# CONSOLIDATED FINANCIAL STATEMENTS AT 30TH JUNE 2023

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# General information

## Presentation of the Crédit Agricole Assurances Group

Crédit Agricole Assurances, a Public Limited Company with a Board of Directors, is the Crédit Agricole Assurances Group's holding company owning, under the control of Crédit Agricole S.A., the Group's participations in various insurance and reinsurance companies in France and internationally.

The purpose of Crédit Agricole Assurances is to acquire and manage participations in insurance and reinsurance companies without directly acting to provide insurance policies or enter into reinsurance contracts.

Crédit Agricole Assurances Group is regulated by the Autorité de Contrôle Prudentiel et de Résolution.

### Legal information

- Company name: **Crédit Agricole Assurances (Since 2008)**
- Company form: French limited liability company (Public limited company) with a Board of Directors
- Registered offices: 16/18 boulevard de Vaugirard 75015 Paris - France
- Share capital : €1,490,403,670 (last modified 27 July 2016)
- Place of registration: Tribunal de commerce de Paris
- Company Number: 2004 B 01471

### INSEE data

- N° Siren: 451 746 077
- Siret: 451 746 077 00036
- Code NAF: 6420Z (Holding company activities)
- Legal Category: 5599 (Public limited company with a Board of Directors)

### Tax information

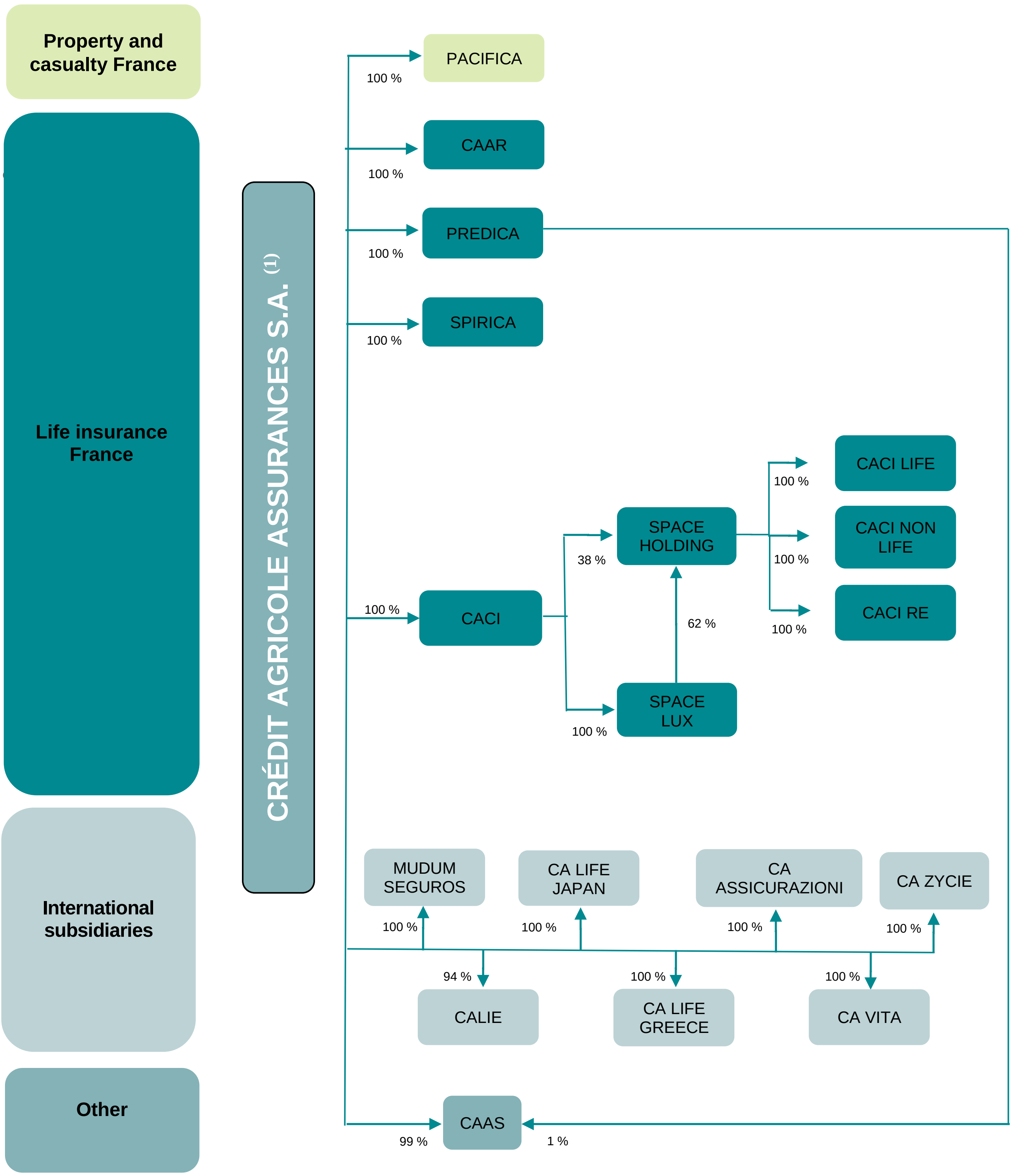
- VAT registration number: FR 27 451 746 077 (EU intra-community number)
- VAT regime: Real normal
- VAT group: Member of GTVA Crédit Agricole

### Shareholders

Share capital in Crédit Agricole Assurances consists of 149,040,367 shares of €10 each, held by:

- Crédit Agricole S.A: 99.99%
- Other administrators: 0.01%

## Simplified organisational structure of the Crédit Agricole Assurances Group




(1) The Crédit Agricole Assurances S.A. holding company is presented in « other » under segment information.

NB: simplified organization chart to present the main Crédit Agricole Assurances Group locations. For information on the scope of consolidation, see Note 2.1.

# Related parties information

Parties related to the Crédit Agricole Assurances Group are companies within the Crédit Agricole Group and the main Directors of the Crédit Agricole Assurances Group.

## Relations with the Crédit Agricole Group

As at 30 June 2023, €0.1 billion of perpetual subordinated loan notes and €0.5 billion redeemable subordinated loan notes were held by Crédit Agricole Group.

Within its investment portfolio, the Crédit Agricole Assurances group holds a total of €18.3 billion of securities issued by the Crédit Agricole Group, including €15.6 billion in assets representing unit-linked contracts.

As part of its bancassurance activities, Crédit Agricole Assurances delegates certain functions to other entities within the Crédit Agricole Group:

- The sale of insurance contracts is carried out through the banking networks of the Regional Banks and LCL in France and abroad and through the networks of international partners (including Crédit Agricole Italia in Italy, Novo Banco in Portugal and CABP in Poland, etc.);
- Administrative management of life insurance contracts sold by banking networks is delegated to the distributors (with Regional Banks in turn delegating some elements of this management to CAAS);
- Asset management is delegated to specialist entities in various markets (Amundi, CA Immobilier, CACEIS, etc.);
- Claims handling in France is managed by SIRCA (a company created by Pacifica and the Regional Banks).

Similarly, retirement benefit obligations of the Crédit Agricole Group are, in part, covered by collective insurance agreements with Predica. These agreements include the creation of collective investment funds for the purpose of covering retirement bonuses and certain pension schemes, to which contributions are paid by the employer, the management of these funds by the insurance companies and the payment to beneficiaries of bonuses and retirement benefits as set out in the various schemes.

## Relationship between companies consolidated by the Crédit Agricole Assurances Group

Transactions between two fully consolidated companies are completely eliminated.

Intragroup transactions that have been subject to eliminations having an effect on the income statement for the year are presented in Note 4 - Segment information.

## Relations with the main directors

There are no significant transactions between Crédit Agricole Assurances and its main Directors, their families or companies under their control which are not included in the Group's scope of consolidation.

# Consolidated financial statements

## Balance sheet Assets

| *(in € millions)* | Notes | 30/06/2023 | 31/12/2022 restated | 01/01/2022 restated |
|---|---|---|---|---|
| Goodwill | | 872 | 872 | 872 |
| Other intangible assets | | 270 | 278 | 287 |
| **Intangible assets** | | **1,142** | **1,150** | **1,159** |
| Investment property | Note 5.1 | 11,505 | 11,802 | 11,066 |
| Financial investments | Note 5.2 | 283,316 | 277,366 | 326,973 |
| Unit-linked financial investments | Note 5.2 | 89,964 | 81,939 | 86,311 |
| Derivative instruments and separated embedded derivatives | Note 5.2 | 634 | 1,098 | 2,011 |
| Investments in joint ventures and associates | Note 5.5 | 9,044 | 9,591 | 9,180 |
| **Investments from insurance activities** | **Note 5.2** | **394,463** | **381,796** | **435,541** |
| **Insurance contracts issued that are assets** | **Note 5.9** | **-** | **-** | **79** |
| **Reinsurance contracts held that are assets** | **Note 5.9** | **1,036** | **977** | **855** |
| Operating property and other property, plant and equipment | | 264 | 268 | 263 |
| Deferred tax assets | | 1,069 | 1,316 | 484 |
| Current tax assets | | 139 | 43 | 320 |
| Other receivables | | 1,533 | 3,093 | 2,139 |
| **Other assets** | | **3,005** | **4,720** | **3,206** |
| **Assets held for sale and discontinued operations** | | **-** | **-** | **1,634** |
| **Cash and cash equivalents** | | **2,299** | **1,421** | **1,513** |
| **TOTAL ASSETS** | | **401,945** | **390,064** | **443,987** |

## Balance sheet Liabilities

| *(in € millions)* | Notes | 30/06/2023 | 31/12/2022 restated | 01/01/2022 restated |
|---|---|---|---|---|
| Share capital or equivalent | | 1,490 | 1,490 | 1,490 |
| Additional paid-in capital | | 5,565 | 5,565 | 7,374 |
| Other comprehensive income | | (1,076) | (1,599) | 686 |
| Retained earnings and other reserves | | 3,161 | 2,716 | 4,458 |
| Consolidated net income | | 950 | 1,554 | - |
| **Shareholders' equity - Group share** | **Note 5.6** | **10,090** | **9,726** | **14,008** |
| Non-controlling interests | | 174 | 184 | 181 |
| **Total shareholders' equity** | | **10,264** | **9,910** | **14,189** |
| **Provisions** | **Note 5.7** | **107** | **94** | **104** |
| Subordinated debts | | 4,643 | 4,617 | 5,492 |
| Financing debts due to banking institutions | | 2,098 | 2,204 | 2,510 |
| **Financing debts** | **Note 5.8** | **6,741** | **6,821** | **8,002** |
| **Insurance contracts issued that are liabilities** | | **339,278** | **331,199** | **377,135** |
| **Investment contracts without discretionary participation features** | **Note 5.10** | **3,167** | **3,239** | **3,821** |
| **Reinsurance contracts held that are liabilities** | **Note 5.9** | **123** | **92** | **67** |
| Deferred tax liabilities | | 79 | 88 | - |
| Liabilities towards holders of units in consolidated investment funds | | 11,210 | 11,097 | 12,277 |
| Operating debt securities | | - | - | - |
| Operating debts due to banking institutions | | 794 | 167 | 214 |
| Current tax liabilities | | 158 | 133 | 38 |
| Derivative instruments liabilities | | 289 | 424 | 289 |
| Other debts | | 29,735 | 26,800 | 26,505 |
| **Other liabilities** | | **42,265** | **38,709** | **39,323** |
| **Liabilities related to assets held for sale and discontinued operations** | | **-** | **-** | **1,346** |
| **TOTAL LIABILITIES** | | **401,945** | **390,064** | **443,987** |

# Consolidated Income Statement

| *(in € millions)* | Notes | 30/06/2023 | 30/06/2022 restated |
|---|---|---|---|
| Insurance revenue | Note 6.1 | 6,914 | 6,506 |
| Insurance service expenses | Note 5.9.1.1 | (5,542) | (5,245) |
| Income or expenses related to reinsurance contracts held | Note 5.9.2.1 | (111) | (21) |
| **Insurance service result** | | **1,261** | **1,240** |
| **Revenue or income from other activities** | | **40** | **45** |
| Investment income | | 3,913 | 4,247 |
| Investment expenses | | (394) | (498) |
| Gains and losses on disposal of investments net of reversals of impairment and amortisation | | (81) | 2 |
| Change in fair value of investments recognised at fair value through profit or loss | | 3,351 | (15,137) |
| Change in impairment of investments | | 15 | - |
| **Investment income net of investment expenses** | **Note 6.2** | **6,804** | **(11,386)** |
| Insurance finance income or expenses | Note 6.3 | (6,572) | 10,367 |
| Insurance finance income or expenses related to reinsurance contracts held | Note 6.3 | 24 | 25 |
| Changes in value of investment contracts without discretionary participation features | Note 5.10 | (87) | 584 |
| **Net financial income** | | **169** | **(410)** |
| Other current operating income and expenses | | (164) | (155) |
| Other operating income and expenses | | - | (8) |
| **Operating income** | | **1,306** | **712** |
| Financing expenses | Note 5.8.2 | (73) | (93) |
| Income tax | Note 6.4 | (283) | (156) |
| Net income from discontinued operations | | - | 8 |
| **CONSOLIDATED NET INCOME** | | **950** | **471** |
| Non-controlling interests | | - | (1) |
| **Net income (Group share)** | | **950** | **470** |

## Statement of profit or loss and other comprehensive income

| *(in € millions)* | Notes | 30/06/2023 | 30/06/2022 restated |
|---|---|---|---|
| **Consolidated net income** | | **950** | **471** |
| Gains and losses on foreign exchange differences | | (2) | (2) |
| Gains and losses on debt instruments measured at fair value through other comprehensive income that will be reclassified to profit or loss | | 2,785 | (28,486) |
| Gains and losses on hedging derivatives | | 10 | (90) |
| Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss | Note 6.3 | (2,679) | 26,408 |
| Insurance finance income or expenses related to reinsurance contracts held recognised in other comprehensive income | Note 6.3 | (4) | (185) |
| **Other comprehensive income that will be reclassified to profit or loss before tax, excluding investments accounted for using the equity method** | | **110** | **(2,355)** |
| **Other comprehensive income that will be reclassified to profit or loss before tax, investments accounted for using the equity method** | | **-** | **-** |
| **Income tax related to other comprehensive income that will be reclassified to profit or loss, excluding investments accounted for using the equity method** | | **(30)** | **599** |
| **Income tax related to other comprehensive income that will be reclassified to profit or loss, investments accounted for using the equity method** | | **-** | **-** |
| **Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations** | | **-** | **-** |
| **Other comprehensive income that will be reclassified to profit or loss net of tax** | | **80** | **(1,756)** |
| Actuarial gains and losses on post-employment benefits | | - | 7 |
| Gains and losses on equity instruments measured at fair value through other comprehensive income that will not be reclassified to profit or loss | | 125 | (2) |
| Insurance finance income or expenses recognised directly in other comprehensive income that will not be reclassified to profit or loss | Note 6.3 | (242) | (52) |
| **Other comprehensive income that will not be reclassified to profit or loss before tax, excluding investments accounted for using the equity method** | | **(117)** | **(47)** |
| **Other comprehensive income that will not be reclassified to profit or loss before tax, investments accounted for using the equity method** | | **-** | **-** |
| **Income tax related to other comprehensive income that will not be reclassified to profit or loss, excluding investments accounted for using the equity method** | | **37** | **14** |
| **Income tax related to other comprehensive income that will not be reclassified to profit or loss, investments accounted for using the equity method** | | **-** | **-** |
| **Other comprehensive income that will not be reclassified to profit or loss net of tax from discontinued operations** | | **-** | **-** |
| **Other comprehensive income that will not be reclassified to profit or loss net of tax** | | **(80)** | **(33)** |
| **OTHER COMPREHENSIVE INCOME NET OF TAX** | | **-** | **(1,789)** |
| **NET INCOME AND OTHER COMPREHENSIVE INCOME** | | **950** | **(1,318)** |
| Net income and other comprehensive income - Group share | | 950 | (1,319) |
| Net income and other comprehensive income – Non-controlling interests | | - | 1 |

## Statement of changes in equity

| *(in € millions)* | Share capital or equivalent | Additional paid-in capital | Other comprehensive income that will be reclassified to profit or loss | Other comprehensive income that will not be reclassified to profit or loss | Other comprehensive income | Retained earnings and other reserves | Shareholders' equity - Group share | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **CLOSING EQUITY AT 31 DECEMBER 2021** | **1,490** | **7,374** | **2,388** | **(72)** | **2,316** | **4,283** | **15,463** | **86** | **15,549** |
| Impact of new standards, decisions / IFRIC interpretations (1) | - | - | (1,664) | 34 | (1,630) | 175 | (1,455) | 95 | (1,360) |
| **OPENING EQUITY AT 1 JANUARY 2022 RESTATED** | **1,490** | **7,374** | **724** | **(38)** | **686** | **4,458** | **14,008** | **181** | **14,189** |
| Other comprehensive income | - | - | (1,756) | (33) | (1,789) | - | (1,789) | - | (1,789) |
| Consolidated net income | - | - | - | - | - | 470 | 470 | 1 | 471 |
| **Net income and other comprehensive income** | **-** | **-** | **(1,756)** | **(33)** | **(1,789)** | **470** | **(1,319)** | **1** | **(1,318)** |
| Dividends paid | - | (1,809) | - | - | - | (937) | (2,746) | (1) | (2,747) |
| Capital operations | - | - | - | - | - | - | - | - | - |
| Change in consolidation scope | - | - | - | - | - | - | - | - | - |
| Perpetual subordinated debts | - | - | - | - | - | - | - | - | - |
| Interest expenses on perpetual subordinated debts | - | - | - | - | - | (42) | (42) | - | (42) |
| Other changes | - | - | (2) | (1) | (3) | - | (3) | (25) | (28) |
| **CLOSING EQUITY AT 30 JUNE 2022** | **1,490** | **5,565** | **(1,034)** | **(72)** | **(1,106)** | **3,948** | **9,898** | **156** | **10,054** |
| Other comprehensive income | - | - | (549) | 23 | (526) | - | (526) | - | (526) |
| Consolidated net income | - | - | - | - | - | 1,084 | 1,084 | - | 1,084 |
| **Net income and other comprehensive income** | **-** | **-** | **(549)** | **23** | **(526)** | **1,084** | **558** | **-** | **558** |
| Dividends paid | - | - | - | - | - | (703) | (703) | - | (703) |
| Capital operations | - | - | - | - | - | - | - | - | - |
| Change in consolidation scope | - | - | (7) | 38 | 31 | (32) | (1) | - | (1) |
| Perpetual subordinated debts | - | - | - | - | - | 2 | 2 | - | 2 |
| Interest expenses on perpetual subordinated debts | - | - | - | - | - | (34) | (34) | - | (34) |
| Other changes | - | - | (2) | 3 | 2 | 5 | 7 | 28 | 34 |
| **CLOSING EQUITY AT 31 DECEMBER 2022** | **1,490** | **5,565** | **(1,591)** | **(8)** | **(1,599)** | **4,270** | **9,726** | **184** | **9,910** |

(1) The details of the impact on equity of the application of the IFRS 17 standard at the transition date of 1 January 2022 are disclosed in the note "Impact on equity at 1 January 2022 of the first application of the IFRS 17 standard" hereinafter.

| *(in € millions)* | Share capital or equivalent | Additional paid-in capital | Other comprehensive income that will be reclassified to profit or loss | Other comprehensive income that will not be reclassified to profit or loss | Other comprehensive income | Retained earnings and other reserves | Shareholders' equity - Group share | Non-controlling interests | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|
| **CLOSING EQUITY AT 31 DECEMBER 2022** | **1,490** | **5,565** | **(1,591)** | **(8)** | **(1,599)** | **4,270** | **9,726** | **184** | **9,910** |
| Impact of new standards, decisions / IFRIC interpretations IFRIC (2) | - | - | 375 | 148 | 523 | (242) | 281 | - | 281 |
| **OPENING EQUITY AT 1 JANUARY 2023 RESTATED** | **1,490** | **5,565** | **(1,216)** | **140** | **(1,076)** | **4,028** | **10,007** | **184** | **10,191** |
| Other comprehensive income | - | - | 80 | (80) | - | - | - | - | - |
| Consolidated net income | - | - | - | - | - | 950 | 950 | - | 950 |
| **Net income and other comprehensive income** | **-** | **-** | **80** | **(80)** | **-** | **950** | **950** | **-** | **950** |
| Dividends paid | - | - | - | - | - | (899) | (899) | (1) | (900) |
| Capital operations | - | - | - | - | - | - | - | - | - |
| Change in consolidation scope | - | - | - | - | - | - | - | - | - |
| Perpetual subordinated debts | - | - | - | - | - | - | - | - | - |
| Interest expenses on perpetual subordinated debts | - | - | - | - | - | (43) | (43) | - | (43) |
| Other changes | - | - | - | - | - | 75 | 75 | (9) | 66 |
| **CLOSING EQUITY AT 30 JUNE 2023** | **1,490** | **5,565** | **(1,136)** | **60** | **(1,076)** | **4,111** | **10,090** | **174** | **10,264** |

(2) The details of the changes in designations and classifications of financial assets performed on 1 January 2023 applying the transition provisions of IFRS 17 about the redesignation of financial assets are disclosed in the note "Redesignation of financial assets" hereinafter.

# Cash flow statement

The cash flow statement is presented according to the model of the indirect method.

**Operating activities** represent those activities generating income for Crédit Agricole Assurances.

Tax payments are presented in their entirety under operating activities.

**Investment activities** represent cash flows for the acquisition and sale of consolidated and non-consolidated participations, and tangible and intangible assets. The strategic participations entered in the category "fair value per result" or "fair value by non-recyclable equity" are included in this topic.

**Financing activities** result from changes relating to structural financial transactions affecting shareholders' equity and long-term debt.

Net cash flows from discontinued operating, investing and financing activities are presented under separate headings in the cash flow statement.

**Net cash** includes cash at hand, credit and debit balances with banks and accounts (assets and liabilities) and call loans with lending establishments.

| *(in € millions)* | 30/06/2023 | 30/06/2022 restated |
|---|---|---|
| **Operating income before tax** | **1,306** | **712** |
| Gains and losses on disposals of investments | 87 | - |
| Net amortisation expenses | 52 | 51 |
| Change in deferred acquisition costs | - | - |
| Change in impairment | (25) | (5) |
| Net change in technical liabilities arising from insurance and investment contracts | 9,818 | (34,619) |
| Net change in other provisions | 13 | 6 |
| Change in fair value of investments and other financial instruments recognised at fair value through profit or loss (excluding cash and cash equivalents) | (6,299) | 41,219 |
| Other non-cash items included in the operating income | (347) | 104 |
| **Adjustments for non-cash items included in the operating income and reclassification of financing and investing flows** | **3,299** | **6,756** |
| Change in operating receivables and payables | (1,174) | (808) |
| Change in securities given or received under repurchase agreements | 2,240 | 19 |
| Net tax payments | (206) | 110 |
| Dividends received from investments accounted for using the equity method | - | - |
| Cash flows from discontinued operations | - | 33 |
| **Net cash flows from operating activities** | **5,465** | **6,822** |
| Acquisitions of subsidiaries and associates, net of cash acquired | - | - |
| Disposals of subsidiaries and associates, net of cash ceded | (4) | - |
| Acquisitions of interests in investments accounted for using the equity method | - | - |
| Disposals of interests in investments accounted for using the equity method | - | - |
| **Cash flows related to changes in consolidation scope** | **(4)** | **-** |
| Disposals of financial investments (including unit-linked) and derivative instruments | 65,474 | 76,052 |
| Disposals of investment property | 158 | 212 |
| **Cash flows from disposals and repayments of investments** | **65,632** | **76,264** |
| Acquisitions of financial investments (including unit-linked) and derivative instruments | (69,523) | (79,364) |
| Acquisitions of investment property | (165) | (529) |
| **Cash flows from acquisitions and issuances of investments** | **(69,688)** | **(79,893)** |
| Disposals of intangible assets and property plant and equipment | 9 | 3 |

| *(in € millions)* | 30/06/2023 | 30/06/2022 restated |
|---|---|---|
| Acquisitions of intangible assets and property plant and equipment | (50) | (36) |
| **Cash flows related to acquisitions and disposals of intangible assets and property plant and equipment** | **(41)** | **(33)** |
| Cash flows from discontinued operations | - | (172) |
| **Net cash flows from investing activities** | **(4,101)** | **(3,834)** |
| Issuances of equity instruments | - | - |
| Dividends paid | (942) | (2,791) |
| **Cash flows related to transactions with shareholders and members** | **(942)** | **(2,791)** |
| Cash generated by issuances of financing debts | 27 | 199 |
| Cash allocated to repayments of financing debts | (128) | (200) |
| Interests paid on financing debts | (45) | (44) |
| **Cash flows from Group financing activities** | **(146)** | **(45)** |
| Cash flows from discontinued operations | - | - |
| **Net cash flows from financing activities** | **(1,088)** | **(2,836)** |
| Cash flows related to changes in accounting methods | - | - |
| **Other cash flows** | **-** | **-** |
| Cash and cash equivalents as at 1 January | 1,254 | 1,299 |
| **Net cash flows from operating activities** | **5,465** | **6,822** |
| **Net cash flows from investing activities** | **(4,101)** | **(3,834)** |
| **Net cash flow from financing activities** | **(1,088)** | **(2,836)** |
| **Other cash flows** | - | - |
| Impact of foreign exchange differences on cash and cash equivalents | (25) | (16) |
| **CASH AND CASH EQUIVALENTS AS AT 30 JUNE** | **1,505** | **1,435** |

## Impact on equity at 1st January 2022 of the first application of the IFRS 17 standard

The IFRS 17 standard has to be applied retrospectively, with mandatory restatement of comparative information.

The impact of the application of this new standard on consolidated equity of the Group at the transition date of 1st January 2022 is detailed in the table below:

| *(in € millions)* | Consolidated equity |
|---|---|
| **EQUITY AT 31/12/2021 - IFRS 4** | **15,549** |
| **Impact on reserves** | **270** |
| Derecognition of the overlay reserve | 3,626 |
| Remeasurement of investment property at fair value through profit or loss (IAS 40 modified by IFRS 17) | 2,761 |
| Remeasurement of investments in associates and joint ventures at fair value through profit or loss (IAS 28 modified by IFRS 17) | 208 |
| Derecognition of existing balances that would not exist had IFRS 17 always applied | 261,850 |
| Measurement and recognition of assets and liabilities applying IFRS 17 | (277,989) |
| Recognition of insurance finance income or expenses recognised in equity | 9,814 |
| **Impact on other comprehensive income that will be reclassified to profit or loss** | **(1,664)** |
| Derecognition of the overlay reserve | (3,626) |
| Derecognition of existing balances that would not exist had IFRS 17 always applied | 11,775 |
| Recognition of insurance finance income or expenses recognised in equity | (9,813) |
| **Impact on other comprehensive income that will not be reclassified to profit or loss** | **34** |
| Derecognition of existing balances that would not exist had IFRS 17 always applied | 34 |
| Recognition of insurance finance income or expenses recognised in equity | - |
| **Total - Impact on equity of the first application of IFRS 17** | **(1,360)** |
| **EQUITY AT 01/01/2022 - IFRS 17** | **14,189** |

## Redesignation of financial assets

Applying the transition provisions of IFRS 17, entities that had applied IFRS 9 before IFRS 17 (as is the case of the Crédit Agricole Assurances Group) are allowed - and in some cases are required - to modify their previous classifications and designations of financial assets (applying the classification requirements of IFRS 9) at the date of initial application of IFRS 17.

In accordance with these provisions, the Group proceeded to changes in designations and classifications of certain financial assets, retrospectively at the date of initial application of IFRS 17 (1 January 2023). The Group chose not to restate prior periods' figures to reflect such changes in designations and classifications. Thus, the Group recognised in the opening balance of equity at 1 January 2023 any difference between the previous carrying amount of those financial assets and the carrying amount of those financial assets at the date of initial application.

The following table synthetises the measurement category and the carrying amount of financial assets concerned, determined immediately before and after applying the transition provisions of IFRS 17 about the redesignation of financial assets:

| **Financial assets** <br> *(in € millions)* | **31/12/2022** | **01/01/2023** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Financial assets at fair value through profit or loss** | | | | | | **Financial assets at fair value through other comprehensive income** | | **Financial assets at amortised cost** | |
| | | | Other financial assets at fair value through profit or loss | | | | | | | | |
| | Carrying amount | Financial assets held for trading | *Equity instruments* | *Debt instruments not fulfilling the SPPI criteria* | *Assets backing unit-linked contracts* | *Financial assets designated at fair value through profit or loss* | *Other debt instruments at fair value through profit or loss* | Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | Loans and receivables | Debt securities |
| **Financial assets at fair value through profit or loss** | **181,500** | **-** | **29,115** | **66,801** | **81,939** | **-** | **-** | **-** | **3,645** | **-** | **-** |
| Financial assets held for trading | - | - | | | | | | | | | |
| Other financial assets at fair value through profit or loss | 181,500 | | 29,115 | 66,801 | 81,939 | - | - | - | 3,645 | | - |
| *Equity instruments* | *32,760* | | *29,115* | | | | | | *3,645* | | |
| *Debt instruments not fulfilling the SPPI criteria* | *66,801* | | | *66,801* | | | | | | | |
| *Assets backing unit-linked contracts* | *81,939* | | | | *81,939* | | | | | | |
| *Financial assets designated at fair value through profit or loss* | - | | | | | - | | - | | | - |
| *Other debt instruments at fair value through profit or loss* | - | | | | | | - | | | | |
| **Financial assets at fair value through other comprehensive income** | **175,474** | | **-** | | | **-** | **2,837** | **171,879** | **135** | | **623** |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | 175,339 | | | | | - | 2,837 | 171,879 | | | 623 |
| Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | 135 | | - | | | | | | 135 | | |
| **Financial assets at amortised cost** | **2,331** | | | | | **-** | **30** | **-** | | **849** | **1,452** |
| Loans and receivables | 849 | | | | | | | | | 849 | |
| Debt securities | 1,482 | | | | | - | 30 | - | | | 1,452 |
| **Carrying amount of financial assets immediately before the date of initial application of IFRS 17** | **359,305** | | | | | | | | | | |
| Restatement of the carrying amount | | | - | | | - | (5) | - | - | | 384 |
| **Carrying amount of financial assets at the date of initial application of IFRS 17 (after applying paragraph C29)** | | **-** | **29,115** | **66,801** | **81,939** | **-** | **2,862** | **171,879** | **3,780** | **849** | **2,459** |

The reclassifications that the Group performed on 1 January 2023 relate to the designation of some equity instruments as at fair value through other comprehensive income on the one hand, and the reassessment of the business model of some debt instruments on the other hand.

The latter were eligible to such a reassessment because they are held in respect of an activity that is connected with contracts within the scope of IFRS 17.

The Group now measures at fair value through profit or loss some debt instruments that were previously measured at fair value through other comprehensive income or at amortised cost, considering that the business model they were part of is the default model (other/sell model); this is only about bonds issued by Crédit Agricole SA and hold by Crédit Agricole Assurances.

In addition, the Group now measures at amortised cost some debt instruments that were previously measured at fair value through other comprehensive income, considering that they were part of a business model for which the aim is mainly to hold financial assets in order to collect their contractual cash flows (hold to collect model); this is about assets that were segregated to equity and protection (and therefore that do not constitute underlying items of contracts measured according to the VFA model any more) as part of the implementation of the ring-fencing of the assets of Predica.

# Notes to the consolidated financial statements

Detailed Contents

# NOTE 1 Accounting policies and principles applicable in the Crédit Agricole Assurances Group, judgements and estimates used

## Applicable standards and comparability

The condensed interim consolidated financial statements of the Crédit Agricole Assurances Group for the period ended 30 June 2023 have been prepared and are presented in accordance with IAS 34 (Interim Financial Reporting).

The standards and interpretations used for the preparation of the condensed interim consolidated financial statements are identical to those used by the Crédit Agricole Assurances Group for the preparation of the consolidated financial statements at 31 December 2022, prepared, pursuant to EC regulation 1606/2002, in accordance with IAS/IFRS standards and IFRIC interpretations as adopted by the European Union.

They have been supplemented by the IFRS standards as adopted by the European Union at 30 June 2023 and for which application is mandatory for the first time during financial year 2023.

These cover the following:

| STANDARDS, AMENDMENTS OR INTERPRETATIONS | Date of mandatory initial application: accounting periods beginning on |
|---|---|
| **IFRS 17**<br>Insurance contracts | 1 January 2023 |
| **Amendments to IFRS 17**<br>Initial application of IFRS 17 and IFRS 9 - Comparative information | 1 January 2023(1) |
| **Amendments to IAS 1**<br>Disclosures about accounting policies | 1 January 2023(2) |
| **Amendments to IAS 8**<br>Definition of accounting estimates | 1 January 2023(2) |
| **Amendments to IAS 12**<br>Deferred tax related to assets and liabilities arising from a single transaction | 1 January 2023(2) |

(1) The Crédit Agricole Assurances Group has applied IFRS 9 since 1 January 2018. Thus, it is not concerned by §C28A to C28E of these amendments. Moreover, it does not apply the option provided by §C33A of these amendments (classification overlay) for the purpose of presenting comparative information for financial assets derecognised between the transition date to IFRS 17 and the date of initial application of IFRS 17.

(2) No material effect at the Group level.

### STANDARDS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION APPLIED BY THE GROUP AT 30 JUNE 2023

#### IFRS 17 *Insurance contracts*

IFRS 17 replaces IFRS 4. It is mandatorily applicable for reporting periods beginning on or after 1 January 2023.

IFRS 17 as adopted by the European Union on 19 November 2021 includes an optional exemption from applying the requirements of the standard that relate to annual cohorts for intergenerationally-mutualised and cash flow matched contracts.

The Group applied IFRS 17, as well as the amendments of IFRS 17 to other IFRS standards, for the first time in its financial statements ending from 1 January 2023. The main amendments to other IFRS standards that impact the Group are the amendments to IAS 28 and IAS 40, which allow the Group to measure at fair value through profit or loss participations in associates and joint ventures as well as investment property constituting underlying items of insurance contracts with direct participation features.

IFRS 17 has to be applied retrospectively, with mandatory restatement of comparative information. Therefore, comparative information relating to the 2022 period is restated in the financial statements of the 2023 period, and a statement of financial position at the transition date (1 January 2022) is also presented.

The effects of the coming into force of IFRS 17 on the consolidated financial statements of the Group at 1 January 2022 are presented in the statement of changes in equity as well as in the note "Impact on equity at 1st January 2022 of the first application of the IFRS 17 standard" below.

Additional information about the methods used to determine the measurement of insurance contracts at the transition date, as well as the effect of the application of the modified retrospective approach on the CSM and insurance revenue, is provided in the note 5.9.3 on transition amounts below.

IFRS 17 establishes principles for the recognition, measurement and presentation of the contracts within its scope (i.e. insurance contracts issued, reinsurance contracts issued and held, and investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts), as well as requirements regarding disclosures about them.

Its application will result in significant changes on these points. The nature and the effects of the main changes in accounting policies pertaining to the first application of IFRS 17 are summarised thereafter.

**Changes to recognition and measurement**

The Group, as permitted under IFRS 4, formerly accounted for insurance contracts in its consolidated financial statements applying French accounting standards, except for specific requirements introduced by IFRS 4 for equalisation reserves, shadow accounting and the liability adequacy test.

These principles are no more applicable with the coming into effect of IFRS 17, which defines new principles for the measurement and recognition of insurance contracts. It introduces a prospective general measurement model for insurance contracts, according to which groups of contracts are measured based on estimates of discounted future cash flows expected as insurance contracts services are provided, an explicit adjustment for non-financial risk, and a contractual service margin representing the unearned profit.

In summary, the application of the main requirements of IFRS 17 in respect of the recognition and measurement of insurance contracts consisted for the Group in:

- identifying insurance contracts as those under which it accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- separating specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts and accounting for them in accordance with the other applicable standards;
- aggregating insurance contracts according to their features and expected profitability, which consists, at initial recognition, in identifying portfolios of insurance contracts (contracts subject to similar risks and managed together) then in dividing each of these portfolios into three groups (onerous contracts, contracts with no significant possibility of becoming onerous subsequently, and other contracts), knowing that it is not possible to include contracts issued more than one year apart in the same group (except, on option, for intergenerationally-mutualised contracts and cash flow matched contracts, which are exempted from this requirement applying the European exemption);
- recognising and measuring groups of contracts, on initial recognition, as the total of:
    - fulfilment cash flows (i.e. estimates of future cash flows, discounted in order to reflect the time value of money and the financial risks, and adjusted for non-financial risk, and that have to incorporate all available information consistently with observable market variables);
    - and the contractual service margin (CSM), that represents the unearned profit that will be recognised in profit or loss as insurance contract services are provided to policyholders; if a group of contracts is expected to be onerous over the remaining coverage period, then a loss is immediately recognised in profit or loss;
- recognising and measuring groups of contracts, at the end of each subsequent reporting period, as the sum of:
    - the liability for remaining coverage, comprising the fulfilment cash flows related to future service and the contractual service margin at that date;
    - and the liability for incurred claims, comprising the fulfilment cash flows related to past service;
- recognising an asset for insurance acquisition cash flows in respect of acquisition cash flows paid, or incurred, before the related group of insurance contracts is recognised; such an asset is derecognised when these cash flows are included in the measurement of the related group of insurance contracts.

The general measurement model of contracts is adapted for certain contracts presenting specific features.

Thus, for insurance contract with direct participation features, the standard requires to apply a measurement model called "variable fee approach" (VFA). These contracts, substantially, are investment-related service contracts, under which an entity promises an investment return based on underlying items. For these contracts, the general model provisions on subsequent measurement are modified in order to reflect the fact that these contracts create an obligation for the entity to pay the policyholders an amount equal to the fair value of specified underlying items less a variable fee that remunerates the services provided and are determined in reference to the underlying items.

Moreover, it is possible to apply a simplified measurement model, called "premium allocation approach" (PAA), for the measurement of the liability for remaining coverage of a group of contracts, provided either this measurement does not differ materially from the one that would be produced applying the provisions of the general model, or the coverage period of each contract in the group is one year or less. Using this approach, the liability for remaining coverage is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time. This approach gets close to the accounting treatment applied under IFRS 4, the main changes relate to the discounting of technical provisions, the determination of onerous contracts at a more granular level and the introduction of a risk-adjustment for non-financial risk.

From now on, the Group measures at fair value through profit or loss, as permitted by the IAS 40 and IAS 28 standards amended by IFRS 17, investment property and participations in associates and joint ventures constituting underlying items of insurance contracts with direct participation features, in order to avoid accounting mismatches with the measurement of this type of insurance contracts under IFRS 17.

The principles relating to the accounting and the measurement of contracts within the scope of IFRS 17 are detailed in the section "Accounting principles and policies" below.

### Changes to presentation and disclosures

Applying the requirements of IFRS 17 (and of IAS 1 as amended by IFRS 17) regarding the presentation of financial statements, the presentation of items relating to insurance contracts in the balance sheet, the income statement and the statement of net income and other comprehensive income, experiences significant changes compared to the former presentation.

Thereby, the items of the balance sheet in which the various elements relating to the measurement of insurance contracts under IFRS 4 were formerly accounted for are no longer presented (liabilities arising from contracts, reinsurers' share in liabilities arising from insurance and investment contracts, receivables and payables related to insurance contracts and reinsurance contracts issued, receivables and payables related to reinsurance contracts held, deferred participation assets and liabilities, deferred acquisition costs, value of purchased business in force).

The carrying amount of portfolios of insurance and reinsurance contracts accounted for applying IFRS 17 is henceforth fully presented in the four new following items of the balance sheet:

- portfolios of insurance contracts issued that are assets;
- portfolios of insurance contracts issued that are liabilities;
- portfolios of reinsurance contracts held that are assets;
- portfolios of reinsurance contracts held that are liabilities.

In the same manner, the items of the income statement in which revenue and expenses relating to insurance contracts were formerly accounted for are no longer presented (in particular, earned premiums, claims expenses, net income and expenses from reinsurance contracts held, acquisition expenses, administration expenses, and the amount reclassified to other comprehensive income applying the overlay approach).

Revenue and expenses relating to insurance contracts accounted for applying IFRS 17 are presented separately in the new following items of the income statement:

- insurance revenue arising from insurance contracts issued (which depicts the provision of services arising from the group of insurance contracts at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services);
- insurance service expenses arising from insurance contracts issued (which comprise notably incurred claims and other incurred insurance service expenses);
- income and expenses from reinsurance contracts held (which comprise the amounts recovered from the reinsurer and the allocation of the premiums paid);
- insurance finance income or expenses (which comprise the change in the carrying amount of groups of insurance contracts arising from the effects of the time value of money and financial risk as well as changes thereof - except for changes that adjust the contractual service margin for insurance contracts with direct participation features);
- insurance finance income or expenses related to reinsurance contracts held.

Finally, the statement of net income and other comprehensive income sees the removal of the items relating to shadow accounting and the overlay approach (these mechanisms being specific to IFRS 4), and the creation of the items relating to insurance finance income or expenses recognised in equity applying the OCI option.

Moreover, IFRS 17 includes new requirements about qualitative and quantitative disclosures, regarding amounts recognised, judgements and risks relating to the contracts within its scope.

## Accounting principles and policies

### USE OF JUDGEMENTS AND ESTIMATES TO PREPARE THE FINANCIAL STATEMENTS

Estimates made to draw up the financial statements are by nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Future results may be influenced by many factors, including:

- activity in domestic and international financial markets;
- fluctuations in interest and foreign exchange rates;
- the economic and political climate in certain industries or countries;
- changes in regulations or legislation;
- the behaviour of the policyholders;
- demographic changes.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following assessments:

- financial instruments measured at fair value (including investments in non-consolidated companies);
- insurance contracts assets and liabilities;
- reinsurance contracts assets and liabilities;
- investment contracts without discretionary participation features liabilities;
- pension schemes and other post-employment benefits;
- stock option plans;
- impairment on debt instruments at amortised cost or at fair value through other comprehensive income that can be reclassified to profit or loss;
- provisions;
- impairment of goodwill;
- deferred tax assets.

The procedures for the use of judgements or estimates are detailed in the relevant sections below.

In particular, the measurement of insurance contracts applying IFRS 17 requires significant judgements. The main areas of judgement for the application of the IFRS 17 standard by the Group are the following, and disclosures about them are developed in the sections and notes referred to below:

- the estimates of future cash flows, in particular the projection of these cash flows and the determination of the contract boundary: in the sections "Measurement of insurance contracts / Estimates of future cash flows" and “Measurement of insurance contracts / Contract boundary” of the accounting principles and policies;
- the technique used to determine the risk adjustment for non-financial risk: in the section "Measurement of insurance contracts / Risk adjustment for non-financial risk" of the accounting principles and policies;
- the approach used to determine discount rates: in the section "Measurement of insurance contracts / Discount rates" of the accounting principles and policies;
- the definition of coverage units and the determination of the CSM amount allocated in profit or loss during each period in order to reflect insurance contract services: in the section "Recognition of the contractual service margin in profit or loss" of the accounting principles and policies;
- the determination of transition amounts relating to groups of insurance contracts existing at the transition date: in the note "Insurance and reinsurance contracts / Transition amounts".

### INSURANCE CONTRACTS (IFRS 17)

#### Definition and classification of contracts

The contracts issued by the Group fall into the two following categories:

- insurance contracts (including reinsurance contracts) issued, that fall within the scope of IFRS 17;
- investment contracts that fall within the scope either of IFRS 17 or IFRS 9 depending on whether they are contracts with or without discretionary participation features.

The reinsurance contracts held by the entities of the Group also fall within the scope of IFRS 17.

All references hereunder to insurance contracts also apply to investments contracts with discretionary participation features and reinsurance contracts held, except where explicitly specified.

Insurance contracts may be issued by the Group, or acquired in a business combination or in a transfer of insurance contracts that do not form a business. All references hereunder to insurance contracts issued also apply to contracts acquired, unless otherwise specified.

### Insurance contracts

An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

A reinsurance contract is an insurance contract issued by one entity (the reinsurer) to compensate another entity for claims arising from one or more insurance contracts issued by that other entity (underlying contracts).

Insurance and reinsurance contracts also expose the Group to financial risk.

Insurance risk is the risk, other than financial risk, transferred from the holder of a contract to the issuer. Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, commodity price, currency exchange rate, index of prices or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

In the Group, for each portfolio of contracts aggregated according to homogeneous characteristics, the significance of the insurance risk is assessed on the basis of a representative individual contract. The existence of a scenario (with commercial substance) under which the insurer would be required to pay a significant amount to the policyholder, i.e. an amount that significantly exceeds the amount that would be paid if no insured event occurred, entails the existence of a significant insurance risk for all the contracts of the homogeneous portfolio, regardless of the probability of the scenario arising. Insurance risk may therefore be significant whereas the principle of pooling of risks within the portfolio limits the likelihood of a significant loss with respect to the result of the portfolio considered as a whole.

The main insurance risks are related to mortality (death benefits), longevity (life benefits, such as life-contingent annuities), morbidity (temporary disability benefits), permanent disability, health (medical benefits), unemployment, or third-party liability and property and casualty.

Applying the principles of IFRS 17, insurance contracts may be classified as insurance contracts with direct participation features or insurance contracts without direct participation features.

Insurance contracts with direct participation features are insurance contracts that are substantially investment-related service contracts under which an entity promises an investment return based on underlying items. Hence, they are defined as insurance contracts for which, at inception:

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

The assessment of whether these three conditions are met shall be performed at inception of the contract and shall not be reviewed afterwards, unless the contract is substantially modified.

All other insurance contracts issued and all reinsurance contracts (issued and held) are classified as insurance contracts without direct participation features.

### Investment contracts

Contracts that do not expose the insurer to a significant insurance risk are investment contracts. They include investment contracts with discretionary participation features and investment contracts without discretionary participation features.

An investment contract with discretionary participation features is defined as a financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, additional amounts:

- that are expected to be a significant portion of the total contractual benefits;
- the timing or amount of which are contractually at the discretion of the issuer; and
- that are contractually based on:
  - the returns on a specified pool of contracts or a specified type of contracts;
  - realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
  - the profit or loss of the entity or fund that issues the contracts.

Investment contracts with discretionary participation features encompass mainly euro-denominated savings contracts. In the case of multi-funds contracts, insofar as the policyholder has the option, at any time, to opt for a transfer of all or part of his savings to a euro-denominated fund with discretionary participation features (under conditions that are not likely to impede such arbitrages), the Crédit Agricole Assurances Group considers that the contract as a whole is a contract with discretionary participation features, whether the option has been exercised or not by the policyholder.

Investments contracts that do not meet the former definition are investments contracts without discretionary participation features, they fall within the scope of IFRS 9.

## Recognition of insurance contracts and investment contracts with discretionary participation features

### Separating components of an insurance contract

At inception, the Group separates embedded derivatives, distinct investment components and any promise to transfer to the policyholder distinct goods or services other than insurance contract services, and accounts for them as stand-alone components applying the relevant IFRS standards.

Once these distinct stand-alone components have been separated, the Group applies IFRS 17 to account for all the remaining components in the insurance contract.

### Level of aggregation of insurance contracts

The provisions of the standard relating to the level of aggregation require to group contracts into portfolios of contracts, then to divide the latter into three groups depending on the expected profitability of the contracts at initial recognition, themselves shall not include contracts issued more than one year apart (i.e. annual cohorts principle).

A portfolio of insurance contracts comprises insurance contracts that are subject to similar risks and managed together.

Each portfolio should be divided into at least the following groups:

- a group of contracts that are onerous at initial recognition, if any;
- a group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently, if any;
- a group of the remaining contracts in the portfolio, if any.

These groups represent the level of aggregation at which insurance contracts are initially measured and recognised.

In order to apply the general principles of the standard with respect to identifying portfolios, the Group proceeded to various analyses depending on the guarantees identified and the way contracts are managed (e.g. depending on the financial portfolios related to the saving-pension products, depending on the applied level for the prospective measurement of risks and solvency as regards risk products, or depending on business lines for property and casualty products). The division of the portfolios into groups according to the expected profitability was carried out based on various information such as the pricing of contracts, the history of profitability of similar contracts, or prospective plans.

As permitted by article 2 of the regulation (UE) 2021-2036 of 19 November 2021 of the European Commission, the Crédit Agricole Assurances Group has chosen to resort to the exemption from applying the annual cohort requirements for intergenerationally-mutualised contracts. This accounting policy choice has been applied to portfolios corresponding to the savings and pensions businesses of the Group that are eligible for the exemption.

The Group does not apply the requirements of the standard that allow to include in the same group contracts that would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics.

### Date of recognition of insurance contracts

A group of insurance contracts issued shall be recognised from the earliest of the following:

- the beginning of the coverage period of the group of contracts;
- the date when the first payment from a policyholder in the group becomes due or, when no due date exists, the date when the first payment is received; and
- for a group of onerous contracts, when the group becomes onerous.

Only the contracts that individually meet one of the above criteria at the end of the reporting period are included in the group of contracts. New contracts may be added to the group in the reporting period when they meet one of the above recognition criteria. The composition of the group cannot be revised once all the contracts have been added to the group.

A group of insurance contracts acquired in a transfer of insurance contracts or in a business combination is recognised at the date of acquisition.

### Insurance acquisition cash flows

Insurance acquisition cash flows are cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued), that are directly attributable to the portfolio of insurance contracts to which the group belongs, and that include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

The Group uses a systematic and rational method to allocate:

- insurance acquisition cash flows directly attributable to a group of insurance contracts:
  - to that group; and
  - to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group;
- insurance acquisition cash flows directly attributable to a portfolio of insurance contracts but not directly attributable to the groups of contracts in this portfolio, to groups of contracts in the portfolio.

Except for some groups of contracts measured applying the premium allocation approach for which the option to recognise insurance acquisition cash flows directly in expenses was elected, insurance acquisition cash flows paid (or for which a liability has been recognised applying another IFRS standard) before the recognition of the related group of insurance contracts are recognised as an asset. Such an asset is recognised for each related group of insurance contracts.

This asset for insurance acquisition cash flows is derecognised, wholly or partially, when the insurance acquisition cash flows are included in the measurement of the related group of contracts (see section related to the measurement of contracts below).

At the end of each reporting period, the Group revises the amounts of insurance acquisition cash flows allocated to the groups of contracts not yet recognised in order to reflect any change in the assumptions related to the method of allocation used.

At the end of each reporting period, the Group assesses the recoverability of an asset for insurance acquisition cash flows if facts and circumstances indicate the asset may be impaired. In this aim, the Group applies:

- an impairment test at the level of existing and future groups of insurance contracts;
- an additional impairment test that focuses specifically on the cash flows allocated to the expected renewals.

In the case of an impairment loss, the carrying amount of the asset is adjusted and the impairment loss is recognised in profit or loss. If the conditions that gave rise to the impairment no longer exist or have improved, the reversal of whole or part of the impairment loss previously recognised, is recognised in profit or loss and the carrying amount of the asset is increased consequently.

As at 30 June 2023, the assets for insurance acquisition cash flows identified by the Group are fully impaired, and hence their carrying amount in the balance sheet is nil.

### Measurement of insurance contracts

The contracts in the scope of IFRS 17 can be measured using three models:

- the general measurement model, or BBA model (Building Block Approach), is the default measurement model;
- the VFA model (Variable Fee Approach), is the compulsory model for insurance contracts with direct participation features;
- the PAA model (Premium Allocation Approach), is an optional simplified model that can be used when certain criteria are met.

The Group uses the three models to measure its contracts.

The general measurement model is mainly applied to creditor insurance, long-term care, protection, work stoppage, term life and some health activities of the Group.

The Group analysed the fulfilment of the conditions that define insurance contracts with direct participation features (see section on the classification of contracts above) in order to determine which of its contracts meet their definition. Thus, the savings, pensions and funeral businesses of the Group are measured using the VFA model.

The Group has chosen to apply the PAA model to its property and casualty activities (insurance contracts issued and reinsurance contracts held).

### ***Measurement of contracts measured using the general model and the VFA model***

***Initial recognition***

On initial recognition, the Group measures a group of insurance contracts as the total of:

- the fulfilment cash flows, which comprise:
    - estimates of future cash flows;
    - an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that these risks are not included in the estimates of the future cash flows;
    - a risk adjustment for non-financial risk;
- the contractual service margin (CSM).

*Estimates of future cash flows*

The aim of the estimates of future cash flows is to determine the expected value of a set of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of the corresponding outcome in order to derive the expected present value.

Estimates of future cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows at the closing date. These information include internal and external historical data on claims and other characteristics of insurance contracts, updated to reflect the conditions prevailing at the measurement date, in particular the assumptions about the future at that same date.

Estimates of future cash flows reflect the perspective of the Group regarding the current conditions on the closing date, provided that the estimates of any relevant market variables are consistent with observable market prices. The estimates of the market variables are determined based on a maximised use of observable market inputs.

In life insurance, the future cash flows projection incorporates assumptions about the policyholders' behaviour and management decisions. These assumptions cover factors such as surrenders, the participation policy and assets allocation policy.

The best estimate of the expected present value includes the impact of financial options and guarantees if it is material. Stochastic simulation methods are used for this purpose. Stochastic modelling consists in the projection of future cash flows according to a great number of possible economic scenarios as regards market variables such as interest rates and equity returns.

The main options measured by the Group are the surrender option in savings or pensions contracts, guaranteed minimum rates and technical rates, contractual participation clauses and the guaranteed minimum benefit in unit-linked contracts.

The modelled participation clauses comply with local regulatory and contractual constraints and are the subject of strategic assumptions reviewed by the entities' management.

When contracts encompass a significant mortality (or longevity) risk, the projections are likewise estimated based on regulatory mortality tables or experience tables when these are deemed more prudent.

When a minimum guaranteed death benefit is included in a unit-linked contract, so as to ensure the beneficiary of the contract at least the initial invested capital irrespective of the changes in the value of the units held, this benefit is determined on the basis of an economic method (stochastic scenarios).

In non-life insurance, the Group estimates the ultimate cost of the claims incurred but not yet paid at the closing date and the value of expected recoveries by reviewing the reported individual claims and by estimating the claims incurred but not yet reported. Their determination is the result of, on the one hand, the application of deterministic statistical methods based on historical data and, on the other hand, the use of actuarial assumptions drawing upon experts' judgement for the purpose of estimating the ultimate cost. The change in the parameters used may lead to a noticeable change in the value of these estimates at the closing date, particularly as concerns long-tail insurance branches for which the inherent uncertainty in terms of the materialisation of the forecasts is in general more important. These parameters are especially tied to the uncertainty that surrounds qualifying and quantifying the damages, the scales (table and rates) that will be applied to determine compensation, and the probability of the use of annuities in cases involving physical injury. For the Group, this regards the insurance lines related to vehicle and general civil responsibility, personal accident cover, and medical professional responsibility.

*Contract boundary*

The measurement of a group of contracts includes all the future cash flows within the boundary of each contract in the group, i.e. all future cash flows that arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay the premiums or has a substantive obligation to provide the policyholder with insurance contract services. Such a substantive obligation ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks; or
- the Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio, and the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

The contract boundary is reassessed at each closing date in order to take into account the effect of changes in circumstances related to the substantive rights and obligations of the Group, and hence may change overtime.

Determining the contract boundary requires judgement and considering the substantive rights and obligations of the Group pursuant to the contract. To this end, the Group analysed in detail the characteristics of its contracts, and in particular the possibility to reset their price. Thus, the Group considered, for instance, that free or scheduled future payments of savings and pensions contracts, or the liquidation phase of pensions contracts with mandatory annuities, are within the contract boundary; however, the renewals of non-life insurance contracts due to the tacit renewal clause are not within the contract boundary.

*Cash flows included in the measurement of contracts*

Cash flows within the boundary of an insurance contract are those that relate directly to the fulfilment of the contract, including cash flows for which the entity has discretion over the amount or timing. They include notably:

- premiums from a policyholder and any additional cash flows that result from those premiums;
- payments to (or on behalf of) a policyholder;
- an allocation of insurance acquisition cash flows (see above) attributable to the portfolio to which the contract belongs;
- claim handling costs;
- policy administration and maintenance costs;

- transaction-based taxes and levies that arise directly from existing insurance contracts, or that can be attributed to them on a reasonable and consistent basis;
- costs the Group will incur performing investment activity, to the extent the Group performs that activity to enhance benefits from insurance coverage for policyholders;
- costs the Group will incur providing investment-return services and investment-related services to policyholders;
- an allocation of fixed and variable overheads (such as the costs of accounting, human resources, information technology and support, building depreciation, rent, and maintenance and utilities) that are directly attributable to fulfilling insurance contracts;
- any other costs specifically chargeable to the policyholder under the terms of the contract.

Cash flows are allocated by function (acquisition activities, other fulfilment activities, and other activities) at the level of each legal entity using activity-based costing techniques.

Cash flows attributable to acquisition activities and to other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and that are consistently applied to all costs that have similar characteristics. They comprise both direct costs and an allocation of fixed and variable overheads.

The Group has not identified insurance contracts without direct participation features that give it discretion over the cash flows it will pay to policyholders.

Cash flows that are not directly attributable to a portfolio of insurance contracts are recognised in other operating income and expenses as they are incurred.

*Discount rates*

The Group adjusts the estimates of future cash flows to reflect the time value of money and the financial risks related to those cash flows, to the extent that these risks are not included in the estimates of cash flows.

Discount rates are a major parameter to measure insurance contracts applying IFRS 17 requirements; they are notably used to measure the fulfilment cash flows, and, for insurance contracts without direct participation features, to determine the interest to accrete on the CSM, measure the changes to the CSM and determine the amount of the insurance finance income or expenses included in profit or loss when the OCI option is applied (see the section on subsequent measurement below).

IFRS 17 does not require a particular estimation technique for determining discount rates, but requires this method to take into account the factors that arise from the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts, and to maximise the use of observable inputs. The methodology used by the Group when determining the yield curve is a bottom-up approach, that rests on a risk-free yield curve adjusted by an illiquidity premium reflecting the characteristics of the cash flows and the liquidity of insurance contracts. The Group determines the curve of risk-free rates from the rates of interest rate swap contracts observable for the considered currency, adjusted for credit risk. This curve is extrapolated between the last liquid point and an ultimate forward rate reflecting expectations about real interest rates and long-term inflation rates. The extrapolation method of the yield curve used by the Group is the smoothing points method: rates beyond the first smoothing point (FSP) are extrapolated via a function taking into account the ultimate forward rate (UFR), the last liquid forward rate (LLFR) and a parameter for the speed of convergence. The illiquidity premiums are determined based on a reference portfolio corresponding to the assets held to cover contracts. Illiquidity premiums of bond assets are determined by comparing the spreads of the bond portfolio to the remuneration of credit risk. Illiquidity premiums of other assets are obtained using a method derived from the Sharpe ratio to quantify the outperformance attributable to these classes of assets. The illiquidity premiums thus obtained for the assets of the reference portfolio are transposed to determine the illiquidity premiums of the corresponding insurance liabilities by using an application ratio depending on the comparison between the respective durations of assets and liabilities in order to reflect the growth of illiquidity premiums with the duration.

The table below presents the yield curves used to discount cash flows of insurance contracts:

| | 30/06/2023 | | | | | | 31/12/2022 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **1 year** | **5 years** | **10 years** | **15 years** | **20 years** | **30 years** | **1 year** | **5 years** | **10 years** | **15 years** | **20 years** | **30 years** |
| **Life France** | | | | | | | | | | | | |
| EUR | 5.11% | 4.25% | 4.00% | 3.93% | 3.77% | 3.53% | 4.16% | 4.11% | 4.07% | 4.00% | 3.74% | 3.43% |
| **Property and casualty France** | | | | | | | | | | | | |
| EUR | 4.53% | 3.66% | 3.46% | 3.44% | 3.30% | 3.13% | 3.68% | 3.64% | 3.60% | 3.53% | 3.27% | 3.02% |
| **International** | | | | | | | | | | | | |
| EUR | 4.92% | 4.06% | 3.80% | 3.74% | 3.58% | 3.37% | 4.22% | 4.17% | 4.13% | 4.06% | 3.80% | 3.48% |
| USD | 5.73% | 4.21% | 3.84% | 3.77% | 3.72% | 3.40% | 5.40% | 4.27% | 4.07% | 4.02% | 3.94% | 3.61% |
| JPY | (0.01)% | 0.22% | 0.57% | 0.81% | 0.98% | 1.07% | (0.10)% | 0.16% | 0.49% | 0.97% | 1.26% | 1.56% |

*Risk adjustment for non-financial risk*

Estimates of the present value of the future cash flows are subject to an explicit risk adjustment for non-financial risk, in order to reflect the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

In order to determine this adjustment, the Group applies the confidence level technique for all its contracts. The measurement metric used by the Group is the VaR (Value at Risk) with a quantile of 80% for life activities and 85% for non-life activities, and an ultimate horizon (approximated by the duration of liabilities for life activities). This adjustment reflects the diversification benefits of risks at the entity level, determined using a correlation matrix. A diversification between entities is also taken into account.

*Contractual service margin*

The CSM of a group of insurance contracts represents the unearned profit the Group will recognise as it provides insurance contract services.

On initial recognition of a group of contracts, if the sum of the fulfilment cash flows measured at the date of initial recognition, any cash flows arising at that date and of any amount that results from the derecognition at that date of any asset or liability previously recognised for cash flows related to the group (including any asset for insurance acquisition cash flows) is a net cash inflow, then the group of contracts is profitable. In this case, the CSM is measured as an amount equal and opposite to this cash inflow, resulting in no income or expense arising on initial recognition.

For groups of contracts acquired in a transfer of insurance contracts or in a business combination, the consideration received or paid for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In the case of a business combination, the consideration received or paid is the fair value of the contracts at that date.

If the sum calculated previously is a net cash outflow, then the group of contracts is onerous. In this case, the net cash inflow is recognised immediately as a loss in profit or loss (or as an adjustment to the goodwill or a gain on a bargain purchase in the case of contracts acquired in a business combination), so that the carrying amount of the liability related to the group is equal to the fulfilment cash flows and the CSM of the group is therefore nil. A loss component of the liability for remaining coverage is then established depicting the losses recognised. This loss component determines the amounts that are presented subsequently in profit or loss as reversals of losses on onerous groups and are consequently excluded from insurance revenue (see section on presentation below).

***Subsequent measurement***

The carrying amount of a group of contracts at each closing date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

The liability for remaining coverage comprises the fulfilment cash flows that relate to future service allocated to the group at that date and the contractual service margin at that date.

The liability for incurred claims comprises the fulfilment cash flows for incurred claims and other expenses not yet paid, including claims incurred but not yet reported.

The fulfilment cash flows of the groups of contracts are measured at the closing date using the present estimate of the value of future cash flows, current discount rates and the present estimate of the risk adjustment for non-financial risk. The changes in the fulfilment cash flows are recognised as follows:

| | |
|---|---|
| Changes that relate to future service | Recognised against the CSM (or recognised in the insurance service result in case the group is onerous) |
| Changes that relate to current and past service | Recognised in the insurance service result |
| Effect of the time value of money, financial risk and changes therein on the future cash flows | Recognised in the insurance finance income or expenses |

The CSM of each group of contracts is calculated at each closing date as follows depending on whether the contracts are without direct participation features (general model) or with direct participation features (VFA model).

*Insurance contracts without direct participation features measured using the general model*

The carrying amount of the CSM of a group of insurance contracts without direct participation features at the closing date is the carrying amount at the opening date adjusted for:

- the effect of any new contracts added to the group during the period;
- interest accreted on the CSM during the period, measured at the discount rates determined on initial recognition;
- the changes in the fulfilment cash flows relating to future service, except to the extent that:
    - such increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and gives rise to a loss component; or
    - such decreases in the fulfilment cash flows are allocated to the loss component, which leads to a reversal of the loss previously recognised in profit or loss;
- the effect of any currency exchange differences arising on the CSM; and
- the amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined after all the above adjustments have been made (see section "Recognition of the contractual service in margin in profit or loss" below).

The changes in the fulfilment cash flows that relate to future service and that adjust the CSM include:

- experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows of the liability for remaining coverage, except those that relate to the effect of the time value of money and financial risk and changes therein, measured at the discount rates determined on initial recognition;
- experience adjustments on investment components and loans to policyholders;
- changes in the risk adjustment for non-financial risk that relate to future service, measured at the discount rates determined on initial recognition.

*Insurance contracts with direct participation features measured using the VFA model*

The variable fee approach (VFA model) reflects accounting-wise the specific nature of the services provided under insurance contracts with direct participation features. These contracts are insurance contracts that are substantially investment-related service contracts, under which the entity promises an investment return based on underlying items.

The underlying items are items that determine some of the amounts payable to the policyholders. As concerns the Group, these items comprise mainly portfolios of financial assets, as well as, for French euro-denominated savings contracts, the technical result of these contracts.

The Group's policy is to hold the underlying financial assets.

The composition and the fair value of the latter are detailed in the note 6.3.

Insurance contracts with direct participation features are contracts under which the Group's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- the variable fee in exchange for the future services provided by the insurance contract, that is equal to the difference between the amount of the entity's share of the fair value of the underlying items and the fulfilment cash flows that do not vary based on the returns on underlying items.

The changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items do not relate to future service and therefore do not adjust the contractual service margin: they are recognised in profit or loss.

The changes in the amount of the entity's share of the fair value of the underlying items relate to future service and adjust the contractual service margin.

The carrying amount of the CSM of a group of insurance contracts with direct participation features at the closing date is the carrying amount at the opening date, adjusted for:

- the effect of any new contracts added to the group during the period;
- the change in the amount of the entity's share of the fair value of the underlying items and the changes in fulfilment cash flows relating to future service, except to the extent that:
    - the risk mitigation option is applied (see below) in order not to recognise a change in the CSM to reflect the changes in the effect of the time value of money and financial risks on the amount of its share of the underlying items or the fulfilment cash flows;
    - the decrease in the amount of the entity's share of the fair value of the underlying items, or the increase in the fulfilment cash flows relating to future service, exceeds the carrying amount of the CSM, giving rise to a loss recognised in profit or loss and constituting a loss component; or
    - the increase in the amount of the entity's share of the fair value of the underlying items, or the decrease in the fulfilment cash flows relating to future service, are allocated to the loss component, giving rise to a reversal of the loss previously recognised in profit or loss;
- the effect of any currency exchange differences arising on the CSM; and
- the amount recognised as insurance revenue because of the transfer of insurance contract services in the period, determined after all the above adjustments have been made (see section "Recognition of the contractual service in margin in profit or loss" below).

The changes in the fulfilment cash flows related to future service and that adjust the CSM comprise the changes indicated above for insurance contracts without direct participation features (measured using current discount rates) and the changes in the effect of the time value of money and financial risks not arising from the underlying items - for example, the effect of financial guarantees.

The Group may chose (risk mitigation option) not to recognise a change in the CSM of insurance contracts with direct participation features to reflect changes in the effect of the time value of money and financial risk, when this effect is mitigated using derivatives, non-derivative financial instruments measured at fair value through profit or loss, or reinsurance contracts held. The Group has chosen not to apply this option.

*Loss component*

For contracts measured using the general model and the VFA model, the Group establishes a loss component of the liability for remaining coverage for onerous groups of contracts (see above). This loss component determines the amounts that are presented subsequently in profit or loss as reversals of losses on onerous groups of contracts and are consequently excluded from insurance revenue (see section on presentation below).

When fulfilment cash flows are incurred, they are allocated based on a systematic method between the loss component and the liability for remaining coverage excluding the loss component. The systematic method applied by the Group is determined on the basis of the proportion of the loss component in the total estimate of the present value of future cash outflows and the risk adjustment for non-financial risk on the beginning of each period (or on initial recognition if a group of contracts is initially recognised in the period), excluding investment components.

Any subsequent decrease in the fulfilment cash flows relating to future service, and any subsequent increase in the Group's share of the fair value of the underlying items for contracts with direct participation features, are allocated solely to the loss component.

If the loss component is reduced to zero, then any excess over the amount allocated to the loss component establishes a new CSM for the group of contracts concerned.

***Measurement of contracts measured using the PAA model***

The premium allocation approach (PAA model) is an optional measurement model that enables a simplified measurement of the liability for remaining coverage of a group of insurance contracts if either of the following two eligibility criteria is met at the inception date of the group:

- the Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced applying the requirements of the general model; or
- the coverage period of each contract in the group is one year or less.

The Group has chosen to apply this approach to its property and casualty activities (insurance contracts issued and reinsurance contracts held). The vast majority of the groups of contracts concerned meet the second eligibility criterion, namely a coverage period of each of the contracts in the group being one year or less.

On initial recognition of a group of insurance contracts, the carrying amount of the liability for remaining coverage is the premiums received at the date of initial recognition minus the amount at that date of any insurance acquisition cash flows allocated to this group and plus or minus any amount arising from the derecognition at that date of any asset or liability previously recognised for cash flows related to the group of contracts (including any asset for insurance acquisition cash flows).

For a group of contracts measured using the PAA model, the Group may choose as an accounting policy choice to expense insurance acquisition cash flows, if any, when these expenses are incurred, provided that the coverage period of each contract in the group at initial recognition is no more than one year. The Group has chosen not to apply this option for the measurement of groups of contracts measured using the PAA model (except for the contracts of its Japanese subsidiary), and therefore includes insurance acquisition cash flows in the measurement of the liability for remaining coverage.

On subsequent measurement, the carrying amount of the liability for remaining coverage is increased by the premiums received during the period and any amount recognised as expenses due to the amortisation of insurance acquisition cash flows, and decreased by the amount recognised as insurance revenue for services provided in the period and insurance acquisition cash flows paid during the period.

On initial recognition of each group of contracts, the Group expects that the time between the provision of the services and the related premium due date is no more than one year. Consequently, the Group has chosen not to adjust the carrying amount of the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts measured using the PAA model is onerous, the Group recognises a loss in profit or loss and increases the liability for remaining coverage, to the extent that the present estimates of the fulfilment cash flows related to the remaining coverage of the group exceed the carrying amount of the liability for this coverage. The fulfilment cash flows of these groups of contracts are discounted (at current rates) to the extent that the liability for incurred claims is also discounted.

For contracts measured using the PAA model, the loss component established in the case of an onerous group of contracts is allocated to the liability for remaining coverage; the reversals of this loss component cannot lead to a liability for remaining coverage that is less than the one that would be determined in the absence of a loss component.

The Group measures the liability for incurred claims of a group of insurance contracts measured using the PAA model as the amount of the fulfilment cash flows relating to incurred claims, in accordance with the requirements applicable for the general model. However, it is not required to adjust the future cash flows to reflect the time value of money and the effect of financial risk if those cash flows are expected to be paid or received in one year or less from the date the claims are incurred. With the exception of the measurement of the contracts of its Japanese subsidiary, the Group does not apply this option, the future cash flows are therefore discounted (at current rates).

## Recognition of investment contracts with discretionary participation features

Investment contracts with discretionary participation features do not include a transfer of significant insurance risk. Consequently, the following requirements in IFRS 17 are modified for the recognition of those contracts:

- the date of initial recognition is the date the entity becomes party to the contract;
- the cash flows within the contract boundary are those that result from a substantive obligation of the Group to deliver cash at a present or future date. The Group has no substantive obligation to deliver cash if it has the practical ability to set a price for the promise to deliver the cash that fully reflects the amount of cash promised and related risks;
- the allocation of the CSM is made so that the CSM is recognised over the duration of the group of contracts, in a systematic way that reflects the transfer of investment services under the contract.

## Recognition of investment contracts without discretionary participation features

These investment contracts correspond to financial liabilities and are within the scope of IFRS 9.

These are mainly unit-linked contracts without minimum guaranteed rates and without a transfer option into a fund with discretionary participation features.

In accordance with IFRS 9, the liabilities related to these contracts are recognised as deposits. Hence, the premiums received and the claims paid, net of the insurer's fees, are recognised directly in the balance sheet. Only revenues and expenses related to the acquisition and servicing of the contracts are recognised in profit or loss.

## Recognition of reinsurance contracts

No reinsurance contract within the Group comprises characteristics (such as the absence of risk transfer) that would result in its qualification as an investment contract within the scope of IFRS 9.

For the purposes of IFRS 17, reinsurance contracts issued and reinsurance contracts held cannot be insurance contracts with direct participation features, and therefore cannot be measured using the VFA model.

### Reinsurance contracts issued (accepted reinsurance)

Reinsurance contracts issued are recognised in accordance with the requirements applicable to insurance contracts without direct participation features set out above.

### Reinsurance contracts held (ceded reinsurance)

The requirements applicable to insurance contracts without direct participation features set out above are subject to the following modifications with respect to their application to reinsurance contracts held.

#### *Level of aggregation*

Portfolios of reinsurance contracts held are set in accordance with the requirements of IFRS 17 applicable to insurance contracts issued, however, given the fact that reinsurance contracts held cannot be onerous, the Group considers, for the purpose of applying such requirements to reinsurance contracts held, that any reference to onerous contracts applies to reinsurance contracts held on which there is a net gain on initial recognition.

The application of those requirements within the Group leads to groups of reinsurance contracts held that comprise a single contract.

#### *Recognition date*

A group of reinsurance contracts held is recognised at the beginning of the coverage period of the group. As an exception to this principle, for a group of reinsurance contracts held that provide proportionate coverage, the Group delays the recognition date until the date of initial recognition of any underlying insurance contract, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

However, if the Group recognises an onerous group of underlying insurance contracts at an earlier date and entered into the related reinsurance contract at or before that earlier date, the group of reinsurance contracts held is recognised at this earlier date.

#### *Contract boundary*

Applying the requirements related to the boundary of insurance contracts issued set out above to reinsurance contracts held entails that the cash flows are within the boundary of a group of reinsurance contracts held if they arise from the substantive rights and obligations that exist during the reporting period in which the cedant is compelled to pay amounts to the reinsurer or in which the cedant has a substantive right to receive services from the reinsurer. The substantive right to receive services from the reinsurer ends when the latter has the practical ability to reassess the transferred risks and set a price level consequently, or has the substantive right to end the reinsurance contract.

Cash flows within the boundary of reinsurance contracts held are therefore determined as cash flows stemming from the underlying contracts issued or that the Group expects to issue or cede under the reinsurance contract until the first possible termination date of the reinsurance contract.

#### *Measurement - Reinsurance contracts held measured using the general model*

To measure a group of reinsurance contracts held, the Group applies the same accounting methods as for insurance contracts without direct participation features set out above, with the modifications presented below.

The Group measures the estimates of the present value of the future cash flows for a group of reinsurance contracts held using assumptions that are consistent with those used for the estimates of the present value of the future cash flows for the group(s) of underlying insurance contracts, with an adjustment to reflect the risk of non-performance by the reinsurer, including the effect of collateral and losses from disputes. The changes in the fulfilment cash flows that result from changes in the risk of non-performance are recognised in profit or loss in the income and expenses related to reinsurance contracts held, as the Group considers this risk as a non-financial risk.

The risk adjustment for non-financial risk represents the amount of risk being transferred by the cedant to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or a net gain on purchasing the group of reinsurance contracts held. Therefore, the CSM is measured as the amount equal and opposite to the sum of the fulfilment cash flows, the amount derecognised at that date of any asset or liability previously recognised for cash flows related to the group, any cash flows arising at that date and any income recognised in profit or loss due to the recognition of losses on onerous underlying contracts.

However, if the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts held, the Group recognises such a cost immediately in profit or loss as an expense.

The carrying amount of the CSM of a group of reinsurance contracts held at the closing date is the carrying amount at the opening date adjusted for the following:

- the effect of any new contracts added to the group during the period;
- interest accreted on the CSM during the period, measured at the discount rates determined on initial recognition;
- income recognised in profit or loss in the reporting period related to the loss-recovery component (see below);
- reversals of a loss-recovery component recognised to the extent those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held (see below);
- changes in the fulfilment cash flows, measured at the discount rates determined on initial recognition, to the extent that these changes relate to future service, unless they result from a change in the fulfilment cash flows of an onerous group of underlying contracts;
- the effect of any currency exchange differences arising on the CSM; and
- the amount recognised in profit or loss because of services received from the reinsurer in the period, determined after all the other adjustments above.

#### *Reinsurance of onerous underlying insurance contracts*

If the Group enters into a reinsurance contract held no later than the date of initial recognition of onerous underlying contracts, it adjusts the CSM of the group to which the reinsurance contract held belongs, and recognises income consequently, when a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or when onerous underlying insurance contracts are added to an existing group. This adjustment establishes a loss-recovery component of the asset for remaining coverage of the group of reinsurance contracts held, depicting the recovery of losses of onerous underlying insurance contracts. The adjustment is determined by multiplying:

- the loss recognised on the underlying onerous insurance contracts; and
- the percentage of claims on the underlying insurance contracts the Group expects to recover from the group of reinsurance contracts held.

After establishing a loss-recovery component, the Group adjusts this component to reflect changes in the loss component of the onerous group of underlying insurance contracts.

If the reinsurance contract held covers only part of the underlying insurance contracts included in an onerous group of contracts, the Group uses a systematic and rational method of allocation to determine the portion of losses recognised on the onerous group of insurance contracts that relates to the underlying insurance contracts covered by the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from reinsurance contracts held and that are consequently excluded from the allocation of the premiums paid to the reinsurer (see section on presentation below). The loss recovery-component is adjusted to reflect the changes in the loss component of the onerous group of underlying insurance contracts, however, its carrying amount must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

#### *Measurement - Reinsurance contracts held measured using the PAA model*

The PAA model allows to simplify the measurement of a group of reinsurance contracts held if either of the two following eligibility criteria are met at the inception of the group:

- the Group reasonably expects that the measurement resulting from this method would not differ materially from the one that would result from applying the requirements of the general model; or
- the coverage period of each contract in the group of contracts is one year or less.

As regards property and casualty insurance, the Group uses the PAA model to simplify the measurement of groups of reinsurance contracts held when the above criteria are met. The Group applies the same principles for the measurement of a group of reinsurance contracts held using the PAA model as those for the measurement of groups of insurance contracts issued that are set out above, adapted to reflect the features of reinsurance contracts held that differ from those of insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue.

If a loss-recovery component is established for a group of reinsurance contracts held measured using the PAA model, the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

### Derecognition and modification of contracts

The Group derecognises an insurance contract:

- when it is extinguished, i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled;
- when it is transferred to a third party;

- when its terms are modified in a way that would have changed the accounting for this contract significantly had these new terms always existed (for example, a different classification, or a different measurement model), in which case a new contract based on the modified terms is recognised. If a contract modification does not result in its derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

## Effect of accounting estimates made in interim financial statements

The Group prepares interim financial statements applying IAS 34. It made the accounting policy choice that consists in changing the treatment of accounting estimates made in previous interim financial statements when applying IFRS 17 in its subsequent interim financial statements and its annual financial statements.

## Presentation

### Presentation in the balance sheet

The Group presents separately in the balance sheet the carrying amount of:

- portfolios of insurance contracts issued that are assets;
- portfolios of insurance contracts issued that are liabilities;
- portfolios of reinsurance contracts held that are assets;
- portfolios of reinsurance contracts held that are liabilities.

Assets and liabilities recognised for cash flows incurred before the recognition of the related group of contracts (including assets for insurance acquisition cash flows) are included in the carrying amount of the related portfolios of contracts.

### Presentation in the income statement and in other comprehensive income

The Group recognises income and expenses related to the contracts within the scope of IFRS 17 in the following items of the income statement:

- insurance service result, that comprises the following items:
  - insurance revenue;
  - insurance service expenses;
  - income or expenses related to reinsurance contracts held;
- insurance finance income or expenses;
- insurance finance income or expenses related to reinsurance contracts held.

Income or expenses related to reinsurance contracts held are presented separately from income or expenses related to insurance contracts issued.

The Group has chosen to present income or expenses related to reinsurance contracts held, other than insurance finance income or expenses, as a single amount within the insurance service result.

The Group has chosen to disaggregate the changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses for insurance contracts without direct participation features, and to include the entire changes in the insurance service result for insurance contracts with direct participation features.

Insurance revenue and insurance service expenses exclude investment components.

### Amounts recognised in the comprehensive income

#### *Insurance revenue - Contracts measured using the general model and the VFA model*

Insurance revenue recognised in the period depicts the provision of services arising from a group of insurance contract at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group recognises insurance revenue and reduces the liability for remaining coverage as it performs its obligation for services, i.e. as it provides insurance contract services (insurance coverage and investment services) for the group of contracts.

The total insurance revenue over the coverage period is the consideration for the contracts, i.e. the amount of premiums paid adjusted for a financing effect and excluding any investment components.

Insurance revenue recognised during the period comprises:

- the amounts related to the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration:
  - insurance service expenses incurred in the period (measured at the amounts expected at the beginning of the reporting period), excluding amounts allocated to the loss component of the liability for remaining coverage, repayments of investment components, amounts that relate to transaction-based taxes collected on behalf of third parties, insurance acquisition expenses and the amount related to the risk adjustment for non-financial risk;
  - changes in the risk adjustment for non-financial risk, excluding changes included in insurance finance income or expenses, changes that relate to future service, and amounts allocated to the loss component of the liability for remaining coverage;
  - the amount of the contractual service margin recognised in profit or loss because of the provision of insurance contract services in the period;
  - other amounts, if any, for example, experience adjustments for premium receipts other than those that relate to future service;
- the portion of the premiums that relate to recovering insurance acquisition cash flows.

The Group allocates the portion of the premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way on the basis of the passage of time. The Group has applied a linear allocation method and has not taken into account interest accretion.

The same amount is recognised as insurance service expenses.

#### ***Recognition of the contractual service margin in profit or loss***

The amount of the contractual service margin of a group of insurance contracts, which is recognised in each period in insurance revenue in order to reflect insurance contract services provided for this group in the period, is determined by defining the coverage units for the group, by allocating the CSM at the end of the period (before any recognition in profit or loss) equally to each coverage unit (those provided in the current period and those expected to be provided in the future), and by recognising in profit or loss the amount allocated to the coverage units provided during the period considered.

The number of coverage units of the group of contracts is the quantity of insurance contract services provided by the contracts in the group, determined by considering, for each contract, the quantity of the benefits provided and the expected coverage period. Coverage units are reviewed and updated at each closing date.

Insurance contract services encompass a coverage for an insured event (insurance coverage) as well as, in the case of insurance contracts with direct participation features, the management of underlying items on behalf of the policyholder (investment-related services) and, in the case of insurance contracts without direct participation features, the generation of an investment return for the policyholder (investment-return services), if applicable.

The period over which the investment-related or investment-return services are provided ends at or before the date when all amounts due to current policyholders relating to those services have been paid.

The contracts of the Group measured using the general model do not encompass investment-return services.

The standard is not prescriptive as regards the indicator to use to reflect the quantity of services provided during the period, and it is therefore necessary to resort to judgement on this point. The methodology used by the Group to define coverage units and consequently the expected pattern of release of the CSM in profit or loss is adapted to the characteristics of the contracts concerned. For insurance contracts with direct participation features, measured according to the variable fee approach, the methodology used to allocate the CSM in profit or loss aims at economically reflecting the asset management service provided by the insurer during each period: thereby, beyond the risk neutral returns on assets projected in actuarial models used to measure this type of contracts, it also takes into account the over-return corresponding to the real performance of these assets. For other contracts, measured according to the general model, the coverage units are defined based on various indicators adapted depending on the type of guarantee (such as the death benefit or the outstanding capital).

### *Insurance revenue - Contracts measured using the PAA model*

For groups of contracts measured using the PAA model, the amount of insurance revenue of the period is the amount of expected premium receipts allocated to the period (excluding investment components).

The Group allocates the amount of these expected premium receipts over the periods where insurance contract services are provided on the basis of the passage of time for all contracts measured using the PAA model.

### *Insurance service expenses*

Insurance service expenses that arise from insurance contracts issued are generally recognised in profit or loss when incurred. They exclude the repayments of investment components and include the following items:

- incurred claims (excluding investment components) and other incurred insurance service expenses;
- amortisation of insurance acquisition cash flows;
- losses on onerous groups of contracts and reversals of such losses;
- changes in the liability for incurred claims that do not arise from the time value of money, financial risk, and changes therein;
- impairment losses on assets for insurance acquisition cash flows and reversals of these impairment losses.

For contracts not measured using the PAA model, the amortisation of insurance acquisition cash flows is reflected in the insurance service expenses at the same amount as the portion of the premiums that relate to recovering those acquisition cash flows that is recognised in insurance revenue.

For contracts that are measured using the PAA model, the amortisation of insurance acquisition cash flows is recognised on the basis of the passage of time.

The other expenses, not listed in the items above, are included in the other operating expenses in the income statement.

### *Income or expenses related to reinsurance contracts held*

Income or expenses related to reinsurance contracts held comprise:

- the allocation of the premiums paid (reinsurance expenses), that includes the following amounts related to the changes in the asset for remaining coverage that relate to services for which the Group expects to pay a consideration:
  - amounts recovered for claims and other expenses incurred in the period (measured at the amounts expected at the beginning of the reporting period), excluding repayments of investment components and the amount related to the risk adjustment for non-financial risk;
  - changes in the risk adjustment for non-financial risk, excluding the changes included in insurance finance income or expenses related to reinsurance contracts held and changes that relate to future service;
  - the amount of the contractual service margin recognised in profit or loss because of services received during the period;
  - other amounts, if any, for example, experience adjustments for ceded premiums other than those that relate to future service;
  - the net cost of retroactive reinsurance;
- the amounts recovered from the reinsurer:
  - amounts recovered for claims and other expenses incurred in the period (excluding investment components);
  - changes in the fulfilment cash flows relating to the asset for incurred claims that do not arise from the time value of money, financial risk, and changes therein;
  - changes in the loss-recovery component relating to onerous underlying contracts:
    - income recognised in profit or loss on initial recognition of onerous underlying contracts;
    - reversals of the loss-recovery component that are not changes in the fulfilment cash flows of the group of reinsurance contracts held;
    - changes in the fulfilment cash flows of reinsurance contracts held that result from a change in the fulfilment cash flows of onerous underlying contracts;
- the effect of changes in the risk of non-performance by the issuer of reinsurance contracts held.

The allocation of the premiums paid is recognised in profit or loss as reinsurance services are received.

For reinsurance contracts held that are measured using the general model, the allocation of the premiums paid recognised in the period depicts the transfer of services received at an amount that reflects the portion of the ceded premiums that the Group expects to pay in exchange of those services.

For groups of reinsurance contracts measured using the PAA model, the allocation of the premiums paid for each period is the amount of expected premiums payments to receive reinsurance services relating to that period. The Group allocates the allocation of the premiums paid on the basis of the passage of time over the coverage period of the group of reinsurance contracts held.

Ceding commissions that are not contingent on claims covered by the underlying contracts reduce the premiums to be paid to the reinsurer and are therefore recognised in the allocation of the premiums paid. Ceding commissions that are contingent on claims covered by the underlying contracts reduce the amounts recovered from the reinsurer.

### *Insurance finance income or expenses*

Insurance finance income or expenses comprise the changes in the carrying amount of the groups of insurance and reinsurance contracts arising from the effect of time value of money, financial risk and changes therein.

For groups of insurance contracts measured using the VFA model, these changes exclude changes that are allocated to the loss component (that are included in insurance service expenses), and include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

Insurance finance income or expenses of the period may be presented either entirely in profit or loss or disaggregated between profit or loss and other comprehensive income ("OCI option").

For insurance contracts other than insurance contracts with direct participation features for which the entity holds the underlying items, the amount presented in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts:

- for groups of contracts measured using the general model for which changes in assumptions that relate to financial risk do not have a substantial effect on the amounts paid to the policyholder: using the discount rates determined at the date of initial recognition of the group of contracts;
- for groups of contracts measured using the PAA model: using the discount rates determined at the date of the incurred claim.

For insurance contracts with direct participation features for which the Group holds the underlying items, the amount recognised in profit or loss is the amount that eliminates accounting mismatches with income or expenses recognised in profit or loss for the underlying items held. Applying this option, the Group recognises therefore in profit or loss expenses or income that exactly match the income or expenses included in profit or loss for the underlying items, resulting in the net of the separately presented items being nil.

The Group has made the accounting policy choice, for most of its portfolios of insurance contracts, to resort to the option ("OCI option") allowing for a disaggregation of insurance finance income or expenses for the period between profit or loss and other comprehensive income. The application of this option leads thereby, for insurance contracts with direct participation features for which the entity holds the underlying items, to present in profit or loss an amount that eliminates accounting mismatches with income or expenses included in profit or loss on the underlying items held; and, for the other contracts, to present in other comprehensive income the effect of changes in the discount rates on the measurement of the contracts.

The groups of insurance contracts, including the contractual service margin, that generate cash flows in a foreign currency, are treated as monetary items.

### *Investment components*

The provisions of the standard need identifying the investment components, which are defined as the amounts that an insurance contract requires the Group to repay to a policyholder in all circumstances, regardless of whether an insured event occurs; they shall not be recognised in insurance revenue and insurance service expenses.

The main investment components identified by the Group concern savings and pensions contracts that have an explicit surrender or transfer value. For non-life insurance, insurance contracts issued by the Group generally do not include any investment component.

# NOTE 2 Major structural transactions and material events during the period

## 2.1 Information on the consolidation scope as at 30 June 2023

Consolidated financial statements include the accounts of Crédit Agricole Assurances and those of all companies on which, according to the provisions of IFRS 10, IFRS 11 and IAS 28, Crédit Agricole Assurances has control, joint control or significant influence, except those which are not significant in relation to all the companies included in the consolidation scope.

The consolidation scope of Crédit Agricole Assurances was not significantly modified compared with the consolidation scope of 31 December 2022, except for the following items:

### Evolution of the scope that led to a change in the scope or consolidation method

| Crédit Agricole Assurances consolidation scope | Consolidation method | Scope modification | Implantation | Head office (if different from implantation) | Entity type and control nature | Control 30/06/2023 | Control 31/12/2022 | Interest 30/06/2023 | Interest 31/12/2022 |
|---|---|---|---|---|---|---|---|---|---|
| OPTALIME FCP 3DEC | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 96% | | 96% |
| ACTICCIA VIE | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 41% | | 41% |
| ACTICCIA VIE N2 C | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 75% | | 75% |
| TRIANANCE 6 ANS N6 | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 0% | | 0% |
| IGSF-GBL GOLD FD-I C | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 42% | | 42% |
| TRIANANCE 6 AN 12 C | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 1% | | 1% |
| TRIANANCE 6 AN 13 C | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 83% | | 83% |
| FONDS AV ECHUS FIA B | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 100% | | 100% |
| LCL BDP ECHUS D | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 100% | | 100% |
| LCL ECHUS - PI | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 73% | | 73% |
| LCL ECHUS - BETA C | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 100% | | 100% |
| FONDS AV ECHU FIA PI | Full | Company transferred to off-group or loss of control | France | | Controlled structured entity | | 100% | | 100% |

| Crédit Agricole Assurances consolidation scope | Consolidation method | Scope modification | Implantation | Head office (if different from implantation) | Entity type and control nature | Control | | Interest | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 30/06/2023 | 31/12/2022 | 30/06/2023 | 31/12/2022 |
| GRD44 n°3 | Full | Discontinuation (including dissolution, liquidation) | France | | Controlled structured entity | | 100% | | 100% |
| GRD 44 N4 PART CD | Full | Discontinuation (including dissolution, liquidation) | France | | Controlled structured entity | | 100% | | 100% |
| GRD 44 N5 | Full | Discontinuation (including dissolution, liquidation) | France | | Controlled structured entity | | 100% | | 100% |

### Entities within the scope for which a change in the percentage of control or interest is greater than 10% in the first half of 2023 without modification of the consolidation method

None

## 2.2 Other material events during the period

### Impacts relating to military operations in Ukraine

Crédit Agricole Assurances is exposed to country risk, i.e., the risk that economic, financial, political or social conditions in a country in which it operates may affect its financial interests. A significant change in political or macroeconomic conditions could force it to book additional expenses or sustain heavier losses than the amounts already recognised in its financial statements.

Crédit Agricole Assurances is not exposed to any country risk in relation to Ukraine and Russia as at 30 June 2023.

### Pillar 2 – Globe

The OECD has released new international tax rules aimed at requiring large Multinational Enterprises to pay a "top-up tax" whenever the Effective Tax Rate (ETR) in each jurisdiction in which they operate is below 15%. The purpose of these rules is to combat competition between countries based on tax rates.

The rules will have to be transposed into domestic law by each State.

A European Directive was adopted within the European Union at the end of 2022 (it is currently being transposed into member states' domestic law) and stipulates financial year 2024 as the first financial year for the application of the GloBE rules in the European Union. As of now, the information is not reasonably estimable, census work is being initiated within the Group. The implication is that a GloBE top-up tax might have to be recognised in the Group's 2024 financial statements.

### Pension reform

The impact of the pension reform in France adopted through the Law 2023-270 of 14 April 2023 on the corrective financing of social security for 2023 (published in the Journal Officiel of 15 April 2023) and the implementing decrees 2023-435 and 2023-436 of 3 June 2023 (published in the Journal Officiel of 4 June 2023) was taken into account in the financial statements for the first half of 2023.

The impact of this reform is considered to be a regime change and is recognised as past service costs, in other current operating income and expenses.

As at 30 June 2023, the impact of this reform is not significant for the Crédit Agricole Assurances Group (€ 0.2 million).

### Partnership with Banco BPM

Crédit Agricole Assurances and Banco BPM have signed at the end of 2022 a binding Term Sheet for a long-term partnership in Italy for non-life and creditor insurance.

This partnership aims to provide non-life insurance products and related services through Banco BPM distribution networks.

The Memorandum of Understanding provides for the acquisition of 65% of Crédit Agricole Assurances’ stakes in the subsidiaries Vera Assicurazioni and Banco BPM Assicurazioni, currently owned by Banco BPM, representing an investment of € 265 million.

## NOTE 3 Subsequent events

There were no significant events between 30 June 2023 and the date the financial statements were approved by the Board of Directors.

# NOTE 4 Segment information

In accordance with IFRS 8, the information presented is based on the internal reporting used by the Executive Committee for the management of the Crédit Agricole Assurances Group, the evaluation of performance and the allocation of resources to the identified operating sectors.

The operating sectors presented in the internal reporting are defined on the basis of the geographical area (France, International) and, for the France, the type of activities (life, property and casualty).

As at 30 June 2023, Crédit Agricole Assurances' activities were organised into 4 operating segments:

- Life France
- Property and casualty France
- International
- Others

"**Life France"** segment includes life, savings, retirement and provident insurance operations carried out in France, as well as credit insurance activities.

**"Property and casualty France"** segment mainly includes auto, home, agricultural, life accident and health insurance products marketed in France.

**"International"** covers the life and property activities conducted outside France.

**"Other"** covers primarily of holding company activities and CAAS.

In 2023, Crédit Agricole Assurances changed the composition of the operating segments presented to take account of a change in its internal organisation in terms of monitoring the Group's borrower insurance activities; whereas they were previously divided between the "Life France" sector (for those carried by Predica) and the "Credit Insurance" sector (for those carried by CACI), they are now fully presented within the "Life France" sector.

The segment information for the prior period presented below has been restated to reflect this change in the composition of the segments presented by the Group.

Segment assets are determined from the accounting elements composing the balance sheet of each operating segment.

## 4.1 Income statement by segment

| *(in € millions)* | 30/06/2023 | | | | | |
|---|---|---|---|---|---|---|
| | Life France | Property and casualty France | International | Other | Intragroup | Total |
| Insurance revenue | 3,871 | 2,600 | 452 | - | (9) | 6,914 |
| Insurance service expenses | (2,813) | (2,415) | (316) | - | 2 | (5,542) |
| Income or expenses related to reinsurance contracts held | (36) | (65) | (18) | - | 8 | (111) |
| **Insurance service result** | **1,022** | **120** | **118** | **-** | **1** | **1,261** |
| **Revenue or income from other activities** | **1** | **38** | **1** | **-** | **-** | **40** |
| Investment income | 3,565 | 46 | 309 | 147 | (154) | 3,913 |
| Investment expenses | (346) | (4) | (44) | (4) | 4 | (394) |
| Gains and losses on disposal of investments net of reversals of impairment and amortisation | (72) | - | (4) | (5) | - | (81) |
| Change in fair value of investments recognised at fair value through profit or loss | 2,699 | 27 | 662 | (37) | - | 3,351 |
| Change in impairment of investments | 14 | - | 1 | - | - | 15 |
| **Investment income net of investment expenses** | **5,860** | **69** | **924** | **101** | **(150)** | **6,804** |
| Insurance finance income or expenses | (5,618) | (77) | (980) | - | 103 | (6,572) |
| Insurance finance income or expenses related to reinsurance contracts held | 14 | 13 | 99 | 1 | (103) | 24 |
| Changes in value of investment contracts without discretionary participation features | (52) | - | (35) | - | - | (87) |
| **Net financial income** | **204** | **5** | **8** | **102** | **(150)** | **169** |
| Other current operating income and expenses | (50) | (36) | (37) | (47) | 6 | (164) |
| Other operating income and expenses | 3 | - | (3) | 1 | (1) | - |
| **Operating income** | **1,180** | **127** | **87** | **56** | **(144)** | **1,306** |
| Financing expenses | (124) | (13) | (10) | (70) | 144 | (73) |
| Income tax | (225) | (31) | (20) | (7) | - | (283) |
| Net income from discontinued operations | - | - | - | - | - | - |
| **CONSOLIDATED NET INCOME** | **831** | **83** | **57** | **(21)** | **-** | **950** |
| Non-controlling interests | - | - | - | - | - | - |
| **NET INCOME (GROUP SHARE)** | **831** | **83** | **57** | **(21)** | **-** | **950** |

| | 30/06/2022 restated | | | | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Life France | Property and casualty France | International | Other | Intragroup | Total |
| Insurance revenue | 3,628 | 2,420 | 470 | - | (12) | 6,506 |
| Insurance service expenses | (2,535) | (2,433) | (280) | - | 3 | (5,245) |
| Income or expenses related to reinsurance contracts held | (28) | 19 | (22) | - | 10 | (21) |
| **Insurance service result** | **1,065** | **6** | **168** | **-** | **1** | **1,240** |
| **Revenue or income from other activities** | **2** | **43** | **-** | **-** | **-** | **45** |
| Investment income | 3,990 | 41 | 220 | 145 | (149) | 4,247 |
| Investment expenses | (277) | (5) | (213) | (5) | 2 | (498) |
| Gains and losses on disposal of investments net of reversals of impairment and amortisation | (1) | - | 3 | - | - | 2 |
| Change in fair value of investments recognised at fair value through profit or loss | (12,925) | (112) | (2,082) | (18) | - | (15,137) |
| Change in impairment of investments | - | - | - | - | - | - |
| **Investment income net of investment expenses** | **(9,213)** | **(76)** | **(2,072)** | **122** | **(147)** | **(11,386)** |
| Insurance finance income or expenses | 8,486 | (42) | 2,896 | - | (973) | 10,367 |
| Insurance finance income or expenses related to reinsurance contracts held | 14 | 5 | (967) | - | 973 | 25 |
| Changes in value of investment contracts without discretionary participation features | 460 | - | 124 | - | - | 584 |
| **Net financial income** | **(253)** | **(113)** | **(19)** | **122** | **(147)** | **(410)** |
| Other current operating income and expenses | (42) | (40) | (49) | (35) | 11 | (155) |
| Other operating income and expenses | 1 | - | (4) | - | (5) | (8) |
| **Operating income** | **773** | **(104)** | **96** | **87** | **(140)** | **712** |
| Financing expenses | (124) | (12) | (6) | (91) | 140 | (93) |
| Income tax | (140) | 32 | (23) | (25) | - | (156) |
| Net income from discontinued operations | - | 8 | - | - | - | 8 |
| **CONSOLIDATED NET INCOME** | **509** | **(76)** | **66** | **(29)** | **-** | **471** |
| Non-controlling interests | - | - | (1) | - | - | (1) |
| **NET INCOME (GROUP SHARE)** | **509** | **(76)** | **65** | **(28)** | **-** | **470** |

## 4.2 Balance sheet by segment

| *(in € millions)* | 30/06/2023 Life France | Property and casualty France | International | Other | Intragroup | Total |
|---|---|---|---|---|---|---|
| Goodwill | 766 | 69 | 37 | - | - | 872 |
| Other intangible assets | 218 | 23 | 27 | 2 | - | 270 |
| **Intangible assets** | **984** | **92** | **64** | **2** | **-** | **1,142** |
| Investment property | 11,415 | 82 | - | 8 | - | 11,505 |
| Financial investments | 250,772 | 5,238 | 16,167 | 17,569 | (6,430) | 283,316 |
| Unit-linked financial investments | 72,415 | - | 17,549 | - | - | 89,964 |
| Derivative instruments and separated embedded derivatives | 617 | - | 16 | - | - | 634 |
| Investments in joint ventures and associates | 8,973 | 10 | 58 | 3 | - | 9,044 |
| **Investments from insurance activities** | **344,193** | **5,330** | **33,790** | **17,580** | **(6,430)** | **394,463** |
| **Insurance contracts issued that are assets** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Reinsurance contracts held that are assets** | **247** | **719** | **7,221** | **-** | **(7,151)** | **1,036** |
| Operating property and other property, plant and equipment | 77 | 73 | 74 | 40 | - | 264 |
| Deferred tax assets | 924 | - | 145 | - | - | 1,069 |
| Current tax assets | 127 | 1 | 11 | - | - | 139 |
| Other receivables | 678 | 228 | 591 | 91 | (55) | 1,533 |
| **Other assets** | **1,806** | **302** | **821** | **131** | **(55)** | **3,005** |
| **Assets held for sale and discontinued operations** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Cash and cash equivalents** | **689** | **107** | **720** | **783** | **-** | **2,299** |
| **TOTAL ASSETS** | **347,919** | **6,550** | **42,616** | **18,496** | **(13,636)** | **401,945** |

| *(in € millions)* | 30/06/2023 Life France | Property and casualty France | International | Other | Intragroup | Total |
|---|---|---|---|---|---|---|
| **Provisions** | **10** | **23** | **9** | **65** | **-** | **107** |
| Subordinated debts | 4,899 | 674 | 553 | 4,350 | (5,833) | 4,643 |
| Financing debts due to banking institutions | 990 | - | - | 1,610 | (502) | 2,098 |
| **Financing debts** | **5,889** | **674** | **553** | **5,960** | **(6,335)** | **6,741** |
| **Insurance contracts issued that are liabilities** | **301,537** | **4,902** | **39,988** | **-** | **(7,149)** | **339,278** |
| **Investment contracts without discretionary participation features** | **2,475** | **-** | **692** | **-** | **-** | **3,167** |
| **Reinsurance contracts held that are liabilities** | **88** | **-** | **35** | **-** | **-** | **123** |
| Deferred tax liabilities | 27 | 48 | - | 4 | - | 79 |
| Liabilities towards holders of units in consolidated investment funds | 9,971 | - | 1,239 | - | - | 11,210 |
| Operating debt securities | - | - | - | - | - | - |
| Operating debts due to banking institutions | 172 | - | - | 622 | - | 794 |
| Current tax liabilities | 106 | 37 | 10 | 5 | - | 158 |
| Derivative instruments liabilities | 289 | - | - | - | - | 289 |
| Other debts | 29,119 | 308 | 214 | 245 | (151) | 29,735 |
| **Other liabilities** | **39,684** | **393** | **1,463** | **876** | **(151)** | **42,265** |
| **Liabilities related to assets held for sale and discontinued operations** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL LIABILITIES** | **349,683** | **5,992** | **42,740** | **6,901** | **(13,635)** | **391,681** |

| (in € millions) | 31/12/2022 restated<br>Life France | Property and casualty France | International | Other | Intragroup | Total |
|---|---|---|---|---|---|---|
| Goodwill | 765 | 70 | 37 | - | - | 872 |
| Other intangible assets | 228 | 23 | 25 | 2 | - | 278 |
| **Intangible assets** | **993** | **93** | **62** | **2** | **-** | **1,150** |
| Investment property | 11,709 | 85 | - | 9 | - | 11,802 |
| Financial investments | 244,065 | 5,264 | 16,414 | 17,651 | (6,028) | 277,366 |
| Unit-linked financial investments | 64,641 | - | 17,298 | - | - | 81,939 |
| Derivative instruments and separated embedded derivatives | 1,068 | - | 29 | - | - | 1,098 |
| Investments in joint ventures and associates | 9,516 | 11 | 61 | 3 | - | 9,591 |
| **Investments from insurance activities** | **330,999** | **5,360** | **33,802** | **17,663** | **(6,028)** | **381,796** |
| **Insurance contracts issued that are assets** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Reinsurance contracts held that are assets** | **226** | **683** | **8,953** | **-** | **(8,885)** | **977** |
| Operating property and other property, plant and equipment | 79 | 72 | 76 | 41 | - | 268 |
| Deferred tax assets | 1,168 | - | 148 | - | - | 1,316 |
| Current tax assets | 15 | 16 | 12 | - | - | 43 |
| Other receivables | 4,881 | 186 | 538 | 65 | (2,577) | 3,093 |
| **Other assets** | **6,143** | **274** | **774** | **106** | **(2,577)** | **4,720** |
| **Assets held for sale and discontinued operations** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Cash and cash equivalents** | **414** | **68** | **762** | **177** | **-** | **1,421** |
| **TOTAL ASSETS** | **338,775** | **6,478** | **44,353** | **17,948** | **(17,490)** | **390,064** |

| (in € millions) | 31/12/2022 restated<br>Life France | Property and casualty France | International | Other | Intragroup | Total |
|---|---|---|---|---|---|---|
| **Provisions** | **9** | **24** | **8** | **53** | **-** | **94** |
| Subordinated debts | 4,781 | 662 | 547 | 4,326 | (5,699) | 4,617 |
| Financing debts due to banking institutions | 1,007 | - | - | 1,427 | (230) | 2,204 |
| **Financing debts** | **5,788** | **662** | **547** | **5,753** | **(5,929)** | **6,821** |
| **Insurance contracts issued that are liabilities** | **293,511** | **4,913** | **41,661** | **-** | **(8,886)** | **331,199** |
| **Investment contracts without discretionary participation features** | **2,465** | **-** | **774** | **-** | **-** | **3,239** |
| **Reinsurance contracts held that are liabilities** | **47** | **-** | **45** | **-** | **-** | **92** |
| Deferred tax liabilities | 15 | 61 | - | 12 | - | 88 |
| Liabilities towards holders of units in consolidated investment funds | 9,856 | - | 1,241 | - | - | 11,097 |
| Operating debt securities | - | - | - | - | - | - |
| Operating debts due to banking institutions | 167 | - | - | - | - | 167 |
| Current tax liabilities | 125 | 1 | 7 | - | - | 133 |
| Derivative instruments liabilities | 424 | - | - | - | - | 424 |
| Other debts | 28,717 | 289 | 222 | 248 | (2,676) | 26,800 |
| **Other liabilities** | **39,304** | **351** | **1,470** | **260** | **(2,676)** | **38,709** |
| **Liabilities related to assets held for sale and discontinued operations** | **-** | **-** | **-** | **-** | **-** | **-** |
| **TOTAL LIABILITIES** | **341,124** | **5,950** | **44,505** | **6,066** | **(17,491)** | **380,154** |

# NOTE 5 Notes to the balance sheet

## 5.1 Investment property

### 5.1.1 INVESTMENT PROPERTY

| *(in € millions)* | 30/06/2023 | 31/12/2022 restated |
|---|---|---|
| Investment property measured at cost | 727 | 722 |
| Investment property measured at fair value | 10,778 | 11,080 |
| **TOTAL INVESTMENT PROPERTY** | **11,505** | **11,802** |

#### 5.1.1.1 Investment property measured at cost

| *(in € millions)* | 31/12/2022 restated | Changes in scope | Increases (acquisitions) | Decreases (disposals) | Translation adjustments | Other movements | 30/06/2023 |
|---|---|---|---|---|---|---|---|
| Gross amount | 765 | - | 14 | (8) | - | - | 771 |
| Depreciation, amortization and impairment | (43) | - | (1) | - | - | - | (44) |
| **NET VALUE OF INVESTMENT PROPERTY** | **722** | **-** | **13** | **(8)** | **-** | **-** | **727** |

| *(in € millions)* | 01/01/2022 restated | Changes in scope | Increases (acquisitions) | Decreases (disposals) | Translation adjustments | Other movements | 31/12/2022 restated |
|---|---|---|---|---|---|---|---|
| Gross amount | 759 | - | (14) | (8) | - | 28 | 765 |
| Depreciation, amortization and impairment | (39) | - | (2) | (2) | - | - | (43) |
| **NET VALUE OF INVESTMENT PROPERTY** | **720** | **-** | **(16)** | **(10)** | **-** | **28** | **722** |

#### 5.1.1.2 Investment property measured at fair value

| *(in € millions)* | 31/12/2022 restated | Changes in scope | Increases (acquisitions) | Decreases (disposals) | Translation adjustments | Changes in fair value | Other movements | 30/06/2023 |
|---|---|---|---|---|---|---|---|---|
| **INVESTMENT PROPERTY MEASURED AT FAIR VALUE** | **11,080** | **-** | **145** | **(150)** | **-** | **(300)** | **3** | **10,778** |

| *(in € millions)* | 01/01/2022 restated | Changes in scope | Increases (acquisitions) | Decreases (disposals) | Translation adjustments | Changes in fair value | Other movements | 31/12/2022 restated |
|---|---|---|---|---|---|---|---|---|
| **INVESTMENT PROPERTY MEASURED AT FAIR VALUE** | **10,346** | **-** | **1,142** | **(585)** | **-** | **178** | **(1)** | **11,080** |

Investment property measured at fair value in the Group's financial statements are properties that constitute underlying items of insurance contracts with direct participation features.

### 5.1.2 FAIR VALUE OF INVESTMENT PROPERTY

The market value of investment property recorded at amortised cost or at fair value, as valued by “expert appraisers” (level 2), was €11,226 million at 30 June 2023 compared to €11,640 million at 31 December 2022.

| *(in € millions)* | Estimated fair value at 30/06/2023 | Quoted prices in active markets for identical instruments: level 1 | Valuation based on observable data: level 2 | Valuation based on non-observable data: level 3 | Carrying amount at 30/06/2023 |
|---|---|---|---|---|---|
| Investment property | 11,226 | - | 11,226 | - | 11,505 |
| **TOTAL INVESTMENT PROPERTY WHOSE FAIR VALUE IS DISCLOSED** | **11,226** | **-** | **11,226** | **-** | **11,505** |

| *(in € millions)* | Estimated fair value at 31/12/2022 | Quoted prices in active markets for identical instruments: level 1 | Valuation based on observable data: level 2 | Valuation based on non-observable data: level 3 | Carrying amount at 31/12/2022 |
|---|---|---|---|---|---|
| Investment property | 11,640 | - | 11,640 | - | 11,802 |
| **TOTAL INVESTMENT PROPERTY WHOSE FAIR VALUE IS DISCLOSED** | **11,640** | **-** | **11,640** | **-** | **11,802** |

## 5.2 Investments from insurance activities

| *(in € millions)* | 30/06/2023 | 31/12/2022 |
|---|---|---|
| **Financial investment** | **283,316** | **277,366** |
| Financial assets at fair value through profit and loss | 102,971 | 99,561 |
| *Financial assets held to trading* | *-* | *-* |
| *Other financial assets at fair-value through profit and loss* | *102,971* | *99,561* |
| Financial assets at fair-value through equity | 177,435 | 175,474 |
| *Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss* | *174,052* | *175,339* |
| *Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss* | *3,383* | *135* |
| Financial assets at amortized cost | 2,910 | 2,331 |
| *Loans and receivables from customers* | *-* | *377* |
| *Other loans and receivables* | *443* | *472* |
| *Debt securities* | *2,467* | *1,482* |
| **Investment property** | **11,505** | **11,803** |
| **Derivative instruments** | **634** | **1,098** |
| **Unit-linked financial investments** | **89,964** | **81,939** |
| **Investment in joint venture and associates** | **9,044** | **9,591** |
| **TOTAL INSURANCE ACTIVITY INVESTMENTS** | **394,463** | **381,796** |

### 5.2.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

| *(in € millions)* | 30/06/2023 | 31/12/2022 |
|---|---|---|
| **Financial assets held for trading** | - | - |
| **Other financial assets at fair value through profit or loss** | **192,935** | **181,500** |
| Equity instruments | 29,000 | 32,760 |
| Debt instruments that do not meet the conditions of the "SPPI" (1) | 70,801 | 66,801 |
| Other debt instruments at fair value through profit or loss by nature | 3,170 | - |
| Assets representing unit-linked contracts | 89,964 | 81,939 |
| Financial assets designated at fair value through profit or loss | - | - |
| **BALANCE SHEET VALUE** | **192,935** | **181,500** |

(1) Including € 56,841 million of UCITS at 30 June 2023 compared to € 55,491 million at 31 December 2022

### 5.2.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| | 30/06/2023 | | | 31/12/2022 | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Carrying amount | Unrealised gains | Unrealised losses | Carrying amount | Unrealised gains | Unrealised losses |
| Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | 174,052 | 505 | (23,161) | 175,339 | 466 | (26,414) |
| Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | 3,383 | 451 | (213) | 135 | (3) | (20) |
| **TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** | **177,435** | **956** | **(23,374)** | **175,474** | **463** | **(26,434)** |

#### 5.2.2.1 Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss

| | 30/06/2023 | | | 31/12/2022 | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Carrying amount | Unrealised gains | Unrealised losses | Carrying amount | Unrealised gains | Unrealised losses |
| Treasury bills and similar securities | 54,475 | 305 | (9,340) | 54,688 | 242 | (10,957) |
| Bonds and other fixed income securities | 119,577 | 200 | (13,821) | 120,651 | 224 | (15,457) |
| **Total Debt securities** | **174,052** | **505** | **(23,161)** | **175,339** | **466** | **(26,414)** |
| **TOTAL DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS** | **174,052** | **505** | **(23,161)** | **175,339** | **466** | **(26,414)** |
| **Income tax charge** | | **(131)** | **6,079** | | **(121)** | **6,942** |
| **Other comprehensive income on debt instruments that will not be reclassified to profit or loss (net of income tax)** | | **374** | **(17,082)** | | **345** | **(19,472)** |

### 5.2.2.2 Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss

**Gains and losses recognized in equity on equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss**

| *(in € millions)* | 30/06/2023 Carrying amount | 30/06/2023 Unrealised gains | 30/06/2023 Unrealised losses | 31/12/2022 Carrying amount | 31/12/2022 Unrealised gains | 31/12/2022 Unrealised losses |
|---|---|---|---|---|---|---|
| Equities and other variable income securities | 3,072 | 441 | (186) | - | - | - |
| Non-consolidated equity investments | 311 | 10 | (27) | 135 | (3) | (20) |
| **TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS** | **3,383** | **451** | **(213)** | **135** | **(3)** | **(20)** |
| **Income tax charge** | | **(52)** | **40** | | **-** | **2** |
| **Other comprehensive income on equity instruments that will not be reclassified to profit or loss (net of income tax)** | | **399** | **(173)** | | **(3)** | **(18)** |

**Equity instruments derecognised during the period**

| *(in € millions)* | 30/06/2023 Fair value at the date of derecognition | 30/06/2023 Cumulative gains realised (1) | 30/06/2023 Cumulative losses realised (1) | 31/12/2022 Fair value at the date of derecognition | 31/12/2022 Cumulative gains realised (1) | 31/12/2022 Cumulative losses realised (1) |
|---|---|---|---|---|---|---|
| Equities and other variable income securities | 672 | 92 | (19) | - | - | - |
| Non-consolidated equity investments | 14 | - | - | - | - | - |
| **TOTAL INVESTMENTS IN EQUITY INSTRUMENTS** | **686** | **92** | **(19)** | **-** | **-** | **-** |
| **Income tax charge** | | **-** | **-** | | **-** | **-** |
| **Other comprehensive income on equity instruments that will not be reclassified to profit or loss (net of income tax)** | | **92** | **(19)** | | **-** | **-** |

(1) The realised gains and losses are transferred to the consolidated reserves at the moment of the derecognition of the concerned instrument.

### 5.2.3 FINANCIAL ASSETS AT AMORTISED COST

| *(in € millions)* | 30/06/2023 | 31/12/2022 |
|---|---|---|
| Loans and receivables due from credit institutions | - | 377 |
| Other loans and receivables | 443 | 472 |
| Debt securities | 2,467 | 1,482 |
| **TOTAL FINANCIAL ASSETS AT AMORTISED COST** | **2,910** | **2,331** |

#### 5.2.3.1 Debt securities

| *(in € millions)* | 30/06/2023 | 31/12/2022 |
|---|---|---|
| Treasury bills and similar securities | 1,070 | 244 |
| Bonds and other fixed income securities | 1,398 | 1,239 |
| **TOTAL** | **2,468** | **1,483** |
| Impairment | (1) | (1) |
| **CARRYING AMOUNT** | **2,467** | **1,482** |

## 5.3 Fair value of financial instruments

Fair value is the price that would be received at the sale of an asset or paid to transfer a liability in a standard transaction between market participants at the measurement date.

Fair value is defined on the basis of the exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. These are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of assumptions. It is assumed that market participants act in their best economic interest.

To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

The fair value hierarchy of financial assets and liabilities is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13.

Level 1 applies to the fair value of financial assets and liabilities quoted in active markets.

Level 2 applies to the fair value of financial assets and liabilities with observable inputs. This agreement includes market data relating to interest rate risk or credit risk when the latter can be revalued based on Credit Default Swap (CDS) spread. Securities bought or sold under repurchase agreements with underlyings quoted in an active market are also included in Level 2 of the hierarchy, as are financial assets and liabilities with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 indicates the fair value of financial assets and liabilities with unobservable inputs or for which some data can be revalued using internal models based on historical data. This mainly includes market data relating to credit risk or early redemption risk.

In some cases, market values are close to carrying amounts. This applies primarily to:

- assets or liabilities at variable rates for which interest rate changes do not have a significant influence on the fair value, since the rates on these instruments frequently adjust themselves to the market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- instruments executed on a regulated market for which the prices are set by the public authorities;
- demand assets and liabilities;
- transactions for which there are no reliable observable data.

### 5.3.1 INFORMATIONS ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

#### 5.3.1.1 Breakdown of financial instruments at fair value by valuation model

Amounts presented below include accruals and prepayments and are net of impairment.

**Financial assets at fair value**

| *(in € millions)* | 30/06/2023 | Quoted prices in active markets for identical instruments: level 1 | Valuation based on observable data: level 2 | Valuation based on unobservable data: level 3 |
|---|---|---|---|---|
| **Financial assets held for trading** | **-** | **-** | **-** | **-** |
| **Other financial instruments at fair value through profit or loss** | **192,935** | **107,956** | **73,191** | **11,788** |
| **Equity instruments at fair value through profit or loss** | **29,000** | **17,455** | **6,623** | **4,922** |
| **Debt instruments that do not meet SPPI criteria** | **70,801** | **39,033** | **25,166** | **6,602** |
| Loans and receivables | 2,079 | - | 2,079 | - |
| Debt securities | 68,722 | 39,033 | 23,087 | 6,602 |
| **Other debt instruments at fair value through profit or loss by nature** | **3,170** | **-** | **3,170** | **-** |
| **Assets representing unit-linked contracts** | **89,964** | **51,468** | **38,232** | **264** |
| **Financial assets at fair value through option result** | **-** | **-** | **-** | **-** |
| Loans and receivables | - | - | - | - |
| Fair value securities by option result | - | - | - | - |
| **Financial assets at fair value through equity** | **177,435** | **160,039** | **17,330** | **66** |
| Equity instruments recognized at fair value through non-recyclable equity | 3,383 | 3,001 | 316 | 66 |
| Debt instruments recognized at fair value through recyclable equity | 174,052 | 157,038 | 17,014 | - |
| **Derivatives hedging** | **634** | **41** | **577** | **16** |
| **TOTAL FINANCIAL ASSETS VALOR AT THE RIGHT VALUE** | **371,004** | **268,036** | **91,098** | **11,870** |
| Transfers from Level 1: Quoted prices in active markets for identical instruments | | | 120 | - |
| Transfers from Level 2: Valuation based on observable data | | 260 | | - |
| Transfers from Level 3: Valuation based on unobservable data | | - | - | |
| **TOTAL TRANSFERS TO EACH LEVEL** | | **260** | **120** | **-** |

The above table does not include investment contracts without discretionary participations features, which are financial liabilities under IFRS 9. The change in the balance of these contracts over the period is disclosed in note 5.10.

| (in € millions) | 31/12/2022 | Quoted prices in active markets for identical instruments: level 1 | Valuation based on observable data: level 2 | Valuation based on unobservable data: level 3 |
|---|---|---|---|---|
| **Financial assets held for trading** | **-** | **-** | **-** | **-** |
| **Other financial instruments at fair value through profit or loss** | **181,500** | **106,515** | **63,151** | **11,834** |
| **Equity instruments at fair value through profit or loss** | **32,760** | **21,254** | **6,617** | **4,889** |
| **Debt instruments that do not meet SPPI criteria** | **66,801** | **36,594** | **23,476** | **6,731** |
| Loans and receivables | 2,290 | - | 2,290 | - |
| Debt securities | 64,511 | 36,594 | 21,186 | 6,731 |
| **Other debt instruments at fair value through profit or loss by nature** | - | - | - | - |
| **Assets representing unit-linked contracts** | **81,939** | **48,667** | **33,058** | **214** |
| **Financial assets at fair value through option result** | **-** | **-** | **-** | **-** |
| Loans and receivables | - | - | - | - |
| Fair value securities by option result | - | - | - | - |
| **Financial assets at fair value through equity** | **175,474** | **156,274** | **19,200** | **-** |
| Equity instruments recognized at fair value through non-recyclable equity | 135 | - | 135 | - |
| Debt instruments recognized at fair value through recyclable equity | 175,339 | 156,274 | 19,065 | - |
| **Derivatives hedging** | **1,098** | **213** | **856** | **29** |
| **TOTAL FINANCIAL ASSETS VALOR AT THE RIGHT VALUE** | **358,072** | **263,002** | **83,207** | **11,863** |
| Transfers from Level 1: Quoted prices in active markets for identical instruments | | | 763 | - |
| Transfers from Level 2: Valuation based on observable data | | - | | - |
| Transfers from Level 3: Valuation based on unobservable data | | - | - | |
| **TOTAL TRANSFERS TO EACH LEVEL** | | **-** | **763** | **-** |

### 5.3.1.2 Change in the balance of financial instruments measured at fair value according to level 3

#### Financial assets measured at fair value according to level 3

| | | Other financial instruments at fair value through profit or loss | | | | | Financial assets at fair value through other comprehensive income | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Equity instruments at fair value through profit or loss | Debt instruments that do not meet the conditions of the "SPPI" test | | Other debt instruments at fair value through profit or loss by nature | Assets backing unit-linked contracts | Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | |
| *(in € millions)* | Total financial assets valuated at fair value according to the level 3 | Equities and other variable income securities and Non-consolidated equity investments | Loans and receivables | Debt securities | | | | | Derivative instruments |
| **OPENING BALANCE AT 1ST JANUARY 2023** | **11,863** | **4,889** | **-** | **6,732** | **-** | **213** | **-** | **-** | **29** |
| Gains or losses during the period (1) | (32) | 14 | - | (88) | - | 5 | 50 | - | (13) |
| Recognised in profit or loss | (82) | 14 | - | (88) | - | 5 | - | - | (13) |
| Recognised in other comprehensive income | 50 | - | - | - | - | - | 50 | - | - |
| Purchases | 2,139 | 1,210 | - | 866 | - | 47 | 16 | - | - |
| Sales | (909) | - | - | (908) | - | (1) | - | - | - |
| Issues | - | - | - | - | - | - | - | - | - |
| Settlements | - | - | - | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - | - | - | - |
| Changes associated with scope during the period | (1,212) | (1,212) | - | - | - | - | - | - | - |
| Transfers | 21 | 21 | - | - | - | - | - | - | - |
| Transfers to Level 3 | 21 | 21 | - | - | - | - | - | - | - |
| Transfers from Level 3 | - | - | - | - | - | - | - | - | - |
| **CLOSING BALANCE AT 30TH JUNE 2023** | **11,870** | **4,922** | **-** | **6,602** | **-** | **264** | **66** | **-** | **16** |

| *(in € millions)* | Total financial assets valuated at fair value according to the level 3 | Other financial instruments at fair value through profit or loss: Equity instruments at fair value through profit or loss: Equities and other variable income securities and Non-consolidated equity investments | Other financial instruments at fair value through profit or loss: Debt instruments that do not meet the conditions of the "SPPI" test: Loans and receivables | Other financial instruments at fair value through profit or loss: Debt instruments that do not meet the conditions of the "SPPI" test: Debt securities | Other financial instruments at fair value through profit or loss: Other debt instruments at fair value through profit or loss by nature | Other financial instruments at fair value through profit or loss: Assets backing unit-linked contracts | Financial assets at fair value through other comprehensive income: Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss | Financial assets at fair value through other comprehensive income: Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss | Derivative instruments |
|---|---|---|---|---|---|---|---|---|---|
| **OPENING BALANCE AT 1ST JANUARY 2022** | **9,771** | **3,527** | **-** | **6,143** | **-** | **101** | **-** | **-** | **-** |
| Gains or losses during the period (1) | 680 | 266 | - | 382 | - | 3 | - | - | 29 |
| Recognised in profit or loss | 680 | 266 | - | 382 | - | 3 | - | - | 29 |
| Recognised in other comprehensive income | - | - | - | - | - | - | - | - | - |
| Purchases | 5,020 | 3,165 | - | 1,744 | - | 112 | - | - | - |
| Sales | (1,961) | (415) | - | (1,544) | - | (2) | - | - | - |
| Issues | - | - | - | - | - | - | - | - | - |
| Settlements | - | - | - | - | - | - | - | - | - |
| Reclassifications | - | - | - | - | - | - | - | - | - |
| Changes associated with scope during the period | 7 | - | - | 7 | - | - | - | - | - |
| Transfers | (1,654) | (1,654) | - | - | - | - | - | - | - |
| Transfers to Level 3 | (1,654) | (1,654) | - | - | - | - | - | - | - |
| Transfers from Level 3 | - | - | - | - | - | - | - | - | - |
| **CLOSING BALANCE 1ST JANUARY 2023** | **11,863** | **4,889** | **-** | **6,732** | **-** | **213** | **-** | **-** | **29** |

(1) This balance includes the gains and losses of the period issued from the assets held on the balance sheet at the closing date for the following amounts:

| | 30/06/2023 | 31/12/2022 |
|---|---|---|
| **Gains/ losses for the period from level 3 assets held at the end of the period** | **(32)** | **680** |
| Recognised in profit or loss | (82) | 680 |
| Recognised in other comprehensive income | 50 | - |

## 5.4 Credit risk

### 5.4.1 CHANGES IN THE CARRYING AMOUNTS AND LOSS ALLOWANCES FOR EXPECTED CREDIT LOSSES IN THE PERIOD

Loss allowances for expected credit losses correspond to the depreciations on assets and provisions on off-balance sheet commitments recognised in profit or loss (investment income net of expenses) in respect to credit risk.

The following tables present the reconciliation between the opening and closing balances of loss allowances for expected credit losses recognised in profit or loss and the related carrying amounts, by accounting category and per type of instruments.

### 5.4.1.1 Assets at amortised cost: Other loans and receivables

| (in € millions) | Performing assets | | | | Credit-impaired assets (Stage 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Assets subject to 12-month ECL (Stage 1) | | Assets subject to lifetime ECL (Stage 2) | | | | | | |
| | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount (a) | Loss allowance (b) | Net carrying amount (a) + (b) |
| **BALANCE AT 31ST DECEMBER 2022** | **472** | **-** | **-** | **-** | **-** | **-** | **472** | **-** | **472** |
| **Transfer between stages during the period** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| Transfer from Stage 1 to Stage 2 | - | - | - | - | | | - | - | |
| Return to Stage 2 from Stage 1 | - | - | - | - | | | - | - | |
| Transfers to Stage 3 (1) | - | - | - | - | - | - | - | - | |
| Return from Stage 3 to Stage 2 / Stage 1 | - | - | - | - | - | - | - | - | |
| **Total after transfers** | **472** | **-** | **-** | **-** | **-** | **-** | **472** | **-** | **472** |
| **Changes in gross carrying amounts and loss allowances** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| New production: purchase, granting, origination,… (2) | - | - | - | - | | | - | - | |
| Derecognition: disposal, repayment, maturity | - | - | - | - | - | - | - | - | |
| Write-offs | | | | | - | - | - | - | |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | - | - | - | - | - | - | - | |
| Changes in models credit risk parameters during the period | | - | | - | | - | | - | |
| Changes in model / methodology | | - | | - | | - | | - | |
| Changes in scope | - | - | - | - | - | - | - | - | |
| Other | - | - | - | - | - | - | - | - | |
| **Total** | **472** | **-** | **-** | **-** | **-** | **-** | **472** | **-** | **472** |
| Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) (3) | (29) | | - | | - | | (29) | | |
| **BALANCE AT 30TH JUNE 2023** | **443** | **-** | **-** | **-** | **-** | **-** | **443** | **-** | **443** |
| Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures | - | | - | | - | | - | | |

(1) The transfers towards Stage 3 correspond to the outstandings initially classified as Stage 1, which have been downgraded directly to Stage 3, or to Stage 2 then to Stage 3 during the year.

(2) The originations in Stage 2 can include outstandings originated in Stage 1 and reclassified in Stage 2 during the period.

(3) Includes changes in the fair value revaluation of the micro-hedged instruments, the impacts related to the use of the EIR method (especially the amortizations of the premiums / discounts), the changes in related receivables.

### 5.4.1.2 Assets at amortised cost: Debt securities

| *(in € millions)* | Performing assets | | | | Credit-impaired assets (Stage 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Assets subject to 12-month ECL (Stage 1) | | Assets subject to lifetime ECL (Stage 2) | | | | | | |
| | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount | Loss allowance | Gross carrying amount (a) | Loss allowance (b) | Net carrying amount (a) + (b) |
| **BALANCE AT 31ST DECEMBER 2022** | **1,482** | **-** | **-** | **-** | **-** | **-** | **1,482** | **-** | **1,482** |
| **Transfer between stages during the period** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | |
| Transfer from Stage 1 to Stage 2 | - | - | - | - | | | - | - | |
| Return to Stage 2 from Stage 1 | - | - | - | - | | | - | - | |
| Transfers to Stage 3 (1) | - | - | - | - | - | - | - | - | |
| Return from Stage 3 to Stage 2 / Stage 1 | - | - | - | - | - | - | - | - | |
| **Total after transfers** | **1,483** | **(1)** | **-** | **-** | **-** | **-** | **1,483** | **(1)** | **1,482** |
| **Changes in gross carrying amounts and loss allowances** | **1,193** | **1** | **-** | **-** | **-** | **-** | **1,193** | **1** | |
| New production: purchase, granting, origination,… (2) | 221 | (2) | - | - | | | 221 | (2) | |
| Derecognition: disposal, repayment, maturity | (5) | 5 | - | - | - | - | (5) | 5 | |
| Write-offs | | | | | - | - | - | - | |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | (2) | - | - | - | - | - | (2) | |
| Changes in models credit risk parameters during the period | | - | | - | | - | | - | |
| Changes in model / methodology | | - | | - | | - | | - | |
| Changes in scope | - | - | - | - | - | - | - | - | |
| Other | 977 | - | - | - | - | - | 977 | - | |
| **Total** | **2,676** | **-** | **-** | **-** | **-** | **-** | **2,676** | **(1)** | **2,675** |
| Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) (3) | (208) | | - | | - | | (208) | | |
| **BALANCE AT 30TH JUNE 2023** | **2,468** | **-** | **-** | **-** | **-** | **-** | **2,468** | **(1)** | **2,467** |
| Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures | - | | - | | - | | - | | - |

(1) The transfers towards Stage 3 correspond to the outstandings initially classified as Stage 1, which have been downgraded directly to Stage 3, or to Stage 2 then to Stage 3 during the year.

(2) The originations in Stage 2 can include outstandings originated in Stage 1 and reclassified in Stage 2 during the period.

(3) Includes the changes in the fair value revaluations of micro-hedged instruments, the changes related to the use of the EIR method (particularly the amortization of premiums / discounts).

### 5.4.1.3 Assets at fair value through other comprehensive income that may be reclassified to profit or loss: Debt securities

| | Performing assets | | | | Credit-impaired assets (Stage 3) | | Total | |
|---|---|---|---|---|---|---|---|---|
| | Assets subject to 12-month ECL (Stage 1) | | Assets subject to lifetime ECL (Stage 2) | | | | | |
| *(in € millions)* | Carrying amount | Loss allowance | Carrying amount | Loss allowance | Carrying amount | Loss allowance | Carrying amount | Loss allowance |
| **BALANCE AT 31ST DECEMBER 2022** | **172,899** | **(118)** | **2,599** | **(41)** | **1** | **(1)** | **175,499** | **(160)** |
| **Transfer between stages during the period** | **(145)** | **-** | **145** | **(3)** | **-** | **-** | **-** | **(3)** |
| Transfer from Stage 1 to Stage 2 | (145) | - | 145 | (3) | | | - | (3) |
| Return Stage 2 Stage 1 | - | - | - | - | | | - | - |
| Transfer to Stage 3 (1) | - | - | - | - | - | - | - | - |
| Return from Stage 3 to Stage 2 / Stage 1 | - | - | - | - | - | - | - | - |
| **Total after transfers** | **172,754** | **(118)** | **2,744** | **(44)** | **1** | **(1)** | **175,499** | **(163)** |
| **Changes in gross carrying amounts and loss allowances** | **(1,305)** | **13** | **37** | **10** | **-** | **-** | **(1,268)** | **23** |
| Fair value revaluation during the period | 2,620 | | 80 | | - | | 2,700 | |
| New financial assets: acquisition, granting, origination,… (2) | 12,169 | (13) | 121 | (2) | | | 12,290 | (15) |
| Derecognition: disposal, repayment, maturity | (12,573) | 7 | (164) | 3 | - | - | (12,737) | 9 |
| Write-offs | | | | | - | - | - | - |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | 4 | - | 1 | - | - | - | 5 |
| Changes in models credit risk parameters during the period | | 15 | | 9 | | - | | 22 |
| Changes in model / methodology | | - | | - | | - | | - |
| Changes in scope | - | - | - | - | - | - | - | - |
| Other | (3,521) | - | - | (1) | - | - | (3,521) | 2 |
| **Total** | **171,449** | **(105)** | **2,781** | **(34)** | **1** | **(1)** | **174,231** | **(140)** |
| Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) (3) | (13) | | (26) | | - | | (39) | |
| **BALANCE AT 30TH JUNE 2023** | **171,436** | **(105)** | **2,755** | **(34)** | **1** | **(1)** | **174,192** | **(140)** |
| Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures | - | | - | | - | | - | |

(1) The transfers towards Stage 3 correspond to the outstandings initially classified as Stage 1, which have been downgraded directly to Stage 3, or to Stage 2 then to Stage 3 during the year.

(2) The originations in Stage 2 can include outstandings originated in Stage 1 and reclassified in Stage 2 during the period.

(3) Includes impacts relating to the use of the EIR method (including depreciation of premiums / discounts).

### 5.4.1.4 Guarantee commitments (out of internal operation at Crédit Agricole)

| (in € millions) | Performing commitments | | | | Provisioned commitments (Stage 3) | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Commitments subject to 12-month ECL (Stage 1) | | Commitments subject to lifetime ECL (Stage 2) | | | | | | |
| | Amount of commitment | Loss allowance | Amount of commitment | Loss allowance | Amount of commitment | Loss allowance | Amount of commitment (a) | Loss allowance (b) | Net amount of commitment (a) + (b) |
| **BALANCE AT 31ST DECEMBER 2022** | **99** | **-** | **-** | **-** | **-** | **-** | **99** | **-** | **99** |
| **Transfer between stages during the period** | - | - | - | - | - | - | - | - | |
| Transfers from Stage 1 to Stage 2 | - | - | - | - | | | - | - | |
| Return to Stage 2 from Stage 1 | - | - | - | - | | | - | - | |
| Transfers to Stage 3 (1) | - | - | - | - | - | - | - | - | |
| Return from Stage 3 to Stage 2 / Stage 1 | - | - | - | - | - | - | - | - | |
| **Total after transfers** | **99** | **-** | **-** | **-** | **-** | **-** | **99** | **-** | **99** |
| **Changes in commitments and loss allowances** | (4) | - | - | - | - | - | (4) | - | |
| New commitments given (2) | - | - | - | - | | | - | - | |
| End of commitments | - | - | - | - | - | - | - | - | |
| Write-offs | | | | | - | - | - | - | |
| Changes of cash flows resulting in restructuring due to financial difficulties | - | - | - | - | - | - | - | - | |
| Changes in models credit risk parameters during the period | | - | | - | | - | | - | |
| Changes in model / methodology | | - | | - | | - | | - | |
| Changes in scope | - | - | - | - | - | - | - | - | |
| Other | (4) | - | - | - | - | - | (4) | - | |
| **BALANCE AT 30TH JUNE 2023** | **95** | **-** | **-** | **-** | **-** | **-** | **95** | **-** | **95** |

(1) The transfers towards Stage 3 correspond to the commitments initially classified as Stage 1, which have been downgraded directly to Stage 3, or to Stage 2 then to Stage 3 during the year.

(2) The new commitments given in Stage 2 can include commitments originated in Stage 1 reclassified in Stage 2 during the period.

### 5.4.2 EXPOSURE TO CREDIT RISK AND EVALUATION OF THE CONCENTRATION OF CREDIT RISK

The carrying amounts and commitments are presented net of impairment and provisions.

## Exposure to credit risk by category of credit risk

**Financial assets at amortised cost excluding loans and receivables from customers**

| *(in € millions)* | Credit risk rating grades | 30/06/2023 Book value – Healthy assets – Assets subject to ECL 12 months (Stage 1) | 30/06/2023 Book value – Healthy assets – Assets subject to mature ECL (Stage 2) | 30/06/2023 Book value – Depreciated assets (Stage 3) | 30/06/2023 Book value – Total | 31/12/2022 Book value – Healthy assets – Assets subject to ECL 12 months (Stage 1) | 31/12/2022 Book value – Healthy assets – Assets subject to mature ECL (Stage 2) | 31/12/2022 Book value – Depreciated assets (Stage 3) | 31/12/2022 Book value – Total |
|---|---|---|---|---|---|---|---|---|---|
| Financial institutions | AAA | 86 | - | - | 86 | 86 | - | - | 86 |
| | AA | 247 | - | - | 247 | 195 | - | - | 195 |
| | A | 65 | - | - | 65 | 88 | - | - | 88 |
| | BBB | 30 | - | - | 30 | 61 | - | - | 61 |
| | BB ou < BB | 1 | - | - | 1 | 3 | - | - | 3 |
| | NR | 7 | - | - | 7 | - | - | - | - |
| **Total Financial Institutions** | | **436** | **-** | **-** | **436** | **433** | **-** | **-** | **433** |
| Corporate | AAA | 35 | - | - | 35 | 35 | - | - | 35 |
| | AA | 546 | - | - | 546 | 420 | - | - | 420 |
| | A | 208 | - | - | 208 | 186 | - | - | 186 |
| | BBB | 206 | - | - | 206 | 227 | - | - | 227 |
| | BB ou < BB | - | - | - | - | - | - | - | - |
| | NR | 339 | - | - | 339 | 368 | - | - | 368 |
| **Total Corporate** | | **1,334** | **-** | **-** | **1,334** | **1,236** | **-** | **-** | **1,236** |
| General Administration | AAA | - | - | - | - | - | - | - | - |
| | AA | 799 | - | - | 799 | 62 | - | - | 62 |
| | A | 19 | - | - | 19 | - | - | - | - |
| | BBB | 323 | - | - | 323 | 224 | - | - | 224 |
| | BB ou < BB | - | - | - | - | - | - | - | - |
| | NR | - | - | - | - | - | - | - | - |
| **Total General Administration** | | **1,141** | **-** | **-** | **1,141** | **286** | **-** | **-** | **286** |
| Impairment | | - | - | - | (1) | - | - | - | (1) |
| **TOTAL** | | **2,911** | **-** | **-** | **2,910** | **1,955** | **-** | **-** | **1,954** |

**Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss**

| *(in € millions)* | Credit risk rating grades | 30/06/2023 Book value | | | | 31/12/2022 Book value | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Healthy assets | | Depreciated assets (Stage 3) | Total | Healthy assets | | Depreciated assets (Stage 3) | Total |
| | | Assets subject to ECL 12 months (Stage 1) | Assets subject to mature ECL (Stage 2) | | | Assets subject to ECL 12 months (Stage 1) | Assets subject to mature ECL (Stage 2) | | |
| Financial institutions | AAA | 15,078 | - | - | 15,078 | 16,966 | - | - | 16,966 |
| | AA | 8,359 | - | - | 8,359 | 8,303 | 17 | - | 8,320 |
| | A | 18,144 | 130 | - | 18,274 | 18,501 | 110 | - | 18,611 |
| | BBB | 9,020 | - | - | 9,020 | 7,818 | - | - | 7,818 |
| | BB ou < BB | 315 | 4 | - | 319 | 189 | 4 | - | 193 |
| | NR | - | - | - | - | - | - | - | - |
| **Total Financial Institutions** | | **50,916** | **134** | **-** | **51,050** | **51,777** | **131** | **-** | **51,908** |
| Corporate | AAA | 846 | - | - | 846 | 887 | - | - | 887 |
| | AA | 16,887 | - | - | 16,887 | 17,335 | - | - | 17,335 |
| | A | 18,402 | 718 | - | 19,120 | 18,673 | 778 | - | 19,451 |
| | BBB | 26,173 | 856 | - | 27,029 | 26,370 | 714 | - | 27,083 |
| | BB ou < BB | 613 | 117 | - | 730 | 616 | 159 | - | 774 |
| | NR | - | - | - | - | - | - | - | - |
| **Total Corporate** | | **62,921** | **1,691** | **-** | **64,612** | **63,881** | **1,652** | **-** | **65,530** |
| General Administration | AAA | 1,359 | 829 | - | 2,188 | 1,379 | 712 | - | 2,092 |
| | AA | 41,082 | - | - | 41,082 | 42,659 | - | - | 42,659 |
| | A | 1,040 | - | - | 1,040 | 1,032 | - | - | 1,032 |
| | BBB | 13,898 | 67 | - | 13,965 | 12,053 | 64 | - | 12,119 |
| | BB ou < BB | 115 | - | - | 115 | - | - | - | - |
| | NR | - | - | - | - | - | (1) | - | (1) |
| **Total General Administration** | | **57,494** | **896** | **-** | **58,390** | **57,123** | **775** | **-** | **57,901** |
| **TOTAL** | | **171,331** | **2,721** | **-** | **174,052** | **172,781** | **2,558** | **-** | **175,339** |

## 5.5 Investments in joint ventures and associates

The Group now measures at fair value through profit or loss, as permitted by IAS 28 as amended by IFRS 17, investments in associates and joint ventures that are underlying items of insurance contracts with direct participation features, in order to avoid accounting mismatches with the measurement of such insurance contracts under IFRS 17.

All investments in associates and joint ventures have hence been revalued at fair value through profit or loss at the date of transition to IFRS 17, being 1 January 2022.

As of 30 June 2023, the investments in associates and joint ventures held by Crédit Agricole Assurances are measured at fair value through profit or loss in accordance with IFRS 9; none of these investments are measured using the equity method.

### Financial information of joint ventures and associates measured at fair value through profit or loss

The summary financial information of significant joint ventures and associates of Crédit Agricole Assurances measured at fair value through profit or loss is as follows:

| | 30/06/2023 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | Interest % | Net asset value | Balance sheet total | Equity value | Result |
| **Joint ventures** | | | | | |
| FONCIERE HYPERSUD | 51% | 11 | 116 | 74 | 43 |
| ARCAPARK SAS | 50% | 150 | 167 | 167 | 25 |
| SCI EUROMARSEILLE 1 | 50% | 23 | 64 | 49 | (16) |
| SCI EUROMARSEILLE 2 | 50% | 7 | 73 | 14 | (2) |
| FREY RETAIL VILLEBON | 48% | 45 | 161 | 38 | - |
| SCI RUE DU BAC | 50% | 173 | 228 | 175 | 3 |
| SCI TOUR MERLE | 50% | 77 | 106 | 55 | 9 |
| SCI CARPE DIEM | 50% | 194 | 226 | 108 | 11 |
| SCI ILOT 13 | 50% | 71 | 79 | 49 | 2 |
| SCI 1 TERRASSE BELLINI | 33% | 73 | 136 | 88 | 9 |
| SCI WAGRAM 22/30 | 50% | 155 | 319 | 55 | 3 |
| SCI ACADEMIE MONTROUGE | 50% | 77 | 306 | 132 | 3 |
| SAS DEFENSE CB3 | 25% | 12 | 124 | 93 | 9 |
| SCI PAUL CEZANNE | 49% | 303 | 178 | 167 | 8 |
| TUNELS DE BARCELONA | 50% | ND | 485 | 77 | 21 |
| EUROPEAN MOTORWAY INVESTMENTS 1 | 60% | 292 | 128 | 104 | 4 |
| CIRRUS SCA | 20% | 273 | ND | ND | ND |
| ELL HOLDCO SARL | 49% | 271 | 551 | 551 | - |
| EUROWATT ENERGIE | 75% | ND | - | - | - |
| FUTURES ENERGIES INVESTISSEMENTS HOLDING 3 | 80% | ND | ND | ND | ND |
| IEIH | 80% | ND | ND | ND | ND |
| EF SOLARE ITALIA | 30% | ND | ND | ND | ND |
| URI GmbH | 45% | ND | ND | ND | ND |
| ORDESA SERVICIOS EMPRESARIALES SL | 60% | 588 | ND | ND | ND |
| JANUS RENEWABLES | 50% | ND | ND | ND | ND |
| ALTALUXCO | 50% | 413 | ND | ND | ND |
| **Associates** | | | | | |
| RAMSAY - GENERALE DE SANTE | 40% | 897 | 7,004 | 1,282 | 44 |
| INFRA FOCH TOPCO | 36% | 457 | 3,446 | 476 | 119 |
| ALTAREA | 25% | 508 | 2,424 | 939 | 205 |
| KORIAN | 25% | 176 | 14,574 | 3,868 | 22 |
| FREY | 20% | 182 | 2,051 | 1,053 | 129 |

| (in € millions) | 30/06/2023 Interest % | Net asset value | Balance sheet total | Equity value | Result |
|---|---|---|---|---|---|
| ICADE | 19% | 557 | 18,218 | 8,685 | 54 |
| PATRIMOINE ET COMMERCE | 20% | 53 | 921 | 444 | 48 |
| SCI HEART OF LA DEFENSE | 33% | 211 | 1,759 | 669 | 117 |
| SAS CRISTAL | 46% | 56 | 124 | 90 | 7 |
| SCI FONDIS | 25% | 58 | 393 | 77 | 127 |
| FUTURES ENERGIES INVESTISSEMENTS HOLDING | 30% | ND | ND | ND | ND |
| SEMMARIS | 38% | 38 | ND | ND | ND |
| CENTRAL SICAF | 25% | 164 | 1,222 | 758 | 70 |
| PISTO GROUP HOLDING SARL | 40% | 281 | 101 | 9 | 30 |
| CAVOUR AERO SA | 37% | 163 | 369 | 369 | - |
| FLUXDUNE | 25% | 227 | 868 | 852 | - |
| CASSINI SAS | 49% | 293 | 1,713 | 477 | (71) |
| FUTURES ENERGIES INVESTISSEMENTS HOLDING 2 | 48% | ND | ND | ND | ND |
| SARL IMPULSE | 38% | 869 | 1,413 | 1,209 | (6) |
| AGUAS PROFUNDAS SA | 35% | 584 | 2,221 | 1,289 | (14) |
| ADL PARTICIPATIONS | 25% | 89 | 546 | 392 | (4) |
| EDISON RENEWABLES | 49% | ND | ND | ND | ND |
| HORNSEA 2 | 25% | ND | ND | ND | ND |
| REPSOL RENOVABLES | 13% | ND | ND | ND | ND |
| ALTAMIRA | 23% | ND | ND | ND | ND |

| (in € millions) | 31/12/2022 Interest % | Net asset value | Balance sheet total | Equity value | Result |
|---|---|---|---|---|---|
| **Joint ventures** | | | | | |
| FONCIERE HYPERSUD | 51% | 11 | 116 | 74 | 43 |
| ARCAPARK SAS | 50% | 150 | 167 | 167 | 25 |
| SCI EUROMARSEILLE 1 | 50% | 27 | 64 | 49 | (16) |
| SCI EUROMARSEILLE 2 | 50% | 7 | 73 | 14 | (2) |
| FREY RETAIL VILLEBON | 48% | 42 | 161 | 38 | - |
| SCI RUE DU BAC | 50% | 146 | 228 | 175 | 3 |
| SCI TOUR MERLE | 50% | 57 | 106 | 55 | 9 |
| SCI CARPE DIEM | 50% | 150 | 226 | 108 | 11 |
| SCI ILOT 13 | 50% | 57 | 79 | 49 | 2 |
| SCI 1 TERRASSE BELLINI | 33% | 66 | 136 | 88 | 9 |
| SCI WAGRAM 22/30 | 50% | 64 | 319 | 55 | 3 |
| SCI ACADEMIE MONTROUGE | 50% | 86 | 306 | 132 | 3 |
| SAS DEFENSE CB3 | 25% | 21 | 124 | 93 | 9 |
| SCI PAUL CEZANNE | 49% | 341 | 178 | 167 | 8 |
| LUXEMBOURG INVESTMENT COMPANY 296 SARL | 50% | 1 | 85 | 84 | - |

| *(in € millions)* | 31/12/2022 | | | | |
|---|---|---|---|---|---|
| | **Interest %** | **Net asset value** | **Balance sheet total** | **Equity value** | **Result** |
| TUNELS DE BARCELONA | 50% | ND | 485 | 77 | 21 |
| EUROPEAN MOTORWAY INVESTMENTS 1 | 60% | 278 | 128 | 104 | 4 |
| CIRRUS SCA | 20% | 314 | ND | ND | ND |
| ELL HOLDCO SARL | 49% | 271 | 551 | 551 | - |
| EUROWATT ENERGIE | 75% | ND | - | - | - |
| FUTURES ENERGIES INVESTISSEMENTS HOLDING 3 | 80% | ND | ND | ND | ND |
| IEIH | 80% | ND | ND | ND | ND |
| EF SOLARE ITALIA | 30% | ND | ND | ND | ND |
| URI GmbH | 45% | ND | ND | ND | ND |
| ORDESA SERVICIOS EMPRESARIALES SL | 60% | 493 | ND | ND | ND |
| JANUS RENEWABLES | 50% | ND | ND | ND | ND |
| ALTALUXCO | 50% | 412 | ND | ND | ND |
| **Associates** | | | | | |
| RAMSAY - GENERALE DE SANTE | 40% | 804 | 6,788 | 1,239 | 118 |
| INFRA FOCH TOPCO | 36% | 457 | 3,446 | 476 | 119 |
| ALTAREA | 25% | 632 | 8,887 | 3,785 | 307 |
| KORIAN | 25% | 267 | 14,335 | 3,771 | 75 |
| FREY | 20% | 191 | 2,039 | 993 | 111 |
| ICADE | 19% | 587 | 18,313 | 8,860 | 487 |
| PATRIMOINE ET COMMERCE | 20% | 47 | 938 | 423 | 45 |
| SCI HEART OF LA DEFENSE | 33% | 206 | 1,759 | 669 | 117 |
| SAS CRISTAL | 46% | 68 | 124 | 90 | 7 |
| SCI FONDIS | 25% | 58 | 393 | 77 | 127 |
| FUTURES ENERGIES INVESTISSEMENTS HOLDING | 30% | ND | ND | ND | ND |
| SEMMARIS | 38% | 38 | ND | ND | ND |
| CENTRAL SICAF | 25% | 174 | 1,222 | 758 | 70 |
| PISTO GROUP HOLDING SARL | 40% | 281 | 101 | 9 | 30 |
| ALTA BLUE | 33% | 257 | 699 | 698 | - |
| CAVOUR AERO SA | 37% | 163 | 369 | 369 | - |
| FLUXDUNE | 25% | 227 | 868 | 852 | - |
| CASSINI SAS | 49% | 275 | 1,713 | 477 | (71) |
| FUTURES ENERGIES INVESTISSEMENTS HOLDING 2 | 48% | ND | ND | ND | ND |
| SARL IMPULSE | 38% | 869 | 1,413 | 1,209 | (6) |
| AGUAS PROFUNDAS SA | 35% | 472 | 2,221 | 1,289 | (14) |
| ADL PARTICIPATIONS | 25% | 89 | 546 | 392 | (4) |
| EDISON RENEWABLES | 49% | ND | ND | ND | ND |
| HORNSEA 2 | 25% | ND | ND | ND | ND |
| REPSOL RENOVABLES | 13% | ND | ND | ND | ND |
| ALTAMIRA | 23% | ND | ND | ND | ND |

## 5.6 Equity

### Share capital at 30th June 2023

At 30th June 2023, equity and voting rights broke down as follows:

| Shareholders | Shares outstanding | % of capital | % of voting rights |
|---|---|---|---|
| Crédit Agricole S.A. | 149,040,366 | 99.99 | 100 |
| Other | 1 | 0.01 | - |
| **TOTAL** | **149,040,367** | **100.00** | **100** |

As of 30th June 2023, the share capital of Crédit Agricole Assurances amounts to 1,490,403,670 euros composed of 149,040,367 ordinary shares of 10 euros of par value and have been fully paid up.

### Dividends

On 02 May 2023, the General Meeting approved the payment of a global dividend totaling €1,599 million relating to the 2022 financial year, or €10.73 per share.

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|
| Net dividend per share | 10.73 | 9.27 | 7.35 | 8.89 | 7.99 |

### Dividends paid during the year

The amounts related to dividends are shown in the statement of changes in equit. They amount to €899 million in the first half of 2023 (corresponding to the balance of the dividend for the 2022 financial year, which takes into account the interim dividend of €700 million decided by the Board of Directors on September 27, 2022 and paid at the end of September 2022).

## 5.7 Provisions for risks and charges

| *(in € millions)* | 31/12/2022 restated | Changes in scope | Allocation | Reversals not used | Reversals used | Foreign exchange differences | Other changes | 30/06/2023 |
|---|---|---|---|---|---|---|---|---|
| Employee retirement and similar benefits | 69 | - | 2 | (1) | - | - | - | 70 |
| Insurance litigation | 3 | - | - | - | - | - | - | 3 |
| Other litigations | 16 | - | - | - | - | - | - | 16 |
| Other risks | 6 | - | 12 | - | - | - | - | 18 |
| **TOTAL** | **94** | **-** | **14** | **(1)** | **-** | **-** | **-** | **107** |

| *(in € millions)* | 01/01/2022 restated | Changes in scope | Allocation | Reversals not used | Reversals used | Foreign exchange differences | Other changes | 31/12/2022 restated |
|---|---|---|---|---|---|---|---|---|
| Employee retirement and similar benefits | 78 | - | 7 | (5) | - | - | (12) | 69 |
| Insurance litigation | 4 | - | 1 | (1) | - | - | - | 3 |
| Other litigations | 16 | - | 13 | (15) | - | - | 1 | 16 |
| Other risks | 5 | - | 4 | (2) | (1) | - | - | 6 |
| **TOTAL** | **104** | **-** | **26** | **(24)** | **(1)** | **-** | **(11)** | **94** |

## 5.8 Financing debts

### 5.8.1 SUBORDINATED DEBTS

| *(in € millions)* | Currency | 30/06/2023 | 31/12/2022 |
|---|---|---|---|
| Fixed-term subordinated debt | EUR | 4,534 | 4,510 |
| Perpetual subordinated debt | EUR | 109 | 107 |
| **TOTAL** | **EUR** | **4,643** | **4,617** |

### 5.8.2 FINANCING EXPENSES

| *(in € millions)* | 30/06/2023 | 30/06/2022 |
|---|---|---|
| Redeemable subordinated notes | (64) | (62) |
| Perpetual subordinated notes | (2) | (24) |
| Other financing expenses | (7) | (7) |
| **FINANCING EXPENSES** | **(73)** | **(93)** |

## 5.9 Insurance and reinsurance contracts

The carrying amounts of portfolios of insurance contracts issued and reinsurance contracts held, broken down according to their position on the balance sheet and detailed according to their components, are disclosed in the following table.

| | 30/06/2023 | | | | |
|---|---|---|---|---|---|
| *(in € millions)* | Life France | Property and casualty France | International | Intragroup | Total |
| **Insurance contracts issued** | **301,537** | **4,902** | **39,988** | **(7,149)** | **339,278** |
| Insurance contracts issued that are assets | - | - | - | - | - |
| *Remaining coverage* | - | - | - | - | - |
| *Incurred claims* | - | - | - | - | - |
| *Assets for insurance acquisition cash flows* | - | - | - | - | - |
| Insurance contracts issued that are liabilities | 301,537 | 4,902 | 39,988 | (7,149) | 339,278 |
| *Remaining coverage* | *296,082* | *25* | *39,625* | *(7,229)* | *328,503* |
| *Incurred claims* | *5,455* | *4,877* | *363* | *80* | *10,775* |
| *Assets for insurance acquisition cash flows* | - | - | - | - | - |
| **Reinsurance contracts held** | **(158)** | **(719)** | **(7,187)** | **7,151** | **(913)** |
| Reinsurance contracts held that are assets | (247) | (719) | (7,221) | 7,151 | (1,036) |
| *Remaining coverage* | *(149)* | *(168)* | *(7,138)* | *7,143* | *(312)* |
| *Incurred claims* | *(98)* | *(551)* | *(83)* | *8* | *(724)* |
| Reinsurance contracts held that are liabilities | 89 | - | 34 | - | 123 |
| *Remaining coverage* | *114* | - | *34* | - | *148* |
| *Incurred claims* | *(25)* | - | - | - | *(25)* |
| **Investment contracts without discretionary participation features** | **2,475** | **-** | **692** | **-** | **3,167** |

| (in € millions) | 31/12/2022 Life France | Property and casualty France | International | Intragroup | Total |
|---|---|---|---|---|---|
| **Insurance contracts issued** | **293,511** | **4,913** | **41,661** | **(8,886)** | **331,199** |
| Insurance contracts issued that are assets | - | - | - | - | - |
| *Remaining coverage* | - | - | - | - | - |
| *Incurred claims* | - | - | - | - | - |
| *Assets for insurance acquisition cash flows* | - | - | - | - | - |
| Insurance contracts issued that are liabilities | 293,511 | 4,913 | 41,661 | (8,886) | 331,199 |
| *Remaining coverage* | *287,184* | *34* | *41,333* | *(8,870)* | *319,681* |
| *Incurred claims* | *6,327* | *4,879* | *328* | *(16)* | *11,518* |
| *Assets for insurance acquisition cash flows* | - | - | - | - | - |
| **Reinsurance contracts held** | **(178)** | **(683)** | **(8,909)** | **8,885** | **(885)** |
| Reinsurance contracts held that are assets | (226) | (683) | (8,953) | 8,885 | (977) |
| *Remaining coverage* | *(176)* | *(32)* | *(8,880)* | *8,862* | *(226)* |
| *Incurred claims* | *(50)* | *(651)* | *(73)* | *23* | *(751)* |
| Reinsurance contracts held that are liabilities | 48 | - | 44 | - | 92 |
| *Remaining coverage* | *101* | - | *44* | - | *145* |
| *Incurred claims* | *(53)* | - | - | - | *(53)* |
| **Investment contracts without discretionary participation features** | **2,465** | **-** | **774** | **-** | **3,239** |

Reconciliations from the opening to the closing balances of the carrying amounts of contracts within the scope of IFRS 17 are disclosed in notes 5.9.1 and 5.9.2.

These reconciliations show, for each operating segment, how the net carrying amounts of insurance contracts issued and reinsurance contracts held, respectively, changed during the period because of cash flows and of income and expenses recognised in profit or loss and in OCI.

A first reconciliation (by type of liabilities) analyses separately the changes in the liability for remaining coverage and in the liability for incurred claims, and reconciles these changes with the items of the income statement and the statement of profit or loss and other comprehensive income.

A second reconciliation (by contract valuation component) analyses separately, for contracts that are not measured under the PAA model, the changes in the estimates of the present value of the future cash flows, the risk adjustment for non-financial risk and the contractual service margin.

A reconciliation of the carrying amounts of investment contracts without discretionary participation features, which are measured in accordance with IFRS 9, is disclosed in note 5.10.

## 5.9.1 RECONCILIATON FROM THE OPENING TO THE CLOSING BALANCE OF CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED

### 5.9.1.1 Reconciliation from the opening to the closing balance of carrying amounts of insurance contracts issued by type of liabilities

| | 30/06/2023 | | | | | | 31/12/2022 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Liability for remaining coverage | | Liability for incurred claims | | | TOTAL | Liability for remaining coverage | | Liability for incurred claims | | | TOTAL |
| | | | | Contracts measured under PAA | | | | | | Contracts measured under PAA | | |
| *(in € millions)* | Excl. loss component | Loss component | Contracts not measured under PAA | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | | Excl. loss component | Loss component | Contracts not measured under PAA | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | |
| **OPENING NET CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED** | **319,590** | **91** | **6,445** | **4,940** | **133** | **331,199** | **365,157** | **98** | **7,083** | **4,600** | **118** | **377,056** |
| *Opening carrying amounts of portfolios of insurance contracts issued that are assets* | *-* | *-* | *-* | *-* | *-* | *-* | *(473)* | *-* | *395* | *(1)* | *-* | *(79)* |
| *Opening carrying amounts of portfolios of insurance contracts issued that are liabilities* | *319,590* | *91* | *6,445* | *4,940* | *133* | *331,199* | *365,630* | *98* | *6,688* | *4,601* | *118* | *377,135* |
| **Insurance revenue** | **(6,915)** | | | | | **(6,915)** | **(13,195)** | | | | | **(13,195)** |
| **Insurance service expenses** | **943** | **11** | **2,334** | **2,254** | **-** | **5,542** | **1,758** | **(7)** | **4,277** | **4,566** | **24** | **10,618** |
| *Incurred claims (excluding investment components) and other incurred insurance service expenses* | *-* | *(11)* | *2,429* | *2,352* | *34* | *4,804* | *-* | *(34)* | *4,347* | *4,625* | *53* | *8,991* |
| *Amortisation of insurance acquisition cash flows* | *943* | | | | | *943* | *1,758* | | | | | *1,758* |
| *Changes in fulfilment cash flows relating to the liability for incurred claims* | | | *(95)* | *(98)* | *(34)* | *(227)* | | | *(70)* | *(59)* | *(29)* | *(158)* |
| *Losses on onerous groups of contracts and reversals of such losses* | | *22* | | | | *22* | | *27* | | | | *27* |
| **Insurance service result** | **(5,972)** | **11** | **2,334** | **2,254** | **-** | **(1,373)** | **(11,437)** | **(7)** | **4,277** | **4,566** | **24** | **(2,577)** |
| **Insurance finance income or expenses** | **9,380** | **-** | **48** | **63** | **2** | **9,493** | **(45,439)** | **1** | **(2)** | **(349)** | **(8)** | **(45,797)** |
| **Total changes recognised in profit or loss and other comprehensive income** | **3,408** | **11** | **2,382** | **2,317** | **2** | **8,120** | **(56,876)** | **(6)** | **4,275** | **4,217** | **16** | **(48,374)** |
| **Investment components** | **(14,648)** | | **14,648** | **-** | | **-** | **(23,194)** | | **23,194** | **-** | | **-** |
| **Other changes** | **(198)** | **3** | **16** | **(4)** | **(1)** | **(184)** | **373** | **(1)** | **(125)** | **4** | **(1)** | **250** |
| **Cash flows in the period** | **20,246** | | **(17,776)** | **(2,327)** | **-** | **143** | **34,130** | | **(27,982)** | **(3,881)** | **-** | **2,267** |
| *Premiums received for insurance contracts issued* | *21,298* | | | | | *21,298* | *35,771* | | | | | *35,771* |
| *Insurance acquisition cash flows* | *(1,052)* | | | *(7)* | | *(1,059)* | *(1,641)* | | | *(14)* | | *(1,655)* |
| *Incurred claims paid and other insurance service expenses paid for insurance contracts issued, excluding insurance acquisition cash flows – including investment components* | | | *(17,776)* | *(2,320)* | | *(20,096)* | | | *(27,982)* | *(3,867)* | | *(31,849)* |
| **CLOSING NET CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED** | **328,398** | **105** | **5,715** | **4,926** | **134** | **339,278** | **319,590** | **91** | **6,445** | **4,940** | **133** | **331,199** |
| *Closing carrying amounts of portfolios of insurance contracts issued that are assets* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| *Closing carrying amounts of portfolios of insurance contracts issued that are liabilities* | *328,398* | *105* | *5,715* | *4,926* | *134* | *339,278* | *319,590* | *91* | *6,445* | *4,940* | *133* | *331,199* |

### 5.9.1.2 Reconciliation from the opening to the closing balance of carrying amounts of insurance contracts issued by contract valuation component

| (in € millions) | 30/06/2023 | | | | 31/12/2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | Contractual service margin | TOTAL | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | Contractual service margin | TOTAL |
| **OPENING NET CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED** | **300,700** | **3,521** | **21,770** | **325,991** | **348,856** | **3,339** | **20,069** | **372,264** |
| *Opening carrying amounts of portfolios of insurance contracts issued that are assets* | - | - | - | - | (1,012) | 390 | 543 | (79) |
| *Opening carrying amounts of portfolios of insurance contracts issued that are liabilities* | 300,700 | 3,521 | 21,770 | 325,991 | 349,868 | 2,949 | 19,526 | 372,343 |
| **Changes that relate to future service** | **(3,124)** | **251** | **2,897** | **24** | **(4,353)** | **562** | **3,815** | **24** |
| *Changes in estimates that adjust the contractual service margin* | (1,284) | 65 | 1,219 | - | (1,778) | 272 | 1,506 | - |
| *Changes in estimates that do not adjust the contractual service margin* | 14 | 1 | | 15 | 6 | 2 | | 8 |
| *Effects of contracts initially recognised in the period* | (1,854) | 185 | 1,678 | 9 | (2,581) | 288 | 2,309 | 16 |
| **Changes that relate to current service** | **204** | **(152)** | **(1,126)** | **(1,074)** | **(37)** | **(239)** | **(2,178)** | **(2,454)** |
| *Contractual service margin recognised in profit or loss to reflect the transfer of services* | | | (1,126) | (1,126) | | | (2,178) | (2,178) |
| *Change in the risk adjustment for non-financial risk that does not relate to future service or past service* | | (152) | | (152) | | (239) | | (239) |
| *Experience adjustments, excluding amounts relating to the risk adjustment for non-financial risk* | 204 | | | 204 | (37) | | | (37) |
| **Changes that relate to past service** | **(95)** | **-** | | **(95)** | **(64)** | **(7)** | | **(71)** |
| *Changes in fulfilment cash flows relating to incurred claims* | (95) | - | | (95) | (64) | (7) | | (71) |
| **Insurance service result** | **(3,015)** | **99** | **1,771** | **(1,145)** | **(4,454)** | **316** | **1,637** | **(2,501)** |
| **Insurance finance income or expenses** | **9,382** | **15** | **31** | **9,428** | **(45,368)** | **(134)** | **62** | **(45,440)** |
| **Total changes recognised in profit or loss and other comprehensive income** | **6,367** | **114** | **1,802** | **8,283** | **(49,822)** | **182** | **1,699** | **(47,941)** |
| **Other changes** | **(171)** | **(1)** | **(6)** | **(178)** | **246** | **-** | **2** | **248** |
| **Cash flows in the period** | **(10)** | | | **(10)** | **1,420** | | | **1,420** |
| *Premiums received for insurance contracts issued* | 18,448 | | | 18,448 | 30,395 | | | 30,395 |
| *Insurance acquisition cash flows* | (682) | | | (682) | (993) | | | (993) |
| *Incurred claims paid and other insurance service expenses paid for insurance contracts issued, excluding insurance acquisition cash flows – including investment components* | (17,776) | | | (17,776) | (27,982) | | | (27,982) |
| **CLOSING NET CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED** | **306,886** | **3,634** | **23,566** | **334,086** | **300,700** | **3,521** | **21,770** | **325,991** |
| *Closing carrying amounts of portfolios of insurance contracts issued that are assets* | - | - | - | - | - | - | - | - |
| *Closing carrying amounts of portfolios of insurance contracts issued that are liabilities* | 306,886 | 3,634 | 23,566 | 334,086 | 300,700 | 3,521 | 21,770 | 325,991 |

### 5.9.2 RECONCILIATION FROM THE OPENING TO THE CLOSING BALANCE OF CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD

#### 5.9.2.1 Reconciliation from the opening to the closing balance of carrying amounts of reinsurance contracts held by type of assets

| | 30/06/2023 | | | | | | 31/12/2022 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Assets for remaining coverage | | Assets for incurred claims | | | TOTAL | Assets for remaining coverage | | Assets for incurred claims | | | TOTAL |
| | | | | Contracts measured under PAA | | | | | | Contracts measured under PAA | | |
| *(in € millions)* | Excl. loss-recovery component | Loss-recovery component | Contracts not measured under PAA | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | | Excl. loss-recovery component | Loss-recovery component | Contracts not measured under PAA | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | |
| **OPENING NET CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD** | **76** | **5** | **104** | **676** | **24** | **885** | **72** | **9** | **240** | **450** | **17** | **788** |
| *Opening carrying amounts of portfolios of reinsurance contracts held that are assets* | *221* | *5* | *51* | *676* | *24* | *977* | *139* | *9* | *240* | *450* | *17* | *855* |
| *Opening carrying amounts of portfolios of reinsurance contracts held that are liabilities* | *(145)* | *-* | *53* | *-* | *-* | *(92)* | *(67)* | *-* | *-* | *-* | *-* | *(67)* |
| **Allocation of the premiums paid** | (351) | | | | | (351) | (762) | | | | | (762) |
| **Amounts recovered from the reinsurer** | - | (1) | 135 | 111 | (2) | 243 | 1 | (4) | 363 | 555 | 8 | 923 |
| *Amounts recovered for claims and other expenses incurred in the period* | *-* | *-* | *65* | *103* | *2* | *170* | *1* | *-* | *369* | *551* | *12* | *933* |
| *Changes in fulfilment cash flows relating to the assets for incurred claims* | | | *70* | *8* | *(4)* | *74* | | | *(6)* | *4* | *(4)* | *(6)* |
| *Changes in the loss-recovery component relating to onerous underlying contracts* | | *(1)* | | | | *(1)* | | *(4)* | | | | *(4)* |
| **Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held** | (3) | - | - | - | - | (3) | 2 | - | - | - | - | 2 |
| **Income or expenses related to reinsurance contracts held** | **(354)** | **(1)** | **135** | **111** | **(2)** | **(111)** | **(759)** | **(4)** | **363** | **555** | **8** | **163** |
| **Insurance finance income or expenses related to reinsurance contracts held** | 8 | - | 1 | 10 | - | 19 | (167) | - | (6) | (27) | (1) | (201) |
| **Total changes recognised in profit or loss and other comprehensive income** | **(346)** | **(1)** | **136** | **121** | **(2)** | **(92)** | **(926)** | **(4)** | **357** | **528** | **7** | **(38)** |
| **Investment components** | (4) | | 3 | 1 | | - | (11) | | 9 | 2 | | - |
| **Other changes** | 7 | (1) | (20) | 37 | 1 | 24 | 70 | - | (117) | (98) | - | (145) |
| **Cash flows for the period** | 428 | | (99) | (233) | - | 96 | 871 | | (385) | (206) | - | 280 |
| *Premiums paid for reinsurance contracts held* | *428* | | | | | *428* | *871* | | | | | *871* |
| *Amounts recovered from the reinsurer – including investment components* | | | *(99)* | *(233)* | | *(332)* | | | *(385)* | *(206)* | | *(591)* |
| **CLOSING NET CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD** | **161** | **3** | **124** | **602** | **23** | **913** | **76** | **5** | **104** | **676** | **24** | **885** |
| *Closing carrying amounts of portfolios of reinsurance contracts held that are assets* | *309* | *3* | *99* | *602* | *23* | *1,036* | *221* | *5* | *51* | *676* | *24* | *977* |
| *Closing carrying amounts of portfolios of reinsurance contracts held that are liabilities* | *(148)* | *-* | *25* | *-* | *-* | *(123)* | *(145)* | *-* | *53* | *-* | *-* | *(92)* |

### 5.9.2.2 Reconciliation from the opening to the closing balance of carrying amounts of reinsurance contracts held by contract valuation component

| (in € millions) | 30/06/2023 | | | | 31/12/2022 | | | |
|---|---|---|---|---|---|---|---|---|
| | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | Contractual service margin | TOTAL | Estimates of the present value of the future cash flows | Risk adjustment for non-financial risk | Contractual service margin | TOTAL |
| **OPENING NET CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD** | **(226)** | **105** | **251** | **130** | **(45)** | **124** | **237** | **316** |
| *Opening carrying amounts of portfolios of reinsurance contracts held that are assets* | *75* | *48* | *99* | *222* | *50* | *122* | *211* | *383* |
| *Opening carrying amounts of portfolios of reinsurance contracts held that are liabilities* | *(301)* | *57* | *152* | *(92)* | *(95)* | *2* | *26* | *(67)* |
| **Changes that relate to future service** | **(87)** | **3** | **84** | **-** | **(48)** | **21** | **27** | **-** |
| *Changes in estimates that adjust the contractual service margin* | *(88)* | *2* | *86* | *-* | *(24)* | *18* | *6* | *-* |
| *Changes in estimates that do not adjust the contractual service margin* | *-* | *-* | | *-* | *-* | *-* | | *-* |
| *Increase in the loss-recovery component on onerous underlying contracts that adjust the contractual service margin* | | | *-* | *-* | | | *-* | *-* |
| *Effects of contracts initially recognised in the period* | *1* | *1* | *(2)* | *-* | *(24)* | *3* | *21* | *-* |
| **Changes that relate to current service** | **5** | **(7)** | **(104)** | **(106)** | **(3)** | **(18)** | **(26)** | **(47)** |
| *Contractual service margin recognised in profit or loss to reflect services received* | | | *(104)* | *(104)* | | | *(26)* | *(26)* |
| *Reversals of the loss-recovery component excluded from the allocation of premiums paid* | | | *-* | *-* | | | *-* | *-* |
| *Change in the risk adjustment for non-financial risk that does not relate to future service or past service* | | *(7)* | | *(7)* | | *(18)* | | *(18)* |
| *Experience adjustments, excluding amounts relating to the risk adjustment for non-financial risk* | *5* | | | *5* | *(3)* | | | *(3)* |
| **Changes that relate to past service** | **70** | **-** | | **70** | **(5)** | **-** | | **(5)** |
| *Changes in fulfilment cash flows relating to incurred claims* | *70* | *-* | | *70* | *(5)* | *-* | | *(5)* |
| **Effect of changes in the risk of non-performance by the issuer of reinsurance contracts held** | **(3)** | | | **(3)** | **2** | | | **2** |
| **Income or expenses from reinsurance contracts held** | **(15)** | **(4)** | **(20)** | **(39)** | **(54)** | **3** | **1** | **(50)** |
| **Insurance finance income or expenses related to reinsurance contracts held** | **2** | **3** | **5** | **10** | **(160)** | **(22)** | **11** | **(171)** |
| **Total changes recognised in profit or loss and other comprehensive income** | **(13)** | **(1)** | **(15)** | **(29)** | **(214)** | **(19)** | **12** | **(221)** |
| **Other changes** | **9** | **(2)** | **(4)** | **3** | **(50)** | **-** | **2** | **(48)** |
| **Cash flows in the period** | **12** | | | **12** | **83** | | | **83** |
| *Premiums paid for reinsurance contracts held* | *111* | | | *111* | *464* | | | *464* |
| *Amounts recovered from the reinsurer – including investment components* | *(99)* | | | *(99)* | *(381)* | | | *(381)* |
| **CLOSING NET CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD** | **(218)** | **102** | **232** | **116** | **(226)** | **105** | **251** | **130** |
| *Closing carrying amounts of portfolios of reinsurance contracts held that are assets* | *110* | *45* | *84* | *239* | *75* | *48* | *99* | *222* |
| *Closing carrying amounts of portfolios of reinsurance contracts held that are liabilities* | *(328)* | *57* | *148* | *(123)* | *(301)* | *57* | *152* | *(92)* |

### 5.9.3 TRANSITION AMOUNTS

Applying the transition provisions of IFRS 17, the changes in accounting policies resulting from the application of IFRS 17 shall be applied using a full retrospective approach at the transition date, if practicable. Under the full retrospective approach, the Group shall at the transition date (1 January 2022):

- identify, recognise and measure each group of insurance contracts as if IFRS 17 had always applied;
- identify, recognise and measure any assets for insurance acquisition cash flows as if IFRS 17 had always applied (except it is not required to apply their recoverability assessment before the transition date);
- derecognise any existing balances that would not exist had IFRS 17 always applied;
- recognise any resulting net difference in equity.

If, and only if, a retrospective application of the standard is impracticable for the measurement of a group of insurance contracts or an asset for insurance acquisition cash flows, the Group is allowed to apply either of the two alternative approaches provided by the transition provisions of the standard (modified retrospective approach or fair value approach).

At the transition date, being 1 January 2022, the Group applied the full retrospective approach to measure the most recent property and casualty insurance contracts (measured according to the PAA model), as well as the pensions insurance contracts of the general fund of Crédit Agricole Assurances Retraite.

The Group had recourse to the modified retrospective approach to measure the other groups of insurance contracts recognised at the transition date. The Group did not resort to the fair value approach. For the groups of contracts concerned, the Group judged that the application of the full retrospective approach was impracticable because of the unavailability of all information required for a full retrospective application of the standard (as regards data collected, but also hypotheses or estimates that would have been made during preceding periods).

The objective of the modified retrospective approach (MRA) is to achieve the closest outcome to full retrospective application possible using reasonable and supportable information available without undue cost or effort.

To this end, this approach contains a list of modifications in several fields; it is permitted to use each of these modifications only to the extent that reasonable and supportable information needed to apply a full retrospective approach is not available on this point.

The main modifications of the modified retrospective approach to which the Group resorted to measure certain groups of contracts at the transition date are the following:

- the identification of groups of insurance contracts and the determination of contracts meeting the definition of insurance contracts with discretionary participation features using information available at the transition date;
- the exemption from the requirement to divide groups so that they do not include contracts issued more than one year apart;
- the determination of the CSM (or the loss component) for groups of insurance contracts without direct participation features at the transition date, notably:
    - the estimation of the future cash flows at the date of initial recognition as the amount of the future cash flows at the transition date, adjusted by the cash flows that are known to have occurred between the date of initial recognition and the transition date;
    - the determination of the discount rates that applied at the date of initial recognition, via the use of a yield curve estimated at the date corresponding to the average age of the contracts in the group;
    - the determination of the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment for non-financial risk at the transition date by the expected release of risk before the transition date;
    - the use of discount rates that apply at the date of initial recognition as determined above to calculate interests accreted on the CSM;
    - the determination of the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.
- the determination of the CSM (or the loss component) for groups of insurance contracts with direct participation features at the transition date, by calculating a proxy for the total CSM for all services to be provided under the group of contracts (fair value of the underlying items minus fulfilment cash flows at that date, and adjusted for amounts charged to the policyholders before that date, for amounts paid before that date that would not have varied based on the underlying items, for the change in the risk adjustment for non-financial risk caused by the release from risk before that date, and for insurance acquisition cash flows incurred before the transition date that are allocated to the group) and by deducting from the latter the amount of CSM that relates to services provided before that date;
- the determination, in case the OCI option is applied, of the cumulative amount of insurance finance income or expenses recognised in equity at the transition date:
    - for groups of insurance contracts without direct participation features: either by using discount rates that apply at the date of initial recognition as determined above, or by determining it as nil;
    - for groups of insurance contracts with direct participation features for which the entity holds the underlying items: by determining it as equal to the cumulative amount recognised in equity on the underlying items.

At the transition date, the Group did not apply the modified retrospective approach or the fair value approach to identify and measure assets for insurance acquisition cash flows.

### 5.9.3.1 Reconciliation from the opening to the closing balance of the contractual service margin – Insurance contracts issued

A reconciliation from the opening to the closing balance of the CSM of insurance contracts issued by transition approach is disclosed in the following table:

| (in € millions) | 30/06/2023 | | | | | 31/12/2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Insurance contracts recognised at the transition date | | | Insurance contracts recognised after the transition date | TOTAL | Insurance contracts recognised at the transition date | | | Insurance contracts recognised after the transition date | TOTAL |
| | Insurance contracts to which the full retrospective approach has been applied | Insurance contracts to which the modified retrospective approach has been applied | Insurance contracts to which the fair value approach has been applied | | | Insurance contracts to which the full retrospective approach has been applied | Insurance contracts to which the modified retrospective approach has been applied | Insurance contracts to which the fair value approach has been applied | | |
| **OPENING CONTRACTUAL SERVICE MARGIN** | **856** | **18,848** | **-** | **2,066** | **21,770** | **771** | **19,298** | **-** | **-** | **20,069** |
| *Opening contractual service margin of portfolios of insurance contracts issued that are assets* | *-* | *-* | *-* | *-* | *-* | *-* | *543* | *-* | *-* | *543* |
| *Opening contractual service margin of portfolios of insurance contracts issued that are liabilities* | *856* | *18,848* | *-* | *2,066* | *21,770* | *771* | *18,755* | *-* | *-* | *19,526* |
| **Changes that relate to future service** | **57** | **1,283** | **-** | **1,557** | **2,897** | **133** | **1,517** | **-** | **2,165** | **3,815** |
| *Changes in estimates that adjust the contractual service margin* | *57* | *1,283* | *-* | *(121)* | *1,219* | *133* | *1,517* | *-* | *(144)* | *1,506* |
| *Effects of contracts initially recognised in the period* | | | | *1,678* | *1,678* | | | | *2,309* | *2,309* |
| **Changes that relate to current service** | **(24)** | **(984)** | **-** | **(118)** | **(1,126)** | **(47)** | **(2,027)** | **-** | **(104)** | **(2,178)** |
| *Contractual service margin recognised in profit or loss to reflect the transfer of services* | *(24)* | *(984)* | *-* | *(118)* | *(1,126)* | *(47)* | *(2,027)* | *-* | *(104)* | *(2,178)* |
| **Insurance service result** | **33** | **299** | **-** | **1,439** | **1,771** | **86** | **(510)** | **-** | **2,061** | **1,637** |
| **Insurance finance income or expenses** | **-** | **28** | **-** | **3** | **31** | **-** | **57** | **-** | **5** | **62** |
| **Total changes recognised in profit or loss and other comprehensive income** | **33** | **327** | **-** | **1,442** | **1,802** | **86** | **(453)** | **-** | **2,066** | **1,699** |
| **Other changes** | **-** | **(6)** | **-** | **-** | **(6)** | **(1)** | **3** | **-** | **-** | **2** |
| **CLOSING CONTRACTUAL SERVICE MARGIN** | **889** | **19,169** | **-** | **3,508** | **23,566** | **856** | **18,848** | **-** | **2,066** | **21,770** |
| *Closing contractual service margin of portfolios of insurance contracts issued that are assets* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| *Closing contractual service margin of portfolios of insurance contracts issued that are liabilities* | *889* | *19,169* | *-* | *3,508* | *23,566* | *856* | *18,848* | *-* | *2,066* | *21,770* |

### 5.9.3.2 Insurance revenue

An analysis of insurance revenue (for insurance contracts issued) by transition approach is disclosed in note 6.1.

### 5.9.3.3 Reconciliation from the opening to the closing balance of the contractual service margin – Reinsurance contracts held

A reconciliation from the opening to the closing balance of the CSM of reinsurance contracts held by transition approach is disclosed in the following table:

| *(in € millions)* | 30/06/2023 | | | | | 31/12/2022 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Reinsurance contracts recognised at the transition date | | | Reinsurance contracts recognised after the transition date | TOTAL | Reinsurance contracts recognised at the transition date | | | Reinsurance contracts recognised after the transition date | TOTAL |
| | Reinsurance contracts to which the full retrospective approach has been applied | Reinsurance contracts to which the modified retrospective approach has been applied | Reinsurance contracts to which the fair value approach has been applied | | | Reinsurance contracts to which the full retrospective approach has been applied | Reinsurance contracts to which the modified retrospective approach has been applied | Reinsurance contracts to which the fair value approach has been applied | | |
| **OPENING CONTRACTUAL SERVICE MARGIN** | **-** | **245** | **-** | **6** | **251** | **-** | **237** | **-** | **-** | **237** |
| *Opening contractual service margin of portfolios of reinsurance contracts held that are assets* | *-* | *94* | *-* | *5* | *99* | *-* | *211* | *-* | *-* | *211* |
| *Opening contractual service margin of portfolios of reinsurance contracts held that are liabilities* | *-* | *151* | *-* | *1* | *152* | *-* | *26* | *-* | *-* | *26* |
| **Changes that relate to future service** | **-** | **84** | **-** | **-** | **84** | **-** | **6** | **-** | **21** | **27** |
| *Changes in estimates that adjust the contractual service margin* | *-* | *84* | *-* | *2* | *86* | *-* | *6* | *-* | *-* | *6* |
| *Increase in the loss-recovery component on onerous underlying contracts that adjust the contractual service margin* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| *Effects of contracts initially recognised in the period* | | | | *(2)* | *(2)* | | | | *21* | *21* |
| **Changes that relate to current service** | **-** | **(106)** | **-** | **2** | **(104)** | **-** | **(11)** | **-** | **(15)** | **(26)** |
| *Contractual service margin recognised in profit or loss to reflect services received* | *-* | *(106)* | *-* | *2* | *(104)* | *-* | *(11)* | *-* | *(15)* | *(26)* |
| *Reversals of the loss-recovery component excluded from the allocation of premiums paid* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* | *-* |
| **Income or expenses from reinsurance contracts held** | **-** | **(22)** | **-** | **2** | **(20)** | **-** | **(5)** | **-** | **6** | **1** |
| **Insurance finance income or expenses related to reinsurance contracts held** | **-** | **5** | **-** | **-** | **5** | **-** | **10** | **-** | **1** | **11** |
| **Total changes recognised in profit or loss and other comprehensive income** | **-** | **(17)** | **-** | **2** | **(15)** | **-** | **5** | **-** | 7 | **12** |
| **Other changes** | **-** | **(5)** | **-** | **1** | **(4)** | **-** | **3** | **-** | **(1)** | **2** |
| **CLOSING CONTRACTUAL SERVICE MARGIN** | **-** | **223** | **-** | **9** | **232** | **-** | **245** | **-** | **6** | **251** |
| *Closing contractual service margin of portfolios of reinsurance contracts held that are assets* | *-* | *77* | *-* | *7* | *84* | *-* | *94* | *-* | *5* | *99* |
| *Closing contractual service margin of portfolios of reinsurance contracts held that are liabilities* | *-* | *146* | *-* | *2* | *148* | *-* | *151* | *-* | *1* | *152* |

## 5.10 Investment contracts without discretionary participation features

| *(in € millions)* | 30/06/2023 | 31/12/2022 |
|---|---|---|
| **Opening carrying amount** | **3,239** | **3,821** |
| Contributions received | 13 | 253 |
| Benefits paid | (172) | (160) |
| Investment return from underlying assets | 90 | (667) |
| Asset management fees charged | (1) | (4) |
| Other changes | (2) | (4) |
| **Closing carrying amount** | **3,167** | **3,239** |

# NOTE 6 Notes to the income statement

## 6.1 Insurance revenue

An analysis of the insurance revenue recognised in the period is disclosed in the following table:

| *(in € millions)* | 30/06/2023 | 30/06/2022 |
|---|---|---|
| **Changes in the liability for remaining coverage** | **3,492** | **3,405** |
| *Insurance service expenses incurred during the period* | *2,203* | *2,254* |
| *Change in the risk adjustment for non-financial risk* | *154* | *136* |
| *Contractual service margin recognised in profit or loss because of the transfer of insurance contract services in the period* | *1,127* | *998* |
| *Other amounts (including experience adjustments for premium receipts)* | *8* | *17* |
| **Allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows** | **616** | **498** |
| **Insurance revenue from contracts not measured applying the PAA** | **4,108** | **3,903** |
| **Insurance revenue from contracts measured applying the PAA** | **2,806** | **2,603** |
| **INSURANCE REVENUE** | **6,914** | **6,506** |
| of which Insurance contracts to which the modified retrospective approach has been applied | 3,324 | 4,181 |
| of which Insurance contracts to which the fair value approach has been applied | - | - |

## 6.2 Investment income net of investment expenses

| *(in € millions)* | 30/06/2023 | 30/06/2022 restated |
|---|---|---|
| **Investment income** | **3,913** | **4,247** |
| **Dividends** | **871** | **763** |
| Dividends received on equity instruments at fair value through profit or loss | 778 | 760 |
| Dividends received on equity instruments recognized in non-recyclable equity | 93 | 3 |
| Of which dividends on instruments derecognised during the period | - | - |
| **Interest products** | **2,661** | **3,022** |
| Interest income on financial assets at amortized cost | 59 | 93 |
| Interest income on financial assets at fair value through equity | 1,952 | 2,195 |
| Accrued and overdue interest on hedging instruments | 139 | 146 |
| Other interests and similar products | 511 | 588 |
| **Other investment income** | **381** | **462** |
| **Investment expenses** | **(394)** | **(498)** |
| **Interest expenses** | **(51)** | **(42)** |
| Interest expense on financial liabilities at amortized cost | - | - |
| Accrued and overdue interest on hedging instruments | - | - |
| Other interest and similar expenses | (51) | (42) |
| **Commission expenses** | **(36)** | **(39)** |
| **Other expenses of investments** | **(307)** | **(417)** |
| **Capital gains and losses on disposal of investments net of reversals of depreciation and amortization** | **(81)** | **2** |
| **Net capital gains and losses on financial assets at amortized cost** | **-** | **-** |

| *(in € millions)* | 30/06/2023 | 30/06/2022 restated |
|---|---|---|
| Gains from derecognition of financial assets at amortized cost | - | - |
| Losses from derecognition of financial assets at amortized cost | - | - |
| Net gains and losses on debt instruments recognized in recyclable equity | (80) | 2 |
| **Net gains and losses on the sale of hedging instruments** | **(1)** | **-** |
| **Net capital gains and losses on investment properties** | **-** | **-** |
| **Fair value change in investments recognized at fair value through profit or loss** | **3,351** | **(15,137)** |
| **Fair value change in financial assets held for trading** | **-** | **-** |
| **Fair value change in equity instruments** | **208** | **(2,812)** |
| **Fair value change of debt instruments that do not meet SPPI criteria** | **1,147** | **(3,926)** |
| **Fair value change of other debt instruments through profit or loss by nature** | **10** | **-** |
| **Fair value change in assets representing unit-linked contracts** | **2,667** | **(8,255)** |
| **Fair value change in financial assets at fair value through option income** | **-** | **-** |
| **Fair value change of transaction derivative instruments** | **(380)** | **(398)** |
| **Result of hedge accounting** | **-** | **2** |
| **Net gains and losses on financial assets reclassification** | **-** | **-** |
| Gains and losses on reclassification of financial assets at amortized cost | - | - |
| Gains and losses on reclassification of financial assets at fair value equity | - | - |
| **Change in fair value of investment properties** | **(301)** | **252** |
| **Change in impairments on investments** | **15** | **-** |
| **Change in impairments on healthy assets (Stage 1 and Stage 2)** | **16** | **1** |
| Stage 1: Losses estimated at the amount of credit losses expected for the next 12 months | 9 | - |
| Debt instruments recognized at fair value through recyclable equity | 8 | - |
| Debt instruments carried at amortized cost | 1 | - |
| commitments | - | - |
| Stage 2: Losses Measured at the Expected Lifetime Credit Losses | 7 | 1 |
| Debt instruments recognized at fair value through recyclable equity | 7 | 1 |
| Debt instruments carried at amortized cost | - | - |
| Commitments | - | - |
| **Change in impairments on impaired assets (Stage 3)** | **-** | **-** |
| Debt instruments recognized at fair value through recyclable equity | - | - |
| Debt instruments carried at amortized cost | - | - |
| Commitments | - | - |
| **Changes in depreciation on investment properties** | **(1)** | **(1)** |
| **Changes in impairments on other assets** | **-** | **-** |
| **TOTAL INVESTMENT INCOME NET OF INVESTMENT EXPENSES** | **6,804** | **(11,386)** |

## 6.3 Insurance finance income or expenses

The following table presents an analysis of the total amount of insurance finance income or expenses and of investment income net of investment expenses recognised in profit or loss and in OCI during the period:

| | 30/06/2023 | | | 30/06/2022 | | |
|---|---|---|---|---|---|---|
| *(in € millions)* | Insurance contracts with direct participation features | Other contracts and own funds | TOTAL | Insurance contracts with direct participation features | Other contracts and own funds | TOTAL |
| **INVESTMENT RETURN ON ASSETS** | **8,853** | **888** | **9,741** | **(36,360)** | **(3,444)** | **(39,804)** |
| **Investment income net of investment expenses recognised in profit or loss** | **6,339** | **504** | **6,843** | **(10,483)** | **(887)** | **(11,370)** |
| Investment income | 3,600 | 305 | 3,905 | 3,885 | 354 | 4,239 |
| Investment expenses | (381) | (9) | (390) | (462) | (31) | (493) |
| Gains and losses on disposal of investments net of reversals of impairment and amortisation | (76) | 1 | (75) | 3 | - | 3 |
| Change in fair value of investments recognised at fair value through profit or loss | 3,184 | 204 | 3,388 | (13,908) | (1,211) | (15,119) |
| Change in impairment of investments | 12 | 3 | 15 | (1) | 1 | - |
| **Gains and losses on investments recognised in other comprehensive income** | **2,514** | **384** | **2,898** | **(25,877)** | **(2,557)** | **(28,434)** |
| Gains and losses on debt instruments measured at fair value through other comprehensive income that will be reclassified to profit or loss | 2,366 | 408 | 2,774 | (25,877) | (2,554) | (28,431) |
| Gains and losses on equity instruments measured at fair value through other comprehensive income that will not be reclassified to profit or loss | 148 | (24) | 124 | - | (3) | (3) |
| **INSURANCE FINANCE INCOME OR EXPENSES** | **(9,391)** | **(82)** | **(9,473)** | **36,230** | **333** | **36,563** |
| **Insurance finance income or expenses recognised in profit or loss** | **(6,455)** | **(93)** | **(6,548)** | **10,318** | **74** | **10,392** |
| Insurance finance income or expenses from insurance contracts issued recognised in profit or loss | (6,455) | (117) | (6,572) | 10,318 | 49 | 10,367 |
| *Effect of unwinding of the discount rate* | | *(152)* | *(152)* | | *(16)* | *(16)* |
| *Effect of changes in interest rates and other financial assumptions* | | *50* | *50* | | *509* | *509* |
| *Insurance finance income or expenses for contracts with direct participation features* | *(9,391)* | | *(9,391)* | *36,282* | | *36,282* |
| *Disaggregation option* | *2,936* | *(15)* | *2,921* | *(25,964)* | *(444)* | *(26,408)* |
| *Amount recognised in profit or loss applying the risk mitigation option* | - | | - | - | | - |
| *Exchange differences on changes in the carrying amount of insurance contracts issued recognised in profit or loss* | - | - | - | - | - | - |
| Insurance finance income or expenses from reinsurance contracts held recognised in profit or loss | | 24 | 24 | | 25 | 25 |
| *Effect of unwinding of the discount rate* | | *26* | *26* | | *4* | *4* |

| (in € millions) | 30/06/2023 | | | 30/06/2022 | | |
|---|---|---|---|---|---|---|
| | Insurance contracts with direct participation features | Other contracts and own funds | TOTAL | Insurance contracts with direct participation features | Other contracts and own funds | TOTAL |
| *Effect of changes in interest rates and other financial assumptions* | | *(6)* | *(6)* | | *(164)* | *(164)* |
| *Disaggregation option* | | *4* | *4* | | *185* | *185* |
| *Exchange differences on changes in the carrying amount of reinsurance contracts held recognised in profit or loss* | | - | - | | - | - |
| **Insurance finance income or expenses recognised in other comprehensive income** | **(2,936)** | **11** | **(2,925)** | **25,912** | **259** | **26,171** |
| Insurance finance income or expenses from insurance contracts issued recognised in other comprehensive income | (2,936) | 15 | (2,921) | 25,912 | 444 | 26,356 |
| *Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss* | *(2,694)* | *15* | *(2,679)* | *25,964* | *444* | *26,408* |
| *Insurance finance income or expenses recognised in other comprehensive income that will not be reclassified to profit or loss* | *(242)* | | *(242)* | *(52)* | | *(52)* |
| Insurance finance income or expenses from reinsurance contracts held recognised in other comprehensive income | | (4) | (4) | | (185) | (185) |
| *Insurance finance income or expenses related to reinsurance contracts held recognised in other comprehensive income* | | *(4)* | *(4)* | | *(185)* | *(185)* |
| **CHANGES IN VALUE OF INVESTMENT CONTRACTS WITHOUT DISCRETIONARY PARTICIPATION FEATURES** | **-** | **(87)** | **(87)** | **-** | **584** | **584** |

The composition and the fair value of financial assets underlying insurance contracts with direct participation features are disclosed in the following table:

| *(in € millions)* | 30/06/2023 | 31/12/2022 |
|---|---|---|
| Investment property | 10,696 | 10,219 |
| Financial investments | 255,806 | 249,608 |
| *Financial assets at fair value through profit or loss (excluding unit-linked)* | *94,076* | *90,688* |
| *Financial assets held for trading* | *-* | *-* |
| *Other financial assets at fair value through profit or loss* | *94,076* | *90,688* |
| *Financial assets at fair value through other comprehensive income* | *161,303* | *158,496* |
| *Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss* | *158,902* | *158,496* |
| *Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss* | *2,401* | *-* |
| *Financial assets at amortised cost* | *427* | *424* |
| *Loans and receivables from customers* | *-* | *-* |
| *Other loans and receivables* | *427* | *424* |
| *Debt securities* | *-* | *-* |
| Unit-linked financial investments | 88,616 | 80,134 |
| Derivative instruments and separated embedded derivatives | 633 | 1,017 |
| Investments in associates and joint ventures | 9,020 | 8,844 |
| **Total underlying items for insurance contracts with direct participation features** | **364,771** | 349,822 |

## 6.4 Tax expenses

| *(in € millions)* | 30/06/2023 | 30/06/2022 restated |
|---|---|---|
| Current tax expenses | (136) | (74) |
| Deferred tax expenses | (147) | (82) |
| **TOTAL TAX EXPENSES** | **(283)** | **(156)** |

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This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

## Statutory auditors' review report on the interim condensed consolidated "financial statements"

Period from January 1st, 2023 to June 30th, 2023

To the chief Executive Officer,

At your request and in our capacity as Statutory Auditors of Crédit Agricole Assurances, we have reviewed the accompanying interim condensed consolidated "financial statements" for the period from January 1st, 2023 to June 30th, 2023.

Your Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated "financial statements" on June 30th, 2023 based on information available. Our role is to express a conclusion on these interim condensed consolidated 'financial statements" based on our review.

We conducted our review in accordance with professional standards applicable in France and the professional guidance issued by the French Institute of statutory auditors (Compagnie nationale des commissaires aux comptes) relating to this engagement.

A review of interim financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated "financial statements" are not prepared, in all material respects, in accordance with IAS 34 – the standard of IFRS as adopted by the European Union applicable to interim financial information.

Neuilly-sur-Seine and Paris - La Défense, August 4th, 2023

The statutory auditors

PricewaterhouseCoopers Audit

Gérard Courreges    Agnès Hussherr

Mazars

Olivier Leclerc    Jean Latorzeff

# STATEMENT OF THE PERSON RESPONSIBLE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

I hereby certify that, to my knowledge, the consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the Company and all entities included in the consolidated group over the relevant period.

Paris, 4th August 2023

Philippe Dumont, Chief Executive Officer

ASSURANCES

Crédit Agricole Assurances, société anonyme
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