CRÉDIT MUTUEL GROUP 2023

FINANCIAL Report

EDITION 2024

Crédit Mutuel

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Management report
of the Board of Directors of Confédération Nationale du Crédit Mutuel on the 2023 consolidated financial statements
Financial and non-financial information

Economic and financial context

2023: the start of disinflation

The year 2023 saw the start of the long-awaited global disinflationary trend that should allow Western central banks to end their key rate hike cycle. Despite the persistence of sensitive geopolitical risks (ongoing conflict in Ukraine, tensions in the Middle East and attacks in the Red Sea), commodity prices stabilized overall after a year of soaring prices in 2022. Although disinflation began slowly in the first half of the year, it later took hold on both sides of the Atlantic, enabling central banks to pause their monetary policy in late summer and to keep key rates unchanged after. After reaching all-time highs not seen since 2010, sovereign yields finally fell sharply in the autumn once financial investors were reassured of Western central banks' ability to fight inflation effectively, buoying the stock markets with an unusually massive year-end rally. However, the growth profile was very different between Europe and the United States. Europe continued to feel the strain of the slowdown in global demand, persistently high inflation, the reduction in fiscal support, the tightening of the ECB's financial conditions and the weaknesses of German industry caused by the energy crisis. In contrast, US growth was more resilient, bolstered by fiscal support measures and households' use of available savings. In China, the uptick in growth was modest and disappointing, despite the fiscal and monetary support measures announced by the authorities.

Central banks put a pause on their monetary tightening

In the Eurozone, persistent inflationary pressures worried financial investors and the European Central Bank (ECB) over the first half of the year. The resilience of core inflation (excluding energy and food) and wage increases forced the ECB to continue raising key rates, despite investors' fears about US financial instability. Nevertheless, inflation slowed down at a faster pace in the second half of the year (from +8.6% in January year on year to +2.4% in November, and from +5.3% to +3.6% for core inflation), thanks to favorable base effects, widespread restrictive financial conditions and the slowdown in producer prices. In addition, the Eurozone experienced sluggish growth this year (-0.1% month-on-month in the third quarter of 2023; +0.1% in the second and first quarters), which however did not prevent optimism from driving the stock markets a notch higher (+12% for the Stoxx Europe 600). The deterioration in economic indicators became more apparent in the second half, particularly in terms of SMI business indicators, even if some confidence indicators stopped declining late in the year. Against this backdrop, the ECB was able to leave its key rates unchanged since its October meeting (after 10 consecutive 450 bp hikes, bringing the deposit rate to 4%), while also reducing the size of its balance sheet more quickly by not reinvesting the securities acquired under the historic asset purchase program (APP) and by repaying banks' longer-term lending operations (TLTRO). European sovereign yields were therefore marked by opposing trends in 2023: after a significant rise during the monetary tightening phase, they finally managed to start falling again in the autumn following the ECB's pause, a movement fueled by financial investors' expectations about upcoming monetary easing in 2024.

This ultimately benefited the tightening of yield spreads between the core countries and the so-called "peripheral" countries of the Eurozone. The euro appreciated in 2023 against the dollar (finishing up by nearly 4% at €1 = $1.10) mainly due to the dollar's decline caused by investors' response to the end of the Fed's monetary tightening cycle. At the European level, the Member States finally agreed on a reform of budgetary rules which, while keeping the public deficit threshold at 3% of GDP and the public debt threshold at 60% of GDP, gives States more flexibility to reduce their debt by, among other things, introducing an adjustment period that can be extended in case of structural investments in the green transition, defense or digital technology. Finally, the year was marked by political events such as the far-right Eurosceptic party winning the parliamentary elections in the Netherlands and Socialist P. Sanchez remaining Prime Minister in Spain.

In the UK, while persistent inflation and labor market tensions led to continued hikes in key rates in the first half of the year, the disinflation observed afterwards enabled the Bank of England to put a pause on its monetary tightening in the summer (keeping its rates at 5.25%). However, the impacts of the monetary policy weighed on economic growth, which remained sluggish in the third quarter (-0.1% quarter-on-quarter). The government presented its autumn budget, which includes additional budget spending (and therefore higher-than-expected debt issuance) as well as a significant increase in the minimum wage, pensions and social benefits.

In the US, persistent inflation, especially in services and housing, also prompted the US central bank (Fed) to continue raising key rates until July, bringing the fluctuation band to 5%-5.25%. However, the disinflationary trend took shape more quickly than in the Eurozone, with the PCE indicator falling from 5.5% in January to 2.6% in November, allowing the Fed to leave its rates unchanged since its September meeting. At the same time, US growth continued to be surprisingly resilient (quarter-on-quarter rebound in GDP to +4.9% p.a. in Q3), particularly in services driven by household demand.

The labor market also provided support through a very gradual return to normal (labor supply increased, but job creation remained high and unemployment rate low), which allowed only a gradual slowdown in wages (still up by nearly 4% year on year at the end of the year). As in Europe, US sovereign yields rose sharply until the autumn, particularly for long-term maturities (with the 10-year yield crossing the 5% threshold in October), before beginning a general and rapid decline starting in mid-October amid financial investors' expectations of numerous cuts in key rates by the Fed in 2024 thanks to the slowdown in inflation.

Especially visible for the real part (i.e. excluding inflation expectations), this fall in rates pushed US stock indices to new all-time highs (S&P 500 up 25%). It also contributed to the depreciation of the dollar against major currencies at year-end. We should note that it was an eventful year for the United States due to: 1/ fears about the banking system following the failures of several regional banks in the first half, then 2/ a sharp rise in sovereign yields in the summer partly amid fears about where US federal finances were headed, which were triggered by a risk of default caused by strong differences over budgetary decisions in Congress.

An agreement was finally reached on raising the debt ceiling and budget cuts, allowing debt issues to resume on

the market starting in June, although this did not stop the Fitch rating agency from downgrading the US sovereign rating from "AAA" to "AA+".

In addition, budgetary risks remained high in the second half (no budget approved as the end of the 2023 fiscal year neared), which forced approval of a temporary budget until the end of January 2024 to avoid a government shutdown (closure of non-essential services).

In China, the combination of low inflation (which moved into negative territory) and slow growth, with a disappointing post-pandemic recovery in terms of scale, led the authorities to maintain their fiscal and monetary support to ensure that their 5% growth target was met. However, structural weaknesses continued to affect and limit the scope of the rebound, as did the crisis in the real estate sector and the very high level of public and private debt, not to mention the sharp decline in the Chinese indices (the Hang Seng fell by 18% in 2023). Furthermore, although geopolitical tensions with the United States intensified in the first half of the year (issues surrounding Taiwan and suspicions of espionage), the meeting in November of leaders Xi Jinping and Joe Biden for the first time in a year marked a stabilization of the bilateral relationship.

In terms of commodities, the price of Brent rebounded to nearly $95/barrel during the summer thanks to OPEC+ production cuts, resilient US demand and an increase in Chinese imports, before returning to around $78/barrel at the end of the year due to the economic slowdown and concerns about the cartel's solidarity. Natural gas prices fell (around €35/MWh for the European TTF benchmark at year-end) thanks to lower demand and supply diversification. However, geopolitical tensions and climate risks fueled volatility, particularly for certain types of food, even as the FAO commodity index declined overall in 2023.

France was hard-hit by strong inflation and monetary tightening

In France, inflation continued to decline in 2023 (+3.7% year on year in December vs. +6% in January) in line with the rest of the Eurozone, but monetary tightening and the inflationary environment continued to affect business activity.

After showing signs of resilience in the first and second quarter, French growth contracted in the third quarter (-0.1% compared to the previous quarter) and despite more signs of weakening at the end of the year, the economy avoided a recession (with fourth quarter GDP growth of 0% quarter-on-quarter). SMI business indicators deteriorated significantly between spring and autumn, although the situation stabilized at the end of the year. There were many reasons for the slowdown: drop in purchasing power, decrease in bank loans due to the tightening of financial conditions, higher costs in industry and services and an increase in bankruptcies. However, there were initial, tentative signs of improvement at the end of the year following the stabilization of key interest rates, less deterioration in banking conditions and, above all, the return of real wages to positive territory (nominal wages less inflation). For the most part, growth in France also held up better than that of its European peers, particularly Germany, thanks to the continued fiscal support that limited the downturn in business activity.

In the first half of the year, the Fitch rating agency downgraded France's sovereign rating from AA to AA- due to reservations about the trajectory of public finances and the social context that followed the enactment of pension reform. However, France's sovereign ratings from S&P (AA) and Moody's (Aa2) remained steady. Finally, the government unveiled its draft budget bill for 2024, which projects a deficit of 4.4% of GDP in 2024 (vs. 4.9% estimated in 2023), requiring the issuance of €285 billion of medium- and long-term debt. For its part, the CAC 40 slightly outperformed its pan-European peers, gaining 15% over the year.

The Group's activity and results

The Board of Directors of the Confédération Nationale du Crédit Mutuel opted to prepare consolidated financial statements at the national level in accordance with International Financial Reporting Standards as adopted by the European Commission, even though the Crédit Mutuel group's entities are not publicly traded.

The Board of Directors approved the consolidated financial statements for the year ended December 31, 2023 at its meeting on March 6, 2024 and presented them, together with this report, to the Shareholders' Meeting for its approval.

The main changes in the consolidation scope arose from:
- The creation of ACM Deutschland, CM Impact Forêts & the Environmental and Solidarity Revolution Fund, and the CMA endowment fund;
- The acquisition of KCIOP by the EBRA Group;
- The consolidation of entities already held: Crédit Mutuel Capital Privé, CIC Capital Belgium, Caroline 1, Arkéa Immobilier Conseil and Swen Capital Partners;
- The disposals of GACM Spain, Targobank Spain and Novelia;
- The disposal of the Cholet Dupont Group outside the Group;
- GACM took advantage of the transition to IFRS 17 to deconsolidate entities deemed immaterial, including Serenis Assurances, Partners, ICM Life and Astrée;
- The deregistration of Strateo.

The interest margin (€9.376 billion) increased by 2.8% (+€259 million)

The rise in interest rates benefited interbank and central bank variable-rate transactions and the securities portfolios. However, it negatively impacted the cost of securities issued and has not yet had an effect on customers (since the increase in expenses is faster, due to the rise in interest rates, particularly regulated rates, than the increase in income, which is limited by the usury rate).

Customer deposits (€594.1 billion) (+5.0%, +€28.3 billion, +21.0% excluding current accounts in credit)

Changes were very significant in certain categories:
- As a result of the rise in interest rates, regulated demand savings deposits (€172.0 billion, +3.0%) continued to grow, particularly Livret Bleu and Livret A passbook savings accounts (€71.5 billion, +11.4%), LDD accounts (€25.4 billion, +14.0%) and LEP accounts (€13.1 billion, +55.7%). The rate at which regulated deposits (Livret Bleu, Livret A, LDD, LEP) were centralized at the CDC was 55.5% compared with 54.3% in 2022;
- Term deposits, which had higher interest rates, rose significantly (€119.7 billion, +107.3%) as did term deposits from financial customers (€9.9 billion, +59.1%);
- By contrast, ordinary passbook accounts were down (-€49.5 billion, -16.9%)
- mortgage saving agreements declined (€48.4 billion, -9.4%) despite the change in PEL rates; and
- current accounts in credit (€221.1 billion) were down (-€36.5 billion, -14.2%);

Customer loans and advances (€639.1 billion) (up 4.4%, excluding government-backed loans (PGE): +5.2%)

Changes were significant in certain categories: - Consumer loans/revolving loans grew steadily (€61.2 billion, +6.9%);
- Cash facilities, excluding PGE loans, also recorded good growth (€22.3 billion, +5.4%). PGE loans continued to decrease (-32.5% to €9.1 billion) as a result of repayments and the lack of significant new loan production;
- Home loans (€331.7 billion, +4.3%);
- Equipment loans (€151.8 billion, +5.5%);
- Finance leases and operating leases (€23.4 billion, +6.2%);
- Factoring fell slightly after two very strong years (€17.1bn, 1.5%).

Fees and commissions

The Crédit Mutuel group's fee and commission income rose slightly (+1.5%) to €5.3 billion in 2023. This change was driven by growth in account and electronic payment fees. Other types of fees were stable (services) or down (loans, impacted by the decrease in early repayment penalties, and financial).

Securities and derivatives portfolios

The "financial assets at fair value through OCI (FVOCI)" portfolio (€47.8 billion) was up (+11.6%) mainly due to government securities and fixed income. The "fair value through profit or loss (FVPL)" portfolio increased by €3.8 billion (+12.0%) to €35.6 billion, as a result of fixed-income instruments and equities.

On the liabilities side, the "fair value through profit or loss (FVPL)" portfolio (€20.4 billion) remained relatively stable (2.9%).
The net gain on the FVPL portfolio (€967 million) was stable (-€3 million); the positive change in trading and foreign exchange transactions was offset by the change in derivatives and FVO. The same applies to the "FVOCI", all components of which remained stable at -€139 million (+€4 million). Note the lower performance of private equity, in line with the context and a favorable 2022 base effect.

Net income from other activities (€3.167 billion) fell by €244 million (-7.2%) as a result of insurance (€2.0 billion after restatement for IFRS 17, -1.7%) and other activities (-€210 million, -15.1%). Insurance was down slightly, mainly due to the increase in claims (particularly weather events, effect of inflation on costs, auto/home repairs) despite more buoyant financial markets.
Net income from other activities (excluding insurance, €1.178 billion) fell -15.1% (-€210 million), mainly as a result of changes in provisions partly offset by growth in the Euro-Information division, Fédéral Service and Fédéral Equipements.

Leading to stability in net revenue (+€91 million, +0.5%)

Operating expenses (€11.1 billion) increased by 5.6%.

The employee benefit expense, other general operating expenses and net depreciation, amortization and provisions increased:

The employee benefit expense (€6.592 billion, +5.1%) rose by €322 million as a result of the increase in salaries related to the general increases and purchasing power bonuses granted by most groups and the increase in taxes

The Crédit Mutuel group **employed an average** of 84,584 people in 2023 (on a full-time equivalent basis), up 1.3%.

Other operating expenses (€3.503 billion, +6.1%) rose by €202 million, mainly due to the increase in external services and IT expenses.

Depreciation, amortization and provisions rose by €66 million to €950 million, an increase of 7.5%.

Overall, the **cost/income** ratio rose by 2.9 points to 59.2% (compared with 56.3% in 2022).

The cost of risk increased (€1.422 billion, +46.6%, down 46.0% vs. 2020)

The increase in the cost of risk includes proven risk, mainly driven by market arrangements, with non-proven risk falling (in connection with post-model adjustments).
In terms of risk quality:
- the proportion of non-performing loans was 2.63% compared with 2.42% in 2022. Excluding consumer credit entities, the proportion of non-performing loans also increased to 2.07% vs. 1.88% in 2022;
- the individual coverage ratio was 46.2% vs. 47.6% at end-2022;
- the overall coverage ratio (S2+S3) was 57.9% compared with 61.7% at end-2022.

Net gains on other assets totaled €74 million (-€135 million in 2022). They include a price adjustment for El Technologie and the capital gain on the sale of broker Novelia.

The **share of income from equity consolidated companies** was +€17 million in 2023 vs. -€6 million in 2022.

The **change in the value of goodwill** was 0 in 2023.

The **tax expense** (€1.701 billion) fell by 3.4% as a result of the decrease in taxable income.

All of this led to an 8.4% increase in net income (attributable to the Group) to €4.571 billion.

Shareholders' equity attributable to the Group increased further, up 6.5% to €75.388 billion.

This increase was due mainly to:
- the transfer to reserves of the 2022 annual income, excluding the distributed portion (€213 million),
- 2023 net income: €4.571 billion, and
- the Group's net unrealized capital gains/losses (+€188 million compared with -€85 million in 2022), which mask certain disparities. Post-employment benefits decreased, while the bond and equity portfolios increased.
- despite a €140 million capital decrease.

Analysis by sector of activity

The five operating segments for reporting purposes correspond to the organization of Crédit Mutuel group.

Retail Banking comprises the networks of Crédit Mutuel's regional federations and CIC's regional banks. This segment also includes some of the specialized activities whose products and services are marketed by the networks such as finance leasing, factoring, real estate businesses (investment, land development, real estate management, distribution and property development) and collective management of products distributed by the network.

Insurance is considered a separate segment given its importance in the Group's activities. The Group has historically been the leading bank in this area, having started its banking and insurance activity in 1970. The segment covers both life insurance and property/casualty insurance.

Corporate and Investment Banking covers financing for large corporate and institutional customers, value-added financing activities, private equity, international activities and capital markets activities, whether on the Group's own behalf or on behalf of customers, including stock market intermediation.

Asset management and private banking include the subsidiaries that are mainly engaged in private banking, both in France and abroad, and the asset management and employee savings activities.

Other activities cover all the activities that cannot be assigned to any of the above segments, together with subsidiaries involved purely in logistical support, whose expenses are generally re-billed to the other entities. They include intermediate holding companies, companies owning the property used in the Group's operations, and media and IT subsidiaries.

Results by activity and reporting by country

Note that the weight of the data by sector of activity is calculated before elimination of intra-group transactions.

Retail banking

IN € MILLIONS	2023	2022 restated	change 2023/2022 restated	2022 published
Net revenue	14,484	14,449	0.2%	14,487
Gross operating income	4,565	4,898	-6.8%	4,970
Income before tax	3,435	4013	-14.4%	4,084
Group net income	2,429	2,833	-14.3%	2,902

Net revenue in retail banking grew by €35 million to €14.484 billion (up 0.2%). The change in net revenue was mainly due to a decrease in the net interest margin (-€75 million), partly offset by an increase in fee and commission income (+€40 million) and other items (+€63 million).

The Group had 37.8 million customers at the end of 2023, including 34.8 million retail customers.

Operating expenses increased by €368 million (+3.9%) to €9.919 billion. The employee benefit expense rose by €279 million (+5.2%).

General operating expenses also rose by €75 million due to an increase in external services and other miscellaneous expenses, including IT costs, offset by the decrease in the SRF contribution.

The cost/income ratio was therefore 68.5% compared with 66.1% a year earlier (IFRS 17 pro forma in 2022).
The **cost of risk** increased by €227 million to €1.175 billion. Non-proven risk fell by €221 million compared with 2022 to -€153 million, while proven risk increased by €449 million.

It should be noted that **net gains/losses on other assets and equity consolidated companies** fell by €18 million, mainly as a result of the disposals of Novelia, the Dusseldorf site at Targo Bank Retail and the first-time recognition of Swen Capital Partners as an equity consolidated company. Corporate income tax decreased by €169 million to €984 million (-14.7%).

All in all, **group net income** fell by €404 million to €2.429 billion. The share of retail banking in group net income decreased to 53% (67% IFRS 17 pro forma in 2022).

Insurance

IN € MILLIONS	2023	2022 restated	change 2023/2022 restated	2022 published
Net revenue	1,546	1,593	-3.0%	2,211
Gross operating income	1,375	1,436	-4.2%	1,335
Income before tax	1,369	1,423	-3.8%	1,331
Group net income	1,069	1,082	-1.2%	1,017

Net revenue totaled €1.546 billion, down slightly compared with 2022 (€1.593 billion) mainly due to the impact of claims, despite strong sales momentum.

In 2023, the Crédit Mutuel group's written premiums increased by 4.9% year on year to €19.3 billion, with both the life and P&C/protection insurance classes contributing to the increase.

Life insurance written premiums rose by 5.2% to €12.1 billion, with 40% of inflows in unit-linked products. Life insurance reserves increased by 4.0% to €157.8 billion at end-2023. The P&C and protection insurance business (property and people) continued to grow, with written premiums of €7.2 billion, up 4.3%.

The number of policyholders was 17.1 million, representing 45.9 million policies in the portfolio.

Operating expenses were up (€171 million)*, as were the employee benefits expense and depreciation and amortization.

The **share of income from equity consolidated companies was** -€5 million.

Overall, **group net income** reached €1.069 billion (-€13 million compared with 2022).
Insurance accounted for 23% of group net income (26% in 2022).

** Under new IFRS 17.*

Corporate and Investment Banking

IN € MILLIONS	2023	2022 restated	change 2023/2022 restated	2022 published
Net revenue	1,624	1,585	2.5%	1,585
Gross operating income	1,123	1,124	-0.1%	1,124
Income before tax	958	1,133	-15.4%	1,132
Group net income	743	970	-23.4%	970

Net revenue reached €1.624 billion, an increase of €39 million mainly due to the increase in financing and capital markets activities. Private equity was down after two excellent years in 2021 and 2022 (-€200 million).

Operating expenses rose by €40 million to €501 million for corporate banking, private equity and capital markets.

The **cost of risk** was -€173 million, up €182 million compared with December 2022, mainly in financing activities (+€175 million), while capital markets and private equity activities increased by €4 million and €3 million, respectively. Proven risk increased by €156 million, as did the cost of non-proven risk (+€24 million).

Corporate income tax increased to €215 million.

Group net income fell by €227 million to €743 million.

Asset management and private banking

IN € MILLIONS	2023	2022 restated	change 2023/2022 restated	2022 published
Net revenue	1,459	1,287	13.4%	1,286
Gross operating income	502	400	25.5%	401
Income before tax	431	376	14.6%	377
Group net income	319	289	10.4%	290

Excluding life insurance, financial savings rose by 8.0% to €338.7 billion. They benefited from the twin positive effects of strong inflows and valuations, due to the improvement in the financial markets in 2023, particularly at the end of the year, after a very turbulent 2022.

Net revenue grew by €172 million to €1.459 billion. Private banking increased by €142 million, while asset management rose by €30 million (including €33 million in fees).

Operating expenses were up 7.9% (+€70 million) to €957 million, including for private banking (+€37 million) and asset management (+€33 million).

The cost of risk was -€73 million, an increase of €34 million.

Net gains on other assets and equity consolidated companies amounted to €2 million compared with €15 million in 2022.

The "Taxes and other" line item (-€109 million) increased by €24 million.

Overall, group net income came to €319, up 10.4%.

Other

IN € MILLIONS	2023	2022 restated	change 2023/2022 restated	2022 published
Net revenue	738	768	-3.9%	2,178
Gross operating income	65	267	-75.7%	154
Income before tax	106	(936)	-111.3%	(1,048)
Group net income	11	(958)	-101.1%	(1,059)

Net revenue fell by €30 million (-3.9%) to €738 million.

Operating expenses amounted to €673 million (+34.3%).

The **cost of risk was 0 in 2023 vs. +€8 million in 2022.**

Net gains/losses on other assets and equity consolidated companies reached €41 million compared with -€1.211 billion in 2022, an increase of €1.252 billion.

The year 2022 was marked by the impairment of Targobank Germany's goodwill, the revaluation of Targobank Spain's shares and the sale of Floa.

The "corporate income tax and other" line item was -€92 million, an increase of €73 million.

All in all, **group net income** from the segment was €11 million, up €969 million, taking into account the non-recurring items in 2022.

Capital and risk exposure

The data provided in the tables on the following pages is expressed in millions of euros. The figures in this section are audited unless indicated otherwise by a double asterisk.

Capital**

Pursuant to Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26, 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012 (the "Capital Requirements Regulation"), networks of banking institutions with a central governing body must comply with management ratios both on an individual basis (for each of the Crédit Mutuel groups) and on a consolidated basis at the national level (market risk and credit risk, major risks and equity holdings).

The consolidating entity and the scope of prudential supervision of Crédit Mutuel group are identical to those used for the Group's consolidated financial statements. Only the consolidation method changes, notably as regards the insurance companies, which are consolidated for accounting purposes using the full consolidation method and for prudential purposes using the equity method.

The solvency ratio defines the capital requirement needed to cover credit, market and operational risks. Total capital is the sum of Common Equity Tier 1 (CET1) capital, Additional Tier 1 (AT1) capital and Tier 2 capital (including eligible redeemable subordinated securities and undated subordinated securities), less regulatory deductions (which include intangible assets, the amount by which expected losses exceed provisions, securitization positions with a risk weight of 1,250%, valuation adjustments from the application of the prudence concept, deferred tax assets relying on future profitability but unrelated to timing differences, etc.).

Crédit Mutuel group has been authorized by the SGACPR, subject to compliance with the requirements of Article 49 of the Capital Requirements Regulation, to apply a risk weighting to the value attributed using the equity method to investments in the Group's insurance subsidiaries, rather than deducting them from Tier 1 capital.

In this respect, the Group complies with the reporting requirements arising from the EU Directive applicable to financial conglomerates. This requires, among other things, additional monitoring of the coverage by consolidated capital of the cumulative capital adequacy requirements of the banking activities and the solvency margin of the insurance companies.

Crédit Mutuel group complies with all the applicable regulatory ratios.

Solvency ratio

Transition phase

IN € MILLIONS	12/31/2023	12/31/2022 POST IFRS 17	12/31/2022
COMMON EQUITY TIER 1 (CET1) CAPITAL	**69,066**	**64,848**	**62,679**
Capital	11,348	11,481	11,481
Eligible reserves before adjustments	63,573	58,910	56,741
Common equity tier 1 capital deductions	(5,855)	(5,543)	(5,543)
ADDITIONAL TIER 1 CAPITAL (AT1)	**8**	**5**	**5**
TIER 2 CAPITAL (T2)	**7,889**	**8,468**	**8,468**
TOTAL CAPITAL	**76,963**	**73,322**	**71,152**
Risk-weighted assets for purposes of credit risk	330,034	312,722	304,666
Risk-weighted assets for purposes of market risk	2,305	2,447	2,447
Risk-weighted assets for purposes of operational risk	27,538	26,622	26,622
TOTAL RISK-WEIGHTED ASSETS	**359,878**	**341,791**	**333,735**
CET1 capital includes income for the year, net of dividends.			
SOLVENCY RATIOS			
Common Equity Tier 1 (CET1) ratio	19.2%	19.0%	18.8%
Tier 1 ratio	19.2%	19.0%	18.8%
Overall ratio	21.4%	21.5%	21.3%

Note: CET1 capital includes annual income net of dividends.

Risk management policy

The process of identifying, analyzing and prioritizing the Crédit Mutuel group's risks based on its risk profile is carried out annually through an analysis and validation of the Group's overall risk mapping at the highest level. This mapping covers business and profit risk, capital risk, liquidity risk, banking portfolio interest-rate risk, credit risk, market risk, operational risk, risk inherent to the activity of the conglomerate's activity (particularly insurance risk), climate and environmental risks and non-financial risk.

Credit risk

Crédit Mutuel's credit risk management policy seeks to achieve several objectives, namely to:

- measure capital requirements;
- help steer the Group by managing commitments in compliance with limits and, more broadly, with Crédit Mutuel group's risk appetite;
- reduce the cost of risk over time; and
- respond effectively to Basel III and internal control regulations and ensure that regulatory compliance investments generate a return.

In accordance with the overall risk appetite framework approved by the Board of Directors of the Confédération, the regional groups are responsible for their risk strategies and risk-taking. Risks must nevertheless be taken in accordance with the principles of the risk appetite framework approved by the national governing bodies and with the risk tolerance policies approved by the regional governing bodies. The risk tolerance policy for each regional group is then applied in the rules for approving loans and advances, setting the main orientations of its lending activity (notably in terms of customer segmentation), and setting and monitoring limits. Financing limits are set in such a way as to be adapted to the risk management policy and financial fundamentals of the entity concerned and consistent with the system in place at the national level.

National and regional procedures are based on an internal rating system, defined in compliance with Basel III regulatory requirements. This internal rating system is used by all group entities. It allows for the rating of all counterparties eligible for internal ratings-based approaches. The system is based on different statistical models for customer segments for retail exposures and on rating grids developed by experts for bank, large corporate and specialized market exposures. All counterparties eligible for internal ratings-based approaches are positioned on a single rating scale (nine positions for sound exposures in addition to one denoting exposures in default) reflecting the progressive nature of the risk.

The systems for downgrading and provisioning loans are integrated into the information systems. The reclassification of performing loans as non-performing loans includes the notion of contagion to a third party. Provisions are calculated according to the outstanding amounts and the guarantees received, and adjusted by the risk managers depending on the estimated ultimate loss. Since November 2019, the Crédit Mutuel group has applied the new definition of prudential default in accordance with the guidelines of the EBA and the regulatory technical standards on the notion of applicable materiality thresholds. The procedure on the definition of default includes the new principles for downgrading to default status and reclassification to performing status.

At the national level, applications for steering and reporting risk weighting calculations map credit risks, thus enabling the analysis of commitments according to the main categories defined in the internal rating system. The mappings are complemented by more detailed management reports, which are produced at the national level and then analyzed by regional entity, providing information on the quality of the Group's commitments and compliance with national limits placed on credit risks. The mappings and reports are sent to the senior management of the regional groups (Chief Executive Officers, Risk Management Directors and Commitments Directors) and to the effective managers and supervisory body of Confédération Nationale du Crédit Mutuel.

Credit risk exposure on loans and receivables

EXPOSURE	12/31/2023	12/31/2022 restated
Loans and receivables		
Credit institutions	79,769	65,075
Customers	650,218	575,805
Gross exposure	**729,987**	**640,880**
Impairment	**(11,713)**	**(11,186)**
Credit institutions	(10)	(10)
Customers	(11,703)	(11,176)
NET EXPOSURE	**718,274**	**629,694**

Credit risk exposure on commitments given

EXPOSURE	12/31/2023	12/31/2022 restated
Financing commitments given	**101,709**	**105,847**
Credit institutions	742	577
Customers	100,967	105,270
Guarantee commitments given	**32,330**	**32,477**
Credit institutions	4,693	5,422
Customers	27,637	27,055
Provisions for risk on commitments given	**306**	**281**

Exposure to credit risk on debt securities

EXPOSURE	12/31/2023	12/31/2022 restated
Debt securities		
Government securities	57,072	59,254
Bonds	93,809	90,818
Derivatives	11,696	6,466
Repurchase agreements & securities lending	5,409	4,650
Gross exposure	**167,986**	**161,188**
Provisions for impairment	(144)	(133)
Net exposure	**167,842**	**161,055**

Gross carrying amount of exposures by category and by range of PD (customer loans)

12/31/2023 By 12-month PD range - IFRS 9	Of which assets impaired at origination	Subject to 12-month expected losses	Subject to expected losses at termination	Of which customer receivables under IFRS 15	Subject to expected losses on impaired assets at end of period but not impaired at origination
<0.1	48	302,792	1,436	0	0
0.1 - 0.25	0	79,796	258	0	0
0.26 - 0.99	1	100,589	8,565	0	0
1 - 2.99	5	57,536	10,546	0	0
3 - 9.99	12	40,455	10,317	0	0
>=10	501	10,840	10,565	0	16,658
Total	**567**	**592,008**	**41,688**	**0**	**16,658**

Rating structure and geographic breakdown of interbank loans

	12/31/2023 as a %	12/31/2022 as a %
Structure of interbank loans by rating (A-IRB scope - gross performing loans)		
A+	13.3%	15.2%
A-	28.5%	26.2%
B+	18.7%	21.4%
B-	30.2%	27.8%
C and below (excluding default rating)	9.3%	9.4%

Source: Crédit Mutuel group consolidated scope - Basel calculator - Erratum 12/31/2022.

The structure of Crédit Mutuel group's interbank exposures, based on internal ratings, continued to be of good quality at the end of 2023, with nearly 91% of these exposures rated between A and B.

	12/31/2023 as a %	12/31/2022 as a %
Geographic breakdown of interbank loans		
France	53.99%	50.76%
Germany	5.76%	5.79%
Rest of Europe	15.55%	15.37%
Rest of world	24.70%	28.08%

The geographic breakdown indicates that interbank exposure remains mainly limited to banks in Europe, notably France and Germany.

Customer credit risk

	12/31/2023 as a %	12/31/2022 as a %
Breakdown of loans by type of customer		
A - Central governments and banks	20.9%	22.5%
B - Credit institutions	6.5%	5.5%
C - Corporates	25.1%	25.1%
D - Retail	47.5%	47.0%

Source: Crédit Mutuel group consolidated scope - Basel calculator.

Crédit Mutuel is positioned mainly as a retail bank. Its exposure to retail customers was down slightly.

Geographic breakdown of customer risk

	12/31/2023 as a %	12/31/2022 as a %
Geographic breakdown of customer risk		
France	82.02%	82.49%
Germany	6.27%	5.59%
Rest of Europe	5.56%	5.85%
Rest of world	6.15%	6.07%

Concentration of gross customer risk

IN € MILLIONS	12/31/2023	12/31/2022
Concentration of gross customer risk		
Commitments exceeding €300 million		
Number	117	112
Balance sheet (€m)	108,450	103,272
Off-balance sheet (€m)	48,710	48,379
Commitments between €200 million and €300 million		
Number	79	78
Balance sheet (€m)	12,707	14,489
Off-balance sheet (€m)	6,975	6,099

Taking all commitments into account, the average unit amount of the 117 largest risks exceeding €300 million was €1.343 billion vs. €1.354 billion in 2022, while the average unit amount of the 78 largest risks between €200 million and €300 million was €249 million (€264 million in 2022).

Quality of risk

	12/31/2023	12/31/2022
Loans impaired individually (S3)	17,121	15,063
Expected losses at termination (S2)	(1,992)	(2,137)
Expected losses on impaired assets (S3)	(7,917)	(7,164)
Individual coverage ratio	**46.2%**	**47.6%**
Total coverage ratio	**57.9%**	**61.7%**

Past due and impaired loans for which guarantees were received

12/31/2023	Past due amounts (S1+S2)			Carrying amount of impaired assets	Total past due amounts and impaired assets
IN €M	**≤30 DAYS**	**>30 DAYS ≤90 DAYS**	**>3 MONTHS**	**TOTAL**	
Debt instruments	**0**	**0**	**0**	**0**	**0**
Central governments	0	0	0	0	0
Credit institutions	0	0	0	0	0
Other financial entities	0	0	0	0	0
Non-financial entities	0	0	0	0	0
Loans and advances	**8,341**	**1,688**	**340**	**6,653**	**17,022**
Central governments	95	54	20	13	182
Credit institutions	10	5	0	2	17
Other financial entities	76	14	2	58	150
Non-financial entities	5,507	1,078	255	4,227	11,067
Retail customers	2,653	537	63	2,353	5,606
Total	**8,341**	**1,688**	**340**	**6,653**	**17,022**

12/31/2022	Past due amounts (S1+S2)			Carrying amount of impaired assets	Total past due amounts and impaired assets
IN €M	**≤30 DAYS**	**>30 DAYS ≤90 DAYS**	**>3 MONTHS**	**TOTAL**	
Debt instruments	**0**	**0**	**0**	**0**	**0**
Central governments	0	0	0	0	0
Credit institutions	0	0	0	0	0
Other financial entities	0	0	0	0	0
Non-financial entities	0	0	0	0	0
Loans and advances	**7,461**	**1,386**	**324**	**5,272**	**14,443**
Central governments	121	58	25	10	214
Credit institutions	12	9	1	1	23
Other financial entities	187	8	1	66	262
Non-financial entities	4,945	871	250	3,192	9,258
Retail customers	2196	440	47	2,003	4,686
Total	**7,461**	**1,386**	**324**	**5,272**	**14,443**

Breakdown of risk exposures by economic sector

BREAKDOWN OF GROSS EXPOSURES BY ECONOMIC SECTOR	12/31/2023 as a %	12/31/2022 as a %
Retail customers	41.8%	41.6%
Public administrations and central banks	22.5%	23.9%
Banks and financial institutions	4.9%	4.0%
Other real estate (of which leasing and property companies)	3.4%	3.3%
Real estate development	1.4%	1.5%
Retail trade	2.4%	2.5%
Sole traders	2.7%	2.7%
Building and construction materials	2.1%	2.0%
Farmers	1.6%	1.6%
Other financial activities	1.9%	2.0%
Industrial goods and services	2.0%	2.0%
Holding companies and conglomerates	1.6%	1.6%
Food and beverage	1.1%	1.2%
Transport	1.4%	1.3%
Travel and leisure	1.0%	0.9%
Oil, gas and commodities	0.4%	0.4%
High technology	0.9%	0.7%
Automotive industry	0.8%	0.8%
Utilities	1.0%	0.9%
Health	0.6%	0.6%
Media	0.3%	0.3%
Associations	0.3%	0.3%
Household products	0.5%	0.4%
Other group subsidiaries (*)	2.9%	2.7%
Miscellaneous	0.0%	0.0%
Telecommunications	0.3%	0.3%
Chemicals	0.2%	0.2%

Source: Crédit Mutuel group consolidated scope - Basel calculator.
(*) includes leasing and factoring entities purchased from General Electric for exposures other than public administrations, banks and private individuals.

Exposures related to the financial crisis (FSB data)

SECURITIZATION

The amounts presented are in € millions.

SUMMARY	CARRYING AMOUNT 12/31/2023	CARRYING AMOUNT 12/31/2022
RMBS	1,356	1,255
CMBS	0	0
CDO/CLO	3,851	3,996
Other ABS	3,494	3,653
CLO hedged by CDS	0	0
Other ABS hedged by CDS	0	0
Liquidity lines	0	0
Total	**8,701**	**8,904**

Unless otherwise indicated, securities are not hedged by CDS.

Exposures at December 31, 2023

CARRYING AMOUNT	RMBS	CMBS	CLO	OTHER ABS	TOTAL
FVPL	116	-	-	97	213
Amortized cost	19	-	31	1,736	1,786
FV Others	1	-	306	60	366
FVOCI	1,220	-	3,514	1,601	6335
TOTAL	**1,356**	**-**	3,851	**3,494**	8,701
France	543	-	841	1,123	2,507
Spain	58	-	-	230	288
United Kingdom	156	-	120	165	441
Rest of Europe	529	-	249	1,231	2,009
USA	2	-	2,641	585	3,228
Other	68	-	-	161	228
TOTAL	**1,356**	**-**	**3,851**	**3,494**	**8,701**
US Agencies	-	-	-	-	-
AAA	1,326	-	3,527	1,573	6,427
AA	19	-	241	539	799
A	9	-	83	3	94
BBB	-	-	-	-	-
BB	-	-	-	1	1
B or below	2	-	-	7	9
Not rated	0	-	-	1,371	1,371
TOTAL	**1,356**	**-**	**3,851**	**3,494**	**8,701**

Exposures at December 31, 2022

CARRYING AMOUNT	RMBS	CMBS	CLO	OTHER ABS	TOTAL
FVPL	145	-	-	206	351
Amortized cost	26	-	337	1,970	2,333
FV Others	1	-	-	-	1
FVOCI	1,083	-	3,659	1,477	6,219
TOTAL	**1,255**	**-**	3,996	**3,653**	8,904
France	560	-	786	1,384	2,729
Spain	95	-	-	328	423
United Kingdom	6	-	175	163	344
Rest of Europe	474	-	279	1,080	1,832
USA	5	-	2,756	567	3,328
Other	116	-	-	133	248
TOTAL	**1,255**	**-**	**3,996**	**3,653**	**8,904**
US Agencies	-	-	-	-	-
AAA	1,174	-	3,722	1,308	6,204
AA	63	-	199	644	906
A	10	-	75	4	89
BBB	5	-	-	-	5
BB	-	-	-	-	-
B or below	2	-	-	7	9
Not rated	0	-	-	1,692	1,692
TOTAL	**1,255**	**-**	**3,996**	**3,653**	**8,904**

Basel III Framework – Credit risk

To better take into account the quality of the borrower, a capital adequacy framework, including the implementation of an internal rating system specific to each institution, has been instituted by the Basel Committee and by the European Commission.

These rules are based on the three pillars:
- **Pillar I** introduces new minimum capital requirements, with the calculation of a solvency ratio for credit, market and operational risks;
- **Pillar II** requires banks to perform their own assessment to determine whether they have adequate capital to support all the risks in their business and to perform stress tests to assess their capital requirements in the event of a deterioration in the economic environment; and
- **Pillar III** tightens up market discipline by requiring more extensive disclosure and transparency regarding the risk profile of banks governed by the new framework. To this end, each year Crédit Mutuel group publishes a specific report that can be consulted on its institutional website.

Regarding the minimum capital requirements of Pillar I, the major changes compared with the Cooke ratio as regards credit risk concern the modification of the calculation of risk-weighted assets relative to unexpected losses (UL) included in the ratio's denominator and the possibility of adjusting the capital on the basis of the differential between expected losses (EL) and provisions included in the ratio's numerator.

To measure credit risk, banks must choose between three approaches of increasing risk sensitivity subject to the authorization and under the control of their national supervisory bodies: standardized approach, foundation internal ratings-based approach, and advanced internal ratings-based approach. Each banking institution is required to adopt the approach best suited to the stage of development of its activities and of its organization. The use of so-called internal ratings-based approaches requires prior authorization by France's supervisory authority.

Standardized approach

The so-called standardized approach is similar to the Basel I Framework insofar as it is based on the application of fixed risk weightings to the different categories of exposures as defined by the regulations. The main modifications result from the possibility to adjust the risk weightings applicable based on credit ratings provided by recognized external institutions and from the broader range of sureties, guarantees and credit derivatives that may be taken into account by banks.

With the agreement of the Autorité de Contrôle Prudentiel et de Résolution (ACPR - French Prudential Supervisory and Resolution Authority), Crédit Mutuel group will continue to measure claims on sovereign governments and local authorities using the standardized method for the foreseeable future. The option given to banking groups to partially use the standardized method ("PPU" - Permanent Partial Use) applies to these two portfolios.

Internal ratings-based approaches ("IRB")

These approaches are more sophisticated. Credit risk is a function of the characteristics of each exposure (or pool of exposures) based on the four following parameters: probability of default (PD) by the debtor over a one-year horizon, loss given default (LGD), credit conversion factor (CCF) for off-balance sheet exposures, and effective maturity*. The use of these approaches is subject to compliance with a number of quantitative and qualitative requirements that seek to ensure the integrity of the process as well as the estimate of the parameters used to calculate regulatory capital.

There are two main approaches:

- **Foundation internal ratings-based approach (F-IRB),** under which banks provide their own internal estimates for the probability of default. Other risk components (LGD, CCF and M) are defined in the regulations;
- **Advanced internal ratings-based approach (A-IRB),** under which banks provide their own internal estimates for the PD, CCF, LGD and M risk components. This approach requires records stretching back over a long enough period of time for statistical purposes.

The Crédit Mutuel group has opted to apply the most sophisticated approaches of Basel III, focusing first on retail customers, which represent its core business.

The supervisory authorities have authorized the Crédit Mutuel group to use its internal rating system to calculate its regulatory capital requirements with respect to credit risk. At December 31, 2023, the Crédit Mutuel group applied:
- the advanced internal ratings-based approach for the retail and corporate customers portfolios (excluding large accounts and specialized financing);
- the foundation internal ratings-based approach for the banks and large accounts portfolios;
- the slotting criteria method for specialized financing.

As part of the rollout plan, the projects related to using the advanced internal ratings-based approach for the factoring subsidiaries of Crédit Mutuel group in France, Cofidis France, Targobank AG and Beobank are underway.

** Parameter used exclusively for exposures to central governments, institutions and corporates for which the advanced internal ratings-based approach is used.*

In two decisions regarding the internal models, the European Central Bank authorized the Crédit Mutuel group to make significant changes to its models for calculating PD, LGD and CCF for the retail (from the June 2023 closing) and corporate (from September 2023) portfolios in connection with the application of the IRB Repair guidelines. These decisions were accompanied by restrictions affecting capital requirements, which were applied immediately, and bonds, which are in the course of being addressed.

As a cooperative bank owned by its members and customers, Crédit Mutuel group is not focused on redistributing potential increases in equity to its shareholders. By opting for an internal ratings-based approach for most of its exposures, the Group has:
- complied with requirements laid down in the regulations and by the supervisory body;
- adopted a national framework that helps standardize practices;
- improved its customer risk segmentation, thus helping to fine-tune its management and steering; and
- brought up to standard its information systems and work methods at all levels of its organization given the obligation to use ratings in its management.

Overall, Crédit Mutuel has structured its credit risk measurement and management system by capitalizing on the Basel III Framework, based on:
- a single counterparty rating system;
- a harmonized definition of default that is consistent with the accounting approach;
- the use of national parameters incorporating a margin of prudence; and
- significant investments in its information systems.

Interest rate risk

Interest rate risk arises from the bank's commercial activities. It results from differences in interest rates and benchmark indices for customer loans and advances on the one hand and customer deposits on the other hand, based on a prospective analysis of expected changes in these components, taking into account embedded options (notably early loan repayments, extensions and drawdowns against confirmed credit lines).

The regional groups are responsible for defining their interest rate risk management and hedging strategies. As required by the regulations (Decree of November 3, 2014), CNCM's Risk Department is responsible for the consolidated and homogeneous measurement of this risk by coordinating methodologies and by regular measurement of overall risk at the group level.

Crédit Mutuel group has established harmonized national risk agreements and limits, which are set out in the "National interest rate risk methodology."

Measurement and supervision of interest rate risk is carried out at the regional level by the Crédit Mutuel regional groups and at the national level by CNCM.

At the regional level

Each of the Crédit Mutuel regional groups has an asset/liability management (ALM) unit dedicated to monitoring overall interest rate exposure.

The Crédit Mutuel group entities all use a common base for measuring overall interest rate risk (application of methodological rules for run-off standards, scenarios and early repayment), excluding the trading book, which is monitored at the level of the dealing room.

Group entities have introduced systems of limits that are consistent with the national system. Management and hedging decisions are made by Regional Committees.

Interest rate risk is analyzed and hedged globally, if appropriate, by entering into so-called macro-hedging transactions. These transactions are accounted for in accordance with IAS 39 as adopted by the European Union, i.e. in accordance with the carved out version. High-value or special-purpose customer transactions may be hedged separately.

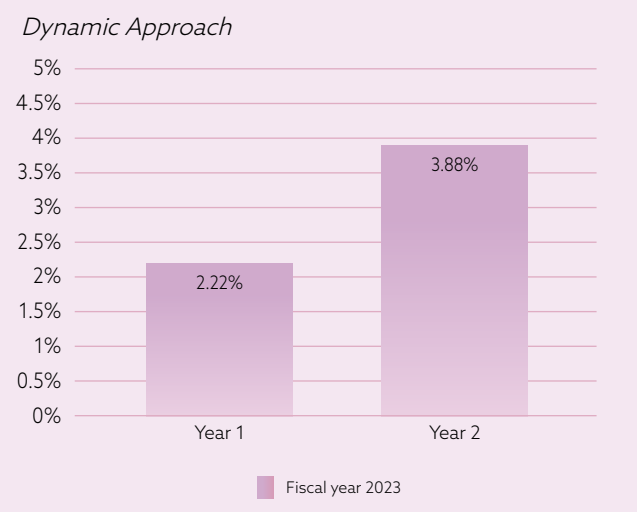
At the national level

Interest rate risk is measured quarterly using two indicators:
- risk relating to future income, analyzed in terms of the sensitivity of the margin over the short to medium term (one to five years); and
- risk relating to the instant value of the entity, measured as the sensitivity of net present value over a long-term horizon.

At the national level, the sensitivity limit for net interest margin (NIM) over one or two years includes new loan production based on a scenario of moderate changes in interest rates (+/- 1% for variable rates and +/- 0.5% for regulated interest rates).

Sensitivity of NIM to a differentiated increase in interest rates

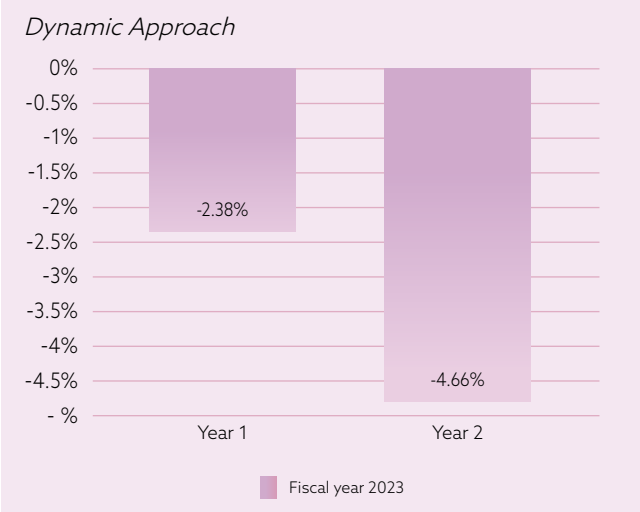
The Crédit Mutuel group's NIM sensitivity to a differentiated increase is as follows:



Based on data at the end of 2023, the Group's exposure to a differentiated increase in interest rates is positive

Sensitivity of NIM to a differentiated decrease in interest rates

The Crédit Mutuel group's NIM sensitivity to a differentiated decrease is as follows:



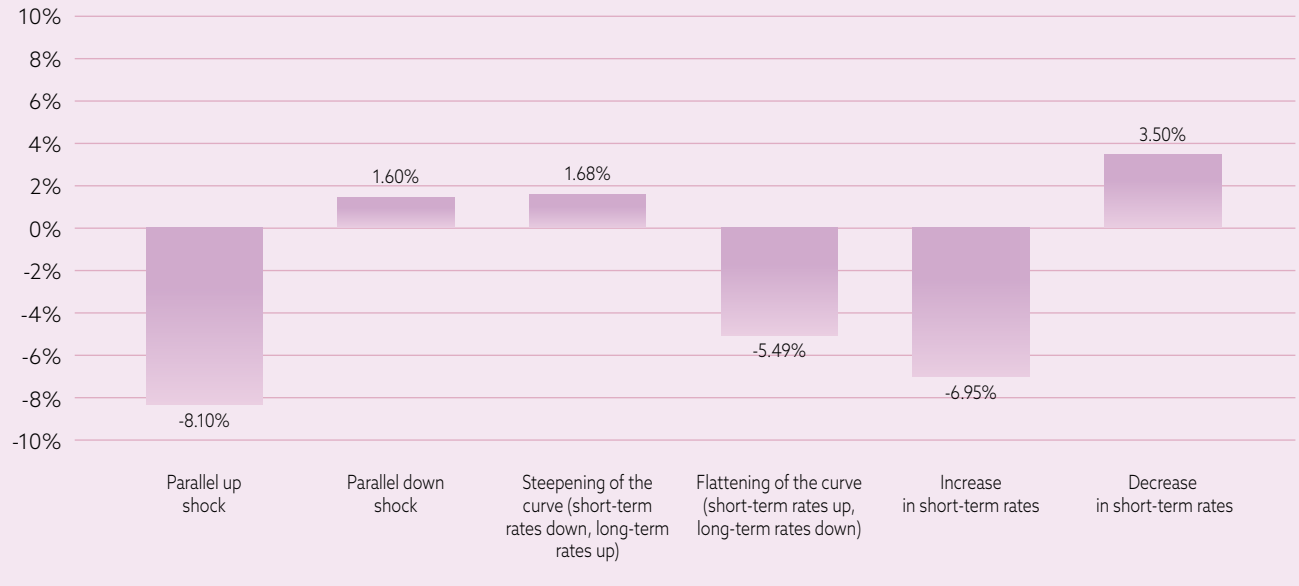
Other scenarios, including stress scenarios, are modeled under the supervision of CNCM.

In accordance with regulatory requirements, measurement of the sensitivity of the economic value of Tier 1 capital to the six Basel shock scenarios is also taken into account in Crédit Mutuel group's national system of limits. Measurement of the sensitivity of the economic value of total shareholders' equity to interest rate shocks of +/-2% is also monitored.

Sensitivity of net present value to the six Basel shocks

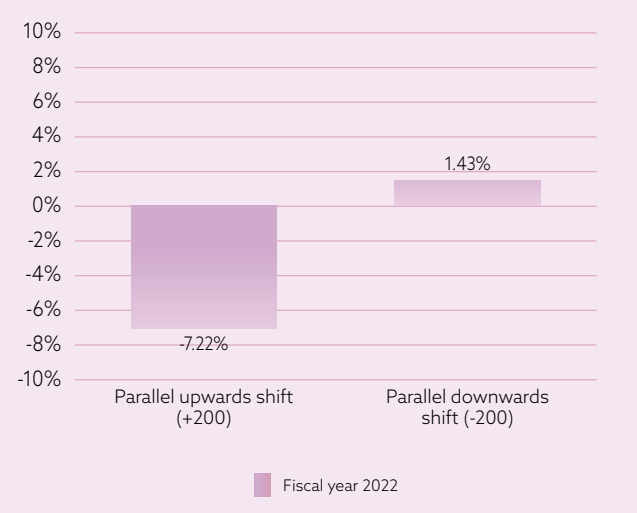
The graph below shows the sensitivity of the net present value to the six interest rate shock supervisory scenarios relative to Tier 1 capital.

Sensitivity of NPV to the six supervisory interest rate shocks at December 31, 2023.



Sensitivity of net present value to a shock of +/- 200 bps

The graph below shows the sensitivity of the net present value to a uniform interest rate shock of 200 bps relative to regulatory capital.



In addition to these indicators, Crédit Mutuel group monitors, at the national level, static gaps at fixed rates and regulated rates by time horizon for loans at end of period.

Fixed rate - regulated rate gaps

Static gaps (Assets-Liabilities) in loans at end of period at December 31, 2022

Liquidity risk

Liquidity risk arises from a mismatch in the maturity of the applications of funds and the sources of funds. In its most extreme form, the risk is that an entity will be unable to meet its obligations.

The Federal Banks of the Crédit Mutuel groups each have an ALM unit or committee tasked notably with managing assets and liabilities to ensure there is sufficient liquidity to meet their commitments.

Liquidity risk is monitored by the regional groups using the following indicators in particular:
- liquidity monitoring ratios and regulatory reports (LCR, NSFR, ALMM).

Some of the Group's regional federations and federal banks apply limits that are stricter than those required by the regulations.
- The medium- to long-term liquidity indicator defined at the national level, the general principle being to run off all balance sheet assets and liabilities in static view (i.e. disregarding commercial forecasts) and to measure the ratio of coverage of applications of funds by sources of equivalent duration at different maturities. A system of related limits has been put into place;
- the "Basel III" indicator supplements the previous indicator with a stressed dynamic approach: the commercial banking forecasts and the Basel III weightings of the one-year LCR and NSFR are taken into account for measuring gaps;
- liquidity reserves and recourse to the 3G pool;
- three-year financing plans;
- liquidity and refinancing costs; and
- liquidity crisis simulations.

With an LCR of 153.50% at December 31, 2023, Crédit Mutuel group's liquidity reserves are sufficient to cover all short-term maturities.
The liquidity risk management disclosures that must be published under the EBA/GL/2017/01 guidelines from December 31, 2017 are presented in the national Pillar 3 document.

Breakdown of instruments by maturity

Breakdown of maturities for liquidity risk at December 31, 2023

Residual contractual maturities (€m)	≤1 MONTH	>1 MONTH ≤3 MONTHS	>3 MONTHS ≤1 YEAR	>1 YEAR ≤2 YEARS	>2 YEARS ≤5 YEARS	>5 YEARS	NO SET MATURITY	TOTAL
Assets								
Cash in hand and balances with central banks	118,128	-	-	-	-	-	-	118,128
Demand deposits - Credit institutions	4,821	-	-	-	-	-	-	4,821
Financial assets held for trading	6,659	3,085	3,233	1,974	6,474	3,283	1,277	25,986
Financial assets at fair value through profit or loss	53	10	70	90	446	493	8,499	9,659
Financial assets at fair value through OCI - recyclable	1,642	2,258	3,720	5,563	17,021	16,234	-	46,437
Financial assets at fair value through OCI - non-recyclable	-	-	-	-	-	-	1,347	1,347
Securities at amortized cost	1,317	34	418	1,240	3,073	3,558	97	9,735
Loans and advances (including finance leases)	73,066	22,752	56,934	64,420	151,304	335,371	11,159	715,006
Liabilities								
Deposits by central banks	31	-	-	-	-	-	-	31
Financial liabilities held for trading	5,994	3,864	2,248	740	3,396	1,810	21	18,072
Financial liabilities at fair value through profit or loss	46	2	126	13	189	1,627	-	2,003
Financial liabilities measured at amortized cost	492,180	48,589	117258	35,953	90,592	64,400	1,613	850,584

Breakdown of maturities for liquidity risk at December 31, 2022

Residual contractual maturities (€m)	≤1 MONTH	>1 MONTH ≤3 MONTHS	>3 MONTHS ≤1 YEAR	>1 YEAR ≤2 YEARS	>2 YEARS ≤5 YEARS	>5 YEARS	NO SET MATURITY	TOTAL
Assets								
Cash in hand and balances with central banks	142,205	-	-	-	-	-	-	142,205
Demand deposits - Credit institutions	4,839	-	-	-	-	-	-	4,839
Financial assets held for trading	2,025	3,586	5,189	2,407	5,976	3,624	633	23,440
Financial assets at fair value through profit or loss	50	198	46	28	240	437	7,434	8,433
Financial assets at fair value through OCI - recyclable	1,967	2,076	4,048	4,769	14,254	14,262	-	41,376
Financial assets at fair value through OCI - non-recyclable	-	-	-	-	-	-	1,451	1,451
Securities at amortized cost	1,444	77	465	422	2,470	1,465	91	6,434
Loans and advances (including finance leases)	65,193	20,962	51,780	60,875	146,942	317,257	9,630	672,639
Liabilities								
Deposits by central banks	44	-	-	-	-	-	-	44
Financial liabilities held for trading	1,198	4512	4,738	1,695	4,241	2,911	15	19,310
Financial liabilities at fair value through profit or loss	2	-	163	10	49	1,149	6	1,379
Financial liabilities measured at amortized cost	511,540	38,941	92,385	48,800	72,015	55,574	1,281	820,536

Foreign exchange risk

Each bank hedges the currency risk on customer transactions. This risk is not material at the Crédit Mutuel Group level.

Market risk

The main Crédit Mutuel group entity engaged in market activities is Crédit Mutuel Alliance Fédérale Group, which trades on its own account and on behalf of the other federations. Crédit Mutuel Alliance Fédérale Group's activities include refinancing the local mutual banks' activities, securities portfolio management and commercial activities for corporate customers (foreign exchange transactions, interest rate and foreign exchange risk hedging).

The dealing room activities are the subject of reports at regular intervals covering risks as well as financial and accounting performance.

The permitted activities and procedures for capital markets activities are included in each regional group's internal regulations. At the operational level, they are analyzed by the various committees involved and reported upon regularly to the Boards of Directors concerned.

At the national level, reports produced in respect of market activities are used to monitor the main risk indicators and compliance with the national system of limits. They are supplemented with regular monitoring of the results of historical and hypothetical stress on the capital markets activities of all Crédit Mutuel groups.

Operational risk

Methods used by Crédit Mutuel group

Crédit Mutuel Group is authorized to use its advanced measurement approach (AMA) to calculate regulatory capital requirements in respect of operational risk, save for the deduction of expected losses from capital requirements, as indicated below:

- authorization given since January 1, 2010 for all entities included in the consolidation scope other than the foreign subsidiaries, Cofidis Group and Crédit Mutuel Factoring;
- authorization extended to Crédit Mutuel Factoring since January 1, 2012;
- authorization extended to Banque de Luxembourg since September 30, 2013;
- authorization extended to Cofidis France since September 30, 2014;
- authorization extended to Targobank Germany since June 30, 2018.

The deduction of insurance as a mitigating factor for calculating the capital requirement under the advanced measurement approach (AMA) has been authorized by the ACPR and was applied for the first time in the interim financial statements for the six months to June 30, 2012.

General framework

The system for measuring and controlling operational risk (progressively implemented since 2002) rests on foundations common to the entire Crédit Mutuel group and common quantitative measurement methods. Risk mappings are done by business line, object, risk type and risk context in close collaboration with the functional departments. These departments define a standardized framework for analyzing incurred losses and potential risks in accordance with common procedures and regulatory requirements.

For serious risks, they draw up expert-based modeling for comparison against scenario-based probabilistic assessments.

For frequent risks, modeling is based on the national database of internal losses. This database is updated according to the rules defined in the national data collection procedure. Over the uniform threshold of €1,000, each loss must be entered. The losses database is reconciled with the accounting information.

The Crédit Mutuel group also subscribes to an external database which it uses to enhance the mappings and, more generally, the operational risk measurement system.

Main objectives

The operational risk management policy implemented by the group is designed to achieve the following:

- improve group management by controlling risks and related costs;
- protect margins through appropriate management of operational risks across all activities;
- adapt insurance programs to the risks identified.

Structure and organization

The Crédit Mutuel Group's operational risk measurement system was designed to manage the group's operational risks in accordance with regulatory standards.

It is based on a systematic, methodical approach that entails several steps:
- risk identification, qualitative analysis and quantitative assessment;
- implementation and monitoring of risk mitigation plans;
- residual risk financing.

The CNCM Risk Department plays a central role in coordinating and consolidating the entire system. As such:
- it organizes loss recovery and prepares loss monitoring reports;
- it coordinates mapping (qualitative analysis);
- it coordinates modeling (quantitative assessment);
- it is responsible for defining the methodology for preparing emergency and business continuity plans;
- it provides guidance on risk mitigation plans (prevention, protection);
- it coordinates residual risk financing plans;
- it drafts and regularly updates the procedures describing the system in place.

To fulfill its responsibilities, the CNCM Risk Department is supported by the regional Operational Risk functions whose work it coordinates.

The regional function is headed by the regional group's Operational Risk Manager(s). The regional effective managers are responsible for this function's resources. The Operational Risk Managers are appointed by the effective managers of their entity (Crédit Mutuel federations, CIC Group banks, subsidiaries, business centers, etc.) and come under the authority of the regional group to which they belong. Each regional group has at least one Operational Risk Manager.

Reporting and general oversight

The reporting and general oversight of operational risks are based on the following principles:
- providing information at regular intervals to the Board of Directors regarding incurred losses;
- providing ad hoc reports to the national management teams setting out the risk profile analyzed according to the risk structure defined by the Group, capital requirements, losses and provisions in respect of loss events.

Climate and environmental risks

Definition

Climate change and environmental damage are sources of structural changes that could have an effect on economic activity and consequently on the financial system. Climate and environmental risks are commonly viewed as including the following risk factors:
- physical risk refers to the direct losses caused by climate change (in particular, the proliferation of extreme climate events and gradual shifts in the climate) and environmental damage (such as air, water and ground pollution, water stress, the loss of biodiversity and deforestation);

- transition risk refers to the financial loss an institution may incur as a direct or indirect result of the process of adapting to a low-carbon, more environmentally sustainable economy;

- physical and transition risks can also generate other losses, arising directly or indirectly from **legal action (commonly known as "liability risk")** and the reputational losses that could occur if the public, counterparties and/or investors in the institution associate the bank with adverse environmental impacts ("reputational risk").

Climate and environmental risk management systems

To effectively monitor its commitments, Crédit Mutuel has created a national governance structure and roadmap for CSR and climate and environmental risks that ensures consistency and encourages collective action while respecting the principle of subsidiarity.

A monitoring framework supplements the operating framework of Crédit Mutuel group's FGR and the general risk appetite framework (at the confederation and regional group level) and is linked to the climate and environmental risk policies in force at the Crédit Mutuel regional groups by putting in perspective:

- the systems for identifying, measuring, monitoring and mitigating climate and environmental risks implemented within the Crédit Mutuel group;
- the breakdown of roles and responsibilities in implementing the common principles regarding climate and environmental risks.

A number of projects are overseen by a CSR and Climate Risk Steering Committee that includes representatives of all the regional groups and reports to the executive and supervisory bodies, with help from multidisciplinary working groups.

The cross-cutting aspect of climate and environmental risks requires the involvement of all the Crédit Mutuel group's risk teams (credit risk, operational risk, market and liquidity risk, overall risk management, etc.) in order to:
- identify and measure the impacts of climate and environmental risks on these risks using special materiality analysis tools;
- adapt existing tools and processes, if necessary;
- develop new tools and processes to ensure effective risk management;
- create monitoring and management indicators to support a robust quantitative and forward-looking approach.

The Group's exposure to climate risks is the subject of regular reporting. At the national level, a number of common risk appetite indicators are used to monitor the main risk indicators and compliance with the national system of limits. They are supplemented by regular monitoring of indicators intended for the executive and supervisory bodies via the national risk dashboard.

Financial conglomerates

Confédération Nationale du Crédit Mutuel (CNCM) was designated as a financial conglomerate by the Autorité de Contrôle Prudentiel in a letter dated December 16, 2005. Further to the Order of September 19, 2005 issued by the Advisory Committee on Financial Legislation and Regulation (Comité Consultatif de la Législation et de la Réglementation Financières - CCLRF), "*institutions that own more than 20% of the capital of undertakings belonging to the insurance sector must deduct their investment as well as any subordinated loans from their prudential own funds. However, said institutions may choose not to deduct from own funds investments in undertakings belonging to the insurance sector, in which case they have an additional requirement in terms of capital adequacy determined by applying the so-called accounting consolidation method.*"

CNCM's activity as a financial conglomerate is undertaken through Groupe des Assurances du Crédit Mutuel (GACM), a subsidiary of CM Alliance Fédérale Group, Suravenir (life insurance) and Suravenir Assurances (non-life insurance), which are both subsidiaries of CM Arkéa. These subsidiaries market an extensive range of life insurance, property insurance, casualty insurance and third-party liability insurance products, predominantly through the banking networks of Crédit Mutuel group.

At December 31, 2023, coverage of the solvency requirements related to banking activities or investment and insurance services by the own funds of Crédit Mutuel group acting as financial conglomerate was 168%.

Crédit Mutuel group had total assets of €1.142 billion at December 31, 2023, broken down by business line as follows:

€m	Retail banking	Insurance	Corporate and Investment Banking	Asset Management / Private Banking	Other	Total	Interactivities	Total
12/31/2023	1,459,900	207,350	134,299	45,218	128,584	**1,975,350**	(832,757)	**1,142,594**
Balance sheet total	73.9%	10.5%	6.8%	2.3%	6.5%			

Since December 31, 2016, control of transactions between the sectors of the conglomerate (banking and insurance) has been carried out by type, i.e. on transactions at the reporting date and during the period for transactions on equities and similar instruments, derivatives, off-balance sheet liabilities and contingent liabilities, internal insurance and reinsurance transactions, and on the total annual flows for income and expenses exchanged.

For the submission related to December 31, 2023 data, the reporting scope was enlarged.

It now includes:
- transactions that are unrealized at the reporting date or were realized during the period for transactions on equities and similar instruments, derivatives, off-balance sheet liabilities and contingent liabilities, and internal insurance and reinsurance transactions;
- and the total annual flows for income and expenses exchanged.

Details of intra-group transactions are required by the regulator when the total amount for all transactions by type exceeds a certain threshold, namely:
- On- and off-balance sheet intra-group transactions: EUR 500 million;
- Intra-group transactions in the income statement: EUR 100 million.

The threshold of 5% of the conglomerate's capital requirements was €2.460 billion at December 31, 2023 (i.e. 5% of the conglomerate's solvency requirements at December 31, 2023, which amounted to €49.209 billion).

Outlook

Following a 2023 marked by social and environmental commitments as well as by excellent results, the Crédit Mutuel group will pursue its development and diversification strategy in 2024 to best serve all its customers and members on the strength of its banking and insurance model.

In an environment of changing interest rates, persistent inflation and slow growth, the Crédit Mutuel group is affirming its ambitions by building on the commercial performance of its local retail banking and insurance networks and its business subsidiaries.

The Group aims to pursue its development and operational efficiency through careful management of its risks and costs by, in particular, streamlining its structures so as to further strengthen its financial position.

Financial statements
at December 31, 2023

Balance sheet (assets)

IN € MILLIONS	12/31/2023	12/31/2022 restated	01/01/2022	NOTES
Cash and amounts due from central banks	118,127	142,201	157,145	1
Financial assets at fair value through profit or loss	35,642	31,815	24,909	6a, 6c, 9, 10
Hedging derivatives	5,624	9,818	2,271	7, 9, 10
Financial assets at fair value through OCI	47,779	42,821	42,833	4a, 4b, 5, 7.9
Securities at amortized cost	5,874	4,909	4,684	2c, 5, 7
Loans and receivables due from credit institutions and similar, at amortized cost	77,832	64,732	62,191	2a, 5, 7
Loans and receivables due from customers at amortized cost	639,114	612,441	564,925	2b, 5, 7
Remeasurement adjustment on interest-rate hedged portfolios	(4,706)	(11,522)	1,746	
Financial investments of insurance activities	191,311	178,731	194,629	8.9
Insurance contracts issued	15	18	26	8.9
Reinsurance contracts held	530	477	398	8.9
Current tax assets	2,004	1,844	1,569	11a
Deferred tax assets	1,462	1,566	1,728	11b
Accruals and other assets	12,407	10,979	11,135	12a
Non-current assets held for sale	0	4,897	215	12c
Investments in equity consolidated companies	225	198	197	13
Investment property	594	579	551	14
Property, plant and equipment	4,612	4,448	4,477	15a
Intangible assets	1,296	1,260	1,280	15b
Goodwill	2,851	2,850	3915	16
Total assets	**1,142,593**	**1,105,062**	**1,080,824**	

Balance Sheet - Liabilities and shareholders' equity

IN € MILLIONS	12/31/2023	12/31/2022 restated	01/01/2022	NOTES
Due to central banks	31	44	605	1
Financial liabilities at fair value through profit or loss	20,412	20,998	13,834	6b, 6c, 9, 10
Hedging derivatives	5,612	7,113	2,898	7, 9, 10
Due to credit and similar institutions at amortized cost	56,354	83,982	91,140	3a, 7
Amounts due to customers at amortized cost	594,151	565,868	547,659	3b, 7
Debt securities at amortized cost	181,216	159,069	141,725	3c, 7
Remeasurement adjustment on interest-rate hedged portfolios	(1,223)	(1,897)	466	7
Current tax liabilities	888	691	932	11a
Deferred tax liabilities	820	794	1,158	11b
Accruals and other liabilities	19,524	18,999	18,718	12b
Debt related to non-current assets held for sale	0	3,622	345	12c
Insurance contracts issued	171,842	159,179	177,207	8
Reinsurance contracts held	0	0	0	8
Provisions	3,811	3,778	4,449	17
Subordinated debt at amortized cost	13,708	11,983	12190	3d
Total shareholders' equity	**75,447**	**70,839**	**67,498**	
Shareholders' equity - attributable to the Group	**75,388**	**70,769**	**67,408**	
Capital and related reserves	11,504	11,644	11,441	18a
Consolidated reserves	59,125	54,994	51,719	18a
Gains and losses recognized through OCI	188	(85)	865	18b, 32, 33
Net income	4,571	4,216	3,381	
Shareholders' equity - Non-controlling interests	**59**	**70**	**90**	18c
Total liabilities and shareholders' equity	**1,142,593**	**1,105,062**	**1,080,824**	

Income statement

IN € MILLIONS	12/31/2023	12/31/2022 restated	NOTES
Interest and similar income	37,533	18,257	20
Interest and similar expense	(28,157)	(9,140)	20
Fee and commission income	7,192	7,105	21
Fee and commission expense	(1,862)	(1,854)	21
Net gains on financial instruments at fair value through profit or loss	967	970	22
Net gains/(losses) on financial assets at fair value through OCI	(139)	(143)	23
Net gains/(losses) resulting from derecognition of financial assets at amortized cost	0	4	24
Income from insurance contracts issued	8,238	8,004	25a
Expenses relating to insurance contracts issued	(6,393)	(6,190)	25a
Income and expenses relating to reinsurance contracts held	13	94	25a
Financial income or expenses from insurance contracts issued	(8,653)	7,140	25a
Financial income or expenses relating to reinsurance contracts held	5	3	25a
Net income from financial investments related to insurance activities	8,779	(7,028)	25b
Income from other activities	1,922	2,066	26
Expenses on other activities	(744)	(678)	26
Net revenue	**18,701**	**18,610**	
General operating expenses	(10,121)	(9,601)	27
Movements in depreciation, amortization and provisions for property, plant and equipment and intangible assets	(950)	(884)	27
Gross operating income	**7,630**	**8,125**	
Cost of credit risk	(1,422)	(970)	28
Operating income	**6,208**	**7,155**	
Share in net income of equity consolidated companies	17	(6)	13
Gains/(losses) on other assets	74	(135)	29
Changes in goodwill	0	(1,005)	30
Income before tax	**6,299**	**6,009**	
Income tax	(1,701)	(1,761)	31
Gains & losses on discontinued operations, net of tax	**0**	**0**	12c
Net income	**4,598**	**4,248**	
Income - Non-controlling interests	27	32	
Group net income	**4,571**	**4,216**	

État du résultat net et des gains et pertes directement comptabilisés en capitaux propres

IN € MILLIONS	12/31/2023	12/31/2022
Net income	**4,598**	**4,248**
Translation adjustments	(12)	72
Remeasurement of financial assets at fair value through OCI	34	- 253
- debt instruments	34	(253)
Reclassification of financial assets from fair value through OCI to fair value through profit or loss	0	0
Remeasurement of equity instruments recognized at fair value through OCI of the insurance business	(25)	29
Remeasurement of insurance contracts which will be recycled to profit or loss	2,531	(9,997)
Remeasurement of reinsurance contracts held which will be recycled to profit or loss	(2,400)	8,770
Remeasurement of hedging derivatives	(3)	3
Share of unrealized or deferred gains and losses of equity consolidated companies	(2)	(1)
Total recyclable gains recognized in other comprehensive income	**123**	**(1,377)**
Remeasurement of financial assets at fair value through OCI	10	- 0
- equity instruments at the reporting date	(167)	35
Remeasurement of financial assets at fair value through OCI	15	- 68
- equity instruments sold during the year	10	(0)
Remeasurement of equity instruments recognized at fair value through OCI of the insurance business	389	128
Effects of remeasurement of insurance contracts under the variable fee approach	- 91	321
- non-recyclable	15	(68)
Difference arising on remeasurement of own credit risk on financial liabilities under the fair value option	(11)	23
Remeasurement of non-current assets		
Actuarial gains/(losses) on defined benefit plans	(91)	321
Share of non-recyclable gains or losses of equity consolidated companies	(1)	(3)
Total non-recyclable gains and losses recognized in other comprehensive income	**144**	**437**
Net income and other comprehensive income	**4,865**	**3,308**
Of which attributable to the Group	4,845	3,265
Of which non-controlling interests	20	43

Changes in shareholders' equity

IN € MILLIONS	CAPITAL AND RELATED RESERVES			CONSOLIDATED RESERVES
	Capital	Capital reserves	Elimination of treasury shares	Consolidated reserves
Shareholders' equity at December 31, 2021	**11,411**	**31**	**-**	**49,656**
Impacts of the implementation of IFRS 17 and IFRS 9 (Insurance)				2,063
Shareholders' equity at January 1, 2022	**11,411**	**31**	**-**	**51,719**
Capital increase	205			
Elimination of treasury shares				
Issue of preferred shares				
Equity component of hybrid instruments				
Equity component of share-based payment plans				
Appropriation of income for 2021				3,381
Dividends paid in 2022 in respect of 2021				(122)
Change in the equity investments of subsidiaries without loss of control				
Subtotal of movements related to relations with shareholders	**205**	**-**	**-**	**3,259**
Changes in gains/(losses) recognized through OCI				45
Changes in the value of financial instruments and non-current assets reclassified to profit or loss				
Difference arising on remeasurement of own credit risk on financial liabilities under the fair value option transferred to reserves				
2022 net profit/(loss)				
Subtotal	**-**	**-**	**-**	**45**
Impact of acquisitions and disposals on non-controlling interests				(31)
Changes in accounting methods				
Share of changes in the shareholders' equity of associates and joint ventures accounted for using the equity method				2
Other changes		(3)		
Shareholders' equity at December 31, 2022	**11,616**	**28**	**-**	**54,994**
Shareholders' equity at January 1, 2023	**11,616**	**28**	**-**	**54,994**
Capital increase	(140)			
Elimination of treasury shares				
Issue of preferred shares				
Equity component of hybrid instruments				
Equity component of share-based payment plans				
Appropriation of income for 2022				4,216
Dividends paid in 2023 in respect of 2022				(209)
Change in the equity investments of subsidiaries without loss of control				
Subtotal of movements related to relations with shareholders	**(140)**	**-**	**-**	**4,007**
Changes in gains/(losses) recognized through OCI				31
of which transferred to reserves (equity instruments)				31
Changes in the value of financial instruments and non-current assets reclassified to profit or loss				
Difference arising on remeasurement of own credit risk on financial liabilities under the fair value option transferred to reserves				
2023 net profit/(loss)				
Subtotal	**-**	**-**	**-**	**31**
Impact of acquisitions and disposals on non-controlling interests				119
Changes in accounting methods				
Share of changes in the shareholders' equity of associates and joint ventures accounted for using the equity method				(4)
Other changes				(22)
Shareholders' equity at December 31, 2023	**11,476**	**28**	**-**	**59,125**

UNREALIZED OR DEFERRED GAINS/LOSSES (AFTER TAX)								
Translation differences	Revaluation differences (excluding financial instruments)	Changes in the value of financial instruments			Group net income	Shareholders' equity attributable to the Group	Shareholders' equity attributable to non-controlling interests	Total consolidated shareholders' equity
		Changes in the fair value of financial assets at fair value through OCI	Difference arising on remeasurement of own credit risk on financial liabilities under the fair value option	Changes in the fair value of derivative hedging instruments				
49	**(522)**	**2,111**	**-**	**(6)**	**4,266**	**66,996**	**72**	**67,068**
		(767)			(885)	412	18	430
49	**(522)**	**1,344**	**-**	**(6)**	**3,381**	**67,408**	**90**	**67,498**
						205		205
					(3,381)			
						(122)	(5)	(127)
-	**-**	**-**	**-**	**-**	**(3,381)**	**83**	**(5)**	**78**
72	317	(1,412)		29		(949)	9	(940)
		21				21		21
		23				23		23
					4,216	4,216	32	4,248
72	**317**	**(1,368)**	**-**	**29**	**4,216**	**3,311**	**41**	**3,352**
						(31)	(37)	(68)
						2		2
						(3)	(19)	(22)
121	**(205)**	**(24)**	**-**	**23**	**4,216**	**70,769**	**70**	**70,839**
121	**(205)**	**(24)**	**-**	**23**	**4,216**	**70,769**	**70**	**70,839**
						(140)		(140)
					(4,216)			
						(209)	(5)	(214)
-	**-**	**-**	**-**	**-**	**(4,216)**	**(349)**	**(5)**	**(354)**
(12)	(94)	386		(25)		286	(6)	280
		10				41		
		23				23		23
		(11)				(11)		(11)
					4,571	4,571	27	4,598
(12)	**(94)**	**398**	**-**	**(25)**	**4,571**	**4,869**	**21**	**4,890**
						119	(26)	93
						(4)		(4)
		(1)		7		(16)	(1)	(17)
109	**(299)**	**373**	**-**	**5**	**4,571**	**75,388**	**59**	**75,447**

Statement of net cash flows

IN € MILLIONS	12/31/2023	12/31/2022 restated
Net income	4,598	4,153
Tax	1,701	1,723
Income before tax	**6,298**	**5,876**
=+/- Net provision for depreciation of property, plant and equipment and intangible assets	935	931
- Impairment of goodwill and other current assets	35	1,025
+/- Net charges to provisions and impairment	588	(1,889)
+/- Share of income of equity consolidated companies	(18)	5
+/- Net (loss)/gain from investing activities	436	(57)
+/- (Income)/expense from financing activities	0	0
+/- Other movements	12,193	(7,765)
= Total non-monetary items included in net income before tax and other adjustments	**14,169**	**(7,750)**
+/- Cash flows related to transactions with credit institutions (a)	(38,395)	(12,729)
+/- Cash flows related to transactions with customers (b)	569	(31,953)
+/- Cash flows related to other transactions affecting financial assets or liabilities (c)	(12,506)	23,131
+/- Cash flows related to other transactions affecting non-financial assets or liabilities	(4,179)	(1,014)
- Tax paid	(1,507)	(1,909)
= Net reduction/(increase) in assets and liabilities from operating activities	**(56,017)**	**(24,474)**
TOTAL NET CASH FLOW GENERATED BY OPERATING ACTIVITIES (A)	**(35,550)**	**(26,349)**
+/- Cash flows related to financial assets and holdings (d)	**(900)**	**901**
+/- Cash flows related to investment property (e)	**(450)**	**14**
+/- Cash flows related to property, plant and equipment and intangible assets (f)	**(1,101)**	**(867)**
TOTAL NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(2,451)**	**48**
+/- Cash flows from or to shareholders (g)	**(434)**	**13**
+/- Other net cash flows from financing activities (h)	**11,355**	**10,477**
TOTAL NET CASH FLOWS RELATED TO FINANCING ACTIVITIES (C)	**10,920**	**10,490**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS (D)	**(20)**	**345**
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	**- 27 101**	**- 15 465**
Net cash flows from operating activities (A)	(35,550)	(26,349)
Net cash flows from investment activities (B)	(2,451)	48
Net cash flows from financing activities (C)	10,920	10,490
Impact of movements in exchange rates on cash and cash equivalents (D)	(20)	345
Cash and cash equivalents at beginning of period	**140,127**	**155,710**
Cash, central banks (assets & liabilities)	142,145	156,541
Accounts (assets and liabilities) with and demand loans/borrowings from credit institutions	(2,018)	(831)
Cash and cash equivalents at end of period	**114,111**	**140,161**
Cash, central banks (assets & liabilities)	118,062	142,145
Accounts (assets and liabilities) with and demand loans/borrowings from credit institutions	(3,951)	(1,984)
CHANGE IN NET CASH AND CASH EQUIVALENTS	**(26,016)**	**(15,549)**

IN € MILLIONS	12/31/2023	12/31/2022 restated
(a) Cash flows related to transactions with credit institutions break down as follows:		
+/- Inflows and outflows linked to loans and advances to credit institutions (other than items included in cash and cash equivalents), excluding accrued interest	(9,667)	(5,622)
+/- Inflows and outflows linked to amounts due to credit institutions, excluding accrued interest	(28,728)	(7,107)
(b) Cash flows related to transactions with customers break down as follows:		
+/- Inflows and outflows linked to loans and advances to customers, excluding accrued interest	(22,907)	(50,307)
+/- Inflows and outflows linked to amounts due to customers, excluding accrued interest	23,476	18,354
(c) Cash flows related to other transactions affecting financial assets or liabilities break down as follows:		
+/- Inflows and outflows linked to financial assets at fair value through profit or loss	(11,150)	(896)
+/- Inflows and outflows linked to financial liabilities at fair value through profit or loss	1,261	5,280
- Outflows related to acquisitions of fixed-income available-for-sale financial assets*	(10,723)	6,977
+ Inflows related to disposals of fixed-income available-for-sale financial assets*	0	0
+/- Inflows and outflows linked to derivative hedging instruments	0	0
+/- Inflows and outflows linked to debt securities	8,106	11,770
(d) Cash flows related to financial assets and investments break down as follows:		
- Outflows linked to acquisitions of subsidiaries, net of cash acquired	0	0
+ Inflows linked to sales of subsidiaries, net of cash transferred	0	0
- Outflows linked to acquisitions of securities of equity consolidated companies	(19)	(24)
+ Inflows linked to sales of securities of equity consolidated companies	0	0
+ Inflows linked to dividends received	18	6
- Outflows linked to acquisitions of held-to-maturity financial assets	(16,042)	(17,955)
+ Inflows linked to sales of held-to-maturity financial assets	15,187	18,260
- Outflows linked to acquisitions of variable-income available-for-sale financial assets	(119)	(111)
+ Inflows linked to sales of variable-income available-for-sale financial assets	75	726
+/- Other cash flows linked to investment transactions	0	0
+ Inflows linked to interest received, excluding accrued interest not yet due	0	0
(e) Cash flows related to investment property break down as follows:		
- Outflows linked to acquisitions of investment property	(39)	(121)
+ Inflows linked to sales of investment property	(411)	136
(f) Cash flows related to property, plant and equipment and intangible assets break down as follows:		
- Outflows linked to acquisitions of property, plant and equipment and intangible assets	(1,347)	(1,248)
+ Inflows linked to sales of property, plant and equipment and intangible assets	246	381
(g) Cash flows from or to shareholders break down as follows:		
+ Inflows from issuance of shares and similar securities	(140)	205
+ Inflows from disposals of shares and similar securities	154	169
- Outflows linked to dividends paid	(214)	(127)
- Outflows linked to other payments	(234)	(234)
+ Inflows linked to a change in investments without loss of control	0	0
- Outflows linked to a change in investments without loss of control	0	0
(h) Other net cash flows from financing activities break down as follows:		
+ Inflows linked to issuance of bonds and debt securities	24,139	20,200
- Outflows linked to repayment of bonds and debt securities	(14,026)	(11,410)
+ Inflows linked to issuance of subordinated debt	1,250	2,250
- Outflows linked to repayment of subordinated debt	(8)	(563)
- Outflows linked to interest paid, excluding accrued interest not yet due	0	0

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Notes

The Crédit Mutuel group is not listed and is consequently under no obligation to present consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). However, for the sake of greater transparency and comparability with other leading financial institutions, the Board of Directors of the Confédération Nationale du Crédit Mutuel, which is the Group's central governing body within the meaning of Article L. 511-31 of the French Monetary and Financial Code, has opted to prepare consolidated financial statements at the national level in accordance with IFRS.

These financial statements are presented in accordance with French Accounting Standards Board Recommendation No. 2022-01 relating to financial statements under IFRS. They comply with the international accounting standards adopted by the European Union.

Amendments applicable as of January 1, 2023

Since January 1, 2023, the Group has applied the amendments adopted by the EU presented below:

• Amendment to IAS 1 - Disclosure of Accounting Policies

This amendment clarifies the information to be provided regarding "material" accounting policies. Such information is material where, when considered together with other information included in the financial statements, it can reasonably be expected to influence the decisions of the primary users of financial statements.

• Amendment to IAS 8 – Definition of an Accounting Estimate

The purpose of this amendment is to facilitate the distinction between changes in accounting policies and accounting estimates by introducing an explicit definition of accounting estimates.
These represent amounts in the financial statements that cannot be measured with certainty.

• Amendment to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

This amendment sets general rules for the recognition of deferred tax for leases and decommissioning obligations.

The Group is not materially impacted by these amendments.

• Amendment to IAS 12 - International Tax Reform - Pillar Two Model Rules

The OECD's Pillar Two rules, adopted by Directive 2022/2523 and transposed into the 2024 Finance Act, aim to establish a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the European Union.
Under these rules, a top-up tax should be paid if the effective tax rate in a jurisdiction according to the OECD's Global Anti-Base Erosion (GLoBe) rules is less than 15%.

The amendment to IAS 12 provides for a mandatory temporary exemption from the recognition of deferred taxes related to Pillar Two. A project was launched in 2023 to identify the list of jurisdictions and be able to estimate the current tax expense related to Pillar Two as from 2024. The Group does not anticipate a material impact of this tax reform at this time.

• Application of IFRS 17 and IFRS 9 for insurance activities

Since January 1, 2023, the Group has applied IFRS 17 - Insurance Contracts and IFRS 9 - Financial Instruments for its insurance activities.

Details of the IFRS 9 and IFRS 17 principles applied by the Group are presented in the section entitled Accounting principles and valuation methods.

- Application of IFRS 17

IFRS 17 is applied retrospectively. It imposes a transition date corresponding to the beginning of the fiscal year immediately preceding the date of first-time application, i.e. January 1, 2022.

The retrospective measurement of these assets and liabilities at transition, particularly of the various insurance contract portfolios, may be subject to alternative approaches when the historical information required for a fully retrospective application is not available.

The Group applies a modified retrospective approach for the majority of portfolios of insurance contracts, which provides, based on reasonable information available without undue cost or effort, measurements that are as close as possible to those that would result from the retrospective application of the standard.

Differences in the measurement of insurance assets and liabilities resulting from the retrospective application of IFRS 17 at January 1, 2022 are presented directly in equity.

- Application of the modified retrospective approach

The relevant entities have applied the modified retrospective approach for the majority of portfolios of existing contracts, including both health, protection & creditor insurance (particularly creditor insurance) and life/savings insurance. The use of full retrospective or fair value approaches is limited and concerns certain portfolios of individual protection or property/casualty insurance contracts (see table below on the effects of IFRS 17 application).

The simplifications used depended on the availability of the necessary information based on the portfolios in question.
For the calculation of the CSM at the transition date, the Group elected to use the modified retrospective approach over the fair value approach, except where the modified retrospective approach was impracticable. The modified retrospective approach is considered practicable from fiscal year 2009 for some of the Group's insurance entities.

- Portfolios modeled under the general model

For contracts measured under the general model, the principle of the modified retrospective approach entails reconstructing the liabilities at the date of initial recognition based on their measurement at the transition date by retroactively reconstructing the movements that occurred between the two dates, with simplifications as follows:
- the cash flows at inception are estimated by adding the actual cash flows recorded between the two dates to the amount at the transition date;
- the discount rate at inception can be determined using yield curves that simulate those on the date of initial recognition;
- changes in the adjustment for non-financial risk between the date of inception and the transition date can be estimated based on release patterns observed for similar contracts.
- For liabilities for remaining coverage thus reconstructed at the date of inception, the initial contractual service margin (if any) is amortized based on the services rendered during the period preceding the transition in order to determine the remaining amount of the contractual service margin at that date.

When contracts are combined into a single group at the transition date, the discount rate at that date may be used.

When the option to disaggregate financial changes between profit or loss and other comprehensive income is chosen, the amount recognized in OCI at the transition date must be reconstructed based on the rate at inception for the liability for remaining coverage and on the rate at the date of the claim for the liability for incurred claims.

When such reconstruction is not possible, the amount recognized in OCI is zero.

The Group has chosen to use only some of the simplifications proposed by the modified retrospective approach, in particular the approximation of cash flows based on actual past cash flows and the approximation of the risk adjustment. The annual groups of contracts from 2012 to 2021 were reconstructed and the remeasurement of items recyclable to profit or loss in respect of changes in discount rates was calculated retrospectively, without simplification.

- Portfolios modeled under the simplified model

For contracts measured under the simplified model ("PAA"), provisions for remaining coverage on the transition date were determined based on the previous provisions for unearned premiums, gross of acquisition costs since the Group opted to recognize acquisition costs as expenses.

Provisions for incurred claims under these contracts consist of the expected cash flows and the non-financial risk adjustment at the transition date. The amount at the transition date that was recyclable to profit or less in respect of changes in discount rates was reconstructed based on historical rates.

- Portfolios modeled under the VFA

For life/savings contracts measured using the variable fee approach, the modified retrospective approach also entails reconstructing the liability at the date of inception based on the liability at the transition date.

However, for liabilities for remaining coverage, the standard stipulates that the contractual service margin at the transition date should be determined using the following approach:

- the realizable value of the underlying assets at the transition date is first reduced by the fulfillment cash flows (discounted cash flows and risk adjustment) at that same date;
- the income from policyholders and changes in the risk adjustment are added to this amount, and the acquisition costs paid over the interim period are deducted;
- the contractual service margin net of acquisition costs thus reconstructed at inception is then amortized until the transition date to reflect the services rendered at that date, as well as the unamortized acquisition costs.

For implementation of this approach, the main simplifications were as follows:

- existing contracts were grouped according to the post-transition segmentation, without breaking them down by annual cohorts, in accordance with the exception provided for by European regulations;
- the contractual service margin at the transition date was thus reconstructed:
  - based on the market value of the underlying assets (see above) less the fulfillment cash flows at the transition date,
  - plus the past margins from historical data (accounting or management), which were spread over the period up to the transition date (using the same approach, taking into account the "excess yield" of the assets, that will be used after the transition), and
  - less unamortized acquisition costs;
  - the amount recognized in recyclable equity at the transition date in respect of the accounting mismatch adjustment was determined using the realizable value of the underlying assets recognized in recyclable equity at the transition date, as required by the standard.

• Application of IFRS 9

Given that the Group deferred the application of IFRS 9 for its insurance entities until the date of application of IFRS 17, IFRS 9 is applicable from January 1, 2023[1].

In accordance with the IFRS 17 transition arrangements, and in order to provide more relevant information, the Group has restated the comparative data for the 2022 financial year for the relevant financial instruments of its insurance entities (including financial instruments derecognized in 2022).

The Group applies the overlay approach to recognize disposals of assets in 2022, as if these disposals had been recognized under IFRS 9, in accordance with the amendment related to the presentation of IFRS 9/IFRS 17 comparative figures adopted by the EU in September 2022.

This overlay approach makes it possible to standardize the impact of the transition on consolidated shareholders' equity under IFRS 9 and IFRS 17 at January 1, 2022.

Differences in the measurement of the financial assets and liabilities concerned, the impairment of credit risk and gains and losses recognized in OCI resulting from the retrospective application of IFRS 9 at January 1, 2022 will be presented directly in equity.

• Other impacts related to the application of IFRS 17

As of the first-time application of IFRS 17, the Group has applied the amendments made in the wake of IFRS 17 to IAS 40 and IAS 16, resulting in the measurement at market value through profit or loss of properties held as underlying items of contracts with direct participation features.

1) The application of IFRS 9 for insurance subsidiaries was deferred in accordance with the possibilities offered by the amendments to IFRS 17 and IFRS 4 published by the IASB on June 25, 2020 and extended by European Commission Regulations (EU) 2017/1988 and 2020/2097.

• Impacts of first-time application of IFRS 17 and IFRS 9 at January 1, 2023

The main impacts of the first-time application of IFRS 17 and IFRS 9 at December 31, 2022 for the insurance entities are as follows:

Balance sheet (assets)

IN € MILLIONS	12/31/2022 restated	Effect of IFRS 17, 9 and other	12/31/2022 published
Cash and amounts due from central banks	142,201	0	142,201
Financial assets at fair value through profit or loss	31,815	0	31,815
Hedging derivatives	9,818	0	9,818
Financial assets at fair value through OCI	42,821	0	42,821
Securities at amortized cost	4,909	0	4,909
Loans and receivables due from credit institutions and similar, at amortized cost	64,732	0	64,732
Loans and receivables due from customers at amortized cost	612,441	0	612,441
Remeasurement adjustment on interest-rate hedged portfolios	(11,522)	0	(11,522)
Financial investments of insurance activities	178,731	(563)	179,294
Insurance contracts issued	18	18	
Reinsurance contracts held	477	477	
Current tax assets	1,844	0	1,844
Deferred tax assets	1,566	(1,025)	2,591
Accruals and other assets	10,979	(145)	11,124
Non-current assets held for sale	4,897	(89)	4,986
Deferred profit-sharing	0	(1,566)	1,566
Investments in equity consolidated companies	198	(15)	213
Investment property	579	0	579
Property, plant and equipment	4,448	(101)	4,549
Intangible assets	1,260	(3)	1,263
Goodwill	2,850	(2)	2,852
Total assets	**1,105,062**	**(3,014)**	**1,108,076**

Balance Sheet - Liabilities and shareholders' equity

IN € MILLIONS	12/31/2022 restated	Effect of IFRS 17, 9 and other	12/31/2022 published
Due to central banks	44	0	44
Financial liabilities at fair value through profit or loss	20,998	324	20,674
Hedging derivatives	7,113	0	7,113
Due to credit and similar institutions at amortized cost	83,982	8,614	75,368
Amounts due to customers at amortized cost	565,868	0	565,868
Debt securities at amortized cost	159,069	0	159,069
Remeasurement adjustment on interest-rate hedged portfolios	(1,897)	0	(1,897)
Current tax liabilities	691	(130)	821
Deferred tax liabilities	794	(185)	979
Accruals and other liabilities	18,999	2,422	16,577
Debt related to non-current assets held for sale	3,622	(98)	3,720
Liabilities related to insurance business contracts		(176,161)	176,161
Insurance contracts issued	159,179	159,179	
Reinsurance contracts held	0	0	
Provisions	3,778	(9)	3,787
Subordinated debt at amortized cost	11,983	854	11,129
Total shareholders' equity	**70,839**	**2,176**	**68,663**
Shareholders' equity - attributable to the Group	**70,769**	**2,180**	**68,589**
Capital and related reserves	11,644	0	11,644
Consolidated reserves	54,994	1,221	53,773
Gains and losses recognized through OCI	(85)	863	(948)
Net income	4,216	96	4,120
Shareholders' equity - Non-controlling interests	**70**	**(4)**	**74**
Total liabilities and shareholders' equity	**1,105,062**	**(3,014)**	**1,108,076**

The main transition effects related to IFRS 17 and IFRS 9 at December 31, 2022 were:

(a) Removal of insurance assets and liabilities under IFRS 4:

- on the asset side, -€3.5 billion, including -€582 million in respect of reinsurance assets held, mainly technical provisions in "Financial investments of insurance activities", and -€1.566 billion in respect of deferred profit-sharing arising from shadow accounting,
- on the liabilities side, -€163.841 billion in respect of actuarial reserves in "Liabilities of insurance contracts issued".

(b) Recognition of insurance and reinsurance assets and liabilities under IFRS 17:

- on the asset side, +€495 million in "Insurance and reinsurance assets held",
- on the liabilities side, +€159.179 billion in "Insurance liabilities issued",
- the effect of reclassification of related receivables and payables in the measurement of insurance liabilities and reinsurance assets, previously recognized in "Accruals" and "Other liabilities",
- the effect of reclassifying collective investment undertakings recognized using the short-cut method under IFRS 10 for €2.490 billion in "Accruals" and "Other liabilities".

(c) The remeasurement of financial assets in "Financial investments of insurance activities" under IFRS 9 (€2.122 billion) was mainly linked to the reclassification of the proprietary portfolio at amortized cost.

The Group also applied the amendments to IAS 40, following IFRS 17, which resulted in the measurement at fair value through profit or loss of properties held as underlying items of contracts with direct participation features and the recognition of €4.008 billion in "Financial investments of insurance activities".

The Group applies IFRS 9 to measure pure unit-linked contracts. As a result, "Financial liabilities at fair value through profit or loss" increased by €311 million.

Financial liabilities of €8.628 billion that were recognized under IFRS 4 in "Liabilities of insurance contracts issued" are reclassified in the banking presentation aggregates, of which €8.615 billion are shown in "Due to credit institutions", €854 million in "Subordinated debt at amortized cost" and €13 million in "Financial liabilities at fair value through profit or loss".

(d) The application of IFRS 17 and IFRS 9 had an impact net of deferred taxes on the Group's shareholders' equity of €2.180 billion at January 1, 2023.

The transition to IFRS 17 requires that distribution and management costs at the Group level (employee benefits expense, administrative expenses, depreciation expenses for fixed assets, etc.) that are directly attributable to the fulfillment of insurance contracts be included in the measurement of insurance contracts and presented in insurance service expenses under net revenue.

Therefore, future profits at the level of the combined banking and insurance group must be presented after adjusting for the internal margin generated by the distributor banking networks.

Effect of application of IFRS 17

The impact of the transition to IFRS 17 on shareholders' equity amounted to €879 million at January 1, 2022.
The table below shows the contractual service margins (CSM) for insurance contracts issued determined at the transition date based on the transition method applied.

	Insurance contracts recognized under the modified retrospective approach (MRA)	Insurance contracts recognized under the fair value (FV) approach	Full retrospective approach
CSM at the transition date 01/01/2022	2,631	5,841	498

The Group applies the option described in IFRS 17 under the modified retrospective transition approach which allows the use of the discount rate curve at the transition date on 01/01/2022 instead of the discount rate curve at the initial recognition date of the insurance contracts.

Effects of the application of IFRS 9 on financial investments of insurance activities

The table below reconciles:
- total financial investments at December 31, 2021, presented under IAS 39 (online) and total financial investments at January 1, 2022, presented under IFRS 9.
- impairment recognized under IAS 39 with provisions for credit risk recognized under IFRS 9.

At the transition date on January 1, 2022, the IFRS 9 transition impact results from a change in shareholders' equity related to the remeasurement at market value of securities previously recognized at amortized cost (HtM) that are now classified at fair value through OCI.

IFRS 9 does not otherwise result in the reclassification of any financial liabilities.

The amount of IFRS 9 impairment at January 1, 2022 for insurance activities was €47 million.

At 01/01/2022	Amount at 12/31/2021	Deconsolidated insurance entities	Financial assets at fair value through profit or loss	
			Amount reclassified / retained	Effect of IFRS 9
Financial assets at fair value through profit or loss	60,763	322	60,391	
- Trading	-		-	
- Equity instruments and debt	60,763	322	60,391	
- Loans and advances			-	
Available-for-sale financial assets	116,090	(182)	43,399	(1)
- Government securities, bonds and related securities	92,598	243	22,479	-
- Equities and other variable-income securities	20,843	(205)	19,490	-
- Investments in associates and other long-term investments	2,647	(220)	1,430	(1)
of which impairment	(1,019)	-		
Loans and receivables due from credit institutions	5,879	(3)	-	-
Loans and receivables due from customers	539	0	317	2
Held-to-maturity financial assets	6,346	1	20	-
Investment property	3,062	228		
of which impairment	(707)			
Property, plant and equipment	4,586	18	66	373
of which impairment	(7,547)	(14)		4
Intangible assets	1,284	0		3
Other insurance assets	356	-		
Amount at 01/01/2022 (IFRS 9)	**198,905**	**383**	**104,570**	

• Macroeconomic and geopolitical context

The Crédit Mutuel group is fully committed to addressing the impacts of the crisis in Ukraine and the growing economic uncertainty associated with the increase in interest rates, rising commodity prices, high inflation, the tightening of monetary policies and the geopolitical tensions resulting from the conflict in the Middle East.

Since the Group does not operate in Ukraine and Russia, no Crédit Mutuel group employees work in the conflict zones, and direct exposures in these two countries and in Belarus are immaterial. Moreover, the Group has no assets at Russia's Central Bank.

In March 2023, confidence in the financial markets was further weakened by the failures of several US banks (including Silicon Valley Bank), the acquisition of Credit Suisse by UBS and the volatility of bank share prices.

The Group's exposures to SVB, UBS and Crédit Suisse remain immaterial at the Group level.

Against a backdrop of high uncertainty, the Group continuously monitors the quality of its credit commitments, the value of its portfolios, interest rate risk management and its liquidity. It has a robust risk governance and management system.

• Credit risk

For the provisioning of performing loans (stages 1 & 2), the Crédit Mutuel group takes into account the impacts of successive crises as well as the macroeconomic outlook.

Financial assets at fair value through OCI		Financial assets at amortized cost	Investment property at fair value through profit or loss		Investment property at amortized cost	Property, plant and equipment and intangible assets at amortized cost
Amount reclassified / retained	Effect of IFRS 9	Amount reclassified / retained	Amount reclassified / retained	Effect of IFRS 9	Amount retained	Amount retained
50	-	-				
50	-					
70,498	624	2,376				
67,518	624	2,359				
1,543		16				
1,437		1				
(1,019)	(43)					
5,834		48				
6		216				
6,328		(3)				
			2,790	1,186	44	
				-	(707)	
				(26)		4,502
						(7,533)
						1,284
		356				
83,340		**2,993**	**3,950**		**44**	**5,786**

Provisioning is based on a case-by-case analysis carried out to monitor any increase in the credit risk of business and corporate customers in difficulty and personal customers who might be impacted directly or indirectly by a deteriorating economic environment.

In 2023, in accordance with the recommendations issued by the European Banking Authority and the European Central Bank, the Group began work to overhaul the multi-scenario approach and, therefore, the methodology for calculating the probability of default used to measure the significant increase in credit risk and the measurement of expected credit losses.

• ***Macroeconomic scenarios***

At December 31, 2023, the Group used three macroeconomic scenarios to assess the uncertainties related to the current macroeconomic environment, the assumptions of which are described below.

- In France, the central scenario forecasts a 50% decrease in the inflation rate in 2024 to 2.5% in line with the increase in the labor supply and the slight increase in the expected unemployment rate, which would reach the 2% target starting in 2025. The assumption of an economic recession is ruled out, but growth would remain weak in 2024 and 2025 (0.6% and 1.1% respectively). Key interest rates would remain at the current level (4% for the deposit facility rate) until August 2024. A first cut would then occur in September 2024 once inflation is under control, followed by successive decreases until the first quarter of 2026. Short-term yields would follow the trajectory of ECB rates, while long-term yields would be more stable. The yield curve would therefore remain inverted until 2025 and normalize in 2026. The interest rate on the Livret A passbook savings account is set at 3% until January 31, 2025, before the calculation formula is re-applied.

- Under the optimistic scenario, inflation in France would drop more quickly in 2024 than under the central scenario. The easing of financing conditions in 2024 would promote more dynamic economic growth, around 1.4% starting in 2025. The yield curve is expected to normalize starting in 2025.
- Under the pessimistic scenario, inflation would accelerate at the end of 2023 and the ECB would continue to raise key rates in 2024. This would lead to a contraction in economic activity and a collapse in growth (-1.6%) in 2024. The ECB would cut its key rates starting in late 2024 and the effects of this monetary policy would be felt from mid-2025 with a return to growth.

- Macroeconomic variables and projections used in the central scenario

The main variables used to determine expected credit losses under the central scenario are described below:

Macroeconomic assumptions

France	Average					
	2022	**2023**	**2024**	**2025**	**2026**	**2027**
Inflation rate excluding tobacco	5.3%	5.0%	2.5%	2.0%	2.0%	2.0%
Oil prices (in $)	101	84	90	90	90	90
Rate of growth in net revenue	2.5%	0.8%	0.6%	1.1%	1.2%	1.2%
Unemployment rate (end of period)	7.2%	7.4%	7.8%	7.8%	7.7%	7.6%
Market rate						
Eurozone						
3-month Euribor	0.34%	3.47%	3.89%	2.95%	2.39%	2.35%
France						
10-year constant maturity rate	1.67%	3.00%	2.98%	2.81%	2.80%	2.80%

- Weighting of macroeconomic scenarios

The determination of weightings reflects the expectations of the Crédit Mutuel group's economists regarding the economic cycle.
The changes in weightings result from the methodological changes described above:

	Central scenario	Pessimistic scenario	Optimistic scenario
At 12/31/2022	19%	80%	1%
At 12/31/2023	60%	30%	10%

The overhaul that took place in 2023 provided a better understanding of the forward-looking aspect of the expected credit loss calculation. At December 31, 2023, expected credit losses (excluding the impact of the post-model adjustment) amounted to €3.6 billion, a difference of €303 million compared with December 31, 2022 (including the 2022 post-model adjustment).

Expected losses are calculated based on a model adjustment for Retail portfolios (excluding personal) with high default rates, the aim of which is to lessen the positive effect of government support measures (PGE loans and/or moratoria) on the measurement of those customers' credit risk.

At December 31, 2023, the Group nevertheless made some specific post-model adjustments:
- the first strengthens the forward-looking aspect of the model given the high macroeconomic uncertainties resulting from the current economic climate,
- the second is a sectoral adjustment. It supplements provisioning for the sectors most exposed to climate transition risks (such as construction and real estate) and to the effects of the current crises, when such exposures are considered material based on the Group's business model.

At December 31, 2023, these two post-model adjustments amounted to €335 million and €171 million respectively. They represent 8.2% of the total amount of expected credit losses.

- Sensitivity analysis

The Group assesses the sensitivity of expected credit losses (including post-model adjustment).

These analyses show the result of a 100% weighting of each scenario:
- the pessimistic scenario would result in an additional provision for expected credit losses of 14%, i.e. +€311 million;
- the optimistic scenario, on the other hand, would result in a decrease in expected credit losses of 18%, i.e. -€387 million; and
- the central scenario would result in a decrease in expected credit losses of 9%, i.e. -€203 million.

Information on risk management

This information is presented in the group's management report.

I/ Accounting policies

Note 1 - Consolidation scope

Crédit Mutuel is a cooperative bank governed by the Law of September 10, 1947. It is owned solely by its members, who hold mutual shares ('A' shares) that entitle each of them to vote on a "one member, one vote" basis at shareholders' meetings, where their powers include the election of directors.

The three levels of organization - local, regional and national

- operate on a decentralized basis in accordance with the principle of subsidiarity. The local mutual banks, which are in closest contact with members and customers, carry out all the principal functions of bank branch offices, with the other two levels exercising only those functions that the local entities are not in a position to carry out alone.

Under Article L. 511-30 of the French Monetary and Financial Code, the Confédération Nationale is the central governing body for the Group. As such it is responsible for:

- ensuring the liquidity and solvency of the Crédit Mutuel network,
- representing Crédit Mutuel before the public authorities and defending and promoting its interests,
- and, more generally, ensuring the overall cohesion of the network and overseeing its functioning and business development while at the same time exercising administrative, technical and financial control over the regional groups and their subsidiaries.

The method for consolidating a group with such a distinctive capital ownership structure is based on determining a consolidating entity that reflects the community of members linked by shared financial solidarity and governance.

1.1 Consolidating entity

The consolidating entity for the Crédit Mutuel group is composed of all the local mutual banks, federal banks (general purpose and farming/rural) and regional federations of the four Crédit Mutuel groups, Caisse Central du Crédit Mutuel, the Confédération Nationale du Crédit Mutuel and the Fédération du Crédit Mutuel Agricole et Rural.

The capital of the consolidating entity is thus owned exclusively by all the members of the local mutual banks.

1.2 Basis of consolidation

The general principles for the inclusion of an entity in the consolidation scope are defined by IFRS 10, IFRS 11 and IAS 28R.

All the entities included in the consolidation scopes of the regional groups are included in the national consolidation scope. Jointly held companies that are not consolidated at regional level are excluded from the national consolidation scope if their total assets or income have an impact of 1% or less on the consolidated equivalent. However, an entity that does not reach this threshold may be consolidated if its activity or intended development result in it being considered a strategic investment.

The consolidation scope comprises:

- *Controlled entities:* the Group controls an entity if it has power over and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of entities controlled exclusively are fully consolidated.

- *Entities controlled jointly:* joint control is the contractually agreed sharing of control of an entity, which exists only when decisions about the key activities require the unanimous consent of the parties sharing control. Two or more parties that exercise joint control constitute a joint arrangement, which is either a jointly-controlled operation or a joint venture:
  - a *joint operation* is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the entity. The joint operator recognizes its assets, liabilities, revenue and expenses in relation to its interest in the joint operation.
  - a *joint venture* is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the entity's net assets. The joint venturer recognizes its interest in the entity using the equity method.

  All entities over which the Group exercises joint control are joint ventures within the meaning of IFRS 11.
- *Entities over which significant influence is exercised*: these are entities over whose financial and operational policies the Group exercises significant influence but does not have control. Shareholdings in entities over which the Group has significant influence are accounted for using the equity method.

Holdings belonging to private equity companies and over which the Group exercises joint control or significant influence are recognized at fair value.

Note 2: Consolidation methods and principles

2.1 Consolidation methods

The consolidation methods used are the following:

2.1.1 Full consolidation

This method involves replacing the value of the shares held in the subsidiary concerned with each of the assets and liabilities of said subsidiary and showing separately the interests of non-controlling shareholders in equity and net income. It is applied to all exclusively controlled entities, including those with a different accounts structure, regardless of whether or not the activity concerned forms part of the consolidating entity's activities.

Non-controlling interests correspond to the definition in IFRS 10 and include instruments that constitute present ownership interests and confer rights to a share of the net assets in the event of liquidation and other equity instruments issued by the subsidiary but are not held by the Group.

Consolidated UCITS, notably those representing unit-linked policies of insurance undertakings, are recognized at fair value through profit or loss. The amounts corresponding to non-controlling interests are recognized under "Other liabilities".

2.1.2 Equity method of consolidation

This method involves replacing the value of the shares held with the Group's share of the equity and net income of the entities concerned. It is applied to all entities under joint control that are classified as joint ventures and all entities under significant influence.

2.2 Closing date

The reporting date for all of the Group's consolidated companies is December 31.

2.3 Elimination of intra-group transactions

Intercompany transactions and balances, as well as gains or losses on intercompany sales that have a material impact on the consolidated financial statements, are eliminated.

2.4 Translation of accounts denominated in a foreign currency

Concerning the accounts of foreign entities expressed in foreign currencies, the balance sheet is converted based on the official exchange rate at the reporting date. Differences arising from exchange rate fluctuations impacting the share capital, reserves and retained earnings are recorded as a separate component of equity, under "Translation reserves". The income statement is translated at the average exchange rate for the fiscal year, which is an acceptable proxy when there are no significant fluctuations in exchange rates during the period. The resulting translation differences are recorded through OCI in under "Translation reserves". On liquidation or disposal of some or all of the interests held in a foreign entity, these amounts are recycled to profit or loss.

2.5 Goodwill

• Fair value adjustments

On taking control of a new entity, its assets, liabilities and any operating contingent liabilities are measured at fair value. Fair value adjustments correspond to the difference between the carrying amount and fair value.

• Goodwill

In compliance with IFRS 3, on the date that control of a new entity is acquired, the identifiable assets, liabilities and contingent liabilities of the acquiree meeting the criteria for recognition under IFRS are measured at fair value on the date of acquisition, except for non-current assets classified as assets held for sale (IFRS 5), which are recognized at the lower of fair value less costs to sell and the carrying amount. Goodwill corresponds to the sum of the consideration transferred and the non-controlling interests less the net amount recognized (generally at fair value) in respect of the identifiable assets acquired and liabilities assumed. IFRS 3 permits goodwill to be recognized on a full basis or a proportional basis, the choice being available for each business combination. In the case of full goodwill, non-controlling interests are measured at fair value, whereas in the case of partial goodwill, they are measured based on their share of the values attributed to the assets and liabilities of the acquired entity. If the goodwill is positive, it is recognized as an asset and, if negative, it is recognized immediately in the income statement under "Changes in value of goodwill".

If there is an increase (decrease) in the Group's percentage holding in a controlled entity, the difference between the acquisition cost/sale price of the securities and the share of consolidated equity represented by such securities on the date of acquisition/sale is recognized in OCI.

Goodwill is tested for impairment regularly and at least once a year.

The tests are designed to identify whether the goodwill has suffered a decline in value. Goodwill arising from a business combination is allocated to the cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination. The recoverable amount of a CGU or group of CGUs is the higher of value in use and fair value less costs to sell. Value in use is measured by reference to estimated future cash flows discounted at the rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. If the recoverable amount of the cash-generating unit (CGU) to which the goodwill has been allocated is less than its carrying amount, an impairment loss is recognized for the amount of the difference. This impairment loss, recognized in profit or loss, is irreversible. In practice, cash-generating units are defined on the basis of the group's business lines.

When goodwill relates to an associate or joint venture, it is included in the carrying amount of the entity as reported using the equity method. In this case, it is not tested for impairment separately from the equity method value. When the recoverable amount of the equity-accounted entity (i.e. the higher of value in use and fair value less costs to sell) is less than its carrying amount, an impairment loss is recognized, which is not allocated to a specific asset. Any reversal of this impairment loss is recognized to the extent that the recoverable amount of the equity-accounted entity subsequently increases.

Note 3: Accounting policies and principles

3.1 Financial instruments under IFRS 9

The financial instruments of the insurance divisions are not covered in this section and continue to be recognized under IAS 39 (see section "3.2 Insurance activities").

3.1.1 Classification and measurement of financial assets

Under IFRS 9, the classification and measurement of financial assets depend on the business model and the contractual characteristics of the instruments.

3.1.1.1 Loans, receivables and debt securities acquired

The asset is classified and valued:
- at *amortized cost*, if it is held with a view to collecting contractual cash flows and if its characteristics are similar to those of a so-called basic arrangement (see section "Cash flow characteristics" below) (hold to collect model);
- at *fair value through OCI,* if the instrument is held with a view to both collecting contractual cash flows and selling it when the opportunity arises, but not for trading purposes, and if its characteristics are similar to those of a so-called basic arrangement that implicitly entails a high predictability of the related cash flows (hold to collect and sell model);
- at *fair value through profit or loss,* if:
- it is not eligible for the two previous categories (because it does not meet the "basic" criterion and/or is managed according to the "other" business model), or
- the Group makes an irrevocable election at initial recognition to classify it in this way. This option is used to reduce an accounting mismatch in relation to another associated instrument.

• Cash flow characteristics:

Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding are consistent with a "basic" arrangement.

In a basic arrangement, interest mainly represents the consideration for the time value of money (including in the event of negative interest) and credit risk. Interest may also include the liquidity risk, administrative fees to manage the asset, and a profit margin.

All contractual clauses must be analyzed, in particular those that could alter the timing or amount of contractual cash flows. The option under the arrangement, on the part of the borrower or the lender, to repay the financial instrument early is compatible with the SPPI[2] nature of the contractual cash flows insofar as the amount repaid essentially represents the outstanding principal and accrued interest and, where applicable, a reasonable compensatory payment.

The early repayment charge is considered reasonable if, for example:
- it is expressed as a percentage of the repaid principal and is less than 10% of the repaid nominal amount; or
- it is determined according to a formula designed to offset the change in the benchmark interest rate between the grant date of the loan and the early repayment date.

2) SPPI: Solely Payments of Principal and Interest

The analysis of contractual cash flows may also require their comparison with those of a reference instrument when the time value of money included in the interest is likely to change due to the contractual clauses of the instrument. Such is the case, for example, if the interest rate of the financial instrument is revised periodically, but the frequency of such revisions is unrelated to the period for which the interest rate was established (e.g. monthly revision of an annual interest rate), or if the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the non-discounted contractual cash flows of the financial asset and those of the reference instrument is material, or may become so, the financial asset cannot be considered as basic.

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year, and cumulatively over the life of the instrument. The quantitative analysis takes into account a set of reasonably possible scenarios. To this effect, the Group has used yield curves going back to the year 2000.

In addition, a specific analysis is conducted in the case of securitizations insofar as there is a payment priority order between the holders, and concentrations of credit risk in the form of tranches. In this case, the analysis requires an examination of the contractual characteristics of the tranches in which the Group has invested and of the underlying financial instruments, as well as the credit risk of the tranches relative to the credit risk of the underlying financial instruments.

It should be noted that:
- financial assets that are considered non-basic are recognized at fair value through profit or loss;
- units in UCITS or other collective investment undertakings are not basic instruments and are also recognized at fair value through profit or loss.

• Business models

The business model represents the way in which the instruments are managed to generate cash flows and revenue. It is based on observable facts and not simply on management's intention. It is not assessed at the entity level, or on an instrument-by-instrument basis, but rather on a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at initial recognition and may only be reassessed in case of a change in model (exceptional cases).

To determine the business model, it is necessary to consider all available information, including the following:
- the way in which the activity's performance is reported to decision-makers;
- the way in which managers are compensated;
- the frequency, timing and volumes of sales in previous periods;
- the reason for the sales;
- future sales forecasts;
- the way in which risk is assessed.

Under the hold to collect model, certain examples of permitted sales are explicitly indicated in the standard:
- in relation to an increase in credit risk;
- close to maturity and where the proceeds from these sales approximate the contractual cash flows not yet received;
- exceptional sales (in particular, related to liquidity stress).

Frequent sales (with a non-significant unit value) or infrequent sales (even if they have a significant unit value) are compatible with the cash flow collection model.

These "permitted" sales are not included in the analysis of the significant and frequent nature of the sales carried out on a portfolio, and sales related to changes in the regulatory or fiscal framework will be documented on a case-by-case basis to demonstrate the "infrequent" nature of such sales. For other sales, thresholds have been defined based on the maturity of the securities portfolio – for example 2% of annual sales for portfolio assets with an average maturity of eight years (the Group does not sell loans that it holds in a hold to collect business model).

The Group has mainly developed a model based on the collection of contractual cash flows from financial assets which applies in particular to the customer financing activities.
It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and the sale of these assets, as well as a model for other financial assets, in particular financial assets held for trading.

Within the Group, the "hold to collect and sell" model applies primarily to proprietary cash management and liquidity portfolio management activities.

Crédit Mutuel has opted not to issue "Group" principles regarding the classification at amortized cost, or at fair value through OCI, of debt instruments included in the liquidity portfolio. Each regional group classifies its instruments according to its own business model.

Financial assets held for trading consist of securities originally acquired with the intention of reselling them in the near future, as well as securities that are part of a portfolio of securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

• Financial assets at amortized cost

These mainly include:
- cash and cash equivalents, which include cash accounts, deposits and demand loans and borrowings with central banks and credit institutions,
- other loans to credit institutions, as well as those to customers (granted directly or the share in syndicated loans), not measured at fair value through profit or loss,
- a portion of the securities held by the Group.

The financial assets classified in this category are initially recognized at their fair value, which is generally the net amount disbursed. The interest rates applied to loans granted are deemed to represent market rates, since they are constantly adjusted in line with the interest rates applied by the vast majority of competitor banks.

The assets are subsequently carried at amortized cost using the effective interest rate method. The effective interest rate is the rate that exactly discounts future cash payments or receipts over the estimated life of the financial instrument to obtain the net carrying amount of the financial asset or liability. It takes account of estimated cash flows without taking account of future losses on loans, and includes commissions paid or received when these are treated as interest, as well as directly related transaction costs, and all premiums and discounts.

Commissions received or paid, when directly linked to the arrangement of a loan and treated as a component of interest, are spread over the term of the loan using the effective interest rate method and are booked to the income statement under interest items.

For securities, the amortized cost takes account of the amortization of premiums and discounts, as well as acquisition costs, if significant. Purchases and sales of securities are recognized at the settlement date.

Income received is presented in "Interest and similar income" in the income statement.

Commissions received in connection with the commercial renegotiation of loans are recognized over more than one period.

The restructuring of a loan due to the borrower's financial problems, as defined by the European Banking Authority, was integrated into the information systems to ensure consistency between the accounting and prudential definitions.

The fair value of assets at amortized cost is disclosed in the notes to the financial statements at the end of each reporting period. It corresponds to the net present value of future cash flows estimated using a zero-coupon yield curve that includes an issuer cost inherent to the debtor.

Government-backed loans (PGE)

The Group is participating in the government's Covid-19-related economic support program. This program was reinforced in April 2022 in the context of the conflict in Ukraine.

The Group offers:
- government-backed loans[3] (PGE) to help its business and corporate customers maintain their cash flow, and,
- since April 2022, "PGE Résilience" loans for customers who have not taken out a PGE since March 2020 or have not reached the limit on their first PGE.

PGE loans are 12-month bullet loans that include a deferred repayment clause over a period of one to five years. On the date on which the loan is obtained, the interest rate is 0%, plus the cost of the government guarantee of 0.25% to 0.50% (charged to the customer through a fee).

3) The main characteristics of government-backed loans and the mechanism for activating the guarantee are summarized in Article 2 of the Decree of March 23, 2020 granting the government guarantee to credit institutions and financing companies, and to the lenders mentioned in Article L. 548-1 of the French Monetary and Financial Code

At the end of the first 12 months, the recipient of a PGE loan has the option to set a new loan term (limited to a total of six years) and repayment terms. In accordance with the announcements made by the government on January 14, 2021, borrowers may obtain an "additional one-year deferral" to start repaying the principal.

The Crédit Mutuel group believes that this deferred repayment measure forms part of the legal framework of the PGE (i.e. adjustment of the contractual repayment schedule, with a first annual repayment period). The "deferral" is not, in itself, an indicator of the borrower's heightened credit risk or probable default (i.e. unlikely to pay).

These loans, which are held to collect cash flows and meet the "basic loan" criterion, are recognized at amortized cost using the interest rate method. On the date of initial recognition, they are recognized at their nominal value, which represents their fair value.
On the subscription anniversary date, PGEs may be eligible for a grace period, with a positive and immediate impact on profit or loss. This impact was not material at the reporting date.

At December 31, 2023, government-backed loans issued by the Group amounted to €11.017 billion, of which 40.89% were extended for an average period of five years and 19.40% were repaid. Loans downgraded to stage 3 are immaterial.

The measurement of expected credit losses on these loans takes into account the effect of the government guarantee (implemented by Bpifrance) of 70% to 90% of the principal and interest due. At December 31, 2023, the impairment amount of these loans was immaterial.

• Financial assets at fair value through OCI

For the Crédit Mutuel group, this category includes only securities. They are recognized at fair value in the balance sheet at the time of their acquisition, on the settlement date and at subsequent reporting dates until their disposal. Changes in fair value are recognized through OCI and recorded in equity under a specific heading entitled *"Unrealized or deferred gains or losses"*, excluding accrued income. Unrealized gains or losses recognized through OCI are recognized in profit or loss only when the assets are disposed of or when evidence of impairment is observed (see section 3.1.7 "Derecognition of financial assets and liabilities" and 3.1.8 "Measurement of credit risk").

Income accrued or received is recognized in profit or loss under "Interest and similar income", using the effective interest method.

• Financial assets at fair value through profit or loss

These assets are recognized on the balance sheet at fair value when they are first recorded and at subsequent balance sheet dates until such time as they are disposed of (see section "3.1.7 Derecognition of financial assets and liabilities"). Changes in fair value are shown in the income statement under *"Net gains (losses) on financial instruments at fair value through profit or loss"*.

Income received or accrued on financial instruments at fair value through profit or loss is shown in the income statement under interest income or expense. Previously, this interest was presented under "Net gains/(losses) on financial instruments at fair value through profit or loss" to ensure consistency with regulatory reports sent to the ECB as part of the Short-Term Exercise (STE).

Purchases and sales of securities at fair value through profit or loss are recognized on the settlement date. Changes in fair value between the transaction date and the settlement date are recognized in profit or loss.

3.1.1.2 Equity instruments acquired

Equity instruments acquired (shares, in particular) are classified as follows:
- at fair value through profit or loss, or
- at fair value through OCI (non-recyclable), irrevocably on initial recognition, where they are not held for trading.

Crédit Mutuel has opted not to issue "Group" principles regarding the use of the fair value through OCI option for equity instruments. Each regional group classifies its instruments according to its own business model. Generally speaking, equity instruments which the Group has elected to include in this category are strategic holdings.

• Financial assets at fair value through OCI

Shares and other equity instruments are recognized in the balance sheet at their fair value at the time of their acquisition and at subsequent reporting dates until their disposal. Changes in fair value are recognized through OCI and recorded in equity under a specific heading entitled *"Unrealized or deferred gains or losses"*. These unrealized

or deferred gains and losses recognized through OCI are never recognized in the income statement, even when they are sold (see Section 3.1.7 "Derecognition of financial assets and liabilities").

Only dividends received on variable-income securities are recorded in the income statement, under *"Net gains (losses) on financial assets at fair value through OCI".* Purchases and sales of securities are recognized at the settlement date.

• Financial assets at fair value through profit or loss

Equity instruments are recognized in the same way as debt instruments at fair value through profit or loss (see above).

3.1.2 Classification and measurement of financial liabilities

Financial liabilities are classified in one of the following two categories:

• financial liabilities at fair value through profit or loss

- those incurred for trading purposes, which by default include derivatives that do not qualify as hedging instruments; and
- non-derivative financial liabilities which the Group designated at inception to be measured at fair value through profit or loss (fair value option). These include:
  - financial instruments containing one or more separable embedded derivatives,
  - instruments for which the accounting treatment would be inconsistent with that applied to another related instrument, were the fair value option not applied; and
  - instruments belonging to a pool of financial instruments measured and managed at fair value.

Changes in fair value resulting from the own credit risk of liabilities designated at fair value through profit or loss under the fair value option are recognized in equity under unrealized or deferred gains and losses (non-recyclable). The Group is marginally concerned by the problem of own credit risk.

• financial liabilities at amortized cost

These consist of other non-derivative financial liabilities, such as amounts due to customers and credit institutions, debt securities (certificates of deposit, interbank market securities, bonds, TLTRO[4] III refinancing lines, etc.) and subordinated debt (dated and undated) that are not classified at fair value through profit or loss under the fair value option.

Subordinated debt is separated from other debt securities since, in the event liquidation of the debtor's assets, it is repaid only after claims by other creditors have been extinguished. Debt securities include the non-preferred senior securities created by the Sapin 2 law.

These liabilities are initially recognized at fair value and measured at subsequent balance sheet dates at amortized cost using the effective interest rate method. The initial fair value of issued securities is their issue price less transaction costs, where applicable.

• Regulated savings contracts

Liabilities at amortized cost include home savings accounts (Comptes Épargne Logement - "CEL") and home savings plans (Plans Épargne Logement - "PEL"). These are French regulated products available to individual investors. They combine an interest-bearing savings phase that gives rights to a mortgage loan in a subsequent phase. They generate commitments of two kinds for the granting institution:

- a commitment to pay interest in the future on paid-in amounts at a fixed rate (in the case of PEL accounts only, as interest payable on CEL accounts is regularly revised based on an indexation formula and is therefore treated as a variable rate);
- a commitment to grant loans to customers at their request, at a rate set on inception of the contract (both PEL and CEL products).

The cost represented by these obligations has been estimated based on behavioral statistics and market data. A provision is recognized on the liability side of the balance sheet to cover the future costs relating to the potentially disadvantageous terms of these products in comparison with the interest rates offered to individual customers for products that are similar but whose remuneration is not regulated. This approach is managed based on generations of regulated PEL and CEL savings products with similar characteristics. The impact on profit or loss is recorded as interest paid to customers.

4) Targeted Longer-Term Refinancing Operations

• Targeted longer-term refinancing operations - TLTRO III

Financial liabilities at amortized cost include TLTRO III operations.

The TLTRO III program has allowed banks to benefit from seven refinancing tranches, each with a maturity of three years at an interest rate that varies depending on the period, since September 2019, and from three additional tranches since January 2021.

The TLTRO III amount that the Crédit Mutuel group can borrow depends on the percentage of outstanding loans granted to non-financial companies and households at the end of February 2019.

The TLTRO III interest rate is set according to market conditions defined by the ECB and banks may benefit from a lower rate depending on their lending performance.

In the context of the health crisis, the ECB had eased the conditions of these refinancing operations to support the distribution of loans to households and businesses. Some target parameters were recalibrated[5]. In particular, more favorable conditions allowed a reduction of 50 bps over the special interest rate and additional special interest rate periods from June 2020 to June 2022[6].

As part of its monetary policy measures, since June 2022 the ECB has successively raised its three key interest rates to bring them to sufficiently restrictive levels and ensure a return to an inflation target of 2% in the medium term.

On October 27, 2022, the ECB recalibrated the remuneration arrangements for TLTRO III operations in order to strengthen the transmission of the increase in key interest rates to bank lending conditions. The interest terms for TLTRO III were adjusted as of November 23, 2022 (and additional early repayment dates introduced).

They are described below and take into account the Group's achievement of the lending performance targets set by the ECB for all the program's reference periods:

- from its start date until November 22, 2022 and excluding the special interest and additional special interest periods, the interest rate on TLTRO III operations was the average deposit facility rate during that period (and no longer over the life of the operation);
- during the special interest and additional special interest periods (from June 23, 2020 to June 23, 2021 and from June 23, 2021 to June 23, 2022 respectively), it was equal to the average deposit facility rate during the period less 0.50% (subject to a floor of 1%);
- from November 23, 2022 until the maturity (or early redemption) date, the interest rate on TLTRO III operations is indexed to the ECB's average key interest rate applicable during that period.

This change included the introduction of three additional early repayment dates.

According to the Crédit Mutuel group, TLTRO III operations represent adjustable-rate financial instruments recognized at amortized cost. The adjustment to interest terms following this decision must be recognized under the provisions of IFRS 9 on changes in market rates for adjustable-rate instruments.

Until November 22, 2022, interest not yet due by the Group takes into account the effect of the change in the interest formula between the start of the operation and that date. As of November 23, 2022, the effective interest rate on TLTRO financing operations is calculated based on the average known deposit facility rate between November 23, 2022 and the reporting date.

At December 31, 2023, the Crédit Mutuel group had borrowed €13.7 billion under TLTRO III refinancing operations (vs. €42.5 billion at December 31, 2022).

3.1.3 Distinction between liabilities and shareholders' equity

In accordance with IFRIC 2, the interests of members are classified as equity if the entity has the unconditional right to refuse to redeem such interests, or if there are legal or statutory provisions that prohibit or significantly limit such redemption. Under the existing articles of association and legal provisions, members' shares issued by entities that make up the consolidating entity of the Crédit Mutuel group are recognized in equity.

The other financial instruments issued by the Group qualify for accounting purposes as debt instruments if the Group has a contractual obligation to deliver cash to the holders of such instruments. Such is the case with subordinated notes issued by the Group.

5) Decision (EU) 2021/124 of the ECB of January 29, 2021 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2021/3 published in the Official Journal of the European Union on February 3, 2021).

6) Decision (EU) 2020/614 of the European Central Bank of April 30, 2020 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2020/25).

3.1.4 Foreign currency transactions

Assets and liabilities denominated in a currency other than the functional currency are translated at the exchange rate at the closing date.

• Monetary financial assets and liabilities

Foreign currency gains and losses on the translation of such items are recognized in the income statement under "Net gains/(losses) on portfolio at fair value through profit or loss".

• Non-monetary financial assets and liabilities measured at fair value

Foreign exchange gains or losses on the translation of such items are recognized in the income statement under "Net gains/(losses) on portfolios at fair value through profit or loss" if measured at fair value through profit or loss, or recognized under "Unrealized or deferred gains/(losses)" if the item is classified under financial assets at fair value through OCI.

3.1.5 Derivatives and hedge accounting

IFRS 9 allows entities to choose, on first-time application, whether to apply the new provisions concerning hedge accounting or to retain those of IAS 39.
The Crédit Mutuel group has elected to continue to apply the provisions of IAS 39. Additional information is, however, disclosed in the notes to the financial statements or in the management report on risk management and the effects of hedge accounting on the financial statements, in accordance with revised IFRS 7.

In addition, the provisions of IAS 39 concerning the fair value hedge of interest rate risk associated with a portfolio of financial assets or liabilities, as adopted by the European Union, continue to apply.

Derivatives are financial instruments which have the following three characteristics:
- their value fluctuates with the change in the underlying items (interest rates, exchange rates, share prices, indices, commodities, credit ratings, etc.);
- they require only a small or no initial investment;
- they are settled at a future date.

The Crédit Mutuel group deals mainly in simple interest rate derivatives (swaps, vanilla options) classified in level 2 of the fair value hierarchy (see Note 9).

All derivatives are carried at fair value under financial assets or financial liabilities. They are recognized by default as trading instruments unless they can be classified as hedging instruments.

3.1.5.1 Détermination de la juste valeur des dérivés

The majority of over-the-counter derivatives, swaps, forward rate agreements, caps, floors and vanilla options are valued using standard, generally accepted models (discounted cash flow method, Black and Scholes model, interpolation techniques), based on observable market data such as yield curves. The valuations given by these models are adjusted to take into account the liquidity risk and the credit risk associated with the instrument or parameter concerned, and specific risk premiums intended to offset any additional costs resulting from a dynamic management strategy associated with the model in certain market conditions, as well as the counterparty risk captured by the positive fair value of over-the-counter derivatives. The latter includes the specific counterparty risk in the negative fair value of over-the-counter derivatives (see section 3.1.9.3 "Fair value hierarchy").

When determining valuation adjustments, each risk factor is considered individually, without allowance for any diversification effect for risks, parameters or models of a different nature. A portfolio approach is most often used for a given risk factor.

Derivatives are recognized as financial assets when their market value is positive and as financial liabilities when their market value is negative.

3.1.5.2 Classification of derivatives and hedge accounting

• Derivatives classified as financial assets and liabilities at fair value through profit or loss

All derivatives not designated as hedging instruments under IFRS are automatically classified as "financial assets or financial liabilities at fair value through profit or loss", even when for financial purposes they were entered into to hedge one or more risks.

• Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, meets the definition criteria for a derivative. It has the effect, notably, of changing certain cash flows in the same was as a stand-alone derivative.

The derivative is detached from the host contract and recognized separately as a derivative instrument at fair value through profit or loss only if all of the following conditions are satisfied:
- it meets the definition of a derivative;
- the hybrid instrument hosting the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and the associated risks are not considered as being closely related to those of the host contract; and
- separate measurement of the embedded derivative is sufficiently reliable to provide relevant information.

Under IFRS 9, only embedded derivatives relating to financial liabilities may be separated from the host contract to be recognized separately.

Recognition
Realized and unrealized gains and losses are recognized in the income statement under "Net gains/(losses) on financial instruments at fair value through profit or loss".

• Hedge accounting

Risks hedged
For accounting purposes, Crédit Mutuel Group hedges only interest rate risk through micro-hedging or, more broadly, through macro-hedging (see below for the accounting impacts).

Micro-hedging is partial hedging of the risks incurred by an entity on its assets and liabilities. It specifically applies to one or more assets or liabilities for which the entity covers the risk of an unfavorable change in a type of risk, through derivatives.

Macro-hedging aims to cover all of the Group's assets and liabilities against any unfavorable changes, particularly in interest rates.

Overall management of interest rate risk is described in the management report, along with management of other risks (foreign exchange, credit, etc.) that may be hedged, resulting in the natural matching of assets and liabilities or the recognition of trading derivatives.

Micro-hedging is particularly done through asset swaps, usually in the aim of transforming fixed-rate instruments into variable-rate instruments.

Three types of hedging relationship are possible. The choice of the hedging relationship depends on the nature of the risk being hedged.

- A fair value hedge hedges the exposure to changes in the fair value of financial assets or financial liabilities.
- A cash flow hedge is a hedge of the exposure to variability in cash flows relating to financial assets or financial liabilities, firm commitments or forward transactions.
- The hedging of net investments in foreign currencies is recognized in the same way as cash flow hedging. The Group has not used this form of hedging.

Hedging derivatives must meet the criteria stipulated by IAS 39 to be designated as hedging instruments for accounting purposes. In particular:
- the hedging instrument and the hedged item must both qualify for hedge accounting.
- the relationship between the hedged item and the hedging instrument must be documented formally immediately upon inception of the hedging relationship. This documentation sets out notably the risk management objectives of the hedging relationship, as determined by management, the nature of the risk hedged, the underlying strategy, and the methods used to measure the effectiveness of the hedge.
- hedge effectiveness must be proved immediately upon inception of the hedging relationship and subsequently throughout its life, and at the very least at each balance sheet date. The ratio of the change in value or gain/ loss on the hedging instrument to that of the hedged item must be within a range of 80% to 125%.

Where applicable, hedge accounting is discontinued prospectively.

• Fair value hedge of identified financial assets or liabilities

In the case of a fair value hedge, derivatives are remeasured at fair value, with any change being recognized in profit or

loss under *"Net gains (losses) on financial instruments at fair value through profit or loss"*. The revaluation of the hedged items, in connection with the hedged risk, is treated in the same way and results in a charge or credit to profit or loss.
This rule also applies if the hedged item is recognized at amortized cost or is a debt instrument classified under *"Financial assets at fair value through OCI"*. Changes in the fair value of the hedging instrument and the hedged risk component offset each other partially or totally; only the ineffective portion of the hedge is recognized in profit or loss. It may be due to:
- the "counterparty risk" component included in the value of derivatives;
- the difference in the valuation curve between the hedged items and hedging instruments. Swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued with a BOR curve.

The portion corresponding to the rediscounting of the derivative financial instrument is recognized in profit or loss under *"Interest income and charges"*. The same treatment is applied to the interest income or charges for the hedged item.

If the hedging relationship is interrupted or the effectiveness criteria are not met, hedge accounting is discontinued on a prospective basis. The hedging derivatives are transferred to *"financial assets or financial liabilities at fair value through profit or loss"* and are accounted for in accordance with the principles applicable to this category. The carrying amount of the hedged item is subsequently no longer adjusted to reflect changes in fair value. In the case of interest rate instruments initially identified as hedged, the remeasurement adjustment is amortized over their remaining life. If the hedged item has been derecognized in the balance sheet, due notably to early repayments, the cumulative adjustments are recognized immediately in profit or loss.

• Macro-hedging derivatives

The group has availed itself of the possibilities offered by the European Commission as regards accounting for macro-hedging transactions. The European Union's so-called carve out amendment to IAS 39 enables customer demand deposits to be included in hedged fixed-rate liability portfolios with no effectiveness measurement if under-hedged. Demand deposits are included based on the run-off rules defined for asset-liability management purposes.

For each portfolio of fixed-rate financial assets or liabilities, the effectiveness of the hedging relationship is verified through:
- an over-hedging test: the Group ensures, prospectively and retrospectively, that the maturity schedule of hedged items exceeds the hedging derivatives;
- a test of non-disappearance of the hedged item, which entails ensuring that the maximum position historically hedged is less than the nominal value of the hedged portfolio at the reporting date for each future maturity band and each generation of rates;
- a quantitative test to retrospectively verify that the changes in the fair value of the modeled synthetic instrument offset the changes in fair value of the hedging instruments.

Ineffectiveness in macro-hedging results from differences in the curves used to model the hedged portfolios and the hedging derivatives and possible differences in the timing of interest payments of those items.
The accounting treatment of fair value macro-hedging derivatives is similar to that used for fair value hedging derivatives.
Changes in the fair value of the hedged portfolios are recorded on the balance sheet under *"Remeasurement adjustment on interest-risk hedged investments"*, the counterpart being an income statement line item.

• Cash flow hedges

In the case of a cash flow hedging relationship, derivatives are remeasured at fair value in the balance sheet, with the change in the effective portion recognized through OCI. The portion considered as ineffective is recognized in the income statement under "Net gains (losses) on financial instruments at fair value through profit or loss".

Amounts recognized through OCI are reclassified to profit or loss under "Interest income/(expense)" at the same time as the cash flows attributable to the hedged item affect profit or loss.

The hedged items continue to be recognized in accordance with the rules specific to their accounting category. If the hedging relationship is broken or no longer fulfills the hedge effectiveness criteria, hedge accounting is discontinued. The cumulative amounts recorded through OCI for the re-measurement of the hedging derivative are maintained in equity until such time as the hedged transaction itself impacts profit or loss or until the transaction is no longer expected to occur. At this point, said amounts are transferred to profit or loss.

If the hedged item no longer exists, the cumulative amounts recorded through OCI are immediately transferred to profit or loss.

• Benchmark reform

As part of the IBOR reform, the Group is applying the flexibility in hedge accounting for changes related to this reform:

- *before replacement indices are defined*
  - maintaining existing hedging relationships in this exceptional and temporary context, and until the uncertainty created by IBOR rate reform regarding the choice of a new index and the effective date of this change is resolved.

- *after replacement indices are defined, including:*
  - updating the designation of the hedged risk and documentation, with no impact on the continuity of hedging relationships;
  - a temporary exception to the "separately identifiable" nature of a hedged risk component not specified contractually. Such a risk component indexed to a replacement rate will be considered separately identifiable if it can reasonably be expected to be identifiable within 24 months from designation, in the context of development of replacement index markets.

3.1.6 Financial guarantees and financing commitments

Financial guarantees are treated like an insurance contract when they provide for specified payments to be made to reimburse the holder for a loss incurred because a specified debtor fails to make payment on a debt instrument on the due date.

In accordance with IFRS 17, such financial guarantees continue to be measured using French accounting standards, i.e. they are treated as off- balance sheet items, until such time as the current standards are revised. Accordingly, they are subject to a provision for liabilities if an outflow of resources is likely.

By contrast, financial guarantees that provide for payments in response to changes in a financial variable (price, credit rating or index, etc.) or a non-financial variable, provided that in this event the variable is not specific to one of the parties to the agreement, fall within the scope of application of IFRS 9.

These guarantees are thus treated as derivatives.

Financing commitments that are not considered as derivatives within the meaning of IFRS 9 are not shown on the balance sheet. However, they give rise to provisions in accordance with the provisions of IFRS 9.

3.1.7 Derecognition of financial assets and liabilities

The Group derecognizes all or part of a financial asset (or group of similar assets) when the contractual rights to the cash flows of the asset expire (as in the case of commercial renegotiation) or when the Group has transferred the contractual rights to receive the cash flows of the financial asset and substantially all the risks and rewards related to ownership of the asset.

Upon derecognition of:
- a financial asset or liability at amortized cost or at fair value through profit or loss: a gain or loss on disposal is recognized in the income statement in an amount equal to the difference between the carrying amount of the asset or liability and the amount of the consideration received or paid;
- a debt instrument at fair value through OCI: the unrealized gains or losses previously recognized under equity are taken to the income statement, as well as any capital gains/losses on disposal;
- an equity instrument at fair value through OCI: the unrealized gains or losses previously recognized through OCI, as well as any capital gains/losses on disposal are recognized in consolidated reserves without going through the income statement.

The Group derecognizes a financial liability when the contractual obligation is extinguished, is canceled or expires. A financial liability may also be derecognized in the event of a material change in its contractual terms and conditions, or an exchange with the lender for an instrument whose contractual terms and conditions are substantially different.

3.1.8 Measurement of credit risk

The impairment model under IFRS 9 is based on an "expected credit losses" approach.
Under this model, impairment provisions are recognized for financial assets for which there is no objective evidence of losses on an individual basis, based on past losses observed and reasonable and justifiable cash flow forecasts.

The impairment model under IFRS 9 therefore applies to all debt instruments measured at amortized cost or at fair value through OCI, as well as to financing commitments and financial guarantees. These are divided into three categories:
- Status 1 - non-downgraded performing loans: loss allowance provided for based on 12-month expected credit losses (resulting from default risks over the following 12 months) as from initial recognition of the financial assets, provided that the credit risk has not increased significantly since initial recognition,
- Status 2 - downgraded performing loans: loss allowance provided for based on the lifetime expected credit losses (resulting from the default risks over the entire residual life of the instrument) if the credit risk has increased significantly since initial recognition, and
- Status 3 – non-performing receivables: category comprising financial assets for which there is an objective indication of impairment related to an event that has occurred since the loan was granted.

For statuses 1 and 2, the basis of calculation of interest income is the gross value of the asset before impairment while, for Status 3, it is the net value after impairment.

3.1.8.1 Governance

The models for compartment allocation, forward-looking scenarios, and parameter calculation methods constitute the methodological basis for impairment calculations. They are validated at the Group's top level and are applicable to all entities according to the portfolios involved. The entire methodological base and any subsequent modification in terms of method, weighting of the scenarios, parameter calculation or provision calculation must be validated by the Crédit Mutuel group's governance bodies.

These bodies consist of the supervisory and executive boards as defined by Article 10 of the French Decree of November 3, 2014 relative to internal control. Given the specificities of Crédit Mutuel group's decentralized organizational structure, the supervisory and executive bodies are divided into two levels – the national level and the regional level.

The principle of subsidiarity, applied across the Crédit Mutuel group, governs the breakdown of roles between national and regional levels, both on a project basis and for the ongoing implementation of the asset impairment calculation methodology.

- At the national level, the Basel 3 Working group approves the national procedures, models and methodologies to be applied by the regional groups. Any change in calibration of the scenarios or parameters used in the IFRS 9 provisioning model is approved by this body.
- At the regional level, regional groups are tasked with the calculation of the IFRS 9 provisions within their entities, under the responsibility and control of their respective executive and supervisory bodies.

33.1.8.2 Définition de la frontière entre les statuts 1 et 2

The Group employs models developed for regulatory purposes and so segregates its receivables in that manner:
- LDP (low default portfolios, for which the rating model is based on an expert assessment): Large accounts, banks, local governments, sovereigns, specialized financing. These portfolios are composed of products such as operating loans, short-term operating loans, current accounts, etc.
- HDP (high default portfolios, for which the number of defaults is sufficient to develop a statistical rating model): Mass corporate, retail. These portfolios include products such as home loans, consumer loans, revolving loans, current accounts, etc.

A significant increase in credit risk, which involves transferring a loan from status 1 to status 2, is measured by:
- taking into account all reasonable and justifiable information, and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the Group, this involves measuring the risk at the level of the borrower, where the Crédit Mutuel group's counterparty rating system is common to the entire Group. All the Group's counterparties eligible for internal approaches are rated by the system. This system is based on:
- statistical algorithms or "mass ratings" based on one or more models, using a selection of representative and predictive risk variables (HDP), or
- rating grids developed by experts (LDP).

The change in risk since initial recognition is measured contract by contract. Unlike Status 3, transferring a customer's contract to Status 2 does not entail transferring all of its receivables or those of its related parties (i.e. no contagion).

It should be noted that the Group immediately puts back into status 1 any performing exposure that no longer meets the qualitative and quantitative criteria for its transfer to status 2.

The Group has demonstrated that a significant correlation exists between the probabilities of default at 12 months and at termination, which allows it to use 12-month credit risk as a reasonable approximation of the change in risk since initial recognition, as the standard permits.

• Quantitative criteria

For LDPs, the boundary is based on an allocation matrix which relates the rating on origination to the rating on the reporting date. Thus, the riskier the rating at origination, the lower the Group's relative tolerance to a significant risk deterioration.

For HDP portfolios, at December 31, 2023, the criteria for assessing a significant increase in credit risk changed in accordance with the recommendations issued by the European Banking Authority and the European Central Bank.

Based on these new criteria, the Group has opted for the operational simplification proposed by the standard that allows outstanding loans with low risk at the reporting date to be maintained in Stage 1, provided the following three conditions are met:
- the financial asset has a low risk of default;
- the borrower demonstrates a strong ability to meet its obligations with respect to the contractual cash flows payable in the short term;
- the borrower's ability to meet its short-term contractual obligations is not necessarily reduced as a result of adverse changes in longer-term economic and commercial conditions.

Credit risk is presumed to have increased significantly when the probability of default of the instrument has at least tripled since origination.

Finally, the formula of the boundary curve, which connects the probability of default at origination and the probability of default at the reporting date, has been revised to better reflect the forward-looking aspect in the HDP portfolios.

• Qualitative criteria

As well as this quantitative data, the Group uses qualitative criteria such as installments that are unpaid or overdue by more than 30 days and the concept of restructured loans. Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified prudentially under the standardized approach and do not have rating systems.

3.1.8.3 Statuses 1 and 2 – Calculation of expected credit losses

Expected credit losses are measured by multiplying the outstanding amount of the loan at the contractual interest rate by its probability of default (PD) and by the loss given default (LGD) ratio. The off-balance sheet amount is converted to a balance sheet equivalent based on the probability of use. The one-year probability of default is used for status 1 and the probability curve at termination (1 to 10 years) for status 2.

These parameters are based on the same values as prudential models and adapted to meet IFRS 9 requirements. They are used both for assigning loans to a status and for calculating expected losses.

• Probability of default

This is based:
- for high default portfolios, on the models approved under the A-IRB approach;
- for low default portfolios, on an external probability of default scale based on a history dating back to 1981.

• Loss given default

This is based:
- for high default portfolios, on the flows of collections observed over a long period of time, discounted at the contractual interest rates and segmented by product type and type of security;
- for low default portfolios, on fixed ratios (60% for sovereigns and 40% for the rest).

• Conversion factors

For all products, including revolving loans, conversion factors are used to convert off-balance-sheet exposure to a balance sheet equivalent and are mainly based on prudential models.

• Forward-looking aspect

To calculate expected credit losses, the standard requires taking reasonable and justifiable information into account, including forward-looking information.

Creating a forward-looking aspect requires projecting the course of the economy and tying these projections into the risk parameters. This forward-looking aspect is determined at the Group level and is taken into account by modeling the probabilities of default and altering the internal rating migration matrices (or risk parameter).

For high default portfolios, the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, central, pessimistic), which will be weighted based on the Group's perception of changes in the economic cycle over five years (validation by the Chief Executive Officers of the various regional groups and Crédit Mutuel group). The Group relies mainly on macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) available from the OECD.

These scenarios are developed by the Group's economists, taking into account macroeconomic data (GDP, unemployment rate, inflation rate, short-term and long-term interest rates, etc.) published by the institutions (IMF, World Bank, ECB, OECD).

The weighting assigned to the scenario for calculating expected credit losses is at least 50% for the central scenario and the weighting of the two alternative scenarios is defined based on changes in the economic cycle anticipated by the Group's economists. The weightings are updated at least twice a year.

However, the forward-looking approach integrated into the expected credit losses model can be adjusted to include elements that were not captured by the scenarios because:
- they are recent, meaning they occurred a few weeks before the reporting date;
- they cannot be included in a scenario: for example, regulatory changes that are certain to have a significant effect on the risk parameters, with no precedent in the historical pattern, and whose impact can be measured by making certain assumptions.

Post-model adjustments may be considered in order to take into account the impacts of climate incidents on expected losses or the potential deterioration in certain economic sectors.

For low default portfolios, forward-looking information is incorporated into large corporates/bank models, and not into local governments, sovereigns and specialized financing models.

The effects of adjustments are described above in the section on credit risk.

3.1.8.4 Status 3 - Non-performing loans

In status 3, impairment is recognized once there is objective evidence of the existence of an event or events occurring subsequent to the granting of the loan – or group of loans – and likely to generate a loss. The impairment is equal to the difference between the carrying amount and the estimated future cash flows, allowing for collateral or other guarantees, present-discounted at the interest rate of the original loan. In the event of a variable rate, it is the last known contractual rate that is booked.

The Crédit Mutuel group applies the new definition of prudential default in accordance with the EBA guidelines and the regulatory technical standards on the notion of applicable materiality thresholds, the main elements of which are as follows:
- default is analyzed at the level of the borrower and no longer at contract level;
- the number of days in arrears is assessed at the level of a borrower (obligor) or a group of borrowers with a joint obligation (joint obligors);
- default occurs when a payment by a borrower or group of borrowers is in arrears for 90 consecutive days. Days in arrears are counted from the first date on which both the absolute (€100 retail, €500 corporate) and relative (more than 1% of balance sheet exposures overdue) materiality thresholds are breached. The counter is reset when one of the two thresholds is no longer breached;
- the scope of contagion extends to all the borrower's receivables, as well as to the individual obligations of borrowers participating in a joint credit obligation;
- for non-restructured assets, the minimum probation period is three months before a return to performing status.

The Crédit Mutuel group has implemented this new definition of default based on the two-step approach proposed by the EBA:
- Step 1 – This involved submitting a self-assessment and a request for authorization to the supervisor. The Group received approval to implement the new definition in October 2019.

- Step 2 – This entails implementing the new definition of default in the systems and recalibrating the models after a 12-month observation period for new defaults.

The Group believes that the new definition of default required by the EBA corresponds to objective evidence of impairment from an accounting standpoint. The Group has therefore aligned the definitions of accounting default (status 3) with those for prudential default.

3.1.8.5 Financial assets impaired at origination

These are contracts for which the counterparty is non-performing on the date of initial recognition or acquisition. If the borrower is non-performing at the reporting date, the contracts are classified into Status 3; otherwise, they are classified as performing loans, identified in an "originated credit- impaired assets" category, and provisioned based on the same method used for exposures in Status 2, i.e. an expected loss over the residual maturity of the contract

3.1.8.6 Recognition

Impairment charges and provisions are recognized in "counterparty risk". Reversals of impairment charges and provisions are recorded in "Counterparty risk" for the portion relating to the change in risk and in "Net interest" for the portion relating to the passage of time. Impairment provisions are deducted from the asset in the case of loans and receivables and the provision is recorded under "provisions" in liabilities for financing and guarantee commitments (see "3.1.6 Financial guarantees and financing commitments" and "3.3.2 "Provisions"). For assets at fair value through OCI, the counter-entry for an impairment recognized as an addition to provisions for loan losses is booked to "Unrealized or deferred gains and losses".
Loan losses are written off and the corresponding impairment and provisions are reversed.

3.1.9 Determination of fair value of financial instruments

Fair value is the amount for which an asset could be sold, or a liability transferred, between knowledgeable, willing parties in an arm's length transaction.

The fair value of an instrument upon initial recognition is generally its transaction price.
When measured subsequently, fair value must be determined. The calculation method to be applied varies depending on whether the instrument is traded on a market deemed to be active or not.

3.1.9.1 Financial instruments traded in an active market

When financial instruments are traded in an active market, fair value is determined by reference to their quoted price as this represents the best possible estimate of fair value. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available (from a stock exchange, dealer, broker or pricing service), and those prices represent actual market transactions regularly occurring on an arm's length basis.

3.1.9.2 Financial instruments not traded in an active market

Observable market data are used provided they reflect the reality of a transaction at arm's length on the valuation date and there is no need to make an excessive adjustment to said value. In the other cases, the Group uses non-observable mark-to-model data.

When there are no observable data or when adjustments to market prices require reliance to be placed on non-observable data, the entity may use internal assumptions regarding future cash flows and discount rates, comprising adjustments for risks in the same way as the market would. These valuation adjustments are used, notably, to integrate risks that would not be captured by the model, liquidity risks associated with the instrument or parameter concerned, and specific risk premiums intended to offset any additional costs resulting from a dynamic management strategy associated with the model in certain market conditions.

When determining valuation adjustments, each risk factor is considered individually, without allowance for any diversification effect for risks, parameters or models of a different nature. A portfolio approach is most often used for a given risk factor.

In all cases, the adjustments made by the group are reasonable and appropriate, with reliance placed on judgment.

3.1.9.3 Fair value hierarchy

A three-level hierarchy is used for fair value measurement of financial instruments:

- Level 1: quoted prices in active markets for identical assets or liabilities; this notably concerns debt securities quoted by at least three contributors, and derivatives quoted on an organized market.

- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability in question, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes interest rate swaps for which fair value is generally determined with the help of yield curves based on market interest rates at the balance sheet date.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The main constituents of this category are investments in non-consolidated companies held in venture capital entities or otherwise and, in the capital markets activities, debt securities quoted by a single contributor and derivatives using mainly non-observable parameters, etc.

The instrument is classified at the same hierarchical level as the lowest level of the input having a significant bearing on fair value considered as a whole. Given the diversity and volume of the instruments measured at level 3, the sensitivity of the fair value to a change in parameters would be immaterial.

3.2 Insurance activities

3.2.1 Financial investments of insurance activities

The financial investments of insurance activities are measured under IFRS 9. For more details, see section 8a.

3.2.2 Insurance and reinsurance contracts

IFRS 17 defines the new rules for the recognition, measurement and presentation of insurance contracts that fall within its scope:

- Measurement of insurance contracts *on the balance sheet:* their value will be updated at each reporting date based on a re-estimation of the future cash flows related to their fulfillment. This re-estimation will take into account market data in respect of financial information and policyholder behavior;
- *Recognition of the margin:* although the profitability of insurance contracts remains unchanged, recognition of the margin in profit or loss will be modified to be spread over the term of the insurance; and
- *Presentation of the income statement:* operating expenses related to the fulfillment of insurance contracts will now be presented as a deduction from net revenue under insurance service expenses and will therefore no longer impact the total operating expenses in the consolidated income statement.

The Group used the year-to-date (YTD) approach to measure the various components of the accounting models under IFRS 17.

This choice of accounting method is applied to all insurance contracts issued and reinsurance contracts held, and entails not taking into account the estimates previously made in its interim financial statements.

• Scope

IFRS 17 applies to insurance contracts issued, reinsurance contracts issued and held, and investment contracts with discretionary participation features issued. The definition of an insurance contract has not been changed in relation to IFRS 4, with the exception of the assessment of the risk of loss for the insurer, which must be carried out based on a present value.

• Grouping of contracts

To measure the insurance contracts issued, IFRS 17 requires that they be grouped into homogeneous portfolios. Within these portfolios, contracts must be subject to similar risks and managed together.

Within each portfolio, a distinction must be made between three groups of contracts at initial recognition: onerous contracts, contracts that have no significant possibility of becoming onerous subsequently, and other contracts.

Moreover, IFRS 17 stipulates that each group of contracts must be divided into annual cohorts (with no more than a 12-month interval between the contract issue dates). In adopting IFRS 17, the European Commission gave European companies the option not to apply this provision to contracts benefiting from intergenerational pooling of the returns on the underlying assets.

The Group uses this optional exemption for its eligible contracts with direct participation features.

• Measurement models

General Measurement Model for Insurance Contracts (Building Blocks Approach)

By default, contracts must be measured according to a general measurement model as the sum of the following items:

- fulfillment cash flows:
- estimates of future cash flows (premiums, benefits, directly attributable costs) weighted by their probability of occurrence,
- an adjustment to reflect the time value of money (i.e. by discounting these future cash flows),
- an adjustment for non-financial risk,
- the contractual service margin (CSM).

The contractual service margin represents the unearned profit for a group of insurance contracts, i.e. the present value of future profits. It is amortized in income from insurance contracts over the coverage period of the contracts, as the insurance entity provides services to policyholders based on coverage units.

Given the wide range of insurance contracts, the determination of coverage units requires that judgment be applied based on both the level of coverage defined in the contract (e.g. the death benefit for a creditor insurance contract) and the expected coverage period of the contract.

The CSM of a group of contracts cannot be negative. Any negative amount of fulfillment cash flows at the beginning of or during the contract is immediately recognized in profit or loss.

Discount rate

IFRS 17 requires the use of discount rate curves that reflect the time value of money and the cash flow and liquidity characteristics of insurance contracts. To determine the discount rate, the Group applies the bottom-up approach. This methodology entails adding a liquid risk-free component, based on swap rates, and an adjustment to reflect the liquidity characteristics of the insurance contracts.

The Group uses the EIOPA yield curve and applies the principles related to the extrapolation of the risk-free yield curve pursuant to the revision of the Solvency II directive (general guideline of the Council of the European Union) as these principles offer greater consistency with the financial markets.

Adjustment for non-financial risk and confidence level

The adjustment for non-financial risk must reflect the compensation the Group would require for bearing the uncertainty regarding the amount and timing of the cash flows that arises from non-financial risk when the Group fulfills the insurance contracts.

The decision was made to calculate the risk adjustment based on a quantile approach using the value at risk ("VaR") for all risks. The Group believes that a quantile of 70% to 80% represents an adequate level of conservatism for the underlying technical provisions.

This general model will apply by default to all insurance contracts.

The carrying amount of a group of insurance contracts is remeasured at the end of each subsequent period. It is then equal to the sum of the following two amounts:

- the liability for the remaining coverage, which comprises the value of the re-estimated fulfillment cash flows at that date (present value of the premiums receivable and of the cost of future benefits over the remaining coverage period) and the contractual service margin discounted at that same date as described above;
- the liability for incurred claims, in an amount equal to the present value of the estimated cash flows required to settle the valid claims on past events.

At that same reporting date, the amount of the contractual service margin is discounted to take into account:

- the impact of new contracts added to the group of contracts,
- interest capitalized at the discount rate used to determine the initial margin value,
- re-estimation of the fulfillment cash flows based on changes in the technical assumptions (present value of premiums receivable and of the cost of future benefits over the remaining coverage period, except for the estimated expenses to be paid for claims already incurred, which are measured separately).

However, if the negative amount related to changes in discounted future cash flows is greater than the remaining margin, the negative excess is immediately recognized in profit or loss. The margin is also capitalized based on the rate set at the start of the contract.

The effect of the unwinding of the discount on the liability related to the passage of time is recognized under

"Financial income or financial expenses from insurance contracts issued" as is the effect of the change in the discount rate. The latter effect may, however, optionally be recognized through OCI.

The Group applies the option to offset the discount rate effects through OCI for portfolios of insurance contracts measured under the general model.

The Group applies the general measurement model to long-term health, protection & creditor insurance contracts (including contracts covering borrowers of real estate loans, burial and funeral contracts and long-term care contracts).

Variable fee model
(Variable Fee Approach)

IFRS 17 provides for an adaptation of the general model for contracts with direct participation features. Under this adapted model, known as the "Variable Fee Approach", the measurement of the insurance liability reflects the obligation to pay to policyholders a substantial share of the return from the underlying assets, less expenses on contracts (changes in the value of the underlying assets accruing to policyholders are offset in the contractual service margin).

Contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which an entity promises an investment return based on underlying items. They are therefore defined as insurance contracts for which:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The eligibility of the contract for the VFA is assessed based on these criteria at the start of the contract and is not reviewed subsequently, except in case of a material change in the contract.

The main adaptations to the general model concern:
- the portion of the fair value variation of the underlying investments attributable to the insurer. At each reporting date, it is incorporated into the contractual service margin to be recognized in profit or loss and spread over the expected residual coverage period of the contracts.
- the interest on the contractual service margin, the variations in which are implicitly included in the periodic revision of the contractual service margin.

The result of these contracts is therefore mainly represented by the release of the fulfillment cash flows and the amortization of the contractual service margin. In fact, when the underlying assets perfectly match the liabilities and are measured at market value through profit or loss, the financial result of these contracts is zero. In the event of an accounting mismatch between the underlying assets and the insurance liability, the option to classify the effect of changes in the liability related to these assets through OCI is applicable.

The Group applies the VFA model to all its life and savings products (both general fund and unit-linked contracts). The model used is the portfolio of assets underlying the contracts in question.

The coverage units used are the mathematical reserves of the contracts. Based on this driver, the Group had to apply a corrective factor to amortize the CSM in profit or loss and neutralize the bias resulting from the so-called "bow wave" effect associated with stochastic modeling in a neutral risk environment.

After applying the corrected unit of coverage, the amount of CSM that is amortized in profit or loss in each period takes into account the so-called "real-world" environment, and reflects the service provided to policyholders over the period in question.

Simplified approach
(Premium Allocation Approach)

The standard also permits the use, under certain conditions, of a simplified approach known as the premium allocation approach to contracts with a term of 12 months or less or if the application of the simplified approach gives a result similar to that of the general model.

For profitable contracts, the liability for the remaining coverage is measured on the basis of the deferral of premiums collected according to a similar logic to that used under IFRS 4. Onerous contracts and liabilities for incurred claims are measured according to the general model. Liabilities for incurred claims are discounted if the expected payment of the claims will occur more than one year after the date of knowledge of the occurrence. In this case, the option to report the effect of changes in the discount rate in OCI is also applicable.

At each reporting date, the adjustment of liabilities for remaining coverage and incurred claims is recognized in profit or loss.

The Group applies the simplified approach to all property/casualty insurance products and, to a lesser extent, to certain individual and group health and protection products.

• Main options under the standard applied by the Group

Coverage unit of groups of insurance contracts

IFRS 17 defines a coverage unit as a unit that represents the "quantity of [...] services provided by the contracts". It states that the "quantity of services" has two aspects: the "quantity of the benefits provided" and the "expected coverage period".

For each group of contracts, the Group has determined a coverage unit to allocate the contractual service margin (CSM) to the various expected coverage periods, reflecting the quantity of the benefits provided over those various periods.

For life and retirement savings contracts, the coverage unit used to amortize the CSM is the mathematical reserve for each contract, adjusted to take into account the impact of the real return on the underlying investments compared with the risk-neutral actuarial projection.

For borrower protection contracts measured according to the general model, the coverage unit used to amortize the CSM is the insured amount.

Offsetting of rate effects in OCI

The financial income or financial expenses of insurance contracts issued will be presented separately between the income statement and shareholders' equity for portfolios for which this breakdown has been deemed relevant, as permitted by the standard.

The Group applies the option to offset the discount rate effects in OCI for protection insurance contracts (creditor insurance, burial and funeral insurance, long-term care insurance, etc.) and liabilities for incurred claims under property/casualty contracts (personal accident, means of payment, multi-risk home, etc.).

Handling of internal expenses

As a banking and insurance conglomerate, the Group distributes savings and protection products (creditor insurance, auto insurance, home insurance, etc.) and provides all necessary business management tools on behalf of its insurance subsidiaries.

The services provided by the banking networks (business introduction, administrative contract management, provision of personnel or goods, etc.) are remunerated through margin commissions based on agreements between the distributor credit institutions and the insurance subsidiaries.

The new measurement model for insurance contracts under IFRS 17 requires projecting in the fulfillment cash flows of contracts the acquisition and management expenses that will be paid in the future and presenting in the income statement the release of the estimated expenses for the period, on the one hand, and the actual expenses incurred by the distributor banking networks, on the other hand.

In accordance with the recommendations of ESMA (32-63-1320) and the AMF (DOC-2022-06), the Group restates the internal margin in the balance sheet and income statement so as to reflect the valuation of insurance contracts, in accordance with IFRS 17, at the Crédit Mutuel group level.

• Presentation in the balance sheet and income statement

Insurance contracts issued and reinsurance contracts held are presented on the balance sheet under assets or liabilities according to the overall position of the portfolios to which they belong (including the debts and receivables related to measurement of the contract);
The various income and expenses of insurance and reinsurance contracts are presented in the consolidated income statement under net revenue and broken down into:

- Insurance service result
  - income from insurance and reinsurance contracts issued,
  - expenses for services relating to insurance and reinsurance contracts issued, and
  - income and expenses relating to reinsurance contracts held.
- Net financial income (expense) of insurance activities
  - financial income and expenses of insurance and reinsurance contracts issued, and
  - financial income and expenses of reinsurance contracts held.

Income from insurance contracts shows the release of fulfillment cash flows for the expected amount over the period (excluding investment components), change in the risk adjustment, amortization of the contractual service margin for services rendered, amount allocated for amortization of acquisition costs, and premium experience adjustments;

Expenses for services relating to insurance and reinsurance contracts issued and expenses relating to reinsurance contracts held then include the incurred share of operating expenses and fees directly attributable to fulfillment of the contracts, which will thus be deducted from net revenue. They also include the initial loss component and its amortization in the case of a portfolio of onerous contracts.

Retirement savings insurance contracts include an investment component in the form of a deposit paid by the policyholder which the insurer is contractually required to repay even if the insured event does not occur. The inflows and repayments related to these deposits do not constitute either income or expenses related to these contracts.

Financial income and expenses of insurance and reinsurance contracts mainly include changes in the value of groups of contracts related to the effects of the time value of money and financial risks not taken into account in the estimated cash flows.

The financial income or financial expenses of insurance contracts issued will be presented separately between the income statement and shareholders' equity for the relevant portfolios.

• Measurement of reinsurance treaties

Reinsurance held is treated as insurance contracts issued, using either the general or simplified model.

The contractual service margin representing the expected gain or loss for reinsurance is negative and the fulfillment cash flows of the contracts include the risk of non-performance by the reinsurer.

3.3 Non-financial instruments

3.3.1 Leases

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time.

A finance lease granted by the Group is a lease under which virtually all of the risks and rewards inherent in the ownership of an asset are transferred to the lessee. Ownership may or may not eventually be transferred.

An operating lease granted by the Group is any lease that is not a finance lease.

3.3.1.1 Finance leases – lessor

In accordance with IFRS 16, finance lease transactions with non-group companies are reported in the consolidated balance sheet at their financial accounting amount. Finance leases transfer virtually all of the risks and rewards inherent in the ownership of the leased asset to the lessee.

Analysis of the economic substance of the transactions thus results in:

- removal of the leased asset from the balance sheet;
- recognition of a receivable in "Financial assets at amortized cost" in respect of the net present value of the lease payments receivable and any unguaranteed residual value accruing to the lessor, discounted at the interest rate implicit in the lease;
- recognition of deferred taxes in respect of existing temporary differences throughout the life of the finance lease;
- recognition in the net interest margin of the net income from the lease transaction, which represents the constant periodic rate of return on the outstanding amount.

Credit risk related to financial receivables is measured and recognized under IFRS 9 (see section "3.1.8 Measurement of credit risk").

3.3.1.2 Finance leases – lessee

In accordance with IFRS 16, right-of-use assets are presented under property, plant and equipment, with the lease liability recognized under "Accruals and other liabilities". Lease payments are broken down between interest expense and repayment of principal. (see section 3.3.4.2 "Assets leased by the Group").

3.3.2 Provisions

Movements in provisions are classified by nature under the corresponding income/expense caption.
A provision is recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event, and a reliable estimate can be made of its amount. Where applicable, the net present value of this obligation is calculated to determine the amount of the provision to be set aside.

The provisions constituted by the Group cover, in particular:
- operating risks;
- employee obligations (see section 3.3.3 "Employee benefits");
- execution risk on signature commitments;
- litigation risk and guarantee commitments given;
- tax risks;
- risks related to home savings (see section 3.1.2. "Classification and measurement of financial liabilities").

3.3.3 Employee benefits

Where applicable, provisions in respect of employee obligations are recognized under "Provisions". Any movements in this provision are recognized in the income statement under "Employee benefits expense", except for the portion resulting from remeasurements of net liabilities from defined benefit plans, which is recognized in OCI.

3.3.3.1 Post-employment defined benefit plans

These comprise retirement, early retirement and supplementary pension plans under which the Group has a formal or implicit obligation to provide employees with pre-defined benefits.

These obligations are calculated using the projected unit credit method, which involves allocating entitlement to benefits to periods of service by applying the contractual formula for calculating plan benefits. Such entitlements are then discounted using demographic and financial assumptions such as:
- the discount rate determined by reference to the market yield on long-term corporate bonds consistent with the term of the obligations;
- the salary increase rate, assessed in accordance with age brackets, manager/non-manager classification and regional characteristics;
- inflation rates, estimated by comparing French treasury bond rates and inflation-linked French treasury bond rates at different maturities, - staff turnover rates, determined by age bracket, using the three-year average for the ratio of resignations relative to the year-end number of employees under permanent contracts;
- retirement ages: estimated on a case-by-case basis using the actual or estimated date of commencement of full-time employment and the assumptions set out in the law reforming pensions, with a ceiling set at 67 years of age; and
- mortality rate according to the INSEE TH/TF 00-02 table.

Differences arising from changes in these assumptions and from differences between previous assumptions and actual experience constitute actuarial gains or losses. When the plan is funded by assets, these are measured at fair value and the interest income they give rise to is recognized in the income statement. Differences between the actual yield and theoretical interest income generated by these assets also constitute actuarial gains and losses.

Actuarial gains and losses are recognized in OCI, within unrealized or deferred gains and losses. Plan curtailments and settlements give rise to a change in the obligation, which is recognized in the income statement for the period.

Post-employment benefit plans for which rights are capped based on a number of years of service and conditional on the employee's presence on the retirement date

In accordance with the IFRIC decision of April 20, 2021, the pension commitment for such plans applies only for the period preceding the retirement age up until the cap is reached (or between the employee's start date at the company and the retirement date if this period is less than the cap).

Pension reform enacted on April 15, 2023

In France, the changes resulting from the pension reform constitute a retirement benefits plan amendment, and the impact of this amendment with respect to the cost of past services has been recognized in profit or loss.

3.3.3.2 Post-employment defined contribution plans

The Group's entities contribute to various pension plans managed by independent organizations, to which they have no formal or implicit obligation to make supplementary payments in the event, notably, that the fund's assets are insufficient to meet its commitments.

Since such plans do not represent a commitment for the Group, they are not subject to a provision. The charges are recognized in the period in which the contribution is due.

3.3.3.3 Other long-term benefits

These represent benefits other than post-employment benefits and termination benefits expected to be paid more than 12 months after the end of the fiscal year in which the staff rendered the corresponding service. They include, for example, long-service awards.

The Group's obligation in respect of other long-term benefits is measured using the projected unit credit method. However, actuarial gains and losses are recognized immediately in profit or loss.

Commitments for long service awards are sometimes covered by insurance contracts. Only the unhedged portion of this commitment is subject to a provision.

3.3.3.4 Termination benefits

These benefits are granted by the Group following the decision to terminate an employee's employment before the normal retirement date or an employee's decision to quit voluntarily in exchange for such benefits.

The related provisions are discounted if payment is expected to take place more than 12 months after the reporting date.

3.3.3.5 Short-term benefits

These are benefits, other than termination benefits, payable within the 12 months following the reporting date. They include salaries, social security contributions and certain bonuses.

An expense is recognized in respect of these benefits in the period in which the services giving rise to the benefits were provided to the entity.

3.3.4 Non-current assets

3.3.4.1 Assets owned by the Group

Non-current assets reported on the balance sheet include property, plant and equipment and intangible assets used in operations as well as investment property. Non-current assets used in operations are those used in the provision of services or for administrative purposes. Investment properties are property assets held to generate rental income and/or gains on the invested capital. The historical cost method is used to recognize both operating and investment properties.

Non-current assets are initially recognized at acquisition cost plus any directly attributable costs necessary to make them operational and usable.

They are subsequently measured at amortized historical cost, i.e. their cost less accumulated depreciation and amortization and any impairment.

When a fixed asset is comprised of several components that could be subject to replacement at regular intervals, having different rates of use or procuring economic benefits at different rates, each component is recognized separately from the start and each of the components is depreciated according to a plan that is appropriate to the component. The component approach is used for operating and investment properties.

The depreciable or amortizable amount of a non-current asset is determined after deducting its residual value, net of disposal costs. As the useful life of non-current assets is generally equal to their expected economic life, no residual value is recognized.

Non-current assets are depreciated or amortized over their estimated useful life at rates reflecting the estimated consumption of the assets' economic benefits by the entity. Intangible assets with an indefinite useful life are not amortized.

Depreciation and amortization charges on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.

Depreciation charges on investment property are recognized under "Expenses on other activities" in the income statement.

The following depreciation and amortization periods are used:

Property, plant and equipment:	
- Land and network improvements	: 15-30 years
- Buildings – shell (depending on type of building)	: 20-80 years
- Buildings – equipment	: 10-40 years
- Fixtures and fittings	: 5-15 years
- Office furniture and equipment	: 5-10 years
- Safety equipment	: 3-10 years
- Vehicles and movable equipment	: 3-5 years
- Computer hardware	: 3-5 years
Intangible assets:	
- Software purchased or developed internally	: 1-10 years
- Purchased goodwill (if customer contract portfolio acquired)	: 9-10 years

Depreciable property, plant and equipment is subject to impairment tests when there are indications of impairment loss on the closing date. Non-amortizable intangible assets (such as lease rights) are tested for impairment at least once a year.

If an indication of impairment exists, the recoverable value of the asset is compared to its net carrying amount. In the event of loss of value, an impairment loss is recognized in the income statement; it changes the depreciable amount of the asset prospectively. Impairment losses are written back in the event of changes to the estimated recoverable amount or if the indications of impairment disappear. The net carrying amount following the reversal of an impairment provision cannot exceed the net carrying amount that would have been calculated if no impairment had been recognized.

Impairment charges and reversals on operating assets are recognized under "Movements in depreciation, amortization and provisions for operating assets" in the income statement.
Impairment charges and reversals on investment property are recognized in the income statement under "Expenses on other activities" and "Income from other activities", respectively.

Capital gains or losses on disposals of operating assets are recorded in the income statement on the line "Net gains/ [losses] on other assets".
Gains and losses on the disposal of investment property are recorded on the income statement on the line "Income from other activities" or "Expenses from other activities."

The fair value of investment properties is disclosed in the notes to the financial statements at the end of each reporting period. It is based on the buildings' market value as appraised by independent valuers (Level 2).

3.3.4.2 Assets leased by the Group

For a contract to qualify as a lease, there must be both the identification of an asset and control by the lessee of the right to use said asset.

For the lessee, leases will be accounted for based on a single model, with recognition of:
- an asset representing the right to use the leased item during the lease term,
- offset by a liability related to the lease payment obligation,
- in the income statement, straight-line depreciation of the asset together with interest expenses that diminish over time.

The Group mainly capitalizes its real estate leases. Computer hardware and safety equipment were excluded due to their substitutable nature, in accordance with the standard. Only a few computer hardware leases that were considered significant were capitalized.
Other underlying assets were excluded as a result of the short-term and low value exemptions (set at €5,000). The Group has no leases that may give rise to the recognition of an intangible asset or investment property.

Therefore, right-of-use assets are recognized under "Property, plant and equipment" and lease obligations under "Other liabilities". Leasehold rights are reclassified as property, plant and equipment when they refer to contracts that are not automatically renewed. Deferred tax assets or liabilities are recognized in respect of right-of-use assets and lease obligations in the net amount of the temporary tax differences.
In the income statement, interest expenses are shown under "Net interest", while depreciation is shown under operating expenses.

The following are used to calculate the lease obligation:
- the lease term. This represents as a minimum the non-cancellable period of the lease and may be extended to take into account any renewal/extension option that the Group is reasonably certain to exercise. Based on the operational implementation of the Group methodology, all new 3/6/9 commercial leases will be capitalized over a nine-year term by default (with other types of lease being capitalized over their non-cancellable period).

The term of any tacitly extended lease will be extended until the end date of the medium-term plan, which is a reasonable period for continuing the lease. By way of exception, extended 3/6/9 leases will be capitalized over a 12-year term, since the Group has no economic incentive to continue beyond this period once the lease payments are no longer capped.

- the discount rate is the incremental borrowing rate that corresponds to the lease term used. This is a rate at which the Group's central refinancing unit could borrow in each currency;
- the lease payment excluding tax. The Group has little exposure to variable lease payments.

3.3.5 Fees and commissions

Fees and commissions in respect of services are recorded as income and charges according to the nature of the services involved.

Fees and commissions linked directly to the grant of a loan are spread out using the effective interest rate method (see section "3.1.1.1 Loans, receivables and debt securities acquired").

Fees and commissions remunerating a service provided on a continuous basis are recognized over the period during which the service is provided.

Fees and commissions remunerating a one-off service are recognized in full in the income statement upon execution of the service.

3.3.6 Income tax

Income tax includes all tax, both current and deferred, payable in respect of the income for the period under review.
The income tax payable is determined in accordance with applicable tax regulations.

The Territorial Economic Contribution (*Contribution Economique Territoriale* – CET), which is composed of the Business Real Property Contribution (*Cotisation Foncière des Entreprises* - CFE) and the Business Contribution on Added Value (*Cotisation sur la Valeur Ajoutée des Entreprises* - CVAE), is treated as an operating charge and, accordingly, the Group does not recognize any deferred taxes in the consolidated financial statements.

• Deferred tax

As required by IAS 12, deferred taxes are recognized in respect of temporary differences between the carrying amount of an asset or liability on the consolidated balance sheet and its taxable value, with the exception of goodwill.

Deferred taxes are calculated using the liability method, based on the latest enacted tax rate applicable to subsequent fiscal periods.

Deferred tax assets net of deferred tax liabilities are recognized only when there is a high probability that they will be utilized. Current or deferred tax is recognized as income or a charge, except for that relating to unrealized or deferred gains or losses recognized through OCI, for which the deferred tax is allocated to OCI.

Deferred tax assets and liabilities are netted if they arise in the same entity or in the same tax group, are subject to the same tax authority and there is a legal right to do so.

Deferred tax is not discounted.

• Uncertainty over income tax treatments

In accordance with IFRIC 23, the Group assesses the likelihood that the tax authorities will accept or not accept a particular position. It then determines the impacts on taxable income, tax bases, unused tax losses, unused tax credits and taxation rates.

In case of an uncertain tax position, the amounts payable are estimated based on the most likely amount or the expected value using the method that best predicts the amount that will be paid or received.

3.3.7 Interest payable by the French government on certain loans

In the context of government measures to assist the agricultural and rural sector, and to assist with home purchases, certain group entities grant loans at reduced interest rates that are set by the French government. Such entities therefore receive government subsidies equivalent to the differential between the interest rate granted to the customer and a pre-determined benchmark rate. As a result, no discounting occurs on loans that benefit from these grants. The terms and conditions of this compensation mechanism are periodically reviewed by the French government.

The government subsidies received are recognized under "Interest and similar income" and spread over the term of the relevant loans, in accordance with IAS 20.

3.3.8 Non-current assets classified as held for sale and discontinued operations

Non-current assets, or groups of assets, are classified as held for sale if they are available for sale and there is a high probability that a sale will take place within the next 12 months. The related assets and liabilities are shown separately in the balance sheet, on the lines "Non-current assets held for sale" and "Liabilities associated with non-current assets held for sale". They are recognized at the lower of their carrying amount and their fair value less selling costs, and are no longer depreciated or amortized.

Any impairment loss on such assets and liabilities is recognized in the income statement.

Discontinued operations include operations that are held for sale or which have already been shut down, and subsidiaries acquired exclusively with a view to resale. All gains and losses related to discontinued operations are shown separately in the income statement, on the line "Post-tax gain/(loss) on discontinued operations and assets held for sale".

3.4 Judgments and estimates used in preparation of the financial statements

Preparation of the Group's financial statements requires the use of assumptions for the purpose of the necessary measurements, which entails risks and uncertainties as to whether these assumptions will materialize in the future, particularly in the context of the conflict in Ukraine and the macroeconomic conditions at the closing date.

The future outcome of such assumptions may be influenced by several factors, in particular:
- the activities of national and international markets,
- changes in interest rates and foreign exchange rates,
- economic and political conditions in certain business sectors or countries,
- climate and environmental change, and
- regulatory and legislative changes.

Accounting estimates requiring the formulation of assumptions are mainly used for the measurement of the following:
- Fair value of financial instruments not quoted on an active market. The definition of a forced transaction and the definition of observable data require the exercise of judgment. See section 3.1.9 *"Determination of fair value of financial instruments"*
- Pension plans and other future employee benefits,
- Impairment of assets, particularly expected credit losses (see *section 3.1.8 "Measurement of credit risk"*).At present, environmental risks are not captured through the Group's expected credit loss impairment models.
- Provisions, impairment of intangible assets and goodwill.

Note 4: Segment information

In terms of segment information, the Group has two levels of disclosure that are based on its own internal reporting system. Data by sector of activity is the primary level and data by geographic area is the secondary level.

• Segment information by activity (level 1)

Sector information for the Crédit Mutuel group is organized into five operating segments:
- Retail banking
- Corporate and Investment Banking
- Insurance
- Asset management and private banking
- Other

Retail banking covers the network of Crédit Mutuel's local mutual banks, CIC's regional banks as well as all the specialized activities whose products are marketed through the network: all business banking (i.e. micro-enterprises, small and medium-sized enterprises and other companies, excluding large corporates), equipment and real estate leasing, factoring, real estate, etc.

Corporate and investment banking comprises the following activities:
- corporate banking, which covers banking and related services provided to large companies through a specific sales department or subsidiary; and
- investment banking, which covers capital markets activities, merchant banking, venture capital, private equity, financial intermediation and mergers and acquisitions.

Insurance comprises the life and non-life insurance activities (life insurance, property and casualty insurance and insurance brokerage).

Asset management and private banking comprises two activities:
- asset management: fund management (UCITS, real estate funds), employees savings schemes, custody and depositary services for its own customer base, as opposed to that of the network; and
- private banking: wealth management and estate planning.

Other activities comprise technical support subsidiaries that cannot be included in the retail banking segment (technology, electronic payments, training, media and travel).

Transactions between the different operating segments are carried out at market conditions.

• Segment information by geographic area (level 2)

For the Crédit Mutuel group, three geographic areas have been defined for this secondary level of reporting:
- France;
- Europe excluding France;
- Rest of world.

The geographic analysis of assets and earnings is based on the country in which the activities are recorded for accounting purposes

Note 5: Related parties

Parties related to the Crédit Mutuel group are consolidated companies, including equity consolidated companies, and the third-level administrative entities (Caisse Centrale du Crédit Mutuel and Confédération Nationale du Crédit Mutuel). Transactions between the Crédit Mutuel group and related parties are carried out at the normal market conditions prevailing at the time of the transaction.

A list of the group's consolidated companies is provided in Note 0 in the financial data section below. As transactions carried out and any receivables or payables at the end of the period between consolidated Group companies are totally eliminated on consolidation, only transactions between companies over which the Group exercises joint control or significant influence (and which are consolidated using the equity method) are included in the tables in the notes for the portion not eliminated on consolidation.

Note 6 - Standards and interpretations adopted by the European Union and not yet applied

6.1 Standards and interpretations not yet adopted by the European Union

- **Amendment to IFRS 16 on lease liabilities in a sale and leaseback**

This amendment clarifies the subsequent treatment of the liability resulting from such an operation where the initial sale of the underlying asset meets the criteria of IFRS 15. An assessment of the impact of this amendment is underway.

The Group does not anticipate any significant impact of this amendment, which will be mandatory for annual reporting periods beginning on or after January 1, 2024.

Note 7: Events after the reporting period

Not applicable.

II/ Financial data

Explanatory notes are presented in millions of euros.

Note 0 - Consolidation scope - Locations and activities by country

0a - Consolidation scope

Consolidated entities are presented according to the sectors used for preparing segment information under IFRS 8. Accordingly, for example, entities included under "Retail Banking" do not necessarily have the legal status of credit institutions.	Country	12/31/2023 Percentage Control	Percentage Interest	Method *	12/31/2022 Percentage Control	Percentage Interest	Method *	Comments
A. Retail Banking								
Consolidating entity								
Confédération Nationale du Crédit Mutuel	France	100.00	100.00	FC	100.00	100.00	FC	
Caisse Centrale du Crédit Mutuel	France	100.00	100.00	FC	100.00	100.00	FC	
Fédération Nationale du CMAR	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Alliance Fédérale								
- General Purpose **	France	100.00	100.00	FC	100.00	100.00	FC	
- Caisse Agricole du Crédit Mutuel	France	100.00	100.00	FC	100.00	100.00	FC	
CM Arkéa **	France	100.00	100.00	FC	100.00	100.00	FC	
CMO **	France	100.00	100.00	FC	100.00	100.00	FC	
CMMABN *	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Alliance Fédérale * **								
Bail Actea	France	100.00	100.00	FC	100.00	100.00	FC	
Bail Actea Immobilier	France	100.00	100.00	FC	100.00	100.00	FC	
Banque Européenne du Crédit Mutuel (BECM)	France	100.00	100.00	FC	100.00	100.00	FC	
Banque de Tunisie	Tunisia	35.33	35.33	EM	35.33	35.33	EM	
Beobank Belgium	Belgium	100.00	100.00	FC	100.00	100.00	FC	
CCLS Leasing Solutions	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Est	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Lyonnaise de Banque (LB)	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Lyonnaise de Banque Monaco (branch of CIC)	Monaco	100.00	100.00	FC	100.00	100.00	FC	
CIC Nord Ouest	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Ouest	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Sud Ouest	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Asset Management	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Caution Habitat	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Epargne Salariale	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Factoring	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Gestion	France	99.99	99.99	FC	99.99	99.99	FC	
Crédit Mutuel Home Loan SFH	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Immobilier	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Leasing	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Leasing Benelux	Belgium	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Leasing Spain (branch of Crédit Mutuel Leasing)	Spain	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Leasing GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Leasing Nederland (branch of Crédit Mutuel Leasing Benelux)	Netherlands	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Real Estate Lease	France	100.00	100.00	FC	100.00	100.00	FC	
Cofidis Belgium	Belgium	100.00	79.99	FC	100.00	79.99	FC	
Cofidis Spain (branch of Cofidis France)	Spain	100.00	79.99	FC	100.00	79.99	FC	

** Method: FC = Full Consolidation, EM = Equity Method, NC = Not Consolidated.*
*** Federal banks, regional banks, interfederal banks, local banks, federations.*
**** Presentation by majority-owning Crédit Mutuel group*

Consolidated entities are presented according to the sectors used for preparing segment information under IFRS 8. Accordingly, for example, entities included under "Retail Banking" do not necessarily have the legal status of credit institutions.	Country	12/31/2023 Percentage		Method	12/31/2022 Percentage		Method	Comments
		Control	Interest	*	Control	Interest	*	
Cofidis France	France	100.00	79.99	FC	100.00	79.99	FC	
Cofidis Hungary (branch of Cofidis France)	Hungary	100.00	79.99	FC	100.00	79.99	FC	
Cofidis Italy (branch of Cofidis France)	Italy	100.00	79.99	FC	100.00	79.99	FC	
Cofidis Portugal (branch of Cofidis France)	Portugal	100.00	79.99	FC	100.00	79.99	FC	
Cofidis Czech Republic	Czech Republic	100.00	79.99	FC	100.00	79.99	FC	
Cofidis SA Poland (branch of Cofidis France)	Poland	100.00	79.99	FC	100.00	79.99	FC	
Cofidis SA Slovakia (branch of Cofidis France)	Slovakia	100.00	79.99	FC	100.00	79.99	FC	
Creatis	France	100.00	79.99	FC	100.00	79.99	FC	
Cumul SCI	France	100.00	100.00	FC	100.00	100.00	FC	
Factofrance	France	100.00	100.00	FC	100.00	100.00	FC	
FCT Crédit Mutuel Factoring	France	100.00	100.00	FC	100.00	100.00	FC	
FCT Factofrance	France	100.00	100.00	FC	100.00	100.00	FC	
Gesteurop	France	100.00	100.00	FC	100.00	100.00	FC	
GIE CMN Prestations	France	100.00	100.00	FC	100.00	100.00	FC	
Immobilière BCL Lille	France	55.00	55.00	FC	55.00	55.00	FC	
LFP Multi Alpha	France	100.00	100.00	FC	100.00	100.00	FC	
L'Immobilière du CMN	France	100.00	100.00	FC	100.00	100.00	FC	
LYF SA	France	43.75	43.75	EM	43.75	43.75	EM	
Margem-Mediação Seguros, Lda	Portugal	100.00	79.99	FC	100.00	79.99	FC	
Monabanq	France	100.00	79.99	FC	100.00	79.99	FC	
Paysurf	France	100.00	100.00	FC	100.00	100.00	FC	
SCI CMN 1	France	100.00	100.00	FC	100.00	100.00	FC	
SCI CMN 2	France	100.00	100.00	FC	100.00	100.00	FC	
SCI CMN 3	France	100.00	100.00	FC	100.00	100.00	FC	
SCI CMN Location 2	France	100.00	100.00	FC	100.00	100.00	FC	
SCI RICHEBE INKERMAN	France	100.00	100.00	FC	100.00	100.00	FC	
SFINE Bureaux	France	100.00	100.00	FC	100.00	100.00	FC	
SFINE Propriété à vie	France	100.00	100.00	FC	100.00	100.00	FC	
Société Foncière & Immobilière Nord Europe	France	100.00	100.00	FC	100.00	100.00	FC	
Targo Factoring GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
Targo Finanzberatung GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
Targo Leasing GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
Targobank AG	Germany	100.00	100.00	FC	100.00	100.00	FC	
Targobank Spain	Spain	-	-		100.00	100.00	FC	Sold outside group
Targo Versicherungsvermittlung GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
Transactimmo	France	100.00	100.00	FC	100.00	100.00	FC	
SCI La Tréflière	France	100.00	100.00	FC	100.00	100.00	FC	
CM Arkéa ***								
Arkéa	France	90.50	90.50	FC	85.75	85.75	FC	
Arkéa Banking Services	France	100.00	100.00	FC	100.00	100.00	FC	
Arkéa Banque Entreprises et Institutionnels	France	100.00	100.00	FC	100.00	100.00	FC	
Arkéa Crédit Bail	France	100.00	100.00	FC	100.00	100.00	FC	
Arkéa Direct Bank	France	100.00	99.99	FC	100.00	100.00	FC	
Arkéa Foncière	France	100.00	100.00	FC	100.00	100.00	FC	
Arkéa Home Loans SFH	France	100.00	100.00	FC	100.00	100.00	FC	
Arkéa Immobilier Conseil	France	100.00	100.00	FC	-	-		First-time consolidation
Arkéa Public Sector SCF	France	100.00	100.00	FC	100.00	100.00	FC	
Arkéa SCD	France	99.93	99.92	FC	99.93	99.92	FC	

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*** Federal banks, regional banks, interfederal banks, local banks, federations.*
**** Presentation by majority-owning Crédit Mutuel group*

Consolidated entities are presented according to the sectors used for preparing segment information under IFRS 8. For example, entities included under "Retail Banking" do not necessarily have the legal status of credit institutions.	Country	12/31/2023 Percentage Control	Percentage Interest	Method *	12/31/2022 Percentage Control	Percentage Interest	Method *	Comments
Caisse de Bretagne de Crédit Mutuel Agricole	France	94.83	94.83	FC	94.83	94.83	FC	
Crédit Foncier et Communal d'Alsace et de Lorraine Banque	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Foncier et Communal d'Alsace et de Lorraine Banque (branch of Crédit Foncier et Communal d'Alsace et de Lorraine Banque)	Belgium	100.00	100.00	FC	100.00	100.00	FC	
FCT Collectivités	France	57.76	57.76	FC	57.76	57.76	FC	
Fédéral Equipements	France	100.00	100.00	FC	100.00	100.00	FC	
Fédéral Service	France	98.16	98.09	FC	99.37	99.35	FC	
Financo	France	100.00	100.00	FC	100.00	100.00	FC	
GICM	France	100.00	98.09	FC	100.00	99.35	FC	
Izimmo	France	100.00	100.00	FC	100.00	100.00	FC	
Keytrade Bank (branch of Arkéa Direct Bank)	Belgium	100.00	99.99	FC	100.00	99.99	FC	
La Compagnie Française des Successions	France	32.60	32.60	EM	32.60	32.60	EM	
Monext	France	100.00	100.00	FC	100.00	100.00	FC	
Nextalk	France	100.00	100.00	FC	100.00	100.00	FC	
Nouvelle vague	France	-	-		100.00	100.00	FC	Merger with Crédit Mutuel Arkea
Novelia	France	-	-		100.00	100.00	FC	Sold outside group
Procapital	France/Belgium	99.98	99.97	FC	99.98	99.97	FC	
Pumpkin	France	100.00	100.00	FC	100.00	100.00	FC	
Société Civile Immobilière Interfédérale	France	100.00	100.00	FC	100.00	100.00	FC	
Strateo (branch of Arkéa Direct Bank)	Switzerland	-	-		100.00	99.99	FC	Cessation of activity
Yomoni	France	34.04	34.04	EM	34.20	34.20	EM	
CMO ***								
SCI Merlet Immobilier	France	100.00	100.00	FC	100.00	100.00	FC	
Union Immobilière Océan SCI	France	100.00	100.00	FC	100.00	100.00	FC	
CMMABN ***								
Volney Assurances	France	100.00	100.00	FC	100.00	100.00	FC	
Volney Bocage	France	100.00	100.00	FC	100.00	100.00	FC	
Zephyr Home Loans FCT II	France	100.00	100.00	FC	100.00	100.00	FC	
B. Corporate and Investment Banking								
Crédit Mutuel Alliance Fédérale ***								
Caroline 1	France	100.00	100.00	FC	-	-		First-time consolidation
CIC Capital Belgium	Belgium	100.00	100.00	FC	-	-		First-time consolidation
CIC Capital Canada Inc	Canada	100.00	100.00	FC	100.00	100.00	FC	
CIC Capital Deutschland GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
CIC Capital Suisse SA	Switzerland	100.00	100.00	FC	100.00	100.00	FC	
CIC Capital Ventures Quebec	Canada	100.00	100.00	FC	100.00	100.00	FC	
CIC Conseil	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Hong Kong (branch of CIC)	Hong Kong	100.00	100.00	FC	100.00	100.00	FC	
Cigogne Management	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Capital	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Equity	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Equity SCR	France	100.00	100.00	FC	100.00	100.00	FC	

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*** Federal banks, regional banks, interfederal banks, local banks, federations.*
**** Presentation by majority-owning Crédit Mutuel group*

Consolidated entities are presented according to the sectors used for preparing segment information under IFRS 8. For example, entities included under "Retail Banking" do not necessarily have the legal status of credit institutions.	Country	12/31/2023 Percentage Control	Interest	Method *	12/31/2022 Percentage Control	Interest	Method *	Comments
Crédit Mutuel Innovation	France	100.00	100.00	FC	100.00	100.00	FC	
Nord Europe Partenariat	France	100.00	100.00	FC	100.00	100.00	FC	
Satellite	France	100.00	100.00	FC	100.00	100.00	FC	
CM Arkéa* **								
Arkéa Capital Investissement	France	100.00	100.00	FC	100.00	100.00	FC	
ARKEA CAPITAL MANAGERS HOLDING SLP	France	-	-		100.00	100.00	FC	Merger with Arkea Capital Partenaire
Arkéa Capital Partenaire	France	100.00	100.00	FC	100.00	100.00	FC	
CMO * **								
Océan Participations	France	100.00	100.00	FC	100.00	100.00	FC	
CMMABN * **								
Volney Développement	France	100.00	100.00	FC	100.00	100.00	FC	
C. Asset management and private banking								
Crédit Mutuel Alliance Fédérale * **								
Banque de Luxembourg	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
Banque de Luxembourg Belgique (branch of Banque de Luxembourg)	Belgium	100.00	100.00	FC	100.00	100.00	FC	
Banque de Luxembourg Investments SA	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
Banque Transatlantique (BT)	France	100.00	100.00	FC	100.00	100.00	FC	
Banque Transatlantique Belgium	Belgium	100.00	100.00	FC	100.00	100.00	FC	
Banque Transatlantique London (branch of BT)	United Kingdom	100.00	100.00	FC	100.00	100.00	FC	
Banque Transatlantique Luxembourg	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
CIC Private Debt	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Suisse	Switzerland	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Impact	France	100.00	100.00	FC	-	-		First-time consolidation
Crédit Mutuel Impact Forêts	France	100.00	100.00	FC	-	-		Newly established
Inflection Point by La Française	United Kingdom	-	-		100.00	100.00	FC	Cessation of activity
Crédit Mutuel Investment Managers	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Mutuel Investment Managers Luxembourg (branch of CMIM)	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
Dubly Transatlantique Gestion	France	100.00	100.00	FC	100.00	100.00	FC	
Environmental and Solidarity Revolution Fund	France	100.00	100.00	FC	-	-		Newly established(branch of La Française
Groupe Cholet	France	-	-		33.73	33.73	EM	Sold outside groupLa Francaise AM Finance
Groupe La Française	France	100.00	100.00	FC	100.00	100.00	FC	
Inflection Point by La Française	United Kingdom	-	-		100.00	100.00	FC	Cessation of activity
La Française AM	France	100.00	100.00	FC	100.00	100.00	FC	
La Française AM Finance Services	France	100.00	100.00	FC	100.00	100.00	FC	
La Française AM Finance Services Italian branch (branch of La Française AM Finance Services)	Italy	100.00	100.00	FC	100.00	100.00	FC	
La Francaise AM Finance Services Luxembourg branch (branch of La Française AM Finance Services)	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
La Francaise AM Finance Services Succursal en España (branch of La Française AM Finance Services)	Spain	100.00	100.00	FC	100.00	100.00	FC	
La Française Systematic Asset Management GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
La Française Group Korea	South Korea	100.00	100.00	FC	100.00	100.00	FC	
La Française Group Singapore	Singapore	100.00	100.00	FC	100.00	100.00	FC	

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**** Presentation by majority-owning Crédit Mutuel group*

Consolidated entities are presented according to the sectors used for preparing segment information under IFRS 8. For example, entities included under "Retail Banking" do not necessarily have the legal status of credit institutions.	Country	12/31/2023 Percentage Control	Percentage Interest	Method *	12/31/2022 Percentage Control	Percentage Interest	Method *	Comments
La Française Group UK Finance Ltd	United Kingdom	100.00	100.00	FC	100.00	100.00	FC	
La Française Group UK Ltd	United Kingdom	100.00	100.00	FC	100.00	100.00	FC	
La Française Real Estate Partners International Investments	United Kingdom	100.00	100.00	FC	100.00	100.00	FCG	
La Française Real Estate Partners International Lux SARL	Luxembourg	-	-		91.00	91.00	FC	Deconsolidation
La Française Real Estate Managers Germany (branch of La Française Group UK Ltd)	Germany	100.00	100.00	FC	100.00	100.00	FC	
La Française Forum Securities Limited	United States of America	-	-		100.00	100.00	FC	Cessation of activity
La Française Real Estate Managers	France	100.00	100.00	FC	100.00	100.00	FC	
New Alpha Asset Management	France	51.14	51.14	FC	49.88	49.88	FC	
PU Retail Luxembourg Management Company SARL	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
CM Arkéa ***								
Arkéa Capital	France	100.00	100.00	FC	100.00	100.00	FC	
Arkéa Real Estate	France	69.98	69.98	FC	69.98	69.98	FC	
Arkéa REIM	France	69.98	69.98	FC	69.98	69.98	FC	
Federal Finance	France	100.00	100.00	FC	100.00	100.00	FC	
Fédéral Finance Gestion	France	100.00	100.00	FC	100.00	100.00	FC	
Schelcher Prince Gestion	France	100.00	100.00	FC	100.00	100.00	FC	
Swen Capital Partners	France	40.00	40.00	EM	-	-		First-time consolidation
D. Multi-sector								
Crédit Mutuel Alliance Fédérale ***								
Banque Fédérative du Crédit Mutuel (BFCM)	France	100.00	100.00	FC	100.00	100.00	FC	
Crédit Industriel et Commercial (CIC)	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Brussels (branch of CIC)	Belgium	100.00	100.00	FC	100.00	100.00	FC	
CIC London (branch of CIC)	United Kingdom	100.00	100.00	FC	100.00	100.00	FC	
CIC New York (branch of CIC)	United States of America	100.00	100.00	FC	100.00	100.00	FC	
CIC Singapore (branch of CIC)	Singapore	100.00	100.00	FC	100.00	100.00	FC	
E. Insurance companies								
Crédit Mutuel Alliance Fédérale ***								
ACM Capital	France	100.00	100.00	FC	100.00	100.00	FC	
ACM Deutschland AG	Germany	100.00	100.00	FC	-	-		Newly established
ACM Deutschland Life AG	Germany	100.00	100.00	FC	-	-		Newly established
ACM Deutschland Non Life AG	Germany	100.00	100.00	FC	-	-		Newly established
ACM GIE	France	100.00	100.00	FC	100.00	100.00	FC	
ACM IARD	France	100.00	100.00	FC	100.00	100.00	FC	
ACM Services	France	-	-	NC	100.00	100.00	FC	Deconsolidation
ACM VIE SA	France	100.00	100.00	FC	100.00	100.00	FC	
ACM Vie, Société d'Assurance Mutuelle	France	100.00	100.00	FC	100.00	100.00	FC	
Agrupació serveis administratius	Spain	-	-		100.00	95.22	FC	Deconsolidation
AMDIF	Spain	-	-		100.00	95.22	FC	Deconsolidation
Agrupació AMCI d'Assegurances i Reassegurances S.A.	Spain	-	-		95.22	95.22	FC	Sold outside group
Asesoramiento en Seguros y Previsión Atlantis SL	Spain	-	-		80.00	80.00	FC	Deconsolidation
Asistencia Avançada Barcelona	Spain	-	-		100.00	95.22	FC	Deconsolidation

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**** Presentation by majority-owning Crédit Mutuel group*

Consolidated entities are presented according to the sectors used for preparing segment information under IFRS 8. For example, entities included under "Retail Banking" do not necessarily have the legal status of credit institutions.	Country	12/31/2023 Percentage		Method	12/31/2022 Percentage		Method	Comments
		Control	Interest	*	Control	Interest	*	
ASTREE Assurances	Tunisia	-	-		30.00	30.00	EM	Deconsolidation
Atlantis Asesores SL	Spain	-	-		80.00	80.00	FC	Deconsolidation
Atlantis Correduría de Seguros y Consultoría Actuarial SA	Spain	-	-		60.00	60.00	FC	Deconsolidation
Atlantis vida, Compañía de Seguros y Reaseguros SA	Spain	-	-		88.06	88.06	FC	Sold outside group
Foncière Massena	France	100.00	100.00	FC	100.00	100.00	FC	
GACM España	Spain	-	-		100.00	100.00	FC	Sold outside group
GACM Seguros, Compañia de Seguros y Reaseguros, SAU	Spain	-	-		100.00	100.00	FC	Sold outside group
Groupe des Assurances du Crédit Mutuel (GACM)	France	100.00	100.00	FC	100.00	100.00	FC	
ICM Life	Luxembourg	-	-		100.00	100.00	FC	Deconsolidation
MTRL	France	-	-		100.00	100.00	FC	Deconsolidation
North Europe Life Belgium	Belgium	100.00	100.00	FC	100.00	100.00	FC	
Partners	Belgium	-	-		100.00	100.00	FC	Deconsolidation
ACM COURTAGE	France	-	-		100.00	100.00	FC	Deconsolidation
SCI ACM	France	99.86	99.86	FC	100.00	100.00	FC	
SCI Cotentin	France	-	-		64.68	64.68	FC	Deconsolidation
SCI Provence Bureaux	France	100.00	100.00	FC	100.00	100.00	FC	
SCI Rue de Londres	France	100.00	100.00	FC	100.00	100.00	FC	
SCI Saint Augustin	France	100.00	100.00	FC	100.00	100.00	FC	
SCI Tombe Issoire	France	-	-		100.00	100.00	FC	Deconsolidation
Serenis Assurances	France	-	-		99.96	99.96	FC	Deconsolidation
Targopensiones, Entitad Gestora de Fondos de Pensiones, S.A	Spain	-	-		100.00	95.22	FC	Deconsolidation
CM Arkéa ***								
Suravenir	France	100.00	100.00	FC	100.00	100.00	FC	
Suravenir Assurances	France	100.00	100.00	FC	100.00	100.00	FC	
F. Other								
Crédit Mutuel Alliance Fédérale ***								
Actéa Environnement	France	100.00	100.00	FC	100.00	100.00	FC	
Actimut	France	100.00	100.00	FC	100.00	100.00	FC	
Affiches d'Alsace Lorraine	France	100.00	99.25	FC	100.00	98.70	FC	
Alsacienne de Portage des DNA	France	100.00	99.25	FC	100.00	98.70	FC	
Advice and Service Center	France	100.00	100.00	FC	100.00	100.00	FC	
CIC Participations	France	100.00	100.00	FC	100.00	100.00	FC	
Cofidis Group	France	79.99	79.99	FC	79.99	79.99	FC	
EBRA (formerly Société d'Investissements Médias)	France	100.00	100.00	FC	100.00	100.00	FC	
EBRA Editions (formerly Les Editions du Quotidien)	Luxembourg	100.00	100.00	FC	100.00	100.00	FC	
EBRA Events	France	100.00	100.00	FC	100.00	100.00	FC	
EBRA Info (formerly AGIR)	France	100.00	100.00	FC	100.00	100.00	FC	
EBRA Medias Alsace	France	100.00	99.44	FC	100.00	99.03	FC	
EBRA Medias Bourgogne Rhone-Alpes (formerly Publiprint Province n°1)	France	100.00	100.00	FC	100.00	99.99	FC	
EBRA Media Lorraine Franche Comté	France	100.00	99.99	FC	100.00	99.43	FC	
EBRA Medias Rhone-Alpes PACA (formerly Groupe Dauphiné Médias)	France	100.00	99.99	FC	100.00	99.99	FC	
EBRA Portage Bourgogne Rhone-Alpes (formerly Presse Diffusion)	France	100.00	100.00	FC	100.00	100.00	FC	
EBRA Production	France	100.00	100.00	FC	100.00	100.00	FC	
EBRA Services	France	100.00	100.00	FC	100.00	100.00	FC	

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*** Federal banks, regional banks, interfederal banks, local banks, federations.*
**** Presentation by majority-owning Crédit Mutuel group*

Consolidated entities are presented according to the sectors used for preparing segment information under IFRS 8. For example, entities included under "Retail Banking" do not necessarily have the legal status of credit institutions.	Country	12/31/2023 Percentage Control	Percentage Interest	Method *	12/31/2022 Percentage Control	Percentage Interest	Method *	Comments
EBRA Studios (formerly Est Info TV)	France	100.00	100.00	FC	100.00	100.00	FC	
EIP	France	100.00	100.00	FC	100.00	100.00	FC	
Est Bourgogne Médias	France	100.00	100.00	FC	100.00	100.00	FC	
Euro Automatic Cash	Spain	50.00	50.00	EM	50.00	50.00	EM	
Euro-Information	France	100.00	100.00	FC	100.00	100.00	FC	
Euro-Information Développement	France	100.00	100.00	FC	100.00	100.00	FC	
Euro Protection Surveillance	France	89.00	89.00	FC	89.00	89.00	FC	
Fonds De Dotation CM ARKEA	France	100.00	100.00	FC	-	-		Newly established
France Régie	France	100.00	99.25	FC	100.00	98.70	FC	
GEIE Synergie	France	99.99	79.99	FC	99.99	79.99	FC	
Groupe Progrès	France	100.00	100.00	FC	100.00	100.00	FC	
Groupe Républicain Lorrain Imprimeries (GRLI)	France	100.00	100.00	FC	100.00	100.00	FC	
Humanoid	France	100.00	71.28	FC	100.00	71.28	FC	
Journal de la Haute Marne	France	50.00	49.99	EM	50.00	49.98	EM	
KCIOP	France	62.00	62.00	FC	-	-		Acquired outside group
La Liberté de l'Est	France	100.00	99.99	FC	97.13	97.09	FC	
La Tribune	France	100.00	99.99	FC	100.00	99.99	FC	
Le Dauphiné Libéré	France	99.99	99.99	FC	100.00	100.00	FC	
Le Républicain Lorrain	France	100.00	100.00	FC	100.00	100.00	FC	
Les Dernières Nouvelles d'Alsace	France	99.25	99.25	FC	98.70	98.70	FC	
L'Est Républicain	France	99.99	99.99	FC	99.96	99.96	FC	
Lumedia	Luxembourg	50.00	50.00	EM	50.00	50.00	EM	
LYF SAS	France	49.99	49.99	EM	49.95	49.95	EM	
Madmoizelle	France	100.00	71.28	FC	100.00	71.28	FC	
Mediaportage	France	100.00	99.92	FC	100.00	99.88	FC	
Mutuelles investissement	France	100.00	100.00	FC	100.00	100.00	FC	
NEWCO04	France	68.25	68.25	FC	68.25	68.25	FC	
Newtown Square	France	100.00	100.00	FC	100.00	100.00	FC	
Nord Europe Participations et Investissements	France	100.00	100.00	FC	100.00	100.00	FC	
ODDITY H.	France	71.28	71.28	FC	71.28	71.28	FC	
Presstic Numerama (formerly Presstic)	France	100.00	71.28	FC	100.00	71.28	FC	
SAP Alsace	France	99.92	99.92	FC	99.88	99.88	FC	
SCI Centre Gare	France	100.00	100.00	FC	100.00	100.00	FC	
SCI Le Progrès Confluence	France	100.00	100.00	FC	100.00	100.00	FC	
Société d'Edition de l'Hebdomadaire du Louhannais et du Jura (SEHLJ)	France	100.00	100.00	FC	100.00	100.00	FC	
Société de services fiduciaires (2SF)	France	33.33	33.33	EM	33.33	33.33	EM	
Targo Deutschland GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
Targo Dienstleistungs GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
Targo Technology GmbH	Germany	100.00	100.00	FC	100.00	100.00	FC	
CM Arkéa * **								
Arkéa Bourse Retail	France	99.99	99.99	FC	99.99	99.99	FC	
Bellatrix	France	41.55	41.55	EM	42.27	42.27	EM	
CMMABN * **								
SAS Helloasso	France	95.15	95.15	FC	95.39	95.39	FC	
SAS Volney Habitat	France	100.00	100.00	FC	100.00	100.00	FC	
SCI Volney Chaptal	France	100.00	100.00	FC	100.00	100.00	FC	
SCI Volney Patrimoine	France	100.00	100.00	FC	100.00	100.00	FC	
SCI Volney Sainte Anne	France	100.00	100.00	FC	100.00	100.00	FC	

** Method: FC = Full Consolidation, EM = Equity Method, NC = Not Consolidated.*
*** Federal banks, regional banks, interfederal banks, local banks, federations.*
**** Presentation by majority-owning Crédit Mutuel group*

Entities consolidated through simplified consolidation pursuant to IFRS 10

Consolidated UCITS, REITs and "OPCIs" (property investment mutual funds) pursuant to IFRS 10	Country	2023		2022	
		Percentage of control	Percentage of interest	Percentage of control	Percentage of interest
CM Arkéa					
Ais Biodiversity First (1)	France	95.8%	95.8%		
Ais European Economy Focus (1)	France	81.5%	81.5%		
AIS Mandarine Active	France			80.6%	80.6%
AIS Mandarine Entrepreneurs	France			83.3%	83.3%
Ais Mandarine Global Transition	France	98.9%	98.9%	98.7%	98.7%
AIS Mandarine Multi-Assets	France	100.0%	100.0%	100.0%	100.0%
Ais Mandarine Opportunités (1)	France	36.3%	36.3%		
Ais Protect 1 (3)	France	83.8%	83.8%	84.3%	84.3%
Arkéa Capital	France			100.0%	100.0%
Ais Schelcher Equity Convictions (1)	France	77.8%	77.8%		
Autofocus Esg Avril 2022 (1)	France	99.6%	99.6%		
Autofocus Croissance Décembre 2019 (3)	France			95.0%	95.0%
Autofocus Esg Décembre 2020 (3)	France			87.9%	87.9%
Autofocus Esg Février 2021	France	98.3%	98.3%	98.4%	98.4%
Autofocus Esg Juillet 2021	France	98.2%	98.2%	98.3%	98.3%
Autofocus Low Carbon	France	99.0%	99.0%	99.0%	99.0%
Autofocus Low Carbon Décembre 2021	France	95.3%	95.3%	95.2%	95.2%
Autofocus Rendement Avril 2020 (3)	France			99.7%	99.7%
Autofocus Rendement Février 2020 (3)	France			98.0%	98.0%
Autofocus Low Carbon Février 2022 (1)	France	97.9%	97.9%		
Autofocus Transition Climat Octobre 2022 (1)	France	96.7%	96.7%		
Breizh Armor Capital	France	50.0%	50.0%	50.0%	50.0%
Chabrieres Rendement Esg (5)	France			33.6%	33.6%
Diapazen Climat Septembre 2016	France	97.4%	97.4%	97.3%	97.3%
Fcpr Ais Financement Entrepreneurs (1)	France	100.0%	100.0%		
Fcpr Breizh Ma Bro	France	66.5%	66.5%	67.1%	67.1%
Fcpr Cap Atlantique (1)	France	82.6%	82.6%		
Fcpr Eiffel Infrastructures Vertes	France	41.6%	41.6%	80.1%	80.1%
Fcpr Mirova Green Impact Private Equity (1)	France	61.7%	61.7%		
Fcpr Oddo Tomo S (1)	France	45.6%	45.6%		
Fcpr Suravenir 1 (1)	France	100.0%	100.0%		
Fcpr Tikehau Finance (1)	France	100.0%	100.0%		
Fct Ardian Suravenir Private Debt	France	100.0%	100.0%	100.0%	100.0%
Fct Pytheas Baux Reg 2018	France	96.8%	96.8%	96.8%	96.8%
Fct Merius Suravenir	France	100.5%	100.5%	100.0%	100.0%
Fct Pytheas	France	100.0%	100.0%	99.5%	99.5%
Fct Residential Dutch Mortgage Fund Lardo D	France	100.0%	100.0%	100.0%	100.0%
Fct Scor E Loans Nat	France	100.0%	100.0%	100.0%	100.0%
Fct Scor Suravenir Euro Loans (1)	France	100.0%	100.0%		
Fct Sp Eurocreances	France	43.4%	43.4%	43.4%	43.4%
Fct Spg Dette Privée	France	100.0%	100.0%	100.0%	100.0%
Fct Suravenir Conso Fund	France	100.0%	100.0%	100.0%	100.0%
Fct Suravenir Private Debt I	France	100.0%	100.0%	100.0%	100.0%
Fct Suravenir Private Debt II	France	100.0%	100.0%	100.0%	100.0%
Fct Tikehau Spd III	France	100.0%	100.0%	100.0%	100.0%
Federal Ambition Climat	France	99.2%	99.2%	99.2%	99.2%
Federal Capital Investissement	France	100.0%	100.0%	100.0%	100.0%
Federal Global Green Bonds	France	50.6%	50.6%	49.3%	49.3%
Federal Indiciel Apal (formerly Federal Apal)	France	73.0%	73.0%	74.5%	74.5%
Federal Indiciel Japon	France	80.9%	80.9%	77.3%	77.3%
Federal Indiciel US	France	65.3%	65.3%	62.7%	62.7%
Federal Multi Actions Europe	France	74.1%	74.1%	74.4%	74.4%
Federal Multi L/S	France	100.0%	100.0%	100.0%	100.0%
Federal Multio Or et Matières Premières	France	90.7%	90.7%	90.7%	90.7%
Federal Mutli Patrimoine	France	99.5%	99.5%	99.3%	99.3%

Consolidated UCITS, REITs and "OPCIs" (property investment mutual funds) pursuant to IFRS 10	Country	2023		2022	
		Percentage of control	Percentage of interest	Percentage of control	Percentage of interest
Federal Optimal Gestion Privée Esg	France	89.7%	89.7%	88.7%	88.7%
Federal Support Court Terme Esg	France	28.1%	28.1%	36.9%	36.9%
Federal Transition Emploi	France	44.9%	44.9%	52.4%	52.4%
Federal Transition Equilibre (formerly Federal Opportunité Equilibre Esg)	France	78.8%	78.8%	80.2%	80.2%
Federal Transition Modéré (formerly Federal Opportunité Modéré Esg)	France	46.7%	46.7%	50.2%	50.2%
Federal Transition Oxygène (formerly Federal Oxygène)	France	96.1%	96.1%	95.3%	95.3%
Federal Transition Territories (formerly Federal Impact Territories)	France	34.8%	34.8%	39.3%	39.3%
Federal Transition Tonique (Oxygène Federal Opportunité Tonique Esg)	France	99.1%	99.1%	99.1%	99.1%
Flexpertise	France	67.0%	67.0%	74.3%	74.3%
Eps Sur Infra Durables (1)	France	100.0%	100.0%		
Eps Suravenir Actions Internationales Climat	France	100.0%	100.0%		
Eps Suravenir Actions Internationales Protect	France	100.0%	100.0%	100.0%	100.0%
Eps Suravenir Actions Low Vol	France	100.0%	100.0%	100.0%	100.0%
Eps Suravenir Actions Mid Caps	France	100.0%	100.0%	100.0%	100.0%
Eps Suravenir Actions Protect	France	100.0%	100.0%	100.0%	100.0%
Eps Overlay Low Vol Actions	France	100.0%	100.0%	100.0%	100.0%
Eps Ubs Archmore Infrastructure Debt Platform II	France	100.0%	100.0%	100.0%	100.0%
Mandarine Equity Income (2)	France			93.0%	93.0%
Opci Club France Retail	France	46.3%	46.3%	46.3%	46.3%
Opci Preim Défense 2	France	39.2%	39.2%	39.2%	39.2%
Opci Preim Euros	France	100.0%	100.0%	100.0%	100.0%
Opci Preim Euros 2	France	100.0%	100.0%	100.0%	100.0%
Opci Preimium	France	80.3%	80.3%	82.2%	82.2%
Opci Sofidy Pierre Europe (A) (1)	France	32.5%	32.5%		
Opci Tikehau Ret Pro	France	39.3%	39.3%	39.3%	39.3%
Ouessant	France	58.9%	58.9%	60.1%	60.1%
Parts Residuelles Fc (1)	France	100.0%	100.0%		
Primo Elite (Flex)	France	100.0%	100.0%	100.0%	100.0%
S.c.i Progrès Pierre	France	100.0%	100.0%	100.0%	100.0%
S.c.i Suravenir Pierre	France	100.0%	100.0%	100.0%	100.0%
Sc Meilleurimmo (5)	France			64.5%	64.5%
Sc Noxavia R	France	51.4%	51.4%	53.9%	53.9%
Sc Y Immo (1)	France	60.5%	60.5%		
Sc Noxavia Vista (5)	France			41.7%	41.7%
Sc Pythagore (5)	France			34.9%	34.9%
Schelcher Convertibles Esg (formerly Sp Convertibles)	France	20.2%	20.2%	20.6%	20.6%
Schelcher Convertibles Mid Cap Esg (formerly Sp Convertibles Mid Cap Esg)	France	35.7%	35.7%	33.1%	33.1%
Schelcher Flexible Short Duration (1)	France	24.7%	24.7%		
Schelcher Global High Yield (formerly Sp Haut Rendement)	France	31.8%	31.8%	32.5%	32.5%
Schelcher Ivo Global Yield 2024	France	49.4%	49.4%	46.8%	46.8%
Schelcher Ivo Global Yield 2028 (1)	France	58.8%	58.8%		
Schelcher Multi Asset (formerly Sp Croissance)	France	80.1%	80.1%	86.6%	86.6%
Schelcher Optimal Income Esg (formerly Sp Opportunités Européennes)	France	22.7%	22.7%	21.2%	21.2%
Sc Keys Selection Vie (1)	France	70.0%	70.0%		
SCI Cloverhome	France	50.0%	50.0%	50.0%	50.0%
SCI Le Vinci Holding	France	100.0%	100.0%	100.0%	100.0%
Sci Pr2 Preim Ret 2	France	38.0%	38.0%	38.0%	38.0%
Sci Silver Avenir	France	88.7%	88.7%	90.4%	90.4%
Sci Territoires Avenir	France	98.4%	98.4%	100.0%	100.0%
Sci Usufruimmo	France	100.0%	100.0%	100.0%	100.0%
Sci Usufruimmo 2028	France	100.0%	100.0%	100.0%	100.0%
Scpi Log In (5)	France			55.2%	55.2%
Scpi Remake Live (5)	France			78.3%	78.3%
Suravenir Initiative Actions	France	100.0%	100.0%	100.0%	100.0%
Synergie Finance Investissements	France	100.0%	100.0%	100.0%	100.0%
We Positive Invest	France	100.0%	100.0%	100.0%	100.0%

(1) Companies first consolidated in 2022. (2) Sold. (3) Wound up. (4) Transfer of assets and liabilities. (5) Dilution. (6) Merger. (7) Management company deconsolidated.

0b - Locations and activities by country

The Retail Banking, Insurance, Corporate Banking and Asset Management/Private Banking activities in France account for 77% of the Crédit Mutuel group's net revenue. Since 2008, the Group has opted for controlled development of its international operations, acquiring a second, and possibly a third, domestic market.

Its main branch banking subsidiaries have been acquired primarily in Belgium, Germany and Spain. Other subsidiaries or branches have been started up to support the international expansion of the Group's corporate customers.

Country	Net revenue	Profit/(loss) before tax	Current tax	Deferred tax	Other tax	Employees	Government grants
Germany	1,966	779	(191)	(25)	(134)	5,684	0
Belgium	625	228	(48)	18	(76)	1,794	0
Canada	(8)	(12)	0	2	0	9	0
Spain	272	12	(1)	0	(22)	1,663	0
United States of America	132	90	(27)	0	(13)	95	0
France	14,443	7,466	(1,314)	(36)	(2,403)	71,850	1
Hong Kong	15	9	(1)	0	(2)	19	0
Hungary	39	(4)	(1)	0	(4)	359	0
Italy	131	14	(1)	8	(7)	348	0
Luxembourg	433	178	(34)	1	(35)	1,043	0
Morocco	0	0	0	0	0	0	0
Monaco	10	1	0	0	0	19	0
Netherlands	2	2	0	0	0	1	0
Poland	9	(7)	0	(1)	(2)	101	0
Portugal	191	74	(20)	0	(9)	695	0
Republic of Korea	1	0	0	0	0	2	0
Czech Republic	17	(1)	0	0	(2)	157	0
United Kingdom	71	58	(13)	0	(5)	85	0
Saint Martin (Dutch part)	0	0	0	0	0	0	0
Singapore	87	51	(7)	0	(7)	145	0
Slovakia	9	(4)	0	0	(1)	85	0
Switzerland	256	84	(5)	(5)	(15)	430	0
Tunisia	0	20	0	0	0	0	0
TOTAL	**18,701**	**9,037**	**(1,662)**	**(38)**	**(2,738)**	**84,584**	**1**

1. Notes to the balance sheet

Note 1 - Cash, central banks (assets/liabilities)

	12/31/2023	12/31/2022 restated
Cash, central banks (assets)		
Central banks	116,837	140,662
of which mandatory reserves	3,765	3,512
Cash	1,290	1,539
Total	**118,127**	**142,201**
Due to central banks (liabilities)	**31**	**44**

Note 2 - Financial assets at amortized cost

	12/31/2023	12/31/2022 restated
Loans and receivables due from credit institutions	77,832	64,732
Loans and receivables due from customers	639,114	612,441
Securities at amortized cost	5,874	4,909
Total	**722,820**	**682,082**

2a - Loans and receivables due from credit institutions at amortized cost

	12/31/2023	12/31/2022 restated
. Performing loans (S1/S2)	76,112	63,623
Crédit Mutuel network accounts[1]	59,770	51,398
Other current accounts	4,212	4,147
Loans	799	502
Other receivables	7,515	4,670
Repurchase agreements	3,816	2,906
.Related receivables	1,730	1,119
.Impairment of performing loans (S1/S2)	(10)	(10)
Total	**77,832**	**64,732**

(1) Relates mainly to outstanding CDC repayments for LEP, LDD, Livret Bleu and Livret A passbook savings accounts

2b - Loans and receivables due from customers at amortized cost

	12/31/2023	12/31/2022 restated
Performing loans (S1/S2)	610,297	586,517
. Commercial loans	18,118	18,359
. Other customer receivables	590,820	567,161
- Home loans	331,372	317,759
- Other loans and receivables[1]	257,936	248,120
- Repurchase agreements	1,512	1,282
. Related receivables	1,359	997
Gross receivables subject to individual impairment (S3)	16,162	14,283
Gross receivables	**626,459**	**600,800**
Impairment of performing loans (S1/S2)	(3,566)	(3,792)
Other impairment (S3)	(7,640)	(6,935)
SUBTOTAL I	**615,253**	**590,073**
Finance leases (net investment)	23,397	22,036
. Equipment	16,593	15,559
. Real estate	6,804	6,477
Gross receivables subject to individual impairment (S3)	959	781
Impairment of performing loans (S1/S2)	(218)	(220)
Other impairment (S3)	(277)	(229)
Subtotal II	**23,861**	**22,368**
Total	**639,114**	**612,441**
Including subordinated loans	12	12

(1) Includes guarantee deposits paid which represent the payment commitments made to the Single Resolution Fund (€339 million) and Fonds de Garantie des Dépôts (€368 million). Related expenses are detailed in note 27b.

Other loans and receivables include guarantee deposits paid which represent the payment commitments made to the Single Resolution Fund (€339 million) and Fonds de Garantie des Dépôts (€368 million).

It should be noted that under the Single Resolution Mechanism, guarantee deposits are remunerated. Irrevocable payment commitments represent contingent liabilities since the prospect of them being called is deemed unlikely, according to the regulations in force, and as a result of the operational continuity and resilience of the Eurozone banking system, as demonstrated by the results of the ECB 2023 stress tests.

Finance lease transactions with customers

	12/31/2022 restated	Increases	Decreases	Other	12/31/2023
Gross carrying amount	22,817	7,666	(6,116)	(11)	24,356
Unrecoverable rent impairment	(449)	(220)	180	(6)	(495)
Net carrying amount	**22,368**	**7,446**	**(5,936)**	**(17)**	**23,861**

2c - Securities at amortized cost

	12/31/2023	12/31/2022 restated
. Securities	5,917	4,959
- Government securities	2,936	2,560
- Bonds and other debt securities	2,981	2,399
. Listed	2,096	1,249
. Unlisted	885	1,150
. Related receivables	26	16
Total – gross	**5,943**	**4,975**
of which impaired assets (S3)	95	93
Impairment of performing loans (S1/S2)	(4)	(2)
Other impairment (S3)	(65)	(64)
Total – net	**5,874**	**4,909**

NOTE 3 - Financial liabilities at amortized cost

3a - Amounts due to central banks and credit institutions

	12/31/2023	12/31/2022 restated
Due to central banks	**31**	**44**
Due to credit institutions[1]	**56,354**	**83,982**
Other current accounts	4,280	2,770
Borrowings	15,797	17,831
Other debts	5,315	5,433
Repurchase agreements	30,280	58,017
Related debt	682	(69)
(1) of which related to insurance activities.	3,197	2,973

At December 31, 2023, the Crédit Mutuel group had borrowed €13.7 billion under TLTRO III refinancing operations (vs. €42.6 billion at December 31, 2022).

3b - Amounts due to customers at amortized cost

	12/31/2023	12/31/2022 restated
. Special savings accounts	221,799	224,815
- Demand	171,192	166,598
- Term	50,607	58,217
. Related debt on savings accounts	810	372
Subtotal	**222,609**	**225,187**
. Demand accounts	236,901	273,071
. Term deposits	132,739	67111
. Repurchase agreements	0	12
. Related debt	1,769	292
. Other debts	133	195
Subtotal	**371,542**	**340,681**
Total	**594,151**	**565,868**

3c - Debt securities at amortized cost

	12/31/2023	12/31/2022 restated
Certificates of deposit	132	172
Interbank certificates and negotiable debt instruments	68,307	64,818
Bonds	94,937	82,370
Non-preferred senior securities	15,874	10,826
Related debt	1,966	883
Total	**181,216**	**159,069**

3d - Subordinated debt at amortized cost

	12/31/2023	12/31/2022 restated
Subordinated debt[1]	12,779	11,103
Non-voting loan stock	22	27
Perpetual subordinated notes	679	687
Related debt	228	165
TOTAL	**13,708**	**11,983**
(1) of which related to insurance activities.	854	854

Principal subordinated debt

In € millions	Type	Issue date	Amount issued	Amount at year end	Maturity
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	3/10/2014	120	120	6/27/2026
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	5/21/2014	1,000	990	5/21/2024
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	9/11/2015	1,000	969	9/11/2025
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	3/24/2016	1,000	953	3/24/2026
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	9/12/2016	300	300	9/12/2026
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	11/4/2016	700	658	11/4/2026
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	3/31/2017	500	473	3/31/2027
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	11/15/2017	500	470	11/15/2027
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	5/25/2018	500	472	5/25/2028
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	6/18/2019	1,000	1,000	6/18/2029
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	11/19/2021	750	628	11/19/2031
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	6/16/2022	1,250	1,219	6/16/2032
Banque Fédérative du Crédit Mutuel	Subordinated, redeemable	1/11/2023	1,250	1,308	1/11/2033
Assurances du Crédit Mutuel	Subordinated, redeemable	6/04/2014	150	150	6/04/2024
Assurances du Crédit Mutuel	Subordinated, redeemable	10/21/2021	750	758	4/21/2042
Crédit Industriel et Commercial	Non-voting loan stock	5/28/1985	137	8	(1)
Banque Fédérative du Crédit Mutuel	Super-subordinated notes	11/9/2004	66	66	No fixed maturity
Banque Fédérative du Crédit Mutuel	Super-subordinated notes	12/15/2004	436	419	No fixed maturity
Banque Fédérative du Crédit Mutuel	Super-subordinated notes	2/25/2005	92	92	No fixed maturity
Crédit Mutuel Arkéa	TSSDI	05.07.2004	85	84	No fixed maturity
Crédit Mutuel Arkéa	TSR	01.06.2016	500	499	01/06/26
Crédit Mutuel Arkéa	TSR	09.02.2017	500	468	09/02/29
Crédit Mutuel Arkéa	TSR	25.10.2017	500	498	25/10/29
Crédit Mutuel Arkéa	TSR	11.03.2019	750	747	11/03/31

(1) - Non amortissable, mais remboursable au gré de l'emprunteur à compter du 28.05.1997 à 130% du nominal revalorisé de 1,5% par an pour les années ultérieures.

partie manquante dans le word

traduction

NOTE 4 - Financial assets at fair value through OCI

4a - Financial assets at fair value through OCI by product type

	12/31/2023	12/31/2022 restated
. Government securities	15,573	13,574
. Bonds and other debt securities	30,528	27,604
- Listed	28,730	25,954
- Unlisted	1,799	1,649
. Related receivables	362	219
Debt securities subtotal, gross	**46,463**	**41,397**
Of which impaired debt securities (S3)	3	0
Impairment of performing loans (S1/S2)	(27)	(23)
Other impairment (S3)	(3)	0
Debt securities subtotal, net	**46,434**	**41,373**
Shares and other equity instruments	235	339
- Listed	84	98
- Unlisted	151	241
Long-term investments	1,110	1,107
- Equity investments	516	583
- Other long-term investments	536	465
- Investments in associates	58	59
Related receivables	1	1
Subtotal, equity instruments	**1,346**	**1,447**
TOTAL	**47,779**	**42,821**
Of which unrealized capital gains or losses recognized in OCI	24	163
Of which listed equity investments	107	126

Crédit Mutuel has opted not to issue "Group" principles regarding the use of the fair value through OCI option for equity instruments. Each regional group classifies its instruments according to its own business model. Generally speaking, equity instruments which the Group has elected to include in this category are strategic holdings.

Sales of equity instruments totaled €11 million during the year. Capital losses recognized through OCI amounted to €10 million.

4b – List of main non-consolidated investments

		% held	Shareholders' equity	Balance sheet total	Net revenue	Net profit/ (loss)
Ardian Holding	Unlisted	16%	743	1,346	763	202
Desjardins	Unlisted	10%	3,062	10,641	4,138	329
Serenis Assurances	Unlisted	100%	NA	NA	NA	NA
Crédit Logement	Unlisted	5%	1,593	12,553	216	120
Caisse de Refinancement de l'Habitat (CRH)	Unlisted	10%	604	16,793	4	1
Groupement Forestier Vosges Nord[(1)]	Unlisted	87%	27	27	2	<1

The above information (except for percentages held) relates to 2022 and is in millions of euros.
(1) Acquisition in 2023 by Crédit Mutuel Impact Forêts.

NOTE 5 - Gross value and impairment analysis

5a. Gross values subject to impairment

	12/31/2022 restated	Acquisition / production	Sale / repayment	Modification of cash flows	Transfer[2]	Other [1]	12/31/2023
Financial assets at amortized cost - loans and receivables due from credit institutions subject to	**64,742**	**31,492**	**(18,436)**	**0**	**0**	**55**	**77,853**
- 12-month expected losses (S1)	64,268	31,483	(18,162)	0	(47)	56	77,598
- expected losses at termination (S2)	474	9	(274)	0	46	0	255
Financial assets at amortized cost - loans and receivables due from customers subject to[1]	**623,614**	**197,610**	**(172,248)**	**1,289**	**0**	**490**	**650,755**
- 12-month expected losses (S1)	568,312	189,054	(156,847)	81	(9,147)	494	591,947
- expected losses at termination (S2)	40,240	7,390	(11,098)	421	4,740	(3)	41,690
- expected losses on impaired assets (S3) at end of period but not impaired at origination	14,539	1,091	(4,139)	739	4,446	(1)	16,675
- expected losses on impaired assets (S3) at end of period and at origination	523	75	(164)	48	(39)	0	443
Financial assets at amortized cost - securities	**4,975**	**2,424**	**(1,333)**	**0**	**0**	**(124)**	**5,942**
- subject to 12-month expected losses (S1)	4,874	2,420	(1,313)	0	(18)	(124)	5,839
- subject to expected losses at termination (S2)	8	0	0	0	0	0	8
- expected losses on impaired assets (S3) at end of period but not impaired at origination	93	4	(20)	0	18	0	95
- expected losses on impaired assets (S3) at end of period and at origination	0	0	0	0	0	0	0
Financial assets at fair value through OCI - debt securities	**41,400**	**25,745**	**(20,614)**	**0**	**0**	**(70)**	**46,461**
- 12-month expected losses (S1)	41,398	25,728	(20,614)	0	(5)	(70)	46,437
- expected losses at termination (S2)	2	14	0	0	5	0	21
- expected losses on impaired assets (S3) at end of period but not impaired at origination	0	3	0	0	0	0	3
Financial assets at fair value through OCI - loans	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	734,731	257,271	(212,631)	1,289	0	351	781,011

(1) including modification of cash flows not resulting in derecognition.
(2) including transfer between buckets.

5b. Impairment analysis

	12/31/2022 restated	Addition[1]	Reversal[1]	Other	12/31/2023
Financial assets at amortized cost - loans and receivables due from credit institutions	(10)	(6)	6	0	(10)
Financial assets at amortized cost - loans and receivables due from customers	(11,176)	(5,816)	5,306	(15)	(11,701)
Financial assets at amortized cost - securities	(66)	(6)	3	0	(69)
Financial assets at fair value through OCI - debt securities	(23)	(29)	22	0	(30)
Total	**(11,275)**	**(5,857)**	**5,337**	**(15)**	**(11,810)**

IFRS 9	12/31/2022 restated	Addition[1]	Reversal[1]	Other	12/31/2023
Loans and receivables - Credit institutions	**(10)**	**(6)**	**6**	**0**	**(10)**
- 12-month expected losses (S1)	(10)	(5)	5	0	(10)
Loans and receivables due from customers	**(11,176)**	**(5,816)**	**5,306**	**(15)**	**(11,701)**
- 12-month expected losses (S1)	(1,875)	(1,128)	1,206	4	(1,793)
- expected losses at termination (S2)	(2,137)	(1,958)	2,097	6	(1,992)
- expected losses on impaired assets (S3) at end of period but not impaired on initial recognition	(7,085)	(2,725)	1,993	(25)	(7,842)
- expected losses on impaired assets (S3) at end of period and at origination	(79)	(6)	10	0	(75)
Financial assets at amortized cost - securities	**(66)**	**(6)**	**3**	**0**	**(69)**
- 12-month expected losses (S1)	(2)	(2)	1	0	(3)
- expected losses at termination (S2)	(1)	0	0	0	(1)
- expected losses on impaired assets (S3) at end of period but not impaired on initial recognition	(64)	(3)	2	0	(65)
Financial assets at fair value through OCI - debt securities	**(23)**	**(29)**	**22**	**0**	**(30)**
- 12-month expected losses (S1)	(23)	(25)	22	0	(26)
- expected losses at termination (S2)	0	0	0	0	0
- expected losses on impaired assets (S3) at end of period but not impaired on initial recognition	0	(3)	0	0	(3)
Financial assets at fair value through OCI - loans	**0**	**0**	**0**	**0**	**0**
Total	**(11,275)**	**(5,857)**	**5,337**	**(15)**	**(11,810)**

(1) including transfer between buckets.

	01/01/2022	Addition	Reversal	Other	12/31/2022 restated
Financial assets at amortized cost - Loans and receivables - Credit institutions	(5)	(8)	3	0	(10)
Financial assets at amortized cost - Loans and receivables due from customers	(11,228)	(2,832)	2,852	32	(11,176)
Financial assets at amortized cost - securities	(83)	(4)	21	0	(66)
Financial assets at fair value through OCI - debt securities	(27)	(11)	15	0	(23)
Total	**(11,343)**	**(2,855)**	**2,891**	**32**	**(11,275)**

IFRS 9	01/01/2022	Addition	Reversal	Other	12/31/2022 restated
Loans and receivables - Credit institutions	**(5)**	**(8)**	**3**	**0**	**(10)**
- 12-month expected losses (S1)	(5)	(8)	3	0	(10)
Loans and receivables due from customers	**(11,228)**	**(2,832)**	**2,852**	**32**	**(11,176)**
- 12-month expected losses (S1)	(1,516)	(688)	364	(35)	(1,875)
- expected losses at termination (S2)	(2,416)	(673)	697	255	(2,137)
- expected losses on impaired assets (S3) at end of period but not impaired on initial recognition	(7,192)	(1,462)	1,757	(188)	(7,085)
- expected losses on impaired assets (S3) at end of period and at origination	(104)	(9)	34	0	(79)
Financial assets at amortized cost - securities	**(83)**	**(4)**	**21**	**0**	**(66)**
- 12-month expected losses (S1)	(1)	(1)	0	0	(2)
- expected losses at termination (S2)	(1)	0	0	0	(1)
- expected losses on impaired assets (S3) at end of period but not impaired on initial recognition	(81)	(3)	20	0	(64)
Financial assets at fair value through OCI - debt securities	**(27)**	**(11)**	**15**	**0**	**(23)**
- 12-month expected losses (S1)	(22)	(12)	11	0	(23)
- expected losses at termination (S2)	(4)	0	4	0	0
- expected losses on impaired assets (S3) at end of period but not impaired on initial recognition	0	0	0	0	0
Financial assets at fair value through OCI - loans	**0**	**0**	**0**	**0**	**0**
Total	**(11,343)**	**(2,855)**	**2,891**	**32**	**(11,275)**

5c. Breakdown of impairment

12/31/2023	Gross receivables***			Impairment					Net receivables
	S1	S2	S3	S1	Adjustment*	S2	Adjustment*	S3	
Loans and receivables - Credit institutions	88,794	255	0	(11)	0	0	0	0	89,038
Loans and receivables due from customers	592,008	41,688	17,122	(1,725)	(96)	(1,854)	(131)	(7,667)	639,178
Financial assets at fair value through OCI - debt securities	8,776	8	95	(3)	0	(1)	0	(65)	8,810
Financial assets at fair value through OCI - loans	44,802	22	3	(26)	0	0	0	(3)	44,798
TOTAL	**734,380**	**41,973**	**17,220**	**(1,765)**	**(96)**	**(1,855)**	**(131)**	**(7,735)**	**781,825**

** Post-model adjustment.*

NOTE 6 - Financial assets and liabilities at fair value through profit or loss

6a - Financial assets at fair value through profit or loss

	12/31/2023				12/31/2022 restated			
	Trading	Fair value option	Other FVPL	Total	Trading	Fair value option	Other FVPL	Total
Securities	**8,268**	**862**	**8,762**	**17,892**	**6,315**	**942**	**7,472**	**14,729**
- Government securities	694	10	0	704	1,034	22	0	**1,056**
- Bonds and other debt securities	6,310	852	1,601	8,763	4,550	920	1,388	**6,858**
. Listed	*6,310*	*47*	*159*	*6,516*	*4,550*	*26*	*302*	***4,878***
. Unlisted	*0*	*805*	*1,442*	*2247*	*0*	*894*	*1,086*	***1,980***
of which collective investment undertakings	*0*	0	*1,088*	*1,088*	*0*	0	*1,135*	***1,135***
- Shares and other equity instruments	1,264	0	5812	7,076	731	0	4,980	**5,711**
. Listed	*1,264*	0	*1,130*	*2,394*	*731*	0	*1,063*	***1,794***
. Unlisted	*0*	0	*4,682*	*4,682*	*0*	0	*3,917*	***3,917***
- Long-term investments	0	0	1,349	1,349	0	0	1,104	**1,104**
. Equity investments	0	0	*605*	*605*	0	0	*441*	***441***
. Other long-term investments	0	0	*141*	*141*	0	0	*284*	***284***
. Investments in associates	0	0	*574*	*574*	0	0	*350*	***350***
. Other long-term investments	0	0	*29*	*29*	0	0	*29*	***29***
Derivatives	**6,071**	**0**	**0**	**6,071**	**7,537**	**0**	**0**	**7,537**
Loans and receivables	**11,540**	**10**	**17**	**11,567**	**9,435**	**12**	**14**	**9,461**
of which repurchase agreements (1)	*11,540*	*0*	0	*11,540*	*9,435*	*0*	0	***9,435***
Other assets classified at FVPL	**112**	**0**	**0**	**112**	**88**	**0**	**0**	**88**
TOTAL	**25,991**	**872**	**8,779**	**35,642**	**23,375**	**954**	**7,486**	**31,815**

The maximum exposure to credit risk on assets classified at fair value through profit or loss amounted to €874 million during the year.

6b - Financial liabilities at fair value through profit or loss

	12/31/2023	12/31/2022 restated
Financial liabilities held for trading	18,061	19,309
Financial liabilities at fair value through profit or loss under the fair value option	2,351	1,689
TOTAL	**20,412**	**20,998**
(1) of which related to insurance activities.	33	13
(2) of which related to insurance activities.	348	633

Financial liabilities held for trading

	12/31/2023	12/31/2022 restated
Short sales of securities	769	1,365
- Bonds and other debt securities	176	646
- Shares and other equity instruments	593	719
Liabilities representing securities delivered under repurchase agreements	10,817	9,698
Trading derivatives	5,904	7,559
Other financial liabilities held for trading	571	687
TOTAL	**18,061**	**19,309**

Financial liabilities at fair value through profit or loss under the fair value option

	12/31/2023			12/31/2022 restated		
	Carrying amount	Amount due on maturity	Difference	Carrying amount	Amount due on maturity	Difference
Securities issued	1,680	1,690	(10)	1,056	1,193	(137)
Interbank debt	84	84	0	133	134	(1)
Due to customers	587	614	(27)	500	538	(38)
Total	**2,351**	**2,388**	**(37)**	**1,689**	**1,865**	**(176)**

6c - Analysis of trading derivatives

Trading derivatives	12/31/2023			12/31/2022 restated		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate instruments	**203,959**	**3,792**	**3,782**	**188,824**	**5,348**	**5,343**
Swaps	96,974	3011	3,349	90,652	3,699	4,631
Futures and forward contracts	56,227	0	0	53,697	0	0
Options and conditional instruments	50,758	781	433	44,475	1,649	712
Foreign exchange instruments	**160,204**	**2,060**	**1,906**	**155,082**	**1,924**	**1,916**
Swaps	106,699	47	72	102,623	45	144
Futures and forward contracts	15,606	1,757	1,579	14,634	1,565	1,459
Options and conditional instruments	37,899	256	255	37,825	314	313
Other than interest rate and currency instruments	**20,489**	**218**	**218**	**23,265**	**266**	**302**
Swaps	6,711	83	98	7,040	50	110
Futures and forward contracts	9,905	44	57	9,923	100	85
Options and conditional instruments	3,873	91	63	6,302	116	107
Total	**384,652**	**6,070**	**5,906**	**367,171**	**7,538**	**7,561**

Swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued with a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness.
Moreover, the value of derivatives takes counterparty risk into account.

NOTE 7 - Hedging

7a - Hedging derivatives

Trading derivatives	12/31/2023			12/31/2022 restated		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Hedging derivatives						
Fair value hedges	363,393	5,624	5,612	316,200	9,818	7,113
Swaps	363,115	5,623	5,612	315,704	9,816	7,112
Options and conditional instruments	279	1	0	496	2	1
Total	**363,394**	**5,624**	**5,612**	**316,200**	**9,818**	**7,113**

- Hedge ineffectiveness recognized in profit or loss amounted to a gain of €70 million reported under "Net gains on financial instruments at fair value through profit or loss" (see Note 22).

Swaps are valued with an OIS curve if they are collateralized or with a BOR curve otherwise. Hedged items are valued with a BOR curve. The difference resulting from the use of different valuation curves for the hedged items and the hedging instruments is accounted for as hedge ineffectiveness.
Moreover, the value of derivatives takes counterparty risk into account.

Analysis of the nominal value of hedging derivatives

	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	12/31/2023
Hedging derivatives					
Fair value hedges	19,955	32,634	180,078	130,727	363,394
Swaps	19,950	32,585	180,069	130,511	363,115
Options and conditional instruments	5	49	9	216	279
Total	**19,955**	**32,634**	**180,078**	**130,727**	**363,394**

	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	12/31/2022 restated
Hedging derivatives					
Fair value hedges	13,093	34,027	157,478	111,602	316,200
Swaps	13,081	33,909	157,358	111,355	315,704
Options and conditional instruments	12	118	120	247	496
Total	**13,093**	**34,027**	**157,478**	**111,602**	**316,200**

7b - Remeasurement adjustment on interest-rate hedged portfolios

	12/31/2023	12/31/2022 restated
Fair value of interest rate risk by portfolio		
. Financial assets	(4,706)	(11,522)
. Financial liabilities	(1,223)	(1,897)

7c - Hedged items under fair value hedges

Hedged assets

	12/31/2023			12/31/2022 restated		
	Carrying amount	Of which remeasurement relating to hedging	Of which remeasurement for the period	Carrying amount	Of which remeasurement relating to hedging	Of which remeasurement for the period
Loans and receivables due from credit institutions at amortized cost	511	0	0	552	0	0
Loans and receivables due from customers at amortized cost	304,594	(2,259)	4,788	209,328	(6,774)	(395)
Securities at amortized cost	2,414	(49)	87	1,942	(135)	(207)
Financial assets at fair value through OCI	27,810	(385)	964	24,190	1,388	(345)
Total	**335,329**	2,693	**5,839**	**236,012**	(5,521)	(947)

Hedged liabilities

	12/31/2023			12/31/2022 restated		
	Carrying amount	Of which remeasurement relating to hedging	Of which remeasurement for the period	Carrying amount	Of which remeasurement relating to hedging	Of which remeasurement for the period
Debt securities	97,026	(3,609)	3,417	82,620	3,088	(2,388)
Due to credit institutions	17,632	(879)	738	36,466	2,018	(10)
Due to customers	25,776	(186)	(127)	55,543	(37)	(24)
Total	**140,434**	(4,674)	**4,028**	**174,629**	**5,069**	2,422

Overall hedge ineffectiveness recognized in profit or loss amounted to a gain of €70 million reported under "Net gains on financial instruments at fair value through profit or loss" (see Note 22).

NOTE 8 - Investment of insurance activities, insurance assets and reinsurance assets

	12/31/2023	12/31/2022 restated
Financial assets at fair value through profit or loss	106,923	98,955
Financial assets at fair value through OCI	78,098	72,156
Loans and receivables at amortized cost	272	1,129
Debt instruments at amortized cost	2,639	2,608
Investment property	3,379	3,883
Insurance contract assets	15	18
Reinsurance contract assets	530	477
Total	**191,856**	**179,226**

8a - Financial investments of insurance activities

Financial assets at fair value through OCI

	12/31/2023	12/31/2022 restated
. Government securities	30,980	27,162
. Bonds and other debt securities	37,401	35,118
- Listed	36,927	34,683
- Unlisted	474	435
Debt securities subtotal, gross	**68,381**	**62,280**
Of which impaired debt securities (S3)	18	18
Impairment of performing loans (S1/S2)	(24)	(25)
Other impairment (S3)	(18)	(18)
Debt securities subtotal, net	**68,339**	**62,237**
. Loans	5,961	7,184
Gross subtotal loans and receivables	**5,961**	**7,184**
Impairment of performing loans (S1/S2)	(1)	0
Net subtotal loans and receivables	**5,960**	**7,184**
Shares and other equity instruments	1,239	1,064
- Listed	1,223	1,037
- Unlisted	16	27
Long-term investments	2,560	1,671
- Equity investments	2,559	1,670
- Investments in associates	1	1
Subtotal, equity instruments	**3,799**	**2,735**
Total	**78,098**	**72,156**
Of which unrealized capital gains or losses recognized in OCI	457	(74)
Of which listed equity investments	991	387

Loans and receivables at amortized cost

	12/31/2023	12/31/2022 restated
. Performing loans (S1/S2)	272	1,128
Current accounts	33	10
Other receivables	239	1,118
. Related receivables	0	1
Total	**272**	**1,129**

Securities at amortized cost

	12/31/2023	12/31/2022 restated
. Securities	2,623	2,593
- Government securities	589	559
- Bonds and other debt securities	2,034	2,034
. Listed	1,936	1,948
. Unlisted	99	88
. Related receivables	19	18
Total – gross	**2,642**	**2,611**
Impairment of performing loans (S1/S2)	(3)	(3)
Total – net	**2,639**	**2,608**

Financial assets at fair value through profit or loss

	12/31/2023				12/31/2022 restated			
	Trading	Fair value option	Other FVPL	Total	Trading	Fair value option	Other FVPL	Total
Securities	**0**	**17,817**	**88,265**	**106,082**	**0**	**17,404**	**80,628**	**98,032**
- Government securities	0	6,007	168	6,175	0	6,204	153	6,357
- Bonds and other debt securities	0	11,810	66,925	78,735	0	11,200	60,326	71,526
. Listed	*0*	*9,059*	*46,163*	*55,222*	*0*	*8,913*	*38,524*	*47,437*
. Unlisted	*0*	*2,751*	*20,762*	*23,513*	*0*	*2,287*	*21,802*	*24,089*
of which collective investment undertakings	*0*	0	*51,968*	*51,968*	*0*	0	*45,816*	*45,816*
- Shares and other equity instruments	0	0	20,710	20,710	0	0	19,679	19,679
. Listed	*0*	0	*14,342*	*14,342*	*0*	0	*13,133*	*13,133*
. Unlisted	*0*	0	*6,368*	*6,368*	*0*	0	*6,546*	*6,546*
- Investments in associates and other long-term investments	0	0	462	462	0	0	470	470
Derivatives	**1**	**0**	**0**	**1**	**6**	**0**	**0**	**6**
Operating property - FVPL	**0**	**0**	**362**	**362**	**0**	**0**	**(4,056)**	**419**
Loans and receivables	**0**	**269**	**209**	**478**	**0**	**295**	**203**	**498**
Total	**1**	**18,086**	**88,836**	**106,923**	**6**	**17,699**	**81,250**	**98,955**

8b - Liabilities related to contracts of insurance activities

	12/31/2023	12/31/2022
Liabilities of insurance contracts	172,747	159,750
Other insurance liabilities	(905)	(571)
TOTAL	**171,842**	**159,179**

8b1 - Liabilities of insurance contracts issued

Reconciliation of insurance liabilities by type of coverage

	12/31/2023					
	Remaining coverage			Incurred claims		Total
				Contracts measured under the simplified method		
	Excluding loss component	Loss component	Contracts measured under the general model	Present value of future cash flows	Non-financial risk	
Insurance contract assets at beginning of period	(18)	0	0	0	0	(18)
Insurance contract liabilities at beginning of period	154,510	81	1,312	3,739	108	159,750
Opening balance	**154,492**	**81**	**1,312**	**3,739**	**108**	**159,732**
Income from insurance activities (1)	**(8,238)**	**0**	**0**	**0**	**0**	**(8,238)**
Claim expense and other insurance expenses incurred during the year	0	(47)	1,759	4,432	38	6,182
Amortization of acquisition cash flows	142	0	0	0	0	142
Loss on onerous contracts	0	76	0	0	0	76
Changes related to prior year incurred claims (adjustment of the LIC)	0	0	(39)	60	(28)	(7)
Expenses related to insurance activities	**142**	**29**	**1,720**	**4,492**	**10**	**6,393**
Investment component	(10,364)	0	10,364	0	0	0
Insurance service result	**(18,460)**	**29**	**12,084**	**4,492**	**10**	**(1,845)**
Net financial expense of insurance contracts	8,588	2	11	50	2	8,653
Rate effect offset in OCI	3,186	0	15	95	3	3,299
Total changes in profit or loss and other comprehensive income	**(6,747)**	**31**	**12,110**	**4,637**	**15**	**10,046**
Premiums received	18,956	0	0	0	0	18,956
Claims and expenses paid, including investment component	0	0	(12,040)	(4,220)	0	(16,260)
Cash flow from contract acquisition	(135)	0	0	0	0	(135)
Total cash flows	**18,821**	**0**	**(12,040)**	**(4,220)**	**0**	**2,561**
Transfer to other balance sheet items	378	0	20	(5)	0	393
Insurance contracts - assets	(16)	0	1	0	0	(15)
Insurance contracts - liabilities	166,960	112	1,401	4,151	123	172,747
Closing balance	**166,944**	**112**	**1,402**	**4,151**	**123**	**172,732**

(1) Of which €3.96 billion in respect of insurance contracts at the transition date, broken down as follows:

- €2.14 billion measured under the full retrospective approach (FRA).

- €1.325 billion measured under the modified retrospective approach (MRA).

- €225 million measured under the fair value (FV) approach.

Reconciliation of insurance liabilities by type of coverage

	12/31/2022 restated					
	Remaining coverage			Incurred claims		Total
				Contracts measured under the simplified method		
	Excluding loss component	Loss component	Contracts measured under the general model	Present value of future cash flows	Non-financial risk	
Insurance contract assets at beginning of period	(26)	0	0	0	0	(26)
Insurance contract liabilities at beginning of period	173,056	71	1,334	3,859	117	178,437
Opening balance	**173,030**	**71**	**1,334**	**3,859**	**117**	**178411**
Income from insurance activities (1)	**(8,004)**	**0**	**0**	**0**	**0**	**(8,004)**
Claim expense and other insurance expenses incurred during the year	0	(54)	1,727	4,208	35	5,916
Amortization of acquisition cash flows	179	0	0	0	0	179
Loss on onerous contracts	0	80	0	0	0	80
Changes related to prior year incurred claims (adjustment of the LIC)	0	0	(25)	67	(27)	15
Expenses related to insurance activities	**179**	**26**	**1,702**	**4,275**	**8**	**6,190**
Investment component	(8,680)	0	8,680	0	0	0
Insurance service result	**(16,505)**	**26**	**10,382**	**4,275**	**8**	**(1,814)**
Net financial expense of insurance contracts	(7,162)	0	9	13	0	(7,140)
Rate effect offset in OCI	(11,379)	0	(110)	(318)	(14)	(11,821)
Total changes in profit or loss and other comprehensive income	**(35,046)**	**26**	**10,281**	**3,970**	**(6)**	**(20,775)**
Premiums received	18,145	0	0	0	0	18,145
Claims and expenses paid, including investment component	0	0	(10,287)	(3,993)	0	(14,280)
Cash flow from contract acquisition	(378)	0	0	0	0	(378)
Total cash flows	**17,767**	**0**	**(10,287)**	**(3,993)**	**0**	**3,487**
Transfer to other balance sheet items	(1,259)	(16)	(16)	(97)	(3)	(1,391)
Insurance contracts - assets	(18)	0	0	0	0	(18)
Insurance contracts - liabilities	154,510	81	1,312	3,739	108	159,750
Closing balance	**154,492**	**81**	**1,312**	**3,739**	**108**	**159,732**

(1) Of which €3.93 billion in respect of insurance contracts at the transition date, broken down as follows:

- €2.124 billion measured under the full retrospective approach (FRA).

- €1.445 billion measured under the modified retrospective approach (MRA).

- €361 million measured under the fair value (FV) approach.

Reconciliation of debt and receivables attributable to insurance contracts and reinsurance treaties

	12/31/2023				12/31/2022 restated			
	Closing balance	Attributable debt - CASH BASIS	Attributable receivables - CASH BASIS	Closing balance (including attributable debt and receivables)	Closing balance	Attributable debt - CASH BASIS	Attributable receivables - CASH BASIS	Closing balance (including attributable debt and receivables)
Insurance								
Insurance contract assets	(15)	0	0	(15)	(18)	0	0	(18)
Insurance contract liabilities	172,747	(905)	0	171,842	159,750	(571)		159,179
TOTAL debt and receivables attributable to insurance contracts	**172,732**	**(905)**	**0**	**171,827**	**159,732**	**(571)**	**0**	**159,161**
Reinsurance								
Reinsurance treaty assets	629	0	(99)	530	545	0	(68)	477
Reinsurance treaty liabilities	0	0	0	0	0	0		0
TOTAL debt and receivables attributable to reinsurance treaties	**629**	**0**	**(99)**	**530**	**545**	**0**	**(68)**	**477**

Reconciliation of insurance liabilities by estimation component - excluding contracts measured under the simplified method

	12/31/2023			
	Present value of future cash flows	Non-financial risk	Contractual service margin	Total
Insurance contract assets at beginning of period	(54)	18	18	**(18)**
Insurance contract liabilities at beginning of period	141,852	2,133	11,336	**155,321**
Opening balance	**141,798**	**2,151**	**11,354**	**155,303**
Change in contractual service margin recognized in profit or loss	0	0	(1,175)	**(1,175)**
Change in the adjustment for non-financial risk over the period	0	(184)	0	**(184)**
Experience adjustments	(43)	18	0	**(25)**
Changes related to services rendered during the period	**(43)**	**(166)**	**(1,175)**	**(1,384)**
Contracts recognized during the period	(503)	165	380	**42**
Changes in estimates resulting in an adjustment of the contractual service margin	(2,459)	249	2,210	**0**
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	(34)	6	0	**(28)**
Changes related to future services	**(2,996)**	**420**	**2,590**	**14**
Changes in fulfillment cash flows for incurred claims	(27)	(12)	0	**(39)**
Changes related to past services	**(27)**	**(12)**	**0**	**(39)**
Insurance service result	**(3,066)**	**242**	**1,415**	**(1,409)**
Net financial expense of insurance contracts	8,572	13	18	**8,603**
Rate effect offset in OCI	3,134	65	0	**3,199**
Exchange rate effects	(61)	0	0	**(61)**
Other movements	0	0	0	**0**
Total changes in profit or loss and other comprehensive income	**8,579**	**320**	**1,433**	**10,332**
Premiums received	13,869	0	0	**13,869**
Claims and expenses paid, including investment component	(12,129)	0	0	**(12,129)**
Cash flow from contract acquisition	(129)	0	0	**(129)**
Total cash flows	**1,611**	**0**	**0**	**1,611**
Transfer to other balance sheet items	395	3	(8)	**390**
Insurance contract assets at end of period	(60)	18	27	**(15)**
Insurance contract liabilities at end of period	152,443	2,456	12,752	**167,651**
Closing balance	**152,383**	**2,474**	**12,779**	**167,636**

	12/31/2022 restated			
	Present value of future cash flows	Non-financial risk	Contractual service margin	Total
Insurance contract assets at beginning of period	(48)	14	8	**(26)**
Insurance contract liabilities at beginning of period	163,025	1,964	8,961	**173,950**
Opening balance	**162,977**	**1,978**	**8,969**	**173,924**
Change in contractual service margin recognized in profit or loss	0	0	(1,186)	**(1,186)**
Change in the adjustment for non-financial risk over the period	0	(152)	0	**(152)**
Experience adjustments	(87)	17	0	**(70)**
Changes related to services rendered during the period	**(87)**	**(135)**	**(1,186)**	**(1,408)**
Contracts recognized during the period	(748)	232	545	**29**
Changes in estimates resulting in an adjustment of the contractual service margin	(3,448)	411	3,036	**(1)**
Changes in estimates resulting in losses or reversals of losses on groups of onerous contracts	52	(37)	0	**15**
Changes related to future services	**(4,144)**	**606**	**3,581**	**43**
Changes in fulfillment cash flows for incurred claims	(12)	(13)	0	**(25)**
Changes related to past services	**(12)**	**(13)**	**0**	**(25)**
Insurance service result	**(4,243)**	**458**	**2,395**	**(1,390)**
Net financial expense of insurance contracts	(7171)	6	12	**(7,153)**
Rate effect offset in OCI	(11,223)	(265)	0	**(11,488)**
Exchange rate effects	0	0	0	**0**
Other movements	0	0	0	**0**
Total changes in profit or loss and other comprehensive income	**(22,637)**	**199**	**2,407**	**(20,031)**
Premiums received	13,221	0	0	**13,221**
Claims and expenses paid, including investment component	(10,409)	0	0	**(10,409)**
Cash flow from contract acquisition	(170)	0	0	**(170)**
Total cash flows	**2,642**	**0**	**0**	**2,642**
Transfer to other balance sheet items	(1,184)	(26)	(22)	**(1,232)**
Insurance contract assets at end of period	(54)	18	18	**(18)**
Insurance contract liabilities at end of period	141,852	2,133	11,336	**155,321**
Closing balance	**141,798**	**2,151**	**11,354**	**155,303**

Insurance liabilities initially recognized during the period

	12/31/2023			12/31/2022 restated		
	Profitable contracts issued	Onerous contracts issued	Total	Profitable contracts issued	Onerous contracts issued	Total
Cash flows related to acquisition costs	123	15	138	124	6	130
Expected claims and other expenses related to insurance activities	6,525	769	7,294	8,078	509	8,587
Estimate of the present value of future cash outflows	**6,648**	**784**	**7,432**	**8,202**	**515**	**8,717**
Estimate of the present value of future cash inflows	(7,102)	(832)	(7,934)	(8,901)	(541)	(9,442)
Adjustment for non-financial risk	74	91	165	177	55	232
Contractual Service Margin	380	0	380	522	0	522
Loss on insurance contracts held and initially recognized during the period	**0**	**43**	**43**	**0**	**29**	**29**

Underlying items of insurance contracts with direct participation features

	12/31/2023 Underlying items of contracts with direct participation features	12/31/2022 restated Underlying items of contracts with direct participation features
Financial investments		
Fair value through other comprehensive income	**68,974**	**65,444**
Government securities and similar instruments	25,152	22,000
Bonds and other debt securities	32,900	30,715
Shares and other equity instruments	0	1,441
Investments and other long-term securities	1,609	1,383
Investments in associates	203	200
Loans and receivables	9,110	9,705
Fair value through profit or loss	**110,204**	**100,931**
Government securities and similar instruments	6,164	6,347
Bonds and other debt securities	79,440	72,456
Shares and other equity instruments	20,193	17,231
Investments and other long-term securities	462	467
Investments in associates	1	1
Loans and receivables	529	485
Derivatives and other financial assets - trading	1	6
Operating property at FVPL	328	378
Non-operating property at FVPL	3,089	3,561
Amortized cost	**401**	**1,397**
Loans and receivables due from credit institutions	371	1,369
Customer loans	4	0
Investment property	25	28
Other assets	**45**	**32**
Current tax assets	3	6
Other assets	28	16
Accruals - Assets	14	10
Total financial assets	**179,624**	**167,804**
Financial liabilities		
Fair value through profit or loss	**8,875**	**9,591**
Derivatives and other financial liabilities – Trading	61	117
Due to credit and similar institutions	8,814	9,474
Other liabilities	**128**	**165**
Other liabilities	33	38
Deferred tax liabilities	95	127
Total financial liabilities	**9,003**	**9,756**

8b2 - Reinsurance contract liabilities

Not applicable.

8b3 - Expected recognition in profit or loss of the reinsurance contractual service margin

	12/31/2023				12/31/2022 restated			
	0 to 5 years	5 to 10 years	More than 10 years	TOTAL	0 to 5 years	5 to 10 years	More than 10 years	TOTAL
CSM Insurance contracts	5,427	3,996	3,356	12,779	5,097	3,630	2,627	11,354

8b4 - Maturity analysis of insurance and reinsurance liabilities

	12/31/2023			
	0 to 5 years	5 to 10 years	More than 10 years	TOTAL
Insurance contract				
Assets	0	0	0	0
Liabilities	4,229	20,801	119,005	144,035
Total	4,229	20,801	119,005	144,035

8b5 - Insurance risk management

Insurance risk management covers all risks taken by an insurer when selling insurance contracts.

The reverse cycle that characterizes the insurance industry requires that this technical risk be monitored over the long term.

The Group's insurance entities develop and sell a full range of insurance products intended primarily for retail and business customers.

Sensitivity analysis	12/31/2023	
	Impact on net income	Impact on shareholders' equity
Mass surrender of 10%	**0**	**11**

Market risk management	12/31/2023	
	Impact on net income	Impact on shareholders' equity
100 bps increase in risk-free rates	**1**	**(375)**
100 bps decrease in risk-free rates	**2**	**427**
20% decrease in share price	**(87)**	**(441)**

NOTE 9 - Fair value hierarchy for financial instruments measured at fair value in the balance sheet

12/31/2023	Level 1	Level 2	Level 3	Total	Transfers* L1 => L2	Transfers* L2 => L1
Financial assets - IFRS 9						
Fair value through other comprehensive income	40,508	6,083	1,189	47,780	166	52
- Government securities and similar instruments	14,920	716	36	15,672	13	48
- Bonds and other debt securities	25,397	5,365	0	30,762	153	4
- Shares and other equity instruments	84	2	149	235	0	0
- Investments and other long-term securities	107	0	945	1,052	0	0
- Investments in associates	0	0	59	59	0	0
Trading / Fair value option / Other	8,081	18,560	9,001	35,642	0	1
- Government securities and similar instruments – Trading	582	112	0	694	0	0
- Government securities and similar instruments – Fair value option	10	0	0	10	0	0
- Bonds and other debt securities – Trading	4,628	1,061	621	6,310	0	0
- Bonds and other debt securities – Fair value option	47	0	805	852	0	0
- Bonds and other debt securities - Other FVPL	342	965	294	1,601	0	1
Shares and other equity instruments - Trading	1,264	0	0	1,264	0	0
- Shares and other equity instruments - Other FVPL	1,153	0	4,659	5,812	0	0
- Investments and other long-term investments – Other FVPL	5	0	741	746	0	0
- Investments in associates – Other FVPL	0	0	603	603	0	0
- Loans and receivables due from customers – Fair value option	0	10	0	10	0	0
- Loans and receivables due from customers – Other FVPL	0	17	0	17	0	0
- Loans and receivables due from customers – Trading	0	11,540	0	11,540	0	0
- Derivatives and other financial assets – Trading	50	4,829	1,192	6,071	0	0
- Other assets classified at FVPL	0	26	86	112	0	0
Hedging derivatives	1	5,621	2	5,624	0	0
Total	**48,590**	**30,264**	**10,192**	**89,046**	**166**	**53**

12/31/2023	Level 1	Level 2	Level 3	Total	Transfers* L1 => L2	Transfers* L2 => L1
Actifs financiers IFRS 9 - Placements des activités d'assurance						
Juste valeur par capitaux propres	69 886	6 629	1 585	78 100	0	0
- Effets publics et valeurs assimilées	30 761	219	0	30 980	0	0
- Obligations et autres titres de dettes	36 927	434	0	37 361	0	0
- Actions et autres instruments de capitaux propres	1 223	16	0	1 239	0	0
- Participations et ATDLT	975	0	1 584	2 559	0	0
- Parts entreprises liées	0	0	1	1	0	0
- Prets et Créances - JVCPR	0	5 960	0	5 960	0	0
Transaction / JVO /Autres	69 788	27 130	10 005	106 923	19	91
- Effets publics et valeurs assimilées - Juste valeur sur option	5 838	169	0	6 007	0	17
- Effets publics et valeurs assimilées - Autres JVPR	161	7	0	168	0	0
- Obligations et autres titres de dettes - Juste valeur sur option	8 754	3 055	0	11 809	19	18
- Obligations et autres titres de dettes - Autres JVPR	40 693	16 774	9 458	66 925	0	56
- Actions et autres instruments de capitaux propres - Autres JVPR	14 342	6 284	85	20 711	0	0
- Participations et ATDLT - Autres JVPR	0	0	462	462	0	0
- Prêts et créances - Juste valeur sur option	0	269	0	269	0	0
- Prêts et créances -Autre JVPR	0	209	0	209	0	0
- Dérivés et autres actifs financiers - Transaction	0	1	0	1	0	0
- immeubles d'exploitation - Autres JVPR	0	362	0	362	0	0
Immeubles hors exploitation AJVPR	0	3 346	0	3 346	0	0
Total	**139 674**	**37 105**	**11 590**	**188 369**	**19**	**91**
Financial liabilities - IFRS 9						
Trading / Fair value option	1,254	17,630	1,528	20,412	0	0
- Due to credit institutions - Fair value option	0	84	0	84	0	0
- Due to customers – Fair value option	0	587	0	587	0	0
- Debt securities – Fair value option	0	1,680	0	1,680	0	0
- Derivatives and other financial liabilities – Trading	1,254	4,462	1,528	7,244	0	0
- Liabilities - Trading	0	10,817	0	10,817	0	0
Hedging derivatives	0	5,603	9	5,612	0	0
Total	**1,254**	**23,233**	**1,537**	**26,024**	**0**	**0**

There were no transfers between levels 1 and 2 in an amount exceeding 10% of the amount of the "Total" line for the respective asset or liability category.
- level 1: quoted price in an active market.
- level 2: prices in active markets for similar instruments and measurement techniques for which all significant data is based on observable market information,
- level 3: measurement based on internal models containing significant non-observable data.

12/31/2022 restated	Level 1	Level 2	Level 3	Total
Financial assets - IFRS 9				
Fair value through other comprehensive income	37,076	4,458	1,286	42,820
- Government securities and similar instruments	12,840	753	59	13,652
- Bonds and other debt securities	24,012	3,703	6	27,721
- Shares and other equity instruments	98	2	239	339
- Investments and other long-term securities	126	0	923	1,049
- Investments in associates	0	0	59	59
Trading / Fair value option / Other	5,943	17,246	8,626	31,815
- Government securities and similar instruments – Trading	1,025	0	9	1,034
- Government securities and similar instruments – Fair value option	22	0	0	22
- Bonds and other debt securities - Trading	2,725	1,670	155	4,550
- Bonds and other debt securities - Fair value option	26	186	708	920
- Bonds and other debt securities - Other FVPL	297	846	245	1,388
- Shares and other equity instruments - Trading	731	0	0	731
- Shares and other equity instruments - Other FVPL	1,092	0	3,888	4,980
- Investments and other long-term investments - Other FVPL	1	0	724	725
- Investments in associates - Other FVPL	0	0	379	379
- Loans and receivables due from credit institutions - Fair value option	0	1	0	1
- Loans and receivables due from customers – Fair value option	0	11	0	11
- Loans and receivables due from customers - Other FVPL	0	14	0	14
- Loans and receivables due from customers - Trading	0	9,435	0	9,435
- Derivatives and other financial assets – Trading	24	5,083	2,430	7,537
- Other assets classified at FVPL	0	0	88	88
Hedging derivatives	3	9,813	2	9,818
Total	**43,022**	**31,517**	**9,914**	**84,453**

12/31/2022 restated	Level 1	Level 2	Level 3	Total
Financial assets - IFRS 9 - Investments of insurance activities				
Fair value through other comprehensive income	62,971	7,887	1,299	72,157
- Government securities and similar instruments	26,930	230	0	27,160
- Bonds and other debt securities	34,632	446	0	35,078
- Shares and other equity instruments	1,037	27	0	1,064
- Investments and other long-term securities	372	0	1,298	1,670
- Investments in associates	0	0	1	1
- Loans and receivables - Fair value through OCI (recyclable)	0	7,184	0	7,184
Trading / Fair value option / Other	63,530	25,049	10,376	98,955
- Government securities and similar instruments – Fair value option	6,032	172	0	6,204
- Government securities and similar instruments - Other FVPL	147	6	0	153
- Bonds and other debt securities - Fair value option	8,984	2,216	0	11,200
- Bonds and other debt securities - Other FVPL	35,207	15,327	9,792	60,326
- Shares and other equity instruments - Other FVPL	13,160	6,405	114	19,679
- Investments and other long-term investments - Other FVPL	0	0	470	470
- Loans and receivables – Fair value option	0	295	0	295
- Loans and receivables - Other FVPL	0	203	0	203
- Derivatives and other financial assets – Trading	0	6	0	6
- Operating property - Other FVPL	0	419	0	419
Non-operating property at FVPL	0	3,847	0	3,847
Total	**126,501**	**36,783**	**11,675**	**174,959**
Financial liabilities - IFRS 9				
Trading / Fair value option	2,038	16,473	2,487	20,998
- Due to credit institutions – Fair value option	0	133	0	133
- Due to customers – Fair value option	0	500	0	500
- Debt securities – Fair value option	0	1,056	0	1,056
- Derivatives and other financial liabilities – Trading	2,038	5,086	2,487	9,611
- Liabilities - Trading	0	9,698	0	9,698
Hedging derivatives	0	7,100	13	7,113
Total	**2,038**	**23,573**	**2,500**	**28,111**

There were no transfers between levels 1 and 2 in an amount exceeding 10% of the amount of the "Total" line for the respective asset or liability category
- level 1: quoted price in an active market.
- level 2: prices in active markets for similar instruments and measurement techniques for which all significant data is based on observable market information,
- level 3: measurement based on internal models containing significant non-observable data.

Fair Value Hierarchy - Level 3 in detail

12/31/2023	Opening balance	Purchases	ISSUES	Sales	Repayments	Transfers	Gains and losses through P&L	Gains and losses through OCI	Other movements	Closing balance
Financial assets - IFRS 9										
Shares and other equity instruments - Other FVPL	3,892	528	0	(228)	0	(3)	366	0	100	4,655

NOTE 10 - Netting of financial assets and financial liabilities

12/31/2023				AMOUNTS LINKED BUT NOT NETTED IN THE BALANCE SHEET			
	Gross value of financial assets	Gross value of financial liabilities netted in balance sheet	Net amounts shown on balance sheet	Impact of master netting agreements	Financial instruments received as guarantee	Cash collateral received	Net amount
Financial assets							
Derivatives	13 140	- 1 498	11 642	- 7 920	0	- 1 353	2 369
Repurchase agreements	20 593	- 3 073	17 520	0	- 26 368	- 299	- 9 147
Total	**33 733**	**- 4 571**	**29 162**	**- 7 920**	**- 26 368**	**- 1 652**	**- 6 779**

12/31/2023				AMOUNTS LINKED BUT NOT NETTED IN THE BALANCE SHEET			
	Gross value of financial liabilities	Gross value of financial assets netted in balance sheet	Net amounts shown on balance sheet	Impact of master netting agreements	Financial instruments given as guarantee	Cash collateral paid	Net amount
Financial liabilities							
Derivatives	13,014	(1,498)	11,516	(7,831)	0	(3,260)	425
Repurchase agreements	44,658	(3,073)	41,585	0	(40,896)	(412)	276
Total	**57,672**	**(4,571)**	**53,101**	**(7,831)**	**(40,896)**	**(3,673)**	**701**

12/31/2022 restated				AMOUNTS LINKED BUT NOT NETTED IN THE BALANCE SHEET			
	Gross value of financial assets	Gross value of financial liabilities netted in balance sheet	Net amounts shown on balance sheet	Impact of master netting agreements	Financial instruments received as guarantee	Cash collateral received	Net amount
Financial assets							
Derivatives	21,303	(3,960)	17,344	(10,171)	0	(2,176)	4,997
Repurchase agreements	19,876	(7,672)	12,204	0	(21,111)	(342)	(9,249)
Total	**41,179**	**(11,632)**	**29,548**	**(10,171)**	**(21,111)**	**(2,518)**	**(4,252)**

12/31/2022 restated				AMOUNTS LINKED BUT NOT NETTED IN THE BALANCE SHEET			
	Gross value of financial liabilities	Gross value of financial assets netted in balance sheet	Net amounts shown on balance sheet	Impact of master netting agreements	Financial instruments given as guarantee	Cash collateral paid	Net amount
Financial liabilities							
Derivatives	18,629	(3,960)	14,669	(10,162)	128	(3,953)	681
Repurchase agreements	72,754	(7,672)	65,082	0	(64,627)	(1,246)	(790)
Total	**91,383**	**(11,632)**	**79,751**	**(10,162)**	**(64,499)**	**(5,199)**	**(109)**

These disclosures, required by an amendment to IFRS 7, seek to provide a basis for comparison with the treatment under generally accepted accounting principles in the United States (US GAAP), which are less restrictive than IFRS.
The amounts in the second column represent the netting under IAS 32 of transactions that go through a clearinghouse.
The "Impact of master netting agreements" column represents outstanding transactions under enforceable contracts that are not netted for accounting purposes. These include transactions for which the right to netting is exercised in case of the default, insolvency or bankruptcy of one of the parties to the contracts. They relate to derivatives and repurchase agreements, whether or not processed via clearinghouses.
The "Financial instruments received/given in guarantee" column comprises the market value of securities exchanged as collateral.
The "Cash collateral received/paid" column includes guarantee deposits received or given in respect of positive or negative market values of financial instruments. They are recognized as "Other assets or liabilities" in the balance sheet.

NOTE 11 - Taxes

11a - Current taxes

	12/31/2023	12/31/2022 restated
Assets (through profit or loss)	2,004	1,844
Liabilities (through profit or loss)	888	691

11b - Deferred taxes

	12/31/2023	12/31/2022 restated
Assets (through profit or loss)	950	953
Assets (through OCI)	512	613
Liabilities (through profit or loss)	661	596
Liabilities (through OCI)	159	198

Breakdown of deferred taxes by main category

	12/31/2023		12/31/2022 restated	
	Assets	Liabilities	Assets	Liabilities
. Tax losses carried forward	2,126	1,195	87	65
. Temporary differences	2,997	3,287	2,877	1,288
- Remeasurement of financial instruments (excluding insurance)	343	102	286	125
- Insurance business	128	18	178	29
- Provisions	726	0	1,062	0
- Hidden finance leasing reserve	0	362	0	379
- Earnings of tax-transparent entities	1,675	2,795	1,243	680
- Other temporary differences	125	9	108	75
. Netting	(3,661)	(3,661)	(373)	(373)
Total deferred tax assets and liabilities	**1,462**	**820**	**2,591**	**979**

NOTE 12 - Accrual accounts and other assets and liabilities

12a - Prepayments, accrued income and other assets

	12/31/2023	12/31/2022 restated
Accruals		
Securities collection accounts	1,033	997
Currency adjustment accounts	66	82
Accrued income	752	700
Miscellaneous accruals	3,375	3,653
Subtotal	**5,226**	**5,432**
Other assets		
Securities settlement accounts	257	215
Miscellaneous debtors	6,837	5,254
Inventories and similar	60	50
Other	27	28
Subtotal	**7,180**	**5,546**
Total	**12,407**	**10,979**

12b - Accrued charges, deferred income and other liabilities

	12/31/2023	12/31/2022 restated
Accruals - Liabilities		
Blocked accounts on collection transactions	1,009	890
Currency adjustment accounts	1,713	1,418
Accrued expenses	2,528	2,326
Deferred income	1,867	1,638
Miscellaneous accruals	3,572	4,354
Subtotal	**10,689**	**10,626**
Other liabilities		
Lease obligations - Property	945	953
Lease obligations - Other	31	41
Securities settlement accounts	1,041	1,254
Outstanding amounts payable on securities	313	413
Miscellaneous creditors	6,505	5,712
Subtotal	**8,835**	**8,372**
Total	**19,524**	**18,999**

12c - Non-current assets and liabilities held for sale

At December 31, 2022, the assets and liabilities of the following companies had been reclassified under IFRS 5 as "assets and liabilities held for sale" under the following conditions:

- GACM España: following the signing of an agreement on December 13, 2022 between GACM and Axa Seguros Generales, S.A. de Seguros y Reaseguros (Axa Spain) for the sale by GACM SA of 100% of the capital of GACM España to Axa Spain. This sale was completed on July 12, 2023.
- Targobank Spain: following the announcement of the start of exclusive negotiations between the Group and ABANCA on December 22, 2022 for the sale of Targobank Spain by BFCM. This sale was completed on October 6, 2023.
- Cholet Dupont, a subsidiary of the La Française group, was sold in the first half of 2023.

12d - Lease obligations by remaining term

	1 year or less	1 to 3 years	3 to 6 years	6 to 9 years	9 years or more	TOTAL
Lease obligations	**191**	**301**	**295**	**118**	**71**	**976**
- Property	171	299	286	118	71	945
- Other	20	2	9	0	0	31

NOTE 13 - Investments in equity consolidated companies

13a - Share in net profit or loss of equity consolidated companies

12/31/2023	Country	% interest	Investment value	Share of net profit/(loss)	Dividends received[1]	Fair value of investment (if listed)
Entities over which significant influence is exercised						
Banque de Tunisie	Tunisia	35	150	16	7	151
Bellatrix	France	42	26	0	0	0
Swen Capital Partners	France	40	17	13	2	0
LYF SA	France	44	7	0	0	UL*
2SF Société des Services Fiduciaires	France	33	2	0	0	UL*
Other		0	12	(13)	0	UL*
Total (1)			**214**	**16**	**9**	
Joint ventures						
Euro Automatic Cash	Spain	50	11	1	0	UL*
Total (2)			**11**	**1**	**0**	
Total (1)+(2)			**225**	**17**	**9**	

*(1) In cash and shares. *UL: unlisted.*

12/31/2022 restated	Country	% interest	Investment value	Share of net profit/(loss)	Dividends received[1]	Fair value of investment (if listed)
Entities over which significant influence is exercised						
Banque de Tunisie	Tunisia	35	149	17	6	149
Bellatrix	France	42	25	0	0	0
LYF S.A. (formerly Fivory)	France	44	7	0	0	UL*
2SF Société des Services Fiduciaires	France	33	(7)	(11)	0	0
Other		0	15	(10)	0	0
Total (1)			**189**	**(4)**	**6**	
Joint ventures						
Euro Automatic Cash	Spain	50	9	(2)	0	UL*
Total (2)			**9**	**(2)**	**0**	
Total (1)+(2)			**198**	**(6)**	**6**	

*(1) In cash and shares. (2) Treatment under IFRS 5 in 2021. *UL: unlisted.*

13b - Data of main equity consolidated companies

12/31/2022	Balance sheet total	NBI or revenue	Gross operating income	Net income	OCI	Shareholders' equity in foreign currency
Entities over which significant influence is exercised						
Banque de Tunisie [1]	7,211	424	280	166	UL*	1,207

*(1) Individual financial data in local currency, i.e. Tunisian dinar. * NC: not communicated.*

12/31/2022 restated	Balance sheet total	NBI or revenue	Gross operating income	Net income	OCI	Shareholders' equity in foreign currency
Entities over which significant influence is exercised						
Banque de Tunisie [1]	6,630	378	245	161	UL*	1,103

*(1) Individual financial data in local currency, i.e. Tunisian dinar. *NC: not communicated*

NOTE 14 - Investment property

	12/31/2022 restated	Increases	Decreases	Other	12/31/2023
Historical cost	766	28	(11)	19	802
Depreciation and impairment	(187)	(26)	1	4	(208)
Net amount	**579**	**2**	**(10)**	**23**	**594**

The fair value of property recognized at cost was €694 million at December 31, 2023.

NOTE 15 - Property, plant and equipment and intangible assets

15a - Property, plant and equipment

	12/31/2022 restated	Increases	Decreases	Other	12/31/2023
Historical cost					
Land used in operations	617	9	(6)	(2)	618
Buildings used in operations	6,226	169	(209)	11	6,197
Right-of-use assets - Property	1,706	184	(73)	75	1,892
Right-of-use assets - Other	62	2	(1)	6	69
Other property, plant and equipment	3,645	657	(331)	(19)	3,952
Total	**12,256**	**1,021**	**(620)**	**71**	**12,728**
Depreciation and impairment					
Land used in operations	(15)	(2)	0	0	(17)
Buildings used in operations	(4,226)	(208)	193	(2)	(4,243)
Right-of-use assets - Property	(761)	(240)	44	(2)	(959)
Right-of-use assets - Other	(21)	(18)	1	0	(38)
Other property, plant and equipment	(2,785)	(241)	167	0	(2,859)
Total	**(7,808)**	**(709)**	**405**	**(4)**	**(8,116)**
Net amount	**4,448**	**312**	**(215)**	**67**	**4,612**

Including buildings leased under finance leases

	12/31/2022 restated	Increases	Decreases	Other	12/31/2023
Gross carrying amount	93	0	0	0	93
Depreciation and impairment	(28)	(3)	(1)	0	(31)
Total	**65**	**(3)**	**(1)**	**0**	**62**

15b - Intangible assets

	12/31/2022 restated	Increases	Decreases	Other	12/31/2023
Historical cost					
. Non-current assets produced internally	1,487	72	(20)	76	1,615
. Non-current assets acquired	2,429	254	(39)	(70)	2,574
- Software	725	33	(14)	56	800
- Other	1,704	221	(25)	(126)	1,774
Total	**3,916**	**326**	**(59)**	**6**	**4,189**
Depreciation and impairment					
. Non-current assets produced internally	(1,172)	(155)	20	0	(1,307)
. Non-current assets acquired	(1,484)	(102)	22	(21)	(1,586)
- Software	(629)	(48)	14	(27)	(690)
- Other	(855)	(54)	8	6	(896)
Total	**(2,658)**	**(257)**	**42**	**(21)**	**(2,893)**
Net amount	**1,260**	**69**	**(17)**	**(15)**	**1,296**

NOTE 16 - Goodwill

	12/31/2022 restated	Increases	Decreases	Other	12/31/2023
Gross goodwill	5,301	2	(2)		5,302
Impairment	(2,451)	0	0	0	(2,451)
Net goodwill	**2,850**	**2**	**(2)**	**0**	**2,851**

Value of goodwill

SUBSIDIARIES	12/31/2022 restated	Increases	Decreases	Impairment	Other	12/31/2023
Targobank Germany	1,018					1,018
CIC	515					515
Cofidis Group	466					466
o/w Cofidis Participations	457					457
o/w Cofidis SGPS	0					0
o/w Cofidis Italy	9					9
Targobank Spain	0					0
Groupe La Française	175		(2)			173
Procapital	63					63
Arkea Direct Bank (formerly Fortuneo)	166					166
Monext	100					100
Factofrance SAS	68					68
El Télécom	0					0
Heller GmbH and Targo Leasing GmbH	0					0
Amgen Seguros Generales Compañía de Seguros y Reaseguros SA	0					0
CFCAL Banque	22					22
Leasecom	0					0
Leetchi	0					0
Keytrade Bank (formerly Fortunéo Belgium)	94					94
Veritas Portfolio	17					17
Budget Insight	0					0
Other	147	2				149
Total	**2,850**	**2**	**(2)**	**0**	**0**	**2,851**

NOTE 17 - Provisions and contingent liabilities

17a - Provisions

	12/31/2022 restated	Provisions during the year	Reversals during the year (used)	Reversals during the year (not used)	Other changes	12/31/2023
Provisions for risks	**616**	**431**	**(49)**	**(354)**	**27**	**671**
On guarantee commitments	314	226	0	(177)	2	364
of which 12-month expected losses (S1)	*70*	*53*	*0*	*(44)*	*0*	*79*
of which expected losses at termination (S2)	*80*	*74*	*0*	*(59)*	*1*	*96*
On financing commitments	153	151	(6)	(145)	(1)	152
of which 12-month expected losses (S1)	*99*	*97*	*0*	*(93)*	*1*	*104*
of which expected losses at termination (S2)	*32*	*38*	*0*	*(41)*	*(2)*	*27*
Tax	8	5	(4)	0	(5)	4
Litigation	79	22	(16)	(14)	1	72
Misc. receivables risk	62	28	(22)	(18)	29	79
Other provisions	**1,513**	**405**	**(80)**	**(189)**	**(58)**	**1,590**
Provision for mortgage saving agreements	296	3	(3)	(50)	0	246
Misc. contingencies	762	306	(55)	(124)	(32)	856
Other provisions	455	96	(23)	(15)	(25)	488
Retirement commitments	**1,649**	**169**	**(41)**	**(26)**	**(201)**	**1,550**
Total	**3,778**	**1,005**	**(170)**	**(569)**	**(232)**	**3,811**

	01/01/2022	Provisions during the year	Reversals during the year (used)	Reversals during the year (not used)	Other changes	12/31/2022 restated
Provisions for risks	**702**	**406**	**(23)**	**(468)**	**(1)**	**616**
On guarantee commitments	365	191	(8)	(224)	(10)	314
of which 12-month expected losses (S1)	*48*	*56*	*0*	*(33)*	*0*	*70*
of which expected losses at termination (S2)	*151*	*61*	*0*	*(132)*	*0*	*80*
Financing and guarantee commitments	201	153	(3)	(199)	1	153
of which 12-month expected losses (S1)	*90*	*96*	*0*	*(86)*	*(1)*	*99*
of which expected losses at termination (S2)	*71*	*47*	*0*	*(85)*	*(1)*	*32*
Tax	2	7	0	(2)	1	8
Litigation	86	25	(8)	(21)	(3)	79
Misc. receivables risk	48	30	(4)	(22)	10	62
Other provisions	**1,752**	**253**	**(155)**	**(300)**	**(37)**	**1,513**
Provision for mortgage saving agreements	369	17	(5)	(85)	0	296
Misc. contingencies	963	128	(88)	(216)	(25)	762
Other provisions	420	108	(62)	1	(12)	455
Retirement commitments	**1,996**	**115**	**(109)**	**(87)**	**(266)**	**1,649**
Total	**4,450**	**774**	**(287)**	**(855)**	**(304)**	**3,778**

Provisions for home savings schemes and accounts

	0-4 years	4-10 years	+10 years	Total
Deposits taken on home savings schemes during the savings phase	26,668	8,188	7,872	42,729
Provisions for home savings schemes	176	26	43	246
Deposits taken on home savings accounts during the savings phase				5,668
Provisions for home savings accounts				8
Provisions for home savings products				(3)
Reversal of provisions for home savings products				53
Outstanding loans granted in respect of home savings schemes and accounts				85
Provisions for home savings loans				2

Deposits in respect of home savings schemes excluding Capital range

Retirement commitments and similar benefits

	12/31/2022 restated	Provisions during the year	Reversals during the year	Other changes	12/31/2023
Defined-benefit plans and similar plans not covered by pension funds					
Retirement benefits	1,064	122	(46)	75	1,216
Supplementary pensions	254	7	(10)	(185)	65
Long-service awards (other long-term benefits)	214	27	(3)	(80)	157
Total amount recognized	**1,532**	**156**	**(59)**	**(190)**	**1,438**
Supplementary defined benefit pension plans covered by the Group's pension funds					
Commitments to employees and retirees Fair value of assets	23	0	(6)	(8)	9
Total amount recognized	**23**	**0**	**(6)**	**(8)**	**9**
Other commitments	**95**	**14**	**(2)**	**(4)**	**103**
Total amount recognized	**95**	**14**	**(2)**	**(4)**	**103**
Total	**1,650**	**170**	**(67)**	**(202)**	**1,550**

	01/01/2022	Provisions during the year	Reversals during the year	Other changes	12/31/2022 restated
Defined-benefit plans and similar plans not covered by pension funds					
Retirement benefits	1,450	93	(141)	(338)	1,064
Supplementary pensions	200	7	(13)	60	254
Long-service awards (other long-term benefits)	232	13	(31)	0	214
Total amount recognized	**1,882**	**113**	**(185)**	**(278)**	**1,532**
Supplementary defined benefit pension plans covered by the Group's pension funds					
Commitments to employees and retired employees	11	3	0	9	23
Fair value of assets					
Total amount recognized	**11**	**3**	**0**	**9**	**23**
Other commitments	**102**	**0**	**(12)**	**5**	**95**
Total amount recognized	**102**	**0**	**(12)**	**5**	**95**
Total	**1,995**	**116**	**(197)**	**(264)**	**1,650**

Defined benefit plan: main actuarial assumptions

	12/31/2023	12/31/2022 restated
Discount rate[1]	3.19% to 3.82%	3.12% to 3.89%
Expected rate of increase in salaries	1.78% to 4.46%	1.0% to 4.68%

(1) The discount rate is determined by reference to the long-term interest rate for private-sector loans and estimated based on the iBoxx index.

Retirement benefits

Change in actuarial liability	12/31/2022 restated	Interest charges	Current service cost	Past service cost	Insurance premiums	Actuarial differences arising from changes in demographic assumptions	Payments to beneficiaries	Effect of exchange rate variations	Other (business combinations, liquidations	12/31/2023
Commitments	1,484	47	64	8	19	139	(10)	0	(56)	1,630
Insurance contracts outside the Group and assets managed externally	429	15	0	0	0	1	(20)	0	0	425
Provisions	**1,055**	**32**	**64**	**7**	**19**	**137**	**11**	**0**	**(56)**	**1,205**

Change in actuarial liability	01/01/2022	Interest charges	Current service cost	Past service cost	Insurance premiums	Actuarial differences arising from changes in demographic assumptions	Payments to beneficiaries	Effect of exchange rate variations	Other (business combinations, liquidations	12/31/2022 restated
Commitments	2,037	15	74	0	4	(470)	(11)	0	(100)	1,484
Insurance contracts outside the Group and assets managed externally	595	5	0	0	0	(40)	0	0	(132)	429
Provisions	**1,442**	**10**	**74**	**0**	**4**	**(430)**	**(11)**	**0**	**31**	**1,055**

A 50-basis point increase in the discount rate would lead to a €101 million decrease in commitments, while a 50-basis point decrease would lead to a €107 million increase in commitments.

Changes in fair value of plan assets	12/31/2022 restated	Discounting effect	Yield in plan assets in excess of interest income	Insurance premiums	Payments to beneficiaries	Effect of exchange rate variations	Other (business combinations, liquidations)	12/31/2023
Fair value of plan assets	1,197	(3)	39	(11)	(33)	0	(128)	1,061

Changes in fair value of plan assets	01/01/2022	Discounting effect	Yield in plan assets in excess of interest income	Insurance premiums	Payments to beneficiaries	Effect of exchange rate variations	Other (business combinations, liquidations)	12/31/2022 restated
Fair value of plan assets	1,315	26	6	39	(25)	0	(165)	1,197

Breakdown of fair value of plan assets	12/31/2023 Debt instruments	Equity instruments	Real estate	Other
Assets quoted in an active market	60%	22%	0%	11%
Assets not quoted in an active market	1%	2%	3%	1%
Total	**61%**	**24%**	**3%**	**12%**

Breakdown of fair value of plan assets	12/31/2022 restated Debt instruments	Equity instruments	Real estate	Other
Assets quoted in an active market	70%	16%	0%	8%
Assets not quoted in an active market	0%	1%	3%	1%
Total	**70%**	**17%**	**4%**	**9%**

Retirement commitments arising from defined benefit plans

	Average duration (*)
Retirement benefits	
Supplementary pensions (Art. 39)	14.63

** Excluding foreign entities of the Crédit Mutuel Alliance Fédérale group*

17b - Contingent liabilities

Not applicable.

NOTE 18 - Equity and reserves

18a - Shareholders' equity attributable to the Group (excluding profit/loss and unrealized gains and losses)

	12/31/2023	12/31/2022 restated
Capital and capital reserves	11,504	11,644
- Share capital	11,476	11,616
- Share premium and other similar amounts	28	28
Consolidated reserves	59,125	54,994
- Regulated reserves	9	9
- Other reserves (including impact of first-time application)	58,948	54,790
- of which gains/(losses) on disposal of equity instruments	178	173
- Retained earnings	169	195
Total	**70,629**	**66,638**

18b - Unrealized or deferred gains and losses

	12/31/2023	12/31/2022 restated
Unrealized or deferred gains or losses* related to:		
- Investments of insurance activities at fair value through OCI (recyclable)		
- debt instruments	(942)	(1,071)
- Investments of insurance activities at fair value through OCI (non-recyclable)		
- equity instruments	1,396	997
- financial assets at fair value through OCI (recyclable) - debt instruments	(194)	(228)
- financial assets at fair value through OCI (non-recyclable) - equity instruments	114	272
- cash flow hedging derivatives	(1)	19
- own credit risk on financial liabilities - fair value option	0	10
- Other	(185)	(85)
Total	**188**	**(85)**

** Net of income tax and after adjustment for shadow accounting*

18c - Fully consolidated entities with significant non-controlling interests

12/31/2023	Amounts attributable to non-controlling interests in the consolidated financial statements				Financial information regarding the fully-consolidated entity*			
	% interest	Net income attributable to non-controlling interests	Non-controlling interests recognized in shareholders' equity	Dividends paid to non-controlling interests	Balance sheet total	Net income	Hidden reserves	Net revenue
Cofidis Group	80%	26	442	0	19,511	103	(5)	1,381

** Amounts before elimination of intercompany balances and transactions.*

12/31/2022 restated	Amounts attributable to non-controlling interests in the consolidated financial statements				Financial information regarding the fully-consolidated entity*			
	% interest	Net income attributable to non-controlling interests	Non-controlling interests recognized in shareholders' equity	Dividends paid to non-controlling interests	Balance sheet total	Net income	Hidden reserves	Net revenue
Cofidis Group	80%	26	427	0	18,007	130	23	1,398

** Amounts before elimination of intercompany balances and transactions.*

NOTE 19 - Commitments given and received

Commitments given	12/31/2023	12/31/2022 restated
Financing commitments	**101,709**	**105,847**
Commitments given to credit institutions	742	577
Commitments given to customers	100,967	105,270
Guarantee commitments	**32,330**	**32,477**
Commitments given on behalf of credit institutions	4,693	5,422
Commitments given on behalf of customers	27,637	27,055
Securities commitments	**4,231**	**2,621**
Other commitments given	4,231	2,621

Commitments received	12/31/2023	12/31/2022 restated
Financing commitments	**35,377**	**29,106**
Commitments received from credit institutions	35,187	28,806
Commitments received from customers	190	300
Guarantee commitments	**174,739**	**178,008**
Commitments received from credit institutions	69,216	68,240
Commitments received from customers	105,523	109,768
Securities commitments	**2,533**	**3,861**
Other commitments received	2,533	3,861

Securities given under repurchase agreements	12/31/2023	12/31/2022 restated
Assets given under repurchase agreements	42,059	66,038
Related liabilities	40,990	67,683

Other assets given as collateral for liabilities	12/31/2023	12/31/2022 restated
Loaned securities	0	390
Guarantee deposits for market transactions	6,770	4,025
Total	**6,770**	**4,415**

For the purposes of its refinancing activities, the Group sells debt securities and/or equity instruments under repurchase agreements. This results in the transfer of ownership of securities which the transferee may in turn lend. Coupons and dividends accrue to the borrower. These transactions are subject to margin calls and the Group is exposed to the risk that the securities may not be returned.

The other assets given as guarantees for liabilities concern derivatives for which margin calls are paid when their fair value is negative. These amounts include the initial margins and those paid subsequently.

2. Notes to the income statement

NOTE 20 - Interest and similar income and expense

	12/31/2023		12/31/2022 restated	
	Income	Expense	Income	Expense
. Credit institutions and central banks[1]	8,297	(3,457)	1,881	(767)
. Customers	17,156	(10,017)	12,420	(3,488)
- of which leasing	1,170	(376)	754	(230)
- of which lease obligation	0	(14)	0	(9)
. Hedging derivatives	9,112	(8,338)	2,768	(2,692)
. Financial instruments at fair value through profit or loss	1,350	(612)	688	(81)
. Financial assets at fair value through OCI/Available-for-sale assets	1,407	0	463	0
. Securities at amortized cost	211	0	37	0
. Debt securities	0	(5,637)	0	(2,026)
. Subordinated debt	0	(96)	0	(86)
Total	**37,533**	**(28,157)**	**18,257**	**(9,140)**
o/w interest income and expense calculated at the effective interest rate	*27,071*	*(19,207)*	*14,801*	*(6,367)*
o/w interest on liabilities at amortized cost		*(19,207)*		*(6,367)*

(1) At December 31, 2023, this includes the impact of negative interest rates, which was -€23 million in income and €40 million in expenses. At December 31, 2022, the impact was -€281 million in income and €208 million in expenses.

NOTE 21 - Fees and commissions

	12/31/2023		12/31/2022 restated	
	Income	Expense	Income	Expense
Credit institutions	21	(19)	33	(43)
Customers	2,330	(30)	2,256	(28)
Securities	1,332	(102)	1,363	(67)
o/w activities managed on behalf of third parties	*993*	*0*	*982*	*0*
Derivatives	5	(12)	10	(11)
Foreign exchange	39	(2)	42	(2)
Financing and guarantee commitments	170	(100)	192	(123)
Provision of services	3,295	(1,597)	3,209	(1,580)
TOTAL	**7,192**	**(1,862)**	**7,105**	**(1,854)**

NOTE 22 - Net gains on financial instruments at fair value through profit or loss

	12/31/2023	12/31/2022 restated
Trading instruments	370	233
Instruments under the fair value option	(150)	137
Hedge ineffectiveness	70	(38)
. On fair value hedges (FVH)	70	(38)
. Change in fair value of hedged items	1,454	(1,393)
. Change in fair value of hedging items	(1,384)	1,355
Foreign exchange gain (loss)	172	59
Other instruments at fair value through profit or loss	505	579
Total changes in fair value	**967**	**970**

NOTE 23 - Net gains/(losses) on financial assets at fair value through OCI / Available-for-sale assets

	12/31/2023	12/31/2022 restated
Dividends	46	42
Realized gains and losses on debt instruments	(185)	(185)
Total	**(139)**	**(143)**

NOTE 24 - Net gains (losses) on financial assets and financial liabilities at amortized cost

	12/31/2023	12/31/2022 restated
Financial assets at amortized cost		
Gains/losses on:	0	4
Loans	0	4
Total	**0**	**4**

NOTE 25 - Net income from insurance activities

25a - Net income from insurance activities

	12/31/2023	12/31/2022 restated
Income on insurance contracts	8,238	8,004
Expenses on insurance contracts	(6,393)	(6,190)
Net income on insurance contracts	**1,845**	**1,814**
Net expenses on reinsurance treaties	13	94
Insurance service result	**1,858**	**1,908**
Net income on insurance-related financial investments	8,779	(7,028)
Net insurance-related financial expenses	(8,653)	7,140
Financial income or expenses related to reinsurance contracts held	5	3
Total	**1,989**	**2,023**

Insurance and reinsurance service result

	12/31/2023	12/31/2022 restated
Insurance		
Income from insurance contracts not measured under the premium allocation approach (PAA):		
- Contractual service margin recognized in profit or loss for the period	1,359	1,186
- Change in the adjustment for non-financial risk not related to past services	184	152
- Portion of premiums allocated to the recovery of acquisition cash flows	39	25
- Expected claims and other related expenses over the period	1,840	1,735
- Other	15	125
Income from insurance contracts not measured under the premium allocation approach (PAA)	**3,437**	**3,223**
Income from insurance contracts measured under the premium allocation approach (PAA)	**4,985**	**4,781**
Expenses related to insurance contracts	**(6,393)**	**(6,190)**
TOTAL Insurance service result	**2,029**	**1,814**
TOTAL Reinsurance service result	**13**	**94**

Financial income from insurance and reinsurance activities

	12/31/2023	12/31/2022 restated
Investment income	**8,977**	**(6,891)**
Change in fair value of underlying items of contracts with direct participation features	(8,627)	7,179
Effects of the risk mitigation option	0	0
Accrued interest	(81)	(36)
Effect of unwinding the discounting of insurance liabilities	(2)	(3)
Effect of changes in discount rates and other financial assumptions	(3,226)	11,876
Net financial expenses on insurance contracts	**(11,936)**	**19,016**
Net financial income on reinsurance contracts	**20**	**(67)**
Total	**957**	**(1,385)**

25b - Net income from investments related to insurance activities

	12/31/2023	12/31/2022 restated
Interest and similar income/expenses	2,771	2,052
Fees and commissions	23	320
Net gains on financial instruments at fair value through profit or loss	6,401	(9,639)
Net gains/(losses) on financial assets at fair value through OCI	35	219
Net income on investment property	(450)	17
Cost of credit risk on investments related to insurance activities	(1)	3
Total	**8,779**	**(7,028)**

NOTE 26 - Income and expenses on other activities

	12/31/2023	12/31/2022 restated
Income from other activities		
Investment property*	0	11
- Capital gains on disposals	0	11
Rebilled expenses	113	117
Other income	1,808	1,935
Subtotal	**1,921**	**2,063**
Expenses on other activities		
Investment property*	(22)	(15)
- Provisions and depreciation	(22)	(15)
Other expenses	(721)	(660)
Subtotal	**(741)**	**(676)**
Total net other income and expenses	**1,178**	**1,388**

**excluding insurance activities.*

NOTE 27 - Operating expenses

	12/31/2023	12/31/2022 restated
Employee benefits expense	(6,550)	(6,229)
Insurance-related general operating expenses (non-attributable portion)	(154)	(143)
Other expenses	(4,367)	(4,113)
TOTAL	**(11,071)**	**(10,485)**

27a - Employee benefits expense excluding insurance activities

	12/31/2023	12/31/2022 restated
Wages and salaries	(3,917)	(3,800)
Social security contributions	(1,787)	(1,527)
Short-term employee benefits[1]	(2)	(2)
Employee profit-sharing and incentive schemes	(458)	(545)
Payroll-based taxes	(496)	(477)
Other	110	122
TOTAL	**(6,550)**	**(6,229)**

(1) Note that the amount of short-term employee benefits takes into account the effect of the judgments of the Court of Cassation of September 13, 2023 on the acquisition of paid leave during a leave period due to illness or non-occupational accident.

Average number of employees

	12/31/2023	12/31/2022 restated
Banking staff	46,053	45,996
Managers	38,531	37,491
Total	**84,584**	**83,487**
France	71,850	70,562
Rest of the world	12,734	12,925

27b - Other operating expenses excluding insurance activities

	12/31/2023	12/31/2022 restated
Taxes and duties[1]	(567)	(721)
Leasing	(387)	(327)
- short-term leasing of assets[2]	(96)	(99)
- leasing of low-value/substitutable assets[3]	(276)	(215)
- other leasing	(15)	(13)
Other external services	(2,384)	(2,148)
Other miscellaneous expenses	(81)	(33)
Total	**(3419)**	**(3,229)**

(1) "Taxes and duties" includes an expense of €259 million in respect of the contribution to the Single Resolution Fund in 2023 vs. €377 million in 2022. The related guarantee deposits are detailed in Note 2b.
(2) includes property leases automatically renewed.
(3) includes computer hardware.

27c - Depreciation, amortization and provisions for property, plant and equipment and intangible assets excluding insurance activities

	12/31/2023	12/31/2022 restated
Depreciation and amortization:	(942)	(880)
- Property, plant and equipment	(713)	(657)
of which right-of-use assets	(261)	(251)
- Intangible assets	(229)	(223)
Impairment:	(6)	(4)
- Property, plant and equipment	(1)	(2)
- Intangible assets	(5)	(2)
Total	**(948)**	**(884)**

27d - Insurance operating expenses

Reconciliation of expenses on insurance activities by type vs. function:

12/31/2023	12/31/2023	12/31/2022 restated
Employee benefits expense	**(1,129)**	**(1,111)**
Wages and salaries	(976)	(973)
Social security contributions	(78)	(77)
Short-term employee benefits	(8)	(6)
Employee profit-sharing and incentive schemes	(38)	(27)
Payroll-based taxes	(28)	(28)
Other	(1)	(2)
Other operating expenses	**(1,021)**	**(1,039)**
Taxes and duties	(62)	(75)
Leasing	(22)	(18)
- short-term leasing of assets	0	0
- leasing of low-value/substitutable assets	0	0
- other leasing	(20)	(18)
Other external services	(898)	(917)
Sponsorship	(9)	0
Other miscellaneous expenses	(31)	(29)
Depreciation, amortization and provisions for property, plant and equipment and intangible assets	**(11)**	**(12)**
Depreciation and amortization	(11)	(12)
- Property, plant and equipment	(10)	(11)
of which right-of-use assets	(3)	(4)
- Intangible assets	(1)	(1)
Impairment	0	0
- Property, plant and equipment	0	0
- Intangible assets	0	0
Total expenses related to insurance activities	**(2,161)**	**(2,162)**
Commissions, fees and other similar expenses	(391)	(436)
Acquisition costs during the period deferred in the balance sheet	238	217
Amortized acquisition costs	(24)	(11)
Impaired acquisition costs	0	0
Total	**(177)**	**(231)**
TOTAL EXPENSES RELATED TO INSURANCE CONTRACTS	**(2,338)**	**(2,393)**
o/w expenses related to insurance contracts allocated to insurance services expenses	(2,184)	(2,250)
o/w expenses not related to insurance contracts and not allocated to insurance services expenses	(154)	(143)

NOTE 28 - Cost of credit risk

	12/31/2023	12/31/2022 restated
- 12-month expected losses (S1)	63	(408)
- Expected losses at termination (S2)	125	372
- Impaired assets (S3)	(1,610)	(934)
Total	**(1,422)**	**(970)**

12/31/2023	Additions	Reversals	Irrecoverable receivables covered	Irrecoverable receivables not covered	Recovery of receivables previously written off	TOTAL
12-month expected losses (S1)	**(1,312)**	**1,375**				**63**
- Loans and receivables due from credit institutions at amortized cost	(5)	4				(1)
- Loans and receivables due from customers at amortized cost	(1,128)	1,209				81
of which finance leases	(48)	46				(2)
- Financial assets at amortized cost - securities	(2)	1				(1)
- Financial assets at fair value through OCI - debt securities	(26)	22				(4)
- Commitments given	(151)	139				(12)
Expected losses at termination (S2)	**(2,075)**	**2,200**				**125**
- Loans and receivables due from credit institutions at amortized cost	0	1				1
- Loans and receivables due from customers at amortized cost	(1,963)	2,099				136
- of which finance leases	(65)	61				(4)
- Commitments given	(112)	100				(12)
Impaired assets (S3)	**(2,758)**	**2,037**	**(692)**	**(343)**	**146**	**(1,610)**
- Loans and receivables due from credit institutions at amortized cost	0	0	0	0	0	0
- Loans and receivables due from customers at amortized cost	(2,613)	1,925	(692)	(340)	146	(1,574)
- of which finance leases	(32)	30	(12)	(3)	1	(16)
- Financial assets at amortized cost - securities	0	2	0	0	0	2
- Financial assets at fair value through OCI - debt securities	(3)	0	0	0	0	(3)
- Commitments given	(142)	110	0	(3)	0	(35)
Total	**(6,145)**	**5,612**	**(692)**	**(343)**	**146**	**(1,422)**

12/31/2022 restated	Additions	Reversals	Irrecoverable receivables covered	Irrecoverable receivables not covered	Recovery of receivables previously written off	TOTAL
12-month expected losses (S1)	**(976)**	**568**				**(408)**
- Loans and receivables due from credit institutions at amortized cost	(7)	4				(3)
- Loans and receivables due from customers at amortized cost	(803)	433				(370)
- of which finance leases	(65)	28				(37)
- Financial assets at amortized cost - securities	(1)	1				0
- Financial assets at fair value through OCI - debt securities	(12)	11				(1)
- Commitments given	(153)	119				(34)
Expected losses at termination (S2)	**(1,274)**	**1,646**				**372**
- Loans and receivables due from customers at amortized cost	(1,162)	1,423				261
- of which finance leases	(66)	68				2
- Financial assets at fair value through OCI - debt securities	(3)	6				3
- Commitments given	(108)	217				109
Impaired assets (S3)	**(1,864)**	**1,957**	**(847)**	**(331)**	**151**	**(934)**
- Loans and receivables due from credit institutions at amortized cost	0		0	0	0	0
- Loans and receivables due from customers at amortized cost	(1,766)	1,821	(837)	(320)	151	(951)
- of which finance leases	(30)	30	(12)	(5)	4	(13)
- Financial assets at amortized cost - securities	0	19	0	0	0	19
- Financial assets at fair value through OCI - debt securities	0	0	(8)	0	0	(8)
- Commitments given	(98)	117	(2)	(11)	0	6
Total	**(4,114)**	**4,171**	**(847)**	**(331)**	**151**	**(970)**

NOTE 29 - Gains or losses on other assets

	12/31/2023	12/31/2022 restated
Property, plant and equipment and intangible assets	10	13
. Capital losses on disposals	(19)	(27)
. Capital gains on disposals	29	40
Net gains or losses on consolidated securities	64	(148)
TOTAL	**74**	**(135)**

NOTE 30 - Changes in goodwill

	12/31/2023	12/31/2022 restated
Impairment of goodwill	0	(1,005)
TOTAL	**0**	**(1,005)**

In 2022, goodwill impairments were recognized on Targobank Germany and GACM Spain.

NOTE 31 - Income tax

Breakdown of tax expense

	12/31/2023	12/31/2022 restated
Current tax	(1,639)	(1,597)
Deferred tax	(38)	(173)
Adjustments for prior years	(24)	9
TOTAL	**(1,701)**	**(1,761)**

Reconciliation of actual tax expense and theoretical tax expense

	12/31/2023	12/31/2022 restated
Theoretical tax rate	25.83%	25.83%
Impact of special tax regime for venture capital companies (SCR) and commercial real property leasing companies (SICOMI)	(1.26%)	(2.03%)
Impact of reduced tax rate on long-term capital gains	(0.68%)	(1.01%)
Impact of specific tax rates for foreign entities	0.26%	0.33%
Impact of the carryback	0.52%	(0.53%)
Permanent differences	1.23%	6.27%
Other	1.19%	0.40%
Effective tax rate	**27.09%**	**29.26%**
Taxable income	6,282	6,016
Tax expense	**27.09%**	**29.26%**

3. Notes to the statement of net income and other comprehensive income

NOTE 32 - Reclassification of gains and losses recognized in other comprehensive income

	12/31/2023 Movements	12/31/2022 restated Movements
Translation adjustments		
Reclassification to profit or loss	0	0
Other movements	(12)	72
Subtotal	***(12)***	***72***
Remeasurement of financial assets at fair value through OCI		
Reclassification to profit and loss*	23	21
Other movements	(146)	(239)
Subtotal	***(123)***	***(218)***
Remeasurement of hedging derivatives		
Reclassification to profit or loss	0	0
Other movements	(25)	29
Subtotal	***(25)***	***29***
Remeasurement of financial assets at fair value through OCI of the insurance business		
Reclassification to profit or loss	0	0
Other movements	2,920	(9,868)
Subtotal	***2,920***	***(9,868)***
Remeasurement of insurance contracts recognized through OCI (recyclable)		
Reclassification to profit or loss	0	0
Other movements	(2,400)	8,770
Subtotal	***(2,400)***	***8,770***
Remeasurement of reinsurance contracts recognized through OCI (recyclable)		
Reclassification to profit or loss	0	0
Other movements	(3)	3
Subtotal	***(3)***	***3***
Remeasurement of insurance contracts with direct participation features - non-recyclable		
Reclassification to profit or loss	0	0
Other movements	15	(68)
Subtotal	***15***	***(68)***
Difference arising on remeasurement of own credit risk on financial liabilities under the fair value option transferred to reserves	(11)	23
Actuarial gains/(losses) on defined benefit plans	(91)	321
Share of unrealized or deferred gains and losses of equity consolidated companies	(3)	(4)
TOTAL	**267**	**(940)**

** on debt instruments.*

NOTE 33 - Tax in respect of each category of gains and losses recognized in OCI

	12/31/2023			12/31/2022 restated		
	Gross amount	Tax	Net amount	Gross amount	Tax	Net amount
Translation adjustments	(12)	0	(12)	72	0	72
Remeasurement of financial assets at fair value through OCI	(119)	(4)	(123)	(301)	84	(217)
Remeasurement of financial assets at fair value through OCI of the insurance business	3,849	(929)	2,920	(13,341)	3,472	(9,869)
Remeasurement of hedging derivatives	(34)	9	(25)	39	(10)	29
Remeasurement of insurance contracts recognized through OCI (recyclable)	(3,234)	834	(2,400)	11,821	(3,051)	8,770
Remeasurement of reinsurance contracts recognized through OCI (recyclable)	1	(4)	(3)	(20)	23	3
Remeasurement of insurance contracts with direct participation features - non-recyclable	15	0	15	(68)	0	(68)
Difference arising on remeasurement of own credit risk on financial liabilities under the fair value option transferred to reserves	(15)	4	(11)	31	(8)	23
Actuarial gains/(losses) on defined benefit plans	(136)	45	(91)	460	(139)	321
Share of unrealized or deferred gains and losses of equity consolidated companies	(3)	0	(3)	(4)	0	(4)
Total change in gains and losses recognized in OCI	**312**	**(45)**	**267**	**(1,311)**	**371**	**(940)**

4. Information concerning unconsolidated structured entities

A **structured entity** is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only or when the relevant activities are directed by means of contractual arrangements.

The group has relations with unconsolidated structured entities in the course of its activities and to meet the needs of its customers.

The main categories of sponsored structured non-consolidated entities are the following:
- Special-purpose vehicles (SPV): the Group has no significant unconsolidated special-purpose vehicles.
- Asset financing: the Group grants loans to structured entities whose sole purpose is to hold assets for lease, with the entities repaying the loans from the associated lease payments. These entities are dissolved following the financing operation. The Group is generally the sole shareholder.

For these two categories, the maximum loss exposure on the structured entities is the carrying amount of the structured entity's financed asset.
- Collective investment undertakings or funds: the Group acts as manager and custodian. It offers funds to its customers in which it does not invest itself. The group markets and manages these funds, which may be special investors' funds or general public funds, for which it is remunerated in the form of fees.

An interest in an unconsolidated structured entity is a contractual or non-contractual relationship that exposes the Group to variability of returns associated with the entity's performance.

The Group's risk is mainly an operational risk of failure to perform its management or custodial mandate and, where applicable, includes risk exposure in the amount of the sums invested.

No financial support was given to the Group's structured entities during the year.

The main categories of unconsolidated structured entities sponsored by the Group are provided in the table below.

12/31/2023	Special-purpose vehicles (SPV)	Asset management (UCITS/REITs)(*)	Other structured entities(**)
Balance sheet total	1,117	44,822	2,845
Carrying amount of financial assets(1)	252	20,666	1,034
Maximum exposure to risk of loss	252	3,045	0

12/31/2022 restated	Special-purpose vehicles (SPV)	Asset management (UCITS/REITs)(*)	Other structured entities(**)
Balance sheet total	547	24,201	2,537
Carrying amount of financial assets(1)	133	15,936	1,036
Maximum exposure to risk of loss	133	3,760	0

(1) Carrying amount of the assets recognized by the reporting entity in respect of these structured entities.
(*) Mainly UCITS under management by the Group.
(**) Other structured entities correspond to asset financing entities.

5. Segment information

Breakdown of total assets by business line

In € millions	Retail banking	Insurance	Corporate and Investment Banking	Asset Management / Private Banking	Other	Total	Inter-segment	Total
12/31/2023	1,459,899	207,350	134,299	45,218	128,584	1,975,350	(832,756)	1,142,594
Balance sheet total	**73.9%**	**10.5%**	**6.8%**	**2.3%**	**6.5%**	**100.0%**		
12/31/2022 restated	1,388,259	192,434	140,190	42,162	143,543	1,906,588	(801,526)	1,105,062
Balance sheet total	**72.8%**	**10.1%**	**7.4%**	**2.2%**	**7.5%**	**100.0%**		

Analysis of income statement by business line

12/31/2023	Retail banking	Insurance	Corporate and Investment Banking	Asset Management / Private Banking	Other	Inter-segment	Total
Net revenue	14,484	1,546	1,624	1,459	738	(1,150)	18,701
Operating expenses	(9,919)	(171)	(501)	(957)	(673)	1,150	(11,071)
Gross operating income	**4,565**	**1,375**	**1,123**	**502**	65		**7,630**
Cost of risk	(1,175)	(1)	(173)	(73)	0		(1,422)
Gains on other assets[1]	45	(5)	8	2	41		91
Income before tax	**3,435**	**1,369**	**958**	**431**	106		**6,299**
Income tax	(984)	(301)	(215)	(109)	(92)		(1,701)
Net income	**2,451**	**1,068**	**743**	**322**	14		**4,598**
Non-controlling interests	22	(1)	0	3	3		27
Group net income	**2,429**	**1,069**	**743**	**319**	11	**0**	**4,571**

(1) Including net income of equity consolidated companies and goodwill impairment

12/31/2022 restated	Retail banking	Insurance	Corporate and Investment Banking	Asset Management / Private Banking	Other	Inter-segment	Total
Net revenue	14,449	1,593	1,585	1,287	768	(1,072)	18,610
Operating expenses	(9,551)	(157)	(461)	(887)	(501)	1,072	(10,485)
Gross operating income	**4,898**	**1,436**	**1,124**	**400**	267		**8,125**
Cost of risk	(948)	0	9	(39)	8		(970)
Gains on other assets[1]	63	(13)	0	15	(1,211)		(1,146)
Income before tax	**4,013**	**1,423**	**1,133**	**376**	(936)		**6,009**
Income tax	(1,153)	(341)	(163)	(85)	(19)		(1,761)
Net income	**2,860**	**1,082**	**970**	**291**	(955)		**4,248**
Non-controlling interests	27	0	0	2	3		32
Group net income	**2,833**	**1,082**	**970**	**289**	**(958)**	**0**	**4,216**

(1) Including net income of equity consolidated companies and goodwill impairment

Breakdown of total assets by geographic area

ASSETS	12/31/2023				12/31/2022 restated			
	France	Europe excl. France	Rest of the world*	Total	France	Europe excl. France	Rest of the world*	Total
Cash and amounts due from central banks	101,307	14,946	1,874	118,127	125,600	11,631	4,970	142,201
Financial assets at fair value through profit or loss	32,562	369	2,711	35,642	30,412	540	863	31,815
Hedging derivatives	5,516	78	30	5,624	9,642	94	82	9,818
Financial assets at amortized cost	640,775	70,866	11,179	722,820	605,340	66,448	10,294	682,082
of which loans and receivables due from credit institutions	73,293	1,229	3,310	77,832	61,068	1,257	2,407	64,732
of which loans and receivables due from customers	564,023	67,222	7,869	639,114	541,787	62,767	7,887	612,441
Financial assets at fair value through OCI	35,985	784	11,010	47,779	32,428	811	9,582	42,821
Financial investments of the insurance activities	189,526	1,785	0	191,311	176,924	1,807	0	178,731
Insurance contracts issued - Assets	15	0	0	15	18	0	0	18
Reinsurance contracts held - Assets	530	0	0	530	477	0	0	477
Investments in equity consolidated companies	53	37	135	225	33	34	130	198

LIABILITIES	12/31/2023				12/31/2022 restated			
	France	Europe excl. France	Rest of the world*	Total	France	Europe excl. France	Rest of the world*	Total
Central banks	0	28	3	31	0	44	0	44
Financial liabilities at fair value through profit or loss	19,947	241	224	20,412	20,231	325	442	20,998
Hedging derivatives	5,593	14	6	5,613	7,084	23	5	7,112
Due to credit institutions	44,884	180	11,290	56,354	70,848	4,302	8,832	83,982
Due to customers	520,322	70,259	3,569	594,150	496,848	65,032	3,989	565,869
Debt securities	164,962	6,177	10,076	181,215	146,722	1,356	10,991	159,069

** United States, Singapore, Morocco and Tunisia.*

Analysis of income statement by geographic area

	12/31/2023				12/31/2022 restated			
	France	Europe excl. France	Rest of the world*	Total	France	Europe excl. France	Rest of the world*	Total
Net revenue	14,461	4,015	225	18,701	14,789	3,579	242	18,610
Operating expenses	(8,710)	(2,251)	(110)	(11,071)	(8,267)	(2,109)	(109)	(10,485)
Gross operating income	5,751	1,764	115	7,630	6,509	1,483	133	8,125
Cost of risk	(759)	(665)	2	(1,422)	(409)	(587)	26	(970)
Gains on other assets**	70	2	19	91	(1,177)	2	29	(1,146)
Income before tax	5,062	1,101	136	6,299	4,923	898	188	6,009
Total net income	3,710	785	103	4,598	3,478	615	155	4,248
Group net income	**3,692**	**776**	**103**	**4,571**	**3,457**	**604**	**155**	**4,216**

** United States, Singapore, Morocco and Tunisia.*
*** Including net income of equity consolidated companies and goodwill impairment.*

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6. Other information

Note 1.1 - Fair value hierarchy of financial instruments measured at amortized cost or cost on the balance sheet

The financial instruments presented in this note are loans and borrowings. They do not include non-monetary instruments (equities), trade payables, other assets, other liabilities and accruals. Non-financial instruments are not covered by this note.

At December 31, 2023, many Crédit Mutuel group entities fine-tuned the methodology for calculating the fair value of loans and receivables due from customers, based on a calculation of estimated discounted future cash flows.

For these entities, the discount rates used now depend on the type of loan (home loan, consumer loan, equipment loan and cash facility) and on yield curves at the end of the year.

At December 31, 2022, the estimated fair values of loans and receivables due from customers were based on a risk-free yield curve plus a credit spread and a liquidity spread calculated globally.

The fair value of financial instruments payable on demand and of regulated customer savings contracts is the amount due to the customer, i.e. the carrying amount.

Some Group entities may also apply assumptions, for example that the market value is the carrying amount for contracts indexed on a variable rate or whose residual life is one year or less.

Note that loans and receivables recognized at amortized cost are not, in practice, sold before maturity. Accordingly, gains or losses are not recognized.

However, if financial instruments carried at amortized cost were to be sold, the selling price could be significantly different from the fair value calculated at December 31, 2023.

Amounts in €m	12/31/2023						
	Market value	Carrying amount	Unrealized gains or losses	Level 1 of hierarchy	Level 2 of hierarchy	Level 3 of hierarchy	Total
Assets	**801,493**	**843,859**	**(42,366)**	**5,986**	**332,306**	**463,200**	**801,493**
Financial assets at amortized cost - IFRS 9	798,817	840,948	(42,131)	3,539	332,088	463,190	798,817
Cash and amounts due from central banks	118,141	118,127	14	0	118,141	0	118,141
Loans and receivables due from credit institutions	74,296	77,832	(3,536)	0	74,296	0	74,296
Loans and receivables due from customers(1)	600,572	639,115	(38,543)	0	137,388	463,185	600,572
Securities	5,808	5,874	(66)	3,539	2,264	5	5,808
Financial assets at amortized cost - IFRS 9 - Insurance activities	2,676	2,911	(235)	2,447	218	11	2,676
Loans and receivables	156	272	(116)	0	145	11	156
Securities	2,520	2,639	(119)	2,447	73	0	2,520
Liabilities	**840,358**	**845,427**	**(5,068)**	**854**	**477,769**	**361,736**	**840,358**
Financial liabilities at amortized cost - IFRS 9	840,358	845,427	(5,068)	854	477,769	361,736	840,358
Due to credit institutions	56,964	56,354	610	0	56,910	54	56,964
Due to customers	593,217	594,150	(933)	0	240,441	352,776	593,217
Debt securities	176,640	181,215	(4,575)	0	167,881	8,759	176,640
Subordinated debt	13,538	13,708	(171)	854	12,537	147	13,538

(1) The fair value at December 31, 2022 of loans and receivables due from customers recognized at amortized cost as presented below has not been modified to reflect the effects at that date of fine-tuning the methodology in 2023.

- Level 1: quoted price in an active market,
- Level 2: prices in active markets for similar instruments and measurement techniques for which all significant data is based on observable market information,
- Level 3: measurement based on internal models containing significant non-observable data.

Amounts in €m	12/31/2022 restated						
	Market value	Carrying amount	Unrealized gains or losses	Level 1 of hierarchy	Level 2 of hierarchy	Level 3 of hierarchy	Total
Assets	**765,078**	**828,020**	**(62,942)**	**5,693**	**318,305**	**441,080**	**765,078**
Financial assets at amortized cost - IFRS 9	761,341	824,283	(62,942)	3,084	317,195	441,061	761,341
Cash and amounts due from central banks	142,206	142,201	5	0	142,187	19	142,206
Loans and receivables due from credit institutions	59,573	64,732	(5,159)	0	59,573	0	59,573
Loans and receivables due from customers	554,823	612,441	(57,617)	0	113,781	441,042	554,823
Securities	4,739	4,909	(170)	3,084	1,654	0	4,739
Financial assets at amortized cost - IFRS 9 - Insurance activities	3,737	3,737	0	2,608	1,110	19	3,737
Loans and receivables	1,129	1,129	0	0	1,110	19	1,129
Securities	2,608	2,608	0	2,608	0	0	2,608
Liabilities	**805,393**	**820,903**	**(15,510)**	**(707)**	**512,435**	**293,666**	**805,394**
Financial liabilities at amortized cost - IFRS 9	805,393	820,903	(15,510)	(707)	512,435	293,666	805,394
Due to credit institutions	82,831	83,982	(1,151)	0	82,831	0	82,831
Due to customers	562,424	565,868	(3,444)	0	278,869	283,556	562,425
Debt securities	149,041	159,069	(10,029)	0	138,930	10,110	149,041
Subordinated debt	11,097	11,983	(886)	(707)	11,804	0	11,097

Note I.2 - Dividends

The consolidating entity intends to pay €348 million in dividends outside Crédit Mutuel group.

Note I.3 - Related parties

Amounts in €m	12/31/2023 Equity consolidated companies	12/31/2022 restated Equity consolidated companies
Assets		
Assets at fair value through profit or loss	0	0
Financial assets at fair value through OCI	**0**	**0**
Financial assets at amortized cost	**1**	**0**
o/w current accounts	*0*	*0*
Hedging derivatives	0	0
Financial investments of the insurance activities	0	0
Insurance contracts issued - Assets	0	0
Reinsurance contracts held - Assets	0	0
Miscellaneous assets	**6**	**46**
Liabilities	**0**	**0**
Due to credit institutions	48	42
o/w current accounts	*41*	*35*
Hedging derivatives	0	0
Liabilities at fair value through profit or loss	0	0
Due to customers	7	13
Debt securities	0	0
Subordinated debt	0	0
Interest income	0	0
Interest paid	(1)	0
Fees and commissions (income)	1	0
Fees and commissions (expense)	(1)	0
Net gains/(losses) on financial assets at fair value through OCI and FVPL	7	6
Income from insurance contracts issued	0	0
Expenses relating to insurance contracts issued	(5)	0
Income and expenses relating to reinsurance contracts held	0	0
Financial income or expenses from insurance contracts issued	0	0
Financial income or expenses relating to reinsurance contracts held	0	0
Net income from financial investments related to insurance activities	0	0
Other income and expenses	28	10
Net revenue	**29**	**16**
Operating expenses	**(8)**	**2**
Financing commitments given	0	0
Guarantee commitments given	2	1
Financing commitments received	0	0
Guarantee commitments received	1	1

Note I.4 - Remuneration of corporate officers

(€ thousands)	Salary Fixed component	Salary Variable component	Employer contributions for supplementary benefits	Benefits in kind	Total
Main corporate officers*	674	0	11	2	687

** Chief Executive Officer, Deputy Chief Executive Officer*

Note I.5 - Statutory auditors' fees

	12/31/2023					
	ERNST & YOUNG		KPMG		OTHER	
Amount in € millions excluding VAT	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Audit of the financial statements	1.96	72%	10.32	93%	13.58	81%
Non-audit services*	0.77	28%	0.73	7%	3.08	19%
Total	**2.73**	**100%**	**11.05**	**100%**	**16.66**	**100%**

** In 2023, non-audit services included comfort letters in connection with market transactions and reports and certifications required for regulatory purposes.*

	12/31/2022					
	ERNST & YOUNG		KPMG		OTHER	
Amount in € millions excluding VAT	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
Audit of the financial statements	2.44	69%	12.23	93%	14.20	92%
Non-audit services*	1.12	31%	0.93	7%	1.52	8%
Total	**3.56**	**100%**	**13.16**	**100%**	**15.72**	**100%**

**In 2022, non-audit services included comfort letters in connection with market transactions and reports and certifications required for regulatory purposes.*

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

CRÉDIT MUTUEL GROUP
Year ended December 31, 2023

KPMG S.A.
Tour Eqho
2, Avenue Gambetta
CS 60055 - 92066 Paris-La Défense cedex
French limited company (S.A.) with capital of €5,497,100
Nanterre Trade and Companies Register No. 775 726 417
Statutory Auditor
Member of the Regional Association
of Accountants of Versailles and Centre

ERNST & YOUNG ET AUTRES
Tour First - TSA 14444
92037 Paris - La Défense Cedex
Limited partnership with variable capital
Nanterre Trade and Companies Register No. 438 476 913
Statutory Auditor
Member of the Regional Association
of Accountants of Versailles and Centre

To the Shareholders' Meeting of Confédération Nationale du Crédit Mutuel,

OPINION

In performance of the mission entrusted to us by your shareholders' meeting, we have audited the consolidated financial statements of Confédération Nationale du Crédit Mutuel for the year ended December 31, 2023, as appended to this report.
We certify that in accordance with the IFRS as adopted in the European Union, the consolidated financial statements are accurate and sincere, and give a true and fair view of the results of transactions over the past fiscal year as well as the financial position and assets at the end of the fiscal year of the group composed of the persons and entities included within the scope of consolidation.

BASIS FOR THE OPINION

Audit standards

We conducted our audit in line 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 audit opinion.
Our responsibilities under those standards are described in the "Statutory auditors' responsibilities relating to the audit of the consolidated financial statements" section of this report.

Independence

We conducted our audit in accordance with the rules regarding independence set out in the French Commercial Code and the code of ethics for statutory auditors for the period from January 1, 2023 to the issue date of our report.

JUSTIFICATION OF THE ASSESSMENTS

In accordance with the provisions of Articles L. 821-53 and R. 821-180 of the French Commercial Code relating to the basis for our assessments, we inform you of the following assessments which, in our professional judgment, were the most significant for the audit of the consolidated financial statements.

The assessments made in this way fall within the scope of the audit of the consolidated financial statements taken as a whole and the formation of our opinion as expressed above. We do not express any opinion on any items of said consolidated financial statements taken on their own.

- The Group uses internal models and methods for valuing certain financial instruments that are not traded on an active market and for determining certain provisions, as described in Note 3.1.9.2 to the consolidated financial statements. We examined the control mechanism for these models and methodologies, the parameters used and the inventory of the financial instruments to which they apply.
- The Group recognizes impairment provisions to cover the credit and counterparty risks inherent in its business (Notes 3.1.8.6 and 3.2.1 to the consolidated financial statements). We examined the control systems applicable to the monitoring of credit and counterparty risk, the impairment methodologies and the coverage of losses in value by individual impairment provisions.
- The Group carried out impairment tests on goodwill and equity interests held, which may result, where applicable, in the recognition of impairment provisions in respect of this fiscal year (Note 2.5 to the consolidated financial statements). We examined the conditions under which these tests were performed, the main assumptions and parameters used, and the resulting estimates that, when applicable, led to the recognition of impairment losses.
- The Group records provisions for employee benefit obligations (Note 3.3.2 to the consolidated financial statements). We examined the method used to assess these obligations, as well as the main assumptions and calculation methods used.

SPECIFIC VERIFICATIONS

We also performed, in accordance with the professional standards applicable in France, the specific verifications required under current laws and regulations concerning the information provided in the Board of Directors' management report.
We have no comment to make as to their accuracy or consistency with the consolidated financial statements.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of consolidated financial statements that comply with International Financial Reporting Standards as adopted in the European Union and for such internal control as management determines is necessary for the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the association's ability to continue as a going concern, for disclosing, where applicable, matters related to its continuation as a going concern and for using the going concern basis of accounting unless it is expected to liquidate the Company or cease its operations.
The consolidated financial statements have been approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about the consolidated 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 conducted in accordance with professional standards will always detect a material misstatement. 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 taken by users on the basis of these financial statements

As set out in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of your association or the quality of its management. As part of an audit conducted in line with professional standards applicable in France, the statutory auditor exercises professional judgment throughout this audit and furthermore:

- identifies and assesses the risks that the consolidated financial statements may contain material misstatements, whether due to fraud or error, defines and implements audit procedures in response to those risks, and obtains audit evidence that the auditor considers to be sufficient and appropriate in order to form an opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that for a material misstatement resulting from an error, as fraud may involve collusion, falsification, intentional omissions, misrepresentation or the overriding of internal control;

- obtains an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of the accounting methods used and the reasonableness of the accounting estimates made by management and the related disclosures in the consolidated financial statements;

- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or circumstances that may cast doubt on the association's ability to continue as a going concern. This assessment is based on the audit evidence collected up to the date of the audit report. However, future events or conditions may cause the association to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, he/she draws attention in the audit report to the relevant disclosures in the consolidated or, if such disclosures are not provided or are inadequate, the statutory auditor issues a qualified opinion or adverse opinion;

- evaluates the overall presentation of the consolidated financial statements and determines whether they reflect the underlying transactions and events in a manner that achieves fair presentation;

- obtains sufficient appropriate regarding the financial information on entities and business activities included in the consolidation scope to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Paris-La Défense, May 15, 2024

The Statutory Auditors

KPMG S.A.
Arnaud Bourdeille
Partner

ERNST & YOUNG ET AUTRES
Hassan Baaj
Partner

Vanessa Jolivalt
Partner

Learn more about the Crédit Mutuel group: **www.creditmutuel.com**

Follow Crédit Mutuel on social media:

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