

Consolidated financial statements for the year ended December 31, 2021

Non audited consolidated financial statements

Balance sheet

(in € thousands)

		12.31.2021	12.31.2020
Assets	Notes		
Cash, due from central banks	1	15,835,673	12,901,851
Financial assets at fair value through profit or loss	2	1,515,229	1,476,283
Derivatives used for hedging purposes	3	941,733	1,128,825
Financial assets at fair value through equity	4	9,438,286	11,922,563
Securities at amortized cost	5	632,290	640,787
Loans and receivables - credit institutions, at amortized cost	1	15,207,862	14,791,362
Loans and receivables - customers, at amortized cost	6	73,250,954	67,250,857
Remeasurement adjustment on interest-rate risk hedged portfolios		621,698	933,849
Placement of insurance activities	7	58,775,760	55,304,242
Current tax assets	8	127,398	174,300
Deferred tax assets	9	130,806	145,059
Accruals, prepayments and sundry assets	10	992,972	951,587
Non-current assets held for sale	27	80,813	94,958
Deferred profit-sharing		0	0
Investments in associates	11	176,345	167,698
Investment property	12	125,897	127,487
Property, plant and equipment	13	328,741	336,643
Intangible assets	14	532,452	477,403
Goodwill	15	566,533	550,017
TOTAL ASSETS		179,281,442	169,375,771
		12.31.2021	12.31.2020
Liabilities	Notes		
Due to central banks	16	0	0
Financial liabilities at fair value through profit or loss	17	1,345,024	1,362,942
Derivatives used for hedging purposes	3	956,291	1,208,376
Debt securities	18	16,438,840	19,348,474
Due to banks	16	14,596,802	12,579,835
Liabilities to customers	19	74,571,114	68,361,123
Remeasurement adjustment on interest-rate risk hedged portfolios		442,029	228,384
Current tax liabilities	8	94,463	135,727
Deferred tax liabilities	9	143,169	169,681
Accruals, deferred income and sundry liabilities	20	2,866,796	2,393,952
Liabilities associated with non-current assets held for sale	27	345,128	94,028
Insurance companies' technical reserves	21	56,248,145	52,736,780
Provisions	22	347,472	479,730
Subordinated debt	23	2,473,362	2,547,739
Total equity		8,412,808	7,729,000
Shareholders' equity, group share		8,406,884	7,725,770
Share capital and additional paid-in capital	24	2,548,829	2,378,428
Consolidated reserves	24	5,152,784	4,793,563
Gains and losses recognized directly in equity	25	131,547	197,537
Net income for the year		573,723	356,241
Non-controlling interests		5,924	3,230
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		179,281,442	169,375,771

Consolidated financial statements for the year ended December 31, 2021

Income statement

(in € thousands)

		12.31.2021	12.31.2020
Income statement	Notes		
Interest and similar income (1)	30	1,828,767	1,805,157
Interest and similar expense (1)	30	(1,103,665)	(1,154,498)
Commission income	31	697,700	647,475
Commission expense	31	(177,509)	(157,009)
Net gain (loss) on financial instruments at fair value through profit or loss	32	263,297	10,341
Net gain (loss) on financial instruments at fair value through equity	33	20,090	16,178
Net gain (loss) on derecognition of financial instruments at amortized cost	34	4,373	320
Net income from insurance activities	35	712,019	669,555
Income from other activities	36	354,585	299,086
Expense from other activities	36	(69,282)	(66,778)
NET BANKING INCOME		2,530,375	2,069,827
Gains (losses) on disposal - dilution in investments in associates	37	275	87,696
NET BANKING INCOME including gains (losses) on disposal - dilution in investments in associates		2,530,650	2,157,523
General operating expenses	38	(1,550,442)	(1,353,257)
Depreciation, amortization and impairment of property, plant and equipment and intangible assets	39	(151,605)	(139,761)
GROSS OPERATING INCOME		828,603	664,505
Cost of credit risk	40	(115,789)	(160,071)
OPERATING INCOME		712,814	504,434
Share in net income of equity-accounted associates and joint ventures	11	3,425	1,106
Gains (losses) on other assets	41	349	(1,953)
Changes in goodwill		0	(10,974)
PRE-TAX INCOME		716,588	492,613
Income tax	42	(143,047)	(136,346)
Net income (loss) from discontinued operations		0	0
NET INCOME		573,541	356,267
O/w non-controlling interests		(182)	26
NET INCOME - GROUP SHARE		573,723	356,241

(1) The interest calculated using the effective interest rate method for instruments valued at fair value through OCI or at amortized cost is presented in note 30.

		12.31.2021	12.31.2020
Statement of net income and gains and losses recognized directly in equity	Notes		
Net income		573,541	356,267
Revaluation of financial assets at fair value through recyclable equity (net of taxes)		(16,227)	26,401
Revaluation of available-for-sale financial assets (net of taxes)		(56,713)	20,960
Revaluation of derivatives used to hedge recyclable items (net of taxes)		964	1,040
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes)		426	368
Items to be recycled to profit or loss		(71,550)	48,769
Actuarial gains (losses) on defined benefit plans (net of taxes)		12,613	(3,269)
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option (net of taxes)		6,017	(18,298)
Revaluation of equity instruments at fair value through equity (net of taxes) (1)		(16,087)	(6,564)
Share of gains (losses) recognized directly in equity from investments in associates (net of taxes) not recycled to profit or loss		3,007	(12,912)
Items not to be recycled to profit or loss		5,550	(41,043)
Total gains and losses recognized directly in equity		(66,000)	7,726
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	43	507,541	363,993
of which group share		507,732	363,968
of which non-controlling interests		(191)	25

(1) of which the impact of the transfer to reserves of non-recyclable items for €(25,566,000).

CHANGES IN SHAREHOLDERS' EQUITY

(in € thousands)

	Share capital and reserves	Consolidated reserves	Total gains and losses recognized directly in equity	Net income attributable to equity holders of the parent	Shareholders' equity, group share	Non-controlling interests in equity	Total equity
Position at January 1, 2020	2,353,416	4,294,471	189,810	510,737	7,348,433	3,246	7,351,679
Capital increase/reduction	125,942				125,942		125,942
Cancellation of treasury shares					-		0
Issuance of preferred shares					-		0
Equity components of hybrid instruments					-		0
Equity components whose payment is share-based					-		0
Allocation of the previous year income		510,737		(510,737)	-		0
Dividend paid in 2020 in respect of 2019		(37,010)			(37,010)	(5)	(37,015)
Change in equity interests in subsidiaries with no loss of control					0		0
Subtotal of changes involving transactions with shareholders	2,479,358	4,768,198	189,810	0	7,437,366	3,241	7,440,607
Changes in gains and losses recognized directly in equity		21,935	4,856		26,791	(43)	26,748
2020 net income				356,241	356,241	26	356,267
Subtotal	2,479,358	4,790,133	194,666	356,241	7,820,398	3,224	7,823,622
Impact of acquisitions and disposals on non-controlling interests	(100,930)	9,527	2,871		(88,532)		(88,532)
Share of changes in shareholders' equity from investments in associates and joint ventures		(1,703)			(1,703)		(1,703)
Change in accounting methods					0		0
Other changes		(4,393)			(4,393)	6	(4,387)
Position at December 31, 2020	2,378,428	4,793,564	197,537	356,241	7,725,770	3,230	7,729,000
Capital increase	170,401				170,401		170,401
Cancellation of treasury shares					0		0
Issuance of preferred shares					0		0
Equity components of hybrid instruments					0		0
Equity components whose payment is share-based					0		0
Allocation of the previous year's income		356,241		(356,241)	0		0
Dividend paid in 2021 in respect of 2020		(36,512)			(36,512)	(7)	(36,519)
Change in equity interests in subsidiaries with no loss of control					0		0
Subtotal of changes involving transactions with shareholders	2,548,829	5,113,293	197,537	0	7,859,659	3,223	7,862,882
Changes in gains and losses recognized directly in equity		28,592	(65,990)		(37,398)	(9)	(37,407)
2021 net income				573,723	573,723	(182)	573,541
Subtotal	2,548,829	5,141,885	131,547	573,723	8,395,984	3,032	8,399,016
Impact of acquisitions and disposals on non-controlling interests		1,484			1,484	2,839	4,323
Share of changes in shareholders' equity from investments in associates and joint ventures		(89)			(89)		(89)
Change in accounting methods		35,390			35,390		35,390
Other changes		(25,885)			(25,885)	53	(25,832)
Position at December 31, 2021	2,548,829	5,152,785	131,547	573,723	8,406,884	5,924	8,412,808

Net cash flow statement

(in € thousands)

	12.31.2021	12.31.2020
Cash flows from operating activities		
Net income	573,541	356,267
Tax	143,047	136,346
Pre-tax income	716,588	492,613
Depreciation and amortization of property, plant and equipment and intangible assets	149,381	138,537
Impairment of goodwill and other non-current assets	14,672	10,762
Net additions to depreciations	5,358	104,616
Share of income (loss) from investments in associates	(3,425)	(3,197)
Net loss (gain) from investing activities	(6,361)	(114,900)
(Income)/expense from financing activities	0	0
Other changes	3,020,057	1,184,103
Total non-cash items included in net income and other adjustments	3,179,681	1,319,921
Interbank transactions	1,345,597	484,361
Transactions with customers	380,963	2,179,644
Transactions involving other financial assets/liabilities	(164,829)	2,432,313
Transactions involving other non-financial assets/liabilities	795,122	(4,161,240)
Dividends from investments in associates	1,919	2,538
Taxes paid	(149,364)	(22,421)
Net decrease/(increase) in operating assets and liabilities	2,209,408	915,195
NET CASH FLOW FROM OPERATING ACTIVITIES	6,105,678	2,727,729
Cash flows from investing activities		
Financial assets and investments	47,315	136,251
Investment property	(6,886)	40,851
Property, plant and equipment and intangible assets	(174,738)	(130,534)
Other	0	0
CASH FLOWS FROM INVESTING ACTIVITIES	(134,309)	46,568
Cash flows from financing activities		
Cash flows from/to shareholders	143,094	92,999
Other cash flows from financing activities	(3,430,726)	1,347,958
CASH FLOWS FROM FINANCING ACTIVITIES	(3,287,632)	1,440,957
Net increase/(decrease) in cash and cash equivalents	2,683,737	4,215,254
Cash flows from operating activities	6,105,678	2,727,729
Cash flows from investing activities	(134,309)	46,568
Cash flows from financing activities	(3,287,632)	1,440,957
Cash and cash equivalents, beginning of the year	13,211,933	9,195,374
Cash, central banks (assets & liabilities)	12,901,851	10,083,885
Deposits (assets and liabilities) and demand loans with credit institutions	310,082	(888,511)
Cash and cash equivalents, end of the year	15,895,670	13,211,933
Cash, central banks (assets & liabilities) (Notes 1 and 16)	15,835,673	12,901,851
Deposits (assets and liabilities) and demand loans with credit institutions (Notes 1; 7d; 16 and 21b)	59,997	310,082
CHANGE IN NET CASH AND CASH EQUIVALENTS	2,683,737	4,016,559

The cash flow statement is presented using the indirect method.

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

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

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

Notes

Consolidated financial statements for the year ended December 31, 2021

HIGHLIGHTS OF THE YEAR

From the very start of the health crisis, Crédit Mutuel Arkéa has been fully committed to helping its customers navigate this difficult period. The group relies on its diversified business model, its very close ties to its regions and a robust financial structure to support its customers.

At €2,531 million, revenue increased by €373 million compared with 2020. This growth reflects sustained activity in all the group's business lines and favorable market conditions.

At €1,702 million, operating expenses were up €209 million compared with 2020 due to business growth, changes in the number of employees and the major projects conducted by the group in execution of its medium-term plan, called Transitions 2024.

At €116 million, cost of risk decreased by €44 million compared with 2020. Provisioning reflects uncertainties related to both the pandemic and the economic outlook.

Net income attributable to equity holders of the parent grew by 61% to €574 million, an all-time high.

In 2021, the group completed the acquisition of 75.8% of Catella Asset Management, renamed Arkéa Real Estate, and the creation of Arkéa Real Estate Investment Management. Being exclusively controlled by the group, both entities are fully consolidated.

In the fourth quarter of 2021, the group received an offer to purchase its entire investment in Keytrade Bank Luxembourg and began a process of selling the entity. Keytrade Bank Luxembourg's contribution to the consolidated financial statements for the year ended December 31, 2021 has been recognized in accordance with IFRS 5.

The sale of the customer portfolio of Stratéo, the Swiss branch of Arkéa Direct Bank, and the sale of Finansemler were completed in 2021.

COVID-19 INFORMATION

The information specific to Covid-19 health crisis is presented pages 6 to 9.

ACCOUNTING STANDARDS APPLIED

Pursuant to European Regulation 1606/2002 of July 19, 2002 on the application of international standards, Crédit Mutuel Arkéa group prepared its summary consolidated financial statements for the period ending December 31, 2021 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable as of that date.

At December 31, 2021, the group applied the standards in force as at January 1, 2021 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 2021.

The group has elected to publish its Annual Financial Report 2021 using the European Single Electronic Format (ESEF) as defined by the European Delegated Regulation 2019/815 amended by the Delegated Regulation 2020/1989.

Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest rate benchmark reform - Phase 2

In August 2020, the IASB published a “Phase 2” amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 introducing several changes applicable upon the effective transition to the new benchmark interest rates.

This amendment introduces an alternative accounting treatment for financial assets/liabilities for which IBOR reform results in a change in the basis for determining contractual cash flows and those changes are made on an economically equivalent basis. Under this treatment, the effective interest rate of the modified financial asset or liability is revised prospectively; its carrying amount remains unchanged.

This amendment also provides for flexibility in hedge accounting for changes related to the IBOR reform (after replacement indices are defined), including:

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

These amendments, which were adopted by the European Commission in December 2020, are applicable to annual financial statements on or after January 1, 2021. The entry into force of this amendment has no material impact on the 2021 financial statements.

Health crisis related to COVID-19

The Crédit Mutuel Arkéa group is fully committed to confronting the COVID-19 health crisis. As a credit institution, it is offering its full support at the local level to business and corporate customers that may be experiencing difficulties, particularly small and medium-sized companies.

1. COVID-19 support measures

The group is participating in the government’s economic support program. It offers government-backed loans to help its business and corporate customers maintain their cash flow.

This form of financing is a 12-months bullet loans which includes a deferred repayment clause over a period of one to five years. At the end of the first 12 months period, the beneficiary of the government-backed loan may set a new time period to the government-backed loan (with a limit of 6 years in total) and its repayment periods. The loan is first offered at an interest rate of 0% plus the cost of the government guarantee (charged through a fee paid by the customer). For an extended loan, the contractual interest rate excluding the guarantee premium will vary. Similarly, the applicable guarantee premium increases as the government-guaranteed loan matures.

These loans, which are held to collect cash flows and meet the “basic loan” criterion, are recognized at amortized cost using the interest rate method. At the initial recognition date, they are recognized at their nominal value, which is representative of the fair value.

On the subscription’s anniversary, an extension may be granted on the government backed loans. The increase in the guarantee premium portion (the premium charged net of the premium paid to the state) is treated as a step-up in respect of the amortized cost. As such, the catch-up method applies: the gross carrying amount of the loan should be adjusted to reflect

the value of the revised flows of guarantee fees receivable and payable discounted at the original EIR (taking into account the premium paid to the state). For the period to December 31, 2021, the Crédit Mutuel Arkéa group assessed the impact of the use of the catch-up method to be immaterial.

At December 31, 2021, government-guaranteed loans distributed by the Crédit Mutuel Arkéa group totaled €2.1 billion on the balance sheet, with guarantees totaling €1.9 billion, which represents 89.7%. Of these loans, 88.7% were extended for an average period of less than five years (87.5% were extended for a period of five years) and 22.9% were repaid. At the end of December 2021, the outstanding government-guaranteed loans carried by the Crédit Mutuel Arkéa group stood at €1.4 billion on the balance sheet. Of the government-guaranteed loans, 83.5% are in Bucket 1, 10.1% in Stage 2 and 6.4% in Bucket 3.

The measurement of expected credit losses on these loans factors in the effect of the government guarantee (implemented by Bpifrance) in the amount of 70% to 90% of the principal and interest outstanding. At December 31, 2021, the impairment amount of these loans was immaterial.

The Crédit Mutuel Arkéa group is taking concrete measures to support companies and individuals. It has offered loan repayment deferrals, mainly to companies, for up to six months (suspension of interest payments and/or deferral of principal repayment), with no penalties.

In particular, the repayment deferral measures were granted across the board without specific lending conditions. They are part of a financial scheme initiated by French banks, in accordance with the EBA's "Guidelines on payment moratoria". These measures are not necessarily an indicator of a significant increase in the credit risk of the financial assets in question or of reclassification as restructured (forborne) assets.

However, transfer to bucket 2 or 3 may occur in accordance with the group's rules.

At December 31, 2021, the cash flow losses relating to loans benefiting from these support measures were immaterial. Accordingly, from an accounting perspective, these moratoria were not considered as substantial changes in the contractual cash flows of the loans to which they were applied, and therefore did not result in the derecognition of the loans. Outstanding loans subject to payment extensions amounted to €6 billion. For 97.1% of these outstandings, customers resumed payments in accordance with their repayment schedule. The schedules are still on hold for the remaining 2.9%.

2. Calculation of expected credit losses

With respect to provisions for credit loss on performing loans, Crédit Mutuel Arkéa has considered the unprecedented nature of the COVID-19 crisis on the macroeconomic environment. In 2020, the group has implemented adaptations to its credit risk detection and measurement system, in order to take into account the characteristics and potential effects of the crisis.

Dans le cadre du provisionnement des créances saines, le Crédit Mutuel Arkéa tient compte du caractère sans précédent de la crise Covid-19 sur l'environnement macro-économique.

The group exercises judgment in recognizing expected credit losses in the special context of the COVID-19 crisis.

With respect to provisions for credit loss, the Crédit Mutuel Arkéa group took into account the effect of the COVID-19 crisis on the macroeconomic environment. In 2020, the Crédit Mutuel Arkea implemented developments around four main axes :

- The group changed the weightings of its forward-looking scenarios in 2020. Thus, at December 31, 2020, the pessimistic scenario was weighted at 75%, the neutral scenario at 24% and the optimistic scenario at 1%.
- The pessimistic scenario was also changed in 2020 : the group now uses a method in which the probability of default is the higher of the observed default rate plus the maximum variation in the consecutive default rates over the historical observation period, and the maximum default rate over the historical observation period. Previously, the probability of default used by the group was the observed default rate plus the maximum variation in the consecutive default rates over the historical observation period.

The two approaches above are maintained for the closing on December 31, 2021: growth forecasts have improved compared with the situation as of December 31, 2020 but the risks to the economy remain significant, raising fears of a rise in business insolvencies in 2022.

- Thirdly, the group changed the way economic sectors are analyzed. All NACE codes were examined in light of the effects of the pandemic on the different economic sectors and government measures to support the economy. On

completion of this examination, carried out based on expert opinion, 59 sectors were selected. They were divided into three groups, depending on the degree to which they had been affected by the two waves of the epidemic. The outstanding loans in the selected sectors were transferred to bucket 2 and a minimum provisioning rate was set and applied for each group. The provisioning rate is set in accordance with the Banque de France publications on the impact of the crisis by sector.

The selected sectors are subject to specific monitoring based on two elements:

- An expert element with the formation of an ad hoc committee in charge of providing an economic view of the business sectors and of expressing opinions to justify the entry or exit of vulnerable sectors,
- A quantitative element with monthly monitoring of internal indicators such as the rate of performing loans past due by more than 30 days out of the total performing loans.

At December 31, 2021, the list of 59 sectors selected in 2020 remains unchanged. However, the sector provision increased in 2021, resulting in a €4.4 million increase in the cost of risk.

- Lastly, the loss given default (LGD) of certain portfolios has been adjusted in order to better take into account the effects of Covid-19 crisis, in particular within its specialized subsidiaries (Crédit Foncier Communal d'Alsace et de Lorraine, Financo and Arkéa Crédit Bail).

Alongside this, the probability of default (PD), credit conversion factor (CCF) and loss given default (LGD) parameters were updated in keeping with the group's customary annual revision practices, resulting in a €15 million increase in the cost of risk.

Lastly, the group has conducted a sensitivity test on the cost of risk. A 10 points increase in the weighting of the pessimistic scenario would lead to an additional allocation of 19.2 M€, or 4.4% of expected losses.

Information regarding risk management is provided in the section entitled "Risk factors".

3. Targeted longer-term refinancing operations - TLTRO III

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

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

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

In response to the health crisis, the ECB eased the conditions of these refinancing operations in March 2020 and January 2021 to support the distribution of loans to households and businesses. A number of parameters have been reviewed¹ :

- banks' borrowing capacity has been increased to 50% of eligible outstanding loans and then 55% from March 2021 (from 30% previously) and the period for exercising the repayment option on each operation has been shortened to 12 months starting September 2021,
- the first seven tranches of TLTRO III may be repaid early on a quarterly basis, one year after the launch of each operation, with the same option available for the last three tranches from June 2022,
- the more favorable interest rate conditions were extended if performance objectives were achieved over an additional period. The TLTRO III interest rate was thus reduced by 50bp (an "additional special interest rate") during the "special" interest rate period from June 2020 to June 2022 (versus June 2021 initially)².

At December 31, 2021, Crédit Mutuel Arkéa participated in TLTRO III refinancing operations in the amount of €11 billion for amounts drawn between December 2019 and March 2021. This involved variable-rate financial instruments recognized at amortized cost.

The effective interest rate on these operations has been calculated based on the refinancing rate obtained by the Crédit Mutuel Arkéa group based on the assumption of achievement of the lending performance threshold set by the ECB over the

¹ Decision (EU) 2021/124 of the ECB of January 29, 2021 amending Decision (EU) 2019/1311 on a third series of targeted longer-term refinancing operations (ECB/2021/3 published in the OJEU on 02/03/2021)

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)

period under review from March 1, 2020 to March 31, 2021 and over an additional period from October 1, 2020 to December 31, 2021 (i.e. the ECB's deposit facility rate (DFR)). The 0.50% additional special interest rate is taken into account over the "special" interest rate period. If the criteria were not met, the discounted future cash flow loss would be recognised immediately in profit or loss

As of December 31, 2021, the Crédit Mutuel Arkéa Group largely met the criteria for benefiting from the additional special interest rate.

4. "Relance" participatory loan scheme

The Crédit Mutuel Arkéa group is participating in the French "Relance" participatory loan scheme (*Prêts participatifs relances* - PPR), which aims to provide SMEs and mid-caps with access to loans similar to quasi-equity financing.

Through its banking network, the group will produce PPRs (meeting strict eligibility criteria set by the financial scheme). PPRs are eight-year fixed-rate loans with an option to defer repayment of principal for up to four years and an early repayment option exercisable from the fourth year.

The group transfers 90% of the PPRs to an institutional fund (known as the PPR fund) and retains 10% on its balance sheet.

The PPR fund is structured in such a way that it does not have any subfunds among its liabilities. The securities issued by the fund offer remuneration representative of all transferred PPRs (principal and interest) after taking into account the 30% government guarantee.

The PPRs are held to collect cash flows and meet the criterion of a "basic loan". The 10% portion retained on the balance sheet is recognized at amortized cost using the effective interest rate method. At the initial recognition date, they are recognized at their nominal value, which is representative of the fair value.

At December 31, 2021, the group had no outstanding PPRs.

Through its insurance entities, the Group has invested €50 million in securities issued by the PPR fund.

5. Amendment to IFRS 16 – COVID-19-Related Rent Concessions

This amendment, adopted by the IASB at the end of May, introduces a simplification measure for lessees benefiting from a reduction in rents in the context of the COVID-19 crisis.

It exempts lessees from accounting for COVID-19-related rent concessions as if they were not lease modifications, if the following conditions have been met:

- the rent concessions are substantially identical or lower than the rents provided for in the initial contract;
- the reduction in rent payments relates only to payments due until June 30, 2021;
- there are no material changes to the other terms and conditions of the contract.

If the lessee opts for this exemption, the rent reduction will generally be accounted for as a negative variable payment, not taken into account in the initial measurement of the liability.

The Crédit Mutuel Arkéa group is not affected by these provisions.

CHANGE IN ACCOUNTING METHOD

IFRS IC decision relating to IAS 19 - May 2021

In its consolidated financial statements for the year ended December 31, 2021, the group took into account the decision issued by the IFRIC IC on April 20, 2021 concerning the application of IAS 19 to the attribution of defined benefit rights to periods of service.

This decision clarifies the methods for determining commitments relating to post-employment benefit plans, the rights to which depend on length of service and are capped beyond a certain number of years of service, while being subject to the employee's presence on the retirement date.

For such a plan, the pension obligation will be constituted only for the period preceding the retirement age required to reach the cap (or between the employee's start date and retirement date if this period is less than the revised period required to reach the cap). This puts an end to the approach previously adopted, namely deferral of the cost of the benefit between the employee's hire date and retirement date.

The IFRS IC decision leads to a change in accounting method within the meaning of IAS 8 which is to be applied retrospectively. This change increased restated net income for the year ended December 31, 2020 by €3.8 million and increased restated consolidated reserves at December 31, 2020 by €32.8 million. The application of this interpretation had an impact on opening equity at January 1, 2020 of +€48.3 million gross of tax.

Balance sheet (in € thousands)

Assets	12.31.2020 reprocessed	12.31.2020
Deferred tax assets	131,463	145,059
Accrual, prepayments and sundry assets	997,445	951,587
TOTAL ASSETS	169,408,033	169,375,771

Liabilities	12.31.2020 reprocessed	12.31.2020
Deferred tax liabilities	169,730	169,681
Provisions	472,758	479,730
Total equity	7,768,184	7,729,000
Shareholder's equity, group share	7,764,953	7,725,770
Share capital and additional paid-in capital	2,378,428	2,378,428
Consolidated reserves	4,826,390	4,793,563
Gains and losses recognized directly in equity	200,076	197,537
Net income for the year	360,059	356,241
Non-controlling interests	3,230	3,230
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	169,408,033	169,375,771

Income statement (in € thousands)

	12.31.2020 reprocessed	12.31.2020
General operating expenses	(1,352,140)	(1,353,257)
Income tax	(133,645)	(136,346)
NET INCOME	360,085	356,267
O/w non-controlling interests	26	26
NET INCOME - GROUP SHARE	360,059	356,241

Statement of net income and gains and losses recognized directly in equity (in € thousand)

	12.31.2020 reprocessed	12.31.2020
NET INCOME AND GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY	366,532	363,993
of which group share	366,507	363,968
of which non-controlling interests	25	25

MAIN STANDARDS NOT YET ADOPTED BY THE EUROPEAN UNION

IFRS 17 Insurance Contracts

Date and methods of first-time application

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

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

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

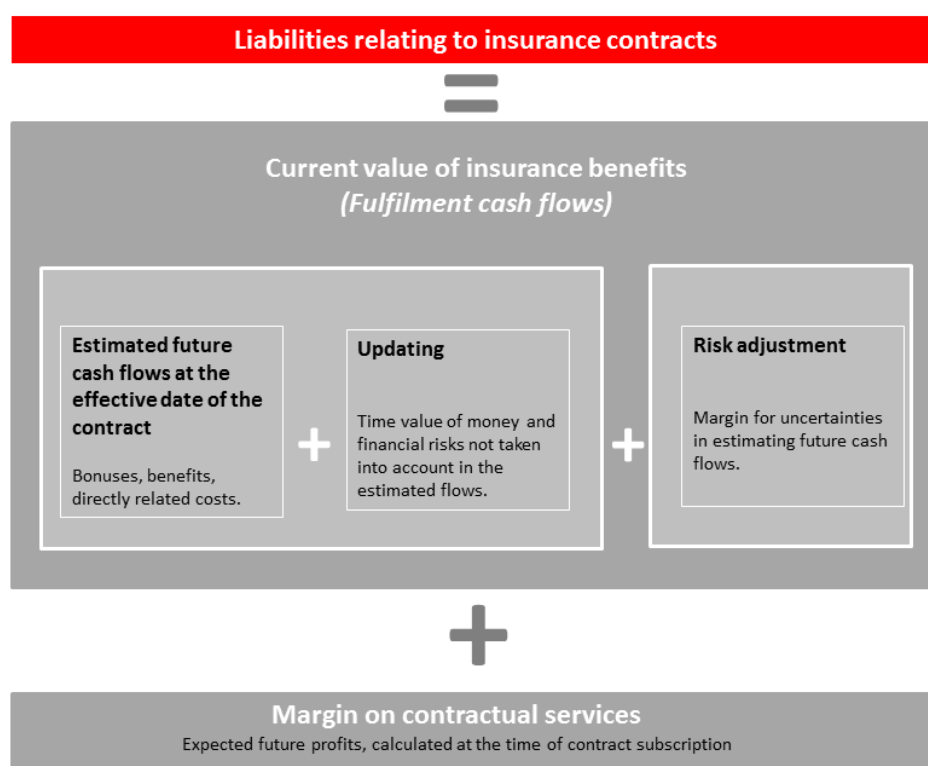
The IASB has published an amendment to IFRS 4 Insurance Contracts extending the temporary exemption for the application of IFRS 9 at January 1, 2023.

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

Accounting policies under IFRS 17

IFRS 17 defines the new rules for the recognition, measurement and presentation of insurance contracts that fall within its scope (insurance contracts, reinsurance contracts and financial contracts with a discretionary profit-sharing component). The technical provisions currently recognized on the liability side of the balance sheet will be replaced by a valuation of the insurance contracts at current value.

The general model used to evaluate 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 margin on contractual services.



Positive margins on contractual services will be recognized progressively in profit or loss over the duration of the insurance service. In the case of loss-making contracts, the loss corresponding to the net cash outflow for the group of contracts must be recognized in profit or loss upon subscription.

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

However, IFRS 17 also provides for an adjustment of the general model for direct profit-sharing contracts. This adapted model, known as the 'Variable Fee Approach', will allow the obligation to return to policyholders a substantial portion of the return on the underlying assets net of policy charges to be reflected in the valuation of the insurance liability (the changes in the value of the underlying assets accruing to policyholders being neutralized in the margin on contractual services).

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 gives a result close to the general model.

These valuation models for insurance liabilities will have to be applied to portfolios of similar insurance policies, the granularity of which will be determined by combining three areas:

- aggregation of contracts exposed to similar risks and managed together,
- a breakdown of policies by year of underwriting, and
- upon initial recognition, a distinction is made between loss-making contracts, contracts for which there is no significant possibility of subsequently becoming loss-making, and other contracts.

The standard requires a more detailed level of granularity in the calculations since it requires estimates per group of contracts.

IFRS 17 project

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

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

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

https://ec.europa.eu/info/law/international-accounting-standards-regulation-ec-no-1606-2002/amending-and-supplementary-acts/acts-adopted-basis-regulatory-procedure-scrutiny-rps_fr

ACCOUNTING PRINCIPLES AND VALUATION METHODS

The group has applied IFRS 9 since January 1, 2018 for the recognition of financial instruments for its banking activity. The insurance business continues to apply IAS 39 following the adoption of the temporary exemption from applying IFRS 9, as provided for by the amendment to IFRS 4.

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

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

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

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

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

Accounting principles for the banking business

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

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

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

➤ Business models

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

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

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

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

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

These "authorized" sales are not included in the analysis of the significant and frequent nature of the sales carried out on a portfolio. Moreover, sales related to changes in the regulatory or fiscal framework will be documented on a case-by-case basis to demonstrate the "infrequent" nature of such sales.

For other sales, thresholds have been defined based on the maturity of the securities portfolio (the group does not sell its loans).

The group has mainly developed a model based on the collection of contractual cash flows from financial assets, which applies in particular to the customer financing activities.

It also manages financial assets according to a model based on the collection of contractual cash flows from financial assets and on the sale of these assets. Within the group, the contractual cash flow collection and sale model applies primarily to the cash management and liquidity portfolio management activities.

➤ Cash flow characteristics

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

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

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

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

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

Depending on the case, the analysis is either qualitative or quantitative. The materiality or immateriality of the difference is assessed for each fiscal year, and cumulatively over the life of the instrument. The quantitative analysis takes into account a set of reasonably possible scenarios.

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

Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

An amount of €9.8 million was recognized on the balance sheet for valuation adjustments as at December 31, 2021.

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. 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.

Cash flow hedging:

The goal of cash flow hedging is to reduce the risk related to a change in future cash flows from financial instruments. Derivatives are used notably to hedge the interest rate risk on adjustable rate assets and liabilities.

In cash flow hedging transactions, the effective portion of the change in the fair value of the derivative is recorded in a separate line in equity "Gains and losses recognized directly in equity" while the ineffective portion is recognized in the income statement under the heading "Net gain (loss) on financial instruments at fair value through profit or loss."

As long as the hedge is effective, the amounts recorded in equity are transferred to the income statement under "interest and similar income (expense)" synchronized with the cash flows of the hedged instrument impacting profit or loss. If the hedging relationship is discontinued or is no longer highly effective, hedge accounting ceases. The accumulated amounts recorded in equity as part of the revaluation of the hedging derivative are transferred to the income statement under "interest and similar income (expense)" at the same time as the hedged transaction itself impacts the income statement, or when it has been determined that such transaction will not take place.

The group does not hedge net investments in foreign operations.

Benchmark rate reform

IBOR reform is a response to the weaknesses observed in the methodologies used to develop indices and set interbank rates, which are based on data reported by banks and on a significantly lower volume of underlying transactions.

In Europe, it takes the form of the Benchmark Regulation (BMR), which was published in 2016 and came into force in early 2018. The key element of this reform is the calculation of rates based on actual transactions to ensure the security and reliability of the indices used by the market.

All indices must now comply with the benchmark regulation (BMR). The existing indices were used until December 31, 2021 and, for certain LIBOR terms (USD LIBOR), may be used until June 30, 2023. Eventually, the old benchmark indices will cease to be used unless they comply with the new regulation or an exceptional extension is granted.

To ensure a smooth transition, the group has identified the legal, commercial, organizational, systems-related and financial/accounting impacts. It began work in project mode in the first quarter of 2019.

EONIA had been defined as a tracker of €STR since October 2019 and until its disappearance. €STR was definitively designated by the European Commission as the successor to EONIA³ for all unexpired contracts at the start of January 2022 that do not include a robust fallback clause.

Furthermore, by default, SARON plus an adjustment spread defined by maturity will represent the legal replacement index⁴ for the CHF LIBOR. Since the change in its calculation methodology in July 2019, EURIBOR has been compliant with the BMR.

Lastly, in November 2021, the UK regulator, the Financial Conduct Authority, announced the publication of synthetic GBP and JPY LIBOR rates until the end of 2022, which may be used for contracts that are difficult to manage at the legal transition level (no fallback clauses). The successor market index for GBP LIBOR is SONIA. However, unlike CHF LIBOR and EONIA, this index will not benefit from a “regulatory” switchover.

In these conditions, the group believes that uncertainties remain regarding USD and GBP LIBOR rates for existing contracts that are not yet modified for the non-market scopes.

Regarding existing contracts, the group has begun work on transitioning to replacement rates by:

- adding fallback clauses to over-the-counter derivative contracts, repurchase agreements and lending-borrowing transactions by adhering to the ISDA protocol (which has been effective since January 25, 2021) or by virtue of updates to clearing houses’ rules books for cleared derivatives. They have been activated for cleared derivatives since October 2021, and will be activated for ISDA contracts no later than the definitive end of the listing of the indices;
- starting in 2021, including a “technical amendment related to events on benchmark indices” in FBF agreements entered into with corporate customers or banking counterparties, thereby ensuring the compliance of unexpired interest rate transactions entered into before February 2020;
- starting in 2021, updating contracts through bilateral negotiations between parties or by updating the commercial terms (i.e. a change in the benchmark rate by means of an amendment). The switchover to new replacement indices for existing contracts has already taken place for the retail banking and capital markets scopes.

Lastly, the group’s interest rate risk management strategy was not significantly impacted at the reporting date as transactions processed on the new indices represent exposures considered to be marginal.

In terms of the accounting aspects, the group applies the amendments to IAS 39, IFRS 9, IFRS 7, IFRS 4 and IFRS 16, Phase 1 for the preparatory period for the reform and Phase 2 for the transition period to the new indices once they are defined. In accordance with the Phase 2 amendment, the group applies the exceptional accounting treatment for financial assets/liabilities for which the IBOR reform results in a change in the basis for determining the contractual cash flows and those changes are made on an economically equivalent basis. Under this treatment, the effective interest rate of the modified financial asset or liability is revised prospectively; its carrying amount remains unchanged.

At December 31, 2021, financial instruments concerned by the reform are the following:

(in € thousands)	Financial assets (excluding derivatives) – Carrying amount	Financial liabilities (excluding derivatives) – Carrying amount	Derivatives - Notional amount	of which accounting hedge derivatives
Eonia	21,761	-	134,035	-
Euribor	9,246,759	6,733,598	71,137,864	54,268,269
GBP-Libor	-	-	20,684	-
USD-Libor	46,591	-	1,616	-
Ester	1,606,622	5,886,796	16,022,650	15,968,900

³ EU Regulation 2021/1848 of 21 October 2021.

⁴ EU Regulation 2021/1847 of 14 October 2021.

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, etc.

The Group has chosen to use the simplifying measures (art. IFRS 9 B5.5.35) provided for by the standard for entities that do not have source data enabling the assessment of the credit loss.

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 "Net additions to/reversals from provisions for loan losses" 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 being downgraded to default are as follows:

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

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

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

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

➤ Significant increase in credit risk

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

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

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

- taking into account all reasonable and justifiable information, and
- comparing the risk of default on the financial instrument at the reporting date with the risk of default at the initial recognition date.

For the group, any amount that is more than 30 days past due will always lead to an assessment of material changes in credit risk and a transfer to bucket 2.

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.

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

➤ Quantitative criteria

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

For the HDP portfolios, a continuous and growing boundary curve shows the relationship between the default rate at origination and the default rate at the reporting date. The group does not use the operational simplification offered by the standard, which allows outstanding loans with low risk at the reporting date to be maintained in bucket 1.

➤ Qualitative criteria

As well as this quantitative data, the group uses qualitative criteria such as the notion of restructured loans, etc. 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, on the models approved under the IRB-A approach,
- for low default portfolios, on an external probability of default scale.

➤ Loss given default

This is based:

- for high default portfolios, on the flows of collections observed over a long period of time, discounted at the interest rates of the contracts,
- for low default portfolios, 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 general forward-looking approach adopted has an impact on:

- 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.
- the calculation of expected credit loss (ECL) with parameters that take forward-looking factors into account.

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, 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.

The forward-looking aspect for maturities other than one year is derived from the forward-looking aspect for the one-year maturity.

The forward-looking aspect is also included in the LGD by incorporating information observed over a period close to current conditions.

For low default portfolios, forward-looking information is incorporated into the large accounts and bank models, and not into the local governments, sovereigns and specialized financing models. The approach is similar to that used for high default portfolios.

➤ 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 practice, future flows are discounted only if the impact of discounting is material compared to their estimated amounts. Consequently, the provisions are discounted. In the income statement, changes in impairment are recorded under "cost of risk" except for reversals related to the effects of the reversal of discounting, which are recorded under "Interest and similar income."

➤ Originated credit-impaired financial assets

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

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

Financial liabilities at fair value through profit or loss

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

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

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

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

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

Embedded derivatives

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

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

- the hybrid instrument that hosts the embedded derivative is not measured at fair value through profit or loss;

- the economic characteristics of the derivative and its related risks are not considered to be closely linked to those of the host contract;
- the separate measurement of the embedded derivative to be separated is sufficiently reliable to provide an accurate assessment.

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

Amounts owed to credit institutions and customers

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

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

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

Debt securities

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

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 on the income statement under "Interest and similar expense."

Renegotiated debt

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

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

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

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

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

Accounting principles for the insurance business

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

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

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

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

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

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

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

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

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

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

Embedded derivatives

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

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

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

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

Derivative financial hedging instruments – assets and liabilities

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

Available-for-sale financial assets

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

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

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

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

Impairment of securities

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

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

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

Held-to-maturity financial assets

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

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

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

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

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

Impairment of loans and receivables

Individually impaired receivables

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

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

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

Financial liabilities

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

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

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

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

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

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

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

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

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

Common accounting principles for banking and insurance activities

Shareholders' equity

Difference between liabilities and equity

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

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

Shares

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

Measurement of the fair value of financial instruments

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

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

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

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

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

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

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

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

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

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

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

This category includes notably the following financial instruments:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In the context of the health crisis, the securities held in the group's venture capital portfolio were valued in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. The following principles were applied:

- the group relied on information known at the measurement date and on what it considered to be reliable forecasts,
- a medium-term approach was followed in order not to focus solely on the fiscal year impacted by COVID-19 and to observe averages over several fiscal years in order to obtain the fairest possible measurement.

The group adopted an "investment-by-investment" approach and adapted its method to four different situations:

- investment materially impacted by the crisis,
- investment positively impacted by the crisis,
- investment minimally impacted,
- investment very heavily impacted and for the medium term.

Given the diversity of the instruments valued and the reasons for their inclusion in this category, any calculation of the sensitivity of the fair value to changes in parameters would not provide relevant information.

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

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

Use of judgments and estimates in the preparation of financial statements

Preparation of the group's financial statements requires making assumptions and estimates whose future realization involves certain risks and uncertainties. Accounting estimates requiring the use of assumptions are used primarily for measuring the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Fixed assets leased by the Group**

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

- **Scope**

IFRS 16 applies to all lease contracts except:

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

- **Exemption measures**

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

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

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

- **Accounting treatment of leases by lessees**

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

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

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

- **Lease term**

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

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

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

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

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

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

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

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

➤ Rent discount rate

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

➤ Rent amount

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

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

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

➤ Recognizing a right of use by lessees

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

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

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

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

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

➤ Income tax

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

Non-current assets held for sale

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

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

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

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

Provisions

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

Provisions for pension obligations

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

The group's pension obligation is calculated using the projected unit credit method based on demographic and financial assumptions. In particular, the calculations performed in December 2021 incorporate a discount rate that is differentiated by entity and by plan so that the rates used are adapted to the population of each structure and reflect the reality of the commitment as closely as possible. These rates are determined by reference to the iBoxx Corporate AA rates based on private bonds, using the iBoxx with the maturity closest to the duration of the commitments of the entity and the plan in question.

At December 31, 2021, discount rates are the following:

	UES Arkade	Other subsidiaries
Retirement benefits	0.00%	Between (0.22%) et 1.21%
Retirement pension supplements	0.75%	0.56%
Length-of-service awards	0.80%	Between 0.62% et 0.82%
Time savings accounts	0.89%	0.76%

The calculations also include an employee turnover rate of between 0.30% and 8.11% and a salary increase rate of between 2.56% and 4.39%⁵. 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.

⁵ UES Arkade and Arkéa-SCD rates, representing 95% of the obligation.

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

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

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

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

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

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

CONSOLIDATION PRINCIPLES AND METHODS

CONSOLIDATION SCOPE AND METHOD

Consolidating entity

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

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

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

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

Controlled entities

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

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

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

Investments in associates and joint ventures

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

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

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

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

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

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

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

Investment in joint ventures

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

Main changes in the scope of consolidation

In 2021 :

- the group has acquired Catella Asset Management, now Arkéa Real Estate. The company specializes in real estate investment and asset and property management activities on behalf of third parties and is intended to support future developments in real estate.
- the customer portfolio of Stratéo, the Swiss branch of Arkéa Direct Bank, was sold in April 2021,
- Arkéa and Arkéa Real Estate Investment Management (AREIM) were also added to the consolidation scope. Arkéa is part of the implementation of the General Decision (Décision à caractère général) adopted by the CNCM in February 2021. AREIM is a management company specializing in real estate asset management.
- Crédit Mutuel Arkéa sold the shares held in Finansemble by means of a capital reduction.

The companies included in the Crédit Mutuel Arkéa group's consolidation scope are presented in note 48.

CONSOLIDATION RULES

Closing date

The closing date for all consolidated companies is December 31.

Inter-company transactions

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

Accounting for acquisitions and goodwill

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

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

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

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

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

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

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

The cash flows used are determined based on each CGU's business plan over a specific time horizon of between four and five years. These business plans are drawn up based on a common macroeconomic scenario for all fully-consolidated entities. This scenario is notably based on the following assumptions:

- a 6,3% increase in French GDP in 2021, followed by growth of 3.7% in 2022 and 1.9% in 2023,
- a sharp decrease in the the number of defaults and in job destruction in 2021 (-22% / 2020). Capital spending and hiring have resumed since mid-2021,
- a recovering labor market, with unemployment around 8% at the end of 2021,
- after an increase above 3% in 2021, inflation should decrease to 2.2% in 2022 before a further decrease under 2% in 2023-2024,
- persistently negative money-market rates for the entire 2021-2024 period, and French long-term rates moving just into positive territory from 2022,
- equity markets growing by 3% to 5% each year after registering a fall that is anticipated in 2022.

The discount rates used correspond to the cost of capital determined using the Capital Asset Pricing Model (CAPM). This method is based on a risk-free interest rate, to which a risk premium is added that depends on the underlying activity of the cash generating unit. This risk premium is the product of a sector beta, the equity risk premium and possibly a specific premium reflecting, for example, the execution risk or the fact that the company was only formed recently. The risk-free rate, the sector beta and the equity risk premium are market data. For its impairment tests, the Crédit Mutuel Arkéa group uses a two-year average of each parameter. The sector beta reflects the risk of the business sector compared with the rest of the equity market. It is calculated as the average beta of a sample of comparable listed stocks. If the company is in debt, the cost of debt is also taken into account. The discount rate then becomes the weighted average cost of capital according to the ratio between equity and debt. The discount rates used in 2021 ranged between 7.4% and 12%, while the growth rates to infinity were between 1.0% and 2.5%.

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

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

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

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

Translation of foreign currency denominated financial statements

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

Taxes

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

Deferred taxes

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

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

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

Deferred taxes are not discounted.

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

Uncertainty over income tax treatments

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

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

	12.31.2021	12.31.2020
Cash, due from central banks		
Due from central banks	15,701,374	12,761,596
Cash	134,299	140,255
Accrued interest	0	0
TOTAL	15,835,673	12,901,851
Loans and receivables - credit institutions		
Current accounts	8,791,500	8,468,498
Loans	3,549	11,082
Other receivables	4,060,735	3,856,134
Guarantee deposits paid	541,326	645,160
Repurchase agreements	1,768,534	1,769,663
Individually impaired receivables (B3)	0	0
Accrued interest	45,421	43,243
Impairment on performing loans (B1/B2)	(3,203)	(2,418)
Other impairment (B3)	0	0
TOTAL	15,207,862	14,791,362
of which deposits and demand loans with credit institutions	543,203	625,166

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

	12.31.2021	12.31.2020
Assets held for trading purposes	395,566	628,691
Assets classified at fair value option	12,402	9,296
Other assets classified at fair value	1,107,261	838,296
TOTAL	1,515,229	1,476,283

Note 2a. Financial assets held for trading purposes

	12.31.2021	12.31.2020
Securities	0	0
- Treasury bills, notes and government bonds	0	0
- Bonds and other fixed-income securities	0	0
. Listed	0	0
. Unlisted	0	0
Including UCI	0	0
- Stocks and other variable-income securities	0	0
. Listed	0	0
. Unlisted	0	0
Derivatives held for trading purposes	395,566	628,691
Loans and receivables	0	0
of which repurchase agreements	0	0
TOTAL	395,566	628,691

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

Note 2b. Assets classified at fair value option

	12.31.2021	12.31.2020
Securities	0	0
- Treasury bills, notes and government bonds	0	0
- Bonds and other fixed-income securities	0	0
. Listed	0	0
. Unlisted	0	0
Accrued interest	0	0
Including UCI	0	0
- Stocks and other variable-income securities	0	0
. Listed	0	0
. Unlisted	0	0
Loans and receivables	12,402	9,296
of which guarantee deposits paid	0	0
of which repurchase agreements	0	0
TOTAL	12,402	9,296

The maximum non-recoverable amount of loans classified at fair value option was €12,099,000. This amount was not hedged through the use of credit derivatives.

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

	12.31.2021	12.31.2020
Securities	1,106,069	835,242
- Treasury bills, notes and government bonds	0	0
- Bonds and other fixed-income securities	471,822	390,036
. Listed	15,919	16,434
. Unlisted	442,493	359,025
Accrued interest	13,410	14,577
Including UCI	251,665	161,989
- Stocks and other variable-income securities	634,247	445,206
. Listed	2,897	1,687
. Unlisted	631,350	443,519
Loans and receivables	1,192	3,054
of which repurchase agreements	0	0
Guarantee deposits paid	0	0
TOTAL	1,107,261	838,296

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

12.31.2021

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

12.31.2020

	Fair value hedging		Cash flow hedging	
	Book value	Nominal value	Book value	Nominal value
Interest-rate risks:				
Hedging derivatives				
Hedging derivatives - assets	1,128,813	39,945,751	12	0
Hedging derivatives - liabilities	1,206,771	25,212,128	1,605	60,000
Change in the fair value of the hedging instrument	178,877		1,600	
Currency risk				
Hedging derivatives				
Hedging derivatives - assets				
Hedging derivatives - liabilities				
Change in the fair value of the hedging instrument				

Note 4. Financial assets at fair value through equity

	12.31.2021	12.31.2020
Treasury bills, notes and government bonds	2,680,011	3,914,626
Bonds and other fixed-income securities	6,196,390	7,425,427
- Listed	5,558,222	6,106,291
- Unlisted	610,456	1,286,512
Accrued interest	27,712	32,624
Subtotal gross value of debt instruments	8,876,401	11,340,053
Of which impaired debt instruments (B3)	0	0
Impairment on performing loans (B1/B2)	(7,233)	(8,561)
Other impairment (B3)	0	0
Subtotal net value of debt instruments	8,869,168	11,331,492
Loans and receivables	0	0
- Loans and receivables due from credit institutions	0	0
- Loans and receivables due from customers	0	0
Accrued interest	0	0
Subtotal gross value of Loans	0	0
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)	0	0
Subtotal net value of Loans	0	0
Stocks and other variable-income securities	108,438	82,343
- Listed	87,187	67,423
- Unlisted	21,251	14,920
Accrued interest	0	0
Equity securities held for long-term investment	460,680	508,728
- Long-term investments	381,316	427,151
- Other long-term investments	79,271	81,394
- Shares in associates	93	183
- Translation adjustments	0	0
- Loaned securities	0	0
Accrued interest	0	0
Subtotal equity instruments	569,118	591,071
TOTAL	9,438,286	11,922,563
Of which unrealized capital gains/losses recognized in equity	123,818	159,184
Of which securities sold under repurchase agreements	0	0
Of which listed long-term investments	120,365	133,049

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

They are identified on a case-by-case basis and are subject to a validation committee.

Disposals of instruments classified at fair value through equity resulted in the reclassification to reserves of a cumulative gain at the time of the sale of €26,483,000 (gross of tax).

Note 5. Securities at amortized cost

	12.31.2021	12.31.2020
Treasury bills, notes and government bonds	394,184	398,412
Bonds and other fixed-income securities	239,007	248,590
- Listed	214,970	220,146
- Unlisted	22,758	27,503
Accrued interest	1,279	941
GROSS TOTAL	633,191	647,002
of which impaired assets (B3)	314	5,556
Impairment on performing loans (B1/B2)	(587)	(748)
Other impairment (B3)	(314)	(5,467)
NET TOTAL	632,290	640,787

Note 6. Loans and receivables due from customers

	12.31.2021	12.31.2020
Performing receivables (B1/B2)	70,803,203	65,023,235
. Commercial receivables	101,203	128,032
. Other loans to customers	70,577,347	64,772,459
- Housing loans	38,854,246	35,337,606
- Other loans and various receivables, including repurchase agreements	31,653,853	29,336,711
- Guarantee deposits paid	69,248	98,142
. Accrued interest	124,653	122,744
Individually impaired receivables (B3)	1,382,822	1,364,847
Gross receivables	72,186,025	66,388,082
Impairment on performing loans (B1/B2)	(377,525)	(323,566)
Other impairment (B3)	(693,143)	(754,922)
Subtotal I	71,115,357	65,309,594
Finance leases (net investment)	2,119,937	1,920,121
. Movable goods	1,199,209	1,076,545
. Real property	920,728	843,576
Individually impaired receivables (B3)	68,285	73,673
Gross receivables	2,188,222	1,993,794
Impairment on performing loans (B1/B2)	(26,669)	(25,298)
Other impairment (B3)	(25,956)	(27,233)
Subtotal II	2,135,597	1,941,263
TOTAL	73,250,954	67,250,857
Of which equity loans with no voting rights	8,307	9,606
Of which subordinated loans	0	0

Note 6a. Information on delinquent payments

	Payment arrears			Guarantees relating to payment arrears
	≤ 30 days	> 30 days ≤ 90 days	> 90 days	
Equity instruments	0	0	0	0
Debt instruments	0	0	0	0
Central governments				
Credit institutions				
Other financial companies				
Non-financial companies				
Retail customers				
Loans and advances	273,353	94,913	0	206,050
Central governments	5,507	19	0	3,092
Credit institutions	203	0	0	114
Other financial companies	1,132	87	0	682
Non-financial companies	48,893	21,889	0	39,603
Retail customers	217,618	72,918	0	162,559
Other financial assets	0	0	0	0
TOTAL	273,353	94,913	0	206,050
Unallocated guarantees				0

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

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

Note 6b. Restructured outstandings by type

Restructured outstandings by type as of 12/31/2021	Renegotiation of contract	Total or partial refinancing of outstanding	TOTAL
Performing outstandings	137,047	60,209	197,256
Non-performing outstandings - gross amounts	301,082	128,850	429,932
Restructured non-performing outstandings - impairment loss	(132,201)	(46,485)	(178,686)
Net non-performing outstandings	168,881	82,365	251,246

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

	12.31.2021	12.31.2020
Financial assets at fair value through profit or loss	31,692,391	27,890,440
Available-for-sale financial assets	25,732,611	26,077,885
Loans and receivables - credit institutions	523	5,559
Loans and receivables linked to insurance activities	484,931	508,491
Held-to-maturity financial assets	0	0
Investment property	335,116	357,026
Share of reinsurers in technical provisions and other insurance assets	530,188	464,841
TOTAL	58,775,760	55,304,242

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

	12.31.2021	12.31.2020
Financial assets held for trading purposes	73	13
Derivatives held for trading purposes	73	13
Subtotal I	73	13
Assets classified at fair value option	31,692,318	27,890,427
Securities	31,692,318	27,890,427
- Bonds and other fixed-income securities	7,910,058	7,969,194
. Listed	6,325,751	6,667,072
. Unlisted	1,526,783	1,244,588
Accrued interest	57,524	57,534
- Stocks and other variable-income securities	23,782,260	19,921,233
. Listed	16,113,842	13,185,543
. Unlisted	7,649,260	6,718,851
Accrued interest	19,158	16,839
Subtotal II	31,692,318	27,890,427
TOTAL	31,692,391	27,890,440

At December 31, 2021, the fair value of financial assets at fair value through profit or loss whose cash flows resembled those of a basic loan totaled €321 million. The change in the fair value of these assets during the period was €(0.3) million.

Note 7b. Available-for-sale financial assets

	12.31.2021	12.31.2020
Treasury bills, notes and government bonds	7,546,571	7,695,446
Bonds and other fixed-income securities	16,006,434	16,482,563
- Listed	13,216,536	13,849,300
- Unlisted	2,652,459	2,479,686
Accrued interest	137,439	153,577
Subtotal gross value of debt instruments	23,553,005	24,178,009
Impairment	(2,444)	(1,376)
Subtotal net value of debt instruments	23,550,561	24,176,633
Shares and other variable-income securities	1,459,029	1,210,756
- Listed	881,407	728,352
- Unlisted	573,237	478,477
Accrued interest	4,385	3,927
Equity securities held for long-term investment	729,586	696,156
- Long-term investments	419,961	392,958
- Other long-term investments	309,625	303,198
- Shares in associates	0	0
Subtotal gross value of equity instruments	2,188,615	1,906,912
Impairment	(6,565)	(5,660)
Subtotal net value of equity instruments	2,182,050	1,901,252
TOTAL	25,732,611	26,077,885
Of which unrealized capital gains/losses recognized in equity	208,155	283,040
Of which listed long-term investments	64,393	71,178

At December 31, 2021, the fair value of available-for-sale financial assets whose cash flows resembled those of a basic loan totaled €20,933 million. The change in the fair value of these assets during the period was €(85) million.

Note 7c. Securities at amortized cost

	12.31.2021	12.31.2020
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	0	0
- Listed	0	0
- Unlisted		
Accrued interest	0	0
GROSS TOTAL	0	0
of which impaired assets		
Impairment		
NET TOTAL	0	0

Note 7d. Loans and receivables - credit institutions

	12.31.2021	12.31.2020
Loans and receivables - credit institutions		
Other regular accounts	260	5,281
Loans	0	15
Guarantee deposits paid	0	0
Repurchase agreements	0	0
Accrued interest	263	263
TOTAL	523	5,559
of which deposits and demand loans with credit institutions	260	5,296

At December 31, 2021, loans and receivables due from credit institutions whose cash flows resembled those of a basic loan totaled €0.5 million.

Note 7e. Loans and receivables linked to insurance activities

	12.31.2021	12.31.2020
Performing receivables	484,931	508,491
Loans to customers	482,685	504,622
- Housing loans	0	0
- Other loans and various receivables, including repurchase agreements	482,685	504,622
Accrued interest	2,246	3,869
Individually impaired receivables	0	3
Gross receivables	484,931	508,494
Impairment	0	(3)
TOTAL	484,931	508,491

At December 31, 2021, loans and receivables linked to insurance activities and whose cash flows resembled those of a basic loan totaled €485 million.

Note 7f. Investment property

	12.31.2020	Increase	Decrease	Other	12.31.2021
Historical cost	572,244	5,453	0	0	577,697
Amortization and impairment	(215,218)	(27,363)	0	0	(242,581)
NET AMOUNT	357,026	(21,910)	0	0	335,116

The fair value of investment real estate recognized at cost amounted to €790 million at December 31, 2021 compared with €783 million at December 31, 2020.

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

	12.31.2021	12.31.2020
Technical provisions - Reinsurers' share	209,400	141,639
Other insurance assets	320,788	323,202
TOTAL	530,188	464,841

Note 8. Current taxes

	12.31.2021	12.31.2020
Assets (through profit or loss)	127,398	174,300
Liabilities (through profit or loss)	94,463	135,727

Note 9. Deferred taxes

	12.31.2021	12.31.2020
Assets (through profit or loss)	43,528	52,267
Assets (through equity)	87,278	92,792
Liabilities (through profit or loss)	30,016	37,577
Liabilities (through equity)	113,153	132,104

Deferred taxes by major category

	12.31.2021	12.31.2020
Loss carryforwards	7,960	6,409
Temporary differences on:		
Deferred capital gains or losses on available-for-sale securities	(52,955)	(71,127)
Deferred capital gains or losses on securities at fair value through equity	(19,330)	(22,385)
Change in credit risk of liabilities at fair value through profit or loss by option	4,491	7,505
Unrealized gains or losses on cash flow hedges	0	383
Unrealized gains or losses on actuarial differences	41,919	46,312
Provisions for non-deductible contingencies and charges	83,026	94,968
Unrealized reserves of finance leases	(33,726)	(28,255)
Other temporary differences	(43,748)	(58,432)
Total net deferred taxes	(12,363)	(24,622)

Note 10. Accruals, prepayments and sundry assets

	12.31.2021	12.31.2020
Accruals – assets		
Receivables collection	155,007	158,276
Foreign currency adjustment accounts	8,553	11,184
Accrued income	160,908	151,679
Miscellaneous accrual accounts	139,275	199,035
Subtotal	463,743	520,174
Other assets*		
Settlement accounts for securities transactions	41,289	59,625
Various debtors	487,363	371,393
Inventories and similar	1,666	1,781
Other miscellaneous applications of funds	1,737	2,482
Subtotal gross value of other assets	532,055	435,281
Impairment on performing loans (B1/B2)	0	0
Other impairment (B3)	(2,826)	(3,868)
Subtotal net value of other assets	529,229	431,413
TOTAL	992,972	951,587

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

Note 11. Investments in associates

	12.31.2021			12.31.2020		
	Associates investments	Share of earnings	Dividends received	Associates investments	Share of earnings	Dividends received
Caisse Centrale du Crédit Mutuel	137,066	1,959	695	134,596	1,527	2,028
Younited Credit	0	0	0	0	(596)	0
New Port	30,748	1,469	0	22,526	1,398	0
Other	8,531	(2)	1,224	10,577	(1,223)	510
GROSS TOTAL	176,345	3,425	1,919	167,698	1,106	2,538

Supplementary information on main investments in associates (IFRS) at December 31, 2021

	Total assets	NBI	Gross operating income	Net income	OCI	Shareholders' equity
Caisse Centrale du Crédit Mutuel	20,053,113	16,899	10,835	9,271	13,818	688,616
NEW PORT	120,033	4,434	4,253	4,253	9,479	103,104

Note 12. Investment real estate - banking activity

	12.31.2020	Increase	Decrease	Other	12.31.2021
Historical cost	186,310	12,376	(10,207)	0	188,479
Amortization and impairment	(58,823)	(7,936)	4,177	0	(62,582)
NET AMOUNT	127,487	4,440	(6,030)	0	125,897

The fair value of investment real estate recognized at cost amounted to €176 million at December 31, 2021 compared with €174 million at December 31, 2020.

Note 13. Property, plant and equipment

	12.31.2020	Increase	Decrease	Other	12.31.2021
Historical cost					
Land	21,862	180	(107)	0	21,935
Plant	577,581	14,986	(5,195)	482	587,854
Rights of use - Property (1)	118,600	5,375	(872)	1,376	124,479
Other property, plant and equipment	259,128	36,202	(13,740)	25	281,615
Total	977,171	56,743	(19,914)	1,883	1,015,883
Amortization and impairment					
Land	0	0	0	0	0
Plant	(410,350)	(20,244)	4,939	(96)	(425,751)
Rights of use - Property	(26,410)	(14,893)	472	228	(40,603)
Other property, plant and equipment	(203,768)	(19,651)	2,497	134	(220,788)
Total	(640,528)	(54,788)	7,908	266	(687,142)
NET AMOUNT	336,643	1,955	(12,006)	2,149	328,741

Note 14. Intangible assets

	12.31.2020	Increase	Decrease	Other	12.31.2021
Historical cost					
Self-produced assets	603,277	85,007	(553)	0	687,731
Acquired assets	818,512	114,696	(52,827)	591	880,972
Software	408,950	34,938	(992)	(703)	442,193
Other	409,562	79,758	(51,835)	1,294	438,779
Total	1,421,789	199,703	(53,380)	591	1,568,703
Amortization and impairment					
Self-produced assets	(464,152)	(59,670)	206	0	(523,616)
Acquired assets	(480,234)	(37,072)	985	3,686	(512,635)
Software	(368,493)	(22,354)	985	336	(389,526)
Other	(111,741)	(14,718)	0	3,350	(123,109)
Total	(944,386)	(96,742)	1,191	3,686	(1,036,251)
NET AMOUNT	477,403	102,961	(52,189)	4,277	532,452

Note 15. Goodwill

	12.31.2020	Increase	Decrease	Other	12.31.2021
Gross goodwill	560,991	0	0	16,516	577,507
Impairment	(10,974)	0	0	0	(10,974)
Net goodwill	550,017	0	0	16,516	566,533

Arkéa Real Estate was acquired in January 2021. The purchase price during the second half of 2021. Goodwill therefore increased by €16.5 million.

Allocation by Division

Division	Entities	12.31.2021	12.31.2020
Retail customers	Arkéa Direct Bank	259,757	259,757
Retail customers	Budget Insight	22,530	22,530
B2B and Specialized Services	CFCAL Banque	38,216	38,216
B2B and Specialized Services	Monext	100,250	100,250
B2B and Specialized Services	Procapital	63,000	63,000
B2B and Specialized Services - Fintech	Leetchi SA Mangopay	25,682	25,682
Products	Arrkéa Real Estate	16,516	0
Products	Izimmo	17,964	17,964
Products	Schelcher Prince Gestion	11,649	11,649
Products	Suravenir Assurances	10,969	10,969
Net goodwill		566,533	550,017

Note 16. Central banks - Due to credit institutions

	12.31.2021	12.31.2020
Due from central banks	0	0
Liabilities to credit institutions	14,596,802	12,579,835
Current accounts	436,247	278,384
Loans	1,548,818	1,694,979
Guarantee deposits received	124,182	163,977
Other liabilities	36,259	42,277
Repurchase agreements	12,575,982	10,439,712
Accrued interest	(124,686)	(39,494)
TOTAL	14,596,802	12,579,835
of which deposits and demand loans with credit institutions	472,196	320,380

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

	12.31.2021	12.31.2020
Financial liabilities held for trading purposes	412,122	656,313
.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	412,122	656,313
.Other financial liabilities held for trading purposes	0	0
Fair value option financial liabilities through profit or loss	932,902	706,629
Liabilities to credit institutions	287	255
Liabilities to customers	26,596	4,698
Debt securities	906,019	701,676
Subordinated debt	0	0
TOTAL	1,345,024	1,362,942

The settlement value of financial liabilities at fair value through profit or loss was €1,350 million at December 31, 2021 versus €1,352 million at December 31, 2020.

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

	12.31.2021			12.31.2020		
	Carrying amount	Amount due at maturity	Difference	Carrying amount	Amount due at maturity	Difference
Liabilities to credit institutions	287	288	(1)	255	255	0
Liabilities to customers	26,596	28,923	(2,327)	4,698	4,690	8
Debt securities	906,019	908,600	(2,581)	701,676	691,387	10,289
Subordinated debt	0	0	0	0	0	0
TOTAL	932,902	937,811	(4,909)	706,629	696,332	10,297

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

	12.31.2021						
	Gross amount of financial assets / liabilities recognized	Gross amount of financial assets / liabilities recognized and netted on the balance sheet	Net amount of financial assets / liabilities shown on the balance sheet	Related amounts not netted on the balance sheet			Net amount
				Impact of master netting agreements	Financial instruments received/given as guarantees	Cash collateral	
Assets							
Derivatives	1,337,372	0	1,337,372	(937,637)	0	(125,849)	273,886
Reverse repurchase agreements of securities, securities	2,184,449	(308,700)	1,875,749	0	(795,041)	0	1,080,708
Other financial instruments	0	0	0	0	0	0	0
Total assets	3,521,821	(308,700)	3,213,121	(937,637)	(795,041)	(125,849)	1,354,594
Liabilities							
Derivatives	1,454,493	0	1,454,493	(937,637)	0	(428,358)	88,498
Repurchase agreements of securities, securities	13,255,140	(308,700)	12,946,440	0	(12,937,781)	(3,010)	5,649
Other financial instruments	0	0	0	0	0	0	0
Total liabilities	14,709,633	(308,700)	14,400,933	(937,637)	(12,937,781)	(431,368)	94,147

	12.31.2020						
	Gross amount of financial assets / liabilities recognized	Gross amount of financial assets / liabilities recognized and netted on the balance sheet	Net amount of financial assets / liabilities shown on the balance sheet	Related amounts not netted on the balance sheet			Net amount
				Impact of master netting agreements	Financial instruments received/given as guarantees	Cash collateral	
Assets							
Derivatives	1,757,529	0	1,757,529	(1,168,437)	0	(159,287)	429,805
Reverse repurchase agreements of securities, securities	1,878,405	0	1,878,405	0	(1,767,909)	0	110,496
Other financial instruments	0	0	0	0	0	0	0
Total assets	3,635,934	0	3,635,934	(1,168,437)	(1,767,909)	(159,287)	540,301
Liabilities							
Derivatives	1,970,392	0	1,970,392	(1,168,437)	0	(692,865)	109,090
Repurchase agreements of securities, securities	10,931,850	0	10,931,850	0	(10,930,933)	0	917
Other financial instruments	0	0	0	0	0	0	0
Total liabilities	12,902,242	0	12,902,242	(1,168,437)	(10,930,933)	(692,865)	110,007

Note 18. Debt securities

	12.31.2021	12.31.2020
Certificates of deposit	13,871	13,340
Interbank market securities and negotiable debt securities	3,449,196	3,420,449
Bond issues	10,125,194	13,921,218
Non-preferred senior debt	2,773,760	1,845,624
Accrued interest	76,819	147,843
TOTAL	16,438,840	19,348,474

Note 19. Liabilities to customers

	12.31.2021	12.31.2020
Savings accounts governed by special regulations	32,370,577	30,413,679
Sight accounts	26,684,328	24,901,521
Term accounts	5,686,249	5,512,158
Accrued interest on savings accounts	190,097	182,292
Subtotal	32,560,674	30,595,971
Current accounts	34,808,310	30,259,334
Term accounts and term loans	7,156,162	7,404,677
Repurchase agreements	0	57,243
Accrued interest	31,800	42,027
Guarantee deposits received	14,168	1,871
Subtotal	42,010,440	37,765,152
TOTAL	74,571,114	68,361,123

Note 20. Accruals, deferred income and sundry liabilities

	12.31.2021	12.31.2020
Accruals – liabilities		
Blocked accounts for collection operations	373,249	338,449
Foreign currency adjustment accounts	7,989	8,626
Accrued expenses	217,178	192,878
Deferred income	243,758	248,477
Miscellaneous accrual accounts	1,038,564	784,609
Subtotal	1,880,738	1,573,039
Other liabilities*		
Lease liabilities - Property	75,411	83,665
Settlement accounts for securities transactions	348,222	222,926
Outstanding payments on securities	4,680	6,165
Miscellaneous creditors	557,745	508,157
Subtotal	986,058	820,913
TOTAL	2,866,796	2,393,952

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

Breakdown of lease liabilities according to maturity

12.31.2021

	less than 1 year	1 year to 3 years	3 years to 6 years	6 years to 9 years	more than 9 years	TOTAL
Property	15,429	21,449	29,073	7,815	1,645	75,411
Information technology	0	0	0	0	0	0
Other	0	0	0	0	0	0
Lease liabilities	15,429	21,449	29,073	7,815	1,645	75,411

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

Note 21. Liabilities - insurance activity

12.31.2021 12.31.2020

Financial liabilities at fair value through profit or loss	86,080	105,703
Liabilities to credit institutions	511,310	479,000
Debt securities	0	0
Insurance companies' technical reserves	53,560,640	50,272,294
Other insurance liabilities	2,089,708	1,879,376
Subordinated debt	407	407
TOTAL	56,248,145	52,736,780

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

12.31.2021 12.31.2020

Financial liabilities held for trading purposes	86,080	105,703
Derivatives	86,080	105,703
Other financial liabilities held for trading purposes	0	0
Fair value option financial liabilities through profit or loss	0	0
Liabilities to credit institutions	0	0
Debt securities	0	0
Subordinated debt	0	0
TOTAL	86,080	105,703

Note 21b. Liabilities to credit institutions

12.31.2021 12.31.2020

Liabilities to credit institutions		
Current accounts	11,270	0
Loans	0	0
Guarantee deposits received from credit institutions	0	0
Other liabilities	0	0
Repurchase agreements	500,040	479,000
Accrued interest	0	0
TOTAL	511,310	479,000
of which deposits and demand loans with credit institutions	11,270	0

Note 21c. Insurance companies' technical reserves

	12.31.2021	12.31.2020
Life insurance, excluding unit-linked contracts	34,072,662	34,216,642
of which profit-sharing	3,027,863	3,211,083
Non-life insurance	590,500	550,719
Unit-linked contracts	18,721,271	15,335,140
Other	176,207	169,793
TOTAL	53,560,640	50,272,294
Active deferred profit-sharing	0	0
Reinsurers' share	(209,400)	(141,639)
Net technical provisions	53,351,240	50,130,655

Note 21d. Other insurance liabilities

	12.31.2021	12.31.2020
Security deposits and guarantees received	31,910	30,032
Insurance and reinsurance liabilities	87,296	75,316
Other	1,970,502	1,774,028
TOTAL	2,089,708	1,879,376

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

Note 22. Provisions

	12.31.2020	Allocations	Write-backs (used)	Write-backs (unused)	Other	12.31.2021
Provisions for pension obligations	322,973	14,920	(25,235)	0	(132,134)	180,524
Provisions for home savings accounts and plans	60,841	0	0	(7,369)	0	53,472
Provisions for expected losses on credit risk of off-balance sheet commitments within the banking scope	46,992	35,220	(1,626)	(20,731)	28	59,883
Provisions for execution of guarantee commitments	2,775	5,982	0	(3,048)	0	5,709
Provisions for taxes	1,121	20	(96)	(957)	(6)	82
Provisions for lawsuits	14,264	2,320	(4,338)	(1,477)	(10)	10,759
Provisions for contingencies	2,241	581	(530)	0	0	2,292
Other	28,523	15,670	(997)	(8,445)	0	34,751
TOTAL	479,730	74,713	(32,822)	(42,027)	(132,122)	347,472

The €132 million decrease in provisions for pension obligations stems from:

- application of the IFRS IC IAS 19 decision on end-of-service benefits in the amount of €52.8 million;
- the transfer of the assets of the supplementary plan to a non-group insurance company. These assets are now classified as plan assets rather than reimbursement rights. They are therefore recognized as a deduction against the amount recognized in liabilities for defined benefits.

Note 22a. Pension obligations and similar benefits**Defined benefit pension obligations and other long-term benefits**

	12.31.2020	Allocations	Write-backs	Other	12.31.2021
Retirement benefits	79,937	4,705	(7,507)	(52,813)	24,322
Retirement pension supplements	89,057	4,256	(13,149)	(79,321)	843
Length-of-service awards	51,929	3,850	(4,579)	0	51,200
Time savings accounts	102,050	2,109	0	0	104,159
TOTAL	322,973	14,920	(25,235)	(132,134)	180,524

Note 22b. Provisions for regulated savings product risks**Home savings accounts and plans during the savings phase: deposits and provisions**

	12.31.2021		12.31.2020	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	5,570,469	53,425	5,372,120	60,745
Under 4 years old	305,598	4	337,958	281
Between 4 and 10 years old	3,570,697	24,968	3,276,038	28,326
Over 10 years old	1,694,174	28,453	1,758,124	32,138
Home savings accounts	788,486	0	752,664	0
TOTAL	6,358,955	53,425	6,124,784	60,745

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

	12.31.2021		12.31.2020	
	Deposits	Provisions	Deposits	Provisions
Home savings plans	1,004	1	1,619	3
Home savings accounts	8,061	46	13,389	93
TOTAL	9,065	47	15,008	96

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

	12.31.2020	Allocations	Write-backs	Other	12.31.2021
Commitments given					
12-month expected losses	14 030	11 211	(9 111)	8	16 138
Lifetime expected losses for non-impaired assets	5 921	5 344	(4 903)	20	6 382
Lifetime expected losses for impaired assets (instruments impaired or not at acquisition/creation)	27 041	18 665	(8 343)	0	37 363
TOTAL	46 992	35 220	(22 357)	28	59 883

Note 23. Subordinated debt

	12.31.2021	12.31.2020
Subordinated debt	2,325,424	2,398,663
Equity loans with no voting rights	2,693	2,693
Undated subordinated debt	96,173	97,269
Other liabilities	0	0
Accrued interest	49,072	49,114
TOTAL	2,473,362	2,547,739

Main subordinated debt at December 31, 2021

ISSUER	ISSUE DATE	AMOUNT	CURRENCY	INTEREST RATE	DUE DATE
Crédit Mutuel Arkéa	07.05.2004	97,314	Euro	10-year CMS + 0,10	Undated
Crédit Mutuel Arkéa	06.01.2016	500,000	Euro	3.25%	06.01.2026
Crédit Mutuel Arkéa	02.09.2017	500,000	Euro	3.50%	02.09.2029
Crédit Mutuel Arkéa	10.25.2017	500,000	Euro	1.88%	10.25.2029
Crédit Mutuel Arkéa	03.11.2019	750,000	Euro	3.38%	03.11.2031
TOTAL		2,347,314			

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

	12.31.2021	12.31.2020
Share capital	2,543,391	2,372,990
Additional paid-in capital	5,438	5,438
Consolidated reserves	5,152,785	4,793,563
Legal reserve	531,852	517,124
Reserves provided for in the by-laws and contractual reserves	2,363,493	2,287,885
Regulated reserves	0	0
Translation adjustments	0	0
Other reserves	2,197,356	1,927,212
Retained earnings	60,084	61,342
TOTAL	7,701,614	7,171,991

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

Note 25. Gains and losses recognized directly in equity

	12.31.2021	12.31.2020
Available-for-sale assets	155,200	211,913
Non-recyclable equity instruments at fair value through equity by option	77,317	90,395
Recyclable debt instruments at fair value through equity	32,286	48,086
Change in fair value attributable to credit risk presented in other items of comprehensive income for the liabilities	(12,894)	(18,911)
Cash flow hedge derivatives	2	(962)
Real property	0	0
Other	(120,364)	(132,984)
TOTAL	131,547	197,537

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

	Residual maturity					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	
Liabilities at fair value through profit or loss	1,738	8,284	38,955	1,296,047	-	1,345,024
Derivatives used for hedging purposes					956,291	956,291
Liabilities to credit institutions	235,543	916,815	12,365,979	1,078,447	-	14,596,783
Liabilities to customers	58,083,111	3,235,834	8,706,560	4,547,936	-	74,573,442
Debt securities	1,487,327	2,347,505	5,048,699	7,555,309	-	16,438,840
Subordinated debt	-	-	531,315	1,845,773	96,274	2,473,362

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

	Residual maturity					Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Indefinite	
Derivatives used for hedging purposes					86,080	86,080
Liabilities to credit institutions	11,270	500,040	-	-	-	511,310
Subordinated debt	-	407	-	-	-	407

Note 27. Non-current assets held for sale and related liabilities

The group is in the process of selling Keytrade Bank Luxembourg.

The entity's contribution is accounted for in the consolidated financial statements for the year ended December 31, 2021 in accordance with IFRS 5 relating to entities held for sale.

The sale is scheduled to take place in the first half of 2022.

Note 28a. Fair value ranking – banking activity

12.31.2021

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

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

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

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

Financial assets	Level 1	Level 2	Level 3	Total
FVOCI	9,920,251	1,622,266	380,046	11,922,563
- Treasury bills and similar securities - FVOCI (1) (2)	3,856,187	55,419	0	3,911,606
- Bonds and other fixed-income securities - FVOCI	5,855,507	1,564,379	0	7,419,886
- Stocks and other variable-income securities - FVOCI	67,423	2,468	12,452	82,343
- Equity investments and other long-term investments - FVOCI	141,134	0	367,411	508,545
- Shares in associates - FVOCI	0	0	183	183
- Loans and receivables due from credit institutions - FVOCI	0	0	0	0
- Loans and receivables due from customers - FVOCI	0	0	0	0
Trading/FVO/Other FVTPL	18,161	755,256	702,866	1,476,283
- 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 (3)	16,474	114,215	259,347	390,036
- Stocks and other variable-income securities - Trading	0	0	0	0
- Stocks and other variable-income securities - Other FVTPL	1,687	0	443,519	445,206
- Loans and receivables due from credit institutions - Fair value option	0	255	0	255
- Loans and receivables due from credit institutions - Other FVTPL	0	0	0	0
- Loans and receivables due from customers - Fair value option	0	9,041	0	9,041
- Loans and receivables due from customers - Other FVTPL	0	3,054	0	3,054
- Derivatives and other financial assets - Trading	0	628,691	0	628,691
Derivatives used for hedging purposes	0	1,128,825	0	1,128,825
Total	9,938,412	3,506,347	1,082,912	14,527,671
Financial liabilities				
Trading/FVO	0	1,362,942	0	1,362,942
- Amounts due to credit institutions - Fair value option	0	255	0	255
- Amounts due to customers - Fair value option	0	4,698	0	4,698
- Debt securities - Fair value option	0	701,676	0	701,676
- Derivatives and other financial liabilities - Trading	0	656,313	0	656,313
Derivatives used for hedging purposes	0	1,208,376	0	1,208,376
Total	0	2,571,318	0	2,571,318

(1) Transfers from level 2 to level 1 were made in the amount of €11 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(2) Transfers from level 1 to level 2 were made in the amount of €32 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(3) Transfers from level 2 to level 3 were made in the amount of €32 million. They consisted mainly of bonds whose characteristics correspond to level 3 criteria.

Note 28b. Fair value ranking – insurance activity

12.31.2021

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

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

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

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

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

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

Financial assets	Level 1	Level 2	Level 3	Total
Available-for-sale assets	21,251,327	2,102,133	2,724,425	26,077,885
- Treasury bills and similar securities - AFS (1) (2)	7,605,399	90,047	0	7,695,446
- Bonds and other fixed-income securities - AFS (3)	12,914,351	1,544,050	2,022,786	16,481,187
- Stocks and other variable-income securities - AFS	660,399	468,036	76,661	1,205,096
- Equity investments and other long-term investments - AFS	71,178	0	624,978	696,156
- Shares in associates - AFS	0	0	0	0
Trading/FVO	13,276,205	10,389,603	4,224,632	27,890,440
- Treasury bills and similar securities - Fair value option	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0
- Bonds and other fixed-income securities - Fair value option (4) (5)	90,662	6,629,266	1,249,266	7,969,194
- Stocks and other variable-income securities - Fair value option (6)	13,185,543	3,760,324	2,975,366	19,921,233
- Loans and receivables due from credit institutions - Fair value option	0	0	0	0
- Derivatives and other financial assets - Trading	0	13	0	13
Derivatives used for hedging purposes	0	0	0	0
Total	34,527,532	12,491,736	6,949,057	53,968,325
Financial liabilities				
Trading/FVO	0	105,703	0	105,703
- Amounts due to credit institutions - Fair value option	0	0	0	0
- Debt securities - Fair value option	0	0	0	0
- Derivatives and other financial liabilities - Trading	0	105,703	0	105,703
Derivatives used for hedging purposes	0	0	0	0
Total	0	105,703	0	105,703

(1) Transfers from level 1 to level 2 were made in the amount of €89 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(2) Transfers from level 2 to level 1 were made in the amount of €65 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(3) Transfers from level 1 to level 2 were made in the amount of €499 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(4) Transfers from level 1 to level 2 were made in the amount of €23 million. They consisted mainly of bonds whose characteristics correspond to level 2 criteria.

(5) Transfers from level 2 to level 1 were made in the amount of €6 million. They consisted mainly of bonds whose characteristics correspond to level 1 criteria.

(6) Transfers from level 3 to level 2 were made in the amount of €345 million. They consisted mainly of equities whose characteristics correspond to level 2 criteria.

Note 28c. Fair value ranking – details of level 3 - banking activity

	Opening balance	Purchases	Issues	Sales	Repayments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
Financial assets												
FVOCI	380,042	13,477	1,907	(50,870)	(1,893)	0	0	17,259	1,628	361,550	0	0
- Treasury bills and similar securities - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
- Stocks and other variable-income securities - FVOCI	12,452	0	0	0	0	0	0	1,812	6,975	21,239	0	0
- Equity investments and other long-term investments - FVOCI	367,410	13,477	1,907	(50,870)	(1,803)	0	0	15,447	(5,347)	340,221	0	0
- Shares in associates - FVOCI	180	0	0	0	(90)	0	0	0	0	90	0	0
- Loans and receivables due from credit institutions - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from customers - FVOCI	0	0	0	0	0	0	0	0	0	0	0	0
Trading/FVO/Other	702,866	185,545	0	(138,827)	(17,694)	0	177,866	0	0	909,756	0	0
- Treasury bills and similar securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Treasury bills and similar securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Treasury bills and similar securities - Other FVTPL	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Other FVTPL	259,347	93,449	0	(28,199)	(17,694)	0	(3,197)	0	(25,300)	278,406	0	0
- Stocks and other variable-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Stocks and other variable-income securities - Other FVTPL	443,519	92,096	0	(110,628)	0	0	181,063	0	25,300	631,350	0	0
- Loans and receivables due from credit institutions - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from credit institutions - Other FVTPL	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from customers - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Loans and receivables due from customers - Other FVTPL	0	0	0	0	0	0	0	0	0	0	0	0
- Derivatives and other financial assets - Trading	0	0	0	0	0	0	0	0	0	0	0	0
Derivatives used for hedging purposes	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,082,908	199,022	1,907	(189,697)	(19,587)	0	177,866	17,259	1,628	1,271,306	0	0
Financial liabilities												
Trading/FVO	0	0	0	0	0	0	0	0	0	0	0	0
- Amounts due to credit institutions - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Amounts due to customers - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Debt securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Derivatives and other financial liabilities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
Derivatives used for hedging purposes	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0

Note 28d. Fair value ranking – details of level 3 - insurance activity

	Opening balance	Purchases	Issues	Disposals	Repayments	Transfers	Gains and losses through profit or loss	Gains and losses in equity	Other changes	Closing balance	Transfers L1, L2 => L3	Transfers L3 => L1, L2
Financial assets												
Available-for-sale assets	2,724,425	435,036	0	0	(255,619)	3,161	(179)	13,517	0	2,920,341	3,161	0
- Treasury bills and similar securities - AFS	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - AFS	2,022,786	408,989	0	0	(255,619)	3,161	(179)	1,118	0	2,180,256	3,161	0
- Stocks and other variable-income securities - AFS	76,661	0	0	0	0	0	0	(1,769)	0	74,892	0	0
- Equity investments and other long-term investments - AFS	624,978	26,047	0	0	0	0	0	14,168	0	665,193	0	0
- Shares in associates - AFS	0	0	0	0	0	0	0	0	0	0	0	0
Trading/FVO	4,224,632	1,293,316	0	(14,190)	(93,916)	0	113,135	0	0	5,522,977	0	0
- Treasury bills and similar securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Treasury bills and similar securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Bonds and other fixed-income securities - Fair value option	1,249,266	365,247	0	0	(93,426)	0	14,900	0	0	1,535,987	0	0
- Stocks and other variable-income securities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
- Stocks and other variable-income securities - Fair value option	2,975,366	928,069	0	(14,190)	(490)	0	98,235	0	0	3,986,990	0	0
- Derivatives and other financial assets - Trading	0	0	0	0	0	0	0	0	0	0	0	0
Derivatives used for hedging purposes	0	0	0	0	0	0	0	0	0	0	0	0
Total	6,949,057	1,728,352	0	(14,190)	(349,535)	3,161	112,956	13,517	0	8,443,318	3,161	0
Financial liabilities										0		
Trading/FVO	0	0	0	0	0	0	0	0	0	0	0	0
- Amounts due to credit institutions - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Debt securities - Fair value option	0	0	0	0	0	0	0	0	0	0	0	0
- Derivatives and other financial liabilities - Trading	0	0	0	0	0	0	0	0	0	0	0	0
Derivatives used for hedging purposes	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0

Note 29a. Fair value ranking of financial assets and liabilities recognized at amortized cost - banking activity

12.31.2021

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

12.31.2020

	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	89,450,487	82,683,006	6,767,481	596,397	14,873,700	73,980,390
Financial assets at amortized cost						
Loans and receivables due from credit institutions	14,794,574	14,791,362	3,212	0	14,794,574	0
Loans and receivables due from customers	73,965,769	67,250,857	6,714,912	0	0	73,965,769
Securities	690,144	640,787	49,357	596,397	79,126	14,621
Liabilities	104,231,999	102,837,171	1,394,828	0	35,862,135	68,369,864
Liabilities to credit institutions	12,643,513	12,579,835	63,678	0	12,643,513	0
Liabilities to customers	68,369,864	68,361,123	8,741	0	0	68,369,864
Debt securities	20,291,121	19,348,474	942,647	0	20,291,121	0
Subordinated debt	2,927,501	2,547,739	379,762	0	2,927,501	0

Note 29b. Fair value ranking of financial assets and liabilities recognized at amortized cost - insurance activity

12.31.2021

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

12.31.2020

	Market value	Carrying amount	Unrealized capital gains and losses	Level 1	Level 2	Level 3
Assets	514,050	514,050	0	0	5,559	508,491
Loans and receivables due from credit institutions	5,559	5,559	0	0	5,559	0
Other loans and receivables linked to insurance activities	508,491	508,491	0	0	0	508,491
Held-to-maturity financial assets	0	0	0	0	0	0
Liabilities	479,407	479,407	0	0	479,407	0
Liabilities to credit institutions	479,000	479,000	0	0	479,000	0
Debt securities	0	0	0	0	0	0
Subordinated debt	407	407	0	0	407	0

Note 30. Interest and similar income/expense

	12.31.2021		12.31.2020	
	Income	Expense	Income	Expense
Credit institutions and central banks	154,768	(108,395)	119,847	(91,752)
Customers	1,314,464	(423,882)	1,287,349	(421,646)
- of which leasing	202,758	(144,068)	182,676	(125,833)
- of which rental debts		(198)		(518)
Securities at amortized cost	3,050	0	3,050	0
Financial assets at fair value through profit or loss	17,217	(376)	15,277	(368)
Derivatives used for hedging purposes	330,875	(325,149)	375,783	(314,766)
Financial assets at fair value through equity	8,393	0	3,851	0
Debt securities	0	(245,863)	0	(325,966)
TOTAL	1,828,767	(1,103,665)	1,805,157	(1,154,498)

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

Note 31. Fee and commission income/expense

	12.31.2021		12.31.2020	
	Income	Expense	Income	Expense
Credit institutions	6,243	(30,346)	9,339	(26,316)
Customers	121,890	(271)	103,749	(212)
Derivatives	18,526	(681)	12,682	(780)
Foreign exchange	7,866	(685)	10,732	(239)
Financing and guarantee commitments	315	(2,992)	667	(2,906)
Securities and services	542,860	(142,534)	510,306	(126,556)
TOTAL	697,700	(177,509)	647,475	(157,009)

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

	12.31.2021	12.31.2020
Instruments held for trading	45,134	316
Fair value option instruments	(24,316)	5,660
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	247,309	4,111
Including UCI	61,557	19,839
Hedging ineffectiveness	(1,002)	273
cash flow hedges	1	5
fair value hedges	(1,003)	268
. change in fair value of hedged items	408,105	(114,647)
. change in fair value of hedges	(409,108)	114,915
Foreign exchange gains (losses)	(3,828)	(19)
TOTAL OF CHANGES IN FAIR VALUE	263,297	10,341

Note 33. Net gain (loss) on financial instruments at fair value through equity

12.31.2021

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

12.31.2020

	Dividends	Realized gains/losses	Total
Treasury bills, notes and government bonds		2,271	2,271
Bonds and other fixed-income securities		2,360	2,360
Loans - Credit institutions		0	0
Customer loans		0	0
Stocks and other variable-income securities	3,926		3,926
Equity securities held for long-term investment	7,621		7,621
TOTAL	11,547	4,631	16,178

Note 34. Net gain (loss) on financial instruments at amortized cost

Financial assets	Profit or loss recognized on the derecognition of assets as at December 31, 2020	Profit or loss recognized on the derecognition of assets as at December 31, 2019
Treasury bills, notes and government bonds	0	0
Bonds and other fixed-income securities	0	320
Loans - Credit institutions	4,373	0
Customer loans	0	0
Financial liabilities		
Liabilities to credit institutions	0	0
Liabilities to customers	0	0
Debt securities	0	0
Subordinated debt	0	0
TOTAL	4,373	320

Note 35. Net income from insurance activities

	12.31.2021	12.31.2020
Interest and similar income/expense	40,341	41,489
Fee and commission income/expense	(115,070)	(101,907)
Net gain (loss) on financial instruments at fair value through profit or loss	957	2,039
Net gain (loss) on available-for-sale financial instruments	2,803	2,207
Net gain (loss) on financial assets/liabilities at amortized cost	0	0
Other income/expense from insurance activities	782,988	725,727
TOTAL	712,019	669,555

Note 35a. Interest and similar income/expense

	12.31.2021		12.31.2020	
	Income	Expense	Income	Expense
Credit institutions and central banks	1,931	(738)	2,003	(756)
Customers	1	0	0	0
Held-to-maturity financial assets	0	0	0	0
Financial assets/liabilities at fair value through profit or loss	0	0	0	0
Available-for-sale financial assets	39,147	0	40,242	0
Debt securities	0	0	0	0
Subordinated debt	0	0	0	0
TOTAL	41,079	(738)	42,245	(756)

Note 35b. Fee and commission income/expense

	12.31.2021		12.31.2020	
	Income	Expense	Income	Expense
Credit institutions	0	(21)	0	(29)
Customers	0	0	0	0
Derivatives	0	0	0	0
Foreign exchange	0	0	0	0
Financing and guarantee commitments	0	0	0	0
Securities and services	100,161	(215,210)	70,922	(172,800)
TOTAL	100,161	(215,231)	70,922	(172,829)

Note 35c. Net gain (loss) on financial instruments at fair value through profit or loss

	12.31.2021	12.31.2020
Instruments held for trading	206	(143)
Fair value option instruments	1,176	1,928
Other instruments at fair value through profit or loss	0	0
Foreign exchange gains (losses)	(425)	254
TOTAL OF CHANGES IN FAIR VALUE	957	2,039

Note 35d. Net gain (loss) on available-for-sale financial instruments

	12.31.2021			12.31.2020		
	Dividends	Realized gains/losses	Total	Dividends	Realized gains/losses	Total
Treasury bills, notes, government bonds, bonds and other fixed-income securities	0	(86)	(86)	0	-682	-682
Stocks and other variable-income securities	1,504	0	1,504	1,504	0	1,504
Equity securities held for long-term investment	1,385	0	1,385	1,385	0	1,385
Other	0	0	0	0	0	0
TOTAL	2,889	(86)	2,803	2,889	-682	2,207

Note 35e. Other income/expense from insurance activities

	12.31.2021		12.31.2020	
	Income	Expense	Income	Expense
Insurance business	8,234,062	(7,443,879)	7,688,916	(6,945,441)
Investment property	0	(16,340)	2,402	(16,971)
Other income and expense	11,927	(2,782)	9,888	(13,067)
TOTAL	8,245,989	(7,463,001)	7,701,206	(6,975,479)

Note 35f. Gross margin on insurance activities

	12.31.2021	12.31.2020
Premiums earned	5,410,525	4,583,774
Cost of claims and benefits	(231,598)	(218,705)
Change in provisions	3,692	5,036
Other technical and non-technical income and expenses	(5,339,388)	(4,399,603)
Net investment income	946,952	772,973
TOTAL	790,183	743,475

Note 36. Income/expense from other activities

	12.31.2021		12.31.2020	
	Income	Expense	Income	Expense
Investment property	4,917	(8,132)	23,844	(5,972)
Other income and expense	349,668	(61,150)	275,242	(60,806)
TOTAL	354,585	(69,282)	299,086	(66,778)

Note 37. Gains (losses) on disposal - dilution in investments in associates

	12.31.2021	12.31.2020
Gains or losses on disposal/dilution on joint ventures	0	0
Gains or losses on disposal/dilution on associates	275	87,696
TOTAL	275	87,696

Note 38. Operating expense

	12.31.2021	12.31.2020
Personnel expenses	(940,475)	(796,277)
Other expense	(609,967)	(556,980)
TOTAL	(1,550,442)	(1,353,257)

Note 38a. Personnel expenses

	12.31.2021	12.31.2020
Salaries and wages	(533,553)	(510,604)
Payroll taxes	(248,914)	(224,740)
Mandatory and optional employee profit-sharing	(86,157)	(73,620)
Taxes, levies and similar payments on compensation	(71,851)	(69,510)
Other*	0	82,197
TOTAL	(940,475)	(796,277)

*The order of July 3, 2019, part of the Pacte Act, put an end to supplementary retirement schemes with conditional rights. The rights acquired by employees under the old scheme became definitive under the agreements signed in March 2020. To do this, the group applied the method recommended by the CNCC, i.e. the DBO method. Under this method, definitive rights vested up to the date of retirement are spread out and service costs will be recognized in the future.

Note 38b. Average number of employees

12.31.2021 12.31.2020

Employees	4,437	4,325
Management and supervisors	6,279	5,886
TOTAL	10,716	10,211

Note 38c. Post-employment benefits

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

The main defined contribution post-employment benefit plans include mandatory social security and the Agirc and Arrco retirement plans, as well as the PERO (Plan Epargne Retraite Obligatoire, compulsory retirement savings plan) established by some entities.

In 2021, expenses related to these plans totaled €92,137,000 compared with €89,648,000 in 2020.

Defined benefit plans and other long-term benefits

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

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

Change in actuarial liability

	Post-employment benefits		Other long-term benefits (1)	TOTAL 12.31.2021	TOTAL 12.31.2020 reprocessed	TOTAL 12.31.2020
	Supplementary plan	Retirement benefits				
Gross actuarial liability at the beginning of the period	87 986	25 923	153 998	267 907	344 142	393 575
Cost of services rendered during the period	3 907	5 713	3 588	13 208	11 264	11 953
Net interest	442	15	738	1 194	1 458	1 867
Modification/ reduction/ liquidation of the plan	0	0	0	0	(84 471)	(84 471)
Acquisition, disposal (change in consolidated scope)	0	0	0	0	(3 032)	(4 174)
Benefits paid	(4 365)	(3 559)	(7 780)	(15 704)	(17 115)	(17 115)
Actuarial gains/losses	(8 784)	(3 926)	4 814	(7 895)	15 663	19 086
of which actuarial gains/losses due to changes in demographic assumptions	(220)	174	1 054	1 007	(7 821)	(7 396)
of which gains/losses related to changes in financial assumptions	(3 187)	(291)	(6 457)	(9 935)	7 335	9 718
of which actuarial gains/losses due to differences between estimates and actual experiences	(5 377)	(3 808)	10 217	1 032	16 149	16 764
Gross actuarial liability at the end of the period	79 186	24 166	155 358	258 710	267 907	320 721

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

Expense recognized on the income statement

	Post-employment benefits		Other long-term benefits	TOTAL 12.31.2021	TOTAL 12.31.2020 reprocessed	TOTAL 12.31.2020
	Supplementary plan	Retirement benefits				
Cost of services rendered during the period	(3 814)	(4 690)	(3 588)	(12 091)	(11 525)	(12 220)
Net interest	49	(140)	(631)	(722)	(301)	(721)
Impact of any reduction or liquidation of the plan	979	156		1 135	84 471	84 471
Actuarial gains/losses			(4 828)	(4 828)	(14 916)	(14 916)
of which actuarial gains/losses due to changes in demographic assumptions recognized on the income statement			(1 054)	(1 054)	(1 614)	(1 614)
of which gains/losses due to changes in financial assumptions recognized on the income statement			6 442	6 442	(4 823)	(4 823)
of which actuarial gains/losses due to differences between estimates and actual experiences			(10 217)	(10 217)	(8 479)	(8 479)
Expense recognized on the income statement	(2 786)	(4 674)	(9 047)	(16 507)	57 729	56 615

Change in fair value of plan assets and reimbursement rights

	Post-employment benefits		Other long-term benefits	TOTAL 12.31.2021	TOTAL 12.31.2020 reprocessed	TOTAL 12.31.2020
	Supplementary plan	Retirement benefits				
Fair value of assets at the beginning of the period	104 638	61 096	22 308	188 042	190 740	190 740
Net interest	491	(125)	107	472	1 168	1 168
Employer contributions	0	0	0	0	6 980	6 980
Acquisition, disposal (change in consolidated scope)	0	0	0	0	(0)	0
Benefits paid	(4 365)	(3 283)	0	(7 648)	(10 331)	(10 331)
Actuarial gains/losses	1 752	253	(14)	1 991	(516)	(516)
of which actuarial gains/losses due to changes in demographic assumptions	0	0	0	0	0	0
of which actuarial gains/losses on plan assets due to changes in financial assumptions	1 752	253	(14)	1 991	(516)	(516)
of which actuarial gains/losses due to differences between estimates and actual experiences	0	0	0	0	0	0
Fair value of assets at the end of the period	102 515	57 941	22 401	182 858	188 042	188 042

Net position

	Supplementary plan	Retirement benefits	Other long-term benefits	TOTAL 12.31.2021	TOTAL 12.31.2020 reprocessed	TOTAL 12.31.2020
Actuarial liability at the end of the period	79 186	24 166	155 358	258 710	267 907	320 721
Fair value of assets/reimbursement rights	(102 515)	(57 941)	(22 401)	(182 858)	(188 042)	(188 042)
NET POSITION	(23 329)	(33 775)	132 957	75 852	79 866	132 679

Items recognized immediately in comprehensive income

	12.31.2021	TOTAL 12.31.2020 reprocessed	TOTAL 12.31.2020
Actuarial differences generated on post-employment benefit plans	13,591	(983)	(4,406)
Adjustments to the asset ceiling	0	0	0
Total items recognized immediately during the year	13,591	(983)	(4,406)
Aggregate actuarial differences at the end of the year	(162,282)	(175,874)	(179,297)

Information regarding plan assets

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

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

At December 31, 2021, the weighted average term of defined benefit obligations was 8.9 years (11.4 years in 2020).

Composition of hedging assets

12.31.2021

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

12.31.2020

Fair value of plan assets	Debt securities	Equity instruments	Real property	Other
Assets listed on an active market	103,131	7,695	606	0
Assets not listed on an active market	41,904	986	11,412	0
Total	145,035	8,681	12,017	0

Sensitivity of obligations to changes in the main actuarial assumptions

12.31.2021

(As a % of the item measured)	Supplementary plan	Retirement benefits	Length-of-service awards	Time savings account
+0.5% change in discount rate				
Impact on present value of obligations as of December 31	(5%)	(2%)	(5%)	(6%)
+0.5% change in net salary				
Impact on present value of obligations as of December 31	1%	2%	6%	6%

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

Note 38d. Share-based payments

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

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

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

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

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

	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6
Type of plan	Cash settled	Cash settled	Cash settled	Cash settled	Cash settled	Cash settled
Award date	09.18.2015	11.29.2017	07.2017	11.2017	11.2019	01.2021
Exercise period	HY1 2021	Q1 2021	Q2 2022	Q1 2020 / Q1 2023	2022/2024	2026
Valuation method	Multiple of revenue	% of net income - Group share	Customer conquest / Net banking income	EBITDA multiple	Multiple of revenue	FVO/Securities
Impact 2021 income	279	(281)	513	(150)	2,849	(71)
Liabilities on the balance sheet	0	0	3,184	0	5,066	0

Note 38e. Other expenses

	12.31.2021	12.31.2020
Taxes other than on income	(79,775)	(89,707)
Rentals	(65,414)	(56,632)
- short term rentals of assets or low / substantial values	(61,842)	(53,058)
- other rentals	(3,572)	(3,574)
External services	(459,301)	(410,600)
Other miscellaneous expenses	(5,477)	(41)
TOTAL	(609,967)	(556,980)

	12.31.2021			12.31.2020		
	PWC	Deloitte network	Total	Mazars	Deloitte network	Total
Auditing, certification, examination of individual and consolidated accounts	1,200	1,742	2,942	1,598	1,812	3,410
Crédit Mutuel Arkéa	769	752	1,521	605	534	1,139
Consolidated subsidiaries	431	990	1,421	993	1,278	2,271
Services other than account certification	213	231	444	98	607	705
Crédit Mutuel Arkéa	155	139	294	27	333	360
Consolidated subsidiaries	58	92	150	71	274	345
TOTAL	1,413	1,973	3,386	1,696	2,419	4,115

The total amount of audit fees paid to the Statutory Auditors not belonging to the network of one of those certifying the Crédit Mutuel Arkéa's consolidated and individual financial statements, mentioned in the table above, amounted to €1,690,000 in respect of 2021 versus €394,000 at 2020.

Note 39. Depreciation, amortization and impairment of property, plant and equipment and intangible assets

	12.31.2021	12.31.2020
Amortization	(150,516)	(139,912)
Property, plant and equipment	(55,040)	(53,581)
- of which rights of use - Property	(15,561)	(13,985)
Intangible assets	(95,476)	(86,331)
Impairment	(1,089)	151
Property, plant and equipment	(329)	151
- of which rights of use - Property	0	0
Intangible assets	(760)	0
TOTAL	(151,605)	(139,761)

Note 40. Cost of risk

Note 40a. Cost of risk - banking activity

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

	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	12.31.2020
			Provisioned bad debt	Unprovisioned bad debt		
12-month expected losses	(90,603)	71,782				(18,821)
- Loans and receivables due from credit institutions	(855)	574				(281)
- Loans and receivables due from customers	(73,106)	56,734				(16,372)
- of which finance leases	(1,928)	3,584				1,656
- Financial assets at amortized cost - Fixed income securities	(501)	893				392
- Financial assets at FVOCI - Fixed income securities	(6,296)	4,614				(1,682)
- Financial assets at FVOCI - Loans	0	0				0
- Off-balance sheet	(9,845)	8,967				(878)
- Other assets	0	0				0
Lifetime expected loss	(156,087)	85,631				(70,456)
- Loans and receivables due from credit institutions	0	0				0
- Loans and receivables due from customers	(149,805)	81,739				(68,066)
- of which finance leases	(8,985)	986				(7,999)
- Financial assets at amortized cost - Fixed income securities	(247)	538				291
- Financial assets at FVOCI - Fixed income securities	(719)	30				(689)
- Financial assets at FVOCI - Loans	0	0				0
- Off-balance sheet	(5,316)	3,324				(1,992)
- Other assets	0	0				0
Impaired assets	(203,473)	242,549	(99,771)	(12,259)	2,160	(70,794)
- Loans and receivables due from credit institutions	0	0	0	0	0	0
- Loans and receivables due from customers	(191,109)	231,405	(99,738)	(12,259)	2,160	(69,541)
- of which finance leases	(14,209)	13,629	(1,773)	0	0	(2,353)
- Financial assets at amortized cost - Fixed income securities	(154)	166	0	0	0	12
- 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	(11,590)	9,855	0	0	0	(1,735)
- Other assets	(620)	1,123	(33)	0	0	470
Total	(450,163)	399,962	(99,771)	(12,259)	2,160	(160,071)

Note 40b. Cost of risk - insurance activity

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

	Allocations	Write-backs	Irrecoverable debts		Collection of receivables written off	12.31.2020
			Provisioned bad debt	Unprovisioned bad debt		
- Credit institutions	0	0	0	0	0	0
- Insurance business	0	0	0	0	0	0
- Available-for-sale assets	0	0	0	0	0	0
- Held-to-maturity assets	0	0	0	0	0	0
- Other	0	0	0	0	0	0
Total	0	0	0	0	0	0

Note 40c. Banking activities - Information regarding changes in outstanding loans subject to provisions for expected losses for credit risk

	12.31.2020	Acquisition /production	Sale/repayment	Transfers between buckets	Other	12.31.2021
Financial assets at amortized costs - loans and receivables due from credit institutions	14,793,780	2,814,774	(2,370,035)	0	(27,454)	15,211,065
- 12-month expected losses	14,793,780	2,814,774	(2,370,035)	0	(27,454)	15,211,065
- 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	68,381,876	19,965,704	(13,959,829)	0	(13,504)	74,374,247
- 12-month expected losses	62,620,880	19,040,897	(12,216,225)	(826,712)	(13,424)	68,605,416
- Lifetime expected losses - non-impaired assets	4,322,476	736,077	(1,292,399)	551,596	(26)	4,317,724
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	1,227,479	123,543	(396,159)	275,116	(54)	1,229,925
Lifetime expected losses - assets impaired as from acquisition/creation	211,041	65,187	(55,046)	0	0	221,182
Financial assets at amortized cost - Securities	647,002	7,448	(21,259)	0	0	633,191
- 12-month expected losses	624,991	7,448	(16,017)	10,158	0	626,580
- Lifetime expected losses - non-impaired assets	16,455	0	0	(10,158)	0	6,297
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	5,556	0	(5,242)	0	0	314
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0
- Financial assets at FVOCI - Fixed income securities	11,340,053	5,262,768	(7,726,420)	0	0	8,876,401
- 12-month expected losses	11,306,126	5,222,863	(7,726,420)	33,784	0	8,836,353
- Lifetime expected losses - non-impaired assets	33,927	39,905	0	(33,784)	0	40,048
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0
- Financial assets at FVOCI - Loans	0	0	0	0	0	0
- 12-month expected losses	0	0	0	0	0	0
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0
Total	95,162,711	28,050,694	(24,077,543)	0	(40,958)	99,094,904

Note 40d. Banking activities - Information regarding changes in provisions for expected losses for credit risk

	12.31.2020	Allocations	Reversals	Transfers	Change of method	Other	12.31.2021
Financial assets at amortized costs - loans and receivables due from credit institutions	(2,418)	(1,576)	837	0	0	(46)	(3,203)
- 12-month expected losses	(2,418)	(1,576)	837	0	0	(46)	(3,203)
- 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	(1,131,019)	(438,750)	446,440	0	0	36	(1,123,293)
- 12-month expected losses	(143,723)	(83,924)	112,598	(57,151)	0	14	(172,186)
- Lifetime expected losses - non-impaired assets	(205,141)	(139,235)	78,517	33,852	0	(1)	(232,008)
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(676,681)	(205,838)	238,501	23,299	0	23	(620,696)
Lifetime expected losses - assets impaired as from acquisition/creation	(105,473)	(9,754)	16,824	0	0	0	(98,403)
Financial assets at amortized cost - Securities	(6,215)	(45)	5,359	0	0	0	(901)
- 12-month expected losses	(501)	(45)	186	(186)	0	0	(546)
- Lifetime expected losses - non-impaired assets	(247)	0	20	186	0	0	(41)
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(5,467)	0	5,153	0	0	0	(314)
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0	0
- Financial assets at FVOCI - Fixed income securities	(8,561)	(4,713)	6,041	0	0	0	(7,233)
- 12-month expected losses	(7,842)	(4,651)	5,322	0	0	0	(7,171)
- Lifetime expected losses - non-impaired assets	(719)	(62)	719	0	0	0	(62)
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0	0
- Financial assets at FVOCI - Loans	0	0	0	0	0	0	0
- 12-month expected losses	0	0	0	0	0	0	0
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0	0
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	0	0	0	0	0	0	0
Lifetime expected losses - assets impaired as from acquisition/creation	0	0	0	0	0	0	0
Commitments given	(46,992)	(33,605)	20,710	0	0	4	(59,883)
- 12-month expected losses	(14,030)	(11,221)	9,109	0	0	4	(16,138)
- Lifetime expected losses - non-impaired assets	(5,921)	(5,346)	4,885	0	0	0	(6,382)
- Lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	(27,041)	(17,040)	6,718	0	0	0	(37,363)
Other assets	0	0	0	0	0	0	0
- 12-month expected losses	0	0	0	0	0	0	0
- Lifetime expected losses - non-impaired assets	0	0	0	0	0	0	0
Lifetime expected losses for impaired assets (whether impaired or not at acquisition/creation)	0	0	0	0	0	0	0
Total	(1,195,205)	(478,689)	479,387	0	0	(6)	(1,194,513)

Note 40e. Banking activities - gross carrying amount of loans and receivables due from customers by credit risk category

At 12.31.2021

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

At 12.31.2020

Risk categories: PD at 1 year	Subject to 12-month expected losses	Subject to lifetime expected losses	Subject to lifetime expected losses for assets impaired at the closing date but not impaired when acquired/created	Subject to expected losses for assets impaired at the closing date and when acquired/created
< 0,1	20,328,961	20,440	0	0
[0,1;0,25]	14,387,717	167,513	0	0
[0,26;0,99]	10,397,816	454,781	0	0
[1;2,99]	8,819,674	861,935	0	0
[3;9,99]	8,190,818	1,173,283	0	0
>=10	495,894	1,644,524	1,227,479	211,041
Total	62,620,880	4,322,476	1,227,479	211,041

Note 41. Gains (losses) on other assets

	12.31.2021	12.31.2020
Property, plant and equipment and intangible assets	1,448	1,012
Capital losses on disposals	(1,477)	(3,224)
Capital gains on disposals	2,925	4,236
Expenses related to business combinations	(1,099)	(865)
More or less transfer values on consolidated securities	0	(2,100)
TOTAL	349	(1,953)

Note 42. Income tax

	12.31.2021	12.31.2020
BREAKDOWN OF TAX EXPENSE		
Current tax expense	(153,678)	(138,132)
Net deferred tax expense or revenue	10,631	1,786
NET INCOME TAX EXPENSE	(143,047)	(136,346)
Income before taxes, badwill and income contribution from associates	713,163	502,481
EFFECTIVE TAX RATE	20.06%	27.13%
ANALYSIS OF EFFECTIVE TAX RATE	12.31.2021	12.31.2020
Statutory tax rate	28.41%	32.02%
Permanent differences	1.13%	(0.22%)
Income taxed at a reduced rate or exempt	(9.25%)	0.72%
Impact of fiscal losses	0.48%	0.84%
Tax credits	(0.16%)	(0.61%)
Special	0.50%	(0.73%)
Other	(1.05%)	(0.79%)
EFFECTIVE TAX RATE	20.06%	27.13%

Régulation n° 2019-759, published on July 24, 2019, as well as the 2020 finance act, provide modifications in the gradual reduction of the corporate tax rate initially planned by the 2018 finance act. The tax rate for the fiscal year 2021 is therefore 28.41%; this rate will be reduced to 25.83% in 2022.

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

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

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

NOTES ON GAINS AND LOSSES RECOGNIZED DIRECTLY IN EQUITY

(in thousands of euros)

Note 43a. Information on the recycling to profit or loss of gains or losses recognized directly in equity

	Changes in 2021	Changes in 2020
Revaluation of debt instruments at fair value through equity	(16,227)	26,401
- Reclassification to profit or loss	(7,303)	(1,265)
- Other changes	(8,924)	27,666
Revaluation of available-for-sale financial assets	(56,713)	20,960
- Reclassification to profit or loss	(17,982)	(777)
- Other changes	(38,731)	21,737
Revaluation of hedging derivatives	964	1,040
- Reclassification to profit or loss		(3)
- Other changes	964	1,043
Share of recyclable gains and losses of equity-accounted entities recognized directly in equity	426	368
Items to be recycled to profit or loss	(71,550)	48,769
Actuarial gains and losses on defined benefit plans	12,613	(3,269)
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	6,017	(18,298)
Revaluation of equity instruments at fair value through equity (sold and not sold during the year)	(16,087)	(6,564)
Share of non-recyclable gains and losses of equity-accounted entities recognized directly in equity	3,007	(12,912)
Items not to be recycled to profit or loss	5,550	(41,043)
TOTAL	(66,000)	7,726

Note 43b. Tax on each component of gains or losses recognized directly in equity

	12.31.2021			12.31.2020		
	Gross	Tax	Net	Gross	Tax	Net
Revaluation of recyclable debt instruments at fair value through equity	(23,783)	7,557	(16,226)	35,642	(9,241)	26,401
Revaluation of available-for-sale financial assets	(74,885)	18,172	(56,713)	22,607	(1,647)	20,960
Revaluation of hedging derivatives	1,347	(383)	964	1,600	(560)	1,040
Share of gains and losses of equity-accounted entities recognized directly in equity	577	(151)	426	496	(128)	368
Items to be recycled to profit or loss	(96,744)	25,195	(71,549)	60,345	(11,576)	48,769
Actuarial gains and losses on defined benefit plans	17,003	(4,390)	12,613	(4,407)	1,138	(3,269)
Revaluation of credit risk specific to financial liabilities recognized at fair value through profit or loss by option	9,031	(3,014)	6,017	(25,514)	7,216	(18,298)
Revaluation of equity instruments at fair value through equity	(11,584)	(4,504)	(16,088)	(11,929)	5,365	(6,564)
Share of gains and losses of equity-accounted entities recognized directly in equity	3,104	(97)	3,007	(13,325)	413	(12,912)
Items not to be recycled to profit or loss	17,554	(12,005)	5,549	(55,175)	14,132	(41,043)
Total changes in gains and losses recognized directly in equity	(79,190)	13,190	(66,000)	5,170	2,556	7,726

Note 44a. Commitments given and received - banking activity

	12.31.2021	12.31.2020
Commitments given	16,273,202	14,796,083
Financing commitments	11,416,181	10,066,332
to credit and similar institutions	13,350	13,350
to customers	11,402,831	10,052,982
Guarantee commitments	4,619,999	4,453,443
to credit and similar institutions	513	620
to customers	4,619,486	4,452,823
Securities commitments	237,022	276,308
repurchase agreements	0	0
other commitments given	237,022	276,308
Commitments received	62,191,646	55,668,263
Financing commitments	15,406,259	13,245,011
from credit and similar institutions	15,399,196	13,238,492
from customers	7,063	6,519
Guarantee commitments	46,310,707	41,952,780
from credit and similar institutions	260,998	235,480
from customers	46,049,709	41,717,300
Securities commitments	474,680	470,472
Reverse repurchase agreements	0	0
Other commitments received	474,680	470,472

Financing commitments given include the €13,350,000 cash advance made to Caisse de Refinancement de l'Habitat to fund it.

	12.31.2021	12.31.2020
Receivables pledged as collateral	18,144,095	15,664,445
Banque de France	16,399,791	13,870,027
European Investment Bank	630,308	615,743
Caisse de Refinancement de l'Habitat	363,554	372,412
Caisse des Dépôts et Consignations	748,443	804,263
Other	2,000	2,000
Loaned securities	0	0
Deposits on market transactions	543,723	689,034
Securities sold under repurchase agreements	12,575,982	10,439,712

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

Note 44b. Commitments given and received - insurance activity

	12.31.2021	12.31.2020
Commitments given	282	-
Commitments received	1,388,232	1,638,280

Note 45. Segment information

	Banking		Insurance and asset management		Group	
	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Internal income (1)	275,464	257,611	(275,464)	(257,611)	0	0
External income (2)	1,666,216	1,280,446	864,159	789,381	2,530,375	2,069,827
Net banking income	1,941,680	1,538,057	588,695	531,770	2,530,375	2,069,827
Gains (losses) on disposal - dilution	275	87,696	0	0	275	87,696
Net banking income including gains (losses) on disposal - dilution	1,941,955	1,625,753	588,695	531,770	2,530,650	2,157,523
General operating expenses and depreciation and amortization	(1,478,950)	(1,298,902)	(223,097)	(194,116)	(1,702,047)	(1,493,018)
Gross operating income	463,005	326,851	365,598	337,654	828,603	664,505
Cost of risk	(111,148)	(157,542)	(4,641)	(2,529)	(115,789)	(160,071)
Operating income	351,857	169,309	360,957	335,125	712,814	504,434
Share of income of companies carried under equity method	3,427	834	(2)	272	3,425	1,106
Other	390	(12,927)	(41)	0	349	(12,927)
Recurring income before tax	355,674	157,216	360,914	335,397	716,588	492,613
Income tax	(45,603)	(42,460)	(97,444)	(93,886)	(143,047)	(136,346)
Net income	310,071	114,756	263,470	241,511	573,541	356,267
O/w non-controlling interests	101	4	(283)	22	(182)	26
Net income, group share	309,971	114,752	263,753	241,489	573,723	356,241
	12.31.2021	12.31.2020	12.31.2021	12.31.2020	12.31.2021	12.31.2020
Segment Assets and Liabilities	118,256,292	112,189,472	61,025,150	57,186,299	179,281,442	169,375,771

(1) Segment income from transactions with other segments.

(2) Segment income from sales to external customers.

Segment reporting is based on two business lines:

- Retail banking includes primarily the branch networks of CMB and CMSO, the subsidiaries that finance businesses and the real estate division of the group,
- The other business line comprises subsidiaries specialized in asset management and insurance.

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

Note 46. Information on related parties

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

The list of companies consolidated by Crédit Mutuel Arkéa group is presented in note 48. Intercompany transactions and outstanding balances between fully consolidated companies are completely eliminated during the consolidation process. As a result, only the portion of the data that is not eliminated in the consolidation process and that relates to reciprocal transactions is presented in the following table, provided such data involve companies over which the group exercises a significant influence (associates).

	12.31.2021	12.31.2020
	Companies under the equity method (1)	Companies under the equity method (1)
Assets		
Loans and receivables - credit institutions, at amortized cost	4,747,670	4,399,277
Loans and receivables - customers, at amortized cost	0	0
Assets at fair value through profit or loss	0	0
Financial assets at fair value through equity	0	0
Securities at amortized cost	0	0
Derivatives used for hedging purposes	0	0
Other assets	0	0
Liabilities		
Liabilities to credit institutions	0	0
Derivatives used for hedging purposes	0	0
Liabilities at fair value through profit or loss	0	0
Liabilities to customers	0	0
Debt securities	0	0
Subordinated debt	0	0
Other liabilities	0	0

(1) Mainly CCCM

	12.31.2021	12.31.2020
	Companies under the equity method (1)	Companies under the equity method (1)
Interest and similar income	0	0
Interest and similar expense	(5,109)	(3,497)
Fee and commission income	0	0
Fee and commission expense	0	0
Net gain (loss) on financial instruments at fair value through profit or loss	0	0
Net gain (loss) on financial instruments at fair value through equity	1,919	2,538
Net gain (loss) on available-for-sale financial instruments	0	0
Net gain (loss) on derecognition of financial instruments at amortized cost	0	0
Net income from insurance activities	0	0
Income from other activities	0	0
Expense from other activities	0	0
Net banking income	(3,190)	(959)

(1) mainly CCCM

	12.31.2021	12.31.2020
	Companies under the equity method	Companies under the equity method
Financing commitments		
Financing commitments given	0	0
Financing commitments received	0	0
Guarantee commitments		
Guarantees given	0	0
Guarantees received	0	0
Securities commitments		
Other securities to be received	0	0
Other securities to be delivered	0	0

Relations with the main corporate officers of Crédit Mutuel Arkéa group

The Board of Directors of Crédit Mutuel Arkéa currently consists, at December 31, 2020, of 20 members appointed for three-year terms:

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

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

The total compensation paid to members of Crédit Mutuel Arkéa's Board of Directors in 2021 was €1,141,000 (compared with €976,000 in 2020).

The total compensation paid to the group's key corporate officers⁶ in 2021 was €2,099,000 (compared with €6,235,000 in 2020).

Following the end of his term of office as Chairman of the Board of Directors of Crédit Mutuel Arkéa, as a result of the contractual termination of his employment contract, Jean-Pierre Denis received a total gross amount of €2,418,000 consisting of:

- €860,000 in allowances for leave entitlement;
- €475,000 in severance pay pursuant to the legal and contractual provisions applicable to Crédit Mutuel Arkéa as an employer;
- €1,083,000 in contractual compensation corresponding to two years of gross basic pay. In this respect, YY has agreed not to apply the provisions of his employment contract, as included in the regulated agreement approved at the General Meeting of Shareholders and mentioned in Crédit Mutuel Arkéa's 2020 URD, according to which contractual severance pay should have been calculated by taking into account the last variable compensation actually received. By waiving these provisions, this specific compensation paid is thus reduced by two thirds.

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

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

⁶ Jean-Pierre Denis from 1 January until his departure from the company, Julien Carmona from 4 June to 31 December, Hélène Bernicot and Anne Le Goff from 1 January to 31 December, Bertrand Blanpain and Frédéric Laurent from 1 February to 31 December.

The Associate Chief Executive Officers hold an employment contract.

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

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

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

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

The provisions recorded by the group in 2021 pursuant to IAS 19 for post-employment benefits, other long-term benefits and termination benefits totaled €428,000 (compared with €435,000 in 2020).

Note 47. Investments in unconsolidated structured entities

12.31.2021	Securitization vehicles	Asset management (mutual funds/real estate investment funds)	Other structured entities
Total assets	377,237	10,425,469	0
Carrying amount of financial assets (1)	99,830	3,207,386	0
Carrying amount of financial liabilities (1)	0	0	0
Maximum exposure to risk of loss	99,830	3,207,386	0

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

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

12.31.2020	Securitization vehicles	Asset management (mutual funds/real estate investment funds)	Other structured entities
Total assets	338,197	9,730,543	0
Carrying amount of financial assets (1)	88,048	3,051,642	0
Carrying amount of financial liabilities (1)	0	0	0
Maximum exposure to risk of loss	88,048	3,051,642	0

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

Note 48. Scope of consolidation

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2021	12.31.2020	12.31.2021	12.31.2020
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 (1)	France	Banque / Prestations de services	85,8	/	85,8	/
ARKEA BANKING SERVICES	France	Banking / Banking services	100,0	100,0	100,0	100,0
ARKEA BANQUE ENTREPRISES ET INSTITUTIONNELS	France	Banking / Corporate banking	100,0	100,0	100,0	100,0
ARKEA BOURSE RETAIL	France	Banking / Holding	100,0	100,0	100,0	100,0
ARKEA CAPITAL	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
ARKEA CAPITAL INVESTISSEMENT	France	Banking / Private equity	100,0	100,0	100,0	100,0
ARKEA CAPITAL MANAGERS HOLDING SLP	France	Banking / Private equity	100,0	100,0	100,0	100,0
ARKEA CAPITAL PARTENAIRE	France	Banking / Private equity	100,0	100,0	100,0	100,0
ARKEA CREDIT BAIL	France	Banking / Finance leasing	100,0	100,0	100,0	100,0
ARKEA DIRECT BANK	France	Banking / Financial and stock market intermediation	100,0	100,0	100,0	100,0
ARKEA FONCIERE	France	Banking / Real estate	100,0	100,0	100,0	100,0
ARKEA HOME LOANS SFH	France	Banking / Refinancing entity	100,0	100,0	100,0	100,0
ARKEA PUBLIC SECTOR SCF	France	Banking / Refinancing entity	100,0	100,0	100,0	100,0
ARKEA REAL ESTATE (1)	France	Assurances et gestion d'actifs / Gestion d'actifs immobiliers	71,4	/	71,4	/
ARKEA REIM (1)	France	Assurances et gestion d'actifs / Gestion d'actifs immobiliers	71,4	/	71,4	/
ARKEA SCD	France	Banking / Services	100,0	100,0	100,0	100,0
BUDGET INSIGHT	France	Banking / Banking services	100,0	100,0	100,0	100,0
CAISSE DE BRETAGNE DE CREDIT MUTUEL AGRICOLE	France	Banking / Mutual banking	94,8	93,5	94,8	93,5
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANK (succursale)	Belgium	Banking / Asset holding company	100,0	100,0	100,0	100,0
CREDIT FONCIER ET COMMUNAL D'ALSACE ET DE LORRAINE BANQUE	France	Banking / Specialized networks banking	100,0	100,0	100,0	100,0
FCT COLLECTIVITES	France	Banking / Securitization fund	57,8	57,8	57,8	57,8
FEDERAL EQUIPEMENTS	France	Banking / Services	100,0	100,0	100,0	100,0
FEDERAL FINANCE	France	Insurance and asset management / Private banking and asset management	100,0	100,0	100,0	100,0
FEDERAL FINANCE GESTION	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
FEDERAL SERVICE	France	Banking / Services	99,7	97,9	99,7	97,8
FINANCO	France	Banking / Specialized networks banking	100,0	100,0	100,0	100,0
GICM	France	Banking / Services	100,0	100,0	99,7	97,8
IZIMMO	France	Banking / Real estate	100,0	100,0	100,0	100,0
IZIMMO HOLDING	France	Banking / Holding	/	100,0	/	100,0
KEYTRADE BANK (succursale)	Belgium	Banking / Financial and stock market intermediation	100,0	100,0	100,0	100,0
KEYTRADE BANK Luxembourg SA	Luxembourg	Banking / Financial and stock market intermediation	100,0	100,0	100,0	100,0
LEETCHI SA	France	Banking / Services	100,0	100,0	100,0	100,0
MANGOPAY SA	Luxembourg / France	Banking / Services	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
NOUVELLE VAGUE	France	Banking / Services	100,0	100,0	100,0	100,0
NOVELJA	France	Insurance and asset management / Insurance brokerage	100,0	100,0	100,0	100,0
PROCAPITAL	France / Belgium	Banking / Financial and stock market intermediation	100,0	100,0	100,0	100,0
PUMPKIN	France	Banking / Services	100,0	100,0	100,0	100,0
SCHELCHER PRINCE GESTION	France	Insurance and asset management / Asset management	100,0	100,0	100,0	100,0
SOCIETE CIVILE IMMOBILIERE INTERFEDERALE	France	Banking / Real estate	100,0	100,0	100,0	100,0
SMSPG	France	Insurance and asset management / Holding	100,0	100,0	100,0	100,0
STRATEO (succursale)	Swiss	Banking / Financial and stock market intermediation	100,0	100,0	100,0	100,0
SURAVENIR	France	Insurance and asset management / Life insurance	100,0	100,0	100,0	100,0
SURAVENIR ASSURANCES	France	Insurance and asset management / Non-life insurance	100,0	100,0	100,0	100,0

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2021	12.31.2020	12.31.2021	12.31.2020
Companies consolidated using the equity method						
CAISSE CENTRALE DU CREDIT MUTUEL	France	Banking / Mutual banking	20,2	20,1	20,2	20,1
FINANSEMBLE	France	Insurance and asset management / Asset management	/	30,4	/	30,4
LA COMPAGNIE FRANCAISE DES SUCCESSIONS	France	Insurance and asset management / Asset management	32,6	32,6	32,6	32,6
NEW PORT	France	Banking / Holding	29,9	29,9	29,9	29,9
VIVIENNE INVESTISSEMENT	France	Insurance and asset management / Asset management	34,0	34,0	34,0	34,0
YOMONI	France	Insurance and asset management / Asset management	34,2	34,2	34,2	34,2

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2021	12.31.2020	12.31.2021	12.31.2020
Companies consolidated using the shortcut method						
AIS MANDARINE ACTIVE	France	Assurances et gestion d'actifs / OPCVM	80,6	79,4	80,6	79,4
AIS MANDARINE ENTREPRENEURS	France	Assurances et gestion d'actifs / OPCVM	83,2	80,7	83,2	80,7
AIS MANDARINE MULTI-ASSETS	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
AIS PROTECT (1)	France	Assurances et gestion d'actifs / OPCVM	85,5	/	85,5	/
ARKEA CAPITAL 1	France	Banque / OPCVM	100,0	100,0	100,0	100,0
ARKEA CAPITAL 2	France	Banque / OPCVM	38,5	46,0	38,5	46,0
AUTO FOCUS CROISSANCE DECEMBRE 2019	France	Assurances et gestion d'actifs / OPCVM	95,1	95,2	95,1	95,2
AUTO FOCUS CROISSANCE JUILLET 2019	France	Assurances et gestion d'actifs / OPCVM	99,2	99,2	99,2	99,2
AUTO FOCUS CROISSANCE JUIN 2015 (3)	France	Assurances et gestion d'actifs / OPCVM	/	93,9	/	93,9
AUTO FOCUS CROISSANCE MAI 2017 (3)	France	Assurances et gestion d'actifs / OPCVM	/	97,2	/	97,2
AUTO FOCUS CROISSANCE MARS 2015 (3)	France	Assurances et gestion d'actifs / OPCVM	/	85,0	/	85,0
AUTO FOCUS CROISSANCE NOVEMBRE 2018 (3)	France	Assurances et gestion d'actifs / OPCVM	/	80,3	/	80,3
AUTO FOCUS ESG DECEMBRE 2020 (1)	France	Assurances et gestion d'actifs / OPCVM	88,0	/	88,0	/
AUTO FOCUS ESG JUILLET 2020 (1)	France	Assurances et gestion d'actifs / OPCVM	99,0	/	99,0	/
AUTO FOCUS RENDEMENT AVRIL 2020 (1)	France	Assurances et gestion d'actifs / OPCVM	99,7	/	99,7	/
AUTO FOCUS RENDEMENT FEVRIER 2020 (1)	France	Assurances et gestion d'actifs / OPCVM	98,2	/	98,2	/
AUTO FOCUS RENDEMENT JANVIER 2018 (3)	France	Assurances et gestion d'actifs / OPCVM	/	99,3	/	99,3
AUTO FOCUS RENDEMENT JANVIER 2019 (3)	France	Assurances et gestion d'actifs / OPCVM	/	99,4	/	99,4
AUTO FOCUS RENDEMENT JUIN 2018 (3)	France	Assurances et gestion d'actifs / OPCVM	/	98,4	/	98,4
AUTO FOCUS RENDEMENT DECEMBRE 2014 (3)	France	Assurances et gestion d'actifs / OPCVM	/	93,5	/	93,5
AUTO FOCUS RENDEMENT MARS 2015 (3)	France	Assurances et gestion d'actifs / OPCVM	/	93,9	/	93,9
AUTO FOCUS RENDEMENT MARS 2017 (3)	France	Assurances et gestion d'actifs / OPCVM	/	97,2	/	97,2
AUTO FOCUS RENDEMENT MARS 2019	France	Assurances et gestion d'actifs / OPCVM	99,1	99,0	99,1	99,0
BREHAT	France	Assurances et gestion d'actifs / OPCVM	20,7	75,1	20,7	75,1
BREIZH ARMOR CAPITAL	France	Banque / OPCVM	50,0	50,0	50,0	50,0
DIAPAZEN CLIMAT SEPTEMBRE 2016	France	Assurances et gestion d'actifs / OPCVM	97,6	97,6	97,6	97,6
FCPR BREIZH MA BRO (1)	France	Assurances et gestion d'actifs / OPCVM	77,2	/	77,2	/
FCT ARDIAN SURAVENIR PRIVATE DEBT	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT MERIUS SURAVENIR R	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT OBLIGATION BAUX AC 2019	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT PYTHEAS (2)	France	Assurances et gestion d'actifs / OPCVM	/	100,0	/	100,0
FCT PYTHEAS S6 (1)	France	Assurances et gestion d'actifs / OPCVM	88,6	/	88,6	/
FCT PYTHEAS BAUX REG 2018	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT RESIDENTIAL DUTCH MORTGAGE FUND LARGO D	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT SCOR SURAVENIR EURO LOANS	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT SP EURO CREANCES	France	Assurances et gestion d'actifs / OPCVM	43,4	43,4	43,4	43,4
FCT SPG DETTE PRIVEE	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT SURAVENIR CONSO FUND	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT SURAVENIR PRIVATE DEBT I	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT SURAVENIR PRIVATE DEBT II	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FCT TIKEHAU SPD III	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FEDERAL AMBITION CLIMAT	France	Assurances et gestion d'actifs / OPCVM	99,3	99,3	99,3	99,3
FEDERAL CAPITAL INVESTISSEMENT	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FEDERAL CONVICTION GRANDE ASIE	France	Assurances et gestion d'actifs / OPCVM	99,8	99,9	99,8	99,9
FEDERAL GLOBAL GREEN BONDS	France	Assurances et gestion d'actifs / OPCVM	46,3	40,1	46,3	40,1
FEDERAL INDICIEL APAL (EX FEDERAL APAL)	France	Assurances et gestion d'actifs / OPCVM	72,1	75,0	72,1	75,0
FEDERAL INDICIEL JAPON	France	Assurances et gestion d'actifs / OPCVM	77,7	67,0	77,7	67,0
FEDERAL INDICIEL US	France	Assurances et gestion d'actifs / OPCVM	60,7	58,3	60,7	58,3
FEDERAL MULTI ACTIONS EUROPE	France	Assurances et gestion d'actifs / OPCVM	75,1	75,8	75,1	75,8
FEDERAL MULTI L/S	France	Assurances et gestion d'actifs / OPCVM	100,0	67,2	100,0	67,2
FEDERAL MULTI OR ET MATIERES PREMIERES	France	Assurances et gestion d'actifs / OPCVM	90,0	90,1	90,0	90,1
FEDERAL MULTI PATRIMOINE	France	Assurances et gestion d'actifs / OPCVM	99,4	99,5	99,4	99,5
FEDERAL OPTIMAL GESTION PRIVEE ESG (1)	France	Assurances et gestion d'actifs / OPCVM	88,6	/	88,6	/
FEDERAL SUPPORT COURT TERME ESG	France	Assurances et gestion d'actifs / OPCVM	39,9	37,2	39,9	37,2

Last name	Country	Sector / Activity	% control		% equity interest	
			12.31.2021	12.31.2020	12.31.2021	12.31.2020
Companies consolidated using the shortcut method						
FEDERAL TRANSITION EQUILIBRE (EX FEDERAL OPPORTUNITE EQUILIBRE ESG)	France	Assurances et gestion d'actifs / OPCVM	83,0	85,4	83,0	85,4
FEDERAL TRANSITION MODERE (EX FEDERAL OPPORTUNITE MODERE ESG)	France	Assurances et gestion d'actifs / OPCVM	56,4	64,5	56,4	64,5
FEDERAL TRANSITION OXYGENE (EX FEDERAL OXYGENE)	France	Assurances et gestion d'actifs / OPCVM	94,7	94,2	94,7	94,2
FEDERAL TRANSITION TERRITOIRES (EX FEDERAL IMPACT TERRITOIRES)	France	Assurances et gestion d'actifs / OPCVM	45,0	56,2	45,0	56,2
FEDERAL TRANSITION TONIQUE (EX FEDERAL OPPORTUNITE TONIQUE ESG)	France	Assurances et gestion d'actifs / OPCVM	99,1	99,1	99,1	99,1
FLEXPETISE	France	Assurances et gestion d'actifs / OPCVM	74,6	71,4	74,6	71,4
FPS SURAVENIR ACTIONS INTERNATIONALES PROTECT	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS LOW VOL	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS MID CAPS	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FPS SURAVENIR ACTIONS PROTECT	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FPS SURAVENIR OVERLAY LOW VOL ACTIONS	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
FPS UBS ARCHMORE INFRASTRUCTURE DEBT PLATFORM II	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
MANDARINE EQUITY INCOME (1)	France	Assurances et gestion d'actifs / OPCVM	97,4	/	97,4	/
OPCI CLUB FRANCE RETAIL	France	Assurances et gestion d'actifs / OPCVM	46,3	46,3	46,3	46,3
OPCI PREIM DEFENSE 2	France	Assurances et gestion d'actifs / OPCVM	37,5	37,5	37,5	37,5
OPCI PREIM EUROS	France	Assurances et gestion d'actifs / OPCVM	100,0	98,1	100,0	98,1
OPCI PREIM EUROS 2	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
OPCI PREMIUM	France	Assurances et gestion d'actifs / OPCVM	67,1	73,0	67,1	73,0
OPCI TIKEHAU RET PRO	France	Assurances et gestion d'actifs / OPCVM	39,3	39,3	39,3	39,3
OUESSANT	France	Assurances et gestion d'actifs / OPCVM	44,3	38,7	44,3	38,7
PRIMO ELITE	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
S.C.I. PROGRES PIERRE	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
S.C.I. SURAVENIR PIERRE	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
SC NOVAXIA R (1)	France	Assurances et gestion d'actifs / OPCVM	58,2	/	58,2	/
SC PYTHAGORE (1)	France	Assurances et gestion d'actifs / OPCVM	46,4	/	46,4	/
SCHELCHER CONVERTIBLES ESG (EX SP CONVERTIBLES)	France	Assurances et gestion d'actifs / OPCVM	22,5	20,4	22,5	20,4
SCHELCHER CONVENTIBLES MID CAP ESG (EX SP CONVERTIBLES MID CAP ESG)	France	Assurances et gestion d'actifs / OPCVM	32,9	22,5	32,9	22,5
SCHELCHER GLOBAL HIGH YIELD (EX SP HAUT RENDEMENT)	France	Assurances et gestion d'actifs / OPCVM	40,2	43,2	40,2	43,2
SCHELCHER IVO GLOBAL YIELD 2024	France	Assurances et gestion d'actifs / OPCVM	47,4	45,9	47,4	45,9
SCHELCHER MULTI ASSET (EX SP CROISSANCE)	France	Assurances et gestion d'actifs / OPCVM	92,2	91,6	92,2	91,6
SCHELCHER OPTIMAL INCOME ESG (EX SP OPPORTUNITES EUROPEENNES)	France	Assurances et gestion d'actifs / OPCVM	30,6	30,5	30,6	30,5
SCI CLOVERHOME	France	Assurances et gestion d'actifs / OPCVM	50,0	50,0	50,0	50,0
SCI LE VINCI HOLDING	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
SCI PR2 PREIM RET 2	France	Assurances et gestion d'actifs / OPCVM	38,0	38,0	38,0	38,0
SCI SILVER AVENIR	France	Assurances et gestion d'actifs / OPCVM	90,4	100,0	90,4	100,0
SCI USUFRUIMMO	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
SCPI PRIMOFAMILY	France	Assurances et gestion d'actifs / OPCVM	/	37,7	/	37,7
SURAVENIR INITIATIVE ACTIONS	France	Assurances et gestion d'actifs / OPCVM	100,0	100,0	100,0	100,0
SYNERGIE FINANCE INVESTISSEMENT	France	Banque / OPCVM	100,0	100,0	100,0	100,0
WE POSITIVE INVEST	France	Banque / OPCVM	100,0	100,0	100,0	100,0
YOMONI ALLOCATION	France	Assurances et gestion d'actifs / OPCVM	/	42,5	/	42,5

(1) Companies first-time consolidated in 2021

(2) Property

(3) Liquidation

(4) Merger of assets and liabilities

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

The shortcut method entails:

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

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

Note 49. Business combination

On January 29, 2021, Crédit Mutuel Arkéa purchased Catella Asset Management. The company, renamed Arkéa Real Estate at the acquisition, specializes in real estate investment and asset and property management activities on behalf of third parties and is intended to support future developments in real estate.

Arkéa Real Estate is fully consolidated in the accounts of Crédit Mutuel Arkéa.

The following table contains key information about these business combinations:

(In € thousands)	Arkéa Real Estate
DATE OF ACQUISITION	01.29.2021
Acquisition price	24,234
Net IFRS position (100%)	5,682
Goodwill (100%)	6,068
Related deferred taxes (100%)	(1,567)
Other (100%)	0
NET ASSETS + GOODWILL	10,183
Consolidation method	Full consolidated
Goodwill recognized on the balance sheet (full goodwill)	16,516
Contribution to the Group's 2021 profit/loss	(9)

Note 50. Events after the reporting period

No significant events occurred after the December 31, 2021 closing date.