

# NEW CONNECTIONS TO **SHARE** INNOVATING **TOMORROW**

## AMENDMENT TO THE 2023 UNIVERSAL REGISTRATION DOCUMENT CONSTITUTING THE HALF-YEARLY FINANCIAL REPORT

ANNUAL UNIVERSAL REGISTRATION DOCUMENT FILED WITH THE  
FRENCH FINANCIAL MARKETS AUTHORITY (AMF) PUBLISHED ON 12  
APRIL 2024 UNDER NUMBER D.24-0277. AMENDMENT TO THE  
UNIVERSAL REGISTRATION DOCUMENT FILED WITH THE AMF ON 9  
SEPTEMBER 2024.

Crédit Mutuel  
**ARKEA**

NEW CONNECTIONS TO CHANGE TOMORROW

# SUMMARY

<b>1. Presentation of Crédit Mutuel Arkéa</b>	<b>4</b>	<b>5. Consolidated financial statements</b>	<b>44</b>
1.1. Group profile	7	<b>6. Statutory Auditors' report</b>	<b>128</b>
1.2. Sustainable finance and overall performance	9	<b>7. General information</b>	<b>131</b>
1.3. A company with a mission	15	<b>8. Statutory Auditors</b>	<b>135</b>
1.4. Crédit Mutuel Arkéa in a few dates	19	<b>9. Declaration of the person responsible</b>	<b>137</b>
1.5. Highlights of the first half of 2024	22	<b>10. Cross-reference tables and alternative performance indicators</b>	<b>139</b>
1.6. The 2024 agenda	27	10.1. Cross-reference table of the amendment to the Universal Registration Document	140
1.7. Solidarity relationships	28	10.2. Cross-reference table of the 2023 Annual Financial Report	143
<b>2. Corporate governance</b>	<b>30</b>	10.3. Alternative performance indicators – article 223-1 of the AMF General Regulation	145
2.1. The Board of Directors of Crédit Mutuel Arkéa	31		
2.2. Executive corporate officers	32		
2.3. Executive management bodies and their work	32		
<b>3. Overall performance</b>	<b>33</b>		
3.1. Activity	34		
3.2. Financial results	37		
3.3. Regulatory capital and ratios	39		
<b>4. Risks</b>	<b>41</b>		



This amendment to the universal registration document was filed on 9 September 2024 with the AMF, in its capacity as competent authority under Regulation (EU) No. 2017/1129, without prior approval in accordance with Article 9 of said regulation. The universal registration document may be used for the purpose of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a note on financial securities and, where applicable, a summary and any amendments to the universal registration document. The entity formed at the time is approved by the AMF in accordance with Regulation (EU) No. 2017/1129.



# PRESENTATION OF CRÉDIT MUTUEL ARKÉA

<b>1.1</b>	<b>Group profile</b>	<b>6</b>	<b>1.5</b>	<b>Highlights of the first half of 2024</b>	<b>21</b>
<b>1.2</b>	<b>Sustainable finance and overall performance</b>	<b>8</b>	<b>1.6</b>	<b>The 2024 agenda</b>	<b>26</b>
1.2.1	Sustainable finance	8	<b>1.7</b>	<b>Solidarity relationships</b>	<b>27</b>
1.2.2	Overall performance	10	1.7.1	Solidarity links within Crédit Mutuel Arkéa	27
<b>1.3</b>	<b>A company with a mission</b>	<b>14</b>	1.7.2	Solidarity links within Crédit Mutuel	28
1.3.1	Our Raison d'être (Purpose)	14			
<b>1.4</b>	<b>Crédit Mutuel Arkéa in a few dates</b>	<b>18</b>			

# Our business model

crédit Mutuel Arkéa  
adopted the status of a company  
with a mission in 2022



## OUR 5 COMMITMENTS

1

Make our decisions while aiming for a balanced approach between financial performance and positive impact - societal and environmental - through the exercise of cooperative governance anchored in our regions.

2

Support each of our stakeholders in their environmental transition.

3

Develop regional cooperation and commit to local vitality.

4

Commit to inclusion and cultivate a lasting relationship of trust with all our members and customers, from the forerunners to the most vulnerable.

5

Promote the commitment of our collective in the service of the common interest, in particular by living our mutualist values

+

**Sector policies** coal, oil/gas, tobacco, air transport, real estate financing, agriculture, viticulture and agri-food

+

**Carbon intensity trajectories to 2030** as part of the Net Zero Banking Alliance

5.1 million  
members and customers

€87.5 billion  
in gross loan outstandings

€1,004 million  
in new loans  
for the environmental transition

€167.3 billion  
in gross savings  
outstandings

€689 billion  
in savings products to promote  
the environmental transition.

## OUR BUSINESSES

A balanced and diversified banking and insurance offering Strong and complementary brands

### INDIVIDUAL & PROFESSIONAL CUSTOMERS MARKET

Crédit Mutuel  
de Bretagne

Crédit Mutuel  
du Sud-Ouest

Financo

fortuneo  
BANQUE

KEYTRADE  
BANK

CFCAL

ARKEA  
BANQUE PRIVÉE

kengo  
Bretagne Participative

### CORPORATE & INSTITUTIONAL MARKET

ARKEA BANQUE  
ENTREPRISES & INSTITUTIONNELS

ARKEA  
LENDING SERVICES

ARKEA  
CAPITAL

ARKEA  
CRÉDIT BAIL

### INSURANCE PRODUCT MANUFACTURING AND ASSET MANAGEMENT

SURAVENIR

SURAVENIR  
ASSURANCES

FEDERAL  
FINANCE GESTION

SWEN  
ital Partners

Schelcher Prince  
Gestion

### BTOB CONTRACT AND SERVICES

PROCAPITAL

NEXTALK

ARKEA  
BANKING SERVICES

MONEXT

### REAL ESTATE MARKET

ARMORIQUE  
HABITAT

ARKEA  
REAL ESTATE

ARKEA  
IMMOBILIER CONSEIL

Groupe IZIMMO

ARKEA  
FLEX

ARKEA  
REIM

ARKEA  
FONCIÈRE

Teamzy

liberkeys

### PROTECTION OF PERSONS AND PROPERTY

ARKEA  
CREATIVE CARE

ARKEA  
ON LIFE

ARKEA  
SÉCURITÉ

ARKEA  
ASSISTANCE

## OUR RESOURCES & STRENGTHS

### HUMAN CAPITAL

11,471 employees	2,592 directors*
1,165 permanent hires	956 work-study programmes and interns welcomed
96% of employees trained in 2022	92.4 / 100 professional equality index

### ORGANISATIONAL CAPITAL

- A cooperative organisation
- An intermediate size that promotes agility
- Strong regional roots & decision-making centres in the regions
- National influence with its specialised subsidiaries
- Large-scale IT projects serving the strategy

### FINANCIAL CAPITAL

€191.6 billion in total assets	€2.1bn in revenue**
€9.7bn in equity attributable to equity holders of the parent	16.9% Common Equity Tier 1 ratio (CET1)

Since 2019, 19% of total energy consumption,  
consisting of  
**99%**  
renewable electric energy and  
**95% green gas**

## OUR NON-FINANCIAL PERFORMANCE

Non-financial performance of **€9.4bn.**  
€1m in financing generates on average:

- ⊖ €22,000 in negative environmental impacts
- ⊕ €145,000 in positive socio-economic impacts.



### SHARING VALUE FOR THE BENEFIT OF THE REGIONS AND THEIR STAKEHOLDERS

#### Members and customers

€1,626 million in interest paid on customer deposits  
€86 million in remuneration of cooperative shares

#### Employees

€546 million in compensation paid  
€92 million amount of employee savings  
5% of payroll invested in training

#### Support for the regions

€9 million allocated to Solidarity schemes

#### Suppliers

€671m in purchases made, of which  
90% from French state companies

#### and local authorities

€124 million in taxes paid

\*of which 2,490 directors of local mutual banks

\*\*Net banking/insurance income and gains on disposal or dilution of associates

## 1.1 Group profile

Crédit Mutuel Arkéa is **a cooperative banking and insurance group. Crédit Mutuel Arkéa is made up of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations and their 291 local member banks, as well as around 40 specialised subsidiaries.** Crédit Mutuel Arkéa is not listed on the stock market. It belongs to its members, who are both shareholders and customers. They guide its strategy, at each decision-making level, within the framework of a democratic system and according to the principle of "one person one vote". Crédit Mutuel Arkéa is affiliated with Confédération Nationale du Crédit Mutuel, which is the central institution of the Crédit Mutuel network, in accordance with Article L.511-30 of the French Monetary and Financial Code.

**Crédit Mutuel Arkéa has a balanced and diversified profile.** It covers all banking and insurance business lines (excluding corporate and investment banking, discontinued since 2008) while occupying growing positions in the real estate services, connected technologies and services to individuals markets (remote assistance, remote security, etc.).

**As a company with a mission, Crédit Mutuel Arkéa has always sought to reconcile financial strength, regional roots, a culture of innovation, a strategy of openness and sustainable and responsible growth with a long-term outlook.** It is committed to a form of financing that serves the regions and their stakeholders and to supporting the environmental and societal transitions. **Crédit Mutuel Arkéa has chosen to support two transitions as a priority: the climate transition and the preservation of natural capital; the transition to an inclusive and balanced society in the regions.**

**A benchmark player in all its markets – from retail banking to white label services** for major financial and retail accounts – Crédit Mutuel Arkéa aims to develop a cooperative and collaborative banking model that provides the best response to aspirations and lifestyles. Crédit Mutuel Arkéa has therefore opted for open innovation by sharing and pooling its expertise with that of its ecosystem – companies, start-ups, local authorities, etc. – to offer sustainable solutions that create value for all. Crédit Mutuel Arkéa is convinced that this collective approach is, today and tomorrow, the main source of progress and the best response to societal, technological, and environmental challenges.

**As a regional group, Crédit Mutuel Arkéa is committed to maintaining regional decision-making centres and employment areas.** From its regional bases, the group operates nationwide and serves customers throughout Europe through its banks and online services as well as its subsidiaries specialising in the *business-to-business* market.

## Financial and non-financial ratings

## Financial rating

	Moody's	Fitch Ratings
Issuer rating	Aa3	A+
Outlook	Stable	Stable
<b>Senior Preferred Long-Term Debt</b>	<b>Aa3</b>	<b>AA-</b>
Senior Preferred Short-Term Debt	P-1	F1+
Senior Non-Preferred Long-Term Debt	A3	A+
Subordinated Tier 2 debt	Baa1	A-
Date of latest publications	25/07/2024	08/07/2024

## Non-financial rating

Agency	Year	Rating	Change
MSCI	2023	AA	Stable
Sustainalytics (on a scale of 0 to 100, 0 being the least risky)	2024	11.2	Decrease of 0.4 points
Moody's ESG Solutions (on a scale of 0 to 100, with 100 being the highest rating)	2023	72	Stable
ISS ESG	2022	C	Stable
CDP	2023	B	Stable



## 1.2 Sustainable finance and overall performance

### 1.2.1 Sustainable finance



Faced with the environmental emergency, the financial sector has a key role to play in accelerating the evolution towards a more sustainable economic growth model by taking into account non-financial issues (ESG) alongside financial criteria alone. Crédit Mutuel Arkéa intends to be fully committed to this major challenge, on the one hand, by directing capital towards investments and financing with a positive impact and beneficial effects for society and the environment and, on the other hand, by reconciling its financial performance with its non-financial, social and environmental performance.

On 1 December, the group's Board of Directors adopted its first climate objectives for 2030 as an extension of its membership of the Net-Zero Banking Alliance (NZBA), joined in 2022. These new climate objectives set the course that will guide its contribution to decarbonisation in the medium term.

In addition to these initial targets for the particularly high-carbon-emitting sectors of its portfolio, Crédit Mutuel Arkéa aims to be exemplary and has set a target of reducing its direct emissions by 38% by 2030 (electricity, in situ use of fossil fuels for heating, domestic hot water, etc.), from 2,880 tCO<sub>2</sub>e at the end of 2021 to 1,785 tCO<sub>2</sub>e at the end of 2030.

The group has also formalised new commitments as part of its sectoral policies and themes which define a set of rules governing the transactions offered to companies operating in sectors that emit high levels of greenhouse gases and have impacts on health and/or the environment. The group's approach is reflected in strong actions that lead to certain waivers and support for sectoral transformations and transitions, via offers, services and systems adapted for stakeholders.

#### Coal, oil and gas sectors policy

Since 2021, Crédit Mutuel Arkéa has adopted and reinforced exit trajectories from the coal, oil and gas sectors. It has undertaken to phase out coal by the end of 2027 worldwide and has strengthened its framework for financing and investment to companies whose activity is related to coal (energy extraction and production), with the aim of directing financial flows towards low-carbon technologies and resources. The group also refrains from any new financing of projects dedicated to fossil fuels and of players involved in unconventional fossil fuels above certain thresholds.

**Agriculture, viticulture and agri-food sector policy**

In this policy, the Group formalises its commitment to meeting the need for food sovereignty around high-quality production in sufficient quantities and in line with the requirements of consumers who expect safe, healthy and sustainable food. It also aims to secure income and support the development of value on farms. Crédit Mutuel Arkéa also wants to support facilities, contribute to the renewal of generations and stimulate research and development of innovative and sustainable solutions in the regions.

**Sectoral real estate financing policy;**

Crédit Mutuel Arkéa is particularly involved in supporting real estate projects and players over the long term. The group has also developed a real estate division with the aim of stepping up its efforts to promote responsible and protective real estate in the service of the regions. It has identified three strategic priorities: supporting home ownership and housing development; accelerating energy and environmental transitions to reduce resource consumption; and contributing to the vitality of the regions by supporting companies and institutions in their real estate projects.

Crédit Mutuel Arkéa set itself a target of a 23% reduction between 2022 and 2030 in the carbon intensity per square meter financed in the home loan portfolio of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations. It will do this by strongly encouraging energy renovation projects, by financing new housing with lower emissions and by paying the greatest possible attention to the social and economic dimension of housing in its regions.

**Policy governing the financing of air transport activities**

With regard to air transport, Crédit Mutuel Arkéa undertakes that new financing (not allocated to an aircraft) for airlines and new financing allocated to the acquisition of commercial aircraft complies with carbon intensity criteria, in line with the decarbonisation trajectory based on the "Net Zero Emissions by 2050" as defined by the International Energy Agency. In addition, since 1 January 2024, any new financing of aircraft for business and private aviation is prohibited, regardless of the customer's sector of activity, unless the aircraft financed is not a direct CO<sub>2</sub> emitter.

**Health policy**

The group reaffirms its commitment to health-related issues, in line with its Raison d'être (purpose). This regional health support policy is fully in line with Sustainable Development Goal No. 3: "Empowering people to live a healthy life and promoting well-being at all ages". It works alongside healthcare and medico-social players in the regions, in particular to provide access to quality care for as many people as possible, support innovation and research and support healthcare players in their environmental and societal challenges.

**Controversial weapons exclusion and defence support policy**

Crédit Mutuel Arkéa has formalised its "Controversial Weapons and Defence" policy, which aims to contribute to local safety and security issues. Since January 1, 2024, Crédit Mutuel Arkéa has been prohibited from entering into a relationship, providing financial products and services, financing or investing in companies involved in weapons considered controversial. At the same time, Crédit Mutuel Arkéa reaffirms its support for national defence issues and the central role of French industrial players, considering that support for the defence sector is compatible with ESG criteria and its Raison d'être (purpose).

**Policy governing the financing and investment of activities exposed to tobacco**

In view of the major impacts on human health, the Crédit Mutuel Arkéa group has chosen to adopt a tobacco exclusion policy. Its tobacco sector policy targets tobacco production and manufacturing activities as well as certain distribution activities.

**Human rights policy**

Crédit Mutuel Arkéa confirms its long-term commitment to defending human rights. The group recognises the international principles and standards that aim to ensure minimum standards of human rights.

*The NZBA and TCFD reports as well as Crédit Mutuel Arkéa's sector and thematic policies are available on the group's website.*

## 1.2.2 Overall performance

Crédit Mutuel Arkéa has designed a methodology to calculate and monetise non-financial performance. This approach enables the group to measure and manage its overall performance, combining financial performance and non-financial performance, both expressed in euros. Non-financial performance expresses the positive and negative externalities of Crédit Mutuel Arkéa's actions on its stakeholders and its direct impact on its ecosystem. The methodology for measuring non-financial performance is based on internal and external data, impact indicators, monetisation indices and a general formula.

### 1.2.2.1 Crédit Mutuel Arkéa's approach

#### 1.2.2.1.1 Measure non-financial performance at the service of the group's ambitions

##### 1.2.2.1.1.1 A single goal: to drive the group's overall performance

The group's Raison d'être (Purpose) is "to be a player in a world that takes a long-term view and takes into account the major societal and environmental challenges facing our planet for future generations". The Transitions 2024 strategic plan serves this Purpose and aims to position the group on a sustainable growth trajectory.

The group's objective is to generate financial and non-financial value for its stakeholders (members and customers, suppliers, employees), support them in their transition by contributing to the successful consideration of societal and environmental issues, thus ensuring the sustainability of the activities of all players in the economy.

##### 1.2.2.1.1.2 Develop a new system to measure non-financial performance

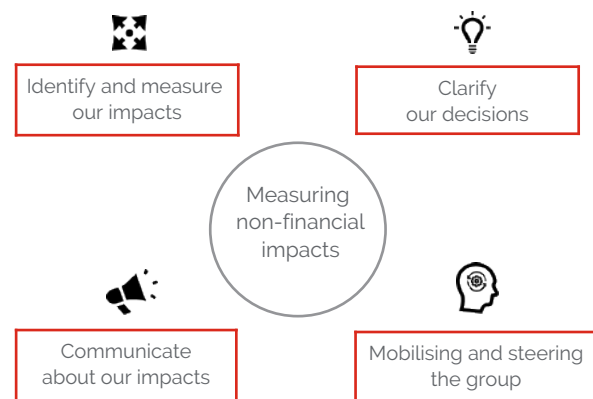
In order to be able to measure and manage non-financial performance, the group has developed a methodology to select the relevant non-financial indicators for the group and its stakeholders.

This methodology values the group's ability to have an impact on its ecosystems through:

- its investment and financing choices;
- its purchasing policy;
- its human resources policy.

The purpose of measuring the non-financial impacts of Crédit Mutuel Arkéa's activities is to assess:

- its commitment in accordance with its Purpose and its initiatives included in the strategic plan;
- the impact of its decisions, actions and offers on its stakeholders.



### 1.2.2.1.2 General principles

To measure Crédit Mutuel Arkéa's overall performance, it is necessary to have a common language with a common unit of measurement, the euro, for financial and non-financial value. The financial result reflects the creation of financial value when the measurement of non-financial impacts is intended to express in euros the positive and negative externalities of Crédit Mutuel Arkéa's actions on its stakeholders through impact indicators relevant to its activities, and its direct footprint.

An externality characterises the fact that Crédit Mutuel Arkéa has created, through its activity, an external effect by providing its stakeholders, without monetary compensation, a utility, or a benefit free of charge, or, on the contrary, a nuisance or a damage without compensation.

These externalities are numerous and may be different depending on the stakeholders.

### 1.2.2.2 Methodological approach

#### 1.2.2.2.1 Areas of impact

The methodology developed by the Crédit Mutuel Arkéa group is based on relevant non-financial indicators in the areas of environmental and socio-economic impact. The choice of impacts to be included was based on a cross-analysis of financial and non-financial materialities to measure the relevant externalities for Crédit Mutuel Arkéa.

#### 1.2.2.2.2 The issue of data availability

The approach adopted consists in identifying the financial and non-financial data required to calculate the impact. Data collection is adapted according to the availability of information. Thus, today, the methodology follows a "sectoral" top-down approach in order to capitalise as best as possible on the existing one and it will gradually evolve into a "granular" bottom-up approach in order to refine the measurement of impacts.

	<b>TOP-DOWN "SECTOR"</b> <i>Aggregated data by sector of activity</i>	<b>BOTTOM-UP "CUSTOMER or PRODUCT"</b> <i>Granular data per customer or product</i>
<b>PROS</b>	Only possible method for incorporating the historical basis into the non-financial measurement (stock) Minimises data collection	Provides a more granular picture
<b>CONS</b>	Need to find relevant proxies to give an accurate picture of current reality	Need to collect additional non-financial data, not currently available in the information systems

### 1.2.2.2.3 External database

In order to ensure the reliability of the calculations and with a desire for transparency, the methodology is based on public reference databases.

More specifically, for the choice of monetisation indices, two main approaches are used:

- "Calculation of damages" or "Value of benefits":
  - the benefit of a measure corresponds to the damage that it is likely to avoid by its implementation.
- "Avoidance cost":
  - the costs of a measure correspond to the investments that may have to be implemented to avoid all or part of the damage.

#### Examples of sources used to value non-financial indicators

ADEME, Assurance Maladie (national insurance), INSEE, the Ministry for Regional Cohesion and Relations with Local Authorities, the European Commission, Eurostat, the OECD, the European Environment Agency.





#### Examples of sources used for monetisation indices

France Stratégie, the French Banking Federation, the family allowance funds, the Directorate General of Local Authorities, INSEE, the Ministry of Solidarity and Health, the Ministry of Higher Education and Scientific Research, Eurostat, the OECD, etc.

#### 1.2.2.2.4 Measurement and monetisation of impacts

The monetary value of the impact of each non-financial indicator, or its monetisation, is obtained by multiplying:

- its value **(1)**;
- a monetisation index **(2)**;
- a Crédit Mutuel Arkéa share **(3)**.

	 Calculation steps	 Description of the step	 Example	 Calculation formula
1	<b>Valuation of the impact</b>	<b>Quantified expression of impact</b>	<i>Volume of GHG emissions</i>	<b>Volume of indicator</b> Unit (varies according to indicators)
2	<b>Monetisation of the impact</b>	<b>Conversion into € of the impact</b>	<i>Guardian value of GHG emissions</i>	<b>X</b> <b>Monetisation index</b> € per unit
3	<b>Determination of CM Arkéa impact</b>	<b>Share of CM Arkéa in the value of the company</b>	<i>Equal to 10% (for a loan of €100k to a customer whose liabilities are €1m)</i>	<b>X</b> <b>CM Arkéa share</b> %
	<b>Net income</b>			<b>=</b> <b>Monetary value of the impact</b>

### 1.2.2.3 Presentation of non-financial indicators

For Crédit Mutuel Arkéa as a whole, 25 impact indicators have been selected at this stage for the measurement of non-financial impacts. Some of these indicators are generic because they are applicable to all business sectors and others are specific because they are only relevant for certain sectors. They are of two types:

- external indicators (relating to the activity of customers and suppliers);
- internal indicators (relating to Crédit Mutuel Arkéa's internal activity).

#### External indicators

Themes	Impact indicators
<b>Generic indicators</b>	
Contribution to the fight against climate change	Greenhouse gas (GHG) emissions GHG avoided
Support for economic activity	Number of jobs supported Added value in the regions
<b>Specific indicators (applicable for certain products or business sectors)</b>	
Contribution to energy efficiency	Improved energy performance
Resource depletion	Water consumption
Circular economy – waste	Production of residual waste
Biodiversity	Soil artificialisation Eutrophication
Purchasing power gain <sup>(in euros)</sup>	"Left to live on" Reduction of energy bill
Quality of life (healthy)	Number of patients or care provided Fine particulate emissions
Access to housing	Number of social housing units Number of owned homes
Training & education	Number of pupils/students enrolled
Mobility	Kilometres of roads financed, or trips allowed Number of vehicles financed

#### Internal indicators

Themes	Impact indicators
Contribution to the fight against climate change	Greenhouse gas (GHG) emissions
Circular economy – waste	Production of residual waste
Support for economic activity	Number of jobs supported Additional purchasing power under the social contract
Quality of life (at work)	Number of days of sick leave avoided/caused
Personal safety	Number of workplace accidents
Training & education	Number of work-study students trained
Equal opportunities	Gender pay gap (in euros) Number of employees with disabilities
Corporate sponsorship	Days of mobilisation on skills sponsorship missions Donations of leave between employees

The detailed methodological framework is available on the Crédit Mutuel Arkéa website.



## 1.3 A company with a mission

### Our Raison d'être (Purpose)





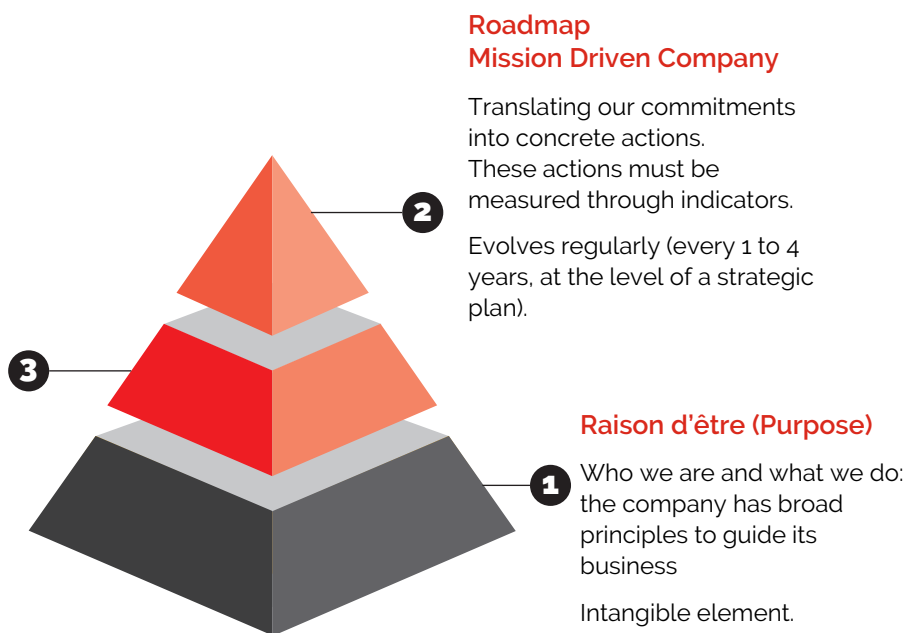
## PRESENTATION OF CRÉDIT MUTUEL ARKÉA

A company with a mission

In line with its Purpose and the deployment of its medium-term strategic plan, Transitions 2024, in May 2022 the group adopted the status of a "company with a mission", which constitutes the most demanding level of commitment under the Pacte law in terms of environmental and societal responsibility. It is one of the very first banking groups to acquire this status.

### Commitments

What we want to do in the long term. Social and environmental objectives must guide us in our choices. They can evolve over a generation (15/20 years).





# OUR 5 COMMITMENTS

Make our decisions while aiming for a balanced approach between financial performance and positive impact - societal and environmental - through the exercise of cooperative governance anchored in our regions.

01

Support each of our stakeholders in their environmental transition.

02



Develop regional cooperation and commit to local vitality.

03

Commit to inclusion and cultivate a lasting relationship of trust with all our members and customers, from the forerunners to the most vulnerable.

04

Promote the commitment of our collective in the service of the common interest, in particular by living our mutualist values

05

# MISSION REPORT



**ÉRIC CHALLAN BELVAL**

CHAIRMAN OF THE MISSION COMMITTEE  
Chairman of La feuille d'érable (a pioneer in the recycling of office paper) and Medef Ille-et-Vilaine.



**THIERRY BURLOT**

former Vice-President of the Brittany Regional Council in charge of the environment and biodiversity and Chairman of the Loire-Bretagne Basin Committee.



**JÉRÉMY BRÉMAUD**

Associate Director and Founder of Ellyx (specialist in solving societal issues) and Chairman of France Active Nouvelle Aquitaine.



**DAVID SUSSMANN**

Founding Chairman of Pure Ocean (endowment fund supporting projects that protect marine ecosystems) and Founding Chairman of Seafoodia (a company specialising in the distribution and sale of seafood products worldwide).



**NOLWENN FEBVRE**

Founding President of Les P'tits Doudous, a network of associations bringing together health professionals and working to improve the lives of children, parents and caregivers in hospitals.



**MAËVA BOUREL**

Head of the Group's Sustainable Finance Department, also appointed head of the mission.



**DANIELA DA SILVA**

Chairwoman of Caisse de Bordeaux Saint Jean and Chairwoman of Caisse de Crédit Mutuel Agricole et Viticole du Sud-Ouest. As an independent consultant and auditor, she supports the wine industry on ethical, quality and product safety issues



**PATRICK LESCOP**

Chairman of Caisse de Crédit Mutuel de Saint Pol de Léon His career has led him to work in three sectors: logistics transport, in France and the United Kingdom, agri-food and civil engineering.



**HÉLÈNE LAMY**

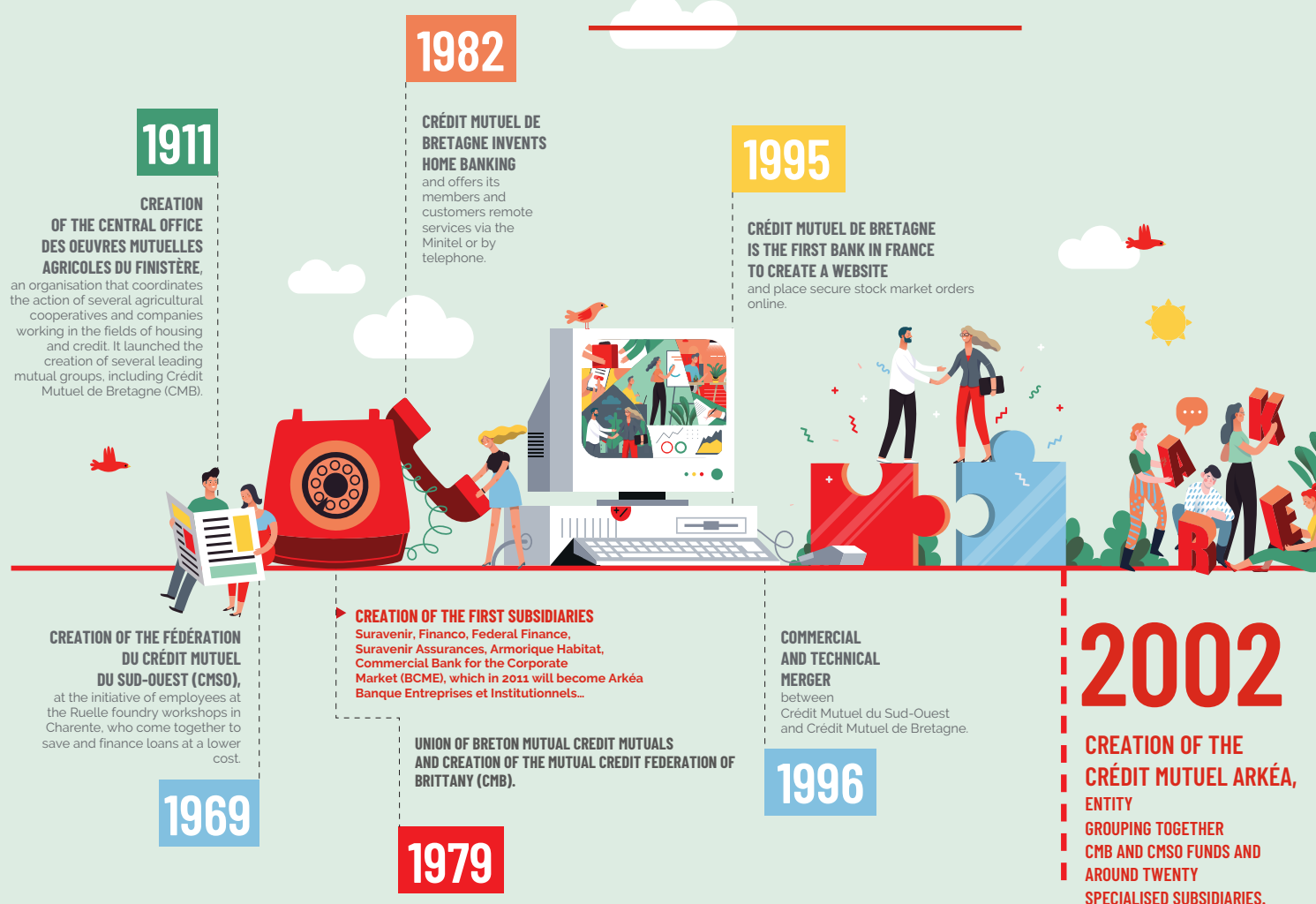
Director of the Elven local bank. She was chosen from among the group's employees following the internal call for applications launched by Crédit Mutuel Arkéa.

## 1.4 Crédit Mutuel Arkéa in a few dates

Crédit Mutuel Arkéa was officially created in 2002. Its history, however, began more than a century ago in Brittany before spreading to Nouvelle-Aquitaine and now throughout France and Europe. The cooperative and collaborative group, which is experiencing a continuous growth trajectory, has been able to take bold strategic directions at key stages in its development.

# The success story of the Crédit Mutuel Arkéa

COOPERATIVE AND REGIONAL BANKING GROUP







For more than 15 years, Crédit Mutuel Arkéa has been committed to defending its autonomy within CNCM in order to preserve its model and its ability to decide on and conduct its own strategy. The deep disagreements over the governance of Crédit Mutuel as well as the multiple attempts at centralisation led the elected representatives of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations, brought together in Crédit Mutuel Arkéa, to opt for the project of disaffiliation and exit from Crédit Mutuel in 2018. In July 2022, Crédit Mutuel Arkéa asked for serious and structured discussions with the Confédération Nationale du Crédit Mutuel (CNCM), to rebuild a Crédit Mutuel that respects pluralism and subsidiarity, while fully recognising CNCM's prudential role. In August 2022, the group made concrete proposals to CNCM to find a solution to the conflict. This project aimed to define the outlines of a guaranteed autonomy framework for Crédit Mutuel Arkéa. In January 2023, Crédit Mutuel Arkéa and CNCM agreed on the framework and method for conducting a negotiation process. The aim is to preserve the group's cohesion and strengthen the autonomy of its members, thus seeking an alternative to the disaffiliation project pursued until now by the directors of Crédit Mutuel Arkéa. Under the aegis of CNCM, these negotiations gave rise to reviews carried out by Crédit Mutuel's main executive officers of Crédit Mutuel's regional groups, followed by a discussion between the elected officers of Crédit Mutuel. On 2 May 2023, the Boards of Directors of Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and Sud-Ouest federations unanimously adopted a political memorandum of understanding (MOU) for a united and plural Crédit Mutuel.

This MOU was then unanimously adopted on 3 May 2023 by the Board of Directors of CNCM, with its members representing the 19 federations, employees and independent directors.

This agreement consolidates a mode of operation that preserves the originality and strength of Crédit Mutuel's cooperative and mutualist model, based on unity, solidarity and subsidiarity, respectful of both the prudential powers of the central institution and the autonomy of federations and regional groups. Through reciprocal progress, the work led to an MOU whose main measures are described below:

1. Application within the Crédit Mutuel Group of the principles of subsidiarity and autonomy. The regional groups freely determine their strategy and, more broadly, their business plan, in accordance with prudential rules.
2. Articulation of the free competitive development of the respective subsidiaries with respect for the principle of the territoriality of the Crédit Mutuel banks.

3. The names and use of the "Crédit Mutuel" brand.



The domestic brand "Crédit Mutuel" has historically been registered by CNCM, which is responsible for and owns it on behalf of Crédit Mutuel members. However, the independent use of separate brands, incorporating the term Crédit Mutuel, is possible by the federations and local banks using their own name. For example:



4. CNCM governance

This includes:

- the creation of a Deputy Vice-Chairmanship, which will be assigned by right to the Chairman of Fédération du Crédit Mutuel de Bretagne, who will also chair the Risk Committee;
- A right of veto granted to the federations in the event of harm to their vital interests (employment, regional decision-making centres, subsidiaries, information system, purpose, etc.).

The agreement reiterates CNCM's role in its public service mission. It ensures the proper functioning and cohesion of the group in order to guarantee its financial stability, its solidity and the protection of depositors and members. As such, it is the main contact for the supervisory and resolution authorities that control the Crédit Mutuel group on a consolidated basis. Likewise, it represents the collective interests of Crédit Mutuel with regard to the authorities and the profession, in addition to the individual interests defended by each.

In this context, the Articles of Association of CNCM were then adapted and rewritten to integrate all the provisions recorded in this memorandum of understanding, and were validated on 22 June in their new version, at the General Meeting of CNCM. In accordance with the French Monetary and Financial Code, they were also submitted for approval to the Minister of the Economy.

Thus, on 7 July 2023, Crédit Mutuel Arkéa officially approved its retention and that of its federations within Crédit Mutuel, and ended the disaffiliation project initiated in April 2018.

The first work has begun, and is continuing, to transpose this agreement into the frameworks and general texts governing the operation of Crédit Mutuel.

For this reason, Crédit Mutuel Arkéa remains vigilant and actively participates in the proper execution of the work to transpose the MOU.

Crédit Mutuel Arkéa will continue to work with commitment and vigilance to maintain its strategic autonomy over time.

## 1.5 Highlights of the first half of 2024

### January

The Crédit Mutuel Arkéa teams successfully completed the final transition between the retail banking activities of HSBC France and Crédit Commercial de France (CCF) during the weekend of December 31 to January 1<sup>st</sup>. Launched in June 2021, this strategic project involved more than 1,300 employees. This change marks the launch of the CCF brand, owned by My Money Group, as well as the start of white-label services operated by several group entities, including Arkéa Banking Services, for a period of 10 years.

[Find out more](#)

Segepo, a group based in the Rhône region specialising in precision cutting and machining, is reorganising its capital and welcoming two new investors: Arkéa Capital as lead arranger and Bpifrance. The 350-employee company, with 7 production sites around the world and distribution in 25 countries, generates more than half of its revenue internationally.

[The press release](#)

Maël de Calan, President of the Finistère Departmental Council, Nathalie Carrot-Tanneau, Vice-President in charge of disability and Luc Moal, Vice-President of Crédit Mutuel de Bretagne donated €140,000 to fourteen associations that work to support people with disabilities and their caregivers.

[Find out more](#)

Arkéa Assistance launches the "SmartAssistance" app, a new remote assistance offer on smartphones that secures elderly people in their daily journeys. The application thus makes it possible to issue alerts, via an SOS button, in tricky situations (falls, illness, dangers, etc.).

[Find out more](#)

The Transitions Europe SCPI, managed by Arkéa REIM, has strengthened its presence in the Netherlands and has just acquired a portfolio of assets dedicated to life sciences, with a total surface area of 7,600 m<sup>2</sup>. Located in the ports of Amsterdam and Rotterdam, the buildings have been renovated and have world-class energy performance. This portfolio is fully let under leases with an average fixed residual term of more than 10 years to a world leader in laboratory testing, inspection and certification.

[The press release](#)

Arkéa Capital, through its impact fund We Positive Invest 2, and supported in particular by Swen Capital Partners, participated in Beedeez's €8 million fundraising. Created in 2015, Beedeez is an LMS (Learning Management System) training platform that enables companies to ensure the upskilling of their so-called "on the ground" employees who do not have a personal computer. The start-up already has more than 2 million users from companies such as RATP, Vinci, Leroy Merlin and Etam.

[The press release](#)

After Spain, Belgium and Portugal, Monext is supporting the development of Nickel in Germany, in all aspects related to the issue and management of its Mastercard cards. A new stage that consolidates 10 years of commercial relations.

[The press release](#)

Crédit Mutuel Arkéa signed an agreement to acquire a minority stake in Kyaneos Asset Management and Kyaneos Gestion. The two entities are complementary: Kyaneos AM manages SCPIs invested in residential buildings and Kyaneos Gestion provides rental management. Approved by the Autorité des Marchés Financiers (French Financial Markets Authority), Kyaneos makes the energy renovation of residential buildings in France a central part of its development model. Its investment strategy is based on a threefold objective: to offer an attractive risk/return ratio via its savings vehicles, to have a positive environmental impact by reducing the energy consumption of renovated buildings and their GHG emissions and, lastly, to generate a social impact by improving the quality of the housing it renovates and the living comfort of tenants.

[The press release](#)

The Board of Directors of Crédit Mutuel Arkéa adopts its "Human Rights" policy. This policy formalises its commitment and describes its processes in place. The commitments are part of a vigilance and continuous improvement approach, particularly in the indirect sphere, due to the complexity of value chains and the variety of audiences concerned, as well as the continuation of actions to promote human rights.

[The document](#)

## February

Arkéa Banque Entreprises et Institutionnels and Caisse d'Epargne et de Prévoyance Auvergne Limousin (CEPAL) are financing €13.5 million for the installation and operation of 35 9 MW photovoltaic power plants on the roofs of agricultural buildings, located mainly in the Auvergne-Rhône-Alpes region. The project is sponsored by Dischamp Énergies. The virtue of the model, besides additional remuneration for farmers, lies in the production of green energy sold to EDF and the sustainability of farms. Arkéa Banque E&I and CEPAL have already supported this client in the financing of 80 power plants in 2011, then in a refinancing in 2021.

### The press release

Arkéa Flex, a pioneer in the construction of flexible and adaptable housing, and the property management company Foncia inaugurated the very first fully modular condominium in the region in Tours. With scalable and customisable apartments that respond to changing lifestyles, this condominium embodies a new vision of housing with sustainable buildings that do not require major refurbishment or reconstruction work.

### The press release

After Suravenir for the launch of a life insurance contract (Nexity Life), real estate group Nexity called on CFCAL to launch a savings product: the Livret Propriétaire by Nexity. Designed specifically for young working people with difficulties accessing mortgage loans, this savings account aims to democratise real estate investment and support new-build purchase projects.

### Find out more

Arkéa Capital acquired a stake in La Boutique du coiffeur. Created in 1988, this group is one of the French leaders in the distribution of professional hairdressing and beauty products to individual and professional customers. The network has more than 200 points of sale per 1,000 employees. La Boutique du Coiffeur plans to open nearly 30 new stores a year.

### The press release

Crédit Mutuel Arkéa acquires a stake in the first French impact start-up studio dedicated to AgriTech. Called AgriLife Studio, this structure aims to create around ten start-ups in the coming years around the challenges of tomorrow's agriculture and healthy and sustainable food. The group participated in the closing of an initial financing round of €25 million.

### The press release

## March

Arkéa Capital acquired a stake in the Ocellis group, an expert in the development of office space. The group has more than doubled in size in 3 years to exceed €85 million in revenue in 2023, mainly through organic growth. In addition to its historical presence in the Ile-de-France region, Ocellis has opened 6 offices over the past two years (Lyon, Bordeaux, Lille, Marseille, Nantes and Toulouse) and a first acquisition was completed by integrating the Pepper agency, which strengthened the group's expertise in high-end design and architecture.

### The press release

Arkéa Capital and Swen Capital Partners acquire a stake in the JL&P group, an engineering platform specialising in new mobility solutions, the deployment of energy infrastructures, water management and the environment. Founded in 2017 and based in Floirac (33), the JL&P group has 50 employees, mainly engineers and architects, and has 5 branches covering the national territory (Bordeaux, Versailles, Lyon, Fréjus, Nantes). In particular, it offers a turnkey offer to create, modernise or convert traditional service stations into a multi-energy hub.

### The press release

Swen Capital Partners adopts the status of a mission-driven company and reinforces its commitment to truly sustainable and responsible finance. It has included the following Raison d'être in its articles of association: "We have come together to put investment at the service of Nature. We develop demanding solutions and cooperate with our ecosystem to create sustainable value and progress together."

### The press release

Crédit Mutuel Arkéa publishes its first "Biodiversity and natural capital" report. Biodiversity is an essential foundation for the sustainability and well-being of human societies. It is the source of many services, including the supply of raw materials, access to water, climate regulation, air and water quality and pollination, for example. For economic players, the loss of biodiversity represents both a source of financial risks and a source of opportunities to rethink their development models.

### The document

"Climate: daring to have confidence in the regions" is officially launched via an article published in *Les Echos*. Initiated by Julien Carmona, this reflection and action group brings together leaders of regional, political and academic companies and aims to make the voice of the regions heard. They all share the conviction that the solutions to the major transition challenges that we collectively face come from the regions. "In our local businesses, we see the effects of global upheavals and national political decisions every day. It must be acknowledged that in the face of these challenges, innovative solutions often come from the ground, and it is our companies that are behind them. They therefore have a vital role to play in preparing and adapting the regions to these major challenges," explains Julien Carmona.

#### The gallery

Crédit Mutuel Arkéa officially launched its endowment fund. This umbrella structure will complement the Solidarités initiatives supported by the federations and local banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, in particular in support of initiatives with a regional dimension. Among its first achievements:

- The renewal of the sponsorship agreement with the foundation of the University of Rennes, which is actively working to bring the University closer to companies.
- The allocation of a budget to the Océanopolis Acts endowment fund to support the creation of a new children's area as part of the renovation work on the scientific park dedicated to the ocean.
- The signing, in association with Crédit Mutuel de Bretagne, of a sponsorship agreement with the Rennes Academy to distribute 3,000 keyboards adapted to dyslexic students in all primary and secondary schools in Brittany. This "Keydys" kit was designed by a young Breton entrepreneur, Ryann Dubois.
- The commitment, with Crédit Mutuel du Sud-Ouest, to the Bergonié Endowment Fund to support research projects carried out by the only Regional Cancer Control Centre in Nouvelle-Aquitaine.

#### Find out more

Federal Finance Gestion supports the development of La Conciergerie Solidaire through its FPS Federal Solidaire. This company, which specialises in concierge services for businesses, third places and neighbourhoods, will receive financial support to intensify its expansion. La Conciergerie Solidaire's growth strategy includes strengthening its current branches, opening new branches, recruiting affiliates and improving its digital platform.

#### The press release

## May

The Transitions Europe SCPI, managed by Arkéa REIM, has just completed its 12<sup>th</sup> acquisition, a Life Sciences establishment located in Assen, in the north of the Netherlands.

#### The press release

Julien Carmona is reappointed Chairman of the Board of Directors of Crédit Mutuel Arkéa for a three-year term. The terms of office of Colette Séné and Luc Moal were also renewed. The Board also welcomed three new members from the cooperative movement: Fabienne Richard-Velly, Yvon Erhel and Stéphane Cloarec.

#### Find out more

The New Ideas Trophy of the CMB and CMSO federations is back for an 8<sup>th</sup> edition. The concept remains unchanged: to reward innovative project initiators in Brittany and Nouvelle-Aquitaine. The CMSO has chosen Karine Da Silva as sponsor of the 2024 edition: she runs Georges, an eco-responsible and digitised industrial laundry in Bassens (33). In Brittany, Loïc Hénaff, CEO of the eponymous group, will act as sponsor. In particular, the winners will benefit from expert support.

#### The CMB website

#### The CMSO website

Arkéa Capital, via its We Positive Invest 2 impact fund, supports QualiRetraite's acquisition of Factor companies and Previssima. The operation will enable the creation of a major group to support the end of their career, optimise retirement and provide social protection advice for professionals and individuals.

#### The press release

Crédit Mutuel Arkéa joins the ArGiMi consortium, winner of the "Digital Commons for Generative Artificial Intelligence" call for projects launched by Bpifrance as part of the France 2030 initiative. This project aims to create the next generation of French-speaking Large Language Models (LLMs) - an AI model designed to understand and generate natural language - specifically tailored to business needs. The aim is to revolutionise the industrialisation of AI. These LLMs, which require a huge body of data for optimal training, will benefit from the contributions of INA, BNF, CDiscount and Crédit Mutuel Arkéa.

#### The press release



## June

Crédit Mutuel du Sud-Ouest is beginning to roll out Orion, its transformation plan aimed at accelerating its growth. Through this development and transformation plan, the CMSO intends to become, in its Gironde, Charente and Dordogne regions, the bank for one in five residents and one in ten professionals within 10 years, with a target of 650,000 customers.

### The press release

The Transitions Europe SCPI, managed by Arkéa REIM, has just completed its first acquisition in Barcelona. This is a multi-tenant office building located in a complex of more than 20 hectares that houses the headquarters of multinationals (Bolloré Logistics, Amazon, etc.). Its proximity to Barcelona airport contributes to its attractiveness.

### The press release

Arkéa Banque E&I's Environmental Transition Department has reached the milestone of one billion euros in outstanding loans. It has thus financed 156 projects (project and corporate financing), representing 1,811 MW financed and 78,000 t CO<sub>2</sub> avoided. Created in 2020, DTE, which has 12 employees, is present mainly in two business sectors: renewable energies with mature technologies (photovoltaic, wind, hydraulic, methanisation, biomass, storage, etc.) and energy infrastructure (heat networks, energy recovery units, sorting centres).

### The press release

The Crédit Mutuel Arkéa endowment fund is launching its first call for projects on the theme of "Sport & Territories". This competition is reserved for associations under the law of 1901, companies in the social and solidarity economy with fewer than 10 employees, cooperative structures and local authorities. The objective of this first call for projects is to support sports initiatives in the Brittany and South-West territories aimed at an impact on local vitality as well as a societal impact (education, inclusion, disability, health, or reintegration).

### The press release

The Data Office of the Group's Innovation and Operations Division obtains the trusted AI (Artificial Intelligence) certification, issued by the French National Metrology and Testing Laboratory, which validates the quality of the development and monitoring processes for AI solutions.

### The press release

Crédit Mutuel Arkéa launches Duoprime, a new real estate solution for first-time home buyers. Duoprime is currently being tested at several local savings banks of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest before being distributed by both networks. It offers additional information on the personal contribution of first-time buyers through the participation of the dedicated vehicle Arkéa Foncière Résidentielle. This solution makes it possible to meet the regulatory constraints linked to the affordability ratio without causing customers a major erosion of their living expenses.

### The press release

Crédit Mutuel Arkéa is setting up its Parisian teams in two new workspaces: the Chateaubriand building, in the heart of Paris, and the Trinity Tower, in the La Défense business district. These developments illustrate the Group's desire to strengthen synergies between its entities and to offer its employees modern, user-friendly and sustainable working environments, consistent with its quality as a mission-driven company.

### The press release

Crédit Mutuel Arkéa has participated in the inauguration of the Beaumont block, consisting of three buildings, in which the group acquired buildings through its property company. Located in Rennes and built by the Legendre Immobilier group, this complex combines multiple uses and innovations while extending the city centre right up the train station with housing, offices and shops.

### The press release

## AWARDS

Fortuneo is voted 2024 Brand of the Year among online banks. This distinction is based on a study by the NielsenIQ institute that surveyed more than 15,000 consumers in France. It compares consumer confidence based on 5 criteria: purchase intent, attractiveness, innovation, CSR and recommendation.

Vie Plus, the Suravenir division dedicated to wealth management advisors (CGP), received 5 awards at the Pyramides de la gestion de patrimoine: best life insurance policy for Patrimoine Vie Plus, CGP award in the individual PER category, CGP award in the best insurance platform category, development award awarded by the editor of the magazine *Investissement Conseils*, 3<sup>th</sup> preferred company for CGPs in the provident partner category.

Arkéa REIM received the prize for writing *Investissement Conseils* in the paper-based category and was named the 2<sup>nd</sup> preferred company of the PCCs. Schelcher Prince Gestion was awarded the performance award in the collective fixed income category.

The comparator Pricebank.fr looked at the rates and services offered by the main French banks. Fortuneo won Best Bank 2024, Cheapest Bank and Best Online Bank with a score of 34.6/40. With a score of 18.1/20, Crédit Mutuel de Bretagne won the trophy for best banking services. It stands out for day-to-day banking, savings investments and loan offers.

At the 39<sup>th</sup> Oscars for life insurance, retirement and personal protection, organised by the magazine *Gestion de fortune* and Décideurs TV, Suravenir received three awards with Patrimoine Vie Plus, Pertinence Retraite and Projection Retraite.

Federal Finance Gestion and Schelcher Prince Gestion are included in the "50 Asset Management Companies That Matter" ranking, the magazine's must-haves selection of *Option Finance*. Swen Capital Partners also entered the list.

The magazine *Mieux Vivre Votre Argent* awards Arkéa REIM the 3<sup>rd</sup> prize for the Best diversified SCPI for Transitions Europe. With the SRI label, Transitions Europe, which invests in the real estate of tomorrow, has collected nearly €150 million since the beginning of the year and has just exceeded €250 million in capitalisation.

## SPONSORING: NEWS FROM OUR PARTNER TEAMS

On January 1<sup>st</sup>, Crédit Mutuel Arkéa announced the identity of the future stadium in Brest: **Arkéa Park**. This announcement follows the title partnership formalised last July, jointly with Gérard and Denis Le Saint, project leaders. The building permit for the future football club at Stade Brestois 29 was filed in June 2024. It will be a model of accessibility and inclusion for people with disabilities, around three main pillars: accessibility, sports, and the professional integration of disabled workers.

The press release

Last January, the **Arkéa B&B Hôtels** cycling team excelled at the French cyclo-cross championships in Camors (56). For men, Clément Venturini landed his sixth tricolour jersey in these championships. Among future hopes, Rémi Lelandais collected a fine silver medal. For the ladies, Amandine Fouquet and Anaïs Morichon took the 2<sup>nd</sup> and 3<sup>rd</sup> places on the podium.

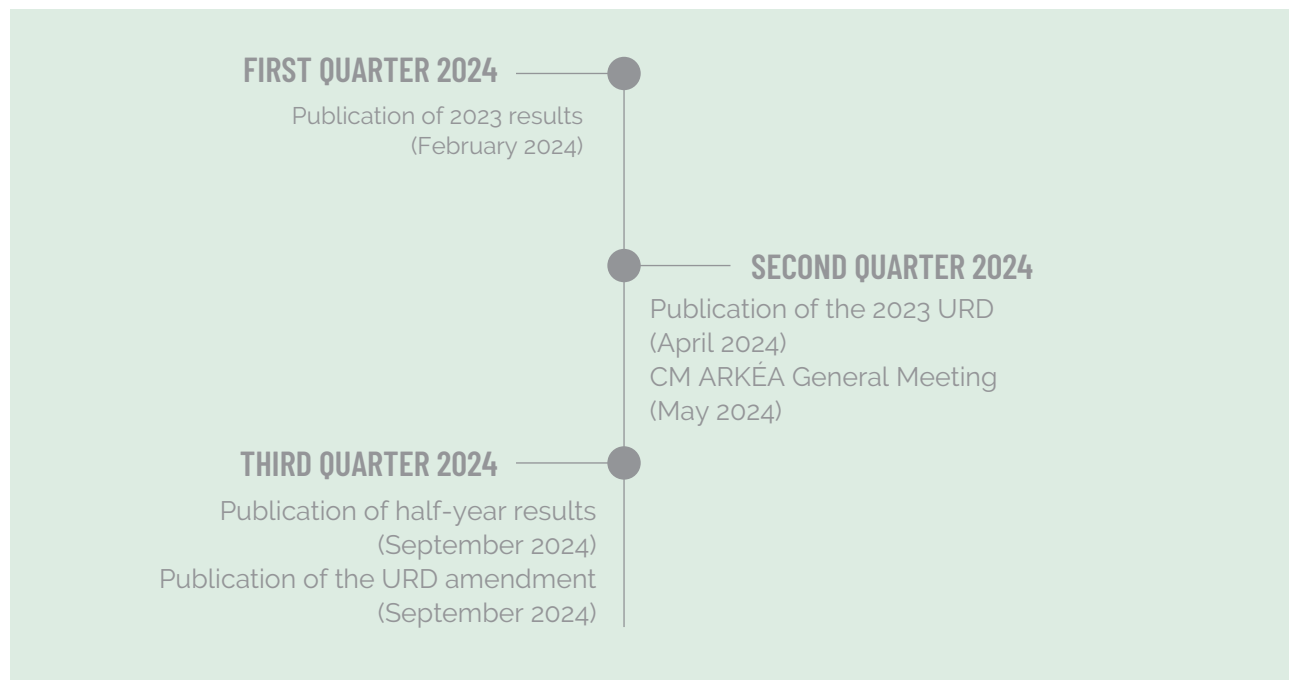
Charles Caudrelier, Gitana's skipper, won the **Arkéa Ultim Challenge - Brest**, the first global showdown in giant multihulls. He left on 7 January and completed the course in 50 days and 19 hours. Thomas Coville took 2<sup>nd</sup> place. Armel Le Cléac'h completed the podium.

Starting in Lorient, **Yoann Richomme, skipper of Imoca Paprec Arkéa**, emerged as the winner of the 15<sup>th</sup> edition of The Transat by crossing the finish line off the coast of New York, after 8 days, 6 hours and 53 minutes of a thrilling sprint race. Yoann Richomme scored his third victory under Paprec Arkéa, his second in the Imoca category.

By winning in the final against Grenoble 16-9, the **Rugby Club de Vannes** was crowned French Pro D2 champion and gained entry to the Top 14 next season. A first for the club and for Brittany. The **Union Bordeaux-Bègles**, for its part, competed in its first Top 14 final but lost against Stade Toulousain (59-3).

**Kévin Vauquelin** won the second stage of the 111<sup>th</sup> Tour de France, contested between Cesenatico and Bologna. It gave the Arkéa B&B Hôtels team a first stage victory in a grand tour.

## 1.6 The 2024 agenda



Agenda subject to modifications

## 1.7 Solidarity relationships

The Crédit Mutuel group, within the meaning of Article L.511-20 of the French Monetary and Financial Code (CMF), is governed by the latter, in particular Articles L.511-30 to L.511-32 of the CMF relating to central bodies and Articles L.512-55 to L.512-59 relating to Crédit Mutuel.

In accordance with these provisions, CNCM was entrusted with the representation of the Crédit Mutuel banks affiliated with the Crédit Mutuel network at the European Central Bank and the French authority for prudential control and resolution (ACPR), as well as the duty of ensuring the cohesion of this network and the application of the legislative and regulatory provisions specific to credit institutions, to exercise administrative, technical and financial control over the organisation and management of each bank and to take all necessary measures for the correct operation of the network, in order to guarantee its financial stability and the protection of depositors and members.

Within the framework of its public authority prerogatives, General Decision 1-2020 relating to solidarity was taken by the CNCM, together with General Decision 2-2020 concerning the implementation of measures in phases of proven financial difficulty or resolution.

### 1.7.1 Solidarity links within Crédit Mutuel Arkéa

The solidarity mechanism provided for within Crédit Mutuel Arkéa is an inter-federal mechanism based on Article R.511-3 of the French Monetary and Financial Code.

This text stipulates that the European Central Bank (ECB) may, on the proposal of the ACPR, for mutual and cooperative groups, issue a collective licence to a regional or federal bank for itself and for all the banks affiliated to it "provided that the liquidity and solvency of the local banks are guaranteed as a result of this affiliation".

Crédit Mutuel Arkéa benefits from this collective approval for itself and for all the local banks that are members of the Crédit Mutuel de Bretagne and Sud-Ouest federations, insofar as this membership guaranteed the liquidity and solvency of the local banks.

The solidarity mechanism is organised by the financial regulations contained in each of the general operating rules specific to the federations of Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest, and the internal regulations of Crédit Mutuel Arkéa. It is binding only on the member local banks, these federations and Crédit Mutuel Arkéa.

Furthermore, it does not create any obligations of the member local banks vis-à-vis third parties. In other words, Crédit Mutuel Arkéa members are not bound by any passive solidarity with third parties, and creditors of a local mutual member bank can only turn to that bank and not to any other or to Crédit Mutuel Arkéa in any other way.

This solidarity mechanism is essentially reflected in the constitution, at the level of each federation, of the federal fund that ensures the equalisation of the results of the local member banks, in accordance with General Decision no. 1-2020 of the Confédération nationale du Crédit Mutuel (CNCM).

The federal fund is fed by allocations from local funds and includes the federal solidarity fund and the federal reserve fund.

- The federal solidarity fund ensures the equalisation of the results of the local member banks by means of endowments and subsidies. Any local bank that has been in deficit for a period of three (3) consecutive years is subject to a special review. A recovery plan is set up with the departments of the federation concerned and Crédit Mutuel Arkéa. If the local bank is still in deficit at the end of the recovery period set out in the plan, the federation concerned, in consultation with Crédit Mutuel Arkéa, decides on its future.
- The federal reserve fund may intervene in favour of local member banks whose net position is negative or whose results are negative, as well as in favour of those that have been victims of an exceptional disaster.

The federation decides each year on the level of endowment to this fund. The federal reserve fund is managed by the Federation. Requests for intervention submitted to it are examined by a committee of administrators.

In addition to this federal fund, Crédit Mutuel Arkéa can also intervene directly in the form of advances, subsidies or loans granted to local member banks in difficulty.

Crédit Mutuel Arkéa also provides support to its subsidiaries within the framework of prudential supervision systems on a consolidated basis (Articles 7 and 8 of EU Regulation 575/2013, as amended, supplemented by *ad hoc* intra-group financial liquidity agreements), the system provided for in the CMF under Article L.511-42, as well as the additional supervision obligations described in the Order of 3 November 2014 on the additional supervision of financial conglomerates, as amended, and transposing European Directive 2002/87/EC, as amended.

### 1.7.2 Solidarity links within Crédit Mutuel

Crédit Mutuel's solidarity system is designed to ensure the liquidity and solvency of all the institutions affiliated to Confédération Nationale du Crédit Mutuel (CNCM) at all times in order to prevent any default. It is based on a set of rules and mechanisms set up at regional group level and at confederal level.

As a reminder, the solidarity between CNCM affiliates is unlimited.

#### (i) Provisions applicable at the level of regional groups

The solidarity mechanism provided for within the Regional Federation concerned is a mechanism based on Article R.511-3 of the CMF, independently of the statutory provisions relating to the joint and several liability of members within the limit of the nominal value of the shares subscribed by the member.

Each federation must set up a solidarity system between the local banks within its territorial jurisdiction.

This system must enable a local bank to avoid a long-term deficit and/or to ensure the recovery of a deteriorated situation. It ensures the equalisation of the results of the member funds by means of a federal fund through contributions or subsidies. The contribution obligation is imposed on all funds (including the federal or inter-federal fund), or only on funds with positive results, depending on the regulations of the federal fund concerned in force. The contributions, which ensure equalisation, and subsidies must make it possible to cover the losses recorded in the financial year and any tax deficits carried forward. The equalisation subsidies must include the sums necessary to pay the remuneration of the shares. Subsidies paid by the Federal Fund are normally repayable.

Implementation of recovery measures at the level of "regional groups" within the meaning of the "GCI's". A system reviewed and updated annually enables the regional group to monitor a certain number of key indicators, included in the risk appetite framework adopted by the CNCM's Board of Directors, and to implement the corrective measures provided for in the recovery plan if the indicators are exceeded.

In the event of difficulty and under the control of the CNCM, a regional group may request assistance from another regional group, particularly in the implementation of the recovery plan.

If no regional solidarity solution has been put in place or has not restored compliance with the key indicators within the timeframe set out in the recovery plan, or if objective elements allow for an early conclusion that the implementation of these solutions would prove insufficient, the national solidarity mechanism is implemented.

#### (ii) Provisions adopted at national level

Confédération Nationale du Crédit Mutuel is responsible, without limitation, for ensuring the cohesion of its network and the smooth operation of its affiliated institutions. To this end, it must take all necessary measures, in particular to guarantee the liquidity and solvency of each of these institutions and of the network group (Article L.511-31 of the French Monetary and Financial Code).

According to the procedures laid down by the GCIs, the necessary interventions may be decided by the CNCM Board of Directors if it is found that the mechanisms existing at the level of the regional groups are insufficient to deal with any difficulties.



# CORPORATE GOVERNANCE

<b>2.1</b>	<b>The Board of Directors of Crédit Mutuel Arkéa</b>	<b>30</b>	<b>2.2</b>	<b>Executive corporate officers</b>	<b>31</b>
2.1.1	Operation of supervisory bodies	30	2.3	Executive management bodies and their work	31
2.1.2	Composition of the supervisory body	30			
2.1.3	Organisation of the Board of Directors' committees	30			

## 2.1 The Board of Directors of Crédit Mutuel Arkéa

### 2.1.1 Operation of supervisory bodies

Crédit Mutuel Arkéa's Board of Directors met in 2024 on January 26, February 28, March 15, April 5, May 22, June 7 and July 5.

On May 22, 2024, the Combined Shareholders' Meeting of Crédit Mutuel Arkéa, convened by the Chairman of the Board of Directors on May 6, 2024, was held on an ordinary and extraordinary basis at the Glaz Arena in Cesson-Sévigné (35510).

Votes were cast using a remote voting solution and in advance, via a secure website.

The participation rate was 99.04%.

At this Shareholders' Meeting, the shareholders notably approved the annual financial statements and the methods for allocating earnings, the report on regulated agreements, the amount of the budget paid to the persons making up the regulated population, as well as the budget for compensation payable to the members of the Board of Directors for the current financial year.

The General Meeting also took note of the cooperative audit report drawn up by GMBA Montiel Laborde and appointed Deloitte and PriceWaterhouseCoopers as joint holders of the task of certifying the sustainability report, which will be drawn up from 2025.

Finally, the Assembly approved minor statutory amendments.

### 2.1.2 Composition of the supervisory body

At the General Meeting of 22 May 2024:

- The terms of office of Colette SENE, Julien CARMONA and Luc MOAL as directors from the Crédit Mutuel de Bretagne federation were renewed for a period of three years.
- Ms. Fabienne RICHARD-VELLY was appointed a director for a three-year term, replacing Mr. Yves MAINGUET, at the proposal of the Crédit Mutuel de Bretagne federation.
- Mr. Yvon ERHEL was appointed a director for a two-year term, replacing Mr. Thierry BOUGEARD, on the proposal of the Crédit Mutuel de Bretagne federation.

- The co-opting of Mr Stéphane CLOAREC, appointed at the Board of Directors meeting of 7 July 2023 to replace Ms Marta DIAS, was ratified.

Mr. Julien CARMONA's term of office as Chairman of the Board of Directors of Crédit Mutuel Arkéa was also renewed at a meeting of the Board of Directors held following the Shareholders' Meeting.

At 22 May 2024, the Board of Directors is composed of 20 directors. The Board of Directors is also assisted by two non-voting directors.

The gender diversity rate was 50%.

### 2.1.3 Organisation of the Board of Directors' committees

In view of the changes that have taken place, the Board of Directors has decided to reorganise the composition of its various committees.

At 22 May 2024, they therefore comprised:

- **Strategy and Societal Responsibility Committee**

Chairman: CARMONA Julien

Members: CHUPIN Philippe, LANGOUET-PRIGENT Sophie, LE PROVOST Patrick, MEUDEEC Erwan, MOREAU Valérie

- **Appointments and Governance Committee**

President: VIOLLEAU Sophie

Members: ERHEL Yvon, HUET Monique, LE PROVOST Patrick, MOAL Luc, SENE Colette

- **Financial Statements Committee:**

President: LE BAIL Anne-Gaëlle

Members: FAUGERE Pascal, LE NIR Jean, RICHARD-VELLY Fabienne, TRUBERT Dominique

- **Risk and Internal Control Committee:**

President: BLANCHET-LECOQ Valérie

Members: CLOAREC Stéphane, HUET Monique, MOAL Luc, VIOLLEAU Sophie

- **Remuneration Committee:**

Chairman: MOAL Luc

Members: BARLOIS-LEROUX Valérie, CHUPIN Philippe, VIGNAL-RENAULT Marie, SENE Colette, VIOLLEAU Sophie

- **Credit Review Commission:**

President: HUET Monique

Members: LANGOUET-PRIGENT Sophie, LE BAIL Anne-Gaëlle, SENE Colette.

## 2.2 Executive corporate officers

At 30 June 2024, the executive corporate officers were:

<b>Hélène BERNICOT</b>	Chief Executive Officer of Crédit Mutuel Arkéa
<b>Anne LE GOFF</b>	Deputy Chief Executive Officer, Head of the Development Support Division
<b>Bertrand BLANPAIN</b>	Deputy Chief Executive Officer, Head of the Corporate and Institutional Division

Frédéric LAURENT resigned from his office on 1 March 2024.

## 2.3 Executive management bodies and their work

At 30 June 2024, the Executive Committee was composed of:

<b>Hélène BERNICOT</b>	Chief Executive Officer of Crédit Mutuel Arkéa
<b>Anne LE GOFF</b>	Deputy Chief Executive Officer, Head of the Development Support Division
<b>Bertrand BLANPAIN</b>	Deputy Chief Executive Officer, Head of the Corporate and Institutional Division
<b>Véronique CROUZIER</b>	Dynamics and Human Relations Director
<b>Frédéric DIVERREZ</b>	Head of the BtoB and Specialised Services Division
<b>Laurent JURRIUS</b>	Head of the Innovation and Operations Division
<b>Thomas GUYOT</b>	Head of the Product Offer Division
<b>Élisabeth QUELLEC</b>	Head of the Retail Customer Division;

The gender diversity rate was 50% at 30 June 2024.

At 30 June 2024, the General Management Committee, in addition to the members of the Executive Committee, was also composed of:

<b>Philippe ROUXEL</b>	Chief Executive Officer of the Crédit Mutuel de Bretagne federation
<b>Antoine MICHAUD</b>	Chief Executive Officer of the Crédit Mutuel du Sud-Ouest federation
<b>Sophie COULON-RENOUVEL</b>	Director of External Growth, Partnerships and Digital
<b>Jean-Marie ALFONSI</b>	Director of Finance and Overall Performance
<b>Guillaume HARDY</b>	Compliance and Permanent Control Department
<b>Karine GAUTHIER</b>	Head of General Inspection and the Periodic Control Department
<b>Benoît GENEST</b>	Head of risks
<b>Cédric MALENGREAU</b>	Head of the General Secretary and Corporate Communications Department
<b>Sébastien BONFILS</b>	Legal Executive Manager
<b>Marc CHÉREAU</b>	Head of Enterprise Architecture and Innovation





## OVERALL PERFORMANCE

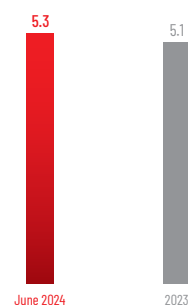
<b>3.1 Activity</b>	<b>34</b>	<b>3.2 Financial results</b>	<b>37</b>
3.1.1 Clients	34	3.2.1 Revenues	37
3.1.2 Loans	34	3.2.2 Operating expenses	38
3.1.3 Savings	35	3.2.3 Cost of risk	38
3.1.4 Shares	35	3.2.4 Asset returns	38
3.1.5 Business to-business (BtoB) services	35	<b>3.3 Regulatory capital and ratios</b>	<b>39</b>
3.1.6 Non-life insurance	36	3.3.1 Internal capital adequacy assessment process	39
		3.3.2 Solvency ratios	39
		3.3.3 Other solvency ratios monitored	40

## 3.1 Activity

### 3.1.1 Clients

The customer portfolio increased by 3.0% in the 1<sup>st</sup> half of 2024, i.e. 155,000 additional customers contributed by online banking (+111,000 customers), retail banking (+20,000 customers) and consumer credit subsidiaries (+16,000 customers).

Customer portfolio (in millions)

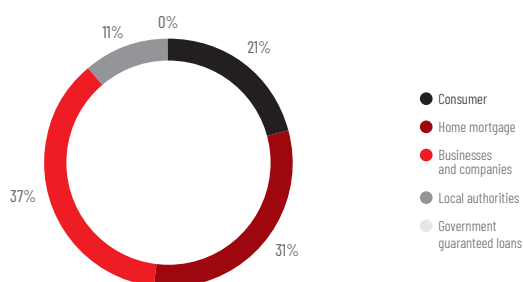


### 3.1.2 Loans

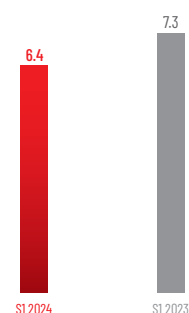
Outstanding loans<sup>(1)</sup> grew by 2.0% to reach €89.2 billion.

Loan production in the 1<sup>st</sup> half of 2024 reached €6.4 billion, down €0.9 billion compared with the 1<sup>st</sup> half of 2023.

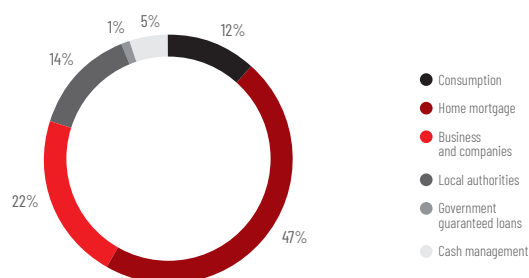
Loan production by loan type in H1 2024



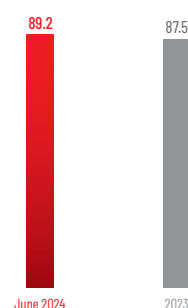
Loan production (in € billions)



Loans outstanding by loan type in H1 2024



Loans outstanding (in € billions)

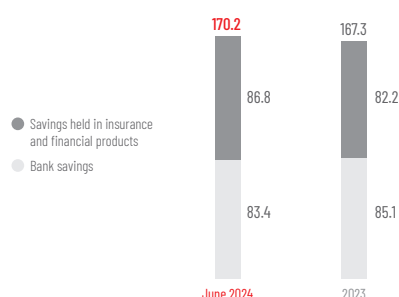


(1) Outstanding loans excluding related receivables and provisions.

### 3.1.3 Savings

Total outstanding savings reached €170.2 billion, up 17% compared to the end of 2023.

Outstanding savings (in € billions)



Net savings inflows in the 1<sup>st</sup> half of 2024 reached €2.9 billion, down €2.6 billion compared with the 1<sup>st</sup> half of 2023.

### 3.1.4 Shares

Outstanding shares were up 4.6% to €3.0 billion.

### 3.1.5 Business to-business (BtoB) services

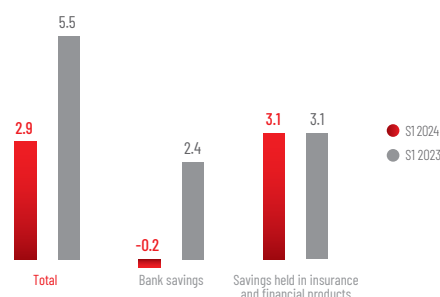
Assets under custody were down by 16% to €69.6 billion in the 1<sup>st</sup> half of 2023.

The group processed a volume of 7.2 million stock market orders, an increase of 35% compared to the 1<sup>st</sup> half of 2023.

The highlights are:

- net outflows from interest-bearing bank savings products of €0.2 billion compared with net inflows of €2.4 billion in the 1<sup>st</sup> half of 2023;
- net inflows into insurance savings plans of €0.4 billion, up €0.1 billion;
- net inflows into financial savings plans of €2.6 billion, down €0.2 billion;

Net inflows of savings (in € billions)



In addition, outstanding current accounts in credit fell by €15 billion to €17.5 billion.

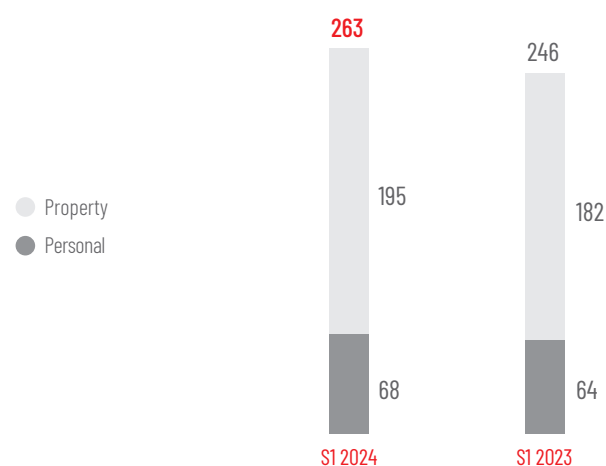
### 3.1.6 Non-life insurance

Non-life insurance contracts are distributed through the group's own networks and through networks outside Crédit Mutuel Arkéa group.

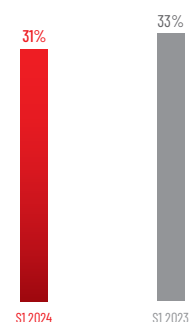
Premiums earned in the portfolio increased by 7.3% compared to the 1<sup>st</sup> half of 2023, reaching €263 million. In the 1<sup>st</sup> half of 2024, 31% of these contributions were made by external networks.

New business premiums grew by compared to the 1<sup>st</sup> half of 2023, reaching €37 million. 53% of these contributions were made by external networks.

**Earned premiums on the non-life insurance portfolio**  
(in € millions)



**Weight of external networks in earned premiums in the portfolio**



## 3.2 Financial results

In the 1<sup>st</sup> half of 2024, the Crédit Mutuel Arkéa group generated net income attributable to equity holders of the parent of €167 million, down 17.4% compared to the 1<sup>st</sup> half of 2023.

The operating ratio rose<sup>(1)</sup> by 1.5 points to 72.9%.

(in € millions)	Change H1 2024 / H1 2023			
	H1 2024	H1 2023	abs.	%
Revenues	1,048	1,120	-72	-6.5%
Operating expenses	-763	-800	36	-4.5%
Gross operating income	284	320	-36	-11.3%
Cost of risk	-76	-54	-21	39.5%
Pre-tax income	211	267	-55	-20.8%
Income tax	-42	-63	21	-33.9%
Net income attributable to equity holders of the parent	167	203	-35	-17.4%
Operating ratio	72.9%	71.4%	1.5 pt	

### 3.2.1 Revenues <sup>(2)</sup>

Revenues were down 6.5% compared to the 1<sup>st</sup> half of 2023 to €1,048 million (-€72 million).

The analysis of NBI is based on the sectoral breakdown presented in the financial statements.

#### 3.2.1.1 Banking sector

The banking sector comprises retail banking for individual customers (Crédit Mutuel's local banks, Arkéa Direct Bank, including Fortuneo and Keytrade, Arkéa Financements & Services and CFCAL), corporate banking (Arkéa Banque Entreprises et Institutionnels, Arkéa Crédit Bail, Arkéa Capital Investissement et Partenaire) and subsidiaries involved in Business Process Outsourcing (BPO) (Monext, Nextalk, Arkéa Banking Services and ProCapital Securities Services).

Banking sector revenues declined by €239 million compared to the 1<sup>st</sup> half of 2023 to €791 million.

On a like-for-like basis<sup>(3)</sup>, revenues decreased by €23 million to €775 million:

- the financial margin fell by €67 million to €345 million with a decrease in the net interest margin given the continued increase in the cost of customer deposits and a decrease in the contribution from private equity activities.
- net fee and commission income increased by €53 million (19.4%) to €328 million, driven by white-label banking services;

#### 3.2.1.2 Insurance and asset management sector

The insurance and asset management sector includes life insurance (Suravenir), non-life insurance (Suravenir Assurances) and asset management companies (Federal Finance, Schelcher Prince Gestion, Arkéa Real Estate, Arkéa REIM and Arkéa Capital).

Revenues from the insurance and asset management sector were down by €28 million compared to the 1<sup>st</sup> half of 2023 at €257 million.

On a like-for-like basis<sup>(4)</sup>, revenues decreased by €19 million to €257 million, mainly because of higher loss experience.

(1) Operating expense ratio (general operating expenses plus depreciation, amortisation and impairment of intangible assets and property, plant and equipment) to revenue.

(2) Revenues correspond to Net Banking Income (NBI) including gains or losses on disposals – dilution of companies accounted for by the equity method.

(3) Excluding changes in scope in 2024 (deconsolidation of Yomoni) and 2023 (consolidation of Arkéa Immobilier Conseil) and including the reclassification of management fees as income under IFRS 17 in the 1<sup>st</sup> half of 2023

(4) Excluding changes in the scope of consolidation in 2023 (disposal of Novélia, consolidation of Swen Capital Partners);

### 3.2.2 Operating expenses

Operating expenses amounted to €763 million, down by 36 million (-4.5%).

On a like-for-like basis<sup>(1)</sup>, operating expenses increased by €5 million to €760 million:

- employee benefits expenses increased by €20 million to €415 million, driven by salary reviews and growth in the group's headcount;
- Other expenses increased by €1 million to €285 million;
- Depreciation, amortisation, impairment and provisions decreased by €14 million to €44 million.

### 3.2.3 Cost of risk

The cost of risk increased by €21 million to €76 million:

- Allocations to provisions for performing loans fell by €21 million, a reversal of €14 million over the 1<sup>st</sup> half of 2024;
- The cost of risk on doubtful and disputed customer loans increased by €44 million to €91 million;

The annualised cost of risk represented 0.17% of outstandings on the balance sheet of customer commitments.

Portfolio credit risk quality

The amount of doubtful and disputed loans, including interest, increased by 13.0% to €1,777 million at end-June 2024.

The ratio of non-performing and disputed loans (including interest) to total outstandings increased to 2.0%.

#### Provisioning

The provision rate for doubtful and disputed loans (principal and interest) fell by 1.1 points to 43.8%.

### 3.2.4 Asset returns

The return on assets, corresponding to the net accounting income in relation to the total assets on a consolidated basis, stood at 0.17% in the 1<sup>st</sup> half of 2024.

<sup>(1)</sup> Excluding changes in the scope of consolidation in 2024 (deconsolidation of Yomoni) and 2023 (disposal of Novélia; consolidation of Arkéa Immobilier Conseil and Swen Capital Partners) and including the reclassification of management fees as income under IFRS 17 in H1 2023

## 3.3 Regulatory capital and ratios

### 3.3.1 Internal capital adequacy assessment process

Crédit Mutuel Arkéa is subject to the prudential regulations applicable to credit institutions, insurance companies and financial conglomerates:

- the regulations applicable to credit institutions result from the transposition into French law of the *Capital Requirement Directive 4* (CRD 4) and the *Capital Requirement Regulation* (CRR), these texts corresponding to the roll-out of the so-called Basel III proposals. The regulations are supplemented by the transposition into French law of the *Bank Recovery and Resolution Directive* (BRRD). Following the implementation of Basel III, several texts published in 2019 and making up what is called the "banking package" have supplemented or amended the regulations in force. These new CRR 2, CRD 5 and BRRD 2 texts came into force gradually from 2019 to June 2021;
- since 2016, the regulations applicable to insurance companies have been derived from the transposition of the Solvency 2/Omnibus 2 directives into French law;
- the regulations applicable to financial conglomerates result from the transposition of the Financial Conglomerates Directive into French laws. The purpose of this regulation is to ensure that all of the conglomerate's risks (aggregating banking and insurance activities) are covered by the group's consolidated shareholders' equity.

The solvency ratios for banks and financial conglomerates are calculated in accordance with the standards in force at the closing date by Crédit Mutuel Arkéa's Accounting Department, based on the level of weighted risk calculated by the Risk Department.

The European Central Bank (ECB) has notified Crédit Mutuel Arkéa of a Pillar 2 (P2R – Pillar 2 mandatory) requirement of 2.50% applicable for the year 2024 (down 25bp from 2023). This requirement is to be constituted in the form of at least 56.25% of CET1 capital and 75% of Tier 1 capital.

In the 1<sup>st</sup> half of 2024, Crédit Mutuel Arkéa met its minimum ratio requirements. Each quarter, the ratios are calculated on the basis of the accounts closing and then compared with the minimum requirements set by the supervisor for each ratio.

Insurance solvency ratios are calculated and monitored by the group's insurance companies.

Crédit Mutuel Arkéa's ALM Management Department monitors all these ratios and steers the consolidated solvency ratios of the banking business and the financial conglomerate.

On the basis of regulatory statements, assumptions about the development of the group's business and appropriate capital requirement forecasts, the Balance Sheet Management Department makes projections of ratios over the coming years (minimum 3 years). These projections are presented regularly to Executive Management, notably at meetings of the Capital Management and ALM Committee, and are supplemented with crisis scenarios. The objective is to anticipate the group's capital requirements and propose optimisation measures to ensure long-term compliance with internal and regulatory requirements.

### 3.3.2 Solvency ratios

#### 3.3.2.1 Regulatory capital

*Common Equity Tier 1* (CET 1) capital amounted to €8.6 billion and represented 80% of total regulatory capital. It increased by €0.2 billion in the 1<sup>st</sup> half of 2024, which is mainly explained by the integration of retained earnings for the financial year and the net inflow of cooperative shares on new B shares during the year.

*Tier2* capital increased by €0.4 billion in the 1<sup>st</sup> half of 2024 following the €500 million issue of Tier 2 over-collateralised debt carried out in May 2024 and taking into account the gradual declassification of subordinated debt as an equity instrument.

Regulatory capital reached €10.6 billion at 30 June 2024.

(in € millions)	30.06.2024	31.12.2023
<b>Tier 1 capital net of deductions</b>	<b>8,636</b>	<b>8,400</b>
of which <i>Common Equity Tier 1</i> (CET 1)	8,636	8,400
<i>Tier 2</i> capital, net of deductions	1,987	1,566
<b>Total capital for the calculation of the solvency ratio</b>	<b>10,623</b>	<b>9,966</b>

### 3.3.2.2 Risk-weighted assets

Risk-Weighted Assets (RWA) are calculated on the basis of on- and off-balance sheet exposures. They are calculated and broken down by type of risk and are used in the calculation of solvency ratios.

At the end of 2024, risk-weighted assets amounted to €51.6 billion, up by €1.8 billion compared to 31 December 2023. This change is mainly due to the increase in outstanding loans and changes in certain risk calculation parameters. 93% of risk-weighted assets were composed of credit risk.

(in € millions)	30.06.2024	31.12.2023
Credit risk	48,183	46,572
Market risk and CVA (standardised approach)	62	78
Operational risk (almost exclusively advanced measurement approach)	3,310	3,087
<b>Total risk-weighted assets</b>	<b>51,555</b>	<b>49,736</b>

### 3.3.2.3 Solvency ratios

At 30 June 2024, the CET 1 ratio stood at 16.8%, compared to 16.9% at the end of 2023. The 0.1 point decrease in the ratio is explained by the increase in risk-weighted assets, which is proportionally greater than that of CET 1 capital.

The overall solvency ratio stood at 20.6% at 30 June 2024 compared with 20.0% at the end of 2023. The 0.6-point increase in the ratio was linked to the €500m issue of Tier 2 subordinated debt carried out during the first half.

	30.06.2024	31.12.2023
CET 1 ratio	16.8 %	16.9 %
Tier 1 ratio	16.8 %	16.9 %
Overall ratio	20.6 %	20.0 %

## 3.3.3 Other solvency ratios monitored

### 3.3.3.1 Leverage ratio

The Basel III texts defined a ratio aimed at capping the leverage effect. The leverage ratio is intended both to calibrate the amount of Tier 1 capital (numerator of the ratio) and to control the group's leverage exposure (denominator of the ratio) in order to achieve the ratio level targets set by the group.

At 30 June 2024, the leverage ratio was 6.8%, compared to 6.5% at 31 December 2023; this increase was mainly due to the increase in CET1 capital in the first half of the year.

### 3.3.3.2 Ratio derived from the Bank Recovery and Resolution Directive

The Banking Recovery and Resolution Directive published in May 2014 establishes a European framework for the recovery and resolution of credit institutions. The aim is to reduce the impact of a bank failure on the financial system and avoid burdening the taxpayer.

It provides for the introduction of the *Minimum Requirement for Own Funds and Eligible Liabilities* (MREL) ratio, which relates own funds and other eligible liabilities to the institution's total liabilities and own funds, after certain prudential restatements (TLOF<sup>(1)</sup>) or expressed in risk-weighted assets (RWA). Regulatory capital equity, subordinated securities, non-preferred senior debt and certain preferred senior debt with a residual maturity of more than one year are eligible for the numerator of the MREL ratios.

The Confédération Nationale du Crédit Mutuel (CNCM) obtained from the Single Resolution Board (SRB) a cooperative *waiver* allowing a single external MREL requirement at the level of the entry point into resolution extended beyond the central institution to all its affiliates. The consequence is the exemption from internal MREL of all affiliates of the central institution. As a result, the SRB has not notified the Crédit Mutuel Arkéa group of a minimum regulatory capital requirement and eligible liabilities (MREL ratio).

Despite the absence of monitoring on an individual basis, Crédit Mutuel Arkéa monitors an overall MREL indicator as well as a subordinated economic MREL indicator (excluding senior preferential debt from the numerator) in addition to the risk appetite framework. At the end of 2023, Crédit Mutuel Arkéa complied with the thresholds set in its appetite framework.

(1) Total Liabilities Own Funds, equivalent to prudential balance sheet after netting of derivatives





# RISKS

<b>4.1 Risk Factors</b>	<b>42</b>	4.1.2 Credit risk	43
4.1.1 Strategic, business and ecosystem risks	42	4.1.3 Risks specific to the insurance business	43

There has been no significant change in the risk factors compared to the situation described in the 2023 Universal Registration Document, other than the risks set out below.

## 4.1 Risk Factors

### 4.1.1 Strategic, business and ecosystem risks

#### 4.1.1.1 Macroeconomic risk

*The deterioration of economic conditions and financial markets could have consequences for the Group, in particular macroeconomic policies adopted by a new government that could impact market parameters such as interest rates, which could in turn impact the Group's activities.*

In the eurozone, since the end of 2023, the economic environment seems to be normalising, with a downward trend in inflation and the start of a stabilisation in activity. In 2024, economic activity is expected to increase by 0.9% according to the ECB (vs. 0.6% previously estimated), with GDP having already increased in the first quarter of 2024 (+0.3%).

However, growth momentum remains uncertain. Against this backdrop, the ECB cut its key rates in June 2024. The monetary institution is also leaving the door open to further cuts in the coming months without, however, specifying the timing or extent, given the decline in inflation that is expected to continue gradually in 2024 in the eurozone, even if the disinflation process is slower than in 2023. French inflation (CPI) is expected to fall to around 2.2% in December 2024, before stabilising at around 2.0% in mid-2025.

The French economy also seems to have reached its trough, as highlighted by GDP growth in the first quarter of 2024 and economic indicators. However, in the short term, the risk of political instability could weigh on household and business confidence and slow activity and the fall in interest rates, due to a rise in the French "risk premium".

In France, the correction in the real estate market continues, even though some signs suggest that home loan production is stabilising, albeit at a very low level. The drop in mortgage rates is likely to remain moderate, particularly given the risk of political instability that could temporarily push up financing costs.

#### 4.1.1.2 Strategic risks

##### 4.1.1.2.1 Risks relating to Crédit Mutuel Arkéa's affiliation to Crédit Mutuel

On 2 May 2023, the Boards of Directors of Crédit Mutuel Arkéa and the Crédit Mutuel de Bretagne and Sud-Ouest federations unanimously adopted a political memorandum of understanding for a united and plural Crédit Mutuel, the stages and content of which are detailed in 1.4 "Crédit Mutuel Arkéa in a few dates".

This agreement consolidates a mode of operation that preserves the originality and strength of Crédit Mutuel's cooperative and mutualist model, based on unity, solidarity and subsidiarity, respectful of both the prudential powers of the central institution and the autonomy of federations and regional groups.

The purpose of the adoption of this memorandum of understanding is to mitigate the affiliation risk. Certain decisions of a general nature necessary for the implementation of this protocol were updated in 2024 and discussions with the CNCM are still underway concerning the operational implementation of the protocol.

However, it is recalled that at this stage, uncertainties exist concerning the operational implementation of the MOU:

- uncertainty as to the proper application over time of the MOU by all parties and in particular as regards compliance with the principle of subsidiarity;
- uncertainty as to the common interpretation by stakeholders of the entire body of documents (Articles of Association, memorandum of understanding on General Decisions, general operating frameworks specifying in particular governance and comitology, etc.).

All of the uncertainties set out above constitute an affiliation risk for Crédit Mutuel Arkéa. This risk may be qualified as low. It could lead to possible interference by other Crédit Mutuel members in its strategy, which would complicate, delay or even prevent the proper implementation of Crédit Mutuel Arkéa's strategic guidelines.

## 4.1.2 Credit risk

### 4.1.2.1 Provisions for credit risk

As part of its lending activities, Crédit Mutuel Arkéa recognises expenses for non-performing loans in the income statement under "Cost of risk" whenever necessary in order to record actual or potential losses in respect of its portfolio of loans and receivables.

In accordance with IFRS 9, the provisioning includes expected losses as soon as they are granted. Provisioning models for performing loans are based on macro-economic default rate projection models (forward-looking), recovery histories in the event of default, as well as corrective factors to incorporate a forward-looking perspective on environmental risk.

Thus, as anticipated by these projections made in 2023, the first half of 2024 was marked by a substantial increase in defaults by Crédit Mutuel Arkéa's business customers stemming from both the catch-up of corporate defaults post-Covid and the unfavourable economic environment in 2024.

As a result, B3 provisions increased, and although the group endeavours to set aside an appropriate level of provisions, it may in the future be required to increase its provisions in response to an increase in non-performing assets or other factors such as a deterioration in economic conditions.

The substantial increase in provisions for non-performing loans, the substantial change in the estimated risk of loss inherent in its portfolio of performing loans, or the realisation of losses on loans in excess of the amounts provisioned, could have a material adverse impact on the group's results and financial position.

The cost of risk amounted to €76 million at 30 June 2024. It stood at 17 basis points (annualised) of outstanding customer loans, with the proportion of the cost of risk on downgraded loans at its highest level in recent years.

The cost of risk on defaulted loans reached €90 million at 30 June 2024, an increase of €43 million compared to 30 June 2023, and is explained both by an increase in new projects and in provisions on loans already declassified previously.

Non-performing loans (NPLs) grew by 12% during the year to reach €1,777 million at 30 June 2024. This increase was driven by the addition of new non-performing loans in the business customer segment, particularly in the construction and manufacturing sectors, but also in retail activities.

#### Outstanding loans subject to provisions for expected losses for credit risk (in millions of euros)

	30/06/2023	30/06/2024
12-month expected losses – Bucket 1	99,726	107,115
Lifetime expected loss – Bucket 2	4,759	6,676
Impaired assets on closing or as of acquisition/creation – Bucket 3 and POCI	1,559	1,777
<b>Total</b>	<b>106,044</b>	<b>115,568</b>

## 4.1.3 Risks specific to the insurance business

The Group continues to be vigilant in the real estate sector, particularly in monitoring the real estate underlyings marketed by the life insurance subsidiary Suravenir. To this end, dedicated measures have been implemented to ensure liquidity for customers. Similarly, the assets of the contracts of euro funds are also monitored in terms of the management of liquidity risks and valuation levels.



# CONSOLIDATED FINANCIAL STATEMENTS

# Consolidated financial statements for the year ended June 30, 2024

Non audited consolidated financial statements

## Balance sheet

Assets (in € million)	Notes	06.30.2024	12.31.2023
Cash, due from central banks	1	8 676	13 580
Financial assets at fair value through profit or loss	2	1 962	1 876
Derivatives used for hedging purposes	3	4 077	3 945
Financial assets at fair value through equity	4	10 449	8 929
Securities at amortized cost	5	986	671
Loans and receivables - credit institutions, at amortized cost	1	14 901	14 031
Loans and receivables - customers, at amortized cost	6	88 598	86 909
Remeasurement adjustment on interest-rate risk hedged portfolios		(3 204)	(2 647)
Placement of insurance activities	7	60 900	60 425
Assets on insurance contracts	13	0	0
Assets on reinsurance contracts held	13	193	217
Current tax assets		243	207
Deferred tax assets		176	174
Accruals, prepayments and sundry assets		1 475	1 488
Non-current assets held for sale		0	0
Investments in associates		243	239
Investment property		149	146
Property, plant and equipment		389	342
Intangible assets		677	620
Goodwill	8	474	474
<b>Total assets</b>		<b>191 362</b>	<b>191 625</b>

<b>Liabilities</b> (in € million)	<b>Notes</b>	<b>06.30.2024</b>	<b>12.31.2023</b>
Due to central banks	9	0	0
Financial liabilities at fair value through profit or loss	10	2 880	2 737
Derivatives used for hedging purposes	3	3 393	3 480
Debt securities	11	25 633	24 443
Due to banks	9	4 331	6 748
Liabilities to customers	12	84 282	85 081
Remeasurement adjustment on interest-rate risk hedged portfolios		(1 396)	(1 269)
Current tax liabilities		29	88
Deferred tax liabilities		312	303
Accruals, deferred income and sundry liabilities		5 777	5 100
Liabilities associated with non-current assets held for sale		0	0
Liabilities on insurance contracts	13	53 258	52 679
Liabilities on reinsurance contracts held	13	0	0
Provisions	14	246	251
Subordinated debt		2 734	2 272
<b>Total equity</b>		<b>9 884</b>	<b>9 713</b>
Shareholders' equity, group share		9 873	9 704
Share capital and additional paid-in capital		3 027	2 894
Consolidated reserves		6 844	6 506
Gains and losses recognized directly in equity		(166)	(114)
Net income for the year		167	417
Non-controlling interests		11	9
<b>Total liabilities and shareholders' equity</b>		<b>191 362</b>	<b>191 625</b>

**Income statement**

(in € million)	Notes	06.30.2024	06.30.2023
Interest and similar income	17	2 561	1 998
Interest and similar expense	17	(2 261)	(1 657)
Commission income	18	448	366
Commission expense	18	(113)	(92)
Net gain (loss) on financial instruments at fair value through profit or loss	19	40	66
Net gain (loss) on financial instruments at fair value through equity	20	7	15
Net gain (loss) on derecognition of financial instruments at amortized cost	21	0	0
Net income from insurance activities	22	226	304
Income from insurance contracts issued		573	561
Charges relating to insurance contracts issued		(368)	(286)
Income and expenses relating to reinsurance contracts held		(21)	(12)
Net income from financial investments linked to insurance activities		504	1 733
Financial income or financial charges from insurance contracts issued		(465)	(1 694)
Financial income or financial charges from reinsurance contracts held		2	2
Income from other activities	23	169	157
Expense from other activities	23	(44)	(37)
<b>Net banking income</b>		<b>1 032</b>	<b>1 120</b>
Gains (losses) on disposal - dilution in investments in associates	24	15	0
<b>Net banking income including gains (losses) on disposal - dilution in investments in associates</b>		<b>1 048</b>	<b>1 120</b>
General operating expenses	25	(719)	(725)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		(44)	(75)
<b>Gross operating income</b>		<b>284</b>	<b>320</b>
Cost of credit risk	26	(76)	(54)
<b>Operating income</b>		<b>208</b>	<b>266</b>
Share in net income of equity-accounted associates and joint ventures		5	1
Gains (losses) on other assets	27	(2)	(1)
Changes in goodwill		0	0
<b>Pre-tax income</b>		<b>211</b>	<b>267</b>
Income tax	28	(42)	(63)
<b>Net income</b>		<b>170</b>	<b>203</b>
O/w non-controlling interests		2	1
<b>Net income - group share</b>		<b>167</b>	<b>203</b>

## Statement of net income and gains and losses recognized directly in equity

(in € million)	Notes	06.30.2024	06.30.2023
<b>Net income</b>		<b>170</b>	<b>203</b>
Revaluation of financial assets at fair value through recyclable equity (net of taxes)		(9)	12
Revaluation of derivatives used to hedge recyclable items (net of taxes)		0	0
Remeasurement of financial assets at fair value through recyclable equity of the insurance business		0	0
Remeasurement of insurance and reinsurance contracts in recyclable equity		(7)	14
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes)		(2)	0
<b>Items to be recycled to profit or loss</b>		<b>(18)</b>	<b>25</b>
Actuarial gains (losses) on defined benefit plans (net of taxes)		1	0
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option (net of taxes)		0	(4)
Revaluation of equity instruments at fair value through equity (net of taxes) (1)		(35)	2
Remeasurement of equity instruments recognised at fair value through equity of the insurance business		0	(6)
Impacts of the remeasurement of insurance contracts using the VFA - non-recyclable		0	0
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes) not recycled to profit or loss		0	0
<b>Items not to be recycled to profit or loss</b>		<b>(34)</b>	<b>(7)</b>
<b>Total gains and losses recognized directly in equity</b>		<b>(52)</b>	<b>18</b>
<b>Net income and gains and losses recognized directly in equity</b>		<b>117</b>	<b>222</b>
of which group share		115	221
of which non-controlling interests		2	1

(1) of which the impact of the transfer to reserves of non-recyclable items is close to zero.



**Changes in shareholders' equity**

(in € million)	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
<b>Position at December 31, 2022</b>	<b>2 725</b>	<b>5 905</b>	<b>(57)</b>	<b>663</b>	<b>9 236</b>	<b>7</b>	<b>9 243</b>
Capital increase / reduction	133	-	-	-	133	-	133
Elimination of Auto Held Securities	-	-	-	-	-	-	-
Allocation of the 2022 result	-	663	-	(663)	-	-	-
Distribution 2023 for the 2022 result	-	(60)	-	-	(60)	-	(60)
Change in holdings in subsidiaries without loss of control	-	-	-	-	-	-	-
<b>Subtotal of changes involving transactions with shareholders</b>	<b>2 859</b>	<b>6 508</b>	<b>(57)</b>	<b>0</b>	<b>9 310</b>	<b>7</b>	<b>9 317</b>
Changes in gains and losses recognized directly in equity	-	-	18	-	18	-	18
2022 net income	-	-	-	203	203	1	204
<b>Subtotal</b>	<b>2 859</b>	<b>6 508</b>	<b>(39)</b>	<b>203</b>	<b>9 531</b>	<b>8</b>	<b>9 539</b>
Impact of acquisitions and disposals on non-controlling interests	-	-	-	-	-	-	-
Share of changes in shareholders' equity from investments in associates and joint ventures	-	-	-	-	-	-	-
Change in accounting methods	-	-	-	-	-	-	-
Other changes	-	4	-	-	4	-	4
<b>Position at June 30, 2022</b>	<b>2 859</b>	<b>6 512</b>	<b>(39)</b>	<b>203</b>	<b>9 535</b>	<b>8</b>	<b>9 543</b>

## Changes in shareholders' equity (continued)

(in € million)	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
Capital increase	36				36	-	36
Elimination of Auto Held Securities	-	-	-	-	-	-	-
Allocation of the 2022 result	-	-	-	-	-	-	-
Dividend paid in 2023 in respect of 2022	-	-	-	-	-	-	-
Change in equity interests in subsidiaries with no loss of control	-	-	-	-	-	-	-
<b>Subtotal of changes involving transactions with shareholders</b>	<b>2 895</b>	<b>6 512</b>	<b>(39)</b>	<b>203</b>	<b>9 571</b>	<b>8</b>	<b>9 579</b>
Changes in gains and losses recognized directly in equity	-	(5)	(75)	-	(81)	-	(81)
2023 first semester net income	-	-	-	214	214	1	215
<b>Subtotal</b>	<b>2 895</b>	<b>6 507</b>	<b>(114)</b>	<b>417</b>	<b>9 704</b>	<b>9</b>	<b>9 713</b>
Impact of acquisitions and disposals on non-controlling interests	-	-	-	-	-	-	-
Share of changes in shareholders' equity from investments in associates and joint ventures	-	-	-	-	-	-	-
Change in accounting methods	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	-	-
<b>Position at December 31, 2023</b>	<b>2 895</b>	<b>6 507</b>	<b>(114)</b>	<b>417</b>	<b>9 704</b>	<b>9</b>	<b>9 713</b>
Capital increase	133	-	-	-	133	-	133
Allocation of the previous year's income	-	417	-	(417)	-	-	-
Dividend paid in 2024 in respect of 2023	-	(87)	-	-	(87)	-	(87)
<b>Subtotal of changes involving transactions with shareholders</b>	<b>3 028</b>	<b>6 837</b>	<b>(114)</b>	<b>0</b>	<b>9 750</b>	<b>9</b>	<b>9 759</b>
Changes in gains and losses recognized directly in equity	-	-	(52)	-	(52)	-	(52)
2024 first half net income	-	-	-	167	167	2	169
<b>Subtotal</b>	<b>3 028</b>	<b>6 837</b>	<b>(166)</b>	<b>167</b>	<b>9 865</b>	<b>11</b>	<b>9 876</b>
Share of changes in shareholders' equity from investments in associates and joint ventures	-	1	-	-	1	-	1
Other changes <sup>(1)</sup>	-	7	-	-	7	-	7
<b>Position at June 30, 2024</b>	<b>3 028</b>	<b>6 845</b>	<b>(166)</b>	<b>167</b>	<b>9 873</b>	<b>11</b>	<b>9 884</b>

(1) o/w +€7 million impact for correction of error relating to taxes and duties.

**Net cash flow statement**

(in € million)	06.30.2024	06.30.2023
<b>Cash flows from operating activities</b>		
Net income	170	203
Tax	42	63
<b>Pre-tax income</b>	<b>211</b>	<b>267</b>
Depreciation and amortization of property, plant and equipment and intangible assets	67	79
Impairment of goodwill and other non-current assets	(1)	(1)
Net additions to depreciations	44	(1)
Share of income (loss) from investments in associates	(5)	(1)
Net loss (gain) from investing activities	(24)	(11)
(Income)/expense from financing activities	0	0
Other changes	308	830
<b>Total non-cash items included in net income and other adjustments</b>	<b>389</b>	<b>894</b>
Interbank transactions	(3 973)	(8 865)
Transactions with customers	(2 207)	(2 739)
Transactions involving other financial assets/liabilities	(2 487)	(1 718)
Transactions involving other non-financial assets/liabilities	1 272	360
Dividends from investments in associates	4	3
Taxes paid	(102)	(89)
<b>Net decrease/(increase) in operating assets and liabilities</b>	<b>(7 493)</b>	<b>(13 048)</b>
<b>Net cash flow from operating activities</b>	<b>(6 893)</b>	<b>(11 887)</b>

5

## Net cash flow statement (continued)

(in € million)	06.30.2024	06.30.2023
<b>Cash flows from investing activities</b>		
Financial assets and investments	(341)	(38)
Investment property	5	2
Property, plant and equipment and intangible assets	(132)	(116)
Other	0	0
<b>Cash flows from investing activities</b>	<b>(468)</b>	<b>(152)</b>
<b>Cash flows from financing activities</b>		
Cash flows from/to shareholders	76	76
Other cash flows from financing activities	2 291	2 511
<b>Cash flows from financing activities</b>	<b>2 367</b>	<b>2 587</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4 993)</b>	<b>(9 452)</b>
Cash flows from operating activities	(6 893)	(11 887)
Cash flows from investing activities	(468)	(152)
Cash flows from financing activities	2 367	2 587
<b>Cash and cash equivalents, beginning of the year</b>	<b>13 518</b>	<b>23 491</b>
Cash, central banks (assets & liabilities)	13 577	23 454
Deposits (assets and liabilities) and demand loans with credit institutions	(59)	38
<b>Cash and cash equivalents, end of the year</b>	<b>8 524</b>	<b>14 039</b>
Cash, central banks (assets & liabilities) (Notes 1 and 9)	8 674	13 887
Deposits (assets and liabilities) and demand loans with credit institutions (Notes 1; 7c; and 9)	(150)	152
<b>Change in net cash and cash equivalents</b>	<b>(4 993)</b>	<b>(9 452)</b>

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.

# Consolidated financial statements for the year ended June 30, 2024

## Highlights of the year

The first half of 2024 was marked by a deterioration in the economic environment. While the decline in inflation seems to be confirmed, monetary conditions remain restrictive and business failures increased significantly compared to the first half of 2023.

In this constrained context, the group's revenues fell to €1.048 billion as a result of a decrease in the financial margin and insurance revenues, which was partly offset by an increase in commissions driven by the group's diversified model.

Operating expenses fell by 5% to €763 million.

The cost of risk rose by €21 million to €76 million due to the change in proven risk in the first half of 2024.

In summary, net profit attributable to the group in the first half of 2024 was €167 million.

Noting the loss of significant influence in its associate Yomoni, the group deconsolidated the holding, which was previously consolidated using the equity method. The valuation exercise carried out by the group led to the recognition in revenues of €15 million of income at 30 June 2024.

Pumpkin and Arkéa were also removed from the consolidation scope following a universal transfer of assets to Crédit Mutuel Arkéa. Lastly, Arkéa Foncière Résidentielle, newly created to market the innovative home ownership assistance offering for first-time buyers ("Duoprime"), joined the consolidation scope.

## 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 June 30, 2024 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable as of that date.

The content of these financial statements has been determined in accordance with the provisions of IAS 34 relating to condensed interim financial reporting.

At June 30, 2024, the group applied the standards in force as at January 1, 2024 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 2024.

## Amendments applicable as of 1 January 2024

### Amendment to IFRS 16 – Lease liability in a Sale and Leaseback

A sale-leaseback is a transaction in which the owner of an asset transfers it to a third party and then leases it back.

When the transfer of the asset is recognised as a sale under IFRS 15 (i.e. the buyer-lessor has control of the underlying asset), the seller-lessee recognises a right to use the asset representing the retained right (and also recognises a lease liability reflecting the terms of payment of the transaction). The profit or loss on the sale will only be recognised in the amount of the rights actually transferred to the buyer-lessor.

The amendment aims to clarify, on the seller-lessee side, the subsequent treatment of the liability resulting from such a transaction when the initial sale of the underlying asset meets the criteria of IFRS 15.

The Crédit Mutuel Arkéa group was not impacted by the entry into force of this amendment.

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/companyreporting\\_en](https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/companyreporting_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 insurance activities.

For its insurance activities, the group applies IFRS 17 "Insurance Contracts" published in May 2017 and amended in June 2020 and adopted by the European Union in November 2021, which replaces IFRS 4 "Insurance Contracts".

## 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 realisation involves certain risks and uncertainties.

Future outcomes may be influenced by several factors, in particular:

- the activities of national and international markets,
- changes in interest rates and exchange rates,
- the economic and political climate in certain business sectors or countries,
- climate and environmental changes,
- changes in regulations or legislation.

Accounting estimates requiring the formulation of assumptions are used mainly for measurement of 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,
- the discounted and probabilistic valuation of insurance liabilities and assets by group of contracts,
- impairment tests of intangible assets,
- deferred tax assets,
- provisions.

The conditions for using judgments or estimates are specified in the accounting principles and valuation methods described below. The baseline economic scenario used for the 30 June 2024 closing is based on the following main assumptions.

For 2024, global growth forecasts were revised upwards to 3.2% vs. 2.6% previously. The major advanced economies finally recorded solid GDP growth in the first quarter. The main central banks have started to cut rates to help reduce inflation towards its target; however, this trend should remain moderate at a time when inflation is expected to remain higher throughout 2024 than the central banks' targets (2% for the ECB and the Fed). Overall financing terms should therefore remain largely restrictive, particularly in the United States and the eurozone.

Since the end of 2023, economic conditions in the eurozone also appear to be normalising somewhat, with inflation on a downward trend and business activity beginning to stabilise. In 2024, economic activity in the eurozone is expected to increase by 0.9% according to the ECB (vs. 0.6% previously estimated).

Specifically, after two consecutive quarters of stabilisation and slight decline, GDP in the eurozone rose in the first quarter of 2024 (+0.3%). All the major economies saw an uptick in economic activity. However, growth momentum remains uncertain.

Like the rest of the eurozone, the French economy seems to have reached its trough, as demonstrated by the resilience of GDP growth in the first quarter of 2024. More recently, economic indicators support this sentiment, outlining the scenario of stabilisation of activity, albeit at lower levels, particularly in industry. The French economy continues to feel the strain of: (i) a sluggish international environment; (ii) weak consumer confidence, particularly in the context of a real estate market correction; and (iii) restrictive financing terms as a result of the ECB's monetary policy. In the short term, the risk of political instability could once again weigh on consumer and business confidence and slow the decline in interest rates, due to an increase in the French "risk premium".

The real estate market correction continues, even though there are some signs that home loan production is stabilising, although at a very low level. In the "existing" segment, transaction volumes remained on a downward trend, while prices continued to fall (-5% nationwide). At the same time, the trend in the new-build market continues to raise concerns, with a record low volume of housing starts. Looking ahead, stabilisation of the market will continue to be tied to the restoration of households' creditworthiness, driven by (i) the increase in purchasing power and (ii) the continued drop in housing prices. On the other hand, the decrease in mortgage rates is likely to remain very moderate. In addition, the risk of political instability in France could temporarily drive up financing costs. Against this backdrop, FNAIM does not expect a real market recovery before 2025 at the earliest.

In 2024, inflation is expected to gradually decrease further in France and throughout the eurozone, even though the disinflation process is likely to be slower than in 2023.

In terms of risk, the forecasts announced in 2023, i.e. a rise in non-performing loans in the corporate market linked to the sluggish economic conditions in 2023 and the catch-up effect of business failures in the post-COVID period, proved accurate in the first half of 2024.

As for households, an increase in non-performing loans seems less imminent due to the low unemployment rate, which is expected to rise only moderately in 2024, and the very low use of variable-rate mortgages. However, the trend in the real estate market could put a strain on some households due to potential capital losses.

In summary, the economic environment at 30 June 2024 remains pessimistic, with the percentage of loans in default expected to increase over the short term.

## Financial instruments

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 analysed:

- The business model that summarises 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.

This model is also used by the insurance entities to manage their proprietary portfolio.

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
- 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 ; 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.

This option of recognition at fair value through profit or loss is applied to the underlying assets related to an insurance contract with direct participation features that pass the SPPI test.

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 €4 million was recognized on the balance sheet for valuation adjustments as at June 30, 2024.

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:
  - an absolute component with a threshold (principal + interest) of €100 for retail customers and €500 for non-retail customers,
  - 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;
- the concept of a probation period 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 two correlations to show that the 12-month default rates are predictive of the default at maturity rates and to therefore justify that the significant increase in risk is measured based on the 12-month probability of default. The first is a static correlation between the 12-month default rate and the cumulative multi-maturity default rates (this correlation study was carried out at the time of FTA of IFRS 9 and is repeated every year); the second is a dynamic correlation between the 12-month default rate and the marginal default rate of each maturity.

#### 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
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."

The item "cost of credit risk for financial investments of insurance activities" includes the income items related to the recognition of credit risk for financial investments of insurance activities, as defined by IFRS 9:

- provisions and impairment covering 12-month and lifetime losses related to:
  - debt instruments recognised at amortised cost or at fair value through equity;
  - commitments subject to impairment under IFRS 9;
- losses on bad debts and recovery of debts previously recognised as losses.

### 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.

### Calculation of expected credit losses at 30 June 2024

Based on the various assumptions, probabilities of default have been defined for the 2024 financial year. They have been deduced using the new calculation methodology introduced at the end of 2023. Indeed, models linking macroeconomic data and observed default rates have been developed, allowing a forward-looking view of risk for each scenario individually. The probabilities of default ultimately used are a weighted expression of the probabilities of default specific to each scenario based on their probability of occurrence.

On these revised bases, the portfolio provisioning method remains the same:

- the credit risk identification models and processes that make up the internal rating system (IRS) remain efficient in the current economic context,
- 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 and credit conversion factors were updated at 30 June 2024 based on the existing methodology,
- the weighting of the central scenario is 60%. The other scenarios are therefore weighted at 30% and 10% for the pessimistic and optimistic scenarios, respectively.

A stress scenario was also developed in March 2024 based on a 100% weighting of the pessimistic scenario: under this assumption, an additional provision of €140 million for the cost of risk would be needed. The scale of this provision is justified by the severity of the assumptions used when defining the pessimistic scenario. By contrast, a 100% weighting of the central scenario would imply a €79 million reversal of provisions, which demonstrates the conservative nature of the scenario weighting assumptions used by Cr dit Mutuel Ark a.

To anticipate environmental impacts on credit risk, a sector provision of €30 million has been recognised since 31 December 2023, replacing an overall sectoral overlay and a specific agricultural sector provision. This allows climate and biodiversity risks to be included in the group's overall forward-looking approach. The business sectors are selected based on the cross-referencing of five external indicators:

- Eurostat: gross CO2 emissions, carbon intensity, environmental tax,
- ECB: identification as a risky sector,
- SasB: technological risk.

The sectoral overlay thus increases the coverage of the agriculture, forestry and fishing sectors, part of industry and construction, land transport and real estate.

The structure of the portfolio remained stable overall during the period under review, although the outstandings in bucket 2 have increased since December 2023 as a result of the change in the boundary curve making it possible to quantify the criterion of significant increase in credit risk.



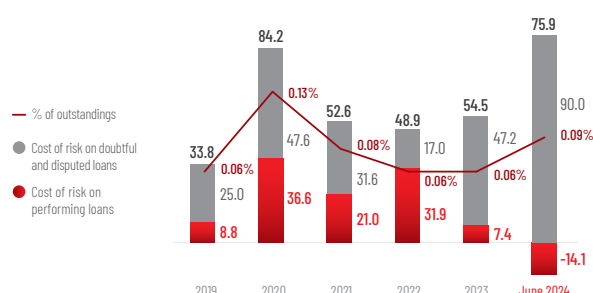
### Outstanding loans subject to provisions for expected losses for credit risk

	12.31.2022	06.30.2023	12.31.2023	06.30.2024
12-month expected losses - Bucket 1	95 427	99 726	102 568	107 115
Lifetime expected loss - Bucket 2	4 711	4 759	6 967	6 676
Impaired assets - Bucket 3 and POCI	1 482	1 559	1 573	1 777
<b>Total</b>	<b>101 620</b>	<b>106 044</b>	<b>111 108</b>	<b>115 568</b>

Non-performing loans (NPL) grew by €204 million during the year, reaching €1.777 billion at June 2024. This change was driven by the addition of significant new loans, partially offset by assignments of receivables. The NPL rate on overall customer outstandings has increased slightly to 2%.

The cost of risk amounted to €76 million at 30 June 2024 and was 8 basis points of outstanding customer loans. The decrease in the cost of risk was mainly due to a significant change in the methodology for estimating the parameters used to calculate expected losses; the decrease partially offsets a sharp increase in the cost of risk on loans in default, explained both by an increase in provisions on loans already downgraded previously and by new loans.

Thus, the breakdown of the cost of risk at 30 June 2024 reflects the current economic crisis, in line with macroeconomic forecasts.



### 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.

This option is also used for pure unit-linked contracts (not including a Euro fund) marketed by Suravenir.

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".

## 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 reviewed<sup>(1)</sup>. 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 2021 and then from June 2021 to June 2022<sup>(2)</sup>.

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, 2022<sup>(3)</sup>, 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.

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 2022 corresponded to the interest contractually due up to that date, additional special interest rate excluded.
- from 23 November 2022, Crédit Mutuel Arkéa has used 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.

The last TLTRO III refinancing operation in which Crédit Mutuel Arkéa participated, to the tune of €2 billion, was reimbursed in March 2024. 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.

## 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."

(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).



## 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.

## Insurance and reinsurance contracts

The group applies IFRS 17 "Insurance Contracts" and its amendments adopted by the European Union on 19 November 2021.

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

- Measurement of insurance contracts in the balance sheet: their value is updated at each reporting date based on a reassessment of the future cash flows related to their fulfilment. This reassessment takes 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 is modified to be spread over the duration of coverage period; and
- Presentation of the income statement: general operating expenses attributable to the fulfilment of insurance contracts are presented as a deduction from Net Banking Income under Insurance Service Expenses and do not impact the total general operating expenses in the consolidated income statement.

## Scope

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

## Separation of components

When insurance or investment contracts with discretionary participation features include components that fall within the scope of another standard, an analysis must be conducted to determine whether these components are to be accounted for separately. Thus:

- an embedded derivative is separated from the host insurance contract and recognised in accordance with IFRS 9 when its economic characteristics and risks are not closely related to those of the host contract;
- an investment component is the amount the insurer is required to repay to the insured in all cases, whether or not the insured event occurs. It is separated from the host insurance contract and recognised in accordance with IFRS 9 when it is distinct from the host insurance contract and when equivalent contracts could be sold separately in the same market or jurisdiction. It is not separated if it is closely related to the host contract. Changes in an investment component that is not separated (and particularly related payments) are not recognised in profit or loss;

- a promise to transfer distinct goods or services other than insurance contract services to the insured is separated from the host insurance contract and recognised in accordance with IFRS 15.

The group has an investment component that is not separated on savings contracts, with the exception of optional cover, personal protection and mandatory annuity payments (accrued capital on the contract during the accrual phase).

### Grouping of contracts

Insurance contracts are recognised and measured by groups of contracts within portfolios that include contracts covering similar risks and managed together. Groups of contracts are defined according to the expected profitability at inception: onerous contracts, profitable contracts with a low risk of becoming onerous and others.

Lastly, 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). However, the European Commission gave European companies the option not to apply this provision to contracts benefiting from intergenerational pooling of the returns on the underlying assets.

The group uses this optional exemption for its life insurance and retirement savings contracts as they include direct participation features for which risks and cash flows are shared between different generations of policyholders. These life insurance contracts are also managed across generations to mitigate exposure to interest rate and longevity risks.

In general, contract portfolios are determined by the group using the product line to identify insurance contracts exposed to similar risks, by distribution network and based on the underlying assets.

Retirement savings contracts have been classified in separate portfolios due to the existence of longevity risk in the retirement contracts.

The main portfolios identified by the group are as follows:

	Portfolios
Life	Savings, Retirement savings, PERP, Whole life and funeral
Personal protection	Collective borrower, Individual borrower, Personal protection, Long-term care
Property/casualty	Health insurance, Auto, Comprehensive Home, Legal Protection, Means of payment

### Recognition and derecognition

A group of insurance contracts issued is recognised at the beginning of the coverage period of the group of contracts (existence of payment due by the policyholder). For a group of onerous contracts, the date on which it becomes onerous.

In the case of a business combination or a separate transfer, groups of acquired contracts are treated as if the contracts had been issued on the date of the transaction. The consideration received or paid in exchange for the contracts is treated as the approximation of the premiums received for the purpose of calculating the contractual service margin at initial recognition.

In the case of a business combination within the scope of IFRS 3, the consideration received or paid is the market value of the contracts on that date.

An insurance contract is derecognised when the obligation it covers is extinguished, by payment or maturity, or if the terms of the contract are amended such that the recognition of the contract would have been substantially different if those amendments had originally existed. Derecognition of a contract entails adjustment of the fulfilment cash flows, the contractual service margin and the coverage units of the group in which it was included.

## Measurement models

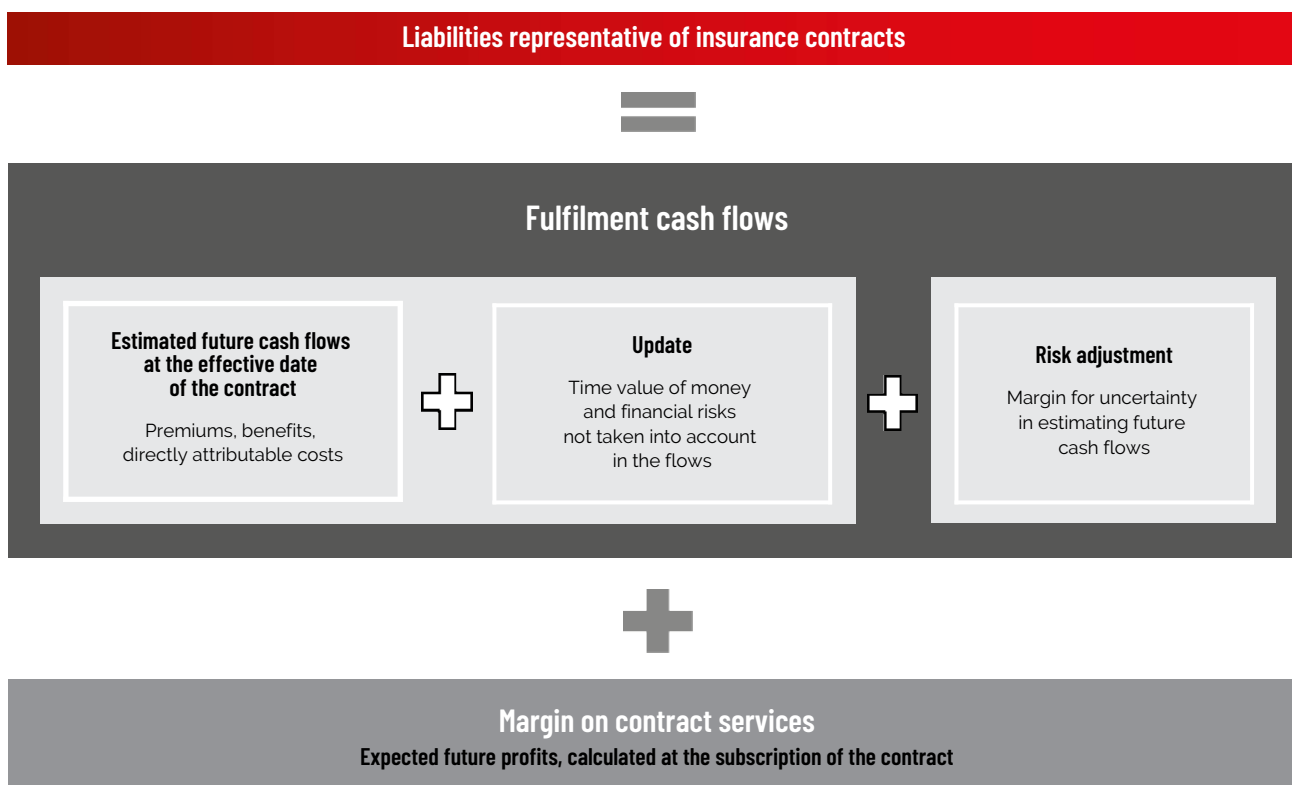
### General model applicable to insurance contracts issued

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.

This general model is applied by the group to creditor protection, individual protection and long-term care insurance policies.

#### Initial measurement

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



#### Estimated future cash flows

The general model for measuring insurance contracts is the best estimate of future cash flows payable or receivable necessary to fulfil the contractual obligations. Cash flows are discounted to reflect the time value of money. They correspond to flows attributable to insurance contracts directly or through allocation methods: premiums, contract acquisition and management costs, claims and benefits, indirect costs, taxes and depreciation of tangible and intangible assets.

#### Discounting

IFRS 17 requires the use of discount rate curves that reflect the time value of money and the cash flow and liquidity characteristics of insurance contracts.

The yield curve used to discount estimated future cash flows is a risk-free yield curve adjusted to take into account the illiquidity of the liabilities.

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

06.30.2024							06.30.2023						
	1 year	5 years	10 years	20 years	30 years	40 years	1 year	5 years	10 years	20 years	30 years	40 years	
Savings / Retirement / Whole Life													
EUR	4.20%	3.53%	3.49%	3.43%	3.27%	3.25%	4.64%	3.79%	3.54%	3.32%	3.17%	3.18%	
Borrower Protection and Personal Protection													
EUR	3.43%	2.77%	2.73%	2.66%	2.61%	2.71%	3.98%	3.13%	2.88%	2.66%	2.59%	2.71%	

#### Adjustment for non-financial risk

The adjustment for non-financial risk reflects the compensation the group would require for bearing the uncertainty regarding the amount and timing of the cash flows that arises from non-financial risk when the group fulfils the insurance contracts.

The group uses the VaR (Value at Risk) valuation metric with a quantile of 70% for life insurance, retirement savings and personal protection contracts and a quantile of 75% for long-term care contracts.

#### Contractual service margin

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

Positive contractual service margins will be recognised gradually in profit or loss over the coverage period of the insurance contract. 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.

Acquisition costs are deducted from the contractual service margin of the group of contracts to which they relate.

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

Changes in fulfilment cash flows are accounted for as follows:

Changes related to future services	Recognised as an offset to the CSM or insurance result in case of onerous contracts
Changes related to current or past services	Recognised in insurance result
Effect of the time value of money, financial risk and changes in them on future cash flows	Recognised in insurance result or in equity for the effect of the change in the discount rate

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,

For borrower protection contracts, the coverage unit used to amortise the CSM is the insured value, which is determined based on the probabilistic notion of capital at risk (CaR) (amount of loan capital multiplied by the insured portion).

For the sake of simplicity, for personal protection contracts (excluding whole life), the coverage unit used is the number of contracts.

#### Subsequent measurement

The current assumptions used to estimate future cash flows and the adjustment for non-financial risk, as well as the discount rate, are updated to reflect the position at the reporting date.

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.

The estimated cash flows and the adjustment for non-financial risk that covers the uncertainty of this measurement constitute the fulfilment cash flows of the insurance contracts at the closing date.

- The interest capitalised at the discount rate used to determine the initial margin value,

- The re-estimate of the fulfilment cash flows related to future services, in particular the present value of amounts receivable and payable in connection with insurance services provided over the remaining coverage period, excluding the estimated expenses to be paid for claims already incurred, experience adjustments arising from premiums received and investment components during the period for future services, as well as changes in the adjustment for non-financial risk,
- the amount recognised as insurance income due to the provision of insurance services under the insurance contracts during the period.

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. For contracts that become onerous, once the contractual service margin has been exhausted, the loss is recognised during the period. For onerous contracts that again become profitable due to favourable changes in assumptions, the contractual service margin is only reconstituted after offsetting the loss component.

The group recognises the effect of the change in the discount rate of personal protection and long-term care insurance contracts in equity. The accretion expense is recognised in profit or loss based on the initial rate (rate at the time of underwriting for the liability for remaining coverage and rate on the date of occurrence for the liability for incurred claims). The difference between the value of liabilities discounted at a rate set at inception and the value of these same liabilities estimated using current discount rates is recognised in equity.

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

IFRS 17 provides for an adaptation of the general model for contracts with direct participation features. Under this adapted model, known as the "variable fee approach", the obligation to return to policyholders a substantial portion of the return on the underlying assets net of contract expenses may be reflected in the measurement of the insurance liability.

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

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;

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

This adapted general model is applied by the group to life insurance and retirement savings contracts.

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 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 portion of the change in fair value of the underlying investments accruing to the policyholder. At each reporting date, this portion of the change during the period is recorded in the fulfilment cash flows of the contracts with an offset to insurance financial income or expenses.
- the interest on the contractual service margin, the variations in which are implicitly included in the periodic revision of the contractual service margin.

The contractual service margin is also adjusted for the effect of changes in fulfilment cash flows that do not vary based on the returns on underlying items and relate to future services, except where the risk mitigation option is applied to exclude from the contractual service margin changes in the effect of the time value of money and financial risk on the amount of its share of the underlying items or fulfilment cash flows (option not applied by the group). If they relate to past or current service, these changes are also recognised in insurance profit or loss.

The result of these contracts is therefore mainly represented by the release of the fulfilment cash flows and the amortisation of the contractual service margin. The group applies the amendment to IFRS 9, which allows the recognition in the balance sheet of financial instruments underlying insurance contracts with direct participation features at market value through profit or loss in order to eliminate accounting mismatches with insurance liabilities measured using the variable fee approach, and the financial result of these contracts is zero.

There are also plans to apply the amendments to IAS 32 and IFRS 9, which make it possible to maintain in the balance sheet financial assets issued by the group that are held as underlying items of contracts with direct participation features measured at market value through profit or loss.

Insurance contracts measured under this model 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. The inflows and repayments related to these deposits do not constitute either income or expenses related to these contracts, and adjustments related to differences between estimates and actual experiences over the period are included in the contractual service margin.

For life insurance and retirement savings contracts, the yield curve used to discount estimated future cash flows is determined based on a bottom-up approach, which entails adding an illiquidity premium determined on the basis of the underlying assets to a risk-free yield curve.

The coverage unit used to amortise the contractual service margin is the change in the present value of savings due to policyholders (sum of the mathematical reserves for each contract), adjusted to take into account the impact of the real return on the underlying investments compared with the risk-neutral actuarial projection.

### **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.

This simplified model is applied by the group to property and casualty insurance contracts.

On initial recognition, the carrying amount of the liability for remaining coverage is measured at the amount of the premiums received at the date of initial recognition less the amount at that date of the cash flows related to acquisition costs attributed to the group and plus or minus any amount arising from the derecognition at that date of any asset or liability previously recognised as cash flows relating to the group of contracts (including any assets for cash flows related to acquisition costs). The group has elected not to adjust the carrying amount of the liability for remaining coverage in order to reflect the time value of money and the effect of financial risk.

The group applies the option to recognise as expenses cash flows related to acquisition costs at the time it incurs those costs, provided that the coverage period of each of the contracts in the group at the time of initial recognition does not exceed one year.

Liabilities for incurred claims are measured according to the general model.

The adjustment for non-financial risk is determined using a quantile approach based on a confidence level of 75% for property and casualty insurance contracts.

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

The group applies the option to offset the discount rate effects in equity for liabilities for incurred claims under property and casualty contracts.

### **Measurement of reinsurance treaties held**

Reinsurance treaties held are divided and accounted for in accordance with the provisions applicable to insurance contracts issued and are measured by the group under the general and simplified models.

The present value of the future cash flows of reinsurance treaties held is estimated using assumptions consistent with those used to estimate the present value of the future cash flows of the underlying group(s) of insurance contracts, with an adjustment to reflect the risk of non-performance by the reinsurer, including the effect of guarantees and losses arising from litigation.

The adjustment for non-financial risk corresponds to the amount of risk transferred by the ceding company to the reinsurer.

If the reinsurance treaty held immediately offsets the losses of an underlying group of onerous contracts, the reinsurance gain is recognised immediately in profit or loss. This loss recovery component is used to recognise amounts that are subsequently recognised in profit or loss.



## Handling of internal expenses

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

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

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

In accordance with the recommendations of the ESMA (32-63-1320) and the AMF (DOC-2022-06), the group restates the internal margin in the balance sheet and the income statement (in the breakdown of insurance liabilities and related results between fulfilment cash flows and contractual service margin) by presenting the share of the banking entities' general operating expenses attributable to insurance activity as insurance contract expenses and modifying the recognition in profit or loss of internal margins now spread over the duration of the insurance service (at the rate of release of the CSM) for the banking scope under IFRS 17.

The banking entities' expenses attributable to insurance activity are estimated on the basis of an analytical model.

## Presentation in the balance sheet and the income statement of insurance activities

Pursuant to the amendments to IAS 1 resulting from IFRS 17:

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

### Profit or loss on insurance activities

- Income from insurance and reinsurance contracts issued,
- Service expenses related to insurance and reinsurance contracts issued, and
- Income and expenses related to reinsurance contracts held;

### Financial income/expense of insurance activities

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

Income from insurance contracts shows the release of fulfilment cash flows for the expected amount over the period (excluding investment components), the change in the risk adjustment, amortisation of the contractual service margin for services rendered, the amount allocated for amortisation of acquisition expenses, premium experience adjustments, and the allocation of premiums over the period for the premium allocation approach.

Service expenses related to insurance contracts therefore include the incurred share of general operating expenses and fees directly attributable to the fulfilment of contracts, which is then deducted from Net Banking Income.

They represent the actual expenses incurred over the period (excluding repayments of the investment component), changes related to past service, amortisation of acquisition expenses, and the initial loss component for onerous contracts as well as its amortisation.

The income and expenses of reinsurance contracts held are representative of the amounts recovered from reinsurers and the allocation of premiums paid in respect of this cover.

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

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

## Insurance risk factors

Suravenir is exposed to underwriting risk in respect of its life and personal protection insurance business. This refers to the risk of loss or adverse change in the value of insurance liabilities. This situation results from an increase in the loss experience that was not anticipated during the pricing of risk acceptance or risk monitoring (provisioning risk).

The main underwriting risks relating to Suravenir's activities are as follows:

- Policyholder behaviour risk: this is linked to insufficient anticipation of policyholder behaviour in terms of surrenders, transfers between funds, cancellations or early repayments by borrowers.
- Biometric risks: these are mainly mortality risk, disability/incapacity risk and longevity risk.
- Risk of an unfavourable change in the insurer's costs: cost risk ("management risk") is the risk that the costs incurred by the insurer are higher than expected. This risk affects all insurance activities.

In addition to technical risks, risks related to the financial markets and ALM management also impact insurance activities. Thus, changes in interest rates have a direct impact on the valuation and returns of Suravenir's bond portfolio, for both the proprietary and euro-denominated funds. Persistently low interest rates could put downward pressure on the margin generated by Suravenir, affecting its profitability and ultimately its solvency.

## 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 levels of hierarchy 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.

## Other assets and liabilities

### 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).

The group has chosen a fair value model for all investment properties backing liabilities that pay a return linked directly to the fair value of, or returns from, specified assets including that investment property.

After their initial recognition, the group measures these investment properties at fair value. The gain or loss resulting from the change in fair value of these investment properties is recognised in profit or loss during the period in which it occurs.

The cost model has been used for all other investment properties.

After initial recognition, fixed assets are measured at cost less accumulated depreciation and any impairment losses.

The fair value of investment properties carried at cost is disclosed in the notes. It is determined by an expert.

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:

Component	Depreciation periods
Movable goods	10 years
Electronic equipment	3 to 5 years
Created or acquired software	3 to 8 years
Portfolio of acquired customer contracts	6 to 13 years

During the first half of 2024, the Crédit Mutuel Arkéa group conducted an analysis of the amortisation periods of software created or acquired (programs) to ensure their consistency with the actual useful lives.

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.

This analysis follows the implementation of a new IT strategy within the group and the roll-out of the corporate architecture framework initiated in early 2024.

It resulted in the following changes to the amortisation schedule:

Type of software created	Amortisation periods until 31 December 2023	Amortisation periods from 1 January 2024
Programs involving distribution pathways or rapid obsolescence (e.g. mobile applications)	3 years	3 years
Other programs	5 years	8 years

This forward-looking review of the depreciation and amortisation schedules resulted in a €23 million decrease in depreciation and amortisation in Crédit Mutuel Arkéa's financial statements at 30 June 2024.

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.

#### *Provision for paid leave*

On 13 September 2023, the Cour de cassation (French supreme court) issued three rulings modifying companies' obligations in terms of paid leave, with immediate effect. It ruled that the provisions of the French Labour Code were in contradiction of European regulations which provide for the right to paid leave without distinguishing the causes of absence.

At June 30, 2024, discount rates are the following:

Thus, since the rulings of 13 September:

- employees on sick leave or on leave for non-occupational accidents acquire paid leave during their period of absence from work,
- employees on leave following an occupational accident or illness acquire rights to paid leave for the entire duration of their period of sick leave, without limitation, contrary to current labour law, which limits this right to the first year of sick leave.

The Crédit Mutuel Arkéa group assessed the impact of applying these changes on its 30 June 2024 financial statements and recognised an additional paid leave provision in this respect. Its amount is not material for the group.

#### *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.

	<b>UES Arkade</b>	<b>Other subsidiaries</b>
Retirement benefits	3.44%	Between 3.54% and 3.73%
Retirement pension supplements	3.53%	3.50%
Length-of-service awards	3.57%	Between 3.50% and 3.56%
Time savings accounts	3.58%	3.54%

The calculations also include an employee turnover rate of between 0% and 5.15% and a salary increase rate of between 2.52% and 4.46%<sup>(1)</sup>. 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".

#### 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.

(1) UES Arkade and Arkéa-SCD rates, representing 94 % of the obligation.



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**

At 30 June 2024, Yomoni was deconsolidated following the loss of significant influence. All the assets and liabilities of Pumpkin and Arkéa were transferred to the Crédit Mutuel Arkéa parent entity.

The companies included in the Crédit Mutuel Arkéa group's consolidation scope are presented in Note 31.

## **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.

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.

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.

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.

As part of the closing of the accounts at 30 June 2024, changes in the market parameters and financial results in line with expectations in the first semester of 2024 are not likely to call into question the medium-term BPs. Therefore, there is no evidence of impairment in the first half of 2024.

#### **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.

#### **International Tax Reform – Pillar 2 Model Rules**

In December 2022, the European Union published Directive 2022/2523 on implementation of the OECD tax reform aimed at ensuring that large multinational companies pay a minimum tax in each jurisdiction in which they operate.

The European Directive was transposed into French law through the 2024 Finance Act, enacted on 29 December 2023. The reform came into force on 1 January 2024.

This work mainly entailed :

- developing the GloBE scope, which includes both the entities in the statutory scope consolidated using the full consolidation method and the entities not consolidated to date for materiality reasons on which the group exercises exclusive control,
- identifying and measuring the potential impacts of the entry into force of the minimum tax and, in particular, verifying whether, once the safeguard measures have been taken, the group would be required to pay additional tax in certain jurisdictions.

The Crédit Mutuel Arkéa group operates in three jurisdictions: France, Belgium and Luxembourg. Based on the de minimis tests and simplified ETR, no jurisdiction has been identified as being subject to additional tax.



#### **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 their expected value based on the method that best predicts the amounts that will be paid or received.

## Detailed summary of notes

Notes to the balance sheet	83	Notes to the income statement	106
<b>Note 1.</b> Cash, due from central banks loans and receivables - credit institutions	83	<b>Note 17.</b> Interest and similar income/expense	106
<b>Note 2.</b> Financial assets at fair value through profit or loss	83	<b>Note 18.</b> Fee and commission income/expense	106
<b>Note 3.</b> Hedging derivatives	84	<b>Note 19.</b> Net gain (loss) on financial instruments at fair value through profit or loss	-
<b>Note 4.</b> Financial assets at fair value through equity	85	<b>Note 20.</b> Net gain (loss) on financial instruments at fair value through equity	107
<b>Note 5.</b> Securities amortized cost	86	<b>Note 21.</b> Net gain (loss) on financial instruments at amortized cost	-
<b>Note 6.</b> Loans and receivables due from customers	86	<b>Note 22.</b> Net income from insurance activities	108
<b>Note 7.</b> Placement of insurance activities and reinsurers' shares in technical provisions	87	<b>Note 22.a.</b> Net income from insurance activities	-
<b>Note 7.a.</b> Financial assets at fair value through profit or loss	87	<b>Note 22.b.</b> Net financial income from insurance and reinsurance activities (including return on investments)	109
<b>Note 7.b.</b> Financial assets at fair value through equity	88	<b>Note 22.c.</b> Net income from financial investments related to insurance activities	110
<b>Note 7.c.</b> Securities at amortized cost	89	<b>Note 22.d.</b> Insurance activities - Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk	111
<b>Note 7.d.</b> Loans and receivables - credit institutions	89	<b>Note 23.</b> Income/expense from other activities	112
<b>Note 7.e.</b> Placement of insurance activities and reinsurers' shares in technical provisions	89	<b>Note 24.</b> Gains (losses) on disposal - dilution in investments of associates	112
<b>Note 7.f.</b> Underlying items of insurance contracts with direct participation	90	<b>Note 25.</b> General operating expenses	112
<b>Note 8.</b> Goodwill	90	<b>Note 25.a.</b> Personnel expenses	112
<b>Note 9.</b> Central banks - Due to credit institutions	91	<b>Note 25.b.</b> Other operating expenses	112
<b>Note 10.</b> Financial liabilities at fair value through profit or loss	92	<b>Note 26.</b> Cost of risk	113
<b>Note 10.a.</b> Fair value option financial liabilities through profit or loss	92	<b>Note 26.a.</b> Cost of risk - banking activity	113
<b>Note 10.b.</b> Financial assets and liabilities subject to netting, an enforceable master netting agreement or a similar agreement	93	<b>Note 26.b.</b> Banking activities - Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk	115
<b>Note 11.</b> Debt securities	94	<b>Note 26.c.</b> Banking activities - Information regarding changes in provisions for expected losses for credit risk	116
<b>Note 12.</b> Liabilities to customers	94	<b>Note 27.</b> Gain (losses) on others assets	118
<b>Note 13.</b> Reinsurance contract and insurance contract liabilities	94	<b>Note 28.</b> Income tax	118
<b>Note 13.a.</b> Liabilities on insurance contracts issued	95	<b>Other notes</b>	<b>119</b>
<b>Note 14.</b> Provisions	99	<b>Note 29.a.</b> Commitments given and received - banking activity	119
<b>Note 14.a.</b> Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope	99	<b>Note 29.b.</b> Commitments given and received - insurance activity	120
<b>Note 15.</b>	99	<b>Note 30.</b> Segment information	120
<b>Note 15.a.</b> Fair value ranking - banking activity	100	<b>Note 31.</b> Scope of consolidation	121
<b>Note 15.b.</b> Fair value ranking - insurance activity	102	<b>Note 32.</b> Events after the reporting period	127
<b>Note 16.a.</b> Fair value ranking of financial assets and liabilities recognized at amortized cost - banking activity	104		
<b>Note 16.b.</b> Fair value ranking of financial assets and liabilities recognized at amortized cost - insurance activity	105		

## NOTES TO THE BALANCE SHEET

### Note 1. Cash, due from central banks loans and receivables - credit institutions

(in € million)	06.30.2024	12.31.2023
Cash, due from central banks		
Due from central banks	8 549	13 430
Cash	126	147
Accrued interest	2	3
<b>Total</b>	<b>8 676</b>	<b>13 580</b>
Loans and receivables - credit institutions		
Current accounts	11 045	10 390
Loans	17	12
Other receivables	685	702
Guarantee deposits paid	642	810
Repurchase agreements	2 284	1 804
Individually impaired receivables (B3)	0	0
Accrued interest	234	322
Impairment on performing loans (B1/B2)	(6)	(9)
Other impairment (B3)	0	0
<b>Total</b>	<b>14 901</b>	<b>14 031</b>
Of which deposits and demand loans with credit institutions	365	467

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

	06.30.2024				12.31.2023			
	Trading	Fair value of option	Other JVPR	Total	Trading	Fair value of option	Other JVPR	Total
Securities	-	-	1 367	1 367	-	-	1 308	1 308
▪ Treasury bills, notes and government bonds	-	-	-	-	-	-	-	-
▪ Bonds and other fixed-income securities	-	-	599	599	-	-	576	576
Listed	-	-	11	11	-	-	10	10
Unlisted	-	-	568	568	-	-	547	547
Accrued interest	-	-	20	20	-	-	18	18
Including UCI		-	356	356	-	-	343	343
▪ Stocks and other variable-income securities	-		768	768	-		732	732
Listed	-		-	-	-		-	-
Unlisted	-		768	768	-		732	732
Derivatives held for trading purposes	495			495	471			471
▪ Loans and receivables	-	14	1	15	-	10	0	11
of which repurchase agreements	-	-	-	-	-	-	-	-
Separate assets for employee benefit plans	-	-	86	86	-	-	86	86
<b>Total</b>	<b>495</b>	<b>14</b>	<b>1 453</b>	<b>1 962</b>	<b>471</b>	<b>10</b>	<b>1 394</b>	<b>1 876</b>

The derivatives are held as part of the economic hedging of transactions with clients.

### Note 3. Hedging derivatives

(in € million)	06.30.2024			
	Fair value hedging		Cash flow hedging	
	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	-	-	-	-
Hedging derivatives - assets	4 077	56 965	-	-
Hedging derivatives - liabilities	3 393	38 413	-	-
Change in the fair value of the hedging instrument	219		-	
Currency risk				
Hedging derivatives	-	-	-	-
Hedging derivatives - assets	-	-	-	-
Hedging derivatives - liabilities	-	-	-	-
Change in the fair value of the hedging instrument	-	-	-	-

(in € million)	12.31.2023			
	Fair value hedging		Cash flow hedging	
	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives	-	-	-	-
Hedging derivatives - assets	3 945	52 902	-	-
Hedging derivatives - liabilities	3 480	36 184	-	-
Change in the fair value of the hedging instrument	40		-	
Currency risk				
Hedging derivatives	-	-	-	-
Hedging derivatives - assets	-	-	-	-
Hedging derivatives - liabilities	-	-	-	-
Change in the fair value of the hedging instrument	-	-	-	-

## Note 4. Financial assets as fair value through equity

(in € million)	06.30.2024	12.31.2023
Treasury bills, notes and government bonds	3 940	3 288
Bonds and other fixed-income securities	5 904	5 031
▪ Listed	4 571	4 115
▪ Unlisted	1 283	855
Accrued interest	49	61
<b>Subtotal gross value of debt instruments</b>	<b>9 843</b>	<b>8 319</b>
Of which impaired debt instruments (B3)	0	0
Impairment on performing loans (B1/B2)	(3)	(6)
Other impairment (B3)	0	0
<b>Subtotal net value of debt instruments</b>	<b>9 840</b>	<b>8 313</b>
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
<b>Subtotal gross value of Loans</b>	<b>0</b>	<b>0</b>
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)	0	0
<b>Subtotal net value of Loans</b>	<b>0</b>	<b>0</b>
Stocks and other variable-income securities	70	93
▪ Listed	43	67
▪ Unlisted	27	27
Accrued interest	0	0
Equity securities held for long-term investment	539	522
▪ Long-term investments	431	412
▪ Other long-term investments	109	110
▪ Shares in associates	0	0
▪ Translation adjustments	0	0
▪ Loaned securities	0	0
Accrued interest	0	0
<b>Subtotal equity instruments</b>	<b>609</b>	<b>616</b>
<b>Total</b>	<b>10 449</b>	<b>8 929</b>
Of which unrealized capital gains/losses recognized in equity	(58)	(4)
Of which securities sold under repurchase agreements	0	0
Of which listed long-term investments	108	107

Equity securities at fair value per equity are mainly equity and other long-term holdings of the group.

The disposals made on instruments classified as fair value by equity have resulted in the reclassification of reserves of a cumulative gain at the time of the transfer of an amount close to zero.

**Note 5. Securities amortized cost**

(in € million)	06.30.2024	12.31.2023
Treasury bills, notes and government bonds	599	370
Bonds and other fixed-income securities	387	303
▪ Listed	353	271
▪ Unlisted	32	31
Accrued interest	1	1
<b>Gross total</b>	<b>986</b>	<b>673</b>
of which impaired assets (B3)	0	0
Impairment on performing loans (B1/B2)	0	(2)
Other impairment (B3)	0	0
<b>Net total</b>	<b>986</b>	<b>671</b>

**Note 6. Loans and receivables due from customers**

(in € million)	06.30.2024	12.31.2023
Performing receivables (B1/B2)	85 361	83 833
▪ Commercial receivables	83	88
▪ Other loans to customers	85 024	83 507
Housing loans	46 167	45 766
Other loans and various receivables, including repurchase agreements	38 754	37 637
Guarantee deposits paid	104	104
▪ Accrued interest	253	238
Individually impaired receivables (B3)	1 640	1 473
Gross receivables	87 001	85 306
Impairment on performing loans (B1/B2)	(429)	(432)
Other impairment (B3)	(737)	(681)
<b>Subtotal I</b>	<b>85 835</b>	<b>84 194</b>
Finance leases (net investment)	2 694	2 671
▪ Movable goods	1 588	1 509
▪ Real property	1 106	1 162
Individually impaired receivables (B3)	137	100
Gross receivables	2 830	2 771
Impairment on performing loans (B1/B2)	(28)	(31)
Other impairment (B3)	(41)	(25)
<b>Subtotal II</b>	<b>2 762</b>	<b>2 715</b>
<b>Total</b>	<b>88 598</b>	<b>86 909</b>
Of which equity loans with no voting rights	23	23
Of which subordinated loans	0	0

It should be noted that under the single resolution mechanism, deposits made as collateral are subject to remuneration. The Irrevocable payment commitments represent contingent liabilities, with the prospect of their call being considered unlikely, according to the regulations in force, and in a context of continuity of operations as well as system resilience The ECB's 2023 stress tests highlight the importance of the euro area banking sector.

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

(in € million)	06.30.2024	12.31.2023
Financial assets at fair value through profit or loss	57 515	57 002
Available-for-sale financial assets	77	77
Loans and receivables - credit institutions	95	93
Held-to-maturity financial assets	2 601	2 642
Investment property	612	611
<b>Total</b>	<b>60 900</b>	<b>60 425</b>

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

(in € million)	06.30.2024				12.31.2023			
	Trading	Fair value of option	Other JVPR	Total	Trading	Fair value of option	Other JVPR	Total
<b>Securities</b>	-	16 520	40 681	57 202	-	17 816	38 916	56 732
▪ Treasury bills, notes and government bonds	-	5 694	-	5 694	-	6 007	-	6 007
▪ Bonds and other fixed-income securities	-	10 826	40 103	50 929	-	11 809	38 319	50 128
Listed	-	9 317	25 223	34 540	-	9 059	22 827	31 886
Unlisted	-	1 391	14 766	16 157	-	2 613	15 399	18 012
Accrued interest	-	118	114	231	-	138	92	230
▪ Including UCI	-	-	23 530	23 530	-	-	25 543	25 543
▪ Stocks and other variable-income securities	-	-	126	126	-	-	135	135
Listed	-	-	89	89	-	-	95	95
Unlisted	-	-	36	36	-	-	40	40
Related receivables	-	-	0	0	-	-	-	-
▪ Equity securities held for long-term investment	-	-	453	453	-	-	462	462
<b>Derivatives held for trading purposes</b>	-	-	-	-	1	-	-	1
<b>Loans and receivables</b>	-	313	-	313	-	269	-	269
of which repurchase agreements	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>16 833</b>	<b>40 681</b>	<b>57 515</b>	<b>1</b>	<b>18 085</b>	<b>38 916</b>	<b>57 002</b>

**Note 7.b. Financial assets at fair value through equity**

(in € million)	06.30.2024	12.31.2023
Treasury bills, notes and government bonds	-	-
Bonds and other fixed-income securities	-	-
▪ Listed	-	-
▪ Unlisted	-	-
Accrued interest	-	-
Subtotal gross value of debt instruments	-	-
Of which impaired debt instruments (B3)	-	-
Impairment on performing loans (B1/B2)	-	-
Other impairment (B3)	-	-
Subtotal net value of debt instruments	-	-
Loans and receivables	-	-
▪ Loans and receivables due from credit institutions	-	-
Accrued interest	-	-
Subtotal gross value of Loans	-	-
Impairment on performing loans (B1/B2)	-	-
Other impairment (B3)	-	-
Subtotal net value of Loans	-	-
Stocks and other variable-income securities	3	5
▪ Listed	3	5
▪ Unlisted	-	-
Accrued interest	-	-
Equity securities held for long-term investment	74	73
▪ Long-term investments	74	73
▪ Other long-term investments	-	-
▪ Shares in associates	-	-
▪ Translation adjustments	-	-
▪ Loaned securities	-	-
Accrued interest	-	-
Subtotal equity instruments	77	77
<b>Total</b>	<b>77</b>	<b>77</b>
Of which unrealized capital gains/losses recognized in equity	(4)	(3)
Of which securities sold under repurchase agreements	-	-
Of which listed long-term investments	74	73



### Note 7.c. Securities at amortized cost

(in € million)	06.30.2024	12.31.2023
Performing receivables (B1/B2)	95	93
Current accounts	20	16
Loans	12	14
Other loans and various receivables	-	-
Guarantee deposits paid	63	63
repurchase agreements	-	-
Individually impaired receivables (B3)	-	-
Accrued interest	0	0
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)	-	-
<b>Total</b>	<b>95</b>	<b>93</b>

### Note 7.d. Loans and receivables – credit institutions

(in € million)	06.30.2024	12.31.2023
Treasury bills, notes and government bonds	594	589
Bonds and other fixed-income securities	2 011	2 057
▪ Listed	1 895	1 939
▪ Unlisted	100	99
Accrued interest	16	19
<b>Gross total</b>	<b>2 604</b>	<b>2 646</b>
of which impaired assets (B3)	-	-
Impairment on performing loans (B1/B2)	(3)	(3)
Other impairment (B3)	-	-
<b>Net total</b>	<b>2 601</b>	<b>2 642</b>

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

(in € million)	12.31.2023	Increase	Decrease	Fair value variation	Other	30.06.2024
Investment property at amortized cost	33	1	0		0	34
▪ Historical cost	67	2	(2)		0	67
▪ Amortization and impairment	(34)	(1)	2		0	-33
Investment property at fair value through profit or loss	578	1	(1)	0	0	578
<b>Total</b>	<b>611</b>	<b>2</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>612</b>

**Note 7.f. Underlying items of insurance contracts with direct participation**

	06.30.2024	12.31.2023
	Underlying items of contracts with direct participation	Underlying items of contracts with direct participation
(in € million)		
Fair value through equity	0	0
▪ Treasury bills and similar securities	0	0
▪ Bonds and other debt securities	0	0
▪ Stocks and other equity instruments	0	0
▪ Equity investments and other long-term investments	0	0
▪ Shares in associates	0	0
Loans and receivables	0	0
▪ Fair value through profit or loss	57 638	57 171
▪ Treasury bills and similar securities	5 694	6 007
▪ Bonds and other debt securities	50 474	49 720
▪ Stocks and other equity instruments	126	135
▪ Equity investments and other long-term investments	453	462
▪ Shares in associates	0	0
▪ Loans and receivables	313	269
▪ Derivatives and other financial assets - Trading	0	1
▪ Investment property	578	578
Hedging derivatives	0	0
Amortized cost	88	103
▪ Loans and receivables (of which guarantee deposits)	61	73
▪ Loans and receivables due from customers	2	4
▪ Treasury bills and other debt securities	0	0
▪ Investment property	25	25
<b>Total</b>	<b>57 726</b>	<b>57 274</b>

**Note 8. Goodwill**

	12.31.2023	Increase	Decrease	Other	06.30.2024
(in € million)					
Gross goodwill	529	0	0	0	529
Impairment	(56)	0	0	0	(56)
<b>Net goodwill</b>	<b>474</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>474</b>

## Allocation by Division

Division	Entities	06.30.2024	12.31.2023
Retail customers	Arkéa Direct Bank	260	260
B2B and Specialized Services	CFCAL Banque	22	22
B2B and Specialized Services	Monext	100	100
B2B and Specialized Services	Procapital	63	63
Products	Arkéa Real Estate / AREIM	17	17
Products	Schelcher Prince Gestion	12	12
Net goodwill		<b>474</b>	<b>474</b>

## Note 9. Central banks – Due to credit institutions

(in € million)	06.30.2024	12.31.2023
Due from central banks	0	0
Liabilities to credit institutions <sup>(1)</sup>	4 331	6 748
Current accounts	493	514
Loans	1 407	1 257
Guarantee deposits received	805	455
Other liabilities	71	55
Repurchase agreements	1 509	4 365
Accrued interest	46	103
<b>Total</b>	<b>4 331</b>	<b>6 748</b>
of which deposits and demand loans with credit institutions	536	542

(1) Of which €1.109 million related to the scope of insurance activities

**Note 10. Financial liabilities at fair value through profit or loss**

(in € million)	06.30.2024	12.31.2023
Financial liabilities held for trading purposes	536	532
.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	536	532
.Other financial liabilities held for trading purposes	0	0
Fair value option financial liabilities through profit or loss	2 344	2 205
Liabilities to credit institutions	0	0
Liabilities to customers	518	525
Debt securities	1 826	1 680
Subordinated debt	0	0
<b>Total</b>	<b>2 880</b>	<b>2 737</b>

The redemption value of liabilities measured at fair value through profit or loss is €2,907 million as at 30 June 2024 compared to 2,775 million euros as at 31 December 2023.

**Note 10.a. Fair value option financial liabilities through profit or loss**

(in € million)	06.30.2024			12.31.2023		
	Carrying amount	Amount due at maturity	Difference	Carrying amount	Amount due at maturity	Difference
Liabilities to credit institutions	0	0	0	0	0	0
Liabilities to customers <sup>(1)</sup>	518	539	(21)	525	553	(27)
Debt securities	1 826	1 831	(5)	1 680	1 690	(10)
Subordinated debt	0	0	0	0	0	0
<b>Total</b>	<b>2 344</b>	<b>2 371</b>	<b>(27)</b>	<b>2 205</b>	<b>2 243</b>	<b>(38)</b>

(1) Of which € 370 million in book value relating to the scope of insurance activities (contracts Pure Unit of Accounts)

**Note 10.b. Financial asset and liabilities subject to netting, an enforceable master netting agreement or a similar agreement**

(in € million)	06.30.2024						
	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 instrument s received/ given as guarantees	Cash collateral	
<b>Assets</b>							
Derivatives	4 572	0	4 572	(3 562)	0	(853)	156
Reverse repurchase agreements of securities, securities borrowing or similar agreements	4 263	(1 867)	2 396	0	(2 346)	0	51
Other financial instruments	0	0	0	0	0	0	0
<b>Total assets</b>	<b>8 835</b>	<b>(1 867)</b>	<b>6 968</b>	<b>(3 562)</b>	<b>(2 346)</b>	<b>(853)</b>	<b>207</b>
<b>Liabilities</b>							
Derivatives	3 929	0	3 929	(3 562)	0	(109)	258
Repurchase agreements of securities, securities lending or similar agreements	3 414	(1 867)	1 548	0	(1 513)	(33)	2
Other financial instruments	0	0	0	0	0	0	0
<b>Total liabilities</b>	<b>7 343</b>	<b>(1 867)</b>	<b>5 477</b>	<b>(3 562)</b>	<b>(1 513)</b>	<b>(142)</b>	<b>260</b>

(in € million)	12.31.2023						
	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 instrument s received/ given as guarantees	Cash collateral	
<b>Assets</b>							
Derivatives	4 418	0	4 418	(3 629)	0	(525)	263
Reverse repurchase agreements of securities, securities borrowing or similar agreements	3 494	(1 589)	1 904	0	(1 837)	0	67
Other financial instruments	0	0	0	0	0	0	0
<b>Total assets</b>	<b>7 911</b>	<b>(1 589)</b>	<b>6 322</b>	<b>(3 629)</b>	<b>(1 837)</b>	<b>(525)</b>	<b>330</b>
<b>Liabilities</b>							
Derivatives	4 012	0	4 012	(3 629)	0	(141)	242
Repurchase agreements of securities, securities lending or similar agreements	6 050	(1 589)	4 461	0	(4 436)	(20)	5
Other financial instruments	0	0	0	0	0	0	0
<b>Total liabilities</b>	<b>10 062</b>	<b>(1 589)</b>	<b>8 473</b>	<b>(3 629)</b>	<b>(4 436)</b>	<b>(161)</b>	<b>247</b>

**Note 11. Debt securities**

(in € million)	06.30.2024	12.31.2023
Certificates of deposit	11	10
Interbank market securities and negotiable debt securities	5 693	5 531
Bond issues	17 064	15 537
Non-preferred senior debt	2 591	3 118
Accrued interest	273	247
<b>Total</b>	<b>25 633</b>	<b>24 443</b>

**Note 12. Liabilities to customers**

(in € million)	06.30.2024	12.31.2023
Savings accounts governed by special regulations	39 507	37 685
Sight accounts	34 760	32 578
Term accounts	4 748	5 107
Accrued interest on savings accounts	513	793
<b>Subtotal</b>	<b>40 020</b>	<b>38 478</b>
Current accounts	25 727	30 661
Term accounts and term loans	18 038	15 362
Repurchase agreements	0	0
Accrued interest	365	458
Guarantee deposits received	132	121
<b>Subtotal</b>	<b>44 261</b>	<b>46 603</b>
<b>Total</b>	<b>84 282</b>	<b>85 081</b>

**Note 13. Reinsurance contract and insurance contract liabilities**

	06.30.2024		12.31.2023	
(in € million)	Assets on insurance contracts	Liabilities on insurance contracts	Assets on insurance contracts	Liabilities on insurance contracts
Liabilities on insurance contracts issued		53 258		52 679
including debts and receivables attributable to insurance liabilities issued		(318)		(340)
Assets on reinsurance contracts held	193		217	
of which assets-related liabilities and receivables of reinsurance issued	10		3	
<b>Total</b>	<b>193</b>	<b>53 258</b>	<b>217</b>	<b>52 679</b>

Reinsurance assets of €193 million were as at 30 June 2024:

- Held reinsurance contracts valued under the general model for €70 million (compared to €68 million at 31 December 2023), including the present value of cash flows for €(22) million, non-financial risk for €10 million and on contractual services for 82 M€.
- Held reinsurance contracts valued under the simplified model for €112 million (compared to €147 million at 31 December 2023), of which the present value of cash flows for €107 million and non-financial risk for €5 million.

## Note 13.a. Liabilities on insurance contracts issued

Distinction between insurance liabilities or remaining coverage and for uncured claims

(in € million)	06.30.2024					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Non-PAA contracts	Estimated present value of future cash flows on PAA contracts (BE)	Adjustment for non-financial risk on PAA contracts (RA)	TOTAL
Assets on insurance contracts, beginning of the year	0	0	0	0	0	0
Liabilities on insurance contracts, beginning of the year	52 262	10	315	417	16	53 020
<b>Opening balance</b>	<b>52 262</b>	<b>10</b>	<b>315</b>	<b>417</b>	<b>16</b>	<b>53 020</b>
Income from insurance contracts issued	(573)	0	0	0	0	(573)
Claims expenses and other insurance expenses incurred during the year		0	115	160	3	278
Amortisation of acquisition cash flows	67					67
Losses and recoveries on loss-making contracts		0				0
Changes related to claims incurred in previous years (adjustment of the LIC)			1	25	(3)	23
Expenses related to insurance contracts issued	67	0	116	185	0	368
Profit or loss on insurance activities	(2 787)	0	2 396	185	0	(205)
Net financial expenses on insurance contracts	461	0	0	4	0	465
Impact of rates	10	0	0	(2)	0	7
Impact of changes in exchange rates	0	0	0	0	0	0
<b>Total changes in profit or loss and other comprehensive income</b>	<b>(2 316)</b>	<b>0</b>	<b>2 396</b>	<b>187</b>	<b>0</b>	<b>267</b>
Investment component	(2 280)	0	2 280	0	0	0
Premiums received	2 935					2 935
Claims and expenses paid, including investment component			(2 401)	(211)	0	(2 612)
Contract acquisition cash flows	(34)					(34)
<b>Total cash flows</b>	<b>2 901</b>	<b>0</b>	<b>(2 401)</b>	<b>(211)</b>	<b>0</b>	<b>289</b>
Assets on insurance contracts, end of the year	0	0	0	0	0	0
Liabilities on insurance contracts, end of the year	52 847	10	311	392	16	53 576
<b>Closing balance</b>	<b>52 847</b>	<b>10</b>	<b>311</b>	<b>392</b>	<b>16</b>	<b>53 576</b>

(in € million)	12.31.2023					
	Liability for remaining coverage (LRC)		Liability for incurred claims (LIC)			
	Excluding loss item	Loss item	Non-PAA contracts	Estimated present value of future cash flows on PAA contracts (BE)	Adjustment for non-financial risk on PAA contracts (RA)	TOTAL
Assets on insurance contracts, beginning of the year	0	0	0	0	0	0
Liabilities on insurance contracts, beginning of the year	49 217	8	327	337	13	49 902
<b>Opening balance</b>	<b>49 217</b>	<b>8</b>	<b>327</b>	<b>337</b>	<b>13</b>	<b>49 902</b>
Income from insurance contracts issued	(1 140)	0	0	0	0	(1 140)
Claims expenses and other insurance expenses incurred during the year		0	221	377	5	603
Amortisation of acquisition cash flows	128					128
Losses and recoveries on loss-making contracts		1				1
Changes related to claims incurred in previous years (adjustment of the LIC)			2	31	(2)	31
Expenses related to insurance contracts issued	128	1	224	408	3	764
Profit or loss on insurance activities	(4 970)	1	4 182	408	3	(377)
Net financial expenses on insurance contracts	2 913	0	0	4	0	2 917
Impact of rates	3	0	0	7	0	11
Impact of changes in exchange rates	(61)	0	0	0	0	(61)
<b>Total changes in profit or loss and other comprehensive income</b>	<b>(2 115)</b>	<b>1</b>	<b>4 182</b>	<b>419</b>	<b>3</b>	<b>2 491</b>
Investment component	(3 958)	0	3 958	0	0	0
Premiums received	5 268					5 268
Claims and expenses paid, including investment component			(4 193)	(339)	0	(4 533)
Contract acquisition cash flows	(108)					(108)
<b>Total cash flows</b>	<b>5 160</b>	<b>0</b>	<b>(4 193)</b>	<b>(339)</b>	<b>0</b>	<b>627</b>
Assets on insurance contracts, end of the year	0	0	0	0	0	0
Liabilities on insurance contracts, end of the year	52 262	10	315	417	16	53 020
<b>Closing balance</b>	<b>52 262</b>	<b>10</b>	<b>315</b>	<b>417</b>	<b>16</b>	<b>53 020</b>



**Distinction between unsurance liabilities (BE, RA, CSM) - Not measured using the premium allocation approach (PAA)**

(in € million)	30.06.2024			
	Estimated present value of future cash flows (BE)	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	TOTAL
Assets on insurance contracts, beginning of the year	0	0	0	0
Liabilities on insurance contracts, beginning of the year	48 060	675	3 685	52 420
<b>Opening balance</b>	<b>48 060</b>	<b>675</b>	<b>3 685</b>	<b>52 420</b>
Change in the contractual service margin recognized in profit or loss			(173)	(173)
Change in the adjustment for non- financial risk over the period		(25)		(25)
Experience adjustments	0			0
Changes related to services rendered during the period	0	(25)	(173)	(198)
Contracts recognized during the period	(109)	22	88	0
Changes in estimates leading to an adjustment of the contractual service margin	37	15	(51)	0
Changes in estimates leading to losses or reversals of losses on groups of onerous contracts	0	0	0	0
Changes related to future services	(72)	36	36	0
Changes in performance cash flows in respect of incurred claims	2	0		1
Changes related to past services	2	0	0	1
Profit or loss on insurance activities	(71)	10	(136)	(197)
Net financial expenses on insurance contracts	459	0	2	461
Impact of rates	3	6	0	10
Impact of changes in exchange rates	0	0	0	0
<b>Total changes in profit or loss and other comprehensive income</b>	<b>391</b>	<b>17</b>	<b>(134)</b>	<b>274</b>
Premiums received	2 712	0	0	2 712
Claims and expenses paid, including investment component	(2 400)	0	0	(2 400)
Contract acquisition cash flows	(30)	0	0	(30)
<b>Total cash flows</b>	<b>281</b>	<b>0</b>	<b>0</b>	<b>281</b>
Assets on insurance contracts, end of the year	0	0	0	0
Liabilities on insurance contracts, end of the year	48 732	692	3 551	52 975
<b>Closing balance</b>	<b>48 732</b>	<b>692</b>	<b>3 551</b>	<b>52 975</b>

(in € million)	30.06.2023			
	Estimated present value of future cash flows (BE)	Adjustment for non-financial risk (RA)	Contractual service margin (CSM)	TOTAL
Assets on insurance contracts, beginning of the year	0	0	0	0
Liabilities on insurance contracts, beginning of the year	44 972	622	3 804	49 398
<b>Opening balance</b>	<b>44 972</b>	<b>622</b>	<b>3 804</b>	<b>49 398</b>
Change in the contractual service margin recognized in profit or loss			(376)	(376)
Change in the adjustment for non- financial risk over the period		(48)		(48)
Experience adjustments	(5)			(5)
Changes related to services rendered during the period	(5)	(48)	(376)	(429)
Contracts recognized during the period	(200)	42	158	0
Changes in estimates leading to an adjustment of the contractual service margin	(155)	57	98	0
Changes in estimates leading to losses or reversals of losses on groups of onerous contracts	0	0	0	0
Changes related to future services	(355)	99	256	0
Changes in performance cash flows in respect of incurred claims	2	0		2
Changes related to past services	2	0	0	2
Profit or loss on insurance activities	(358)	52	(120)	(427)
Net financial expenses on insurance contracts	2 912	0	2	2 913
Impact of rates	2	1	0	3
Impact of changes in exchange rates	(61)	0	0	(61)
<b>Total changes in profit or loss and other comprehensive income</b>	<b>2 495</b>	<b>53</b>	<b>(119)</b>	<b>2 429</b>
Premiums received	4 889	0	0	4 889
Claims and expenses paid, including investment component	(4 193)	0	0	(4 193)
Contract acquisition cash flows	(102)	0	0	(102)
<b>Total cash flows</b>	<b>594</b>	<b>0</b>	<b>0</b>	<b>594</b>
Assets on insurance contracts, end of the year	0	0	0	0
Liabilities on insurance contracts, end of the year	48 060	675	3 685	52 420
<b>Closing balance</b>	<b>48 060</b>	<b>675</b>	<b>3 685</b>	<b>52 420</b>

## Note 14. Provisions

(in € million)	12.31.2023	Allocations	Write-backs (used)	Write-backs (unused)	Other	06.30.2024
Provisions for pension obligations	177	6	(3)	(2)	0	178
Provisions for home savings accounts and plans	10	0	0	(2)	0	8
Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope	40	22	0	(22)	0	40
Provisions for execution of guarantee commitments	0	0	0	0	0	0
Provisions for taxes	1	0	0	(1)	0	1
Provisions for lawsuits	9	1	0	(1)	1	9
Provisions for contingencies	2	0	0	0	0	2
Other	13	1	(2)	(2)	(1)	9
<b>Total</b>	<b>251</b>	<b>30</b>	<b>(4)</b>	<b>(31)</b>	<b>0</b>	<b>246</b>

### Note 14.a. Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope

(in € million)	12.31.2023	Allocations	Write-backs	Other	06.30.2024
<b>Commitments given</b>					
12-month expected losses	19	11	(11)	0	18
Lifetime expected losses for non-impaired assets	8	5	(5)	0	8
Lifetime expected losses for impaired assets (instruments impaired or not at acquisition/creation)	13	6	(6)	0	14
<b>Total</b>	<b>40</b>	<b>22</b>	<b>(22)</b>	<b>0</b>	<b>40</b>

**Note 15.a. Fair value ranking – banking activity**

(in € million)

06.30.2024

Financial assets	Level 1	Level 2	Level 3	Total
<b>FVOCI</b>	<b>6 895</b>	<b>3 097</b>	<b>458</b>	<b>10 449</b>
Treasury bills and similar securities - FVOCI (1) (2)	3 024	915	0	3 938
Bonds and other fixed-income securities - FVOCI (3)	3 720	2 182	0	5 902
Stocks and other variable-income securities - FVOCI	43	0	27	70
Equity investments and other long-term investments - FVOCI	108	0	431	539
Shares in associates - FVOCI	0	0	0	0
Loans and receivables due from credit institutions - FVOCI	0	0	0	0
Loans and receivables due from customers - FVOCI	0	0	0	0
<b>Trading/FVO/Other FVTPL</b>	<b>11</b>	<b>788</b>	<b>1 163</b>	<b>1 962</b>
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	11	279	309	599
Stocks and other variable-income securities - Trading	0	0	0	0
Stocks and other variable-income securities - Other FVTPL	0	0	768	768
Loans and receivables due from credit institutions - Fair value option	0	0	0	0
Loans and receivables due from credit institutions - Other FVTPL	0	0	0	0
Loans and receivables due from customers - Fair value option	0	14	0	14
Loans and receivables due from customers - Other FVTPL	0	1	0	1
Derivatives and other financial assets - Trading	0	495	0	495
Other assets classified at FVTPL	0	0	86	86
Derivatives used for hedging purposes	0	4 077	0	4 077
<b>Total</b>	<b>6 906</b>	<b>7 962</b>	<b>1 621</b>	<b>16 488</b>
<b>Financial liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Trading/FVO</b>	<b>0</b>	<b>2 478</b>	<b>0</b>	<b>2 478</b>
Amounts due to credit institutions - Fair value option	0	0	0	0
Amounts due to customers - Fair value option	0	147	0	147
Debt securities - Fair value option	0	1 826	0	1 826
Derivatives and other financial liabilities - Trading	0	505	0	505
Derivatives used for hedging purposes	0	3 393	0	3 393
<b>Total</b>	<b>0</b>	<b>5 871</b>	<b>0</b>	<b>5 871</b>

(1) Transfers from Level 2 to Level 1 were made for an amount of €26 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 1.

(2) Transfers from Level 1 to Level 2 were made for an amount of €285 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.

(3) Transfers from Level 1 to Level 2 were made for an amount of €471 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.

(in € million)

**12.31.2023**

<b>Financial assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>FVOCI</b>	<b>6 599</b>	<b>1 888</b>	<b>442</b>	<b>8 929</b>
Treasury bills and similar securities - FVOCI (1)	2 640	645	0	3 285
Bonds and other fixed-income securities - FVOCI (2) (3)	3 785	1 243	0	5 028
Stocks and other variable-income securities - FVOCI	67	0	27	93
Equity investments and other long-term investments - FVOCI	107	0	415	522
Shares in associates - FVOCI	0	0	0	0
Loans and receivables due from credit institutions - FVOCI	0	0	0	0
Loans and receivables due from customers - FVOCI	0	0	0	0
<b>Trading/FVO/Other FVTPL</b>	<b>10</b>	<b>762</b>	<b>1 104</b>	<b>1 876</b>
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 (4) (5)	10	280	285	576
Stocks and other variable-income securities - Trading	0	0	0	0
Stocks and other variable-income securities - Other FVTPL	0	0	732	732
Loans and receivables due from credit institutions - Fair value option	0	0	0	0
Loans and receivables due from credit institutions - Other FVTPL	0	0	0	0
Loans and receivables due from customers - Fair value option	0	10	0	10
Loans and receivables due from customers - Other FVTPL	0	0	0	0
Derivatives and other financial assets - Trading	0	471	0	471
Other assets classified at FVTPL (5)	0	0	86	86
Derivatives used for hedging purposes	0	3 945	0	3 945
<b>Total</b>	<b>6 609</b>	<b>6 595</b>	<b>1 546</b>	<b>14 750</b>
<b>Financial liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Trading/FVO</b>	<b>0</b>	<b>2 356</b>	<b>0</b>	<b>2 356</b>
Amounts due to credit institutions - Fair value option	0	0	0	0
Amounts due to customers - Fair value option	0	177	0	177
Debt securities - Fair value option	0	1 680	0	1 680
Derivatives and other financial liabilities - Trading	0	499	0	499
Derivatives used for hedging purposes	0	3 480	0	3 480
<b>Total</b>	<b>0</b>	<b>5 836</b>	<b>0</b>	<b>5 836</b>

- (1) Transfers from Level 2 to Level 1 were made for an amount of €48 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 1.  
(2) Transfers from Level 1 to Level 2 were made for an amount of €150 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.  
(3) Transfers from Level 2 to Level 1 were made for an amount of €4 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 1.  
(4) Transfers from Level 2 to Level 1 were made for an amount of €1 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 1.  
(5) Transfers from Level 3 to Level 2 were made for an amount of €1 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.

**Note 15.b. Fair value ranking – insurance activity**

(in € million)

06.30.2024

Financial assets	Level 1	Level 2	Level 3	Total
<b>FVOCI</b>	60	0	16	77
Treasury bills and similar securities - FVOCI	0	0	0	0
Bonds and other fixed-income securities - FVOCI	0	0	0	0
Stocks and other variable-income securities - FVOCI	2	0	0	2
Equity investments and other long-term investments - FVOCI	58	0	16	74
Shares in associates - FVOCI	0	0	0	0
Loans and receivables due from credit institutions - FVOCI	0	0	0	0
Loans and receivables due from customers - FVOCI				0
<b>Trading/FVO/Other FVTPL</b>	33 182	14 370	9 963	57 515
Treasury bills and similar securities - Trading	0	0	0	0
Treasury bills and similar securities - Fair value option (1)	5 329	365	0	5 694
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 (2)	8 327	2 498	1	10 826
Bonds and other fixed-income securities - Other FVTPL (3)	19 437	11 489	9 177	40 103
Stocks and other variable-income securities - Trading	0	0	0	0
Stocks and other variable-income securities - Other FVTPL	89	18	472	579
Loans and receivables - Fair value option	0	0	313	313
Loans and receivables - Other FVTPL	0	0	0	0
Derivatives and other financial assets - Trading	0	0	0	0
Derivatives used for hedging purposes	0	0	0	0
<b>Total</b>	<b>33 242</b>	<b>14 370</b>	<b>9 979</b>	<b>57 591</b>
<b>Financial liabilities</b>	Level 1	Level 2	Level 3	Total
<b>Trading/FVO</b>	0	402	0	402
Amounts due to credit institutions - Fair value option	0	0	0	0
Amounts due to customers - Fair value option	0	370	0	370
Debt securities - Fair value option	0	0	0	0
Derivatives and other financial liabilities - Trading	0	31	0	31
Derivatives used for hedging purposes	0	0	0	0
<b>Total</b>	<b>0</b>	<b>402</b>	<b>0</b>	<b>402</b>

(1) Transfers from Level 1 to Level 2 were made for an amount of €191 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.

(2) Transfers from Level 1 to Level 2 were made for an amount of €147 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.

(3) Transfers from Level 1 to Level 2 were made for an amount of €94 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.

(in € million)

**12.31.2023**

Financial assets	Level 1	Level 2	Level 3	Total
<b>FVOCI</b>	<b>62</b>	<b>0</b>	<b>16</b>	<b>77</b>
Treasury bills and similar securities - FVOCI	0	0	0	0
Bonds and other fixed-income securities - FVOCI	0	0	0	0
Stocks and other variable-income securities - FVOCI	5	0	0	5
Equity investments and other long-term investments - FVOCI	57	0	16	73
Shares in associates - FVOCI	0	0	0	0
Loans and receivables due from credit institutions - FVOCI	0	0	0	0
Loans and receivables due from customers - FVOCI				0
<b>Trading/FVO/Other FVTPL</b>	<b>32 076</b>	<b>14 984</b>	<b>9 942</b>	<b>56 734</b>
Treasury bills and similar securities - Trading	0	0	0	0
Treasury bills and similar securities - Fair value option <sup>(1)</sup>	5 838	169	0	6 007
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 <sup>(2)(3)</sup>	8 754	3 055	0	11 809
Bonds and other fixed-income securities - Other FVTPL <sup>(4)(5)</sup>	17 389	11 473	9 458	38 319
Stocks and other variable-income securities - Trading	0	0	0	0
Stocks and other variable-income securities - Other FVTPL	95	18	485	597
Loans and receivables - Fair value option	0	269	0	1
Loans and receivables - Other FVTPL	0	0	0	0
Derivatives and other financial assets - Trading	0	1	0	1
Derivatives used for hedging purposes	0	0	0	0
<b>Total</b>	<b>32 137</b>	<b>14 984</b>	<b>9 958</b>	<b>56 811</b>
<b>Financial liabilities</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Trading/FVO</b>	<b>0</b>	<b>381</b>	<b>0</b>	<b>381</b>
Amounts due to credit institutions - Fair value option	0	0	0	0
Amounts due to customers - Fair value option	0	348	0	348
Debt securities - Fair value option	0	0	0	0
Derivatives and other financial liabilities - Trading	0	33	0	33
Derivatives used for hedging purposes	0	0	0	0
<b>Total</b>	<b>0</b>	<b>381</b>	<b>0</b>	<b>381</b>

- (1) Transfers from Level 2 to Level 1 were made for an amount of €17 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 1.  
(2) Transfers from Level 1 to Level 2 were made for an amount of €19 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.  
(3) Transfers from Level 2 to Level 1 were made for an amount of €18 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 1.  
(4) Transfers from Level 2 to Level 1 were made for an amount of €56 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 1.  
(5) Transfers from Level 3 to Level 2 were made for an amount of €9 million. They mainly concern bonds whose characteristics correspond to the criteria defined by level 2.

**Note 16.a. Fair value ranking of financial assets and liabilities recognized at amortized cost – banking activity**

06.30.2024						
(in € million)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
<b>Assets</b>	<b>98 330</b>	<b>101 280</b>	<b>(2 950)</b>	<b>496</b>	<b>15 328</b>	<b>82 506</b>
Financial assets at amortized cost						
Loans and receivables due from credit institutions	14 882	14 901	(18)	0	14 882	0
Loans and receivables due from customers	82 481	88 598	(6 117)	0	0	82 481
Securities	966	986	(19)	496	446	25
Revaluation gap of the interest rate hedged portfolios		(3 204)	3 204			
<b>Liabilities</b>	<b>114 447</b>	<b>114 474</b>	<b>(27)</b>	<b>0</b>	<b>30 187</b>	<b>84 260</b>
Liabilities to credit institutions	3 146	3 222	(75)	0	3 146	0
Liabilities to customers	84 260	84 282	(21)	0	0	84 260
Debt securities	24 370	25 633	(1 263)	0	24 370	0
Subordinated debt	2 670	2 734	(63)	0	2 670	0
Revaluation gap of the interest rate hedged portfolios		(1 396)	1 396			
12.31.2023						
(in € million)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
<b>Assets</b>	<b>95 720</b>	<b>98 964</b>	<b>(3 244)</b>	<b>225</b>	<b>14 418</b>	<b>81 078</b>
Financial assets at amortized cost						
Loans and receivables due from credit institutions	14 002	14 031	(29)	0	14 002	0
Loans and receivables due from customers	81 054	86 909	(5 855)	0	0	81 054
Securities	665	671	(6)	225	416	24
Revaluation gap of the interest rate hedged portfolios		(2 647)	2 647			
<b>Liabilities</b>	<b>115 360</b>	<b>115 354</b>	<b>5</b>	<b>0</b>	<b>30 293</b>	<b>85 067</b>
Liabilities to credit institutions	4 737	4 829	(91)	0	4 737	0
Liabilities to customers	85 067	85 081	(14)	0	0	85 067
Debt securities	23 332	24 443	(1 111)	0	23 332	0
Subordinated debt	2 223	2 272	(48)	0	2 223	0
Revaluation gap of the interest rate hedged portfolios		(1 269)	1 269			

For financial instruments that are not measured at fair value on the balance sheet, fair value calculations are reported for information purposes, and should be interpreted as estimates only.

In most cases, the values communicated are not intended to be realised. Fair values were calculated for the purpose of reporting in the financial statements. These values are not indicators used for the needs of steering the activities of the bank, whose management model is mainly a contractual cash flow collection model.



**Note 16.b. Fair value ranking of financial assets and liabilities recognized at amortized cost – insurance activity**

	06.30.2024					
(in € million)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
<b>Assets</b>	2 553	2 697	(144)	2 363	179	11
Loans and receivables due from credit institutions						
Other loans and receivables linked to insurance activities	95	95	(1)	0	84	11
Held-to-maturity financial assets	2 458	2 601	(143)	2 363	95	0
<b>Liabilities</b>	1 109	1 109	0	0	1 109	0
Liabilities to credit institutions	1 109	1 109	0	0	1 109	0
Debt securities	0	0	0	0	0	0
Subordinated debt	0	0	0	0	0	0

	12.31.2023					
(in € million)	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
<b>Assets</b>	2 616	2 735	(120)	2 447	155	14
Loans and receivables due from credit institutions						
Other loans and receivables linked to insurance activities	92	93	(1)	0	79	14
Held-to-maturity financial assets	2 523	2 642	(119)	2 447	76	0
<b>Liabilities</b>	1 919	1 919	0	0	1 919	0
Liabilities to credit institutions	1 919	1 919	0	0	1 919	0
Debt securities	0	0	0	0	0	0
Subordinated debt	0	0	0	0	0	0

## NOTES TO THE INCOME STATEMENT

## Note 17. Interest and similar income/expense

(In € million)	06.30.2024		06.30.2023	
	Income	Expense	Income	Expense
Credit institutions and central banks	465	(143)	492	(183)
Customers	1 135	(1 052)	872	(686)
of which leasing	68	(9)	47	(5)
of which rental debts		(1)	0	(1)
Securities at amortized cost	5	0	2	0
Financial assets at fair value through profit or loss	16	(2)	11	(1)
Derivatives used for hedging purposes	833	(693)	570	(533)
Financial assets at fair value through equity	107	0	51	0
Debt securities	0	(372)	0	(253)
<b>Total</b>	<b>2 561</b>	<b>(2 261)</b>	<b>1 998</b>	<b>(1 657)</b>

## Note 18. Fee and commission income/expense

(In € million)	06.30.2024		06.30.2023	
	Income	Expense	Income	Charges
Credit institutions	1	(2)	2	(3)
Customers	139	0	90	0
Derivatives	3	0	2	0
Foreign exchange	5	0	5	0
Financing and guarantee commitments	2	0	1	0
Securities and services	299	(111)	266	(88)
<b>Total</b>	<b>448</b>	<b>(113)</b>	<b>366</b>	<b>(92)</b>

## Note 19. Net gain (loss) on financial instruments at fair value through profit or loss

(in € million)	06.30.2024	06.30.2023
Instruments held for trading	58	122
Fair value option instruments	(53)	(107)
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	39	51
Including UCI	16	4
Hedging ineffectiveness	(2)	(2)
cash flow hedges	0	0
fair value hedges	(2)	(2)
change in fair value of hedged items	163	(150)
change in fair value of hedges	(166)	148
Foreign exchange gains (losses)	(1)	1
<b>Total of changes in fair value</b>	<b>40</b>	<b>66</b>

## Note 20. Net gain (loss) on financial instruments at fair value through equity

(in € million)	06.30.2024		
	Dividends	Realized gains/ losses	Total
Treasury bills, notes and government bonds		0	0
Bonds and other fixed-income securities		1	1
Loans - Credit institutions		0	0
Customer loans		0	0
Stocks and other variable-income securities	0		0
Equity securities held for long-term investment	6		6
<b>Total</b>	<b>6</b>	<b>1</b>	<b>7</b>

(in € million)	06.30.2023		
	Dividends	Realized gains/ losses	Total
Treasury bills, notes and government bonds		0	0
Bonds and other fixed-income securities		(2)	(2)
Loans - Credit institutions			0
Customer loans			0
Stocks and other variable-income securities	7		7
Equity securities held for long-term investment	10		10
<b>Total</b>	<b>17</b>	<b>(2)</b>	<b>15</b>

**Note 21. Net gain (loss) on financial instruments at amortized cost**

(in € million)

	Gain or loss worth by continuation of the derecognition of assets 06/30/ 2024	Gain or loss worth by continuation of the derecognition of assets 06/30/ 2023
<b>Financial assets</b>		
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	0	0
Loans - Credit institutions	0	0
Customer loans	0	0
<b>Financial liabilities</b>		
Liabilities to credit institutions	0	0
Liabilities to customers	0	0
Debt securities	0	0
Subordinated debt	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

**Note 22. Net income from insurance activities**

(in € million)

	06.30.2024	06.30.2023
Income from insurance contracts issued	573	561
Expenses related to insurance contracts issued	(368)	(286)
Income and expenses related to reinsurance contracts held	(21)	(12)
<b>Subtotal profit or loss on insurance and reinsurance activities</b>	<b>184</b>	<b>263</b>
Net income from financial investments related to insurance activities	504	1 733
<i>of which, cost of risk for financial investments related to insurance activities</i>	0	0
Financial income or financial expense on insurance contracts issued	(465)	(1 694)
Financial income or financial expense on reinsurance contracts held	2	2
<b>Subtotal net financial income from insurance and reinsurance activities</b>	<b>41</b>	<b>41</b>
<b>Total</b>	<b>226</b>	<b>304</b>

Not including the impact of reclassification of expenses under IFRS 17 of €48 million at 30 June 2023.

**Note 22.a. Net income from insurance activities**

(in € million)	06.30.2024	06.30.2023
<b>Income from insurance contracts not measured using the general model</b>	<b>329</b>	<b>334</b>
▪ Contractual service margin	172	193
▪ Change in adjustment for non-financial risk	25	24
▪ Recovery of cash flows related to acquisition costs	16	6
▪ Claims expenses and other related expenses expected	115	111
<b>Revenue from insurance contracts measured using the simplified method</b>	<b>245</b>	<b>228</b>
<b>Expenses related to insurance contracts</b>	<b>-368</b>	<b>-286</b>
<b>Profit or loss on insurance activities</b>	<b>205</b>	<b>275</b>
Profit or loss on reinsurance activities	(21)	(12)
<b>Total profit or loss on insurance and reinsurance activities</b>	<b>184</b>	<b>263</b>

**Note 22.b. Net financial income from insurance and reinsurance activities (including return on investments)**

(in € million)	06.30.2024	06.30.2023
<b>Net income from financial investments related to insurance activities</b>	<b>504</b>	<b>1 733</b>
Change in the fair value of the underlying items of contracts with direct participation	(459)	(1 691)
Impact of the risk mitigation option	0	0
Impact of accretion of insurance liabilities	4	(3)
Impact of changes in discount rates and other financial assumptions	(10)	0
Net foreign exchange losses	0	0
<b>Net financial expenses on insurance contracts</b>	<b>(465)</b>	<b>(1 694)</b>
<b>Net financial income from reinsurance contracts</b>	<b>2</b>	<b>2</b>
<b>Total net financial income from insurance and reinsurance activities (including return on investments)</b>	<b>41</b>	<b>41</b>

**Note 22.c. Net income from financial investments related to insurance activities**

(in € million)	06.30.2024	06.30.2023
Interest and similar income/expense	531	316
Commission	2	178
Net gains on financial instruments at fair value through profit or loss	(40)	1 226
Net gain (loss) on financial assets at fair value through equity	2	3
Net income on investment property	0	0
Net gain on investment property	8	11
Cost of risk for insurance financial investments	0	0
<b>Total</b>	<b>504</b>	<b>1 733</b>

Net income from financial investments related to insurance activities for €504 million (compared with €(1,733) million as at 30 June 2023) mainly consists of interest income for €531 million.

**Net gain (loss) on financial instruments at fair value through profit or loss**

(in € million)	06.30.2024	06.30.2023
Trading instruments	(7)	(28)
Fair value option instruments	(276)	181
Other instruments at fair value through profit or loss	243	1 072
of which UCIs	651	747
Foreign exchange gains (losses)	0	0
<b>Total changes in fair value</b>	<b>(40)</b>	<b>1 226</b>

**Note 22.d. Insurance activities – Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk**

(in € million)	12.31.2023	Acquisition/ production	Sale/ repayment	Transfers between buckets	Other	06.30.2024
<b>Financial assets at amortized costs - loans and receivables due from credit institutions</b>	<b>93</b>	<b>189</b>	<b>(186)</b>	<b>0</b>	<b>0</b>	<b>95</b>
▪ 12-month expected losses	93	189	(186)	0	0	95
▪ 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
<b>Financial assets at amortized costs - loans and receivables due from customers</b>	<b>2 646</b>	<b>90</b>	<b>(131)</b>	<b>0</b>	<b>0</b>	<b>2 604</b>
▪ 12-month expected losses	2 631	90	(131)	10	0	2 599
▪ Lifetime expected losses - non-impaired assets	15	0	0	(10)	0	5
▪ 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
<b>Financial assets at amortized cost - Securities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
▪ 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
<b>Financial assets at FVOCI - Fixed income securities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
▪ 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
<b>Total</b>	<b>2 739</b>	<b>278</b>	<b>(317)</b>	<b>0</b>	<b>0</b>	<b>2 700</b>

The amount of impairment associated with this measure remained stable in the first half of 2024, at €3 million.



**Note 23. Income/expense from other activities**

(in € million)	06.30.2024		06.30.2023	
	Income	Expense	Income	Expense
Investment property	1	(3)	0	(2)
Other income and expense	168	(41)	156	(35)
<b>Total</b>	<b>169</b>	<b>(44)</b>	<b>157</b>	<b>(37)</b>

**Note 24. Gains (losses) on disposal – dilution in investments of associates**

(in € million)	06.30.2024	06.30.2023
Gains or losses on disposal/dilution on joint ventures	0	0
Gains or losses on disposal/dilution on associates	15	0
<b>Total</b>	<b>15</b>	<b>0</b>

**Note 25. General operating expenses**

(in € million)	06.30.2024	06.30.2023
Personnel expenses	(501)	(483)
Other expense	(363)	(355)
General insurance operating expenses (non-attachable portion) <sup>(1)</sup>	144	114
<b>Total</b>	<b>(719)</b>	<b>(724)</b>

(1) General operating expenses attributable to insurance contracts are recognised during the period as expenses relating to insurance contracts issued except for acquisition costs which are deferred in the balance sheet to be recognised in profit or loss in subsequent periods. Not including the impact of reclassification of expenses under IFRS 17 of €48 million at 30 June 2023.

**Note 25.a. Personnel expenses**

(in € million)	06.30.2024	06.30.2023
Salaries and wages	(289)	(270)
Payroll taxes	(126)	(124)
Mandatory and optional employee profit-sharing	(18)	(22)
Taxes, levies and similar payments on compensation	(37)	(36)
Other	0	0
Personnel costs linked to insurance activities	(30)	(31)
<b>Total</b>	<b>(501)</b>	<b>(483)</b>

**Note 25.b. Other operating expenses**

(in € million)	06.30.2024	06.30.2023
Taxes other than on income	(35)	(63)
Rentals	(52)	(44)
▪ short term rentals of assets or low / substantial values	(50)	(43)
▪ other rentals	(2)	(1)
External services	(243)	(222)
Other miscellaneous expenses	0	0
Operating expenses linked to insurance activities	(33)	(26)
<b>Total</b>	<b>(363)</b>	<b>(355)</b>

**Note 26. Cost of risk**

**Note 26.a. Cost of risk – banking activity**

(in € million)	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	06.30.2024
			Provisioned bad debt	Unprovisioned bad debt		
<b>12-month expected losses</b>	<b>(73)</b>	<b>87</b>				<b>14</b>
Loans and receivables due from credit institutions	(1)	4				3
Loans and receivables due from customers	(60)	66				6
■ of which finance leases	(2)	1				(1)
Financial assets at amortized cost - Fixed income securities	0	2				2
Financial assets at FVOCI - Fixed income securities	(1)	4				2
Financial assets at FVOCI - Loans	0	0				0
Off-balance sheet	(11)	11				1
Other assets	0	0				0
<b>Lifetime expected loss</b>	<b>(123)</b>	<b>123</b>				<b>0</b>
Loans and receivables due from credit institutions	0	0				0
Loans and receivables due from customers	(118)	118				0
■ of which finance leases	(2)	7				4
Financial assets at amortized cost - Fixed income securities	0	0				0
Financial assets at FVOCI - Fixed income securities	0	0				0
Financial assets at FVOCI - Loans	0	0				0
Off-balance sheet	(5)	5				0
Other assets	0	0				0
<b>Impaired assets</b>	<b>(167)</b>	<b>104</b>	<b>(23)</b>	<b>(8)</b>	<b>4</b>	<b>(90)</b>
Loans and receivables due from credit institutions	0	0	0	0	0	0
Loans and receivables due from customers	(160)	97	(23)	(8)	4	(90)
■ of which finance leases	(17)	8	(1)	0	0	(9)
Financial assets at amortized cost - Fixed income securities	0	0	0	0	0	0
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	(6)	6	0	0	0	0
Other assets	(1)	1	0	0	0	0
<b>Total</b>	<b>(363)</b>	<b>314</b>	<b>(23)</b>	<b>(8)</b>	<b>4</b>	<b>(76)</b>

(in € million)	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	06.30.2023
			Provisioned bad debt	Unprovisioned bad debt		
<b>12-month expected losses</b>	<b>(83)</b>	<b>77</b>				<b>(6)</b>
Loans and receivables due from credit institutions	(2)	1				(1)
Loans and receivables due from customers	(69)	64				(5)
■ of which finance leases	(3)	3				1
Financial assets at amortized cost - Fixed income securities	0	0				0
Financial assets at FVOCI - Fixed income securities	(2)	1				(1)
Financial assets at FVOCI - Loans	0	0				0
Off-balance sheet	(10)	11				0
Other assets	0	0				0
<b>Lifetime expected loss</b>	<b>(116)</b>	<b>115</b>				<b>(1)</b>
Loans and receivables due from credit institutions	0	0				0
Loans and receivables due from customers	(112)	111				(1)
■ of which finance leases	(2)	4				1
Financial assets at amortized cost - Fixed income securities	0	0				0
Financial assets at FVOCI - Fixed income securities	0	0				0
Financial assets at FVOCI - Loans	0	0				0
Off-balance sheet	(4)	4				(1)
Other assets	0	0				0
<b>Impaired assets</b>	<b>(124)</b>	<b>102</b>	<b>(23)</b>	<b>(5)</b>	<b>3</b>	<b>(47)</b>
Loans and receivables due from credit institutions	0	0	0	0	0	0
Loans and receivables due from customers	(117)	93	(23)	(5)	3	(49)
■ of which finance leases	(7)	7	(1)	0	0	(1)
Financial assets at amortized cost - Fixed income securities	0	0	0	0	0	0
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)	8	0	0	0	2
Other assets	(2)	2	0	0	0	0
<b>Total</b>	<b>(323)</b>	<b>294</b>	<b>(23)</b>	<b>(5)</b>	<b>3</b>	<b>(54)</b>

**Note 26.b. Banking activities – Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk**

(in € million)	12.31.2023	Acquisition / production	Sale/ repayment	Transfers between buckets	Other	06.30.2024
Financial assets at amortized costs - loans and receivables due from credit institutions	14 039	2 330	(1 463)	0	0	14 907
12-month expected losses	14 039	2 330	(1 463)	0	0	14 907
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	88 077	10 815	(9 060)	0	0	89 832
12-month expected losses	79 551	10 378	(7 967)	(583)	0	81 379
Lifetime expected losses - non-impaired assets	6 953	287	(865)	300	0	6 676
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/ created	1 396	107	(205)	283	0	1 581
Lifetime expected losses - assets impaired as from acquisition/creation	177	43	(24)	0	0	196
Financial assets at amortized cost - Securities	673	357	(44)	0	0	986
12-month expected losses	673	357	(44)	0	0	986
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 FVOCI - Fixed income securities	8 319	3 688	(2 163)	0	0	9 843
12-month expected losses	8 305	3 688	(2 149)	0	0	9 843
Lifetime expected losses - non-impaired assets	14	0	(14)	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
<b>Total</b>	<b>111 109</b>	<b>17 189</b>	<b>(12 730)</b>	<b>0</b>	<b>0</b>	<b>115 568</b>

**Note 26.c. Banking activities – Information regarding changes in provisions for expected losses for credit risk**

(in € million)	12.31.2023	Allocations	Reversals	Transfers	Change of method	Other	06.30.2024
Financial assets at amortized costs - loans and receivables due from credit institutions	(9)	(1)	4	0	0	0	(6)
12-month expected losses	(9)	(1)	4	0	0	0	(6)
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	(1 168)	(361)	295	0	0	0	(1 234)
12-month expected losses	(191)	(69)	92	(16)	0	0	(185)
Lifetime expected losses - non-impaired assets	(272)	(111)	94	18	0	0	(271)
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(636)	(172)	106	(2)	0	0	(704)
Lifetime expected losses - assets impaired as from acquisition/creation	(69)	(8)	4	0	0	0	(73)
Financial assets at amortized cost - Securities	(2)	0	2	0	0	0	0
12-month expected losses	(2)	0	2	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
Financial assets at FVOCI - Fixed income securities	(6)	(1)	4	0	0	0	(3)
12-month expected losses	(6)	(1)	4	0	0	0	(3)
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 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

(in € million)	12.31.2023	Allocations	Reversals	Transfers	Change of method	Other	06.30.2024
Commitments given	(40)	(20)	21	0	0	0	(40)
12-month expected losses	(19)	(11)	11	0	0	0	(18)
Lifetime expected losses - non-impaired assets	(8)	(5)	5	0	0	0	(8)
Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(13)	(4)	4	0	0	0	(14)
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
<b>Total</b>	<b>(1 225)</b>	<b>(383)</b>	<b>325</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1 283)</b>

**Note 27. Gain (losses) on others assets**

(in € million)	06.30.2024	06.30.2023
Property, plant and equipment and intangible assets	(1)	0
Capital losses on disposals	(1)	0
Capital gains on disposals	0	0
Expenses related to business combinations	(1)	0
More or less transfer values on consolidated securities	0	0
<b>Total</b>	<b>(2)</b>	<b>(1)</b>

**Note 28. Income tax****Breakdown of tax expense**

(in € million)	06.30.2024	06.30.2023
<b>Breakdown of tax expense</b>		
Current tax expense	(7)	(43)
Net deferred tax expense or revenue	(35)	(21)
<b>Net income tax expense</b>	<b>(42)</b>	<b>(63)</b>
Income before taxes, badwill and income contribution from associates	206	266
<b>Effective tax rate</b>	<b>20,21%</b>	<b>23,83%</b>

**Analysis of effective tax rate**

	06.30.2024	06.30.2023
<b>Statutory tax rate</b>	<b>25,83%</b>	<b>25,83%</b>
Permanent differences	(1,79%)	3,71%
Income taxed at a reduced rate or exempt	(1,65%)	(4,72%)
Impact of fiscal losses	(1,43%)	(1,94%)
Tax credits	(0,06%)	(0,05%)
Special	(0,17%)	0,56%
Other	(0,52%)	0,44%
<b>Effective tax rate</b>	<b>20,21%</b>	<b>23,83%</b>

Taxes should be assessed on the basis of the rates adopted at closing.

In the event of a change in rate, deferred taxes must be adjusted, according to the principle of symmetry, in exchange for the result unless they relate to items recognised outside profit or loss (in other income Total (OCI) or directly in equity).

## OTHER NOTES

### Note 29.a. Commitments given and received – banking activity

(in € million)	06.30.2024	12.31.2023
<b>Commitments given</b>	<b>16 571</b>	<b>16 441</b>
<b>Financing commitments</b>	<b>11 517</b>	<b>11 296</b>
to credit and similar institutions	21	25
to customers	11 495	11 271
<b>Guarantee commitments</b>	<b>4 745</b>	<b>4 917</b>
to credit and similar institutions	6	7
to customers	4 739	4 910
<b>Securities commitments</b>	<b>309</b>	<b>229</b>
repurchase agreements	0	0
other commitments given	309	229
<b>Commitments received</b>	<b>66 711</b>	<b>65 450</b>
<b>Financing commitments</b>	<b>13 727</b>	<b>12 985</b>
from credit and similar institutions	13 714	12 796
from customers	13	189
<b>Guarantee commitments</b>	<b>52 418</b>	<b>51 863</b>
from credit and similar institutions	273	270
from customers	52 145	51 593
<b>Securities commitments</b>	<b>566</b>	<b>603</b>
Reverse repurchase agreements	0	0
Other commitments received	566	603

The financing commitments given include the cash advance made to the Caisse de Refinancing de l'Habitat to ensure its operation for an amount of 20 million euros.

(in € million)	06.30.2024	12.31.2023
<b>Receivables pledged as collateral</b>	<b>16 041</b>	<b>15 638</b>
Banque de France	14 532	13 953
European Investment Bank	385	464
Caisse de Refinancement de l'Habitat	599	663
Caisse des Dépôts et Consignations	524	557
Other	1	1
<b>Loaned securities</b>	<b>0</b>	<b>0</b>
<b>Deposits on market transactions</b>	<b>644</b>	<b>811</b>
<b>Securities sold under repurchase agreements</b>	<b>1 509</b>	<b>4 365</b>

The financing commitments given include the cash advance made to the Habitat Refinancing Fund. The Commission has made a number of proposals to ensure that the EU's financial resources are used for the purpose of financing the Fifth Framework Programme.



**Note 29.b. Commitments given and received – insurance activity**

(in € million)	06.30.2024	12.31.2023
<b>Commitments given</b>	-	-
<b>Commitments received</b>	934	1 110

**Note 30. Segment information**

(in € million)	Banking		Insurance and asset management		Group	
	06.30.2024	06.30.2023	06.30.2024	06.30.2023	06.30.2024	06.30.2023
Net banking income	775	835	257	285	1 032	1 120
Gains (losses) on disposal - dilution	15	-	-	-	15	-
<b>Net banking income including gains (losses) on disposal - dilution</b>	<b>791</b>	<b>835</b>	<b>257</b>	<b>285</b>	<b>1 048</b>	<b>1 120</b>
General operating expenses and depreciation and amortization	(697)	(727)	(67)	(73)	(763)	(800)
Gross operating income	94	108	190	212	284	321
Cost of risk	(77)	(52)	1	(2)	(76)	(54)
Operating income	17	57	191	210	208	266
Share of income of companies carried under equity method	3	3	1	(2)	5	1
Other	0	(1)	(2)	-	(2)	(1)
Recurring income before tax	21	59	190	208	211	267
Income tax	6	(14)	(48)	(50)	(42)	(63)
Net income	27	45	143	158	170	203
O/w non-controlling interests	0	-	2	1	2	1
<b>Net income, group share</b>	<b>27</b>	<b>45</b>	<b>141</b>	<b>157</b>	<b>167</b>	<b>203</b>

(in € million)	06.30.2024	06.30.2023	06.30.2024	06.30.2023	06.30.2024	06.30.2023
<b>Segment Assets and Liabilities</b>	<b>127 126</b>	<b>127 833</b>	<b>64 236</b>	<b>63 792</b>	<b>191 362</b>	<b>191 625</b>

The sectoral analysis is based on a segmentation into two sectors of activity:

- the Bank is mainly responsible for the credit union networks of Crédit Mutuel de Bretagne and Crédit Mutuel du South-West, to subsidiaries specialized in the business market and real estate financing,
- Insurance and asset management groups together subsidiaries specializing in UCITS management and companies insurance.

The sector analysis by geographic area is not relevant for the group since nearly all of its activity is carried out in France.

**Note 31. Scope of consolidation**

Last name	Country	Sector / Activity	% control		% equity interest	
			06.30.2024	12.31.2023	06.30.2024	12.31.2023
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 <sup>(4)</sup>	France	Banking / Services	/	90,5	/	90,5
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	99,9	99,9
ARKEA CAPITAL	France	Insurance & 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 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 & 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 FONCIERE RESIDENTIELLE	France	Banking / Real Estate	100,0	/	100,0	/
ARKEA HOME LOANS SFH	France	Banking / Refinancing entity	100,0	100,0	100,0	100,0
ARKEA IMMOBILIER CONSEIL	France	Banking / Real Estate	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	Insurance & asset management / Real estate asset management	70,0	70,0	70,0	70,0
ARKEA REIM	France	Insurance & asset management / Real estate asset management	70,0	70,0	70,0	70,0
ARKEA SCD	France	Banking / Services	99,9	99,9	99,9	99,9
CAISSE DE BRETAGNE DE CREDIT MUTUEL AGRICOLE	France	Banking / Mutual banking	94,9	94,9	94,9	94,9
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANK (succursale)	Belgique	Banking / Specialized networks banking	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	57,6	57,6	57,6	57,6
FEDERAL EQUIPEMENTS	France	Banking / Services	100,0	100,0	100,0	100,0
FEDERAL FINANCE	France	Insurance & asset management / Private banking & Asset management	100,0	100,0	100,0	100,0
FEDERAL FINANCE GESTION	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL SERVICE	France	Banking / Services	98,1	98,1	98,1	98,1

Last name	Country	Sector / Activity	% control		% equity interest	
			06.30.2024	12.31.2023	06.30.2024	12.31.2023
FINANCO	France	Banking / Specialized networks banking	100,0	100,0	100,0	100,0
FONDS DE DOTATION CMA	France	Dotation funds	100,0	100,0	100,0	100,0
GICM	France	Banking / Services	100,0	100,0	98,2	98,2
IZIMMO	France	Banking / Real Estate	100,0	100,0	100,0	100,0
KEYTRADE BANK (succursale)	Belgique	Banking / Financial & stock market intermediation	100,0	100,0	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
PROCAPITAL	France / Belgique	Banking / Financial & stock market intermediation	100,0	100,0	100,0	100,0
PUMPKIN <sup>(4)</sup>	France	Banking / Services	/	100,0	/	100,0
SCHELCHER PRINCE GESTION	France	Insurance & 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
SURAVENIR	France	Insurance & asset management / Life insurance	100,0	100,0	100,0	100,0
SURAVENIR ASSURANCES	France	Insurance & asset management / Non-life insurance	100,0	100,0	100,0	100,0

Last name	Country	Sector / Activity	% control		% equity interest	
			06.30.2024	12.31.2023	06.30.2024	12.31.2023
Companies consolidated using the equity method						
BELLATRIX SAS	France	Banking / Holding	37,3	41,6	37,3	41,6
CAISSE CENTRALE DU CREDIT MUTUEL	France	Banking / Mutual Banking	20,2	20,2	20,2	20,2
LA COMPAGNIE FRANCAISE DES SUCCESSIONS	France	Insurance & asset management / Asset management	32,6	32,6	32,6	32,6
SWEN CAPITAL PARTNERS	France	Insurance & asset management / Asset management	40,0	40,0	40,0	40,0
YOMONI	France	Insurance & asset management / Asset management	/	34,0	/	34,0

Last name	Country	Sector / Activity	% control		% equity interest	
			30.06.2024	31.12.2023	30.06.2024	31.12.2023
Companies consolidated using the shortcut method						
AIS BIODIVERSITY FIRST	France	Insurance & asset management / Asset management	95,2	95,8	95,2	95,8
AIS EUROPEAN ECONOMY FOCUS	France	Insurance & asset management / Asset management	70,3	81,5	70,3	81,5
AIS MANDARINE GLOBAL TRANSITION	France	Insurance & asset management / Asset management	74,2	98,9	74,2	98,9

Last name	Country	Sector / Activity	% control		% equity interest	
			30.06.2024	31.12.2023	30.06.2024	31.12.2023
FEDERAL FOCUS - Artificial Intelligence (ex AIS MANDARINE MULTI-ASSETS)	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
AIS MANDARINE OPPORTUNITES	France	Insurance & asset management / Asset management	36,8	36,3	36,8	36,3
AIS PROTECT	France	Insurance & asset management / Asset management	96,7	83,8	96,7	83,8
AIS SCHELCHER EQUITY CONVICTIONS	France	Insurance & asset management / Asset management	77,8	77,8	77,8	77,8
AUTOFOCUS ESG AVRIL 2022	France	Insurance & asset management / Asset management	99,6	99,6	99,6	99,6
AUTOFOCUS ESG FÉVRIER 2021 <sup>(3)</sup>	France	Insurance & asset management / Asset management	/	98,3	/	98,3
AUTOFOCUS ESG JUILLET 2021	France	Insurance & asset management / Asset management	98,2	98,2	98,2	98,2
AUTOFOCUS LOW CARBON <sup>(3)</sup>	France	Insurance & asset management / Asset management	/	99,0	/	99,0
Autofocus Transition Climat Avril 2023 <sup>(1)</sup>	France	Insurance & asset management / Asset management	98,3	/	98,3	/
Autofocus Transition Climat Février 2023 <sup>(1)</sup>	France	Insurance & asset management / Asset management	96,9	/	96,9	/
Autofocus Transition Climat Juillet 2023 <sup>(1)</sup>	France	Insurance & asset management / Asset management	96,3	/	96,3	/
AUTOFOCUS LOW CARBON DECEMBRE 2021	France	Insurance & asset management / Asset management	95,2	95,3	95,2	95,3
AUTOFOCUS LOW CARBON FÉVRIER 2022	France	Insurance & asset management / Asset management	97,9	97,9	97,9	97,9
AUTOFOCUS TRANSITION CLIMAT OCTOBRE 2022	France	Insurance & asset management / Asset management	96,6	96,7	96,6	96,7
BREIZH ARMOR CAPITAL	France	Banking / Asset management	50,0	50,0	50,0	50,0
DIAPAZEN CLIMAT SEPTEMBRE 2016	France	Insurance & asset management / Asset management	97,3	97,4	97,3	97,4
FCPR AIS FINANCEMENT ENTREPRENEURS	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCPR BREIZH MA BRO	France	Insurance & asset management / Asset management	66,5	66,5	66,5	66,5
FCPR CAP ATLANTIQUE	France	Insurance & asset management / Asset management	82,6	82,6	82,6	82,6
FCPR EIFFEL INFRASTRUCTURES VERTES	France	Insurance & asset management / Asset management	37,4	41,6	37,4	41,6
FCPR MIROVA GREEN IMPACT PRIVATE EQUITY	France	Insurance & asset management / Asset management	60,2	61,7	60,2	61,7
FCPR ODDO TOMO S	France	Insurance & asset management / Asset management	100,0	45,6	100,0	45,6
FCPR SURAVENIR 1	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0

Last name	Country	Sector / Activity	% control		% equity interest	
			30.06.2024	31.12.2023	30.06.2024	31.12.2023
FCTPR TIKEHAU FINANCE	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT ARDIAN SURAVENIR PRIVATE DEBT	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT PYTHEAS BAUX REG 2018	France	Insurance & asset management / Asset management	96,8	96,8	96,8	96,8
FCT MERIUS SURAVENIR	France	Insurance & asset management / Asset management	99,2	100,0	99,2	100,0
FCT PYTHEAS	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT RESIDENTIAL DUTCH MORTGAGE FUND LARGO D	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT SCOR E LOANS NAT	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT SCOR SURAVENIR EURO LOANS	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT SP EUROCREANCES	France	Insurance & asset management / Asset management	43,4	43,4	43,4	43,4
FCT SPG DETTE PRIVEE	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT SURAVENIR CONSO FUND	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT SURAVENIR PRIVATE DEBT I	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT SURAVENIR PRIVATE DEBT II	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FCT TIKEHAU SPD III	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL AMBITION CLIMAT	France	Insurance & asset management / Asset management	99,1	99,2	99,1	99,2
FEDERAL Private Equity	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL GLOBAL GREEN BONDS	France	Insurance & asset management / Asset management	48,7	50,6	48,7	50,6
FEDERAL INDICIEL APAL (EX FEDERAL APAL)	France	Insurance & asset management / Asset management	66,3	73,0	66,3	73,0
FEDERAL INDICIEL JAPON	France	Insurance & asset management / Asset management	66,4	80,9	66,4	80,9
FEDERAL INDICIEL US	France	Insurance & asset management / Asset management	61,0	65,3	61,0	65,3
FEDERAL MULTI ACTIONS EUROPE	France	Insurance & asset management / Asset management	91,7	74,1	91,7	74,1
AIS Select Long short (ex FEDERAL MULTI L/S)	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL MULTI OR ET MATIERES PREMIERES	France	Insurance & asset management / Asset management	91,5	90,7	91,5	90,7

Last name	Country	Sector / Activity	% control		% equity interest	
			30.06.2024	31.12.2023	30.06.2024	31.12.2023
Companies consolidated using the shortcut method						
FEDERAL MULTI PATRIMOINE	France	Insurance & asset management / Asset management	99,4	99,5	99,4	99,5
FEDERAL OPTIMAL GESTION PRIVEE ESG	France	Insurance & asset management / Asset management	91,6	89,7	91,6	89,7
FEDERAL OBLIGATIONS COURT TERME ESG	France	Insurance & asset management / Asset management	40,7	28,1	40,7	28,1
FEDERAL TRANSITION EMPLOI (3)	France	Insurance & asset management / Asset management	/	44,9	/	44,9
FEDERAL TRANSITION EQUILIBRE (EX FEDERAL OPPORTUNITE EQUILIBRE ESG)	France	Insurance & asset management / Asset management	78,0	78,8	78,0	78,8
AIS Select MODERE (EX FEDERAL OPPORTUNITE MODERE ESG)	France	Insurance & asset management / Asset management	45,0	46,7	45,0	46,7
AIS Select - Mégatendances (EX FEDERAL OXYGENE)	France	Insurance & asset management / Asset management	97,9	96,1	97,9	96,1
AIS Select - PME ETI (EX FEDERAL TRANSITION TERRITOIRES)	France	Insurance & asset management / Asset management	33,0	34,8	33,0	34,8
FEDERAL PROTECT TRANSITION <sup>(1)</sup>	France	Insurance & asset management / Asset management	100,0	/	100,0	/
FEDERAL PREMIUM HORIZON 2026 <sup>(1)</sup>	France	Insurance & asset management / Asset management	69,4	/	69,4	/
Federal Support Court Terme ESG <sup>(1)</sup>	France	Insurance & asset management / Asset management	20,2	/	20,2	/
Federal Obligations ISR Échéance 2026 <sup>(1)</sup>	France	Insurance & asset management / Asset management	94,5	/	94,5	/
FEDERAL TRANSITION TONIQUE (EX FEDERAL OPPORTUNITE TONIQUE ESG) <sup>(3)</sup>	France	Insurance & asset management / Asset management	/	99,1	/	99,1
FLEXPERTISE	France	Insurance & asset management / Asset management	58,9	67,0	58,9	67,0
FPS SUR INFRA DURABLES	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS INTERNATIONALES CLIMAT	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS INTERNATIONALES PROTECT	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS LOW VOL	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS MID CAPS	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS PROTECT	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FPS SURAVENIR OVERLAY LOW VOL ACTIONS	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
FPS UBS ARCHMORE INFRASTRUCTURE DEBT PLATFORM II	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
OPCI CLUB FRANCE RETAIL	France	Insurance & asset management / Asset management	46,3	46,3	46,3	46,3
OPCI PREIM DEFENSE 2	France	Insurance & asset management / Asset management	39,2	39,2	39,2	39,2

5

Last name	Country	Sector / Activity	% control		% equity interest	
			30.06.2024	31.12.2023	30.06.2024	31.12.2023
OPCI PREIM EUROS	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
OPCI PREIM EUROS 2	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
OPCI PREIMIUM	France	Insurance & asset management / Asset management	80,7	80,3	80,7	80,3
OPCI SOFIDY PIERRE EUROPE (A)	France	Insurance & asset management / Asset management	32,5	32,5	32,5	32,5
OPCI TIKEHAU RET PRO	France	Insurance & asset management / Asset management	39,3	39,3	39,3	39,3
OUessant	France	Insurance & asset management / Asset management	53,7	58,9	53,7	58,9
PARTS RÉSIDUELLES FC	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
PRIMO ELITE (FLEX)	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
S.C.I PROGRES PIERRE	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
S.C.I SURAVENIR PIERRE	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
SC NOVAXIA R	France	Insurance & asset management / Asset management	52,4	51,4	52,4	51,4
SC NOVAXIA Vista	France	Insurance & asset management / Asset management	35,3	/	35,3	/
SC Y IMMO	France	Insurance & asset management / Asset management	60,5	60,5	60,5	60,5
SCHELCHER CONVERTIBLES ESG (EX SP CONVERTIBLES)	France	Insurance & asset management / Asset management	16,9	20,2	16,9	20,2
SCHELCHER CONVERTIBLES MID CAP ESG (EX SP CONVERTIBLES MID CAP ESG)	France	Insurance & asset management / Asset management	33,2	35,7	33,2	35,7
SCHELCHER FLEXIBLE SHORT DURATION	France	Insurance & asset management / Asset management	24,4	24,7	24,4	24,7
SCHELCHER GLOBAL HIGH YIELD (EX SP HAUT RENDEMENT)	France	Insurance & asset management / Asset management	33,8	31,8	33,8	31,8
SCHELCHER IVO GLOBAL YIELD 2024	France	Insurance & asset management / Asset management	52,2	49,4	52,2	49,4
SCHELCHER IVO GLOBAL YIELD 2028 <sup>(1)</sup>	France	Insurance & asset management / Asset management	60,7	58,8	60,7	58,8
SCHELCHER MULTI ASSET (EX SP CROISSANCE)	France	Insurance & asset management / Asset management	79,1	80,1	79,1	80,1
Schelcher European Bank Bonds 2028 <sup>(1)</sup>	France	Insurance & asset management / Asset management	23,2	/	23,2	/
SCHELCHER OPTIMAL INCOME ESG (EX SP OPPORTUNITES EUROPEENNES)	France	Insurance & asset management / Asset management	26,8	22,7	26,8	22,7
SC KEYS SELECTION VIE	France	Insurance & asset management / Asset management	70,0	70,0	70,0	70,0
SCI CLOVERHOME	France	Insurance & asset management / Asset management	50,0	50,0	50,0	50,0
SCI LE VINCI HOLDING	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0

Last name	Country	Sector / Activity	% control		% equity interest	
			30.06.2024	31.12.2023	30.06.2024	31.12.2023
SCI PR2 PREIM RET 2	France	Insurance & asset management / Asset management	38,0	38,0	38,0	38,0
SCI SILVER AVENIR	France	Insurance & asset management / Asset management	87,2	88,7	87,2	88,7
SCI TERRITOIRES AVENIR	France	Insurance & asset management / Asset management	98,4	98,4	98,4	98,4
SCI USUFRUIMMO	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
SCI USUFRUIMMO 2028	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
SURAVENIR INITIATIVE ACTIONS	France	Insurance & asset management / Asset management	100,0	100,0	100,0	100,0
SYNERGIE FINANCE INVESTISSEMENTS	France	Banking / Asset management	/	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 2024

2 Property

3 Liquidation

4 Transfer of assets

5 Deconsolidation

The simplified method (*short cut method*) is based on the use of the fair value option for all assets held in the UCITS to be consolidated.

The simplified method consists of:

- Accounting for the fair value of the fund's units on a 100% basis
- Establish a liability (financial debt) in the amount of the part not held by the group (minority interests).

In accordance with the regulation of the Accounting Standards Authority n°2016-09, companies drawing up consolidated in IFRS shall publish additional information on the entities not included in their scope of consolidation and on the equity securities with a significant character. These elements are updated annually and are available on the group website, within the regulated information

## Note 32. Events after the reporting period

No significant events occurred after the June 30, 2024 closing date. Aucun événement significatif n'est apparu postérieurement à la clôture du 30 juin 2024.





# STATUTORY AUDITORS' REPORT

# Statutory Auditors' report on the 2024 half-year financial information

Period from 1<sup>st</sup> January 2024 to 30 June 2024

PricewaterhouseCoopers Audit	<b>Deloitte &amp; Associés</b>
63, Rue de Villiers	6, place de la Pyramide
92208 Neuilly-Sur-Seine Cedex	92908 Paris-La Défense Cedex
Simplified joint-stock company shared capital : 2 510 460 €	Simplified joint-stock company shared capital : 2 188 160 €
672 006 483 RCS Nanterre	572 028 041 RCS Nanterre
Auditor company registered with the Compagnie Régionale de Versailles et du Centre	Auditor company registered with the Compagnie Régionale de Versailles et du Centre

## Statutory Auditors' report on the 2024 half-year financial information

**CREDIT MUTUEL ARKEA**  
1 rue Louis Lichou  
29480 Le Relecq Kerhuon

To the shareholders,

In compliance with the assignment entrusted to us by your General Meeting, and pursuant to Article L. 451-1-2 III of the French Monetary and Financial Code, we have:

- the limited review of the accompanying condensed interim consolidated financial statements of Crédit Mutuel Arkéa for the period from January 1, 2024 to June 30, 2024;
- verification of the information provided in the interim management report.

These condensed interim consolidated financial statements were prepared under the responsibility of the Board of Directors. Our role is to express our conclusion on these financial statements based on our limited review.

### I - Conclusion on the financial statements

We conducted our limited review in accordance with professional standards applicable in France.

A limited review essentially consists of meeting with the members of management in charge of accounting and financial matters and applying analytical procedures. This work is less extensive than that required for an audit carried out in accordance with professional standards applicable in France. As a result, the assurance that the financial statements, taken as a whole, are free from material misstatement obtained as part of a limited review is a moderate assurance, which is lower than that obtained as part of an audit.

Based on our limited review, we have not identified any material misstatements likely to call into question the compliance of the condensed interim consolidated financial statements with IAS 34, the IFRS standard as adopted by the European Union relating to interim financial reporting.

**II - Specific verification**

We have also verified the information provided in the interim management report commenting on the condensed interim consolidated financial statements covered by our limited review. We have no comment to make on their fairness and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, 6 September 2023

The Statutory Auditors

PricewaterhouseCoopers Audit

Pierre Clavié  
Partner

Deloitte & Associés

Anne-Elisabeth Pannier  
Partner

Jean-Marc Mickeler  
Partner



# GENERAL INFORMATION



# General information

## Information about the company

**Corporate and business name:** Crédit Mutuel Arkéa

**Place and registration number:**

Siren: 775 577 018 Brest Trade and Companies Register number/APE Code: 641 Z

Date of incorporation and lifetime:

The company was incorporated on 24 September 1960 for a 99-year term ending on 23 September 2059.

**Head office:** 1 rue Louis Lichou, 29480 Le Relecq-Kerhuon

**Telephone:** +33 (0)2 98 00 22 22

**Fax:** +33 (0)2 98 28 46 32

**Legal form:**

The company is a société anonyme cooperative de crédit à capital variable de droit français (variable capital limited liability credit cooperative). It is also a union of cooperatives.

It is governed by:

- the law of 10 September 1947 on the statute for cooperative societies;
- articles L.231-1 to L.231-8 of the French Commercial Code on variable capital;
- the provisions of the French Commercial Code on commercial companies;
- the provisions of the French Monetary and Financial Code relating to the activity and supervision of credit institutions;
- articles L.512-55 to L.512-59 of the French Monetary and Financial Code and all other texts relating to Crédit Mutuel;
- the provisions of its Articles of Association and internal regulations.

At the General Meeting of 10 May 2022, the representatives of the local banks voted to adopt Crédit Mutuel Arkéa's status as a company with a mission evidenced by the insertion of a purpose (Article 7 of the Articles of Association) and social and environmental objectives (Article 8 of the Articles of Association).

**Memorandum and Articles of Association:**

The latest version of Crédit Mutuel Arkéa's Articles of Association was approved at the General Meeting of 10 May 2022. The corporate purpose of the company is described in Article 6 of the Articles of Association.

## Nature of control over the company

The basic structure of the group is the local bank. This covers a limited geographical area and its capital is held by the members in the form of shares. In accordance with the provisions applicable to Crédit Mutuel, and in particular the provisions of Articles L.512-55 et seq. of the French Monetary and Financial Code, Crédit Mutuel Arkéa's capital is held by the local banks of the Crédit Mutuel de Bretagne and Crédit Mutuel du Sud-Ouest federations. There are no agreements that could lead to a change in control of the company. Changes in Crédit Mutuel Arkéa's capital are also governed by the provisions of Article 11 of the Articles of Association and are applied in accordance with the provisions applicable to cooperatives.

## Legal and arbitration proceedings

At the date of filing of this Universal Registration Document, neither the company nor any other member of Crédit Mutuel Arkéa is or has been involved in any governmental, legal or arbitration proceedings (including any proceedings of which the company is aware, which are pending or of which it is threatened) that could have or have had in the last 12 months a significant effect on the financial position or profitability of the company and/or Crédit Mutuel Arkéa.

## Information relating to the locations and activities included in the scope of consolidation at 31 December 2023

The main information relating to locations at 31 December 2023, aggregated at the level of countries and regions, is as follows:

(in thousands of euros)

31.12.2023						
Zone	Country	NBI <sup>(1)</sup>	Employees (full-time equivalent)	Profit <sup>(1)</sup>	Income tax <sup>(1)</sup>	Subsidies <sup>(1)</sup>
France	France	2,004,780	10,709	506,688	(113,258)	0
Other EU countries	Belgium	135,018	286	35,578	(10,327)	0
Other European countries	Switzerland	0	0	0	0	0
<b>General total</b>		<b>2,139,798</b>	<b>10,995</b>	<b>542,266</b>	<b>(123,585)</b>	<b>0</b>

<sup>(1)</sup> The share of net income of equity-consolidated entities is recorded directly in pre-tax income.

<sup>(1)</sup> Their contribution to consolidated NBI, income taxes and subsidies is therefore nil.

## Major agreements

There have been no material contracts (other than contracts entered into in the normal course of the company's business) that could confer on any member of Crédit Mutuel Arkéa a right or obligation that would have a material impact on the company's ability to meet the obligations imposed on it by the financial securities issued to their holders.

## Significant change in the company's financial position

No significant change in the company's financial position has occurred since the end of the last financial year, and in particular since the financial statements for the 2023 financial year were approved by the company's Board of Directors on 6 September 2024.

## Audit of the annual historical financial information and sources of the financial information contained in this document

For the 2023 financial year:

See the Statutory Auditors' report for the 2023 financial year.

For the 2022 financial year:

See the Statutory Auditors' report for the 2022 financial year.

For the 2021 financial year:

See the Statutory Auditors' report for the 2021 financial year.

This amendment to the Universal Registration Document does not contain any other information audited by the Statutory Auditors, and the financial information in this document is all taken from the audited financial statements of the company.

This amendment to the Universal Registration Document does not contain any third-party information, statements by experts or declarations of interest.

## Profit forecasts or estimates

This amendment to the Universal Registration Document does not contain any forecast or estimate of profit.

## Date of last audited financial information

The date of the last audited financial information is 30 June 2024. This was approved by the Board of Directors on 6 September 2024.

No quarterly or semi-annual financial information has been published since the date of the last audited financial statements.

## Publicly available documents

During the period of validity of the Universal Registration Document, a copy of the following documents may, if necessary, be consulted:

- the Articles of Association of the company;
- all reports, letters and other documents, historical financial information, valuations and statements prepared by an expert at the request of the company included in this Universal Registration Document;
- Universal Registration Document No. D.24-0277 of 12 April 2024;
- Universal Registration Document number D.23-0277 of 13 April 2023 and the Amendment to the Universal Registration Document published on 6 September 2023 under number D.23-0277-A01;
- Universal Registration Document number D.22-0296 of 14 April 2022 and the Amendment to the Universal Registration Document published on 30 August 2022 under number D.22-0296-A01;
- Universal Registration Document number D.21-0324 of 19 April 2021 and the amendment of the Universal Registration Document published on 27 August 2021 under number D.21-0324-A01.

These documents may be consulted at the company's head office during normal business hours and days. A copy of this Universal Registration Document will be sent free of charge to any person who so requests. These documents may also be consulted on the company's website ([www.cm-arkea.com](http://www.cm-arkea.com)). This Universal Registration Document, as well as those of the two previous financial years and their amendments are available on the website of the French Financial Markets Authority (AMF) ([www.amf-france.org](http://www.amf-france.org)).

7



## Legal Entity Identification

CRÉDIT MUTUEL ARKÉA

1, RUE LOUIS LICHOU

29480 LE RELECQ-KERHUON FRANCE

96950041VJ1QP0B69503

## Documents integrated by reference

In accordance with Article 19 of European Regulation (EU) 2017/1129 of the European Parliament and the Council of 14 June 2017, readers are referred to the previous Universal Registration Documents for certain information, including financial information concerning the assets, financial position and results of the company:

- relating to the 2023 financial year: pages 97 to 487 of the Universal Registration Document number D.24-0277 of 12 April 2024;
- relating to the 2022 financial year: pages 85 to 400 of the Universal Registration Document number D.23-0277 of 13 April 2023;
- relating to the 2021 financial year: pages 92 to 215 of the Universal Registration Document number D.22-0296 of 14 April 2022.

Other information included in the previous Universal Registration Document other than that set out above has, where applicable, been replaced and/or updated by information included in this Universal Registration Document.



## STATUTORY AUDITORS





# Statutory Auditors

## Statutory Auditors:

### **PricewaterhouseCoopers Audit**

63, rue de Villiers

92208 Neuilly-sur-Seine Cedex

France

Represented by **Mr Pierre Clavié**

Start of first term: 2021

Expiry of current term of office: 31 December 2026 (after closing)

The appointment of PricewaterhouseCoopers Audit, represented by Mr Pierre Clavié, from the 2021 financial year was decided on, at the end of a call for tenders process, on 11 May 2021 for a six-financial year term.

and

### **Deloitte & Associés**

6, place de la Pyramide

92908 Paris La Défense Cedex

France

Represented by **Mrs Anne-Elisabeth PANNIER** and **Mr Jean-Marc MICKELER**

Start of first term: 2007

Expiry of current term of office: 31 December 2026 (after closing)



## **DECLARATION OF THE PERSON RESPONSIBLE**

# Declaration of the person responsible

## Person responsible for the information contained in this document

Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa.

## Statement by the person responsible for this document

I certify, after having taken all reasonable care to ensure that such is the case, that the information contained in this amendment to the Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

I certify that, to the best of my knowledge, the financial statements for the half-year under review have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of the company and of all the companies included in the consolidation scope, and that the interim management report contained in it on pages 34 to 40 presents a true and fair view of the significant events that occurred during the first six months of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

At Le Relecq-Kerhuon, on Friday 9 September 2024

**Hélène Bernicot, Chief Executive Officer of Crédit Mutuel Arkéa**



## CROSS-REFERENCE TABLES AND ALTERNATIVE PERFORMANCE INDICATORS

Cross-reference table of the amendment to the Universal Registration Document	140	Alternative performance indicators – article 223-1 of the AMF General Regulation	145
Cross-reference table of the 2023 Annual Financial Report	143		

# Cross-reference table of the amendment to the Universal Registration Document

This cross-reference table contains the headings provided for in Annex 1 of the delegated Commission Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and refers to the sections and pages of this Universal Registration Document filed with the AMF on 12 April 2024 under number D.24-0277 and those of this amendment to the Universal Registration Document where the information relating to each of these headings is given.

Headings of Annex I of the Delegated Regulation (EU) no. 2019/980	Sections in the 2023 DEU	Pages in the 2023 DEU	Sections in the DEU 2023 Amendment	Pages in the DEU 2023 Amendment
<b>1. RESPONSIBLE PERSONS, INFORMATION FROM THIRD PARTIES, EXPERT REPORTS AND APPROVAL BY THE COMPETENT AUTHORITY</b>				
1.1 Name and function of the person responsible	7	493	9	138
1.2 Declaration of the person responsible	7	493	9	138
1.3 Statement or report attributed to a person acting as an expert	7	493	9	138
1.4 Certification on information from third parties	7	490		
1.5 Declaration by the issuer		1		3
<b>2. STATUTORY AUDITORS</b>	<b>7</b>	<b>494</b>	<b>8</b>	<b>136</b>
2.1 Names and addresses of the Statutory Auditors	7	494	8	136
2.2 Resignation, dismissal or non-renewal of Statutory Auditors	NA		NA	
<b>3. RISK FACTOR</b>	<b>5</b>	<b>277</b>	<b>4</b>	<b>41</b>
3.1 Risk Factors	5.2	279	4.1	42
<b>4. INFORMATION ABOUT THE ISSUER</b>	<b>7</b>	<b>490</b>	<b>7</b>	<b>132</b>
4.1 Corporate and business name of the issuer	7	490	7	132
4.2 Place and registration number and Legal Entity Identifier (LEI) of the issuer	7	490-492	7	132
4.3 Date of incorporation and lifetime of the issuer	7	490	7	132
4.4 Head office and legal form of the issuer, applicable law, country of incorporation, address and telephone number of the registered office and website	7	490	7	132
<b>5. BUSINESS OVERVIEW</b>				
5.1 Main activities	1.6 ; 1.7 ; 1.8 ; 3.3 ; 6.1	25 ; 30 ; 33 ; 105 ; 342	1.3 ; 1.5 ; 3.1 ; 5	15 ; 22 ; 34 ; 45
5.2 Main markets	3.3 ; 7	105 ; 490	3.1	34
5.3 Important events in the development of activities	1.8	33	1.5	22
5.4 Strategy and objectives	1.1 ; 1.7 ; 4	6 ; 30 ; 113	1.3	15
5.5 Degree of dependence of the issuer on patents or licences, industrial, commercial or financial contracts or new manufacturing processes	NA		NA	
5.6 Elements on which any statement by the issuer regarding its competitive position is based	1.6 ; 5.2	25 ; 282	4.1	41-42
5.7 Investments	1.5 ; 1.8	22 ; 33	1.4 ; 1.5	19 ; 22
<b>6. ORGANISATIONAL SET-UP</b>				
6.1 Description	1.2	8	1.1	7
6.2 List of significant subsidiaries	1.6 ; 6.1 ; 6.2	25 ; 448 ; 471	5	121
<b>7. REVIEW OF FINANCIAL POSITION AND RESULTS</b>				
7.1 Financial position	3.3 ; 6.1 ; 6.2	105 ; 342 ; 455	3.1 ; 3.2 ; 5	34 ; 37 ; 45

**CROSS-REFERENCE TABLES AND ALTERNATIVE PERFORMANCE INDICATORS**  
Cross-reference table of the amendment to the Universal Registration Document

Headings of Annex I of the Delegated Regulation (EU) no. 2019/980	Sections in the 2023 DEU	Pages in the 2023 DEU	Sections in the DEU 2023 Amendment	Pages in the DEU 2023 Amendment
7.1.1 Development and results of the issuer's activities and its situation, in relation to the volume and complexity of its activities	3.2 ; 3.3	102 ; 105	3.1 ; 3.2	34 ; 37
7.1.2 Probable future development of the issuer's research and development activities	NA		NA	
7.2 Operating results	3.3 ; 6.1 ; 6.2	105 ; 342 ; 455	31 ; 3.2 ; 5	34 ; 37 ; 45
<b>8. CASH AND CAPITAL RESOURCES</b>				
8.1 Information on the issuer's capital	6.1	346	5	45
8.2 Source and amount of issuer's cash flows	6.1	347	5	51
8.3 Information on the issuer's financing requirements and funding structure	3.3.5 ; 6.1 ; 5.9	106 ; 409 ; 321	3.3	39
8.4 Information concerning any restrictions on the use of capital that have materially affected or may materially affect the issuer's business	NA		NA	
8.5 Information on the expected sources of funding that will be needed to meet the commitments referred to in points 5.7.	NA		NA	
<b>9. REGULATORY ENVIRONMENT</b>	<b>5.2</b>	<b>280</b>		
<b>10. INFORMATION ON TRENDS</b>				
10.1 Principal recent trends affecting production, sales and inventories, costs and selling prices since the end of the last financial year  Any significant change in the group's financial performance or provide an appropriate negative statement	3.1 ; 5.2 ; 7	98 ; 282 ; 493	4.1	42
10.2 Trend, uncertainty, constraint, commitment or event that is reasonably likely to have a material effect on the issuer's prospects, at least for the current financial year	3.1 ; 5.2	98 ; 282	4.1	42
<b>11. PROFIT FORECASTS OR ESTIMATES</b>	<b>7</b>	<b>491</b>	<b>7</b>	<b>133</b>
<b>12. ADMINISTRATIVE, MANAGEMENT, SUPERVISORY BODIES AND EXECUTIVE MANAGEMENT</b>				
12.1 Board of Directors and Executive Management	2.2 ; 2.3 ; 2.4	50 ; 70 ; 72	2.1	31
12.2 Conflicts of interest at the level of the administrative, management and supervisory bodies and the Executive Management	2.6	75		
<b>13. COMPENSATION AND BENEFITS</b>				
13.1 Amount of compensation paid and benefits in kind	2.8 ; 6.1	85 ; 446		
13.2 Total amounts provided for or recognised for the payment of pensions, retirement or other benefits	2.8 ; 6.1	85 ; 446		
<b>14. FUNCTIONING OF THE ADMINISTRATIVE AND MANAGEMENT BODIES</b>				
14.1 Expiry date of current terms of office	2.2 ; 2.8	54 ; 90	2.1	31
14.2 Information about any service contracts binding the members of the administrative bodies to the issuer or any of its subsidiaries and providing for the granting of benefits under such contracts	2.5 ; 2.8	74 ; 87		
14.3 Information on the issuer's Audit Committee and Compensation Committee	2.2	64-69		
14.4 A statement as to whether or not the issuer complies with the corporate governance regime	2.1	49		
14.5 Potential significant impacts on corporate governance, including future changes in the composition of administrative and management bodies and committees	1.8 ; 2.2	38 ; 51	1.5 ; 2.1	22 . 31
<b>15. EMPLOYEES</b>				
15.1 Number of employees	6.1 ; 4.5 ; 4.5	429 ; 198 ; 205	7	132
15.2 Shareholdings and stock options of corporate officers	NA		NA	
Agreement providing for employee shareholding in the issuer's share capital	NA		NA	
<b>16. MAJOR SHAREHOLDERS</b>				
16.1 Shareholders holding more than 5% of the share capital or voting rights	4.5	162		
16.2 Existence of different voting rights	2.2	50		

Headings of Annex I of the Delegated Regulation (EU) no. 2019/980		Sections in the 2023 DEU	Pages in the 2023 DEU	Sections in the DEU 2023 Amendment	Pages in the DEU 2023 Amendment
16.3	Control of the issuer	2.2 ; 4.5	50 ; 162		
16.4	An agreement known to the issuer, the implementation of which could, at a later date, result in a change in control of the issuer	NA		NA	
<b>17.</b>	<b>RELATED PARTY TRANSACTIONS</b>				
<b>18.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ASSETS AND LIABILITIES, FINANCIAL POSITION AND RESULTS OF THE ISSUER</b>				
18.1	Historical financial information, including financial statements	1.2 ; 6.1 ; 6.2 ; 8	7 ; 342 ; 455 ; 496	1.1 ; 3.2 ; 5	7 ; 37 ; 45
18.2	Interim and other financial information	7	490		
18.3	Audit of historical annual financial information	6.1 ; 6.2 ; 8	343 ; 455 ; 496	6	129
18.4	Pro forma financial information	NA		NA	
18.5	Dividend distribution policy	NA		NA	
18.6	Legal and arbitration proceedings	5.5 ; 7	318 ; 490		
18.7	Significant change in the issuer's financial position	7	491	7	133
<b>19.</b>	<b>ADDITIONAL DETAILS</b>				
19.1	Share capital	6.1 ; 6.2	343 ; 456		
19.2	Memorandum and Articles of Association	2 ; 7	49 ; 490	7	132
<b>20.</b>	<b>MAJOR CONTRACTS</b>	<b>7</b>	<b>491</b>	<b>7</b>	<b>133</b>
<b>21.</b>	<b>AVAILABLE DOCUMENTS</b>	<b>7</b>	<b>491</b>	<b>7</b>	<b>133-134</b>

# Cross-reference table of the 2023 Annual Financial Report

The cross-reference table below identifies:

- in the Universal Registration Document filed with the AMF on 12 April 2024 under number D.24-0277, the information constituting the company's annual management report (including the corporate governance report) and the consolidated management report,

- in this amendment to the Universal Registration Document, the information that constitutes the company's half-yearly management report.

Cross-reference table of the 2023 Annual Financial Report	Chapters of the 2023 URD	2023 URD pages	Chapters of the 2023 URD Amendment	2023 URD Amendment Pages
Aggregate financial statements	6.2	455		
Consolidated financial statements	6.1	342	5	45
Management report (see cross-reference table for the Management report)		514		
Statement of the responsible person	7	493	9	138
Statutory Auditors' reports	8	496	8	136

Cross-reference table for the 2023 Management report	Chapters of the 2023 URD	2023 URD pages	Chapters of the 2023 URD Amendment	2023 URD Amendment Pages
<b>1. BUSINESS OVERVIEW</b>	<b>1 ; 3 ; 4</b>			
1.1 Financial and non-financial key performance indicators	1.2 ; 4.6	10-11 ; 212	1.1	7
1.2 Crédit Mutuel Arkéa's main activities	1.6 ; 1.7 ; 3.2 ; 6.1	25 ; 30 ; 102 ; 342	3.1 ; 5	34 ; 45
1.3 Information on the group's locations and activities	7	490	7	132
1.4 Important events occurring between the closing date of the financial year and the date of preparation of the Management report	6.1 ; 6.2	455 ; 487	5.1	127
<b>2. RISK FACTORS</b>	<b>5.2</b>	<b>279</b>	<b>4.1</b>	<b>41</b>
2.1 Description of the main risks and uncertainties facing the group	5.2	279	4.1	42
2.2 Main characteristics of the internal control and risk management procedures implemented	2.7 ; 5.3-5.7	77 ; 294-335		
<b>3. INFORMATION ON TRENDS</b>				
3.1 Statement on Crédit Mutuel Arkéa's prospects since the date of its last-published audited financial statements	3.1	98-101		
3.2 Trends or events likely to affect Crédit Mutuel Arkéa's prospects for the current financial year	3.1 ; 5.2	98 ; 281	4.1	42
<b>4. PROFIT FORECASTS OR ESTIMATES</b>	<b>7</b>	<b>491</b>		



Cross-reference table for the 2023 Management report	Chapters of the 2023 URD	2023 URD pages	Chapters of the 2023 URD Amendment	2023 URD Amendment Pages
<b>5. CORPORATE GOVERNANCE REPORT</b>	<b>2</b>	<b>47</b>	<b>2</b>	<b>30</b>
5.1 Compensation and benefits of any kind paid to each corporate officer	2.8	85		
5.2 Duties and functions exercised by each of these corporate officers	2.2 ; 2.3	50 ; 70		
<b>6. CORPORATE SOCIAL RESPONSIBILITY</b>	<b>4</b>	<b>113</b>		
<b>7. TABLE OF RESULTS FOR THE LAST FIVE FINANCIAL YEARS</b>	<b>1.2 ; 6.2</b>	<b>10 ; 462</b>		
		<b>459</b>		
<b>8. INFORMATION ON PAYMENT DEADLINES FOR SUPPLIERS AND CUSTOMERS</b>	<b>6.2</b>	<b>458</b>		
<b>9. GENERAL INFORMATION ON CRÉDIT MUTUEL ARKÉA</b>	<b>7</b>	<b>490</b>	<b>7</b>	<b>132</b>

# Alternative performance indicators – article 223-1 of the AMF General Regulation

Alternative performance indicators	Definition	Justification for use
Other group operating income and expenses	Difference between the income and expenses of the other activities	Measures income excluding group financial margin and commissions
Other operating income and expenses for the scope of aggregate financial statements	Difference between the income and expenses of the other activities derived from Crédit Mutuel Arkéa's parent company financial statements	Measures income excluding financial margin and commissions from Crédit Mutuel Arkéa parent company financial statements
Operating ratio	Ratio of operating expenses to Net Bank Insurance Income (NBII)	Measure of the group's operational efficiency
Net commissions	Difference between commissions (income) and commissions (expenses)	Measures income from commissions at group level
Cost of risk (in basis points)	Ratio of the cost of risk (in €) to customer loans outstanding at the end of the period	Measures the level of risk compared to balance sheet loan commitments
Operating expenses	Sum of general operating expenses and depreciation and amortisation charges for property, plant and equipment and intangible assets	Measures the level of group general operating expenses
Group financial margin	Sum of the following items: <ul style="list-style-type: none"> <li>■ net gains (losses) on financial instruments at fair value through profit and loss;</li> <li>■ net gains (losses) on available-for-sale financial assets;</li> <li>■ difference between "Interest and similar income" and "Interest and similar expenses".</li> </ul>	Measures income from the group's financial activity
Financial margin for the scope of aggregate financial statements	Under French accounting standards: interest and similar income - interest and similar expenses + net gains or losses on trading portfolio transactions + gains or losses on investment portfolio and similar transactions	Measures income from financial activity from Crédit Mutuel Arkéa parent company financial statements
Asset returns	Ratio of the net income or loss to the balance sheet total on a consolidated basis at the end of the financial year	Measures the rate of return of total balance sheet assets
Overall coverage ratio of non-performing loans (interest + capital)	Ratio of provisions recognised in respect of credit risk on an individual basis to impaired loans outstanding on an individual basis	Measures the maximum residual rate of risk coverage for impaired loans outstanding
Rate of non-performing and disputed loans (including interest)	Ratio of impaired loans outstanding on an individual basis to customer deposits ("Customer loans and receivables" recorded as assets on the balance sheet on a consolidated basis)	Measures the quality of loans

Design and Production



[pomelo-paradigm.com/pomdocpro/](http://pomelo-paradigm.com/pomdocpro/)



1 rue Louis Lichou, 29480 Le Relecq-Kerhuon  
Tel. : +33 (0)2 98 00 22 22

[cm-arkea.com](https://cm-arkea.com)

@cmarkea