

Consolidated financial statements for the year ended December 31, 2022

Non audited consolidated financial statements

Balance sheet (in € thousands)

		12.31.2022	12.31.2021
Assets	Notes		
Cash, due from central banks	1	23,453,717	15,835,673
Financial assets at fair value through profit or loss	2	2,175,331	1,515,229
Derivatives used for hedging purposes	3	5,365,023	941,733
Financial assets at fair value through equity	4	7,322,719	9,438,286
Securities at amortized cost	5	569,489	632,290
Loans and receivables - credit institutions, at amortized cost	1	12,044,954	15,207,862
Loans and receivables - customers, at amortized cost	6	81,178,096	73,250,954
Remeasurement adjustment on interest-rate risk hedged portfolios		(4,501,996)	58,734
Placement of insurance activities	7	56,731,460	58,775,760
Current tax assets	8	175,125	127,398
Deferred tax assets	9	200,763	130,806
Accruals, prepayments and sundry assets	10	1,188,125	992,972
Non-current assets held for sale		0	80,813
Deferred profit-sharing	10a	1,518,572	0
Investments in associates	11	218,139	176,345
Investment property	12	130,209	125,897
Property, plant and equipment	13	338,789	328,741
Intangible assets	14	540,283	532,452
Goodwill	15	484,610	566,533
TOTAL ASSETS		189,133,408	178,718,478
Liabilities	Notes	12.31.2022	12.31.2021
Due to central banks	16	0	0
Financial liabilities at fair value through profit or loss	17	2,049,947	1,345,024
Derivatives used for hedging purposes	3	4,525,378	956,291
Debt securities	18	19,843,532	16,438,840
Due to banks	16	14,021,591	14,596,802
Liabilities to customers	19	81,064,164	74,571,114
Remeasurement adjustment on interest-rate risk hedged portfolios		(2,011,826)	(120,935)
Current tax liabilities	8	101,465	94,463
Deferred tax liabilities	9	84,128	143,169
Accruals, deferred income and sundry liabilities	20	2,137,849	2,866,796
Liabilities associated with non-current assets held for sale		0	345,128
Insurance companies' technical reserves	21	56,109,541	56,248,145
Provisions	22	299,195	347,472
Subordinated debt	23	2,182,014	2,473,362
Total equity		8,726,432	8,412,808
Shareholders' equity, group share		8,719,212	8,406,884
Share capital and additional paid-in capital	24	2,725,133	2,548,829
Consolidated reserves	24	5,679,636	5,152,784
Gains and losses recognized directly in equity	25	(236,269)	131,547
Net income for the year		550,712	573,723
Non-controlling interests		7,220	5,924
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		189,133,408	178,718,478

Consolidated financial statements for the year ended December 31, 2022

Income statement

(in € thousands)

		12.31.2022	12.31.2021
Income statement	Notes		
Interest and similar income (1)	29	2,159,060	1,828,767
Interest and similar expense (1)	29	(1,319,763)	(1,103,665)
Commission income	30	754,861	697,700
Commission expense	30	(196,887)	(177,509)
Net gain (loss) on financial instruments at fair value through profit or loss	31	218,327	263,297
Net gain (loss) on financial instruments at fair value through equity	32	(6,937)	20,090
Net gain (loss) on derecognition of financial instruments at amortized cost	33	3,673	4,373
Net income from insurance activities	34	690,086	712,019
Income from other activities	35	341,545	354,585
Expense from other activities	35	(74,230)	(69,282)
NET BANKING INCOME		2,569,735	2,530,375
Gains (losses) on disposal - dilution in investments in associates	36	(287)	275
NET BANKING INCOME including gains (losses) on disposal - dilution in investments in associates		2,569,448	2,530,650
General operating expenses	37	(1,658,063)	(1,550,442)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	38	(155,955)	(151,605)
GROSS OPERATING INCOME		755,430	828,603
Cost of credit risk	39	(136,006)	(115,789)
OPERATING INCOME		619,424	712,814
Share in net income of equity-accounted associates and joint ventures	11	635	3,425
Gains (losses) on other assets	40	87,113	349
Changes in goodwill		(33,711)	0
PRE-TAX INCOME		673,461	716,588
Income tax	41	(122,053)	(143,047)
NET INCOME		551,408	573,541
O/w non-controlling interests		696	(182)
NET INCOME - GROUP SHARE		550,712	573,723

(1) The interest calculated using the effective interest rate method for instruments valued at fair value through OCI or at amortized cost is presented in note 29.

		12.31.2022	12.31.2021
Statement of net income and gains and losses recognized directly in equity	Notes		
Net income		551 408	573 541
Revaluation of financial assets at fair value through recyclable equity (net of taxes)		(69 730)	(16 227)
Revaluation of available-for-sale financial assets (net of taxes)		(384 400)	(56 713)
Revaluation of derivatives used to hedge recyclable items (net of taxes)		0	964
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes)		(582)	426
Items to be recycled to profit or loss		(454 712)	(71 550)
Actuarial gains (losses) on defined benefit plans (net of taxes)		19 612	12 613
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option (net of taxes)		23 359	6 017
Revaluation of equity instruments at fair value through equity (net of taxes) (1)		35 392	(16 087)
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes) not recycled to profit or loss		(2 743)	3 007
Items not to be recycled to profit or loss		75 620	5 550
Total gains and losses recognized directly in equity		(379 092)	(66 000)
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	42	172 316	507 541
of which group share		171 160	507 732
of which non-controlling interests		1 156	(191)

(1) of which the impact of the transfer to reserves of non-recyclable items for €(112,000).

CHANGES IN SHAREHOLDERS' EQUITY

(in € thousands)

	Share capital and reserves	Consolidated reserves	Total gains and losses recognized directly in equity	Net income attributable to equity holders of the parent	Shareholders' equity, group share	Non-controlling interests in equity	Total equity
Position at January 1, 2021	2,378,428	4,793,564	197,537	356,241	7,725,770	3,230	7,729,000
Capital increase	170,401	0	0	0	170,401	0	170,401
Cancellation of treasury shares	0	0	0	0	-	0	0
Issuance of preferred shares	0	0	0	0	-	0	0
Equity components of hybrid instruments	0	0	0	0	-	0	0
Equity components whose payment is share-based	0	0	0	0	-	0	0
Allocation of the previous year income	0	356,241	0	(356,241)	-	0	0
Dividend paid in 2021 in respect of 2020	0	(36,512)	0	0	(36,512)	(7)	(36,519)
Change in equity interests in subsidiaries with no loss of control	0	0	0	0	0	0	0
Subtotal of changes involving transactions with shareholders	2,548,829	5,113,293	197,537	0	7,859,659	3,223	7,862,882
Changes in gains and losses recognized directly in equity	0	28,592	(65,990)	0	37,398	(9)	(37,407)
2021 net income	0	0	0	573,723	573,723	(182)	573,541
Subtotal	2,548,829	5,141,885	131,547	573,723	8,395,984	3,032	8,399,016
Impact of acquisitions and disposals on non-controlling interests	0	1,484	0	0	1,484	2,839	4,323
Share of changes in shareholders' equity from investments in associates and joint ventures	0	(89)	0	0	(89)	0	89
Change in accounting methods	0	35,390	0	0	35,390	0	35,390
Other changes	0	(25,885)	0	0	(25,885)	53	(25,832)
Position at December 31, 2021	2,548,829	5,152,785	131,547	573,723	8,406,884	5,924	8,412,808
Capital increase	176,304	0	0	0	176,304	0	176,304
Cancellation of treasury shares	0	0	0	0	0	0	0
Issuance of preferred shares	0	0	0	0	0	0	0
Equity components of hybrid instruments	0	0	0	0	0	0	0
Equity components whose payment is share-based	0	0	0	0	0	0	0
Allocation of the previous year income	0	573,723	0	(573,723)	0	0	0
Dividend paid in 2022 in respect of 2021	0	(36,501)	0	0	(36,501)	(8)	(36,509)
Change in equity interests in subsidiaries with no loss of control	0	297	0	0	297	0	297
Subtotal of changes involving transactions with shareholders	2,725,133	5,690,303	131,547	0	8,546,983	5,916	8,552,899
Changes in gains and losses recognized directly in equity	0	354	(379,550)		(379,196)	460	(378,736)
2022 net income	0	0	0	550,712	550,712	696	551,408
Subtotal	2,725,133	5,690,657	(248,003)	550,712	8,718,499	7,072	8,725,571
Impact of acquisitions and disposals on non-controlling interests	0	(11,734)	11,734	0	0	173	173
Share of changes in shareholders' equity from investments in associates and joint ventures	0	(242)	0	0	(242)	0	(242)
Change in accounting methods	0	0	0	0	0	0	0
Other changes	0	955	0	0	955	(25)	930
Position at December 31, 2022	2,725,133	5,679,636	(236,269)	550,712	8,719,212	7,220	8,726,432

Net cash flow statement

(in € thousands)

	12.31.2022	12.31.2021
Cash flows from operating activities		
Net income	551,408	573,541
Tax	122,053	143,047
Pre-tax income	673,461	716,588
Depreciation and amortization of property, plant and equipment and intangible assets	150,665	149,381
Impairment of goodwill and other non-current assets	39,648	14,672
Net additions to depreciations	90,652	5,358
Share of income (loss) from investments in associates	(177)	(3,425)
Net loss (gain) from investing activities	(30,159)	(6,361)
(Income)/expense from financing activities	0	0
Other changes	(1,786,224)	3,020,057
Total non-cash items included in net income and other adjustments	(1,535,595)	3,179,681
Interbank transactions	1,883,067	1,345,597
Transactions with customers	(2,753,002)	380,963
Transactions involving other financial assets/liabilities	5,268,481	(164,829)
Transactions involving other non-financial assets/liabilities	1,280,352	795,122
Dividends from investments in associates	0	1,919
Taxes paid	(149,478)	(149,364)
Net decrease/(increase) in operating assets and liabilities	5,529,420	2,209,408
NET CASH FLOW FROM OPERATING ACTIVITIES	4,667,286	6,105,678
Cash flows from investing activities		
Financial assets and investments	61,729	47,315
Investment property	40,736	(6,886)
Property, plant and equipment and intangible assets	(179,117)	(174,738)
Other	0	0
CASH FLOWS FROM INVESTING ACTIVITIES	(76,652)	(134,309)
Cash flows from financing activities		
Cash flows from/to shareholders	139,562	143,094
Other cash flows from financing activities	2,865,588	(3,430,726)
CASH FLOWS FROM FINANCING ACTIVITIES	3,005,150	(3,287,632)
Net increase/(decrease) in cash and cash equivalents	7,595,784	2,683,737
Cash flows from operating activities	4,667,286	6,105,678
Cash flows from investing activities	(76,652)	(134,309)
Cash flows from financing activities	3,005,150	(3,287,632)
Cash and cash equivalents, beginning of the year	15,895,670	13,211,933
Cash, central banks (assets & liabilities)	15,835,673	12,901,851
Deposits (assets and liabilities) and demand loans with credit institutions	59,997	310,082
Cash and cash equivalents, end of the year	23,491,454	15,895,670
Cash, central banks (assets & liabilities) (Notes 1 and 16)	23,453,717	15,835,673
Deposits (assets and liabilities) and demand loans with credit institutions (Notes 1; 7d; 16 and 21d)	37,737	59,997
CHANGE IN NET CASH AND CASH EQUIVALENTS	7,595,784	2,683,737

The cash flow statement is presented using the indirect method.

Net cash and cash equivalents includes cash, debit and credit balances with central banks and demand debit and credit sight balances with banks.

Changes in cash flow from operations record the cash flow generated by the group's activities, including such flows arising from negotiable debt securities.

Changes in cash from financing activities include changes related to shareholders' equity and subordinated debt.

Notes

Consolidated financial statements for the year ended December 31, 2022

HIGHLIGHTS OF THE YEAR

Buoyed by strong sales activity, net income Group share reached €551 million for the year ended December 31, 2022.

At €2,569 million, revenues reflect controlled and diversified growth despite the effects of the unstable market environment in 2022. The net interest margin grew and fee and commission income rose significantly. The effects of climate change, particularly the events that affected the south-west this year, impacted the profit or loss from non-life insurance.

At €1,814 million, operating expenses were up due to measures taken to improve employees' purchasing power, further investments as part of the implementation of the Transitions 2024 medium-term plan, provisions for restructuring of the Nouvelle Vague and Pumpkin subsidiaries, and an increase in contributions to the Single Resolution Fund.

At €136 million, cost of risk increased by €20 million compared with 2021. It includes a review of the economic scenarios and considers the uncertain prospects for portfolios sensitive to the inflationary economic environment, while the cost of risk on non-performing outstandings fell slightly.

The group completed the sale of Keytrade Luxembourg in April 2022 as well as the sales of Leetchi, Mangopay and Budget Insight in July 2022.

Lastly, taking into account the value in use of its subsidiaries Izimmo and Crédit Foncier Commercial d'Alsace Lorraine, whose business models are affected by the change in the real estate cycle and the effects stemming from the rise in interest rates on discount rates, Crédit Mutuel Arkéa recorded goodwill impairment of €18 million and €15.7 million respectively at December 31, 2022.

ACCOUNTING STANDARDS APPLIED

Pursuant to European Regulation 1606/2002 of July 19, 2002 on the application of international standards, Crédit Mutuel Arkéa group prepared its summary consolidated financial statements for the period ending December 31, 2022 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable as of that date.

At December 31, 2022, the group applied the standards in force as at January 1, 2022 and adopted by the European Union. The group chose to forgo early application of other standards and interpretations adopted by the European Union whose application was optional in 2022.

The group has elected to publish its Annual Financial Report 2022 using the European Single Electronic Format (ESEF) as defined by the European Delegated Regulation 2019/815 amended by the Delegated Regulation 2020/1989.

Amendment to IAS 37, Onerous contracts – Cost of Fulfilling a Contract

The amendment adopted by the European Union on June 18, 2021 provides clarification regarding the elements to be considered in determining the cost of fulfilling a contract and how to conduct the impairment test prior to the recognition of any provision for an onerous contract.

Amendment to IAS 16, Property, Plant and Equipment – Proceeds before Intended Use

The amendment prohibits the deduction from the cost of an item of property, plant and equipment of the net proceeds generated when testing the functioning of the asset. The proceeds from the sale of such items must be recognised immediately in profit or loss.

Amendments to IFRS 3 – Reference to the Conceptual Framework

This amendment updates the reference to the updated version of the 2018 Conceptual Framework (replacing the reference to its earlier 1989 version). It adds an exception to prevent inconsistencies with the existing consequences of asset and liability recognition from arising at the time of a business combination.

Under this exception, an acquirer should refer to the definitions provided in IAS 37 – Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 – Levies, rather than those provided in the new Conceptual Framework.

An acquirer should not recognise contingent assets acquired at the time of a business combination.

Improvements to IFRS – 2018-2020 cycle

The minor amendments mainly concern the following standards:

- IFRS 1 – First-time Adoption of IFRS: simplifies the application of IFRS 1 by a subsidiary that adopts IFRS after its parent;
- IFRS 9 – Financial Instruments: clarifies which fees should be included in the 10 percent test for determining whether to derecognise a financial liability in case of a renegotiation of terms. Only fees paid or received between the borrower and the lender, including fees paid or received on the other's behalf, should be included.
- IFRS 16 – Leases: modifies Illustrative Example 13 in order to remove any confusion regarding the treatment of lease incentives received by the lessor.

The group was not affected by these amendments at December 31, 2022.

CURRENT DEVELOPMENTS

Targeted longer-term refinancing operations - TLTRO III

Since September 2019, the TLTRO III program has enabled banks to benefit from seven new refinancing tranches, each with a maturity of three years, at an interest rate that varies depending on the period.

The TLTRO III amount that Crédit Mutuel Arkéa 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 (the “special interest rate”) depending on their lending performance.

In response to the health crisis, the ECB eased the conditions of these refinancing operations in March 2020 and January 2021 to support the distribution of loans to households and businesses. A number of parameters have been reviewed¹. Therefore, more favourable conditions allowed a reduction of 50 bps (i.e. additional special interest rate) during the “special” and “additional special” interest periods from June 2020 to June 2021¹ and then from June 2021 to June 2022².

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

On October 27, 2022³, 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 conditions applicable to TLTRO III were adjusted as of November 23, 2022. The interest conditions take into account the fact that the group achieved the credit performance targets set by the ECB for the two reference periods of the program:

- from its start date until November 22, 2022 and excluding the special interest period and the additional special period, the interest rate on TLTRO III operations was the average deposit facility rate during that period (and no longer over the lifetime of the operation),
- during the special interest period and the additional special interest period (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 over the period, reduced by 0.50%; a floor of 1% was applied,
- from November 23, 2022 to the maturity date (or the early repayment date, if applicable), the interest rate is now indexed to the average of the ECB’s key interest rates applicable during this period and no longer to the lifetime of the operation, as previously.

This change was accompanied by the offer of three additional early repayment dates.

At December 31, 2022, Crédit Mutuel Arkéa participated in TLTRO III refinancing operations in the amount of €10.4 billion, for amounts drawn down between March 2020 and March 2021. They were analysed as variable-rate financial instrument recognized at amortized cost. The decision to recalibrate the interest conditions of TLTROs was made unilaterally by the ECB, with no impact on the accounting treatment for these operations. The interest rate applicable to these operations is analysed as a market rate since it concerns all institutions that meet the criteria set by the ECB. Interests related to the additional special interest rate are still spread until the maturity date of operations.

Following the ECB’s decision, the group adjusted the method for calculating accrued interest not yet due related to these operations:

- interest recorded up to 23 November corresponds to the interest contractually due up to that date, additional special interest rate excluded.
- from 23 November, Crédit Mutuel Arkéa uses the overnight deposit facility rate
- from 23 November, Crédit Mutuel Arkéa uses the overnight deposit facility rate though the effective interest rate of these operations, additional special interest rate excluded.
- The additional special interest rate is subject to prorata temporis spreading on the entire expected lifetime of the operation.

Russia’s invasion of Ukraine

Since it does not operate in Ukraine and Russia, no Crédit Mutuel Arkéa employees work in the conflict zones; direct exposures in these two countries and in Belarus pertain only to individual borrowers, which are immaterial. Moreover, the group has no assets at Russia’s Central Bank.

¹ Decision (EU) 2021/124 of the European Central Bank of January 29, 2021 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2021/3).

² 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 Decision (EU) 2022/2128 of the European Central Bank of October 27, 2022 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2019/21) (ECB/2022/37).

The group is committed to implementing and complying with the restrictive measures and individual and economic sanctions imposed by the European Union in response to Russia's military aggression against Ukraine. In particular, it has a robust risk governance and management system that enables it to closely monitor payments made by its customers with Russia in order to combat money laundering, tax fraud and terrorist financing. The group also remains extra vigilant in terms of cybersecurity.

In addition, Cr dit Mutuel Ark a is taking steps to address the impacts of the Ukrainian crisis and the increasingly uncertain economic environment, which continues to weigh on sectors previously affected by the Covid-19 crisis. An enhanced oversight system has been put in place to support and monitor the group's customers who may be directly or indirectly impacted by the micro- and macroeconomic consequences of the conflict.

Calculation of expected credit losses

At 31 December 2022, the business outlook remained downbeat due to the slowdown factors linked to the impact of the conflict between Ukraine and Russia, its consequences on the international environment and persistently high inflation. In the very short term, there are significant risks and consumer confidence, the main driver of French growth, is fluctuating close to its historical lows. Households and companies are facing a drastic change in financing conditions with the end of the era of negative interest rates. In light of the latest statements from the European Monetary Authority, the ECB's key interest rates are expected to rise again in 2023: the consensus is for an increase of 100 basis points in the first half of 2023.

According to Banque de France, French growth remained positive in the fourth quarter of 2022, allowing GDP to grow by 2.6% over the year. However, according to the main forecasters, activity will remain sluggish throughout 2023, with a possible recession in the first half. Production is expected to be negatively impacted by a combination of three factors: a slowdown in demand, the tightening of financing conditions and the gradual dissipation of a "whatever the cost" attitude. Some sectors, such as the automotive industry, also continue to face supply difficulties. Concerning the financial health of companies, cash is likely to be strained by the surge in production costs, in particular those of companies highly exposed to the increase in energy bills (heavy industry, chemicals, transport, etc.). Beyond energy, the riskiest companies in terms of financial stability remain those that are most vulnerable to a rise in raw materials prices, even though global prices are tending to stabilise or even decline slightly. Similarly, structures that are most exposed to international competition are suffering from a reduced capacity to adjust their prices to new production conditions.

As a result, certain economic macro-sectors could potentially be very affected by the emerging crisis, including some that are already present in the selection made in 2020 as part of the COVID-19 crisis:

- power-intensive sectors (heavy industry, consumers of processed raw materials for example);
- transport sectors;
- agri-food sectors;
- agriculture sectors;
- clothing sectors.

In summary, the economic situation as at December 31, 2022 remains pessimistic: the economic crisis foreseen following the COVID-19 pandemic has not fully materialised, but has gradually been replaced by a more diffuse economic crisis driven by strong inflation and tougher financing conditions. The group's macroeconomic scenario is based on the following assumptions:

- GDP is expected to decline by 0.2% in 2023. A partial economic recovery is expected from 2024, with annual French GDP growth of 1%;
- unemployment is expected to inch up in 2023 to reach 8.7% before easing from 2024;
- inflation is expected to slow to 3.5% in 2023, and then hold steady at around 2% per annum over the period 2024-2027;
- the 10-year constant maturity rate (TEC 10) is expected to be around 2.2% in 2023 and will then increase slightly in 2024-2026. The 3-month Euribor is expected to be around 1.9% in 2023 and then lower in 2024, before stabilising from 2025. Interest on Livret A savings accounts is expected to peak in 2023.

On this basis, and in the context of the work currently under way to revise the methodology for calculating expected losses, a prudent portfolio provisioning mechanism is being maintained:

- the credit risk identification models and processes that make up the internal rating system (IRS) remain efficient in the context of the conflict in Ukraine, the general rise in prices and the rapid rise in interest rates. More generally, the direct consequences of the conflict in Ukraine did not have a significant impact on the cost of risk for the year given the very low level of the group's direct and indirect exposures to Russian and Ukrainian counterparties;
- the group has an early warning system that anticipates and detects precursors of customer fragility;
- the parameters used to calculate expected credit losses, probabilities of default, losses given default and credit conversion factors were updated on December 31, 2022 based on the existing methodology;

- The weighting of the forward-looking pessimistic scenario was aggravated during the year 2020 to integrate an increase in the probability of entering into the recession in the context of the Covid-19 health crisis. This high level of weighting was maintained since then and CMA chose to increase this weighting in 2022 to take into account the diffused anticipated economic crisis. This increase resulted in an additional provision of €18.8 million at December 31, 2022. The increase in the weighting of the pessimistic scenario automatically results in a decrease in that of the neutral scenario (19% versus 24% in 2021), while the weighting of the favourable scenario remains stable at 1%. For information, a sensitivity test involving a 100% weighting of the pessimistic scenario was carried out: under this assumption, an additional allocation to the cost of risk of €86 million would have to be made. The scale of this allocation is justified by the severity of the assumptions used when defining the pessimistic scenario. Rather, a 100% weighting of the pessimistic scenario would entail a €270 million reversal of provisions, which demonstrates cautious hypotheses of weighting scenarios retained by the Crédit Mutuel Arkéa group. Elements à rajouter For these sensitivity analysis, Crédit Mutuel Arkéa took into account the impact of a 100% weighting of the pessimistic or neutral scenario on the changes in the buckets of performing loans. In addition, these analyses include all the sector adjustments described below.
- The economic crisis caused by COVID-19 is turning into a more diffuse crisis and the sectors weakened during the pandemic are not all specifically impacted by the economic consequences of the current environment. As such, the COVID-19 sector provision was reversed as at December 31, 2022. A €14.5 million sector provision, intended to cover the fragility of the sectors affected by the future crisis, was raised as at December 31, 2022. This new provision affects expected losses but does not impact the breakdown of outstandings by buckets. This provision covers the manufacturing, construction, transport and warehousing, retail and clothing sectors. This sector provision supplements the agricultural sector provision, which was maintained at €22 million as at December 31, 2022.

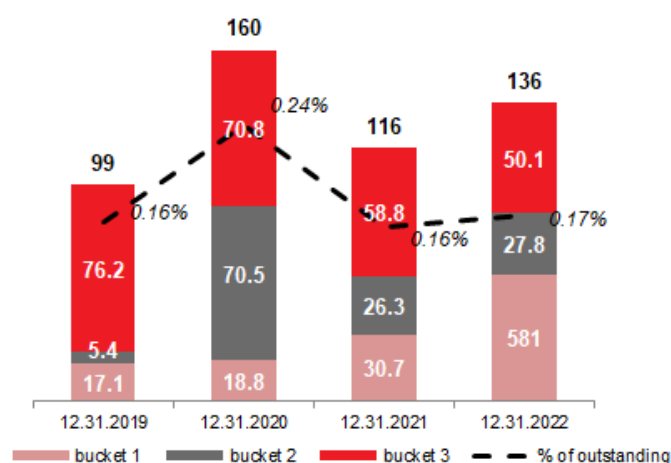
The portfolio's structure remained stable overall during the period under review, although the outstandings in bucket 2 did increase as a result of updating the parameters and the weighting of the pessimistic scenario. This update more than offsets the decline linked to the removal of the COVID-19 sector provision.

Outstanding loans subject to provisions for expected losses for credit risk	12.31.2019	12.31.2020	12.31.2021	12.31.2022
12-month expected losses - Bucket 1	78,859	89,346	93,279	95,427
Lifetime expected loss - Bucket 2	2,797	4,373	4,364	4,711
Impaired assets - Bucket 3 and POCI	1,468	1,444	1,451	1,482
Total	83,124	95,163	99,095	101,620

Non-performing loans (NPLs) grew by €30 million during the year to reach €1,482 million at the end of 2022. This change was driven by the addition of a significant new loan, partially offset by assignments of receivables and a downward trend in housing-related NPLs over the past several months. The NPL rate on total customer outstandings fell to 1.8% compared with 2% at the end of 2021.

The cost of risk amounted to €136 million at December 31, 2022 and was 17 bp of customer outstanding loans. It is slightly higher than the pre-crisis level due to a significant portion of provisions for performing loans (buckets 1 and 2), reflecting the expectation of an emerging crisis and a relatively low level for loans in default.

The increase in the cost of risk on performing loans is therefore due to the updating of parameters and the additional allocation for *ex ante* provisioning of expected losses due to the macroeconomic situation. The cost of risk on non-performing and litigious loans fell compared with 2021, in keeping with the decline in NPLs.



MAIN STANDARDS NOT YET ADOPTED BY THE EUROPEAN UNION

IFRS 17 Insurance Contracts

Date and methods of first-time application

On May 18, 2017, the IFRS Foundation published the new IFRS 17 Insurance Contracts. IFRS 17 replaces IFRS 4 Insurance Contracts published in 2004. Under IFRS 4, companies were allowed to continue using national accounting rules for insurance contracts, which resulted in a large number of different approaches, making it difficult for investors to compare the financial performance of companies.

IFRS 17 offers a solution to the comparison problems created by IFRS 4 by requiring all insurance contracts to be recognized in a standardized manner.

The IASB has examined some of the implementation issues raised by various stakeholders since the publication of IFRS 17 and will determine whether it is necessary to amend IFRS 17. In addition, on June 26, 2019 the IASB published an exposure draft containing a number of amendments to IFRS 17 "Insurance Contracts". The aim of the amendments is to facilitate implementation of the standard. An amendment was adopted on June 25, 2020 by the IASB. It pushes back the date of application, originally planned for 2021, to January 1, 2023.

The IASB has published an amendment to IFRS 4 Insurance Contracts extending the temporary exemption for the application of IFRS 9 at January 1, 2023.

Lastly, IFRS 17 has been adopted by the European Union on November 19, 2021.

Accounting principles under IFRS 17

IFRS 17 defines the new rules for recognition, measurement and presentation of insurance contracts that fall within its scope (insurance contracts, reinsurance contracts and financial contracts with a discretionary profit sharing component):

- Measurement of insurance contracts on the balance sheet: their value will be updated at each reporting date based on a reassessment of the future cash flows related to their fulfillment. This reassessment will take into account market data in relation to the financial elements and policyholders' behaviour;
- Recognition of the margin: even if the profitability of the insurance contracts remains unchanged, the recognition in profit or loss of their margins will be modified to be spread over the duration of the insurance benefit; and
- Presentation of the income statement: the operating expenses attributable to the fulfillment of the insurance contracts will now be presented as a deduction from Net Banking Income under Insurance Service Expenses and will therefore no longer impact the total operating expenses in the consolidated income statement.

➤ 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 from the underlying assets.

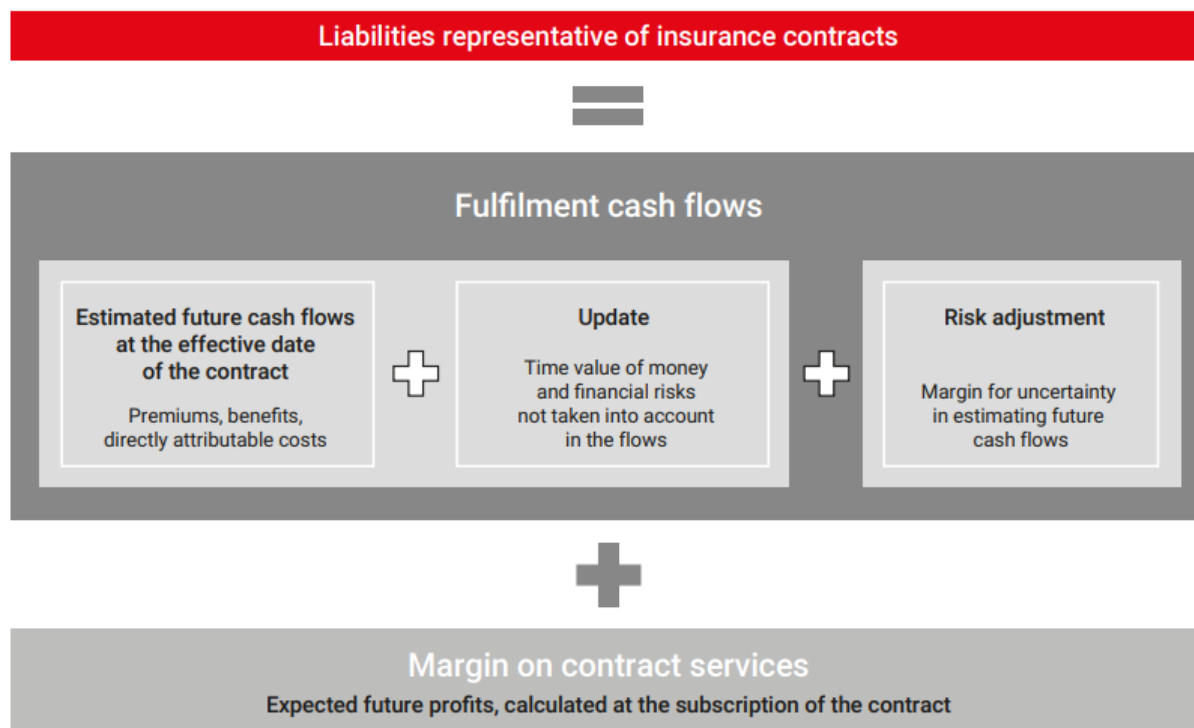
The group plans to use this optional exemption for its life insurance contracts as they include direct participation or discretionary features, which allow for the sharing of risks and cash flows between different generations of policyholders. These life insurance contracts are also managed across generations to mitigate exposure to interest rate and longevity risks.

General model applicable to insurance contracts issued

The general model used to measure contracts shown as liabilities will be based on the aggregation of three components using a building blocks approach: discounted future cash flows, a risk margin and a contractual service margin.

Initial measurement

At initial recognition, the value of a group of insurance contracts issued is the sum of the following elements:



Positive contractual service margins will be recognised gradually in profit or loss over the duration of the insurance benefit. In the case of onerous contracts, the loss corresponding to the net cash outflow for the group of contracts must be recognised in profit or loss when the contracts are underwritten.

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

The adjustment for non financial risks is determined from a quintile-based approach.

Subsequent measurement (except for onerous contracts)

At each reporting date, the carrying amount of the group of insurance contracts issued is re-estimated.

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 fulfilment 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,
- The interest capitalised at the discount rate used to determine the initial margin value,
- The re-estimate of the fulfillment cash flows (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).

A share of the margin amount thus reassessed is then recognised in profit or loss, representing the insurance coverage provided under the group of contracts during the period; this share is determined by distributing this reassessed margin between the amount of insurance benefits provided over the period and the amount of benefits to be provided over the expected residual coverage period of these contracts.

General model adapted for contracts with direct participation (Variable Fee Approach)

IFRS 17 also 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 must reflect 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).

Eligibility for this measurement model is analysed on the issue date of the contracts and may be subsequently reassessed only in case of changes in said contracts.

The applied interest rate curve for the update of estimated future cash flows is determined under a bottom-up approach : this approach consists in add a illiquidity premium related to insurance contracts to a safe rate curve (EIOPA curve).

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, this portion of the variation during the period is incorporated into the contractual service margin to be recognised 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.

Simplified approach (Premium Allocation Approach) - Option

The standard also makes it possible, subject to conditions, to apply 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 produces a similar outcome to the general model.

The premiums receivable over the contractual insurance period are recognised in profit on a straight-line basis over this contractual period (or according to the expected pattern of release of risk if this differs significantly from a straight-line pattern).

As in the General Model, claims are provisioned through profit or loss upon their occurrence in an amount equal to the estimated value of the cash flows required to settle valid claims (it is, however, not necessary to discount the amount of compensation if their payment is expected within a year from the date of the claim in order to reflect the time value of money).

Savings and Retirement

The group believes that a significant portion of the individual and group life insurance savings and retirement savings contracts issued by its insurance subsidiaries meet the definition of contracts with direct participation. These contracts, which represent the predominant insurance activity of the group, will be measured using the Variable Fee Approach (VFA) adapted General Model. The other contracts in these categories will be measured using the General Model or according to IFRS 9 if they meet the definition of an investment contract.

For Saving and Retirement activities, the quantity of service (or coverage units) used to the CSM depreciation will be based on the sum of mathematical provisions attached to each contract.

Protection activity

The group intends to mainly apply the General Model to measure its provident insurance contracts (borrower insurance, funeral, long-term care, etc.) and the simplified approach for its property and casualty insurance contracts (personal accident, means of payment, comprehensive home, etc.).

For the Protection – borrower activity, the insured value (for example, the outstanding capital of a loan in a borrower contract) will be used to measure the quantity of service (or coverage units) provided or to provide, in order to allocate the CSM in profit or loss of the period.

For the Protection – individual cover activity, the quantity of service (or coverage units) used to the CSM depreciation will be based on the number of contracts.

- Presentation in the income statement

In the consolidated income statement, the income and expenses relating to insurance contracts issued and reinsurance contracts will be presented under Net Banking Income, with a distinction between, on the one hand:

- 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;

And, on the other hand:

- Financial income and expenses of insurance and reinsurance contracts issued, and
- Financial income and expenses of reinsurance contracts held.

Expenses for services relating to insurance and reinsurance contracts issued and expenses relating to reinsurance contracts held will then include the share of operating expenses directly attributable to fulfillment of the contracts, which will thus be deducted from Net Banking Income.

Many insurance contracts include an investment component in the form of a deposit paid by the policyholder and which the insurer is contractually required to repay even if the insured event does not occur. Although they may take the contractual form of insurance premiums and benefits, the deposit collection and repayment flows do not constitute either income or expenses relating to these contracts.

Financial income and expenses of insurance and reinsurance contracts mainly include the variations in value of the groups of contracts relating to the impacts of the time value of money and of the financial risks not taken into account in the estimated flows.

- Effect of discontinuing IFRS 4 shadow accounting

For contracts with participation features, IFRS 4 provided for “shadow” accounting of the unrealised capital gains and losses of IAS 39 assets backing commitments. This mechanism entailed recognising a provision for deferred profit-sharing representing the share of these capital gains or losses that implicitly accrued to policyholders through contractual clauses or the distribution policy; this provision was added to the mathematical provision in the individual financial statements when the assets backing commitments had unrealised capital gains. A provision for deferred profit-sharing assets was recognised when the assets backing commitments had unrealised capital losses.

With IFRS 17, these future repayments under the contracts (positive or negative) will now be modelled in the IFRS 17 provision, which discounts the future benefits at the current rate.

Therefore, shadow accounting of unrealised capital gains goes away with IFRS 17. The corresponding provisions for deferred profit-sharing in the IFRS consolidated financial statements at December 31, 2021 are restated as consolidated reserves at the transition date of January 1, 2022.

Application of IFRS 17

The first-time application of IFRS 17 at January 1, 2023 will be retrospective and the comparative data for the 2022 financial year will be restated.

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

The retrospective measurement of these assets and liabilities, 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 standard then allows for the use of:

- either an adjusted retrospective approach that should provide, 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; or
- an approach based on the fair value of the insurance contract portfolios as at January 1, 2022.

The group plans to apply a modified retrospective approach for savings life insurance contracts and retirement savings contracts, which represent the vast majority of its contracts.

Application of IFRS 9 by the group's insurance entities

- Implementation of IFRS 9

The first-time application of IFRS 9 by Suravenir and Suravenir Assurances as at 1, January 2023 will be retrospective. In accordance with the IFRS 17 transition arrangements, and in order to provide more relevant information, the group plans to restate the comparative data for the 2022 financial year relating to the relevant financial instruments of its insurance entities (including financial instruments derecognised in 2022).

The group will apply the overlay approach to recognise disposals of assets during the 2022 financial year, as if they had been recognised in accordance with IFRS 9.

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

- Interaction in the implementation of IFRS 17 and IFRS 9

The group has chosen the OCI option under IFRS 17 for the remeasurement at the current rate of its insurance liabilities based on the general model and the simplified model, consistent with the choice of the fair value through OCI management model for SPPI bond assets backing these portfolios. Thus, changes in the market rate will impact assets and liabilities in a consistent way through OCI.

Implementation of IFRS 17

Crédit Mutuel Arkéa's insurance entities completed their operational implementation of the provisions of IFRS 17 in 2020 and 2021, along the following lines:

- mapping of insurance contracts based on the granularity required by the standard (grouping of contracts with similar risk that are managed together, with a comparable level of profitability, and issued less than one year apart);
- definition of the methodology for the actuarial calculations of provisions for insurance contracts and implementation of this methodology in the IT systems;
- updating of the accounting system and principles based on the provisions of IFRS 17 and IFRS 9, as well as the process for production of the IFRS financial statements for the relevant scope.

During the year 2022, preparatory work continued with validation of the tools and processes, finalisation of the accounting treatments and calculation models, and the production of opening data as at January 1, 2022 and comparative information for this financial year.

The group plans to restate the internal margins on insurance contracts. The work that began in 2021 in this area entails:

- restatement of the projected fees invoiced by intra-group partners and replacing them with projections of fees actually incurred by these partners,
- the various IFRS 17 metrics (CSM, BE, Income) calculated at the consolidated level will therefore include all the intra-group margins underlying the various partners and a reallocation will be necessary to obtain each entity's contribution to IFRS income.

The standards adopted by the European Union are available on the European Commission's website:

https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting_en

ACCOUNTING PRINCIPLES AND VALUATION METHODS

The group has applied IFRS 9 "Financial Instruments" and the amendment to IFRS 9 "Prepayment clause providing for negative compensation" adopted by the European Union on November 22, 2016 and March 22, 2018 respectively for its banking activity.

The insurance business continues to apply IAS 39 following the adoption of the temporary exemption from applying IFRS 9, as provided for by the amendment to IFRS 4.

To take advantage of this deferral, the following conditions must be met:

- no transfer of financial instruments between the insurance segment and the conglomerate's other segments (with the exception of financial instruments at fair value through profit or loss for both segments involved in the transfer),
- indication of the insurance entities deferring application of IFRS 9,
- the provision of additional information in notes presenting the insurance activities separately from the banking activities.

In compliance with the conditions listed above, the group entities that are deferring application of IFRS 9 are Suravenir and Suravenir Assurances.

The accounting principles and valuation rules applied to assets and liabilities arising from the issuance of insurance policies are established in accordance with IFRS 4.

Excepting the cases described above, the other assets held and liabilities issued by insurance companies follow the rules common to all of the group's assets and liabilities.

Accounting principles for the banking business

IFRS 9 sets out different classification rules for equity instruments (shares or other variable-income securities) and for debt instruments (bonds, loans or other fixed-income securities).

To determine the accounting category of debt instruments (debt securities, loans and receivables), the following two criteria must be analyzed:

- The business model that summarizes the way in which the entity manages its financial assets in order to generate cash flows: "Collection of cash flows", "Collection of cash flows and sale" or "Other";
- Characteristics of cash flows that will be "SPPI – Solely payments of principal and interest" if they are cash flows from a basic loan and, more specifically, if "the contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding".

➤ Business models

The business model represents the way in which instruments are managed in order 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 at a higher level of aggregation which reflects the way in which groups of financial assets are managed collectively. It is determined at inception and may be reassessed in the case of a change in model.

To determine the model, all the available information must be observed, including:

- the way in which the business's performance is reported to decision-makers,
- the way in which managers are compensated,
- the frequency, schedule and volumes of sales in previous periods,
- the reasons for the sales,
- future sales forecasts,
- the way in which risk is assessed.

Under the hold-to-collect model, certain examples of authorized sales are explicitly indicated in the standard:

- in relation to an increase in credit risk,
- close to maturity.

These "authorized" sales are not included in the analysis of the significant and frequent nature of the sales carried out on a portfolio. Moreover, 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 (the group does not sell its loans).

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 on the sale of these assets. Within the group, the contractual cash flow collection and sale model applies primarily to the cash management and liquidity portfolio management activities.

➤ Cash flow characteristics

The contractual cash flows, which represent only repayments of principal and payments of interest on the principal balance, are compatible with a so-called basic agreement.

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

All the contractual clauses must be analyzed, including those that could change the repayment schedule or the amount of the contractual cash flows. The option under the agreement, on the part of the borrower or the lender, to repay the financial instrument early is compatible with the SPPI (Solely Payments of Principal and Interest) nature of the contractual cash flows insofar as the amount repaid essentially represents the principal balance and related receivables and, where applicable, a reasonable compensatory payment.

An analysis of the contractual cash flows may also require comparing them with those of a benchmark instrument when the time value of money component included in the interest can be changed as a result of the instrument's contractual clauses. This is the case, for example, if the interest rate of the financial instrument is revised periodically, but there is no correlation between the frequency of the revisions and the term for which the interest rate is defined (monthly revision of a one-year rate, for example), or if the interest rate of the financial instrument is revised periodically based on an average interest rate.

If the difference between the undiscounted contractual cash flows of the financial asset and those of the benchmark instrument is or may become significant, the financial asset cannot be considered 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.

For financial assets whose remuneration is indexed to the ESG criteria assigned by the group, an analysis is carried out to verify that the changes in expected cash flows reflect a change in credit risk that does not introduce any leverage.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss consist mainly of debt securities (fixed- or variable-income) and loans to credit institutions and customers:

- held for trading ("Resale" business model); or
- related to the application of the option made available under IFRS 9 to designate a financial instrument at fair value through profit or loss if doing so eliminates or significantly reduces an accounting treatment inconsistency; or
- whose cash flows do not correspond to those of a basic loan ("non-SPPI" cash flows); UCI (undertaking for collective investment) and mutual fund instruments will be recognized as such.

By default, shares will also be recognized at fair value through profit or loss.

Financial assets at fair value through profit or loss are initially recognized at fair value excluding acquisition costs and including accrued dividends.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "interest and similar income" according to the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows to the net carrying amount of the financial asset or liability. Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit and loss."

Changes in fair value during the period, at the reporting date, as well as capital gains or losses on assets in this category are also recognized in "Net gain (loss) on financial instruments at fair value through profit or loss".

No impairment is recognized on the assets at fair value through profit or loss, since the counterparty risk is included in the market value (fair value).

Derivative financial instruments used for trading and hedging purposes – assets and liabilities

In accordance with the option offered by IFRS 9 pending the finalization and adoption of the standard's macro hedging component, the Crédit Mutuel Arkéa group has decided not to adopt the Hedging component of IFRS 9 and continues to apply all the provisions of IAS 39 with regard to hedging.

However, the additional disclosures on hedging required by amended IFRS 7 are presented as of January 1, 2018.

Unless they qualify for hedge accounting, derivative financial instruments are by default classified as trading instruments.

The group deals mainly in simple derivative instruments (swaps, vanilla options), particularly interest-rate instruments and classified in level 2 of the fair value hierarchy.

Derivatives are covered by master netting agreements, which make it possible to net winning and losing positions in case of counterparty default. The group negotiates ISDA-type (International Swaps and Derivatives Association) master agreements for each derivative transaction.

However, these derivatives are not netted on the balance sheet, in accordance with IAS 32.

Through these collateralization agreements, the group receives or disburses only cash as guarantees.

IFRS 13 allows for the recognition of own credit risk when valuing derivative financial liabilities (debt value adjustment – DVA) and the measurement of counterparty risk in the fair value of derivative financial assets (credit value adjustment – CVA).

The group calculates the CVA and DVA on derivative instruments for each counterparty to which it is exposed.

The CVA is calculated on the basis of the group's expected positive exposure to the counterparty, estimated using the so-called Monte Carlo method, multiplied by the counterparty's probability of default (PD) and by the loss given default (LGD) rate. DVA is calculated on the basis of the group's expected negative exposure to the counterparty, estimated using the so-called Monte Carlo method, multiplied by the group's probability of default (PD) and by the loss given default (LGD) rate.

The calculation methodology uses market data, particularly on the credit default swap (CDS) curves to estimate the PD.

The Funding Valuation Adjustment (FVA) represents the cost of financing positions on derivative instruments that do not involve the transfer of collateral. The FVA calculation involves multiplying the group's expected exposure to the counterparty by the estimated market financing cost.

An amount of €8.92 million was recognized on the balance sheet for valuation adjustments as at December 31, 2022.

To classify a financial instrument as a hedging derivative, the group prepares formalized documentation of the hedging transaction at inception: hedging strategy, designation of the hedged instrument (or the portion of the instrument), nature of the hedged risk, designation of the hedging instrument, procedures for measuring the effectiveness of the hedging relationship. According to this documentation, the group assesses the effectiveness of the hedging relationship at inception and at least every six months. A hedging relationship is deemed to be effective if:

- the ratio between the change in value of the hedging derivatives and the change in value of the hedged instruments for the risk hedged lies between 80% and 125%; and
- the changes in value of the hedging derivatives expected over the residual term of said derivatives offset those expected from the hedged instruments for the risk hedged.

The group designates a derivative financial instrument as a hedging instrument in a fair value hedge or in a cash flow hedge based on the nature of the risk hedged.

Risks hedged:

Micro-hedging is the hedging of part of the risks incurred by an entity on the assets and liabilities it holds. It applies specifically to one or more assets and liabilities with regard to which the entity hedges the risk of a negative change in a given type of risk, using derivatives.

Macro-hedging aims to protect all the group's assets and liabilities against unfavorable trends, particularly in interest rates.

The group hedges only interest rate risk for accounting purposes, through micro-hedges or more globally through macro-hedges.

Overall interest rate risk management is described in the management report, together with the other risks that may give rise to economic hedging through natural matching of assets/liabilities or the recognition of derivatives transactions.

Micro-hedges are implemented in particular via asset swaps and are generally aimed at synthetically converting a fixed-rate instrument into a variable-rate instrument.

Fair value hedging:

The goal of fair value hedging is to reduce the risk of a change in the fair value of a financial transaction. Derivatives are used notably to hedge the interest rate risk on fixed-rate assets and liabilities.

With respect to fair value hedging transactions, the change in fair value of the derivative is recorded on the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit or loss" in symmetry with the revaluation of the hedged risk. The only impact on the income statement is the potential ineffectiveness of the hedge.

This may result from:

- the "counterparty risk" component included in the value of the derivatives,
- differences in the price curves of the hedged item and of the hedge. For instance, swaps are valued using the Overnight Indexed Swap curve if they are collateralized and using the BOR curve if they are not. The hedged items are valued using the BOR curve.

The goal of the derivative financial instruments used as macro-hedging transactions is to hedge comprehensively all or part of the structural rate risk resulting primarily from retail banking operations. For the accounting treatment of such transactions, the group applies the provisions contained in IAS 39 as adopted by the European Union (the IAS 39 "carve-out").

The accounting treatment of derivative financial instruments designated from an accounting standpoint as fair value macro-hedging is the same as the accounting treatment for derivatives used in fair value micro-hedging. The change in the fair value of portfolios hedged against interest rate risk is recorded in a separate line of the balance sheet entitled "Remeasurement adjustment on interest-rate risk hedged portfolios" with an offsetting entry recorded in the income statement. In accordance with IAS 39, the remeasurement is recognized in assets for the hedging of financial assets and in liabilities for the hedging of financial liabilities.

The effectiveness of hedges is checked prospectively by verifying that at inception derivatives reduce the interest rate risk of the hedged portfolio. Hedges must be de-designated when the underlyings to which they are linked become insufficient with effect from the most recent date on which the hedge was found to be effective.

The cash flow hedging and the hedging of net investments in foreign operations are not used by the group.

Financial assets at fair value through equity

Financial assets at fair value through equity consist of securities (fixed- or variable-rate):

- held in order to collect the cash flows inherent in the instrument and to generate gains and losses through sales; and
- whose cash flows correspond to those of a basic loan ("SPPI" cash flows).

Debt instruments at fair value through equity are initially recognized at fair value, i.e. their purchase price, including acquisition costs – if material – and accrued dividends. At the end of the reporting period, such securities are measured at their fair value, with any changes in value recognized in equity under “Unrealized gains (losses) recognized directly in equity”.

These unrealized gains or losses recognized in equity are recognized through profit or loss only in case of a sale or impairment for credit risk.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading “interest and similar income” according to the effective interest rate method.

This category also includes shares resulting from the application of the irrevocable option made available under IFRS 9 at the time of initial recognition. This irrevocable choice is made on a deal-by-deal basis, i.e. each time a security is added to the portfolio.

Impairment is not recorded for these assets.

The unrealized gains or losses on these instruments recognized in equity are never recognized through profit or loss for equity instruments, even in the case of a sale.

Dividends from variable-income securities are recognized in the income statement under the heading “Net gain (loss) on financial assets at fair value through equity”.

Financial assets at amortized cost

Financial assets at amortized cost meet the following criteria:

- they are held in order to collect the cash flows inherent in the instrument; and
- the cash flows correspond to those of a basic loan ("SPPI" cash flows).

Most of the loans and receivables owed to Crédit Mutuel Arkéa group by financial institutions and customers that are not intended for sale when extended are recognized under “Loans and receivables at amortized cost”.

Debt securities (fixed- or variable-rate) that meet the aforementioned criteria are also recognized at amortized cost.

Initially, they are recognized at market value which is usually the net amount initially paid out including the transaction costs directly attributable to the transaction and fees analyzed as an adjustment to the effective yield of the loan. Financial assets are valued at amortized cost on the closing date. Interest, transaction costs and fees included in the initial value of the loans are amortized over the life of the loan using the effective interest rate method. In this manner they contribute to the formation of income over the life of the loan.

With regard to loans, the fees received in connection with financing commitments that have a low probability of being drawn or which are used haphazardly over time and in terms of amount are spread on a straight-line basis over the term of the commitment.

The restructuring of a loan due to financial difficulties encountered by the borrower is defined as a change in the terms and conditions of the initial transaction that the group only consents for economic or legal reasons linked to the borrower's financial difficulties.

For restructuring that does not result in de-recognition of the financial asset, the value of the restructured asset is adjusted to bring the net carrying amount to the present value of the new expected future cash flows discounted using the original effective interest rate of the asset in question. The change in the value of the asset is recognized in the income statement under the heading “Cost of credit risk” and may be reversed through profit or loss when the provision for calculated expected loss decreases.

The restructuring of a loan as a result of the debtor's financial difficulties results in the loan agreement's novation. Based on the definition of this concept by the European Banking Authority (EBA), the Group identified loan restructuring (forbearance) on those loans held.

Changes in financial assets that are not made due to financial difficulties of the borrower (i.e. commercial renegotiations) are generally analyzed as the prepayment of the old loan, which is derecognized, followed by the introduction of a new loan at market terms.

Customer finance leases

Lease transactions are considered finance leases when all of the risks and rewards incidental to the ownership of the leased property are transferred to the lessee. Otherwise leasing transactions are classified as operating leases.

Finance leases are recognized on the balance sheet at the amount corresponding to the value of the minimum payments due from the lessee discounted at the implied interest rate of the contract plus any unsecured residual value. The interest portion of the lease payments is recorded on the income statement under the heading "Interest and similar income."

Impairment of financial assets and commitments given

In accordance with IFRS 9, a provision for expected losses is recognized when the financial asset is recorded on the balance sheet.

The financial assets in question include:

- debt instruments (securities and loans and receivables) recognized at amortized cost or at fair value through equity
- leasing receivables
- other receivables, such as customer receivables, and receivables under IFRS 15 "Revenue from Contracts with Customers".

Financing or guarantee commitments given that are not measured at fair value through profit or loss are also subject to impairment.

Equity instruments and debt instruments recognized at fair value through profit or loss are not covered by provisions for impairment for credit risk.

Provisions for impairment are also set up for receivables with guarantees when an expected credit risk exists.

Impairment is recognized under "cost of risk" and may be reversed through profit or loss when the provision for calculated expected loss decreases.

Under the IFRS 9 provisioning model, financial assets for which a provision for impairment is recognized are classified into three groups called "buckets" based on the credit risk level:

- Bucket 1: IFRS 9 introduces the notion of "expected loss"; consequently, since credit/counterparty risk cannot be zero regardless of the asset, a provision for individual credit risk is calculated (based on one-year expected losses) and recognized when the financial asset is recorded on the balance sheet.
- Bucket 2: if, during the life of the instrument, credit risk increases significantly, the loan is reclassified into bucket 2 and a provision for lifetime expected losses is recognized.
- Bucket 3: in case of actual credit risk (counterparty default, for example), the loan is classified into bucket 3. A provision for lifetime expected losses is recognized. In this event, all receivables due from a borrower or a group of borrowers with outstanding contracts and/or debts in common in default are systematically allocated to Bucket 3 and are the subject of a single provision allocated for loan impairment.

The main criteria that result in a counterparty or group of borrowers being downgraded to default are as follows:

- knowledge of collective proceedings or personal recovery proceedings, notification of the admissibility of overindebtedness; proceedings or equivalent proceedings under foreign legislation;
- out-of-court recovery that has become impossible;
- contagion of the default under Basel rules;
- doubt as to a debtor's ability to honor all or part of its commitments;
- for loans considered to be restructured: payment arrears of more than 30 days or a new restructuring measure.
- a borrower is more than 90 days in arrears;

In terms of past-due amounts, the main changes introduced by the new definition of default are as follows:

- an incident (irregularity or past-due amount) is no longer recorded at the contract level but for a borrower or group of borrowers with outstanding contracts and/or debts in common;
- the past-due amount is the sum of all amounts affected by payment incidents due by the borrower or group of borrowers in question to all lending entities of the Crédit Mutuel Arkéa group as of the first euro cent;
- a materiality threshold is applied to the counting of the number of days past due. The threshold is crossed when both of its components are exceeded:
 - o an absolute component with a threshold (principal + interest) of €100 for retail customers and €500 for non-retail customers,
 - o a relative component with a threshold of 1% applied to the past-due amounts/total amount of balance sheet commitments for the borrower or group of borrowers;

It is important to note that the new default regulation introduces the concept of a probation period, which is defined as a minimum period of continued default classification once the regulatory default criteria have been cleared. This probation period is a minimum of three months.

➤ Significant increase in credit risk

The group uses the models developed for prudential purposes and has therefore applied a similar breakdown of its outstanding loans to assess any significant increase in credit risk:

- low default portfolios (LDP), for which the rating model is based on an expert assessment: large accounts, banks, local governments, sovereigns, specialized financing,
- high default portfolios (HDP), for which historical data is used to develop a statistical rating model: mass corporate, retail.

A significant increase in credit risk, which entails transferring a loan out of bucket 1 into bucket 2, is assessed 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.

This entails measuring risk at the borrower level. All the group's counterparties are rated by the rating 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
- manual rating grids developed by experts (LDP).

Change in risk since initial recognition is measured on a contract-by-contract basis. Unlike bucket 3, transferring a customer's contract into bucket 2 does not entail transferring all the customer's outstanding loans or those of related parties (absence of contagion).

The expected credit loss approach under IFRS 9 is symmetrical, i.e. if expected credit losses at maturity were recognised in a previous period and if it appears that there is no longer a significant increase in credit risk for the financial instrument for the current reporting period since its initial recognition, the provision is recalculated on the basis of an expected credit loss over 12 months.

It should be noted that the group applies the principle of symmetry set out in the standard. This means that the criteria for transfer into and out of bucket 2 are the same.

➤ Quantitative criteria

The quantitative thresholds for transfer to bucket 2 for the LDP and HDP portfolios, respectively, are presented below.

HDP boundary curve

For the HDPs, a continuous and growing boundary curve shows the relationship between the probability of default at origination and the probability of default at the reporting date.

This boundary curve notably involves four coordinate points (PD origination/PD threshold for transfer to B2): (0%/1%), (1%/3%), (3%/7%), (10%/14%). Thus, a contract with a 1% probability of default when granted will be transferred to bucket 2 if the probability of default at the reporting date is higher than 3%.

The group does not use the operational simplification offered by the standard, which allows outstandings with a low risk at the reporting date to be maintained in bucket 1.

Crédit Mutuel Arkéa uses the correlations between 12-month default and default at maturity to justify that the significant increase in risk is measured based on the 12-month probability of default. This correlation study was conducted during the FTA of IFRS 9 and is renewed every year.

LDP matrix

For the LDPs, the boundary is based on an allocation matrix that shows the relationship between the internal ratings at origination and at the reporting date.

Rating on origination	Rating threshold for transfer to bucket 2
from A+ to B-	D+
C+	D-
from C- to D-	E+

Therefore, a contract with a rating on origination of B+ will be transferred to bucket 2 if the rating on the reporting date is less than or equal to D+.

➤ Qualitative criteria

The group combines this quantitative data with the following qualitative criteria:

- in all cases, the existence of an incident lasting more than 30 days enables the group to assess the significant change in credit risk by making a transfer to bucket 2;
- restructured outstandings are automatically downgraded to bucket 2 and can only be returned to bucket 1 if a probation period of 24 months has been observed;
- in the case of the securities portfolio, "sensitive" outstandings rated speculative grade (rating of D+ or lower) are automatically downgraded to bucket 2, while financial instruments with a low credit risk classified as investment grade (rating of between A+ and C-) remain in bucket 1.

Methods based exclusively on qualitative criteria are used for entities or small portfolios that are classified for prudential purposes under the standardized approach and do not have a rating system.

➤ Buckets 1 and 2 – calculation of expected credit losses.

In terms of calculation, the provisioning model takes into account:

- probability of the debtor's default
- loss given the debtor's default
- The Crédit Mutuel Arkéa group's exposure (i.e. loans outstanding with this counterparty on the balance sheet and in commitments given).

Provisions must also take into account past, present and forward-looking information.

Expected credit losses are measured by multiplying the outstanding amount of the loan by its probability of default (PD) and by the loss given default (LGD). The off-balance sheet exposure is converted to an on-balance sheet equivalent based on the probability of a drawdown. The one-year probability of default is used for bucket 1 and the probability of default at termination for bucket 2.

These parameters are taken from the models developed for prudential purposes and adapted to IFRS 9 requirements. They are used for both assignment to the buckets and the calculation of expected losses.

Guarantees are taken into account in the estimate of recoverable future cash flows when they are an integral part of the contractual terms of the loans to which the guarantees relate and are not recognized separately. In accordance with IFRS 9, the inclusion of guarantees and collateral does not affect the assessment of significant deterioration in credit risk, which is based on changes in the credit risk associated with the debtor without taking guarantees into account.

➤ Probability of default

This is based:

- for high default portfolios (HDP) on which default rates are statistically significant, on the models approved under the IRB-A approach,
- for low default portfolios (LDP) on which default rates are not statistically significant, on an external probability of default scale.

➤ Loss given default

This is based:

- for high default portfolios (HDP), on the flows of collections observed over a long period of time, discounted at the interest rates of the contracts,
- for low default portfolios (LDP), on the regulatory levels.

➤ Conversion factors

These are used to convert off-balance sheet exposure to an on-balance sheet equivalent and are mainly based on the prudential models.

➤ Forward-looking aspect

The prospective aspect is taken into account in the Probability of Default (PD) parameter via the notion of "forward-looking". Forward-looking impacts both:

- the value of PDs at the various maturities,
- and the bucket allocation of outstanding loans: in effect, the application of forward-looking parameters has an impact on the analysis of significant deterioration and consequently on the allocation by bucket.

To calculate expected credit losses, the standard requires that reasonable and justifiable information, including forward-looking information, be taken into account. The development of the forward-looking aspect requires anticipating changes in the economy and applying these anticipated changes to the risk parameters. This forward-looking aspect is determined at the group level and applies to all the parameters.

For high default portfolios (HDP) and low default portfolios (LDP), the forward-looking aspect included in the probability of default takes into account three scenarios (optimistic, neutral and pessimistic), which will be weighted based on the group's view of changes in the economic cycle over five years. The group mainly relies on macroeconomic data available from well-known national or international statistics agencies. The forward-looking approach is 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 will certainly have a significant effect on the risk parameters and whose impact can be measured by making certain assumptions.

➤ Bucket 3: recognition

Impairment reflects the difference between amortized cost and the present value of discounted estimated future cash flows. Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans. In the income statement, changes in impairment are recorded under "cost of risk" except for reversals related to the effects of the reversal of discounting, which are recorded under "Interest and similar income."

➤ Originated credit-impaired financial assets

These are contracts with incurred credit losses on the date of initial recognition or acquisition. These financial assets are subject to specific recognition under the provisions of IFRS 9.

At the reporting date, these contracts are identified in an "originated credit-impaired assets" category and provisioned based on the same method used for exposures in bucket 2, i.e. an expected loss over the residual maturity of the contract.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss are divided into those held for trading and those assigned to this category under the option afforded by IFRS 9. This allows financial instruments to be designated at fair value through profit or loss on initial recognition in the following cases:

- hybrid instruments containing one or more embedded derivatives,
- groups of assets or liabilities measured and managed at fair value,
- substantial elimination or reduction of an accounting treatment inconsistency.

The Crédit Mutuel Arkéa group uses this option to record at fair value through profit or loss issues of liabilities originated and structured on behalf of clients whose risks and any hedging thereof are managed as part of the same whole.

Initially, financial liabilities at fair value through profit or loss are recognized at their fair value excluding acquisition costs and including accrued dividends. At the reporting date, they are measured at fair value and changes in fair value are recognized:

- under "Gains or losses recognized directly in non-recyclable equity", for the portion corresponding to own credit risk;
- in profit or loss for the period under "Net gain (loss) on financial instruments at fair value through profit or loss", for the remaining portion.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, satisfies the definition of a derivative. It is designed to affect certain cash flows, much like a standalone derivative.

This derivative is split off from the host contract and accounted for separately as a derivative instrument at fair value through profit or loss when the following three conditions are met:

- the hybrid instrument that hosts the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and its related risks are not considered to be closely linked to those of the host contract;
- the separate measurement of the embedded derivative to be separated is sufficiently reliable to provide an accurate assessment.

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

Amounts owed to credit institutions and customers

At inception, amounts owed to credit institutions and customers are recognized at fair value. This is normally the net amount received initially, less transaction costs that can be directly attributed to the transaction when they are significant. On the closing date, such amounts are valued at their amortized cost according to the effective interest rate method.

By their nature, regulated savings products earn interest at the market rate. Housing savings plans and housing savings accounts are subject to a provision when necessary.

Related receivables or interest due on amounts due to credit institutions and customers are recorded in the income statement under "Interest and similar expense."

Debt securities

Debt securities are broken down by type of security (certificates of deposit, interbank market securities and negotiable debt instruments, bonds and similar, non-preferred senior debt).

They are initially recognized at fair value i.e. at their issue price less any transaction costs that can be directly attributed to the transaction when they are significant. On the closing date, such amounts are valued at their amortized cost according to the effective interest rate method. Related receivables or interest due on debt securities is recorded in the income statement under "Interest and similar expense."

Subordinated debt

Subordinated debt includes fixed or indefinite term debt that may or may not be represented by a certificate and that differs from receivables or bonds because in the event of the liquidation of the debtor, repayment will only occur after all secured creditors have been paid. This debt is valued according to the amortized cost method. Related receivables or interest owed on subordinated debt is recorded in the income statement under "Interest and similar expense."

Renegotiated debt

Renegotiation of a debt with an existing borrower can, depending on the circumstances, be considered to be a modification of the terms of the debt or an extinction of the debt.

Under the standard, when a financial debt is modified because the duration, interest rate or contractual terms and conditions have been adjusted, an assessment must be made of the materiality of said change (10% threshold). This assessment is based on a quantitative test that may be supplemented by a more qualitative test.

The quantitative test consists of comparing the value of the future cash flows under the new terms and conditions discounted at the effective interest rate of the original loan with the discounted value of the residual cash flows of the initial liability.

The quantitative test is supplemented by a qualitative test when the result is less than 10%. In particular, this qualitative test enables a significant change in the debt's risk profile to be taken into consideration (change of currency of the debt, type of interest rate or very substantial extension of the duration of the loan) which the quantitative test does not take into account, and to analyze, if appropriate, the change as an extinction of the debt.

A renegotiated debt that does not result in derecognition must be maintained at its original effective interest rate and the impact related to renegotiation (gain or loss) recognized immediately through profit or loss.

Accounting principles for the insurance activity

The insurance activity may defer application of IFRS 9 until 2022, as provided for by the amendment to IFRS 4 as adopted by the European Union.

The financial assets and liabilities of the insurance companies are subject to the provisions of IAS 39, as described below. They are presented under "Investments of insurance activities" and "Liabilities related to contracts of insurance activities", respectively, on the balance sheet.

Income and expenses related to the insurance activities are presented under "Net income from insurance activities" in the income statement, within which:

- Income and expenses recognized in respect of insurance contracts issued are presented under "Other income/expense related to insurance activities".
- Income and expenses relating to the insurance entities' proprietary activities are recognized under the appropriate line items.

When they are significant, the disclosures required under IFRS 7 are produced separately for the insurance entities.

In accordance with the adoption regulation of November 3, 2017, the group has taken the necessary measures to ensure that there are no transfers of financial instruments that could lead to derecognition, between the insurance segment and the group's other segments, other than those measured at fair value through profit or loss in both segments.

The accounting policies applied to assets and liabilities arising from the issuance of insurance policies are established in accordance with IFRS 4. This standard also applies to reinsurance contracts subscribed and financial contracts that include a discretionary profit-sharing provision.

Excepting the cases described above, the other assets held and liabilities issued by insurance companies follow the rules common to all of the group's assets and liabilities.

The same assumptions were used in both fiscal years to value assets under insurance contracts and insurance liabilities.

Financial assets at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are divided into those held for trading and those assigned to this category under the option afforded by IAS 39. This allows financial instruments to be designated at fair value through profit or loss on initial recognition in the following cases:

- hybrid instruments containing one or more embedded derivatives;
- groups of assets measured and managed at fair value;
- substantial elimination or reduction of an accounting treatment inconsistency.

The group uses this option to record the following financial instruments at fair value through profit or loss:

- investments serving as cover for unit-linked life insurance contracts in order to eliminate the inconsistency in accounting treatment with the related insurance liabilities,
- shares of mutual funds whose management company is part of the group,
- certain structured or restructured products (CDOs, convertible bonds),

Financial assets representing the technical provisions on unit-linked contracts are presented in "Financial assets at fair value through profit or loss" (insurance activities).

The accounting treatment described in the banking section also applies to derivatives.

Financial assets at fair value through profit or loss are initially recognized at fair value excluding acquisition costs and including accrued dividends.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "Interest and similar income" (insurance activities). Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit and loss" (Insurance activity).

Changes in fair value during the period, at the reporting date, as well as capital gains or losses on assets in this category are also recognized in "Net gain (loss) on financial instruments at fair value through profit or loss" (insurance activity).

No impairment is recognized on the assets at fair value through profit or loss as the counterparty risk is included in the market value.

Embedded derivatives

An embedded derivative is a component of a hybrid instrument that, when separated from its host contract, satisfies the definition of a derivative. It is designed to affect certain cash flows, much like a standalone derivative.

This derivative is split off from the host contract and accounted for separately as a derivative instrument at fair value through profit or loss when the following three conditions are met:

- the hybrid instrument that hosts the embedded derivative is not measured at fair value through profit or loss;
- the economic characteristics of the derivative and its related risks are not considered to be closely linked to those of the host contract;
- the separate measurement of the embedded derivative to be separated is sufficiently reliable to provide an accurate assessment.

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

Derivative financial hedging instruments – assets and liabilities

The treatment described in the accounting principles for banking activities also applies to derivative financial hedging instruments.

Available-for-sale financial assets

IAS 39 defines available-for-sale financial assets (AFS) as a residual category containing both fixed- and variable-income securities that are neither financial assets at fair value through profit or loss, financial assets held to maturity nor loans.

Available-for-sale securities are recognized initially at their fair value i.e. the purchase price, including acquisition costs – if they are material – and accrued dividends. At the end of the reporting period, such securities are measured at their fair value, with any changes in value recognized in equity under "Unrealized gains (losses) recognized directly in equity".

Such unrealized gains or losses recognized in equity are only recognized in the income statement if the securities are sold or if there is permanent impairment.

The accrued or earned income from fixed-income securities is recognized in the income statement under the heading "Interest and similar income" (insurance activity) using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash flows to the net carrying amount of the financial asset or liability. Dividends from variable-income securities are recognized in the income statement under the heading "Net gain (loss) on financial instruments available-for-sale."

Impairment of securities

Impairment is recorded when objective indicators of impairment for the securities exist. Such indicators are evidenced by a long-term, material decline in the value of shares or by the appearance of a material decline in credit risk due to default risk on debt securities.

In the case of equity securities, the group employs a quantitative criterion to identify material and long-term declines: impairment is recognized when a security has lost at least 50% of its value compared with its initial cost or over a period of more than 24 consecutive months. Analysis is performed line by line. Securities that do not meet the aforementioned criteria are nevertheless assessed for impairment if management believes that the amount invested cannot reasonably be expected to be collected in the near future. The loss is recognized in the income statement under "Net gain (loss) on financial instruments available-for-sale". Any subsequent decline in value results in an increase in impairment charged against income. An increase in value does not lead to the provision being reversed through profit.

In the case of on debt securities, impairment is recorded in "Cost of risk," (insurance activity) and may be reversed through profit when the market value of the security has increased due to some objective event that has taken place since the most recent impairment.

Held-to-maturity financial assets

Held-to-maturity financial assets are primarily fixed-income or determinable income securities with a fixed maturity that the insurance entities intend and are able to hold to maturity.

Initially, they are recognized at their acquisition price including acquisition costs – when material – and accrued dividends. At the end of the reporting period, they are valued according to the amortized cost method at the effective interest rate and may be the subject of impairment when necessary.

Loans and receivables due from credit institutions and loans and receivables related to the insurance activities

"Loans and receivables" are financial assets with fixed or determinable payments that are not quoted on an active market. All loans and receivables due from credit institutions and those related to the insurance activities which are not intended for sale from their origination are recognized in the "Loans and receivables" (insurance activity) category.

The treatment of these financial assets (excluding impairment) is identical to the treatment applied to loans and receivables due from credit institutions and from customers at amortized cost under IFRS 9.

Impairment of loans and receivables

Individually impaired receivables

Recorded in the cost of risk, impairment losses are recognized on all types of receivables, even those with guarantees, once there is an established credit risk corresponding to one of the following situations:

- there are one or more delinquent payments for three months;
- the position of a counterparty presents characteristics such that even in the absence of delinquent payments, we can conclude that there is a known risk;
- the counterparty is involved in litigation, including proceedings for overindebtedness, court-ordered reorganization/receivership, court-ordered settlement, court-ordered liquidation, personal bankruptcy and liquidation of property, including a summons to appear before an international court.

Impairment reflects the difference between amortized cost and the present value of discounted estimated future cash flows. Discounting is carried out at the initial effective interest rate of the loan for fixed-rate loans and at the last effective interest rate set according to the contractual terms and conditions for variable-rate loans. In the income statement, impairment loss movements are recorded under the heading "cost of risk" (insurance activities).

Financial liabilities

With regard to financial liabilities, the rules for the accounting treatment of financial liabilities at fair value through profit or loss, liabilities with credit institutions and customers, debt securities and subordinated debt are the same under IAS 39 and IFRS 9 (excluding recognition of renegotiated debts).

Insurance liabilities, representing commitments to policyholders and beneficiaries, are reported on the line "Insurance companies' technical reserves". They are valued, recognized and consolidated in accordance with French GAAP.

Technical provisions on life insurance contracts consist primarily of mathematical provisions representing the difference between the present value of the commitments undertaken respectively by the insurer and the policyholders. The risks covered include primarily death, disability and the inability to work (for borrower's insurance).

Life insurance provisions are estimated conservatively on the basis of contractually-defined technical rates.

Technical provisions on unit-linked contracts are valued at the reporting date, based on the value of the assets used to support these contracts.

Technical provisions on non-life insurance contracts include unearned premiums (portion of premiums issued pertaining to later years), provisions for increasing risks (difference between the present value of the commitments undertaken respectively by the insurer and the policyholder) and claims payable.

Technical provisions are calculated gross of reinsurance, and the reinsurers' share is stated in assets.

Insurance contracts and financial contracts with a discretionary profit-sharing provision are subject to "shadow accounting." The provision for deferred profit-sharing represents the share of capital gains and losses on assets attributable to the policyholders. This provision is presented on either the liability or the asset side of the balance sheet. On the asset side, it appears as a separate item.

At the reporting date, an adequacy test is performed on the liabilities associated with these contracts (net of other items involving related assets or liabilities, such as deferred acquisition costs and the portfolio securities acquired). A verification is performed to ensure that the liability recorded is adequate to cover the future cash flows projected at that date. Any shortfall in the technical provisions is shown through a loss for the period (and potentially reversed at a subsequent date).

Common accounting principles for banking and insurance activities

Shareholders' equity

Difference between liabilities and equity

A debt instrument or financial liability is defined as a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under potentially unfavorable conditions.

An equity instrument is defined as a contract containing a residual interest in an enterprise after subtracting all its debts (net assets).

Shares

Pursuant to these definitions, the shares issued by the Crédit Mutuel savings banks are considered shareholders' equity within the meaning of IAS 32 and IFRIC 2 and are treated as such in the group's consolidated financial statements.

Measurement of the fair value of financial instruments

Fair value is defined by IFRS 13 as "the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date". Initially, fair value is usually the transaction price.

Financial assets and liabilities measured at fair value are assessed and recognized at fair value as of their first-time consolidation as well as at subsequent measurement dates. These assets and liabilities include:

- financial assets and liabilities at fair value through profit or loss;
- financial assets at fair value through equity;
- available-for-sale financial assets;
- derivatives

Other financial assets and liabilities are initially recognized at fair value. They are subsequently recognized at their amortized cost and are subjected to valuations whose methods are disclosed in the notes to the financial statements. These other financial assets and liabilities include:

- loans and receivables with credit institutions and with customers at amortized cost under IAS 39 and IFRS 9 (including loans and receivables related to the insurance activities);
- debt securities at amortized cost;
- held-to-maturity securities;
- liabilities to credit institutions and customers;
- debt securities;
- subordinated debt.

Assets and liabilities are also classified in three hierarchical levels corresponding to the level of judgment used in valuation techniques to determine fair value.

Level 1: Assets and liabilities whose fair value is calculated using prices quoted (unadjusted) to which the entity has access on the measurement date on active markets for identical assets or liabilities.

An active market is one which, for the asset or liability being measured, has transactions occurring with sufficient frequency and volume so as to provide price information on a continuous basis.

This category includes notably equities, bonds and shares of mutual funds listed on an active market.

Level 2: Assets and liabilities whose fair value is calculated based on adjusted prices or using data other than quoted prices that are observable either directly or indirectly.

In the absence of any such quotation, fair value is determined using "observable" market data. These valuation models are based on techniques widely used by market operators, such as the discounting of future cash flows or the Black & Scholes model.

This category includes notably the following financial instruments:

- equities and bonds listed on a market that is considered inactive or that are unlisted;
- over-the-counter derivative instruments such as swaps and options,
- venture capital funds, innovation funds and real estate investment vehicles;
- structured products.

The fair value of loans and receivables, liabilities to credit institutions and debt securities (including subordinated debt) are also included in this level.

Loans and receivables and liabilities to credit institutions are measured using two methods:

- the fair value of fixed-rate items, such as fixed-rate loans and deposits, is measured by discounting the expected future cash flows;
- the fair value of variable-rate items, such as adjustable-rate loans with a maturity of more than one year, is measured using the Black & Scholes model.

The fair value of traditional fixed-rate loans, borrowings, debt securities and subordinated debt is obtained by discounting future cash flows and using dedicated yield curve spreads.

The fair value of variable-rate loans, borrowings, debt securities and subordinated debt is obtained by discounting future cash flows with the calculation of a forward rate and the use of dedicated yield curve spreads.

The group's counterparty default risk is factored into the yield curve used to value debt securities and subordinated debt.

For current receivables and liabilities (less than one year), fair value is considered equivalent to their nominal value.

Level 3: Assets and liabilities whose fair value is calculated using information on assets or liabilities not based on observable market data.

Valuation methods using unobservable market data are used only in the following cases:

- loans and receivables, and liabilities to customers,
- equity securities not listed on an active market,
- certain specialized financings,
- securities held by private equity companies.

Thus, for example, equity investments not listed on an official market are measured internally:

- in most cases, these holdings are measured on the basis of their revalued net assets or their carrying amount, on an entity-by-entity basis.

Similarly, the valuation methods used by private equity companies generally include:

- the transaction price for recent acquisitions
- the historical multiples method for mature companies
- adjusted net asset value for portfolio companies (holding companies) and investment firms (funds).

The valuation provided by the models is adjusted to reflect liquidity risk. Using the valuations produced on the basis of a median market price, prices are adjusted to reflect the net position of each financial instrument at the bid or ask price (on selling or buying positions, respectively).

The day-one profit, i.e. the difference between the transaction price and the valuation of the instrument using valuation techniques, is considered null: transactions carried out by the group for its own account are recognized at their fair value. For transactions carried out on behalf of customers, the part of the margin not yet recognized is recorded in income when the parameters are observable.

Use of judgments and estimates in the preparation of financial statements

Preparation of the group's financial statements requires making assumptions and estimates whose future realization involves certain risks and uncertainties.

Future achievements/experiences could be affected by several factors, notably:

- national and international market activities
- changes in interest and exchange rates
- economic and political situation in some business lines or countries
- climate and environmental changes
- changes in regulation or legislation

Accounting estimates requiring the use of assumptions are used primarily for measuring the following:

- fair value of financial instruments not quoted on an active market and measured at fair value,
- impairment of financial assets and guarantee and financing commitments subject to impairment,
- impairment tests of intangible assets,
- deferred tax assets,
- provisions.

The conditions for using any judgments or estimates are specified in the accounting policies described below.

Property, plant and equipment, intangible assets and investment real estate

- **Non-current assets owned by the group**

Pursuant to IAS 16, IAS 38 and IAS 40, property, plant and equipment or investment property is recognized as an asset if:

- it is likely that the future economic benefits from this asset will accrue to the company, and
- the cost of said asset can be measured reliably.

Pursuant to IAS 40, the group's property is classified as "investment property" (banking scope or insurance scope) when it is held primarily to generate rental income or capital appreciation. Property held primarily to be occupied by the group for administrative or sales uses is classified as "property, plant and equipment."

Property, plant and equipment and investment property are recorded on the balance sheet at cost plus expenses that can be directly attributable to the purchase of the property (e.g. transfer duties, fees, commissions, legal fees).

After the initial recognition, property, plant and equipment and investment property are valued at cost minus accumulated depreciation and any impairment losses.

The fair value of investment properties, disclosed in the notes, is subject to an expert valuation.

The method used to account for internally developed software is as follows:

- all software-related expenses that do not satisfy the conditions for capitalization (notably preliminary research and functional analysis expenses) are recognized as expenses in accordance with IAS 38;
- all software expenses incurred after the start of the production process (detailed analysis, development, validation, documentation) are capitalized if they meet the criteria of a self-created asset established by IAS 38.

In cases where the software is used in connection with a commercial contract, the amortization period may exceed five years; it is defined on the basis of the contract term.

If one or more components of property, plant and equipment or investment property have a different use or earn economic rewards at a different pace than that of the property, plant and equipment or investment property as a whole, said components are depreciated according to their own useful life. The group applied this accounting method for its operating and investment properties. The following components and depreciation periods have been adopted by the group:

Component	Depreciation periods
Land	Not depreciable
Building shell	Corporate buildings and investment properties: 50 years Branches: 25 years
Roof and siding	25 years
Technical work packages	20 years
Fixtures	3 to 10 years

The other tangible and intangible assets are depreciated and amortized according to their own useful lives:

	Depreciation periods
Movable goods	10 years
Electronic equipment	3 to 5 years
Created or acquired software	2 to 5 years
Portfolio of acquired customer contracts	6 to 13 years

Amortization is calculated using the straight-line method. For property, plant and equipment and intangible assets, amortization is recorded on the income statement under "Depreciation, amortization and impairment of property, plant and equipment and intangible assets". For investment property, it is recorded under "Expense from other activities."

Indefinite-life assets are not depreciated but are tested for impairment at least once a year.

Capital gains or losses on the disposal of operating property, plant and equipment are recorded in the income statement under "Gains or losses on other assets". Capital gains or losses on the disposal of investment property are recorded under "Income or expense from other activities."

- **Fixed assets leased by the Group**

For all leases, the lessee must recognize in its balance sheet an asset representing the right to use the leased asset and a liability representing the obligation to pay the lease payments; in the income statement, the depreciation expense is shown separately from the interest expense on the liability. This treatment, currently applied to finance leases in lessee financial statements, is thus extended to include operating leases.

- **Scope**

IFRS 16 applies to all lease contracts except:

- contracts for the prospecting or exploitation of non-renewable natural resources, or for biological assets,
- service concession agreements,
- intellectual property licenses,
- the rights held by the lessee under license agreements on cinematographic films, video recordings, plays, manuscripts, patents and copyrights.

- **Exemption measures**

Lessees may choose not to apply the new lease treatment to contracts with a term of less than one year (including renewal options) or to contracts for goods with a low unit value. This latter simplification is aimed in particular at small equipment such as computers, telephones and small office furniture. The IASB mentioned an indicative threshold of USD 5,000 in the basis for conclusions of the standard (threshold to be assessed with regard to the new unit value of the leased asset).

The Group has decided to apply this exemption threshold of USD 5,000 and has also considered the possibility of excluding certain contracts the effect of which would be immaterial to its financial statements. The majority of vehicle lease agreements are entered into with the group's consolidated entities. Vehicle leases entered into with external lessors are marginal and have been excluded due to their low materiality.

Real estate leases were reclassified under IFRS 16. The scope of the IT, automotive and other leases is not material.

- **Accounting treatment of leases by lessees**

On the date the leased property is made available, the lessee recognizes a rental debt under liabilities. The initial amount of the liability is equal to the present value of the lease payments payable over the lease term.

This rental debt is then measured at amortized cost using the effective interest rate method: each lease payment is thus recognized partly as interest expense in the income statement and partly as a gradual reduction of the rental debt under liabilities in the balance sheet.

The amount of the rental debt may be subsequently adjusted in the event of a change to the lease agreement, a re-estimate of the lease term, and to take account of contractual changes in rents relating to the application of indices or rates.

- **Lease term**

The lease term to be used to calculate the rentals to be discounted corresponds to the non-cancellable lease term adjusted to take into account:

- options to extend the contract that the lessee is reasonably certain to exercise,
- early termination options that the lessee is reasonably certain not to exercise.

The assessment of whether any extension options and early termination options are reasonably certain must take into account all facts and circumstances that may create an economic incentive to exercise those options or not, notably:

- the conditions for exercising these options (including an assessment of the level of rents in the event of an extension or of the amount of any penalties in the event of early termination),
- major improvements made to the leased premises (specific fittings, such as a safe-deposit room for example),
- the costs associated with the termination of the contract (negotiating costs, moving costs, cost of searching for a new asset suited to the lessee, etc.),
- the importance of the leased property to the lessee in view of its specific nature, its location or the availability of replacement assets (in particular for agencies located in strategic sites from a commercial point of view, for example in view of their accessibility, the expected influx or the prestige of the location),
- a history of similar contract renewals as well as the strategy concerning the future use of the assets (depending on the prospects for the redeployment or redevelopment of a commercial network of agencies, for example).

If the lessee and the lessor each have the right to terminate the lease without the other party's prior agreement and without a non-negligible penalty, the lease is no longer enforceable and therefore no longer generates any rental debt.

In March 2019, noting a variety of practices, ESMA referred to IFRIC on the matter of determining the term of certain leases, and on the depreciation period for fixtures and fittings inseparable from the leased property. Following this referral, IFRIC called attention to the facts:

- that the enforceable period of a lease must be assessed from an overall economic point of view and not solely from a legal point of view,
- that there is a presumption of alignment of the depreciation period for the fixtures that are inseparable from the leased property and the duration of the corresponding lease.

Crédit Mutuel Arkéa has analyzed the impacts of the December 2019 IFRS IC decision on the assumptions used upon first-time application for 3/6/9 commercial leases and for leases with automatic renewal. The repercussions of this decision are not material at the group level.

➤ Rent discount rate

The implied rates on contracts are generally not known or readily determinable, particularly for real estate leases. The group therefore decided to use its refinancing rate to discount rents and thus calculate the amount of rental debt.

➤ Rent amount

The payments to be taken into account for the valuation of the rental debt include fixed and variable rents based on an index (e.g. consumer price index or construction cost index) or a reference interest rate (Euribor, etc.), as well as, if applicable, the sums that the lessee expects to pay to the lessor under residual value guarantees, purchase options or early termination penalties.

However, variable rents that are indexed based on the use of the leased property are excluded from the assessment of rental debt (indexation to actual revenues or the mileage covered, for example). This variable portion of rental payments is recognized in profit or loss over time in accordance with changes in the contractual indexation.

In France, rents are recorded on the basis of their amount excluding value added tax. Furthermore, in the case of real estate leases, real estate taxes rebilled by lessors and the local residence tax are excluded from rental debts insofar as their amounts, as determined by the competent public authorities, may vary.

➤ Recognizing a right of use by lessees

On the date the leased property is made available, the lessee must recognize as an asset a right to use the leased property in an amount equal to the initial value of the rental debt plus, if applicable, initial direct costs, advance payments and rehabilitation costs.

This asset is then amortized on a straight-line basis over the lease term used to value the rental debt.

The asset value may be subsequently adjusted in the event of a change in the lease agreement, a re-estimate of the lease term, and to take into account contractual variations in rents linked to the application of indices or rates.

The rights of use are shown in the lessee's balance sheet in the fixed asset lines where assets of the same kind held in full ownership are recorded. Where the lease agreements provide for the initial payment of a lease right to the former tenant of the premises, the amount of such right is treated as a separate component of the right of use and is presented in the same heading as the latter.

In the income statement, depreciation charges on rights of use are presented together with depreciation charges on fully-owned fixed assets.

➤ Income tax

A deferred tax is recognized based on the net amount of taxable and deductible temporary differences.

Non-current assets held for sale

A non-current asset (or group of assets) satisfies the criteria for assets held for sale if it is available for sale and if the sale is highly likely to occur within 12 months.

The related assets and liabilities are shown separately in the statement of financial position, on the lines “Non-current assets held for sale” and “Liabilities associated with non-current assets held for sale”. Items in this category are recorded at the lower of their carrying amount and fair value less costs to sell and are no longer amortized.

When non-current assets held for sale or associated liabilities become impaired, an impairment loss is recognized in the income statement.

Discontinued operations include operations which are held for sale or have been shut down, and subsidiaries acquired exclusively with a view to resale. They are shown separately in the income statement, on the line “After-tax income (loss) from discontinued operations.”

Provisions

Provisions are established for the group’s commitments when it is likely that an outflow of resources will be needed for their settlement and when their amount or due date is uncertain but may be estimated reliably. In particular, such provisions cover employee-related commitments, home savings product risks and disputes.

Provisions for pension obligations

Pension plans include defined contribution plans and defined benefit plans. Defined contribution plans do not give rise to an obligation for the group and consequently do not require a provision. The amount of employer’s contributions payable during the period is recognized as an expense and recognized under “Personnel expenses.” Defined benefit plans are those for which the group has agreed to provide a benefit amount or level. This commitment constitutes a medium- or long-term risk. Obligations related to plans that are not defined contribution plans are fully provisioned under “Provisions.” End-of-service benefits, supplementary retirement plans, time savings accounts and length-of-service benefits are recorded in this item.

The group’s pension obligation is calculated using the projected unit credit method based on demographic and financial assumptions. In particular, the calculations performed incorporate a discount rate that is differentiated by entity and by plan so that the rates used are adapted to the population of each structure and reflect the reality of the commitment as closely as possible. These rates are determined by reference to the iBoxx Corporate AA rates based on private bonds, using the iBoxx with the maturity closest to the duration of the commitments of the entity and the plan in question.

At December 31, 2022, discount rates are the following:

	UES Arkade	Other subsidiaries
Retirement benefits	3.40%	Between 3.12% and 3.89%
Retirement pension supplements	3.58%	3.51%
Length-of-service awards	3.64%	Between 3.56% and 3.63%
Time savings accounts	3.78%	3.59%

The calculations also include an employee turnover rate of between 0.19% and 4.82% and a salary increase rate of between 3.18% and 4.68%⁴. Commitments are calculated using the TH00-02 and TF00-02 life expectancy tables for the obligation accrual phase and the TGH05 and TGF05 life expectancy tables for the pay-out phase.

Actuarial gains and losses represent the differences arising from changes in assumptions or differences between earlier assumptions and actual results.

For the category of other long-term benefits, differences are recognized immediately through profit or loss.

As for post-employment benefits, actuarial differences are recognized under “Gains and losses recognized directly in equity”.

⁴ UES Arkade and Arkéa-SCD rates, representing 94% of the obligation.

Provisions for home savings accounts and plans

Home savings accounts (comptes d'épargne logement - CEL) and home savings plans (plans d'épargne logement - PEL) are government-regulated savings products intended for individuals. They combine an initial deposit phase in the form of an interest-earning savings account with a lending phase where the deposits are used to provide property loans. The latter phase is statutorily subject to the previous existence of the savings phase and is therefore inseparable from it.

The purpose of the home savings provision is to cover the risks related to:

- the commitment to extend home loans to account holders and subscribers of home savings plans at a regulated interest rate that may be lower than the prevailing market rate.
- the obligation to pay interest for an indeterminate period of time on the savings in home savings plans at a rate set when the contract is signed (this rate can be higher than future market rates).

This provision is computed by generation of home savings plans (plans at the same rate at opening are considered a generation) and for all the home savings accounts (which are a single generation). The commitments between different generations are not offset. The commitments are computed based on a model that factors in:

- historical data on subscriber behavior,
- the yield curve and a stochastic modeling of changes thereto.

Provision allocations and reversals are recognized in the income statement under "Interest and similar income" and "Interest and similar expense" (banking activity).

CONSOLIDATION PRINCIPLES AND METHODS

CONSOLIDATION SCOPE AND METHOD

Consolidating entity

The consolidating entity of the Crédit Mutuel Arkéa group is Crédit Mutuel Arkéa as defined in the collective license issued by the French Prudential Supervisory and Resolution Authority. This credit institution consists of:

- the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations,
- the Crédit Mutuel savings banks that are members of said federations,
- Crédit Mutuel Arkéa.

Entities included in the consolidation scope are those over which the group exercises exclusive or joint control or significant influence and whose financial statements have a material impact on the group's consolidated financial statements, in particular with respect to total assets and net income contribution.

Investments held by private equity companies and over which joint control or significant influence is exercised are excluded from the consolidation scope. These investments are recognized at fair value through profit or loss.

Controlled entities

Control exists when the group (i) has power over an entity, (ii) is exposed or has a claim on variable returns through its ties to the entity, and (iii) has the ability to exercise its power over the entity in such a way as to influence the amount of the return it obtains.

The consolidation of a subsidiary in the group's consolidated financial statements begins on the date when the group obtains control and ceases on the date the group relinquishes control over this entity.

Companies under exclusive control are fully consolidated. Full consolidation consists in substituting the value of the shares with the assets and liabilities of each subsidiary. The share of non-controlling interests in shareholders' equity and net income is recorded separately in the consolidated balance sheet and consolidated income statement, respectively.

Investments in associates and joint ventures

An associate is an entity in which the group exercises significant influence. Such influence is characterized by the ability to participate in the entity's financial and operating decisions without necessarily controlling or jointly controlling these policies. Significant influence is presumed if the group holds, directly or indirectly, 20% or more of the voting rights in an entity. If more than 20% of the voting rights are held, the absence of significant influence may be shown through the absence of representation in the governance bodies or the lack of participation in the process for setting policies.

A joint venture is a partnership in which the parties who exercise joint control over the entity have rights to the entity's net assets.

Joint control involves the contractually agreed-upon sharing of control exercised over an entity, which exists only in the event that decisions regarding the relevant activities require unanimous consent of the parties sharing control.

The earnings, assets and liabilities of associates or joint ventures are recognized in the group's consolidated financial statements using the equity method.

Under this method, an investment in an associate or joint venture is initially recognized at its acquisition cost and subsequently adjusted to reflect the group's share of the earnings and other comprehensive income of the associate or joint venture.

An investment is recognized under the equity method starting on the date the entity becomes an associate or joint venture. At the time of acquisition of an associate or joint venture, the difference between the cost of the investment and the group's share of the fair value of the entity's identifiable net assets and liabilities is recognized as goodwill. If the net fair value of the entity's identifiable assets and liabilities exceeds the cost of the investment, the difference is shown through profit.

Gains or losses obtained through the dilution or the sale of investments in associates are accounted for in the profit and loss account, within the "Gains (losses) on disposal – dilution in investments in associates".

Investment in joint ventures

A joint venture is a partnership in which the parties exercising control over the entity have direct rights over the assets and obligations with respect to the liabilities involving this entity.

Main changes in the scope of consolidation

The group sold the following entities in 2022:

- Keytrade Luxembourg on 29 April 2022,
- Leetchi and Mangopay on 12 July 2022,
- Budget Insight on 26 July 2022. For this transaction, Crédit Mutuel Arkéa became a shareholder of the Bellatrix holding company, which holds the Budget Insight shares. Bellatrix is consolidated using the equity method.

The companies included in the Crédit Mutuel Arkéa group's consolidation scope are presented in note 47.

CONSOLIDATION RULES

Closing date

The closing date for all consolidated companies is December 31.

Inter-company transactions

Reciprocal receivables, payables and commitments and significant reciprocal expenses and income are completely eliminated among fully consolidated companies.

Accounting for acquisitions and goodwill

The group applies IFRS 3 (revised) for business combinations. The acquisition cost is the sum of the fair values, at the business combination date, of the assets contributed, liabilities incurred or assumed and equity instruments issued.

IFRS 3 (revised) allows the recognition of total or partial goodwill, as selected for each business combination. In the first case, non-controlling interests are measured at fair value (the so-called total goodwill method); in the second, they are based on their proportional share of the values assigned to the assets and liabilities of the acquired company (partial goodwill).

If goodwill is positive, it is recorded on the balance sheet under "Goodwill"; if negative, it is recorded immediately in the income statement through "Goodwill variations".

Goodwill is subject to an impairment test at least once a year and whenever evidence of impairment exists.

Each goodwill item is allocated to a cash generating unit or group of cash generating units that stands to benefit from the acquisition. Any goodwill impairment is determined based on the recoverable amount of the cash generating unit to which it was allocated. Cash generating units are defined based on the group's organizational and management methods and take into account the independent nature of these units.

With respect to goodwill, if the recoverable amount of the related cash-generating unit (CGU) is less than its carrying amount, an irreversible provision for goodwill impairment loss is recognized. Impairment is equal to the difference between the carrying amount and the recoverable amount. The recoverable amount is calculated by applying the most appropriate valuation method at the level of the CGU.

Under this approach, the measurement work is mainly based on the discounted dividend model (DDM) and the discounted cash flow (DCF) method, in accordance with the principles of IAS 36. The DDM method is selected for cash generating units (CGU) that are subject to prudential capital requirements (credit institutions and insurance companies) and the DCF method is used for all other CGUs.

The cash flows used are determined on the basis of the business plan of each CGU over a specific horizon of between four and five years, with some exceptions.

These business plans are drawn up based on a common macroeconomic scenario for all fully-consolidated entities. This scenario is notably based on the following assumptions:

- In 2023, French GDP, particularly hard hit by inflation and fears of a gas shortage in winter, is expected to reach recession levels at -0.2%. A partial economic recovery is expected beginning in 2024 (more vigorous in the second half), with annual French GDP growth of +1%. This recovery is expected to continue in 2025-2027 with +1.2% annual growth;
- The 10-year constant maturity rate is expected to be around 2.2% in 2023, and then increase slightly in 2024-2026, reaching 2.7% in 2026. No significant change is expected in 2027. For short-term rates, the 3-month Euribor is expected to be around 1.9% in 2023 and then decrease to 1.7% in 2024, particularly with the slowdown in inflation. Over the rest of the period in question, it should remain stable at 1.7%. Interest on Livret A savings accounts should reach a high of 3% in 2023. This rate is expected to decrease to 1.6% in 2024 before stabilising at around 1.7%-1.8% over the rest of the 2025-2027 period.
- The unemployment rate is expected to rise modestly in 2023 to 8.7% before beginning to drop in 2024; it will likely be 7.1% starting in 2026 and remain stable in 2027;
- After a sharp rise in recent months, inflation is expected to slow to +3.5% in 2023 and then hold steady at around +2% per year over the 2024-2027 period;
- In French/European stock markets (CAC 40/Eurostoxx 50), an increase of 300 index points per year is expected over the 2023-2026 period before stabilising in 2027.

The discount rates used correspond to the cost of capital determined using the Capital Asset Pricing Model (CAPM). This method is based on a risk-free interest rate, to which a risk premium is added that depends on the underlying activity of the cash generating unit. This risk premium is the product of a sector beta, the equity risk premium and possibly a specific premium reflecting, for example, the execution risk or the fact that the company was only formed recently. The risk-free rate, the sector beta and the equity risk premium are market data. For its impairment tests, the Crédit Mutuel Arkéa group uses a two-year average of each parameter. The sector beta reflects the risk of the business sector compared with the rest of the equity market. It is calculated as the average beta of a sample of comparable listed stocks. If the company is in debt, the cost of debt is also taken into account. The discount rate then becomes the weighted average cost of capital according to the ratio between equity and debt. The discount rates used at the end of 2022 ranged from 10.8% to 19.6% and growth rates to infinity were between 1% and 2.5%.

The Crédit Mutuel Arkéa group performs sensitivity tests on values-in-use annually. The tests performed at the end of 2022 entailed measuring the change in the valuation of the external parameters of the method (50 bp change in the discount rate, 50 bp change in the growth rate to infinity). In addition, a multi-scenario approach was taken to determine alternative financial trajectories for measuring assets, taking into account:

- a 200 bp deterioration or improvement in the cost/income ratio in terminal value,
- implementation of the company's business plan a year late or a year early.

All these factors take into account the various parameters that can create or destroy a company's value: financial market volatility, real growth of the French economy, profitability at the end of the forecast period and a delay in implementing the business plan (favourable or unfavourable).

These measures led to the following results:

- a 50 bp increase in the discount rate would result in a 5.1% overall reduction in the recoverable amounts;
- a 50 bp decrease in the growth rate to infinity would result in a 3.0% overall reduction in the recoverable amounts;
- a 200 bp increase in the cost/income ratio in terminal value would result in a 4.8% overall reduction in the recoverable amounts;
- a one-year delay in implementing the company's business plan would result in a 7.3% overall reduction in the recoverable amounts.

At December 31, 2022, based on the value-in-use of its Izimmo and CFCAL subsidiaries, Crédit Mutuel Arkéa recorded impairment of their goodwill in the amount of €18 million and €16 million, respectively. The partial impairment of CFCAL's goodwill is driven by impacts of the rise in interest rates on the business of the company. Izimmo, which operates on the new real estate market, is penalised, for its part, by raw material price inflation.

When the group increases its ownership interest in a company that is already controlled, the difference between the purchase price of the shares and the additional share of the consolidated shareholders' equity that these securities represent on the acquisition date is recognized in shareholders' equity.

If the group reduces its ownership interest without giving up control, the impact of the change in ownership interest is also recognized in shareholders' equity.

Leases, leases with a buy-out clause and financial leases

Lease transactions, leases with a buy-out clause and financial leases are restated in such a way as to take financial accounting into consideration.

Translation of foreign currency denominated financial statements

The balance sheets of entities whose financial statements are denominated in a foreign currency are translated using the official foreign exchange rate as of the closing date. Exchange differences on share capital, reserves and retained earnings are recorded in other comprehensive income in the "Translation reserves" account. Income statement items are translated using the average exchange rate during the fiscal year. Translation differences are recorded directly in the "Translation reserves" account.

Taxes

IFRIC interpretation 21 "Levies" sets out the conditions for recognizing a tax-related liability. An entity must recognize this liability only when the obligating event occurs in accordance with the relevant legislation. If the obligating event occurs over a period of time, the liability is recognized progressively over the same period. Lastly, if the obligating event is triggered on reaching a threshold, the liability is recognized when the minimum threshold is reached.

Deferred taxes

Deferred taxes are recognized on the temporary differences between the carrying amount of an asset or liability and its tax base. They are calculated using the liability method at the corporate tax rate known at the closing date for the period and applicable when the temporary difference is used.

Deferred tax assets are recognized only if there is a probability that the tax entity in question will recover these assets within a given time period, particularly by deducting these differences and carry-over losses from future taxable income.

Deferred taxes are recognized as income or expense, except for those related to unrealized or deferred gains or losses, for which the deferred tax is booked directly to other comprehensive income. Deferred taxes are also recorded in respect of tax losses from prior years when there is convincing evidence of the likelihood that such taxes will be collected.

Deferred taxes are not discounted.

The regional economic contribution (CET) and the companies' value-added contribution (CVAE) are treated as operating expenses and do not entail the recognition of deferred taxes in the consolidated financial statements.

Uncertainty over income tax treatments

In accordance with IFRIC 23, the group assesses the likelihood that the tax authorities will accept/not accept the position taken. It then estimates the impacts on taxable income, tax bases, losses carried forward, unused tax credits and taxation rates. In case of an uncertain tax position, the amounts to be paid are assessed on the basis of the most likely amount or the expected value based on the method that best predicts the amounts that will be paid or received.

Note 1. Cash, due from central banks**Loans and receivables - credit institutions**

	12.31.2022	12.31.2021
Cash, due from central banks		
Due from central banks	23,310,536	15,701,374
Cash	141,893	134,299
Accrued interest	1,288	0
TOTAL	23,453,717	15,835,673
Loans and receivables - credit institutions		
Current accounts	9,473,947	8,791,500
Loans	4,377	3,549
Other receivables	695,155	4,060,735
Guarantee deposits paid	415,450	541,326
Repurchase agreements	1,329,335	1,768,534
Individually impaired receivables (B3)	0	0
Accrued interest	133,357	45,421
Impairment on performing loans (B1/B2)	(6,667)	(3,203)
Other impairment (B3)	0	0
TOTAL	12,044,954	15,207,862
of which deposits and demand loans with credit institutions	399,201	543,203

Note 2. Financial assets at fair value through profit or loss

	12.31.2022	12.31.2021
Assets held for trading purposes	668,015	395,566
Assets classified at fair value option	198,034	12,402
Other assets classified at fair value	1,309,282	1,107,261
TOTAL	2,175,331	1,515,229

Note 2a. Financial assets held for trading purposes

	12.31.2022	12.31.2021
Securities	0	0
- Treasury bills, notes and government bonds	0	0
- Bonds and other fixed-income securities	0	0
. Listed	0	0
. Unlisted	0	0
Including UCI	0	0
- Stocks and other variable-income securities	0	0
. Listed	0	0
. Unlisted	0	0
Derivatives held for trading purposes	668,015	395,566
Loans and receivables	0	0
of which repurchase agreements	0	0
TOTAL	668,015	395,566

Trading derivatives are held for the purpose of hedging customer transactions.

Note 2b. Assets classified at fair value option

	12.31.2022	12.31.2021
Securities	186,374	0
- Treasury bills, notes and government bonds	0	0
- Bonds and other fixed-income securities	186,374	0
. Listed	0	0
. Unlisted	186,374	0
Accrued interest	0	0
Including UCI	0	0
- Stocks and other variable-income securities	0	0
. Listed	0	0
. Unlisted	0	0
Loans and receivables	11,660	12,402
of which guarantee deposits paid	0	0
of which repurchase agreements	0	0
TOTAL	198,034	12,402

The maximum non-recoverable amount of loans classified at fair value option was €11,614 thousands. This amount was not hedged through the use of credit derivatives.

Note 2c. Other financial assets at fair value through profit or loss

	12.31.2022	12.31.2021
Securities	1,221,358	1,106,069
- Treasury bills, notes and government bonds	0	0
- Bonds and other fixed-income securities	486,953	471,822
. Listed	8,097	15,919
. Unlisted	466,788	442,493
Accrued interest	12,068	13,410
Including UCI	309,774	251,665
- Stocks and other variable-income securities	734,405	634,247
. Listed	0	2,897
. Unlisted	734,405	631,350
Loans and receivables	172	1,192
of which repurchase agreements	0	0
Guarantee deposits paid	0	0
Separate assets for employee benefit plans	87,752	0
TOTAL	1,309,282	1,107,261

Note 3. Information relating to hedging
Derivatives used for hedging purposes

12.31.2022

	Fair value hedging		Cash flow hedging	
	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	0	0	0	0
Hedging derivatives - assets	5,365,023	48,565,717	0	0
Hedging derivatives - liabilities	4,525,378	39,705,780	0	0
Change in the fair value of the hedging instrument	854,203		0	
Currency risk				
Hedging derivatives	0	0	0	0
Hedging derivatives - assets	0	0	0	0
Hedging derivatives - liabilities	0	0	0	0
Change in the fair value of the hedging instrument	0	0	0	0

12.31.2021

	Fair value hedging		Cash flow hedging	
	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	0	0	0	0
Hedging derivatives - assets	941,733	43,488,929	0	0
Hedging derivatives - liabilities	956,291	26,748,241	0	0
Change in the fair value of the hedging instrument	(430,245)		0	
Currency risk				
Hedging derivatives	0	0	0	0
Hedging derivatives - assets	0	0	0	0
Hedging derivatives - liabilities	0	0	0	0
Change in the fair value of the hedging instrument	0	0	0	0

Note 4. Financial assets at fair value through equity

	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	2,204,402	2,680,011
Bonds and other fixed-income securities	4,434,245	6,196,390
- Listed	3,810,302	5,558,222
- Unlisted	606,198	610,456
Accrued interest	17,745	27,712
Subtotal gross value of debt instruments	6,638,647	8,876,401
Of which impaired debt instruments (B3)	0	0
Impairment on performing loans (B1/B2)	(3,436)	(7,233)
Other impairment (B3)	0	0
Subtotal net value of debt instruments	6,635,211	8,869,168
Loans and receivables	0	0
- Loans and receivables due from credit institutions	0	0
- Loans and receivables due from customers	0	0
Accrued interest	0	0
Subtotal gross value of Loans	0	0
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)	0	0
Subtotal net value of Loans	0	0
Stocks and other variable-income securities	108,928	108,438
- Listed	82,181	87,187
- Unlisted	26,747	21,251
Accrued interest	0	0
Equity securities held for long-term investment	578,580	460,680
- Long-term investments	489,203	381,316
- Other long-term investments	89,312	79,271
- Shares in associates	65	93
- Translation adjustments	0	0
- Loaned securities	0	0
Accrued interest	0	0
Subtotal equity instruments	687,508	569,118
TOTAL	7,322,719	9,438,286
Of which unrealized capital gains/losses recognized in equity	72,017	123,818
Of which securities sold under repurchase agreements	0	0
Of which listed long-term investments	125,542	120,365

Equity instruments at fair value through equity mainly include investments in associates and the group's other long-term investments.

Disposals of instruments classified at fair value through equity resulted in the reclassification to reserves of a cumulative gain at the time of the sale of €127,000 (gross of tax).

Note 5. Securities at amortized cost

	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	356,861	394,184
Bonds and other fixed-income securities	213,144	239,007
- Listed	186,755	214,970
- Unlisted	25,279	22,758
Accrued interest	1,110	1,279
GROSS TOTAL	570,005	633,191
of which impaired assets (B3)	0	314
Impairment on performing loans (B1/B2)	(516)	(587)
Other impairment (B3)	0	(314)
NET TOTAL	569,489	632,290

Note 6. Loans and receivables due from customers

	12.31.2022	12.31.2021
Performing receivables (B1/B2)	78,455,600	70,803,203
. Commercial receivables	97,868	101,203
. Other loans to customers	78,192,044	70,577,347
- Housing loans	43,092,557	38,854,246
- Other loans and various receivables, including repurchase agreements	35,015,000	31,653,853
- Guarantee deposits paid	84,487	69,248
. Accrued interest	165,688	124,653
Individually impaired receivables (B3)	1,411,770	1,382,822
Gross receivables	79,867,370	72,186,025
Impairment on performing loans (B1/B2)	(455,339)	(377,525)
Other impairment (B3)	(670,123)	(693,143)
Subtotal I	78,741,908	71,115,357
Finance leases (net investment)	2,422,682	2,119,937
. Movable goods	1,350,663	1,199,209
. Real property	1,072,019	920,728
Individually impaired receivables (B3)	70,021	68,285
Gross receivables	2,492,703	2,188,222
Impairment on performing loans (B1/B2)	(30,116)	(26,669)
Other impairment (B3)	(26,399)	(25,956)
Subtotal II	2,436,188	2,135,597
TOTAL	81,178,096	73,250,954
Of which equity loans with no voting rights	10,597	8,307
Of which subordinated loans	19	0

Note 6a. Information on delinquent payments

	Payment arrears			Guarantees relating to payment arrears
	≤ 30 days	> 30 days ≤ 90 days	> 90 days	
Equity instruments	0	0	0	0
Debt instruments	0	0	0	0
Central governments	0	0	0	0
Credit institutions	0	0	0	0
Other financial companies	0	0	0	0
Non-financial companies	0	0	0	0
Retail customers	0	0	0	0
Loans and advances	302,317	107,047	2,511	238,852
Central governments	167	0	0	97
Credit institutions	0	0	0	0
Other financial companies	204	245	96	316
Non-financial companies	73,698	23,944	2,415	58,024
Retail customers	228,248	82,858	0	180,415
Other financial assets	0	0	0	0
TOTAL	302,317	107,047	2,511	238,852
Unallocated guarantees				0

This table includes outstandings considered performing but on which one or more delinquent payments have been observed. The reported amount consists of the total value of the commitment on which a delinquent payment has been observed, not merely the delinquent payment amount.

The age of the delinquent payment is calculated from the date on which the first delinquent payment was observed on the outstanding amount in question.

Note 6b. Restructured outstandings by type

Restructured outstandings by type as of 12/31/2022	Renegotiation of contract	Total or partial refinancing of outstanding	TOTAL
Performing outstandings	126,733	105,038	231,771
Non-performing outstandings - gross amounts	377,732	122,020	499,752
Restructured non-performing outstandings - impairment loss	(128,210)	(34,325)	(162,535)
Net non-performing outstandings	249,522	87,695	337,217

Note 7. Placement of insurance activities and reinsurers' shares in technical provisions

	12.31.2022	12.31.2021
Financial assets at fair value through profit or loss	31,763,606	31,692,391
Available-for-sale financial assets	23,600,391	25,732,611
Loans and receivables - credit institutions	10,183	523
Loans and receivables linked to insurance activities	495,262	484,931
Held-to-maturity financial assets	0	0
Investment property	294,668	335,116
Share of reinsurers in technical provisions and other insurance assets	567,350	530,188
TOTAL	56,731,460	58,775,760

Note 7a. Financial assets at fair value through profit or loss

	12.31.2022	12.31.2021
Financial assets held for trading purposes	6,085	73
Derivatives held for trading purposes	6,085	73
Subtotal I	6,085	73
Assets classified at fair value option	31,757,521	31,692,318
Securities	31,757,521	31,692,318
- Bonds and other fixed-income securities	7,536,350	7,910,058
. Listed	5,971,615	6,325,751
. Unlisted	1,514,347	1,526,783
Accrued interest	50,388	57,524
- Stocks and other variable-income securities	24,221,171	23,782,260
. Listed	14,832,581	16,113,842
. Unlisted	9,372,196	7,649,260
Accrued interest	16,394	19,158
Subtotal II	31,757,521	31,692,318
TOTAL	31,763,606	31,692,391

At December 31, 2022, the fair value of financial assets at fair value through profit or loss whose cash flows resembled those of a basic loan totaled €227 million. The change in the fair value of these assets during the period was €(1.9) million.

Note 7b. Available-for-sale financial assets

	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	6,746,445	7,546,571
Bonds and other fixed-income securities	15,294,023	16,006,434
- Listed	11,229,914	13,216,536
- Unlisted	3,925,273	2,652,459
Accrued interest	138,836	137,439
Subtotal gross value of debt instruments	22,040,468	23,553,005
Impairment	(3,062)	(2,444)
Subtotal net value of debt instruments	22,037,406	23,550,561
Shares and other variable-income securities	891,377	1,459,029
- Listed	281,136	881,407
- Unlisted	606,610	573,237
Accrued interest	3,631	4,385
Equity securities held for long-term investment	679,186	729,586
- Long-term investments	431,821	419,961
- Other long-term investments	247,365	309,625
- Shares in associates	0	0
Subtotal gross value of equity instruments	1,570,563	2,188,615
Impairment	(7,578)	(6,565)
Subtotal net value of equity instruments	1,562,985	2,182,050
TOTAL	23,600,391	25,732,611
Of which unrealized capital gains/losses recognized in equity	(312,065)	208,155
Of which listed long-term investments	67,163	64,393

At December 31, 2022, the fair value of available-for-sale financial assets whose cash flows resembled those of a basic loan totaled €19,571 million. The change in the fair value of these assets during the period was €(511) million.

Note 7c. Securities at amortized cost

	12.31.2022	12.31.2021
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	0	0
- Listed	0	0
- Unlisted	0	0
Accrued interest	0	0
GROSS TOTAL	0	0
of which impaired assets	0	0
Impairment	0	0
NET TOTAL	0	0

Note 7d. Loans and receivables - credit institutions

	12.31.2022	12.31.2021
Loans and receivables - credit institutions		
Other regular accounts	2,347	260
Loans	7,575	0
Guarantee deposits paid	0	0
Repurchase agreements	0	0
Accrued interest	261	263
TOTAL	10,183	523
of which deposits and demand loans with credit institutions	9,922	260

At December 31, 2022, loans and receivables due from credit institutions whose cash flows resembled those of a basic loan totaled €10.1 million.

Note 7e. Loans and receivables linked to insurance activities

	12.31.2022	12.31.2021
Performing receivables	495,262	484,931
Loans to customers	492,813	482,685
- Housing loans	0	0
- Other loans and various receivables, including repurchase agreements	492,813	482,685
Accrued interest	2,449	2,246
Individually impaired receivables	0	0
Gross receivables	495,262	484,931
Impairment	0	0
TOTAL	495,262	484,931

At December 31, 2022, loans and receivables linked to insurance activities and whose cash flows resembled those of a basic loan totaled €495 million.

Note 7f. Investment property

	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost	577,697	9,464	(62,393)	0	524,768
Amortization and impairment	(242,581)	(19,206)	31,687	0	(230,100)
NET AMOUNT	335,116	(9,742)	(30,706)	0	294,668

The fair value of investment real estate recognized at cost amounted to €731 million at December 31, 2022 compared with €790 million at December 31, 2021.

Note 7g. Share of reinsurers in technical provisions and other insurance assets

	12.31.2022	12.31.2021
Technical provisions - Reinsurers' share	180,820	209,400
Other insurance assets	386,530	320,788
TOTAL	567,350	530,188

Note 8. Current taxes

	12.31.2022	12.31.2021
Assets (through profit or loss)	175,125	127,398
Liabilities (through profit or loss)	101,465	94,463

Note 9. Deferred taxes

	12.31.2022	12.31.2021
Assets (through profit or loss)	17,225	43,528
Assets (through equity)	183,538	87,278
Liabilities (through profit or loss)	24,279	30,016
Liabilities (through equity)	59,849	113,153

Deferred taxes by major category

	12.31.2022	12.31.2021
Loss carryforwards	3,552	7,960
Temporary differences on:		
Deferred capital gains or losses on available-for-sale securities	82,865	(52,955)
Deferred capital gains or losses on securities at fair value through equity	9,391	(19,330)
Change in credit risk of liabilities at fair value through profit or loss by option	(3,644)	4,491
Unrealized gains or losses on cash flow hedges	0	0
Unrealized gains or losses on actuarial differences	35,080	41,919
Provisions for non-deductible contingencies and charges	99,154	83,026
Unrealized reserves of finance leases	(34,717)	(33,726)
Other temporary differences	(75,046)	(43,748)
Total net deferred taxes	116,635	(12,363)

Note 10. Accruals, prepayments and sundry assets

	12.31.2022	12.31.2021
Accruals – assets		
Receivables collection	412,789	155,007
Foreign currency adjustment accounts	51,959	8,553
Accrued income	131,144	160,908
Miscellaneous accrual accounts	182,852	139,275
Subtotal	778,744	463,743
Other assets*		
Settlement accounts for securities transactions	99,709	41,289
Various debtors	309,388	487,363
Inventories and similar	1,504	1,666
Other miscellaneous applications of funds	1,646	1,737
Subtotal gross value of other assets	412,247	532,055
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)	(2,866)	(2,826)
Subtotal net value of other assets	409,381	529,229
TOTAL	1,188,125	992,972

*Includes “other assets” not specific to insurance within the insurance scope; the “other assets” specific to the insurance activity within the insurance scope are included in note 7g.

Note 10a. Deferred profit-sharing

	12.31.2022	12.31.2021
Deferred profit-sharing	1,518,572	0
TOTAL	1,518,572	0

Note 11. Investments in associates

	12.31.2022			12.31.2021		
	Associates investments	Share of earnings	Dividends received	Associates investments	Share of earnings	Dividends received
Caisse Centrale du Crédit Mutuel	183,200	3,397	0	137,066	1,959	695
BELLATRIX	25,061	(437)	0	0	0	0
NEW PORT	0	0	0	30,748	1,469	0
Autres	9,877	(2,325)	0	8,531	(2)	1,224
GROSS TOTAL	218,139	635	0	176,345	3,425	1,919

Supplementary information on main investments in associates (IFRS) at December 31, 2022

	Total assets	NBI	Gross operating income	Net income	OCI	Shareholders' equity
Caisse Centrale du Crédit Mutuel	9,552,088	33,663	18,894	16,286	9,931	916,016
BELLATRIX	59,289	0	(1,033)	(1,033)	0	59,289

Note 12. Investment real estate - banking activity

	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost	188,479	21,344	(19,222)	0	190,601
Amortization and impairment	(62,582)	(5,348)	7,538	0	(60,392)
NET AMOUNT	125,897	15,996	(11,684)	0	130,209

The fair value of investment real estate recognized at cost amounted to €175 million at December 31, 2022 compared with €176 million at December 31, 2021.

Note 13. Property, plant and equipment

	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost					
Land	21,935	32	(228)	0	21,739
Plant	587,854	13,658	(6,869)	2,826	597,469
Rights of use - Property	124,479	656	(898)	1,730	125,967
Other property, plant and equipment	281,615	54,676	(32,532)	(4,430)	299,329
Total	1,015,883	69,022	(40,527)	126	1,044,504
Amortization and impairment					
Land	0	0	0	0	0
Plant	(425,751)	(20,409)	6,861	10,734	(428,565)
Rights of use - Property	(40,603)	(13,358)	238	4,942	(48,781)
Other property, plant and equipment	(220,788)	(20,945)	12,582	782	(228,369)
Total	(687,142)	(54,712)	19,681	16,458	(705,715)
NET AMOUNT	328,741	14,310	(20,846)	16,584	338,789

Note 14. Intangible assets

	12.31.2021	Increase	Decrease	Other	12.31.2022
Historical cost					
Self-produced assets	687,731	61,169	(3,864)	31,746	776,782
Acquired assets	880,972	142,088	(68,251)	(82,009)	872,800
Software	442,193	7,664	(10)	5,221	455,068
Other	438,779	134,424	(68,241)	(87,230)	417,732
Total	1,568,703	203,257	(72,115)	(50,263)	1,649,582
Amortization and impairment					
Self-produced assets	(523,616)	(67,343)	2,158	6,070	(582,731)
Acquired assets	(512,635)	(31,521)	142	17,446	(526,568)
Software	(389,526)	(20,480)	142	643	(409,221)
Other	(123,109)	(11,041)	0	16,803	(117,347)
Total	(1,036,251)	(98,864)	2,300	23,516	(1,109,299)
NET AMOUNT	532,452	104,393	(69,815)	(26,747)	540,283

Note 15. Goodwill

	12.31.2021	Increase	Decrease	Other	12.31.2022
Gross goodwill	577,507	0	0	(48,212)	529,295
Impairment	(10,974)	(33,711)	0	0	(44,685)
Net goodwill	566,533	(33,711)	0	(48,212)	484,610

Allocation by Division

Division	Entities	12.31.2022	12.31.2021
Retail customers	Arkéa Direct Bank	259,757	259,757
Retail customers	Budget Insight	0	22,530
B2B and Specialized Services	CFCAL Banque	22,469	38,216
B2B and Specialized Services	Monext	100,250	100,250
B2B and Specialized Services	Procapital	63,000	63,000
B2B and Specialized Services - Fintech	Leetchi SA Mangopay	0	25,682
Products	Arkéa Real Estate / AREIM	16,516	16,516
Products	Izimmo	0	17,964
Products	Schelcher Prince Gestion	11,649	11,649
Products	Suravenir Assurances	10,969	10,969
Net goodwill		484,610	566,533

Note 16. Central banks - Due to credit institutions

	12.31.2022	12.31.2021
Due from central banks	0	0
Liabilities to credit institutions	14,021,591	14,596,802
Current accounts	335,102	436,247
Loans	1,468,894	1,548,818
Guarantee deposits received	872,217	124,182
Other liabilities	36,760	36,259
Repurchase agreements	11,472,895	12,575,982
Accrued interest	(164,277)	(124,686)
TOTAL	14,021,591	14,596,802
of which deposits and demand loans with credit institutions	371,386	472,196

Note 17. Financial liabilities at fair value through profit or loss

	12.31.2022	12.31.2021
Financial liabilities held for trading purposes	827,494	412,122
.Short selling of securities	0	0
- Treasury bills, notes and government bonds	0	0
- Bonds and other fixed-income securities	0	0
- Stocks and other variable-income securities	0	0
.Payables on securities sold under repurchase agreements	0	0
.Derivatives	827,494	412,122
.Other financial liabilities held for trading purposes	0	0
Fair value option financial liabilities through profit or loss	1,222,453	932,902
Liabilities to credit institutions	755	287
Liabilities to customers	165,532	26,596
Debt securities	1,056,166	906,019
Subordinated debt	0	0
TOTAL	2,049,947	1,345,024

The settlement value of financial liabilities at fair value through profit or loss was €2,225 million at December 31, 2022 versus €1,350 million at December 31, 2021.

Note 17a. Fair value option financial liabilities through profit or loss

	12.31.2022			12.31.2021		
	Carrying amount	Amount due at maturity	Difference	Carrying amount	Amount due at maturity	Difference
Liabilities to credit institutions	755	765	(10)	287	288	(1)
Liabilities to customers	165,532	203,592	(38,060)	26,596	28,923	(2,327)
Debt securities	1,056,166	1,192,709	(136,543)	906,019	908,600	(2,581)
Subordinated debt	0	0	0	0	0	0
TOTAL	1,222,453	1,397,066	(174,613)	932,902	937,811	(4,909)

Note 17b. Financial assets and liabilities subject to netting, an enforceable master netting agreement or a similar agreement

	12.31.2022						
	Gross amount of financial assets / liabilities recognized	Gross amount of financial assets / liabilities recognized and netted on the balance sheet	Net amount of financial assets / liabilities shown on the balance sheet	Related amounts not netted on the balance sheet			Net amount
				Impact of master netting agreements	Financial instruments received/given as guarantees	Cash collateral	
Assets							
Derivatives	6,039,123	0	6,039,123	(4,831,173)	0	(970,515)	237,435
Reverse repurchase agreements of securities, securities	2,355,747	(943,527)	1,412,220	0	(1,333,009)	0	79,211
Other financial instruments	0	0	0	0	0	0	0
Total assets	8,394,870	(943,527)	7,451,343	(4,831,173)	(1,333,009)	(970,515)	316,646
Liabilities							
Derivatives	5,366,224	0	5,366,224	(4,831,173)	0	(82,612)	452,439
Repurchase agreements of securities, securities	13,867,050	(943,527)	12,923,523	0	(12,801,080)	(117,232)	5,211
Other financial instruments	0	0	0	0	0	0	0
Total liabilities	19,233,274	(943,527)	18,289,747	(4,831,173)	(12,801,080)	(199,844)	457,650

	12.31.2021						
	Gross amount of financial assets / liabilities recognized	Gross amount of financial assets / liabilities recognized and netted on the balance sheet	Net amount of financial assets / liabilities shown on the balance sheet	Related amounts not netted on the balance sheet			Net amount
				Impact of master netting agreements	Financial instruments received/given as guarantees	Cash collateral	
Assets							
Derivatives	1,337,372	0	1,337,372	(937,637)	0	(125,849)	273,886
Reverse repurchase agreements of securities, securities	2,184,449	(308,700)	1,875,749	0	(1 768 102) ⁽¹⁾	0	107 647 ⁽¹⁾
Other financial instruments	0	0	0	0	0	0	0
Total assets	3,521,821	(308,700)	3,213,121	(937,637)	0	(125,849)	381,533
Liabilities							
Derivatives	1,454,493	0	1,454,493	(937,637)	0	(428,358)	88,498
Repurchase agreements of securities, securities	13,255,140	(308,700)	12,946,440	0	(12,937,781)	(3,010)	5,649
Other financial instruments	0	0	0	0	0	0	0
Total liabilities	14,709,633	(308,700)	14,400,933	(937,637)	(12,937,781)	(431,368)	94,147

⁽¹⁾ After correction

Note 18. Debt securities

	12.31.2022	12.31.2021
Certificates of deposit	12,317	13,871
Interbank market securities and negotiable debt securities	4,920,498	3,449,196
Bond issues	11,985,624	10,125,194
Non-preferred senior debt	2,814,756	2,773,760
Accrued interest	110,337	76,819
TOTAL	19,843,532	16,438,840

Note 19. Liabilities to customers

	12.31.2022	12.31.2021
Savings accounts governed by special regulations	35,922,885	32,370,577
Sight accounts	30,259,619	26,684,328
Term accounts	5,663,266	5,686,249
Accrued interest on savings accounts	355,640	190,097
Subtotal	36,278,525	32,560,674
Current accounts	35,490,574	34,808,310
Term accounts and term loans	9,042,101	7,156,162
Repurchase agreements	0	0
Accrued interest	78,690	31,800
Guarantee deposits received	174,274	14,168
Subtotal	44,785,639	42,010,440
TOTAL	81,064,164	74,571,114

Note 20. Accruals, deferred income and sundry liabilities

	12.31.2022	12.31.2021
Accruals – liabilities		
Blocked accounts for collection operations	551,992	373,249
Foreign currency adjustment accounts	52,318	7,989
Accrued expenses	239,515	217,178
Deferred income	268,689	243,758
Miscellaneous accrual accounts	152,078	1,038,564
Subtotal	1,264,592	1,880,738
Other liabilities*		
Lease liabilities - Property	68,580	75,411
Settlement accounts for securities transactions	281,484	348,222
Outstanding payments on securities	2,957	4,680
Miscellaneous creditors	520,236	557,745
Subtotal	873,257	986,058
TOTAL	2,137,849	2,866,796

*Includes "other liabilities" not specific to insurance within the insurance scope; the "other liabilities" specific to the insurance activity within the insurance scope are included in note 21d.

Note 20a. Breakdown of lease liabilities according to maturity

	12.31.2022					
	less than 1 year	1 year to 3 years	3 years to 6 years	6 years to 9 years	more than 9 years	TOTAL
Property	14,580	24,456	21,334	7,632	578	68,580
Information technology	0	0	0	0	0	0
Other	0	0	0	0	0	0
Lease liabilities	14,580	24,456	21,334	7,632	578	68,580

Within the group, lease liabilities relate only to property contracts.

Note 21. Liabilities - insurance activity

	12.31.2022	12.31.2021
Financial liabilities at fair value through profit or loss	13,352	86,080
Liabilities to credit institutions	1,625,000	511,310
Debt securities	0	0
Insurance companies' technical reserves	51,852,566	53,560,640
Other insurance liabilities	2,618,216	2,089,708
Subordinated debt	407	407
TOTAL	56,109,541	56,248,145

Note 21a. Financial liabilities at fair value through profit or loss

	12.31.2022	12.31.2021
Financial liabilities held for trading purposes	13,352	86,080
Derivatives	13,352	86,080
Other financial liabilities held for trading purposes	0	0
Fair value option financial liabilities through profit or loss	0	0
Liabilities to credit institutions	0	0
Debt securities	0	0
Subordinated debt	0	0
TOTAL	13,352	86,080

Note 21b. Liabilities to credit institutions

	12.31.2022	12.31.2021
Liabilities to credit institutions		
Current accounts	0	11,270
Loans	0	0
Guarantee deposits received from credit institutions	0	0
Other liabilities	0	0
Repurchase agreements	1,625,000	500,040
Accrued interest	0	0
TOTAL	1,625,000	511,310
of which deposits and demand loans with credit institutions	0	11,270

Note 21c. Insurance companies' technical reserves

	12.31.2022	12.31.2021
Life insurance, excluding unit-linked contracts	31,651,856	34,072,662
of which profit-sharing	1,322,767	3,027,863
Non-life insurance	662,837	590,500
Unit-linked contracts	19,351,865	18,721,271
Other	186,008	176,207
TOTAL	51,852,566	53,560,640
Active deferred profit-sharing	(1,518,572)	0
Reinsurers' share	(180,820)	(209,400)
Net technical provisions	50,153,174	53,351,240

Note 21d. Other insurance liabilities

	12.31.2022	12.31.2021
Security deposits and guarantees received	38,260	31,910
Insurance and reinsurance liabilities	89,763	87,296
Other	2,490,193	1,970,502
TOTAL	2,618,216	2,089,708

The amount of "other" is mostly related to the UCI of the insurance activity consolidated through the shortcut method.

Note 22. Provisions

	12.31.2021	Allocations	Write-backs (used)	Write-backs (unused)	Other	12.31.2022
Provisions for pension obligations	180,524	7,997	(16,243)	(10,156)	(66)	162,056
Provisions for home savings accounts and plans	53,472	0	0	(21,106)	0	32,366
Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope	59,883	29,813	0	(44,866)	19	44,849
Provisions for execution of guarantee commitments	5,709	2,425	0	(6,405)	0	1,729
Provisions for taxes	82	2,586	0	(38)	0	2,630
Provisions for lawsuits	10,759	5,198	(412)	(1,253)	5	14,297
Provisions for contingencies	2,292	875	(2,274)	(87)	0	806
Other	34,751	13,894	(811)	(7,778)	406	40,462
TOTAL	347,472	62,788	(19,740)	(91,689)	364	299,195

Note 22a. Pension obligations and similar benefits

Defined benefit pension obligations and other long-term benefits

	12.31.2021	Allocations	Write-backs	Other	12.31.2022
Retirement benefits	24,322	4,033	(5,023)	(66)	23,266
Retirement pension supplements	843	0	(502)	0	341
Length-of-service awards	51,200	3,964	(9,148)	0	46,016
Time savings accounts	104,159	0	(11,726)	0	92,433
TOTAL	180,524	7,997	(26,399)	(66)	162,056

Note 22b. Provisions for regulated savings product risks

Home savings accounts and plans during the savings phase: deposits and provisions

	12.31.2022		12.31.2021	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	5,572,265	31,898	5,570,469	53,425
Under 4 years old	377,808	89	305,598	4
Between 4 and 10 years old	3,582,572	12,306	3,570,697	24,968
Over 10 years old	1,611,885	19,503	1,694,174	28,453
Home savings accounts	865,516	452	788,486	0
TOTAL	6,437,781	32,350	6,358,955	53,425

Loans granted under home savings accounts and plans: deposits and provisions

	12.31.2022		12.31.2021	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	585	0	1,004	1
Home savings accounts	4,779	16	8,061	46
TOTAL	5,364	16	9,065	47

Note 22c. Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope

	12.31.2021	Allocations	Write-backs	Other	12.31.2022
Commitments given					
12-month expected losses	16,138	15,989	(11,134)	13	21,006
Lifetime expected losses for non-impaired assets	6,382	5,189	(5,067)	6	6,510
Lifetime expected losses for impaired assets (instruments impaired or not at acquisition/creation)	37,363	8,635	(28,665)	0	17,333
TOTAL	59,883	29,813	(44,866)	19	44,849

Note 23. Subordinated debt

	12.31.2022	12.31.2021
Subordinated debt	2,036,862	2,325,424
Equity loans with no voting rights	2,693	2,693
Undated subordinated debt	91,460	96,173
Other liabilities	0	0
Accrued interest	50,999	49,072
TOTAL	2,182,014	2,473,362

Main subordinated debt at December 31, 2022

ISSUER	ISSUE DATE	AMOUNT	CURRENCY	INTEREST RATE	DUE DATE
Crédit Mutuel Arkéa	07.05.2004	92,514	Euro	10-year CMS + 0.10	Undated
Crédit Mutuel Arkéa	06.01.2016	500,000	Euro	3.25%	06.01.2026
Crédit Mutuel Arkéa	02.09.2017	500,000	Euro	3.50%	02.09.2029
Crédit Mutuel Arkéa	10.25.2017	500,000	Euro	1.88%	10.25.2029
Crédit Mutuel Arkéa	03.11.2019	750,000	Euro	3.38%	03.11.2031
TOTAL		2,342,514			

Note 24. Share capital and additional paid-in capital - Consolidated reserves

	12.31.2022	12.31.2021
Share capital	2,719,695	2,543,391
Additional paid-in capital	5,438	5,438
Consolidated reserves	5,679,636	5,152,785
Legal reserve	548,593	531,852
Reserves provided for in the by-laws and contractual reserves	2,454,220	2,363,493
Regulated reserves	0	0
Translation adjustments	0	0
Other reserves	2,617,997	2,197,356
Retained earnings	58,826	60,084
TOTAL	8,404,769	7,701,614

The group's share capital consists of shares held by the credit institution's customer shareholders.

Note 25. Gains and losses recognized directly in equity

	12.31.2022	12.31.2021
Available-for-sale assets	(229,200)	155,200
Non-recyclable equity instruments at fair value through equity by option	121,225	77,317
Recyclable debt instruments at fair value through equity	(38,024)	32,286
Change in fair value attributable to credit risk presented in other items of comprehensive income for the liabilities	10,465	(12,894)
Cash flow hedge derivatives	2	2
Real property	0	0
Other	(100,737)	(120,364)
TOTAL	(236,269)	131,547

Note 26.a Breakdown of financial liabilities according to maturity - banking activity

	Residual maturity					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	
Liabilities at fair value through profit or loss	3,281	38,987	214,173	1,793,507		2,049,947
Derivatives used for hedging purposes					4,525,378	4,525,378
Liabilities to credit institutions	1,962,198	8,204,360	2,258,449	1,596,570		14,021,577
Liabilities to customers	63,294,125	3,406,637	9,527,269	4,874,194		81,102,225
Debt securities	2,301,676	3,734,196	5,885,322	7,922,339		19,843,532
Subordinated debt			466,705	1,622,801	92,508	2,182,014

Note 26.b Breakdown of financial liabilities according to maturity - insurance activity

	Residual maturity					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	
Derivatives used for hedging purposes					13,352	13,352
Liabilities to credit institutions	375,000	1,250,000				1,625,000
Subordinated debt		407				407

Note 27a. Fair value ranking – banking activity

12.31.2022

Financial assets	Level 1	Level 2	Level 3	Total
FVOCI	5,572,706	1,270,240	479,773	7,322,719
- Treasury bills and similar securities - FVOCI (1) (2)	1,738,987	464,537	0	2,203,524
- Bonds and other fixed-income securities - FVOCI (3)	3,625,996	805,691	0	4,431,687
- Stocks and other variable-income securities - FVOCI	82,181	12	26,735	108,928
- Equity investments and other long-term investments - FVOCI	125,542	0	452,973	578,515
- Shares in associates - FVOCI	0	0	65	65
- Loans and receivables due from credit institutions - FVOCI	0	0	0	0
- Loans and receivables due from customers - FVOCI	0	0	0	0
Trading/FVO/Other FVTPL	8,097	1,117,355	1,049,879	2,175,331
- Treasury bills and similar securities - Trading	0	0	0	0
- Treasury bills and similar securities - Fair value option	0	0	0	0
- Treasury bills and similar securities - Other FVTPL	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0
- Bonds and other fixed-income securities - Fair value option	0	186,374	0	186,374
- Bonds and other fixed-income securities - Other FVTPL (4)	8,097	251,134	227,722	486,953
- Stocks and other variable-income securities - Trading	0	0	0	0
- Stocks and other variable-income securities - Other FVTPL	0	0	734,405	734,405
- Loans and receivables due from credit institutions - Fair value option	0	755	0	755
- Loans and receivables due from credit institutions - Other FVTPL	0	0	0	0
- Loans and receivables due from customers - Fair value option	0	10,905	0	10,905
- Loans and receivables due from customers - Other FVTPL	0	172	0	172
- Derivatives and other financial assets - Trading	0	668,015	0	668,015
- Other assets classified at FVTPL (5)	0	0	87,752	87,752
Derivatives used for hedging purposes	0	5,365,023	0	5,365,023
Total	5,580,803	7,752,618	1,529,652	14,863,073
Financial liabilities				
Trading/FVO	0	2,049,947	0	2,049,947
- Amounts due to credit institutions - Fair value option	0	755	0	755
- Amounts due to customers - Fair value option	0	165,532	0	165,532
- Debt securities - Fair value option	0	1,056,166	0	1,056,166
- Derivatives and other financial liabilities - Trading	0	827,494	0	827,494
Derivatives used for hedging purposes	0	4,525,378	0	4,525,378
Total	0	6,575,325	0	6,575,325

(1) Transfers from level 2 to level 1 were made in the amount of €37 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(2) Transfers from level 1 to level 2 were made in the amount of €453 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(3) Transfers from level 1 to level 2 were made in the amount of €75 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(4) Transfers from level 3 to level 2 were made in the amount of €8 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(5) Recognition of separate assets for employee benefit plans.

Financial assets	Level 1	Level 2	Level 3	Total
FVOCI	8,198,341	878,391	361,554	9,438,286
- Treasury bills and similar securities - FVOCI (1) (2)	2,576,757	101,213	0	2,677,970
- Bonds and other fixed-income securities - FVOCI (3)	5,414,032	777,166	0	6,191,198
- Stocks and other variable-income securities - FVOCI	87,187	12	21,239	108,438
- Equity investments and other long-term investments - FVOCI	120,365	0	340,222	460,587
- Shares in associates - FVOCI	0	0	93	93
- Loans and receivables due from credit institutions - FVOCI	0	0	0	0
- Loans and receivables due from customers - FVOCI	0	0	0	0
Trading/FVO/Other FVTPL	18,856	586,617	909,756	1,515,229
- Treasury bills and similar securities - Trading	0	0	0	0
- Treasury bills and similar securities - Fair value option	0	0	0	0
- Treasury bills and similar securities - Other FVTPL	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0
- Bonds and other fixed-income securities - Fair value option	0	0	0	0
- Bonds and other fixed-income securities - Other FVTPL	15,959	177,457	278,406	471,822
- Stocks and other variable-income securities - Trading	0	0	0	0
- Stocks and other variable-income securities - Other FVTPL	2,897	0	631,350	634,247
- Loans and receivables due from credit institutions - Fair value option	0	287	0	287
- Loans and receivables due from credit institutions - Other FVTPL	0	0	0	0
- Loans and receivables due from customers - Fair value option	0	12,115	0	12,115
- Loans and receivables due from customers - Other FVTPL	0	1,192	0	1,192
- Derivatives and other financial assets - Trading	0	395,566	0	395,566
Derivatives used for hedging purposes	0	941,733	0	941,733
Total	8,217,197	2,406,741	1,271,310	11,895,248
Financial liabilities				
Trading/FVO	0	1,345,024	0	1,345,024
- Amounts due to credit institutions - Fair value option	0	287	0	287
- Amounts due to customers - Fair value option	0	26,596	0	26,596
- Debt securities - Fair value option	0	906,019	0	906,019
- Derivatives and other financial liabilities - Trading	0	412,122	0	412,122
Derivatives used for hedging purposes	0	956,291	0	956,291
Total	0	2,301,315	0	2,301,315

(1) Transfers from level 2 to level 1 were made in the amount of €40 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(2) Transfers from level 1 to level 2 were made in the amount of €38 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(3) Transfers from level 2 to level 1 were made in the amount of €62 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

Note 27b. Fair value ranking – insurance activity

12.31.2022

Financial assets	Level 1	Level 2	Level 3	Total
Available-for-sale assets	17,600,422	2,949,174	3,050,795	23,600,391
- Treasury bills and similar securities - AFS (1)	6,555,698	190,747	0	6,746,445
- Bonds and other fixed-income securities - AFS (2) (3)	10,793,374	2,163,267	2,334,320	15,290,961
- Stocks and other variable-income securities - AFS	184,187	595,160	104,452	883,799
- Equity investments and other long-term investments - AFS	67,163	0	612,023	679,186
- Shares in associates - AFS	0	0	0	0
Trading/FVO	14,935,055	9,574,792	7,253,759	31,763,606
- Treasury bills and similar securities - Fair value option	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0
- Bonds and other fixed-income securities - Fair value option (4) (5)	102,475	5,909,231	1,524,644	7,536,350
- Stocks and other variable-income securities - Fair value option	14,832,580	3,659,476	5,729,115	24,221,171
- Loans and receivables due from credit institutions - Fair value option	0	0	0	0
- Derivatives and other financial assets - Trading	0	6,085	0	6,085
Derivatives used for hedging purposes	0	0	0	0
Total	32,535,477	12,523,966	10,304,554	55,363,997
Financial liabilities				
Trading/FVO	0	13,352	0	13,352
- Amounts due to credit institutions - Fair value option	0	0	0	0
- Debt securities - Fair value option	0	0	0	0
- Derivatives and other financial liabilities - Trading	0	13,352	0	13,352
Derivatives used for hedging purposes	0	0	0	0
Total	0	13,352	0	13,352

(1) Transfers from level 1 to level 2 were made in the amount of €183 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(2) Transfers from level 1 to level 2 were made in the amount of €113 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(3) Transfers from level 2 to level 1 were made in the amount of €31 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(4) Transfers from level 2 to level 1 were made in the amount of €17 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(5) Transfers from level 1 to level 2 were made in the amount of €3 million. They consisted mainly of equities whose characteristics correspond to level 2 criteria.

12.31.2021

Financial assets	Level 1	Level 2	Level 3	Total
Available-for-sale assets	21,063,090	1,749,180	2,920,341	25,732,611
- Treasury bills and similar securities - AFS (1)	7,530,454	16,117	0	7,546,571
- Bonds and other fixed-income securities -AFS (2) (3) (4)	12,654,090	1,169,644	2,180,256	16,003,990
- Stocks and other variable-income securities - AFS	814,153	563,419	74,892	1,452,464
- Equity investments and other long-term investments - AFS	64,393	0	665,193	729,586
- Shares in associates - AFS	0	0	0	0
Trading/FVO	16,154,365	10,015,049	5,522,977	31,692,391
- Treasury bills and similar securities - Fair value option	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0
- Bonds and other fixed-income securities - Fair value option (5)	40,524	6,333,547	1,535,987	7,910,058
- Stocks and other variable-income securities - Fair value option	16,113,841	3,681,429	3,986,990	23,782,260
- Loans and receivables due from credit institutions - Fair value option	0	0	0	0
- Derivatives and other financial assets - Trading	0	73	0	73
Derivatives used for hedging purposes	0	0	0	0
Total	37,217,455	11,764,229	8,443,318	57,425,002
Financial liabilities				0
Trading/FVO	0	86,080	0	86,080
- Amounts due to credit institutions - Fair value option	0	0	0	0
- Debt securities - Fair value option	0	0	0	0
- Derivatives and other financial liabilities - Trading	0	86,080	0	86,080
Derivatives used for hedging purposes	0	0	0	0
Total	0	86,080	0	86,080

(1) Transfers from level 2 to level 1 were made in the amount of €52 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(2) Transfers from level 2 to level 1 were made in the amount of €228 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(3) Transfers from level 1 to level 2 were made in the amount of €13 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(4) Transfers from level 1 to level 3 were made in the amount of €3 million. They consisted mainly of bonds whose characteristics correspond to level 3 criteria.

(5) Transfers from level 1 to level 2 were made in the amount of €2 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

Note 27c. Fair value ranking – details of level 3 - banking activity

	Opening balance	Purchases	Issues	Sales	Repayments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
Financial assets												
FVOCI	361,550	36,241	26,240	(11,668)	(292)	0	0	64,052	3,646	479,769	0	0
- Treasury bills and similar securities - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
- Stocks and other variable-income securities - FVOCI	21,239	0	11,681	(8,012)	0	0	0	943	884	26,735	0	0
- Equity investments and other long-term investments - FVOCI	340,221	36,179	14,559	(3,656)	(202)	0	0	63,109	2,762	452,972	0	0
- Shares in associates - FVOCI	90	62	0	0	(90)	0	0	0	0	62	0	0
- Loans and receivables due from credit institutions - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from customers - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
Trading/FVO/Other	909,756	121,736	0	(122,814)	(72,897)	(8,180)	134,526	0	87,752	1,049,879	0	(8,180)
- Treasury bills and similar securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Treasury bills and similar securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Treasury bills and similar securities - Other FVTPL	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Other FVTPL	278,406	48,693	0	0	(72,897)	(8,180)	(1,667)	0	(16,633)	227,722	0	(8,180)
- Stocks and other variable-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Stocks and other variable-income securities - Other FVTPL	631,350	73,043	0	(122,814)	0	0	136,193	0	16,633	734,405	0	0
- Loans and receivables due from credit institutions - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from credit institutions - Other FVTPL	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from customers - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from customers - Other FVTPL	0	0	0	0	0	0	0	0	0	0	0	0
- Derivatives and other financial assets - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Other assets classified at FVTPL (1)	0	0	0	0	0	0	0	0	87,752	87,752	0	0
Derivatives used for hedging purposes	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,271,306	157,977	26,240	(134,482)	(73,189)	(8,180)	134,526	64,052	91,398	1,529,648	0	(8,180)
Financial liabilities												
Trading/FVO	0	0	0	0	0	0	0	0	0	0	0	0
- Amounts due to credit institutions - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Amounts due to customers - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Debt securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Derivatives and other financial liabilities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
Derivatives used for hedging purposes	0	0	0	0	0	0	0	0	0	0	0	0

(1) Recognition of separate assets for employee benefit plans

At 31 December 2022, based on the principal unobservable parameters, the group measured the sensitivity of the fair value of level 3 securities for a scope that mainly included the equity and private equity portfolio.

This sensitivity aims to illustrate the uncertainty inherent in the use of judgment required to estimate the principal unobservable parameters at the measurement date. It does not in any way represent a measurement of market risks for level 3 instruments. The estimate is based on the valuation adjustment policy. For the equity and private equity portfolio, the estimate is based on a +/- 1% shock on the AVA parameters of unlisted securities reviewed annually.

Note 27d. Fair value ranking – details of level 3 - insurance activity

	Opening balance	Purchases	Issues	Disposals	Repayments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
Financial assets												
Available-for-sale assets	2,920,341	587,788	0	(40,230)	(334,786)	0	0	(82,318)	0	3,050,795	0	0
- Treasury bills and similar securities - AFS	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - AFS	2,180,256	560,720	0	(230)	(334,786)	0	0	(71,640)	0	2,334,320	0	0
- Stocks and other variable-income securities - AFS	74,892	25,000	0	0	0	0	0	4,560	0	104,452	0	0
- Equity investments and other long-term investments - AFS	665,193	2,068	0	(40,000)	0	0	0	(15,238)	0	612,023	0	0
- Shares in associates - AFS	0	0	0	0	0	0	0	0	0	0	0	0
Trading/FVO	5,522,977	1,876,925	0	(3,571)	(260,641)	0	118,068	0	0	7,253,758	0	0
- Treasury bills and similar securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Treasury bills and similar securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Fair value option	1,535,987	234,901	0	0	(220,969)	0	(25,275)	0	0	1,524,644	0	0
- Stocks and other variable-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Stocks and other variable-income securities - Fair value option	3,986,990	1,642,024	0	(3,571)	(39,672)	0	143,343	0	0	5,729,114	0	0
- Derivatives and other financial assets - Trading	0	0	0	0	0	0	0	0	0	0	0	0
Derivatives used for hedging purposes	0	0	0	0	0	0	0	0	0	0	0	0
Total	8,443,318	2,464,713	0	(43,801)	(595,427)	0	118,068	(82,318)	0	10,304,553	0	0
Financial liabilities												
Trading/FVO	0	0	0	0	0	0	0	0	0	0	0	0
- Amounts due to credit institutions - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Debt securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Derivatives and other financial liabilities - Trading	0	0	0	0	0	0	0	0	0	0	0	0

Note 28a. Fair value ranking of financial assets and liabilities recognized at amortized cost - banking activity

12.31.2022

	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	85,890,732	93,792,539	(7,901,807)	240,481	12,318,627	73,331,624
Financial assets at amortized cost						
Loans and receivables due from credit institutions	12,035,491	12,044,954	(9,463)	0	12,035,491	0
Loans and receivables due from customers	73,313,496	81,178,096	(7,864,600)	0	0	73,313,496
Securities	541,745	569,489	(27,744)	240,481	283,136	18,128
Liabilities	114,833,552	117,111,301	(2,277,749)	0	33,815,380	81,018,172
Liabilities to credit institutions	13,910,900	14,021,591	(110,691)	0	13,910,900	0
Liabilities to customers	81,018,172	81,064,164	(45,992)	0	0	81,018,172
Debt securities	17,879,488	19,843,532	(1,964,044)	0	17,879,488	0
Subordinated debt	2,024,992	2,182,014	(157,022)	0	2,024,992	0

12.31.2021

	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	91,161,673	89,091,106	2,070,567	588,722	15,285,456	75,287,495
Financial assets at amortized cost	0					
Loans and receivables due from credit institutions	15,211,538	15,207,862	3,676	0	15,211,538	0
Loans and receivables due from customers	75,272,130	73,250,954	2,021,176	0	0	75,272,130
Securities	678,005	632,290	45,715	588,722	73,918	15,365
Liabilities	108,874,355	108,080,118	794,237	0	34,301,275	74,573,080
Liabilities to credit institutions	14,654,553	14,596,802	57,751	0	14,654,553	0
Liabilities to customers	74,573,080	74,571,114	1,966	0	0	74,573,080
Debt securities	16,876,318	16,438,840	437,478	0	16,876,318	0
Subordinated debt	2,770,404	2,473,362	297,042	0	2,770,404	0

Note 28b. Fair value ranking of financial assets and liabilities recognized at amortized cost - insurance activity

12.31.2022

	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	505,445	505,445	0	0	10,183	495,262
Loans and receivables due from credit institutions	10,183	10,183	0	0	10,183	0
Other loans and receivables linked to insurance activities	495,262	495,262	0	0	0	495,262
Held-to-maturity financial assets	0	0	0	0	0	0
Liabilities	1,625,407	1,625,407	0	0	1,625,407	0
Liabilities to credit institutions	1,625,000	1,625,000	0	0	1,625,000	0
Debt securities	0	0	0	0	0	0
Subordinated debt	407	407	0	0	407	0

12.31.2021

	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	485,454	485,454	0	0	523	484,931
Loans and receivables due from credit institutions	523	523	0	0	523	0
Other loans and receivables linked to insurance activities	484,931	484,931	0	0	0	484,931
Held-to-maturity financial assets	0	0	0	0	0	0
Liabilities	511,717	511,717	0	0	511,717	0
Liabilities to credit institutions	511,310	511,310	0	0	511,310	0
Debt securities	0	0	0	0	0	0
Subordinated debt	407	407	0	0	407	0

Note 29. Interest and similar income/expense

	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions and central banks	295,007	(88,287)	154,768	(108,395)
Customers	1,463,320	(624,003)	1,314,464	(423,882)
- of which leasing	223,975	(156,831)	202,758	(144,068)
- of which rental debts		(308)		(198)
Securities at amortized cost	2,870	0	3,050	0
Financial assets at fair value through profit or loss	27,974	(565)	17,217	(376)
Derivatives used for hedging purposes	348,880	(361,472)	330,875	(325,149)
Financial assets at fair value through equity	21,009	0	8,393	0
Debt securities	0	(245,436)	0	(245,863)
TOTAL	2,159,060	(1,319,763)	1,828,767	(1,103,665)

Negative interest on financial assets is shown under interest and similar expense; negative interest on financial liabilities is shown under interest and similar income.

Note 30. Fee and commission income/expense

	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions	5,007	(24,949)	6,243	(30,346)
Customers	198,132	(60)	121,890	(271)
Derivatives	2,637	(487)	18,526	(681)
Foreign exchange	9,695	(35)	7,866	(685)
Financing and guarantee commitments	3,249	(3,755)	315	(2,992)
Securities and services	536,141	(167,601)	542,860	(142,534)
TOTAL	754,861	(196,887)	697,700	(177,509)

Note 31. Net gain (loss) on financial instruments at fair value through profit or loss

	12.31.2022	12.31.2021
Instruments held for trading	(82,467)	45,134
Fair value option instruments	106,068	(24,316)
Change in fair value attributable to credit risk presented in net income for the liabilities	0	0
Other instruments at fair value through profit or loss	188,438	247,309
Including UCI	47,468	61,557
Hedging ineffectiveness	6,416	(1,002)
cash flow hedges	0	1
fair value hedges	6,416	(1,003)
. change in fair value of hedged items	1,736,836	408,105
. change in fair value of hedges	(1,730,420)	(409,108)
Foreign exchange gains (losses)	(128)	(3,828)
TOTAL OF CHANGES IN FAIR VALUE	218,327	263,297

Note 32. Net gain (loss) on financial instruments at fair value through equity

12.31.2022

	Dividends	Realized gains/losses	Total
Treasury bills, notes and government bonds		1,083	1,083
Bonds and other fixed-income securities		(25,493)	(25,493)
Loans - Credit institutions		0	0
Customer loans		0	0
Stocks and other variable-income securities	5,189		5,189
Equity securities held for long-term investment	12,284		12,284
TOTAL	17,473	(24,410)	(6,937)

12.31.2021

	Dividends	Realized gains/losses	Total
Treasury bills, notes and government bonds		2,121	2,121
Bonds and other fixed-income securities		2,777	2,777
Loans - Credit institutions			0
Customer loans			0
Stocks and other variable-income securities	4,230		4,230
Equity securities held for long-term investment	10,962		10,962
TOTAL	15,192	4,898	20,090

Note 33. Net gain (loss) on financial instruments at amortized cost

Financial assets	Profit or loss recognized on the derecognition of assets as at December 31, 2022	Profit or loss recognized on the derecognition of assets as at December 31, 2021
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	0	0
Loans - Credit institutions	0	0
Customer loans	3,673	4,373
Financial liabilities		
Liabilities to credit institutions	0	0
Liabilities to customers	0	0
Debt securities	0	0
Subordinated debt	0	0
TOTAL	3,673	4,373

Note 34. Net income from insurance activities

	12.31.2022	12.31.2021
Interest and similar income/expense	46,676	40,341
Fee and commission income/expense	(128,196)	(115,070)
Net gain (loss) on financial instruments at fair value through profit or loss	(936)	957
Net gain (loss) on available-for-sale financial instruments	9,332	2,803
Net gain (loss) on financial assets/liabilities at amortized cost	0	0
Other income/expense from insurance activities	763,210	782,988
TOTAL	690,086	712,019

Note 34a. Interest and similar income/expense

	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions and central banks	1,646	(674)	1,931	(738)
Customers	5	0	1	0
Held-to-maturity financial assets	0	0	0	0
Financial assets/liabilities at fair value through profit or loss	0	0	0	0
Available-for-sale financial assets	45,699	0	39,147	0
Debt securities	0	0	0	0
Subordinated debt	0	0	0	0
TOTAL	47,350	(674)	41,079	(738)

Note 34b. Fee and commission income/expense

	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Credit institutions	0	(25)	0	(21)
Customers	0	0	0	0
Derivatives	0	0	0	0
Foreign exchange	0	0	0	0
Financing and guarantee commitments	0	0	0	0
Securities and services	108,700	(236,871)	100,161	(215,210)
TOTAL	108,700	(236,896)	100,161	(215,231)

Note 34c. Net gain (loss) on financial instruments at fair value through profit or loss

	12.31.2022	12.31.2021
Instruments held for trading	2,153	206
Fair value option instruments	(2,633)	1,176
Other instruments at fair value through profit or loss	0	0
Foreign exchange gains (losses)	(456)	(425)
TOTAL OF CHANGES IN FAIR VALUE	(936)	957

Note 34d. Net gain (loss) on available-for-sale financial instruments

	12.31.2022			12.31.2021		
	Dividends	Realized gains/losses	Total	Dividends	Realized gains/losses	Total
Treasury bills, notes, government bonds, bonds and other fixed-income securities	0	4,809	4,809	0	(86)	(86)
Stocks and other variable-income securities	1,710	0	1,710	1,504	0	1,504
Equity securities held for long-term investment	2,813	0	2,813	1,385	0	1,385
Other	0	0	0	0	0	0
TOTAL	4,523	4,809	9,332	2,889	-86	2,803

Note 34e. Other income/expense from insurance activities

	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Insurance business	6,225,680	(5,471,440)	8,234,062	(7,443,879)
Investment property	16,877	(15,031)	0	(16,340)
Other income and expense	10,781	(3,657)	11,927	(2,782)
TOTAL	6,253,338	(5,490,128)	8,245,989	(7,463,001)

Note 34f. Gross margin on insurance activities

	12.31.2022	12.31.2021
Premiums earned	5,150,265	5,410,525
Cost of claims and benefits	(255,748)	(231,598)
Change in provisions	(38,360)	3,692
Other technical and non-technical income and expenses	(4,101,430)	(5,339,388)
Net investment income	(487)	946,952
TOTAL	754,240	790,183

Note 35. Income/expense from other activities

	12.31.2022		12.31.2021	
	Income	Expense	Income	Expense
Investment property	11,725	(5,377)	4,917	(8,132)
Other income and expense	329,820	(68,853)	349,668	(61,150)
TOTAL	341,545	(74,230)	354,585	(69,282)

Note 36. Gains (losses) on disposal - dilution in investments in associates

	12.31.2022	12.31.2021
Gains or losses on disposal/dilution on joint ventures	0	0
Gains or losses on disposal/dilution on associates	-287	275
TOTAL	-287	275

Note 37. Operating expense

	12.31.2022	12.31.2021
Personnel expenses	(970,029)	(940,475)
Other expense	(688,034)	(609,967)
TOTAL	(1,658,063)	(1,550,442)

Note 37a. Personnel expenses

	12.31.2022	12.31.2021
Salaries and wages	(544,715)	(533,553)
Payroll taxes	(260,834)	(248,914)
Mandatory and optional employee profit-sharing	(88,456)	(86,157)
Taxes, levies and similar payments on compensation	(76,024)	(71,851)
TOTAL	(970,029)	(940,475)

Note 37b. Average number of employees

	12.31.2022	12.31.2021
Employees	4,421	4,437
Management and supervisors	6,371	6,279
TOTAL	10,792	10,716

Note 37c. Post-employment benefits

Defined contribution plans are those for which the group's commitment is limited to the payment of a contribution but do not include any commitment by the group with respect to the level of benefits provided.

The main defined contribution post-employment benefit plans include mandatory social security and the Agirc and Arrco retirement plans, as well as the supplementary retirement savings plan established by some entities for which they only have an obligation to contribute.

In 2022, expenses related to these plans totaled €97,898,000 compared with €92,137,000 in 2021.

Defined benefit plans and other long-term benefits

These defined benefit plans expose the group to certain risks such as interest rate risk and market risk.

These benefits are based on the final salary for end-of-service awards for the retirement benefits and on average wage of the last 10 years for the supplementary plan. When the annuity for the additional voluntary pension contribution is liquidated, the risk is transferred to Suravenir in the form of an insurance contract.

Change in actuarial liability

	Post-employment benefits		Other long-term benefits (1)	TOTAL 12.31.2022	TOTAL 12.31.2021
	Supplementary plan	Retirement benefits			
Gross actuarial liability at the beginning of the period	79,186	24,166	155,358	258,710	267,907
Cost of services rendered during the period	3,886	3,947	3,544	11,377	13,208
Net interest	533	75	1,278	1,886	1,194
Modification/ reduction/ liquidation of the plan	0	0	0	0	0
Acquisition, disposal (change in consolidated scope)	0	(66)	0	(66)	0
Benefits paid	(10,015)	(3,586)	(6,570)	(20,171)	(15,704)
Actuarial gains/losses	(21,014)	(1,310)	(15,162)	(37,486)	(7,895)
of which actuarial gains/losses due to changes in demographic assumptions	1,068	2,375	189	3,632	1,007
of which gains/losses related to changes in financial assumptions	(27,346)	(4,094)	(34,466)	(65,905)	(9,935)
of which actuarial gains/losses due to differences between estimates and actual experiences	5,264	409	19,115	24,787	1,032
Gross actuarial liability at the end of the period	52,576	23,226	138,449	214,250	258,710

(1) Other long-term benefits relate to long-service awards and time savings accounts.

Expense recognized on the income statement

	Post-employment benefits		Other long-term benefits	TOTAL 12.31.2022	TOTAL 12.31.2021
	Supplementary plan	Retirement benefits			
Cost of services rendered during the period	(3,168)	(4,014)	(3,544)	(10,726)	(12,091)
Net interest	142	(116)	(1,103)	(1,076)	(722)
Impact of any reduction or liquidation of the plan	261	106		367	1,135
Actuarial gains/losses	0	0	15,277	15,277	(4,828)
of which actuarial gains/losses due to changes in demographic assumptions recognized on the income statement	0	0	(189)	(189)	(1,054)
of which gains/losses due to changes in financial assumptions recognized on the income statement	0	0	34,581	34,581	6,442
of which actuarial gains/losses due to differences between estimates and actual experiences	0	0	(19,115)	(19,115)	(10,217)
Expense recognized on the income statement	(2,764)	(4,023)	10,629	3,842	(16,507)

Change in fair value of plan assets and reimbursement rights

	Post-employment benefits		Other long-term benefits	TOTAL 12.31.2022	TOTAL 12.31.2021
	Supplementary plan	Retirement benefits			
Fair value of assets at the beginning of the period	102,515	57,941	22,401	182,858	188,042
Net interest	676	(41)	175	810	472
Employer contributions	0	0	0	0	0
Acquisition, disposal (change in consolidated scope)	0	0	0	0	0
Benefits paid	(10,015)	(3,003)		(13,018)	(7,648)
Actuarial gains/losses	2,361	2,063	115	4,540	1,991
of which actuarial gains/losses due to changes in demographic assumptions	0	0	0	0	0
of which actuarial gains/losses on plan assets due to changes in financial assumptions	2,361	2,063	115	4,540	1,991
of which actuarial gains/losses due to differences between estimates and actual experiences	0	0	0	0	0
Fair value of assets at the end of the period	95,537	56,961	22,691	175,189	182,858

Net position

	Supplementary plan	Retirement benefits	Other long-term benefits	TOTAL 12.31.2022	TOTAL 12.31.2021
Actuarial liability at the end of the period	52,576	23,226	138,449	214,251	258,710
Fair value of assets/reimbursement rights	(95,537)	(56,961)	(22,691)	(175,189)	(182,858)
NET POSITION	(42,961)	(33,735)	115,758	39,062	75,852

Items recognized immediately in comprehensive income

	12.31.2022	TOTAL 12.31.2021
Actuarial differences generated on post-employment benefit plans	26,465	13,591
Adjustments to the asset ceiling	0	0
Total items recognized immediately during the year	26,465	13,591
Aggregate actuarial differences at the end of the year	(135,817)	(162,282)

Information regarding plan assets

The amounts included in the fair value of the plan assets concerning the financial instruments issued by the group and the properties occupied by the group are not material.

Plan assets are held by Suravenir and by a non-group insurance company for the portion relating to the supplementary plan.

At December 31, 2022, the weighted average term of defined benefit obligations was 7.2 years (8.9 years in 2021).

Composition of hedging assets

	12.31.2022			
Fair value of plan assets	Debt securities	Equity instruments	Real property	Other
Assets listed on an active market	111,602	4,489	237	0
Assets not listed on an active market	13,112	5,782	17,275	0
Total	124,714	10,271	17,512	0

	12.31.2021			
Fair value of plan assets	Debt securities	Equity instruments	Real property	Other
Assets listed on an active market	91,424	7,255	586	0
Assets not listed on an active market	49,155	907	11,131	0
Total	140,579	8,162	11,716	0

Sensitivity of obligations to changes in the main actuarial assumptions

12.31.2022

(As a % of the item measured)	Supplementary plan	Retirement benefits	Length-of-service awards	Time savings account
+0.5% change in discount rate				
Impact on present value of obligations as of December 31	(4%)	(3%)	(5%)	(4%)
+0.5% change in net salary				
Impact on present value of obligations as of December 31	1%	3%	5%	5%

The sensitivities shown are weighted averages of observed changes relative to the present value of the obligations.

Note 37d. Share-based payments

IFRS 2 "Share-based Payment" requires the measurement of share-based payment transactions in the company's income statement and balance sheet.

This standard applies to transactions with employees and more specifically to:

- Equity-settled share-based payment transactions;
- Cash-settled share-based payment transactions.

For equity-settled transactions, an expense is charged against equity. This expense is spread over the vesting period.

The group mainly has cash-settled transactions. For these transactions, the fair value of the liability, measured initially on the grant date, must be re-measured on each closing date until the settlement date of the liability. Fair value changes are recognized as expenses or income on the income statement until the liability is settled.

	Plan 1	Plan 2	Plan 3
Type of plan	Cash settled	Cash settled	Equity settled
Award date	07.2017	11.2019	01.2021
Exercise period	Q2 2022	2022/2024	2026
Valuation method	Customer conquest	Multiple of revenue	FV
Impact 2022 income	1,223	5,066	(77)
Liabilities on the balance sheet	0	0	0

Note 37e. Other expenses

12.31.2022

12.31.2021

Taxes other than on income	(107,420)	(79,775)
Rentals	(72,784)	(65,414)
- short term rentals of assets or low / substantial values	(69,254)	(61,842)
- other rentals	(3,530)	(3,572)
External services	(507,677)	(459,301)
Other miscellaneous expenses	(153)	(5,477)
TOTAL	(688,034)	(609,967)

12.31.2022

12.31.2021

	PWC	Deloitte	Total	Mazars	Deloitte	Total
Auditing, certification, examination of individual and consolidated accounts	1,811	2,090	3,901	907	1,742	2,649
Crédit Mutuel Arkéa	678	638	1,316	589	752	1,341
Consolidated subsidiaries	1,133	1,452	2,585	318	990	1,308
Services other than account certification	432	481	913	213	231	444
Crédit Mutuel Arkéa	344	385	729	155	139	294
Consolidated subsidiaries	88	96	184	58	92	150
TOTAL	2,243	2,571	4,814	1,120	1,973	3,093

The total amount of audit fees paid to the Statutory Auditors not belonging to the network of one of those certifying the Crédit Mutuel Arkéa's consolidated and individual financial statements, mentioned in the table above, amounted to €1,171,000 in respect of 2022 versus €1,653,000 at 2021.

Note 38. Depreciation, amortization and impairment of property, plant and equipment and intangible assets

	12.31.2022	12.31.2021
Amortization	(153,389)	(150,516)
Property, plant and equipment	(55,487)	(55,040)
- of which rights of use - Property	(14,639)	(15,561)
Intangible assets	(97,902)	(95,476)
Impairment	(2,566)	(1,089)
Property, plant and equipment	(16)	(329)
- of which rights of use - Property	76	0
Intangible assets	(2,550)	(760)
TOTAL	(155,955)	(151,605)

Note 39. Cost of risk

Note 39a. Cost of risk - banking activity

	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	12.31.2022
			Provisioned bad debt	Unprovisioned bad debt		
12-month expected losses	(143,478)	85,412				(58,066)
- Loans and receivables due from credit institutions	(4,703)	1,239				(3,464)
- Loans and receivables due from customers	(121,461)	67,699				(53,762)
- of which finance leases	(7,163)	2,238				(4,925)
- Financial assets at amortized cost - Fixed income securities	(6)	36				30
- Financial assets at FVOCI - Fixed income securities	(1,559)	5,300				3,741
- Financial assets at FVOCI - Loans	0	0				0
- Off-balance sheet	(15,749)	11,138				(4,611)
- Other assets	0	0				0
Lifetime expected loss	(168,295)	140,537				(27,758)
- Loans and receivables due from credit institutions	0	0				0
- Loans and receivables due from customers	(163,254)	135,366				(27,888)
- of which finance leases	(4,240)	5,330				1,090
- Financial assets at amortized cost - Fixed income securities	0	41				41
- Financial assets at FVOCI - Fixed income securities	0	62				62
- Financial assets at FVOCI - Loans	0	0				0
- Off-balance sheet	(5,041)	5,068				27
- Other assets	0	0				0
Impaired assets	(240,638)	278,058	(96,433)	(11,385)	20,295	(50,103)
- Loans and receivables due from credit institutions	0	0	0	0	0	0
- Loans and receivables due from customers	(233,400)	241,721	(96,021)	(11,360)	20,295	(78,765)
- of which finance leases	(17,311)	12,756	(4,986)	0	3,015	(6,526)
- Financial assets at amortized cost - Fixed income securities	0	355	(314)	0	0	41
- Financial assets at FVOCI - Fixed income securities	0	0	0	0	0	0
- Financial assets at FVOCI - Loans	0	0	0	0	0	0
- Off-balance sheet	(5,382)	33,189	0	0	0	27,807
- Other assets	(1,856)	2,793	(98)	(25)	0	814
Total	(552,411)	504,007	(96,433)	(11,385)	20,295	(135,927)

	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	12.31.2021
			Provisioned bad debt	Unprovisioned bad debt		
12-month expected losses	(101,428)	70,726				(30,702)
- Loans and receivables due from credit institutions	(1,573)	837				(736)
- Loans and receivables due from customers	(83,988)	55,443				(28,545)
- of which finance leases	(3,503)	1,839				(1,664)
- Financial assets at amortized cost - Fixed income securities	(45)	0				(45)
- Financial assets at FVOCI - Fixed income securities	(4,648)	5,328				680
- Financial assets at FVOCI - Loans	0	0				0
- Off-balance sheet	(11,174)	9,118				(2,056)
- Other assets	0	0				0
Lifetime expected loss	(144,524)	118,194				(26,330)
- Loans and receivables due from credit institutions	0	0				0
- Loans and receivables due from customers	(139,118)	112,395				(26,723)
- of which finance leases	(3,075)	3,362				287
- Financial assets at amortized cost - Fixed income securities	0	207				207
- Financial assets at FVOCI - Fixed income securities	(62)	719				657
- Financial assets at FVOCI - Loans	0	0				0
- Off-balance sheet	(5,344)	4,873				(471)
- Other assets	0	0				0
Impaired assets	(205,929)	252,796	(98,520)	(10,653)	3,431	(58,875)
- Loans and receivables due from credit institutions	0	0	0	0	0	0
- Loans and receivables due from customers	(182,244)	236,356	(93,126)	(10,653)	3,431	(46,236)
- of which finance leases	(10,925)	11,711	(3,158)	0	6	(2,366)
- Financial assets at amortized cost - Fixed income securities	0	5,025	(5,354)	0	0	(329)
- Financial assets at FVOCI - Fixed income securities	0	0	0	0	0	0
- Financial assets at FVOCI - Loans	0	0	0	0	0	0
- Off-balance sheet	(22,831)	9,576	0	0	0	(13,255)
- Other assets	(854)	1,839	(40)	0	0	945
Total	(451,881)	441,716	(98,520)	(10,653)	3,431	(115,907)

Note 39b. Cost of risk - insurance activity

	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	12.31.2022
			Provisioned bad debt	Unprovisioned bad debt		
- Credit institutions	0	0	0	0	0	0
- Insurance business	0	0	0	0	0	0
- Available-for-sale assets	0	0	0	0	0	0
- Held-to-maturity assets	0	0	0	0	0	0
- Other	(386)	307	0	0	0	(79)
Total	(386)	307	0	0	0	(79)

	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	12.31.2021
			Provisioned bad debt	Unprovisioned bad debt		
- Credit institutions	0	0	0	0	0	0
- Insurance business	0	0	0	0	0	0
- Available-for-sale assets	0	0	0	0	0	0
- Held-to-maturity assets	0	0	0	0	0	0
- Other	0	118	0	0	0	118
Total	0	118	0	0	0	118

Note 39c. Banking activities - Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk

	12.31.2021	Acquisition /production	Sale/repayment	Transfers between buckets	Other	12.31.2022
Financial assets at amortized costs - loans and receivables due from credit institutions	15,211,065	4,230,289	(7,380,670)	0	(9,063)	12,051,621
- 12-month expected losses	15,211,065	4,230,289	(7,380,670)	0	(9,063)	12,051,621
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0
Financial assets at amortized costs - loans and receivables due from customers	74,374,247	23,167,450	(15,181,624)	0	0	82,360,073
- 12-month expected losses	68,605,416	22,036,070	(13,320,627)	(1,153,645)	0	76,167,214
- Lifetime expected losses - non-impaired assets	4,317,724	939,091	(1,440,731)	894,984	0	4,711,068
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	1,229,925	124,202	(324,547)	258,661	0	1,288,241
Lifetime expected losses - assets impaired as from acquisition/creation	221,182	68,087	(95,719)	0	0	193,550
Financial assets at amortized cost - Securities	633,191	37,353	(100,539)	0	0	570,005
- 12-month expected losses	626,580	37,353	(93,928)	0	0	570,005
- Lifetime expected losses - non-impaired assets	6,297	0	(6,297)	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	314	0	(314)	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0
- Financial assets at FVOCI - Fixed income securities	8,876,401	3,453,181	(5,690,935)	0	0	6,638,647
- 12-month expected losses	8,836,353	3,453,181	(5,650,887)	0	0	6,638,647
- Lifetime expected losses - non-impaired assets	40,048	0	(40,048)	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0
- Financial assets at FVOCI - Loans	0	0	0	0	0	0
- 12-month expected losses	0	0	0	0	0	0
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0
Total	99,094,904	30,888,273	(28,353,768)	0	(9,063)	101,620,346

At December 31, 2022, vulnerable outstanding loans are recorded in bucket 2.

Note 39d. Banking activities - Information regarding changes in provisions for expected losses for credit risk

	12.31.2021	Allocations	Reversals	Transfers	Change of method	Other	12.31.2022
Financial assets at amortized costs - loans and receivables due from credit institutions	(3,203)	(4,702)	1,238	0	0	0	(6,667)
- 12-month expected losses	(3,203)	(4,702)	1,238	0	0	0	(6,667)
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0	0
Financial assets at amortized costs - loans and receivables due from customers	(1,123,293)	(551,368)	492,684	0	0	0	(1,181,977)
- 12-month expected losses	(172,186)	(121,216)	116,679	(48,980)	0	0	(225,703)
- Lifetime expected losses - non-impaired assets	(232,008)	(163,110)	109,997	25,369	0	0	(259,752)
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(620,696)	(257,999)	231,512	23,611	0	0	(623,572)
Lifetime expected losses - assets impaired as from acquisition/creation	(98,403)	(9,043)	34,496	0	0	0	(72,950)
Financial assets at amortized cost - Securities	(901)	4	381	0	0	0	(516)
- 12-month expected losses	(546)	4	26	0	0	0	(516)
- Lifetime expected losses - non-impaired assets	(41)	0	41	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(314)	0	314	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0	0
- Financial assets at FVOCI - Fixed income securities	(7,233)	(1,563)	5,360	0	0	0	(3,436)
- 12-month expected losses	(7,171)	(1,563)	5,298	0	0	0	(3,436)
- Lifetime expected losses - non-impaired assets	(62)	0	62	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0	0
- Financial assets at FVOCI - Loans	0	0	0	0	0	0	0
- 12-month expected losses	0	0	0	0	0	0	0
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0	0
Commitments given	(59,883)	(28,057)	43,091	0	0	0	(44,849)
- 12-month expected losses	(16,138)	(15,990)	11,122	0	0	0	(21,006)
- Lifetime expected losses - non-impaired assets	(6,382)	(5,228)	5,100	0	0	0	(6,510)
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(37,363)	(6,839)	26,869	0	0	0	(17,333)
Other assets	0	0	0	0	0	0	0
- 12-month expected losses	0	0	0	0	0	0	0
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0	0
Lifetime expected losses for impaired assets (whether impaired or not at acquisition/creation)	0	0	0	0	0	0	0
Total	(1,194,513)	(585,686)	542,754	0	0	0	(1,237,445)

Note 39e. Banking activities - gross carrying amount of loans and receivables due from customers by credit risk category

At 12.31.2022

Risk categories: PD at 1 year	Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected losses for assets impaired at the closing date and when acquired/created
< 0,1	1,044,070	34,050	0	0
[0,1;0,25]	37,163,121	55,582	0	0
[0,26;0,99]	16,725,868	98,742	0	0
[1;2,99]	9,569,017	815,733	0	0
[3;9,99]	11,157,096	1,766,326	0	0
>=10	508,042	1,940,635	1,288,241	193,550
Total	76,167,214	4,711,068	1,288,241	193,550

At 12.31.2021

Risk categories: PD at 1 year	Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected losses for assets impaired at the closing date and when acquired/created
< 0,1	22,276,559	9,618	0	0
[0,1;0,25]	15,693,171	159,382	0	0
[0,26;0,99]	11,422,616	371,593	0	0
[1;2,99]	8,838,293	941,525	0	0
[3;9,99]	9,838,964	1,205,396	0	0
>=10	535,813	1,630,210	1,229,925	221,182
Total	68,605,416	4,317,724	1,229,925	221,182

Note 39f. Banking activities - Breakdown of gross receivables and impairments by counterparty sector

	31.12.2022				31.12.2021			
Outstanding amounts subject to	B1	B2	B3	TOTAL	B1	B2	B3	TOTAL
Central banks	44,755	0	0	44,755	47,533	0	0	47,533
General governments	10,337,950	19,596	0	10,357,546	9,191,223	40,719	5,602	9,237,544
Credit institutions	16,536,121	0	0	16,536,121	21,128,247	0	0	21,128,247
Other financial corporations	1,221,809	126,631	10,554	1,358,994	1,419,726	100,640	16,657	1,537,023
Non-financial corporations	23,943,849	2,240,075	882,557	27,066,481	21,488,654	2,592,005	806,674	24,887,333
<i>of which: Small and Medium-sized Enterprises</i>	<i>10,476,055</i>	<i>1,323,110</i>	<i>551,869</i>	<i>12,351,034</i>	<i>9,025,581</i>	<i>1,250,564</i>	<i>532,368</i>	<i>10,808,513</i>
Households	43,343,001	2,324,768	588,680	46,256,449	40,004,029	1,630,707	622,488	42,257,224
TOTAL	95,427,485	4,711,070	1,481,791	101,620,346	93,279,412	4,364,071	1,451,421	99,094,904

	31.12.2022				31.12.2021			
Provisions	B1	B2	B3	TOTAL	B1	B2	B3	TOTAL
Central banks	-3	0	0	-3	0	0	0	0
General governments	-7,793	-668	0	-8,461	-7,522	-1,099	-2	-8,623
Credit institutions	-7,965	0	0	-7,965	-5,292	0	0	-5,292
Other financial corporations	-9,678	-7,065	-5,693	-22,436	-5,800	-4,088	-11,568	-21,456
Non-financial corporations	-122,887	-155,877	-429,899	-708,663	-83,113	-140,842	-423,891	-647,846
<i>of which: Small and Medium-sized Enterprises</i>	<i>-59,008</i>	<i>-88,463</i>	<i>-313,526</i>	<i>-460,997</i>	<i>-38,607</i>	<i>-75,589</i>	<i>-325,489</i>	<i>-439,685</i>
Households	-87,996	-96,142	-260,930	-445,068	-81,379	-86,082	-283,952	-451,413
TOTAL	-236,322	-259,752	-696,522	-1,192,596	-183,106	-232,111	-719,413	-1,134,630

Note 40. Gains (losses) on other assets

	12.31.2022	12.31.2021
Property, plant and equipment and intangible assets	2,212	1,448
Capital losses on disposals	(896)	(1,477)
Capital gains on disposals	3,108	2,925
Expenses related to business combinations	(4,313)	(1,099)
More or less transfer values on consolidated securities	89,214	0
TOTAL	87,113	349

Note 41. Income tax

	12.31.2022	12.31.2021
BREAKDOWN OF TAX EXPENSE		
Current tax expense	(105,424)	(153,678)
Net deferred tax expense or revenue	(16,629)	10,631
NET INCOME TAX EXPENSE	(122,053)	(143,047)
Income before taxes, badwill and income contribution from associates	706,537	713,163
EFFECTIVE TAX RATE	17.27%	20.06%

	12.31.2022	12.31.2021
ANALYSIS OF EFFECTIVE TAX RATE		
Statutory tax rate	25.83%	28.41%
Permanent differences	0.60%	1.13%
Income taxed at a reduced rate or exempt	(7.72%)	(9.25%)
Impact of fiscal losses	(1.24%)	0.48%
Tax credits	(0.08%)	(0.16%)
Special	0.30%	0.50%
Other	(0.42%)	(1.05%)
EFFECTIVE TAX RATE	17.27%	20.06%

Regulation n° 2019-759, published on July 24, 2019, as well as the 2020 finance act, provide modifications in the gradual reduction of the corporate tax rate initially planned by the 2018 finance act. The tax rate for the fiscal year 2022 is therefore 25.83%.

Taxes must be measured based on the rates in effect at the closing date.

In case of a change in rates, deferred taxes must be adjusted, based on the symmetry principle, through profit or loss, unless they relate to items recognized outside profit or loss (other comprehensive income (OCI) or directly in equity).

The impact of this change in the tax rate has been taken into account in the calculation of deferred taxes for Crédit Mutuel Arkéa.

NOTES ON GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

(in thousands of euros)

Note 42a. Information on the recycling to profit or loss of gains or losses recognized directly in equity

	Changes in 2022	Changes in 2021
Revaluation of debt instruments at fair value through equity	(69,730)	(16,227)
- Reclassification to profit or loss	21,101	(7,303)
- Other changes	(90,831)	(8,924)
Revaluation of available-for-sale financial assets	(384,400)	(56,713)
- Reclassification to profit or loss	(19,699)	(17,982)
- Other changes	(364,701)	(38,731)
Revaluation of hedging derivatives	0	964
- Reclassification to profit or loss	0	0
- Other changes	0	964
Share of recyclable gains and losses of equity-accounted entities recognized directly in equity	(582)	426
Items to be recycled to profit or loss	(454,712)	(71,550)
Actuarial gains and losses on defined benefit plans	19,612	12,613
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	23,359	6,017
Revaluation of equity instruments at fair value through equity (sold and not sold during the year)	35,392	(16,087)
Share of non-recyclable gains and losses of equity-accounted entities recognized directly in equity	(2,743)	3,007
Items not to be recycled to profit or loss	75,620	5,550
TOTAL	(379,092)	(66,000)

Note 42b. Tax on each component of gains or losses recognized directly in equity

	12.31.2022			12.31.2021		
	Gross	Tax	Net	Gross	Tax	Net
Revaluation of recyclable debt instruments at fair value through equity	(93,880)	24,150	(69,730)	(23,783)	7,557	(16,226)
Revaluation of available-for-sale financial assets	(520,220)	135,820	(384,400)	(74,885)	18,172	(56,713)
Revaluation of hedging derivatives	0	0	0	1,347	(383)	964
Share of gains and losses of equity-accounted entities recognized directly in equity	(786)	204	(582)	577	(151)	426
Items to be recycled to profit or loss	(614,886)	160,174	(454,712)	(96,744)	25,195	(71,549)
Actuarial gains and losses on defined benefit plans	26,445	(6,833)	19,612	17,003	(4,390)	12,613
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	31,494	(8,135)	23,359	9,031	(3,014)	6,017
Revaluation of equity instruments at fair value through equity	30,454	4,938	35,392	(11,584)	(4,504)	(16,088)
Share of gains and losses of equity-accounted entities recognized directly in equity	(2,830)	87	(2,743)	3,104	(97)	3,007
Items not to be recycled to profit or loss	85,563	(9,943)	75,620	17,554	(12,005)	5,549
Total changes in gains and losses recognized directly in equity	(529,323)	150,231	(379,092)	(79,190)	13,190	(66,000)

Note 43a. Commitments given and received - banking activity

	12.31.2022	12.31.2021
Commitments given	17,117,267	16,273,202
Financing commitments	11,827,818	11,416,181
to credit and similar institutions	17,600	13,350
to customers	11,810,218	11,402,831
Guarantee commitments	5,099,128	4,619,999
to credit and similar institutions	630	513
to customers	5,098,498	4,619,486
Securities commitments	190,321	237,022
repurchase agreements	0	0
other commitments given	190,321	237,022
Commitments received	63,382,278	62,191,646
Financing commitments	12,555,697	15,406,259
from credit and similar institutions	12,256,187	15,399,196
from customers	299,510	7,063
Guarantee commitments	50,432,783	46,310,707
from credit and similar institutions	259,668	260,998
from customers	50,173,115	46,049,709
Securities commitments	393,798	474,680
Reverse repurchase agreements	0	0
Other commitments received	393,798	474,680

Financing commitments given include the €16,600,000 cash advance made to Caisse de Refinancement de l'Habitat to fund it.

	12.31.2022	12.31.2021
Receivables pledged as collateral	15,438,850	18,144,095
Banque de France	13,751,627	16,399,791
European Investment Bank	608,293	630,308
Caisse de Refinancement de l'Habitat	451,637	363,554
Caisse des Dépôts et Consignations	625,293	748,443
Other	2,000	2,000
Loaned securities	0	0
Deposits on market transactions	416,749	543,723
Securities sold under repurchase agreements	11,472,895	12,575,982

For its refinancing activity, the group entered into repurchase agreements of debt and/or equity securities. This results in the transfer of ownership of securities which the recipient may in turn lend. The coupons or dividends benefit the borrower. These transactions are subject to margin calls.

Note 43b. Commitments given and received - insurance activity

	12.31.2022	12.31.2021
Commitments given	963	282
Commitments received	1,521,935	1,388,232

Note 44. Segment information

	Banking		Insurance and asset management		Group	
	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Internal income (1)	281,045	275,464	(281,045)	(275,464)	0	0
External income (2)	1,707,706	1,666,216	862,029	864,159	2,569,735	2,530,375
Net banking income	1,988,751	1,941,680	580,984	588,695	2,569,735	2,530,375
Gains (losses) on disposal - dilution	(287)	275	0	0	(287)	275
Net banking income including gains (losses) on disposal - dilution	1,988,464	1,941,955	580,984	588,695	2,569,448	2,530,650
General operating expenses and depreciation and amortization	(1,560,276)	(1,478,950)	(253,742)	(223,097)	(1,814,018)	(1,702,047)
Gross operating income	428,188	463,005	327,242	365,598	755,430	828,603
Cost of risk	(130,258)	(111,148)	(5,748)	(4,641)	(136,006)	(115,789)
Operating income	297,930	351,857	321,494	360,957	619,424	712,814
Share of income of companies carried under equity method	3,418	3,427	(2,783)	(2)	635	3,425
Other	53,402	390	0	(41)	53,402	349
Recurring income before tax	354,750	355,674	318,711	360,914	673,461	716,588
Income tax	(43,938)	(45,603)	(78,115)	(97,444)	(122,053)	(143,047)
Net income	310,812	310,071	240,596	263,470	551,408	573,541
O/w non-controlling interests	85	101	611	(283)	696	(182)
Net income, group share	310,728	309,971	239,985	263,753	550,712	573,723
	12.31.2022	12.31.2021	12.31.2022	12.31.2021	12.31.2022	12.31.2021
Segment Assets and Liabilities	127,936,312	118,256,292	61,197,096	61,025,150	189,133,408	178,718,478

(1) Segment income from transactions with other segments.

(2) Segment income from sales to external customers.

Segment reporting is based on two business lines:

- Retail banking includes primarily the branch networks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, the subsidiaries that finance businesses and the real estate division of the group,
- The other business line comprises subsidiaries specialized in asset management and insurance.

Segment reporting by geographic region is not relevant for the group as nearly all of its business is carried out in France.

Note 45. Information on related parties

Crédit Mutuel Arkéa group related parties include the consolidated companies and associates. Transactions between the group and related parties are conducted on arm's length terms at the time the transactions are completed.

The list of companies consolidated by Crédit Mutuel Arkéa group is presented in note 47. Intercompany transactions and outstanding balances between fully consolidated companies are completely eliminated during the consolidation process. As a result, only the portion of the data that is not eliminated in the consolidation process and that relates to reciprocal transactions is presented in the following table, provided such data involve companies over which the group exercises a significant influence (associates).

	12.31.2022	12.31.2021
	Companies under the equity method (1)	Companies under the equity method (1)
Assets		
Loans and receivables - credit institutions, at amortized cost	1,436,156	4,747,670
Loans and receivables - customers, at amortized cost	0	0
Assets at fair value through profit or loss	0	0
Financial assets at fair value through equity	0	0
Securities at amortized cost	0	0
Derivatives used for hedging purposes	0	0
Other assets	0	0
Liabilities		
Liabilities to credit institutions	0	0
Derivatives used for hedging purposes	0	0
Liabilities at fair value through profit or loss	0	0
Liabilities to customers	0	0
Debt securities	0	0
Subordinated debt	0	0
Other liabilities	0	0

(1) Mainly CCCM

	12.31.2022	12.31.2021
	Companies under the equity method (1)	Companies under the equity method (1)
Interest and similar income	0	0
Interest and similar expense	(1,116)	(5,109)
Fee and commission income	0	0
Fee and commission expense	0	0
Net gain (loss) on financial instruments at fair value through profit or loss	0	0
Net gain (loss) on financial instruments at fair value through equity	0	1,919
Net gain (loss) on available-for-sale financial instruments	0	0
Net gain (loss) on derecognition of financial instruments at amortized cost	0	0
Net income from insurance activities	0	0
Income from other activities	0	0
Expense from other activities	0	0
Net banking income	(1,116)	(3,190)

(1) mainly CCCM

	12.31.2022	12.31.2021
	Companies under the equity method	Companies under the equity method
Financing commitments		
Financing commitments given	0	0
Financing commitments received	0	0
Guarantee commitments		
Guarantees given	0	0
Guarantees received	0	0
Securities commitments		
Other securities to be received	0	0
Other securities to be delivered	0	0

Relations with the main corporate officers of Crédit Mutuel Arkéa group

The Board of Directors of Crédit Mutuel Arkéa currently consists, at December 31, 2022, of 21 members appointed for three-year terms:

- 16 directors representing customer shareholders, elected by the Shareholders' Ordinary Meeting;
- 2 independent directors;
- 2 directors representing employees, appointed by the Central Employee Works Council,
- 1 non-voting member.

A representative of the Central Works Council also participates, with a deliberative voice, in the meetings of the Board of Directors.

The total compensation paid to members of Crédit Mutuel Arkéa's Board of Directors in 2022 was €1,227,000 (compared with €1,141,000 in 2021).

The total compensation paid to the group's key corporate officers in 2022 was €2,519,000 (compared with €2,099,000 in 2021).

The Chairman of the Board of Directors of Crédit Mutuel Arkéa does not have an employment contract.

The employment contracts of the Chief Executive Officer and the Associate Chief Executive Officer of Crédit Mutuel Arkéa have been suspended since February 13, 2020 and for the duration of their respective terms of office, after which they are automatically reinstated.

The Associate Chief Executive Officers hold an employment contract.

In the event that their term of office or employment contract is terminated, the Chairman of the Board of Directors, the Chief Executive Officer and the Associate Chief Executive Officers may be entitled to receive severance pay.

The Chairman of the Board of Directors benefits from a defined contribution pension plan.

The Chief Executive Officer and the Associate Chief Executive Officers benefit from a defined contribution pension plan. In accordance with the regulations, the existing pension obligations for the benefit of the Chief Executive Officer and the Associate Chief Executive Officers in the form of a defined benefit supplementary retirement plan (known as "Article 39") were crystallized as of December 31, 2019.

At the time of their retirement, the Chief Executive Officer and the Associate Chief Executive Officers receive a retirement benefit equal to seven twelfths of their annual compensation if they have at least five years of seniority. They also receive an end-of-service leave benefit equivalent to 23 days per year of service as a senior executive of Crédit Mutuel Arkéa.

The provisions recorded by the group in 2022 pursuant to IAS 19 for post-employment benefits, other long-term benefits and termination benefits totaled €483,000 (compared with €428,000 in 2021).

Note 46. Investments in unconsolidated structured entities**12.31.2022**

	Securitization vehicles	Asset management (mutual funds/real estate investment funds)	Other structured entities
Total assets	547,128	13,049,774	0
Carrying amount of financial assets (1)	133,297	3,759,963	0
Carrying amount of financial liabilities (1)			0
Maximum exposure to risk of loss	133,297	3,759,963	0

(1) Carrying amount of assets and liabilities that Crédit Mutuel Arkéa group recognizes with respect to the structured entities

Investments in unconsolidated entities are investments held through unit-linked life insurance policies over which Crédit Mutuel Arkéa does not exercise control. They consist mainly of mutual fund investments.

12.31.2021

	Securitization vehicles	Asset management (mutual funds/real estate investment funds)	Other structured entities
Total assets	377,237	10,425,469	0
Carrying amount of financial assets (1)	99,830	3,207,386	0
Carrying amount of financial liabilities (1)	0	0	0
Maximum exposure to risk of loss	99,830	3,207,386	0

(1) Carrying amount of assets and liabilities that Crédit Mutuel Arkéa group recognizes with respect to the structured entities

Note 47. Scope of consolidation

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Crédit Mutuel Arkéa + Fédérations et Caisses du Crédit Mutuel de Bretagne et du Sud-Ouest	France	Banking / Mutual banking	consolidating entity			
Fully consolidated companies						
ARKEA	France	Banking / Services	85.8	85.8	85.8	85.8
ARKEA BANKING SERVICES	France	Banking / Banking services	100.0	100.0	100.0	100.0
ARKEA BANQUE ENTREPRISES ET INSTITUTIONNELS	France	Banking / Corporate banking	100.0	100.0	100.0	100.0
ARKEA BOURSE RETAIL	France	Banking / Holding	100.0	100.0	100.0	100.0
ARKEA CAPITAL	France	Insurance and asset management / Asset management	100.0	100.0	100.0	100.0
ARKEA CAPITAL INVESTISSEMENT	France	Banking / Private equity	100.0	100.0	100.0	100.0
ARKEA CAPITAL MANAGERS HOLDING SLP	France	Banking / Private equity	100.0	100.0	100.0	100.0
ARKEA CAPITAL PARTENAIRE	France	Banking / Private equity	100.0	100.0	100.0	100.0
ARKEA CREDIT BAIL	France	Banking / Finance leasing	100.0	100.0	100.0	100.0
ARKEA DIRECT BANK	France	Banking / Financial and stock market intermediation	100.0	100.0	100.0	100.0
ARKEA FONCIERE	France	Banking / Real estate	100.0	100.0	100.0	100.0
ARKEA HOME LOANS SFH	France	Banking / Refinancing entity	100.0	100.0	100.0	100.0
ARKEA PUBLIC SECTOR SCF	France	Banking / Refinancing entity	100.0	100.0	100.0	100.0
ARKEA REAL ESTATE	France	Assurances et gestion d'actifs / Gestion d'actifs immobiliers	70.0	71.4	70.0	71.4
ARKEA REIM	France	Assurances et gestion d'actifs / Gestion d'actifs immobiliers	70.0	71.4	70.0	71.4
ARKEA SCD	France	Banking / Services	99.9	100.0	99.9	100.0
BUDGET INSIGHT (2)	France	Banking / Banking services	/	100.0	/	100.0
CAISSE DE BRETAGNE DE CREDIT MUTUEL AGRICOLE	France	Banking / Mutual banking	94.8	94.8	94.8	94.8
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANK (succursale)	Belgium	Banking / Asset holding company	100.0	100.0	100.0	100.0
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANQUE	France	Banking / Specialized networks banking	100.0	100.0	100.0	100.0
FCT COLLECTIVITES	France	Banking / Securitization fund	57.8	57.8	57.8	57.8
FEDERAL EQUIPEMENTS	France	Banking / Services	100.0	100.0	100.0	100.0
FEDERAL FINANCE	France	Insurance and asset management / Private banking and asset management	100.0	100.0	100.0	100.0
FEDERAL FINANCE GESTION	France	Insurance and asset management / Asset management	100.0	100.0	100.0	100.0
FEDERAL SERVICE	France	Banking / Services	99.4	99.7	99.4	99.7
FINANCO	France	Banking / Specialized networks banking	100.0	100.0	100.0	100.0
GICM	France	Banking / Services	100.0	100.0	99.4	99.7
IZIMMO	France	Banking / Real estate	100.0	100.0	100.0	100.0
KEYTRADE BANK (succursale)	Belgium	Banking / Financial and stock market intermediation	100.0	100.0	100.0	100.0
KEYTRADE BANK Luxembourg SA (2)	Luxembourg	Banking / Financial and stock market intermediation	/	100.0	/	100.0
LEETCHI SA (2)	France	Banking / Services	/	100.0	/	100.0
MANGOPAY SA (2)	Luxembourg / France	Banking / Services	/	100.0	/	100.0
MONEXT	France	Banking / Services	100.0	100.0	100.0	100.0
NEXTALK	France	Banking / Services	100.0	100.0	100.0	100.0
NOUVELLE VAGUE	France	Banking / Services	100.0	100.0	100.0	100.0
NOVELIA	France	Insurance and asset management / Insurance brokerage	100.0	100.0	100.0	100.0
PROCAPITAL	France / Belgium	Banking / Financial and stock market intermediation	100.0	100.0	100.0	100.0
PUMPKIN	France	Banking / Services	100.0	100.0	100.0	100.0
SCHELCHER PRINCE GESTION	France	Insurance and asset management / Asset management	100.0	100.0	100.0	100.0
SOCIETE CIVILE IMMOBILIERE INTERFEDERALE	France	Banking / Real estate	100.0	100.0	100.0	100.0
SMSPG (4)	France	Insurance and asset management / Holding	/	100.0	/	100.0
STRATEO (succursale)	Swiss	Banking / Financial and stock market intermediation	100.0	100.0	100.0	100.0
SURAVENIR	France	Insurance and asset management / Life insurance	100.0	100.0	100.0	100.0
SURAVENIR ASSURANCES	France	Insurance and asset management / Non-life insurance	100.0	100.0	100.0	100.0

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Companies consolidated using the equity method						
BELLATRIX SAS (1)	France	Banking / Holding	42,3	/	42,3	/
CAISSE CENTRALE DU CREDIT MUTUEL	France	Banking / Mutual banking	20,2	20,2	20,2	20,2
LA COMPAGNIE FRANCAISE DES SUCCESSIONS	France	Insurance and asset management / Asset management	32,6	32,6	32,6	32,6
NEW PORT (2)	France	Banking / Holding	/	29,9	/	29,9
VIVIENNE INVESTISSEMENT (2)	France	Insurance and asset management / Asset management	/	34,0	/	34,0
YOMONI	France	Insurance and asset management / Asset management	34,2	34,2	34,2	34,2

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Companies consolidated using the shortcut method						
AIS MANDARINE ACTIVE	France	Insurance and asset management / Asset management	80,6	80,6	80,6	80,6
AIS MANDARINE ENTREPRENEURS	France	Insurance and asset management / Asset management	83,3	83,2	83,3	83,2
AIS MANDARINE GLOBAL TRANSITION (1)	France	Insurance and asset management / Asset management	98,7	/	98,7	/
AIS MANDARINE MULTI-ASSETS	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
AIS PROTECT	France	Insurance and asset management / Asset management	84,3	85,5	84,3	85,5
ARKEA CAPITAL 1	France	Banking / Asset management	100,0	100,0	100,0	100,0
ARKEA CAPITAL 2 (5)	France	Banking / Asset management	/	38,5	/	38,5
AUTOFOCUS CROISSANCE DECEMBRE 2019	France	Insurance and asset management / Asset management	95,0	95,1	95,0	95,1
AUTOFOCUS CROISSANCE JUILLET 2019 (3)	France	Insurance and asset management / Asset management	/	99,2	/	99,2
AUTOFOCUS ESG DECEMBRE 2020	France	Insurance and asset management / Asset management	87,9	88,0	87,9	88,0
AUTOFOCUS ESG FÉVRIER 2021 (1)	France	Insurance and asset management / Asset management	98,4	/	98,4	/
AUTOFOCUS ESG JUILLET 2020 (3)	France	Insurance and asset management / Asset management	/	99,0	/	99,0
AUTOFOCUS ESG JUILLET 2021 (1)	France	Insurance and asset management / Asset management	98,3	/	98,3	/
AUTOFOCUS LOW CARBON (1)	France	Insurance and asset management / Asset management	99,0	/	99,0	/
AUTOFOCUS LOW CARBON DECEMBRE 2021 (1)	France	Insurance and asset management / Asset management	95,2	/	95,2	/
AUTOFOCUS RENDEMENT AVRIL 2020	France	Insurance and asset management / Asset management	99,7	99,7	99,7	99,7
AUTOFOCUS RENDEMENT FEVRIER 2020	France	Insurance and asset management / Asset management	98,0	98,2	98,0	98,2
AUTOFOCUS RENDEMENT MARS 2019 (3)	France	Insurance and asset management / Asset management	/	99,1	/	99,1
BREHAT (7)	France	Insurance and asset management / Asset management	/	20,7	/	20,7
BREIZH ARMOR CAPITAL	France	Insurance and asset management / Asset management	50,0	50,0	50,0	50,0
CHABRIERES RENDEMENT ESG (1)	France	Insurance and asset management / Asset management	33,6	/	33,6	/
DIAPAZEN CLIMAT SEPTEMBRE 2016	France	Insurance and asset management / Asset management	97,3	97,6	97,3	97,6
FCPR BREIZH MA BRO	France	Insurance and asset management / Asset management	67,1	77,2	67,1	77,2
FCPR EIFFEL INFRASTRUCTURES VERTES (1)	France	Insurance and asset management / Asset management	80,1	/	80,1	/
FCT ARDIAN SURAVENIR PRIVATE DEBT	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT MERIUS SURAVENIR	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT OBLIGATION BAUX AC 2019 (3)	France	Insurance and asset management / Asset management	/	100,0	/	100,0
FCT PYTHEAS 01/2023 (1)	France	Insurance and asset management / Asset management	99,5	/	99,5	/
FCT PYTHEAS 56 (3)	France	Insurance and asset management / Asset management	/	88,6	/	88,6
FCT PYTHEAS BAUX REG 2018	France	Insurance and asset management / Asset management	96,8	100,0	96,8	100,0
FCT RESIDENTIAL DUTCH MORTGAGE FUND LARGO D	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT SCOR SURAVENIR EURO LOANS	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT SP EUROCREANCES	France	Insurance and asset management / Asset management	43,4	43,4	43,4	43,4
FCT SPG DETTE PRIVEE	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT SURAVENIR CONSO FUND	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT SURAVENIR PRIVATE DEBT I	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT SURAVENIR PRIVATE DEBT II	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FCT TIKEHAU SPD III	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL AMBITION CLIMAT	France	Insurance and asset management / Asset management	99,2	99,3	99,2	99,3
FEDERAL CAPITAL INVESTISSEMENT	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL CONVICTION GRANDE ASIE (6)	France	Insurance and asset management / Asset management	/	99,8	/	99,8
FEDERAL GLOBAL GREEN BONDS	France	Insurance and asset management / Asset management	49,3	46,3	49,3	46,3
FEDERAL INDICIEL APAL (EX FEDERAL APAL)	France	Insurance and asset management / Asset management	74,5	72,1	74,5	72,1
FEDERAL INDICIEL JAPON	France	Insurance and asset management / Asset management	77,3	77,7	77,3	77,7
FEDERAL INDICIEL US	France	Insurance and asset management / Asset management	62,7	60,7	62,7	60,7
FEDERAL MULTI ACTIONS EUROPE	France	Insurance and asset management / Asset management	74,4	75,1	74,4	75,1
FEDERAL MULTI I/S	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL MULTI OR ET MATIERES PREMIERES	France	Insurance and asset management / Asset management	90,7	90,0	90,7	90,0
FEDERAL MULTI PATRIMOINE	France	Insurance and asset management / Asset management	99,3	99,4	99,3	99,4
FEDERAL OPTIMAL GESTION PRIVEE ESG	France	Insurance and asset management / Asset management	88,7	88,6	88,7	88,6
FEDERAL SUPPORT COURT TERME ESG	France	Insurance and asset management / Asset management	36,9	39,9	36,9	39,9
FEDERAL TRANSITION EMPLOI (1)	France	Insurance and asset management / Asset management	52,4	/	52,4	/
FEDERAL TRANSITION EQUILIBRE (EX FEDERAL OPPORTUNITE EQUILIBRE ESG)	France	Insurance and asset management / Asset management	80,2	83,0	80,2	83,0
FEDERAL TRANSITION MODERE (EX FEDERAL OPPORTUNITE MODERE ESG)	France	Insurance and asset management / Asset management	50,2	56,4	50,2	56,4

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2022	12.31.2021	12.31.2022	12.31.2021
Companies consolidated using the shortcut method						
FEDERAL TRANSITION OXYGENE (EX FEDERAL OXYGENE)	France	Insurance and asset management / Asset management	95,3	94,7	95,3	94,7
FEDERAL TRANSITION TERRITOIRES (EX FEDERAL IMPACT TERRITOIRES)	France	Insurance and asset management / Asset management	39,3	45,0	39,3	45,0
FEDERAL TRANSITION TONIQUE (EX FEDERAL OPPORTUNITÉ TONIQUE ESG)	France	Insurance and asset management / Asset management	99,1	99,1	99,1	99,1
FLEXPERTISE	France	Insurance and asset management / Asset management	74,3	74,6	74,3	74,6
FPS SURAVENIR ACTIONS INTERNATIONALES PROTECT	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS LOW VOL	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS MID CAPS	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS PROTECT	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR OVERLAY LOW VOL ACTIONS	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FPS UBS ARCHMORE INFRASTRUCTURE DEBT PLATFORM II	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
MANDARINE EQUITY INCOME	France	Insurance and asset management / Asset management	93,0	97,4	93,0	97,4
OPCI CLUB FRANCE RETAIL	France	Insurance and asset management / Asset management	46,3	46,3	46,3	46,3
OPCI PREIM DEFENSE 2	France	Insurance and asset management / Asset management	39,2	37,5	39,2	37,5
OPCI PREIM EUROS	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
OPCI PREIM EUROS 2	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
OPCI PREMIUM	France	Insurance and asset management / Asset management	82,2	67,1	82,2	67,1
OPCI TIKEHAU RET PRO	France	Insurance and asset management / Asset management	39,3	39,3	39,3	39,3
QUESSANT	France	Insurance and asset management / Asset management	60,1	44,3	60,1	44,3
PRIMO ELITE (FLEX)	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
S.C.I PROGRES PIERRE	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
S.C.I SURAVENIR PIERRE	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
SC MEILLEURIMMO (1)	France	Insurance and asset management / Asset management	64,5	/	64,5	/
SC NOVAXIA R	France	Insurance and asset management / Asset management	53,9	58,2	53,9	58,2
SC NOVAXIA VISTA (1)	France	Insurance and asset management / Asset management	41,7	/	41,7	/
SC PYTHAGORE	France	Insurance and asset management / Asset management	34,9	46,4	34,9	46,4
SCHELCHER CONVERTIBLES ESG (EX SP CONVERTIBLES)	France	Insurance and asset management / Asset management	20,6	22,5	20,6	22,5
SCHELCHER CONVENTIBLES MID CAP ESG (EX SP CONVERTIBLES MID CAP ESG)	France	Insurance and asset management / Asset management	33,1	32,9	33,1	32,9
SCHELCHER GLOBAL HIGH YIELD (EX SP HAUT RENDEMENT)	France	Insurance and asset management / Asset management	32,5	40,2	32,5	40,2
SCHELCHER IVO GLOBAL YIELD 2024	France	Insurance and asset management / Asset management	46,8	47,4	46,8	47,4
SCHELCHER MULTI ASSET (EX SP CROISSANCE)	France	Insurance and asset management / Asset management	86,6	92,2	86,6	92,2
SCHELCHER OPTIMAL INCOME ESG (EX SP OPPORTUNITES EUROPEENNES)	France	Insurance and asset management / Asset management	21,2	30,6	21,2	30,6
SCI CLOVERHOME	France	Insurance and asset management / Asset management	50,0	50,0	50,0	50,0
SCI LE VINCI HOLDING	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
SCI PR2 PREIM RET 2	France	Insurance and asset management / Asset management	38,0	38,0	38,0	38,0
SCI SILVER AVENIR	France	Insurance and asset management / Asset management	90,4	90,4	90,4	90,4
SCI TERRITOIRES AVENIR (1)	France	Insurance and asset management / Asset management	100,0	/	100,0	/
SCI USUFRUIMMO	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
SCI USUFRUIMMO 2028 (1)	France	Insurance and asset management / Asset management	100,0	/	100,0	/
SCPI LOG IN (1)	France	Insurance and asset management / Asset management	55,2	/	55,2	/
SCPI REMAKE LIVE (1)	France	Insurance and asset management / Asset management	78,3	/	78,3	/
SURAVENIR INITIATIVE ACTIONS	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
SYNERGIE FINANCE INVESTISSEMENTS	France	Banking / Asset management	100,0	100,0	100,0	100,0
WE POSITIVE INVEST	France	Banking / Asset management	100,0	100,0	100,0	100,0

(1) Companies first-time consolidated in 2022

(2) Property

(3) Liquidation

(4) Merger of assets and liabilities

(5) Deconsolidation

(6) Merger

(7) Exit from the scope of the management company

The simplified method of accounting (called shortcut method) is based on using the fair value option for all assets held under the mutual fund to be consolidated.

The shortcut method entails:

- recognizing the fund shares in assets at fair value on the basis of 100%,
- establishing a corresponding liability (financial liability) for the amount of the share not held by the group (non-controlling interests).

ANC Regulation No. 2016-09 (ANC, the French Accounting standard setter) requires companies that prepare their consolidated financial statements in accordance with international standards to publish additional information relating to companies not included in their scope of consolidation as well as significant equity interests. This information is available on the Group website, within the regulatory information section.

Note 48. Events after the reporting period

No significant events occurred after the December 31, 2022 closing date.