

A8.4 "Other claims within the Eurosystem (net)"

This item includes income receivable from the ECB in respect of the allocation of the balance of monetary income (see Note 31).

No receivable in respect of the Banque de France's net position in TARGET has been recognised in the financial statements as it shows a credit position at the end of 2024 (see Note 15). Furthermore, no ECB interim dividend has been recorded. Given the ECB's results, the Governing Council decided not to distribute the income from banknotes in circulation or from monetary policy securities held by the ECB under the SMP, CBPP3, ABSPP, PSPP and PEPP programmes (see paragraph on the dividend paid by the ECB in the section on accounting principles and valuation methods).

Other claims within the Eurosystem

Asset item A8.4

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Claims on the Eurosystem (TARGET)	0	0
ECB interim dividends	0	0
Income receivable in respect of monetary income	3,253	2,170
TOTAL	3,253	2,170

Note 8: Advance to the IEDOM

The circulation of banknotes in the French overseas departments and the French overseas collectivities of Saint Pierre and Miquelon, Saint Barthélemy and Saint Martin is managed by the *Institut d'émission des départements d'outremer* (IEDOM – Delegated Central Bank for the French Overseas Departments and Territories) in the name of, on behalf of and under the authority of the Banque de France, of which it is a subsidiary.

To this end, the Banque de France grants the IEDOM a non-interest-bearing advance for an amount equivalent to a percentage of France's euro banknote allocation, which, since 1 July 2007, has been calculated according to the allocation mechanism in force within the Eurosystem.

Note 9: Other euro and foreign currency denominated financial assets

Asset item A11 notably includes securities and other assets earmarked against the Banque de France's own funds, provisions and customer deposits recorded in liability items L4 and L10.

Other euro and foreign currency denominated financial assets

Asset item A11

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Debt securities held to maturity (a)	38,613	53,680
Other securities	8,353	8,425
Other transactions	58,967	46,431
Accrued interest receivable	32	20
TOTAL	105,966	108,556

(a) Collateralised securities earmarked against customer deposits: EUR 36,995 million, of which EUR 35,905 million of foreign currency denominated securities.

Securities portfolios

Extract from asset item A11

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Debt securities held to maturity		
Euro-denominated securities	2,708	2,159
Foreign currency denominated securities	35,905	51,520
Accrued interest receivable	27	16
Net balance sheet value	38,640	53,696
Equities and investment fund units (a) (b)		
Collective investment funds	7,692	7,283
Other variable-yield securities	662	697
Net balance sheet value	8,353	7,980

(a) The revalued securities are marked to market on the last business day of the year.

(b) The cost price of the equities and investment fund units at year-ends 2023 and 2024 was EUR 5,686 million and EUR 5,743 million, respectively.

Fixed assets

Asset items A8.1 and A13

(EUR millions)

	31 December 2023	Increase (a)	Decrease (a)	31 December 2024
Participating interest in the ECB (balance sheet value)	1,901	–	119	1,782
Participating interests other than the ECB (gross value)	686	1	–	687
<i>Intangible fixed assets (gross value)</i>	<i>1,062</i>	<i>350</i>	<i>247</i>	<i>1,165</i>
<i>Amortisation and impairment</i>	<i>736</i>	<i>80</i>	<i>2</i>	<i>814</i>
Net value of intangible fixed assets	327	270	245	351
<i>Tangible fixed assets (gross value)</i>	<i>2,556</i>	<i>746</i>	<i>672</i>	<i>2,629</i>
<i>Depreciation and provisions</i>	<i>1,597</i>	<i>94</i>	<i>51</i>	<i>1,640</i>
Net value of tangible fixed assets	959	652	622	989
Total tangible and intangible fixed assets (net balance sheet value)	1,286	922	867	1,340

(a) Increases and decreases also include transfers between fixed asset accounts.

Note 10: Other items

Asset item A12, "Other items", includes all the securities portfolios held in the *Caisse de réserve des employés de la Banque de France* (CRE – the Banque de France Employee Reserve Fund), whose investments are reported at their year-end market value.

Other items

Asset item A12

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Miscellaneous	13,458	5,268
Accruals and deferred expenses	2,613	1,261
Accrued income	915	1,218
Prepaid expenses	40	43
Other adjustment accounts	1,658	0
TOTAL	16,071	6,529

Note 11: Fixed assets and participating interest in the ECB

The Banque de France has not granted any loans or advances to its subsidiaries with the exception of the IEDOM, which has received an advance of EUR 7.5 billion as part of its euro banknote circulation activity on the Banque de France's behalf in the French overseas departments and collectivities that fall within its scope of intervention (see Note 8). Furthermore, the Banque de France has not provided any securities or guarantees for material amounts to these entities.

Following a review of the materiality criteria for these subsidiaries at Banque de France level, none of these entities have been consolidated since 2019.

Information relating to subsidiaries and participating interests at 31 December 2024

Asset items A8.1 and A13.2

(EUR millions)

Name	Headquarters	Asset item	Capital	Share of capital held (%)	Reserves and retained earnings before appropriation of net profit (c)	Net profit	Book value (d)	Pre-tax turnover for the period or equivalent (e)	Dividends received in 2024
European Central Bank (a)	Frankfurt, Germany	A8.1	10,825	20.00	49,459	-7,944	1,782	-6,983	0
Bank for International Settlements (b)	Basel, Switzerland	A13.2	870	8.82	28,851	1,019	405	1,401	23
Europafi	Vic-le-Comte, France	A13.2	133	99.00	15	8	132	107	0
IEDOM	Paris, France	A13.2	33.5	100.00	123	24	149	75	27
Banque de France Gestion	Paris, France	A13.2	0.6	100.00	17	10	ns	29	0
La Prévoyance immobilière	Paris, France	A13.2	<0.1	98.00	ns	ns	ns	ns	0
Immobilière La Vrillière (f)	Paris, France	A13.2	1	100.00	ns	ns	1	ns	0

ns: not significant.

(a) The share of capital held (capital key) referred to above corresponds to the Banque de France's share of ECB capital out of all euro area member national central banks. Dividends are allocated on the basis of this key.

(b) Last financial year-end at 31 March 2024, accounts prepared in SDR, EUR/SDR conversion rate as at 31 March 2024.

(c) Including revaluation accounts and provisions equivalent to reserves for the IEDOM, the European Central Bank and the Bank for International Settlements.

(d) Gross and net book value of the securities held as no provision has been recorded.

(e) Net interest income for the IEDOM, the European Central Bank and the Bank for International Settlements. Production sold for Europafi and Banque de France Gestion.

(f) Company incorporated in 2024 to manage the Banque de France's rental property.

Participating interest in the ECB

Pursuant to Article 28 of the Statute of the ESCB, the capital of the European Central Bank (ECB) is held solely by ESCB national central banks (NCBs). The key for subscription of the ECB's capital is set under the conditions defined in Article 29 of the Statute of the ESCB, based on the various countries' share in the total population and gross domestic product of the European Union. These two determinants have equal weighting. The ECB adjusts this capital key every five years and each time there is a change in the ESCB's composition.

The Banque de France's share was reduced from 16.61% to 16.36% following the scheduled five-yearly adjustment came into effect on 1 January 2024.

Monetary income, ECB dividends and seigniorage income are allocated using a different key that is determined solely on the basis of the participating interests of euro-area NCBs. This key was reduced from 20.26% to 20.00% on 1 January 2024.

From 31 January 2020 (date of the Bank of England's withdrawal from the ESCB) to 31 December 2023, the Banque de France's share in the ECB's paid-up capital was 16.6108%, as the Bank of England's share of the ECB's subscribed capital (EUR 10,825 million) was reallocated among both euro area and non-euro area NCBs.

The Banque de France's share of the ECB's paid-up capital

(%)

Until 31 Dec. 2003	From 1 Jan. 2004 to 30 April 2004	From 1 May 2004 to 31 Dec. 2006	From 1 Jan. 2007 to 31 Dec. 2008	From 1 Jan. 2009 to 30 June 2013	From 1 July 2013 to 31 Dec. 2013	From 1 Jan. 2014 to 31 Dec. 2018	From 1 Jan. 2019 to 31 Jan. 2020	From 1 Feb. 2020 to 31 Dec. 2023	From 1 Jan. 2024
16.8337	16.5175	14.8712	14.3875	14.2212	14.1342	14.1792	14.2061	16.6108	16.3575

On the day the Bank of England withdrew from the ESCB, the ECB's paid-up capital remained unchanged at EUR 7,659 million as the remaining NCBs covered the Bank of England's paid-up capital of EUR 58 million. In addition, the ECB Governing Council decided that the euro area NCBs would be required to pay their increased ECB capital subscriptions resulting from the Bank of England's withdrawal in full in two annual instalments in 2021 and 2022. As a result, the Banque de France made two transfers of EUR 124.6 million each to the ECB in December 2021 and December 2022.

At 31 December 2024, the Banque de France's share of the ECB's paid-up capital amounted to EUR 1,770.7 million.

In addition to the Banque de France's share of the ECB's paid-up capital, the participating interest in the ECB, which amounted to EUR 1,782 million at 31 December 2024, includes the net amounts paid by the Banque de France as a result of the increase in its share of the ECB's equity value¹⁸ following all previous ECB capital key adjustments.

Participating interest in the BIS

The Bank for International Settlements (BIS) is an international institution established in 1930. It was created to provide a mechanism to settle the financial disputes that arose from the First World War.

The BIS is a joint stock company with its head office in Basel, Switzerland and is owned by 63 central banks, which account for around 95% of world GDP and include the Banque de France. In January 2022, François Villeroy de Galhau, Governor of the Banque de France, was elected as the new Chair of the Board of Directors for a term of three years. His mandate was renewed for a further three years in November 2024.

The BIS fosters coordination among central banks via the Basel Process, which directly supports the work of international groups engaged in standard setting and the pursuit of financial stability. The Banque de France is represented on all committees directly under the BIS umbrella, in particular the Basel Committee on Banking Supervision (BCBS), the Committee on the Global Financial System (CGFS), and the Committee on Payments and Market Infrastructures (CPMI).

Participating interest in Europafi

In 2015, the Banque de France spun off its paper business within Europafi. The Banque de France has a 99% holding in Europafi; the Banca d'Italia, the Oesterreichische Nationalbank, and the Banco de Portugal has stakes of 0.5%, 0.25% and 0.25%, respectively.

Participating interest in the IEDOM

Since 1 January 2017, the Banque de France has held 100% of the capital of the IEDOM. The IEDOM is responsible, on behalf of the Banque de France, for implementing its missions of monetary strategy, financial stability and services to the economy and society in the regions that fall within the scope of its intervention.

The IEDOM is thus notably responsible for issuing and managing the circulation of banknotes and coins, rating companies so that private loans can be mobilised as part of Eurosystem refinancing operations, supervising payment means and systems, providing the secretariat of the household debt commissions, managing local interbank registers and providing services of general interest to public or private bodies.

Participating interest in BDF Gestion

BDF Gestion, the Banque de France's fully-owned asset management subsidiary, manages a wide range of collective investment schemes as well as individual mandates for institutional investors.

Note 12: Banknotes in circulation

In 2024, the value of euro banknotes in circulation at the Eurosystem level increased very slightly by 0.1%. The share allocated to the Banque de France amounted to EUR 292,327 million at 31 December 2024, remaining stable year on year.¹⁹

Banknotes in circulation

Liability item L1

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Banknotes issued	223,726	209,277
Adjustment with regard to banknotes in circulation at Eurosystem level (a)	68,601	82,838
TOTAL	292,327	292,115

(a) See asset item A8.3.

The value of euro banknotes issued by the Banque de France increased by 6.9% in 2024 to EUR 223,726 million. As this amount is less than the value of banknotes in circulation allocated to the Banque de France in accordance with the banknote allocation key, a claim on the Eurosystem of EUR 68,601 million has been recorded in the financial statements (see asset item A8.3).

Note 13: Other liabilities to euro area credit institutions denominated in euro

Liability item L3 is mainly made up of securities purchased for monetary policy purposes delivered under repurchase agreements.

Other liabilities to euro area credit institutions denominated in euro

Liability item L3

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Liabilities to euro area residents denominated in euro	1,252	14,652
Accrued interest payable	0	8
TOTAL	1,252	14,660

Note 14: Liabilities to non-euro area residents denominated in euro

This item comprises euro credit balances and fixed-term deposits (excluding TARGET) with non-euro area central banks, commercial banks and non-financial customers in non-Eurosystem member countries. In most cases the assets matching these liabilities are included either in asset items A4 or A6 (see Note 5) or in asset item A11 (see Note 9), depending on whether they are invested in the same currency or are covered by cross-currency swaps (see Note 26).

Liabilities to non-euro area residents denominated in euro

Liability item L4

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Liabilities to non-euro area residents denominated in euro	55,189	45,544
Accrued interest payable	134	220
TOTAL	55,323	45,764

Note 15: Intra-Eurosystem liabilities

In 2024, intra-Eurosystem liabilities were made up of:

- the Banque de France's net creditor position in TARGET;
- accrued interest payable related to the remuneration of the TARGET position at the main refinancing rate.

Intra-Eurosystem liabilities

Liability item L7

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Euro-denominated liabilities to the Eurosystem (TARGET)	108,134	27,495
Accrued expenses in respect of the pooling of monetary income	0	2
Accrued interest payable	533	448
TOTAL	108,667	27,945

Note 16: Liabilities to other euro area residents denominated in euro

Liability item L8.1, "Liabilities vis-à-vis the state and government agencies", consists of:

- the Treasury's account, which earned interest at the euro short-term (€STR) rate less 20 basis points;
- the accounts of other government agencies, as well as deposits from certain international bodies.

Liability item L8.2, "Other liabilities", includes the euro-denominated current accounts of resident institutional customers (other than the state and government agencies) and the IEDOM's current account.

18 The ECB's equity value includes all reserves, revaluation accounts and provisions equivalent to reserves less losses relating to prior years. In the event of a capital key adjustment arising during a reporting period, the

capital also includes the net profit (or loss) at that date.

19 Taking into account the changes to the allocation key when Croatia adopted the euro (from 18.6390% to 18.4045%).

Liabilities to other euro area residents denominated in euro

Liability item L8

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
L8.1 Liabilities vis-à-vis the state and government agencies	7,351	14,944
L8.2 Other liabilities	7,796	10,122
Accrued interest payable	3	17
TOTAL	15,150	25,082

Note 17: Items in course of settlement

Balance sheet item L9, "Items in course of settlement", includes balances debited or credited to a customer's account, but not yet credited or debited to a credit institution's account, and vice versa.

Note 18: Banking transactions

This item mainly comprises overnight and fixed-term foreign currency denominated deposits from French or foreign public bodies, or foreign central banks. The management of these foreign currency transactions is entirely separate from the management of foreign exchange reserves. The assets offsetting these liabilities are included either in asset item A11 (see Note 9), or in asset items A4 or A6 (see Note 5), depending on whether they are invested in a foreign currency or in euro.

Note that euro-denominated deposits made by institutional customers (other than monetary and financial institutions) and private customers are recorded in liability item L8.2.

Banking transactions

Liability item L10

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Customer deposits	974	1,041
Other banking transactions o/w fixed-term deposits	95,050	85,452
Accrued interest payable	661	602
TOTAL	96,685	87,095

Note 19: Other items

This item mainly includes the capital of the Banque de France Employee Reserve Fund (see Note 28).

Other items

Liability item L11

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
CRE capital	9,771	9,142
Accrued expenses	455	631
Other adjustment accounts	0	0
Miscellaneous	600	1,693
TOTAL	10,826	11,466

Note 20: Provisions for liabilities and charges

Provisions for liabilities and charges mainly include employee-related provisions:

- provisions for restructuring allocated as part of the Banque de France's modernisation programmes and plans to adapt its activities, corresponding to the full coverage of additional seniority granted under early retirement schemes;
- provisions for changing the age pyramid, relating to an early retirement incentive scheme for employees reaching the end of their working life;
- provisions for retirement benefits;
- a provision covering the Banque de France's commitment to fund part of retirees' supplementary health insurance contributions;
- provisions for various social liabilities for working employees (death benefits, long-service medals, end-of-career leave, extended sick leave and pensions for industrial injuries);
- provisions to cover various social obligations granted to retired employees (death benefits, etc.);
- other provisions, particularly for major repairs (such as façade repairs, renovations, etc.).

For discounted social security provisions, the parameters used are identical to those applied in 2023: a discount rate of 3.25% and pension and salary revaluation assumptions based on long-term inflation of 2%.

Provisions for liabilities and charges

Liability item L12

(EUR millions)

	At 31 Dec. 2023	Increase	Decrease	At 31 Dec. 2024
Provisions for restructuring and changing the age pyramid	120	1	10	111
Provisions for retirement benefits	116	8	12	112
Provisions for supplementary health insurance	135	2	6	132
Other miscellaneous provisions – current employees	84	18	20	82
Other miscellaneous provisions – retirees	141	3	5	139
Provision related to monetary policy operations	9	0	9	0
Other	79	60	15	123
TOTAL	684	92	77	700

In 2023, following impairment testing carried out on the APP and PEPP programmes, and in compliance with the principle of prudence, the ECB Governing Council considered it appropriate to set aside a provision of EUR 42.9 million for (counterparty) credit risk related to monetary policy operations. In accordance with Article 32.4 of the Statute of the ESCB, this provision was shared in full across the national central banks of the participating Member States based on their key for subscription of the ECB's capital in 2023. The Banque de France therefore recorded a provision in its 2023 financial statements for EUR 8.7 million (20.26% of the total provision decided by the ECB Governing Council). This provision was reversed in 2024 following the sale of the relevant securities.

Note 21: Revaluation accounts

Gold and foreign currency assets and liabilities were revalued at the reference prices indicated by the ECB on 31 December 2024.

The revaluation rates used at 31 December 2024 for gold and the main currency holdings were:

- EUR 80,733 per kilogram of fine gold (compared with EUR 60,052 per kilogram at end-2023);
- EUR 1 = USD 1.0389 (compared with USD 1.105 at end-2023);
- EUR 1 = SDR 0.79719 (compared with SDR 0.8226 at end-2023);

- EUR 1 = AUD 1.6772 (compared with AUD 1.6263 at end-2023);
- EUR 1 = GBP 0.82918 (compared with GBP 0.86905 at end-2023);
- EUR 1 = KRW 1,532.15 (compared with KRW 1,433.66 at end-2023).

The increase in the balance of liability item L13 is mainly the result of a significant rise in the price of gold against the euro. The increase in unrealised foreign currency gains was mainly due to the appreciation of the US dollar against the euro (*see Note 30 on "Net income from financial transactions"*).

The slight increase in unrealised gains on euro-denominated securities portfolios was in line with equity market performance, while unrealised gains on foreign currency denominated securities remained stable.

Revaluation accounts

Liability item L13

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Revaluation accounts – gold	177,321	126,926
Revaluation accounts – foreign currency	4,247	2,926
Revaluation accounts – securities and financial futures	4,698	4,365
TOTAL	186,266	134,216

Note 22: Revaluation reserve for state gold and foreign exchange reserves (RRRODE)

Following the amendment to the agreement between the state and the Banque de France on the management of and accounting for state foreign exchange reserves in 2024, part of the RRRODE was transferred to the fund for general risks (EUR 6.2 billion).

Realised foreign currency gains of EUR 123.6 billion were written to the RRRODE (see Note 30 and the comments on the RRRODE in the section on valuation methods).

Note 23: Fund for general risks

The fund for general risks was fully appropriated (EUR 10.1 billion) to cover part of the loss recorded for the 2024 financial year (see Note 29 on "Net interest income/expense").

Note 24: Capital, reserves and retained earnings

Capital, reserves and retained earnings

Liability item L17

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Capital	1,000	1,000
Reserves	6,737	7,932
Statutory reserve (a)	1,614	1,614
Long-term capital gains	100	100
Special pension reserve fund (see Note 28)	1,762	2,957
Other reserves (b)	3,261	3,261
Retained earnings	0	0
TOTAL	7,737	8,932

(a) In accordance with Article R. 144-4 of the French Monetary and Financial Code, 5% of the net profit for the year is allocated to a special reserve that ceases to be funded when it reaches an amount equal to double the Banque de France's capital.

(b) Other reserves notably include the investment reserve. In accordance with Article R. 144-2 of the French Monetary and Financial Code, the Banque de France must maintain reserves to finance its investments.

Off-balance sheet

Note 25: Interest rate financial futures and securities commitments

At the end of 2024, the Banque de France had committed EUR 113 million to subscriptions for investment fund units in connection with the investment of its equity and Employee Reserve Fund resources.

Notional amount of financial futures

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Outright transactions on organised markets		
Foreign currency denominated interest rate contracts		
Purchases	36,207	19,910
Sales	35,416	32,935
Euro-denominated interest rate contracts		
Purchases	770	1,805
Sales	260	2,268
Over-the-counter market operations		
Foreign currency denominated interest rate swaps	0	0
Euro-denominated interest rate swaps	0	0

Note 26: Forward foreign currency transactions

As part of its forward foreign currency transactions with customers, the Banque de France collects euro-denominated deposits from non euro area residents, in particular foreign central banks and international bodies, which are recorded in liability item L4. The Banque de France also collects foreign currency denominated deposits, mainly from non-resident institutions, which are recorded in liability item L10.

These euro-denominated or foreign currency denominated deposits are invested either in the same currency or in a different currency. Euro-denominated investments are recorded in asset items A4 or A6 depending on the counterparty's area of residence, while foreign currency investments are recorded in item A11. When appropriate, foreign currency risk is neutralised by cross-currency swaps of the same amount and maturity as the deposits. These foreign currency deposits and investments, and the related spot and forward foreign currency transactions, form part of an activity that is separate and independent from the management of foreign exchange reserves. Consequently, they are recorded in dedicated accounts distinct from those used for the management of foreign exchange reserves, and are valued in accordance with the standards issued by the ANC (see "Foreign currency gains and losses other than on gold and foreign exchange reserves" in the valuation methods section above).

Amounts of foreign currency receivables and deliverables in respect of transactions carried out with customers are detailed in the following table.

Foreign currency receivables and deliverables on transactions with customers

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Euro to be received against foreign currency to be delivered		
<i>Euro receivable</i>	14,679	25,310
<i>Foreign currency deliverable</i>	14,543	25,030
Foreign currency to be received against euro to be delivered		
<i>Foreign currency receivable</i>	14,240	13,534
<i>Euro deliverable</i>	14,122	13,665
Foreign currency to be received against foreign currency to be delivered	78,891	79,203
Foreign currency to be delivered against foreign currency to be received	76,327	78,959

At 31 December 2024, foreign currency receivables or deliverables resulting from foreign exchange reserve management operations were immaterial.

Note 27: Off-balance sheet commitments given in respect of operations with the IMF

At the end of December 2024, based on the Banque de France's quota in the IMF's capital (quota), additional drawing rights of SDR 18.7 billion were still available.

The credit line granted to the IMF within the framework of the New Arrangements to Borrow (NAB) amounts to SDR 18.9 billion.²⁰

A bilateral loan agreement between France and the IMF was signed in October 2012 and has since been renewed. Under this agreement, France undertakes to provide further financing of EUR 13.5 billion. This credit line has not been used.

The Banque de France grants loans to the Poverty Reduction and Growth Trust (PRGT) under the IMF's "Poverty Reduction and Growth Facility" and "Exogenous Shocks Facility" (PRGF-ESF). In February 2018 and then in July 2020, two loan agreements were put in place for a total of SDR 4 billion and another loan agreement for SDR 1 billion was agreed in December 2022. A further PRGT agreement was signed in 2024 to provide funding of SDR 3.8 billion (a loan of SDR 1.9 billion to the PRGT structure and a financing commitment for SDR 1.9 billion). At the end

of December 2024, the additional drawdowns that could be made amounted to SDR 4.8 billion.

The Banque de France grants loans to the Resilience and Sustainability Trust (RST) to strengthen eligible economies faced with longer-term structural challenges. The Banque de France deposited SDR 0.5 billion in the RST, and also pledged SDR 2.5 billion in financing commitments (SDR 561 million of which was drawn down in 2024).

Note 28: Pension liabilities

Banque de France employees recruited before 1 September 2023 benefit from a pension scheme, governed by Decree 2007-262 of 27 February 2007 (amended), which is aligned with that of the French civil service.

As part of the pension reforms, the regulation annexed to Decree No. 2007-262 of 27 February 2007 on the pension scheme for statutory employees of the Banque de France was amended by Decree No. 2023-693 of 28 July 2023 implementing and transposing the 2023 Social Security Amending Financing Act (No. 2023-270) of 14 April 2023.

The amendments notably introduced:

- a gradual increase in the statutory retirement age from 62 to 64, starting with persons born in or after 1963;
- a gradual increase in the minimum contributory period required to obtain a full-rate pension to 172 quarters for employees born in or after 1966.

Furthermore, paragraph II of Article 1 of the 2023 Social Security Amending Financing Act puts an end to the Banque de France's special pension scheme for statutory employees recruited on or after 1 September 2023. Those employees will be covered by France's general social security scheme.

The Employee Reserve Fund

The Banque de France pension fund – the *Caisse de réserve des employés de la Banque de France* (CRE – the Banque de France Employee Reserve Fund) – is designed

²⁰ IMF decision No. 16645.

to service the pensions of its statutory employees recruited before 1 September 2023. The CRE does not have a legal personality distinct from that of the Banque de France. It constitutes, as the French Council of State set out in its decisions of 5 November 1965 and 28 April 1975, “a means for the Banque de France to manage itself assets that are assigned to a special purpose and whose separate financial identity has been recognised with the sole purpose of showing the results of this management in a special account”.

Consequently, the CRE is subject to separate accounting treatment but its assets, liabilities, income and expenses form an integral part of the Banque de France’s financial statements.

The securities posted in assets on the CRE’s balance sheet are recorded in asset item A12 of the Banque de France balance sheet and are recognised in accordance with the rules set out in the section on valuation methods used for securities portfolios.

CRE capital is shown in liability item L11, “Other items”. Realised gains and losses, unrealised losses and employee contributions paid that are recognised in the profit and loss account require a matching allocation to or reversal from CRE capital. The same applies to any depreciation recognised by way of provisions for debt securities held to maturity and for non-marketable investment fund units. Liability item L13 also includes revaluation differences for CRE securities that have been revalued. The special pension reserve fund (*see below*) is shown under liability item L17, “Capital, reserves and retained earnings”.

Pension expenses not financed by a deduction from the special pension reserve fund or from the CRE’s capital (*see below*) are included in profit and loss item 2.2, “Pensions and related expenses”. Income from the CRE’s securities portfolios is recorded in profit and loss item 1.6, “Other income and expenses, net”.

Various sources of pension financing

Pensions paid to retired employees are funded from:

- interest income and dividends from the CRE’s securities portfolios;

- the special pension reserve fund established in 2007 by the Banque de France General Council to ensure the progressive financing of the unfunded portion of pension liabilities;²¹

- CRE capital;

- a balancing subsidy paid by the Banque de France.

The other benefits paid by the CRE²² are covered by a subsidy paid by the Banque de France.

Articles 3 and 4 of General Council Order No. A-2017-10 of 20 December 2017 on the CRE’s financial management provide that use of the special pension reserve fund and CRE capital to finance pensions to be paid during a year shall be decided by the General Council when voting on the Banque de France budget. This decision was taken in view of the level of coverage of pension liabilities by the CRE’s securities portfolios.

Furthermore, General Council Order No. 2020-02 of 19 June 2020²³ specifies that this authorisation may be given to service the pensions of the following financial year insofar as, at the time of the General Council vote on the relevant budget, the pension liabilities entered into by the Banque de France are fully covered or are covered taking the future distribution of net profit into due consideration.

At the end of 2023, as pension liabilities were fully covered by the CRE’s securities portfolios, the General Council decided to use the special pension reserve fund to finance the statutory pensions for the 2024 financial year. Consequently, the remaining portion of statutory pensions not covered by income from the CRE’s securities portfolios was financed through a EUR 351 million deduction from the special pension reserve fund.

Furthermore, by decision of the General Council, the amount of CRE assets (at market value) that exceeds total pension liabilities is paid in full to the state in the form of a partial distribution from the special pension reserve fund. Thus, since 2019, a total of EUR 2.8 billion has been paid to the state in respect of the over-funding of pension liabilities, including EUR 162 million for the 2024 financial year (no amounts were paid in 2022).

Pension liabilities and funding

(EUR millions)

Liabilities			Funding		
	At 31 Dec. 2024	At 31 Dec. 2023		At 31 Dec. 2024	At 31 Dec. 2023
Pension liabilities	13,231	13,248	Funding	11,479	12,107
			<i>o/w to Employee Reserve Fund</i>	9,716	9,150
			<i>o/w to special pension reserve fund</i>	1,762	2,957
<i>o/w to current employees</i>	3,212	3,419			
<i>o/w to retirees</i>	10,020	9,829			
Liabilities in respect of the additional seniority granted as part of restructuring plans	111	120	Provision	111	120
			Revaluation accounts	1,915	1,985
Total gross liabilities	13,342	13,368	Total funding	13,504	14,212
Insufficient coverage			Excess coverage	162	844

Liabilities in respect of the additional seniority granted as part of restructuring plans (see Note 20) are provisioned in full.

Actuarial assumptions

Total pension liabilities have been calculated in accordance with actuarial standards using the projected unit credit method, taking into account all current employees, retirees and their dependants. Liabilities to current employees were determined using a prospective method with assumptions concerning future career and salary developments.

The TGH-TGF 2005 statutory mortality tables applicable to life insurance contracts were used to calculate pension liabilities at 31 December 2024.

Calculations of pension liabilities and the underlying assumptions used are validated and monitored by the Banque de France's actuaries. A discount rate of 3.25% was applied in 2024, unchanged against 2023. Pension and salary revaluation assumptions based on long-term inflation also remained unchanged against 2023 at 2% (see Note 20).

Profit and loss account

Note 29: Net interest income/expense

Net interest income showed an expense for 2024 of EUR 19.3 billion, compared with an expense of EUR 16.8 billion for 2023.

The decline in excess liquidity within the Eurosystem, with the reduction in bank refinancing and monetary policy securities, is reflected in a decrease in interest related income balanced with lower interest payments on bank deposits. Nevertheless, excess liquidity holdings remained considerable while the deposit facility rate rose over the year on average to 3.73% (up 0.42 basis point), leading to an extremely high net interest expense again in 2024. Furthermore, the interest paid on the TARGET position doubled due to a higher underlying balance recorded in liabilities (EUR 154 billion on average over the year, compared with EUR 79 billion in 2023).

21 In accordance with Article R. 144-4, paragraph 3, of the French Monetary and Financial Code.

22 Additional seniority, travel allowances and death benefits, in particular.

23 Amending Article 4 of the regulation annexed to Decree 2007-262 of 27 February 2007 on the pension scheme for statutory employees of the Banque de France.

Net interest income/expense

Profit and loss item 1.1

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Interest on foreign currency assets	6,909	7,600
Interest on reserve assets (excluding the IMF)	1,140	1,129
Interest on financing provided to the IMF	1,755	1,699
Other interest	4,014	4,771
Interest on euro-denominated assets	13,583	18,409
Interest on bank refinancing operations	1,420	6,550
Monetary policy securities	5,713	6,023
Interest levied on financial institutions' accounts	0	0
Securities earmarked against reserves	1,789	974
Interest levied on the Treasury's account	0	0
Interest on claims equivalent to the transfer of reserves to the ECB	290	270
Interest on claims on the ECB with regard to banknotes	3,091	3,435
Other interest	1,280	1,157
Total interest and related income (A)	20,493	26,009
Interest on foreign currency liabilities	-2,001	-2,271
Interest on foreign currency reserve liabilities	-65	-42
Interest on SDR allocations	-1,394	-1,387
Other interest	-543	-842
Interest on euro-denominated liabilities	-37,765	-40,577
Interest on bank refinancing operations	0	0
Interest on financial institutions' accounts	-25,897	-30,895
Interest paid on the Treasury's account	-16	-735
Interest on TARGET positions	-6,357	-3,255
Other interest	-5,496	-5,691
Total interest and related expenses (B)	-39,767	-42,848
Net interest income (A + B)	-19,274	-16,838

Note 30: Net result of financial operations and write-downs

This item includes net gains and losses resulting from sales of financial instruments held by the Banque de France, the loss related to the restructuring in 2024 of an issuer whose securities were held in the CSPP and PEPP-CORP portfolio, and unrealised losses on gold, foreign currency and financial instrument revaluations. It also includes net foreign currency gains and losses arising on foreign currency denominated transactions.

In 2024, the Banque de France's net foreign currency loss was mainly due to net unrealised losses on foreign currency denominated securities at year end of EUR 123.6 million. In accordance with the agreement of 6 July 2024 between the state and the Banque de France

on the management of and accounting for state foreign exchange reserves, the Banque de France deducted funds from the revaluation reserve for state gold and foreign exchange reserves (RRRODE) to offset this foreign currency loss in the profit and loss account (item 1.2.2).

Other income and expenses on financial transactions, net

Extract from profit and loss item 1.2.3

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Net gain/loss on foreign currency denominated securities (a) (b) (c)	-95	-824
Net gain/loss on euro-denominated securities recorded in items A7.1 and A7.2 (b) (c) (d)	-629	-21
Net gain/loss on available-for-sale securities recorded in item A11 (b)	17	0
Net foreign currency gains and losses (excluding foreign exchange reserve management)	15	18
TOTAL	-691	-827

(a) Excluding the impact of foreign exchange fluctuations, recorded in profit and loss item 1.2.1

(b) These items include realised gains and losses, and unrealised losses at year-end.

(c) These items also include margin calls on interest rate financial futures, and profits and losses on synthetic instruments.

(d) This item includes realised losses of EUR 619 million in relation to restructuring or disposals of holdings with decreasing credit quality and of EUR 10 million from sales intended to ensure compliance with holding limits.

Note 31: Net result of pooling of monetary income

This item contains the net result of pooling of monetary income, recorded in profit and loss item 1.3. For 2024, it generated income of EUR 3.3 billion, taking into account a loss of EUR 10.9 million in connection with a Eurosystem central bank's sale of a fully-provisioned security held in the PEPP-CSPP monetary policy portfolio.

Net result of pooling of monetary income

Profit and loss item 1.3

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Monetary income pooled by the Banque de France	-5,743	-6,088
Monetary income allocated to the Banque de France	9,009	8,258
Net result of pooling of monetary income for the financial year	3,266	2,170
Other expenses and income arising from the pooling of monetary income	-13	-2
Sub-total	3,253	2,168
Net provisions/reversals related to monetary policy operations	9	-9
TOTAL	3,262	2,159

Breakdown of the pooling of monetary income

(EUR millions)

	Monetary income pooled by the Banque de France	Total monetary income (Eurosystem)	Monetary income allocated to the Banque de France	Net result of pooling of monetary income in 2024	Net result of pooling of monetary income in 2023
Bank refinancing	1,420	6,709	1,342	-78	-1,121
Monetary policy securities (shared risk)	1,717	8,202	1,641	-76	-462
Monetary policy securities (non-shared risk) (a)	27,699	130,281	26,062	-1,636	-1,059
Claims arising on the transfer of reserve assets	290	1,448	290	0	-0
Receivables/payables recognised as part of the adjustment for banknotes	3,091	-5,232	-1,047	-4,138	-4,411
Gap (difference between earmarkable assets and the liability base) (b)	3,780	8,864	1,773	-2,007	-1,384
Current accounts held by banks	-25,897	-120,847	-24,175	1,721	4,479
Net payables/receivables from TARGET transactions	-6,357	15,608	3,122	9,479	6,127
TOTAL	5,743	45,035	9,009	3,266	2,170

(a) For the purpose of monetary income calculations, these securities are deemed to generate interest income at the latest available rate used by the Eurosystem in refinancing operations carried out by means of tenders. Therefore, the monetary income pooled differs from the amount shown in interest income (see Note 29).

(b) For presentation purposes, residual income/expenses are included in this line item. In 2024, they related to TARGET incidents for EUR -35,000 (Eurosystem total) and to euro liquidity provision to foreign central banks for EUR 1.1 million (Eurosystem total).

The monetary income pooled by the Eurosystem is allocated between national central banks (NCBs) in proportion to their subscription of the ECB's capital.

The monetary income of each NCB reflects the income derived from the earmarkable assets held against its liability base.

The liability base includes: (i) banknotes in circulation; (ii) euro-denominated liabilities to euro area credit institutions related to monetary policy operations; (iii) net intra Eurosystem liabilities resulting from TARGET transactions; (iv) net intra Eurosystem liabilities arising on the allocation of euro banknotes within the Eurosystem; and (v), when applicable, the euro-denominated deposits of Eurosystem defaulted banking counterparties. Any interest accruing on liabilities included in the liability base is deducted from pooled monetary income.

Earmarkable assets include: (i) euro-denominated lending to euro area credit institutions for monetary policy purposes; (ii) securities held for monetary policy purposes; (iii) claims arising on the transfer of reserve assets to the ECB (excluding the gold component); (iv) net intra Eurosystem claims resulting from TARGET transactions; (v) net intra Eurosystem claims arising on the allocation of euro banknotes within the Eurosystem; (vi) claims on central banks that are not members of the Eurosystem relating to euro liquidity provision; (vii) accrued interest on securities held for monetary policy purposes whose risks and income are pooled and which have been written down; and (viii) a limited amount of gold in proportion to each NCB's subscription of the ECB's capital (capital key). When the value of an NCB's earmarkable assets is different from the value of its liability base, the contribution to monetary income of this gap is taken into account by applying the marginal rate of main refinancing operations.

Note 32: Income from equity securities and participating interests

Given the ECB's results for 2024, the Governing Council decided not to distribute the income from banknotes in circulation or from monetary policy securities held by the ECB under the SMP, APP and PEPP programmes (see paragraph on the dividend paid by the ECB in the section on accounting principles and valuation methods).

Income from equity securities and participating interests

Profit and loss item 1.5

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
ECB dividend (final for the previous financial year and interim dividend for the current financial year)	0	0
Dividends from other participating interests	50	33
Other dividends	26	17
TOTAL	76	50

Note 33: Other income and expenses, net

This item includes income and expenses generated by service activities carried out on behalf of third parties. These activities mainly relate to public service activities entrusted to the Banque de France by law or by agreements signed with the state and, to a lesser extent, activities carried out in support of the economy, for which the cost is re-invoiced.

Income includes levies for supervisory expenses by the *Autorité de contrôle prudentiel et de résolution* (ACPR – the French Prudential Supervisory and Resolution Authority), which was established by Order 2010-76 of 21 January 2010 merging the licensing and supervisory authorities of the banking and insurance sectors. The ACPR is a financially autonomous, independent administrative authority without legal personality, chaired by the Governor of the Banque de France. As such, its budget is a sub-budget of the Banque de France and its expenses and income are recognised in the Banque de France's financial statements. Costs are booked as operating expenses according to their nature, and income consists of levies raised from the organisations under ACPR supervision. In 2024, levies to cover supervisory expenses generated income of EUR 230 million.

Services provided by the Banque de France to the state – particularly the operation of the departmental commissions for handling cases of household overindebtedness and the management of the Treasury's account – are remunerated on a full-cost basis.

Other income and expenses, net

Profit and loss item 1.6

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Remuneration for services provided to the state	193	201
Payments for ACPR supervisory expenses	230	205
Miscellaneous income (a)	522	991
Total other income (A)	945	1,397
Total other expenses (B)	-23	-657
Other income and expenses, net (C = A + B)	922	740

(a) This item mainly includes fees charged for use of the databases managed by the Banque de France (FNCI, FICP, FCC and FIBEN).

Note 34: Staff costs and related expenses

Staff costs and related expenses

Profit and loss item 2.1

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Salaries and wages	595	599
Taxes on salaries and wages	102	99
Social security contributions	294	293
Profit-sharing and incentive plans	35	35
Total staff costs and related expenses	1,025	1,026

Profit and loss item 2.2

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Pensions and related expenses	219	540
Total pensions and related expenses	219	540

The arrangements made to finance pension expenses are presented in Note 28 on "Pension liabilities". In 2024, pension expenses were calculated net of a EUR 351 million transfer from the special pension reserve fund.

Remuneration of management bodies

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Total remuneration paid to management bodies (a)	3.2	3.0

(a) The Banque de France's management bodies are made up of members of the General Council and the Executive Committee.
Remuneration comprises net remuneration plus any payments in kind.
The Banque de France staff representative and the censor are not remunerated for the duties they perform in the General Council.

The total gross remuneration of the Governor of the Banque de France for 2024 was EUR 310,678. The First and Second Deputy Governors received EUR 247,816 and EUR 246,516, respectively. No employee accommodation is made available but they each receive a gross housing allowance of EUR 6,399 per month (subject to tax). These provisions are governed by Article R. 142-19 of the French Monetary and Financial Code.

Neither the Governor nor the Deputy Governors receive additional variable remuneration or the special purchasing power bonus.

Note 35: Corporate income tax

According to Article 8 of Law 2007-212 of 20 February 2007 on various measures concerning the Banque de France, the taxable profit of the Banque de France is calculated using accounting rules defined in accordance with Article L. 144-4 of the French Monetary and Financial Code and the agreement in Article L. 141-2 of the same Code.

No corporate income tax expense was recognised for 2024 given the negative net interest income that primarily resulted from expenses related to the remuneration of excess liquidity within the Eurosystem.

Corporate income tax

Profit and loss item 5

(EUR millions)

	At 31 Dec. 2024	At 31 Dec. 2023
Income tax expense	0	0
<i>On profit before exceptional items</i>	0	0

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STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

Year ended 31 December 2024

Opinion

In compliance with the engagement entrusted to us by your General Council, we have audited the accompanying annual financial statements of the Banque de France for the year ended 31 December 2024.

In our opinion, the annual financial statements give a true and fair view of the assets and liabilities and of the financial position of the Banque de France as at 31 December 2024 and of the results of its operations for the year then ended in accordance with the accounting rules and principles set out in Article R. 144-6 of the French Monetary and Financial Code (*Code monétaire et financier*).

Basis of our opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are described in the "Statutory Auditors' responsibilities for the audit of the annual financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors, for the period from 1 January 2024 to the date of our report.

Observations

Without qualifying our opinion, we draw your attention to the following matters:

- The introduction to the Notes to the annual financial statements describes the accounting principles and valuation methods applicable to the Banque de France, some of which are specific to the European System of Central Banks.
- The General Council has determined the level of detail of the published financial information in accordance with its right provided for in Article R. 144-6 of the French Monetary and Financial Code.

.../...

Justification of assessments

In accordance with the requirements of Articles L. 8215-53 and R. 821-180 of the French Commercial Code relating to the justification of our assessments, we hereby inform you that the most significant assessments we have made, in our professional judgement, relate to the appropriateness of the accounting principles used and the reasonableness of the accounting estimates made, as well as to the overall presentation of the annual financial statements.

These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the annual financial statements.

Valuation of securities at amortised cost

Your institution holds securities portfolios that are recognised at amortised cost. An impairment loss is recorded in the event of risk of non-recovery, in accordance with the methods described in the section on “Valuation methods – Securities portfolios” in the Notes to the annual financial statements.

Our work consisted in reviewing the impairment tests put in place by the Banque de France to assess the risk of non-recovery, evaluating the assumptions used and examining the management procedures in place to approve these estimates.

Assessment of foreign currency denominated securities and assets and gold reserves

Your institution holds foreign currency denominated securities and assets and gold reserves. Gold and foreign currency positions are valued at year-end on the basis of the prevailing rates and prices on the last business day of the year. The accounting methods applied to foreign currency gains and losses and the effects of revaluations are set out in the note on “Valuation methods – Foreign currency transactions and resulting gains and losses” in the Notes to the annual financial statements.

Our work consisted in checking the rates and prices used to revalue these positions and testing the key controls on allocations and reversals affecting the revaluation reserve for state gold and foreign exchange reserves.

Assessment of social obligations

Your institution calculates its social obligations in accordance with the methods described in Note 28 to the annual financial statements.

Our work consisted in examining the data used and the assumptions applied when making these estimates.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the accounting rules and principles set out in Article R. 144-6 of the French Monetary and Financial Code, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

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

The annual financial statements were approved by the General Council.

.../...

Statutory Auditors' responsibilities for the audit of the annual financial statements

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

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the entity or the quality of management of the entity's affairs.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the annual financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for the audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the annual financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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. However, future events or conditions may cause the entity to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the annual financial statements or, if such disclosures are not provided or are inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the annual financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Paris La Défense, 19 March 2025

The Statutory Auditors

Deloitte & Associés

Marjorie Blanc Lourme
Partner

Forvis Mazars

Franck Boyer Natacha André
Partner Partner