CREDIT AGRICOLE GROUP

Statutory auditors' review report on the condensed half-yearly consolidated financial statements of Crédit Agricole Group

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

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex, France
French simplified joint-stock company
(société par actions simplifiée)
with capital of € 2 510 460
672 006 483 R.C.S. Nanterre

Statutory Auditor
Registered with the Versailles and
Centre Institute of Statutory Auditors

ERNST & YOUNG et Autres
Tour First
TSA 14444
92037 Paris-La-Défense cedex, France
French simplified joint-stock company
(société par actions simplifiée)
with variable capital
438 476 913 R.C.S. Nanterre

Statutory Auditor
Registered with the Versailles and
Centre Institute of Statutory Auditors

Statutory auditors' review report on the condensed half-yearly consolidated financial statements of Crédit Agricole Group

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

To the Chief Executive Officer,
CREDIT AGRICOLE S.A.
12, place des Etats-Unis
92127 Montrouge cedex

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

In our capacity as Statutory Auditors of Crédit Agricole S.A. and further to your request, we have performed a review of the accompanying condensed half-yearly consolidated financial statements of Crédit Agricole Group for the period from 1st January to 30th June 2023.

As stated in the note "General framework" to the financial statements, the condensed half-yearly consolidated financial statements of the Crédit Agricole Group reporting entity, which constitutes a network with a central body, are prepared on the basis of a community of interests encompassing all the Local Banks, the Regional Banks and the "Crédit Agricole S.A." central body.

These condensed half-yearly consolidated financial statements were prepared under the responsibility of Management. Our role is to express a conclusion on these 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 half-yearly 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 condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34- standard of the IFRSs as adopted by the European Union applicable to half-yearly financial information.
Without qualifying the above conclusion, we draw your attention to the change in accounting method

relating to the application as of January 1st, 2023 of IFRS 17 "Insurance Contracts" as described in note 1.1 "Applicable standards and comparability" and in note 1.2 “Accounting policies and principles”, as well as in the other notes of the condensed half-yearly consolidated financial statements presenting figures relating to the impact of this change.

Neuilly-sur-Seine and Paris-La Défense, August 8th, 2023

The statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Agnès Hussherr	Vanessa Jolivalt

CRÉDIT AGRICOLE GROUP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Approved by the Board of Directors of the Crédit Agricole Group on 3 August 2023

SOMMAIRE

GENERAL FRAMEWORK ... **4**

THE CRÉDIT AGRICOLE GROUP ... 4

CONSOLIDATED FINANCIAL STATEMENTS ... **5**

INCOME STATEMENT ... 5

NET INCOME AND OTHER COMPREHENSIVE INCOME ... 6

BALANCE SHEET ASSETS ... 7

BALANCE SHEET LIABILITIES ... 8

STATEMENT OF CHANGES IN EQUITY ... 9

CASH FLOW STATEMENT ... 11

NOTES RELATING TO THE EFFECTS OF THE APPLICATION OF IFRS 17 AT 1 JANUARY 2023 ... **14**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS ... **18**

NOTE 1 Group accounting policies and principles, assessments and estimates applied ... **18**

1.1 Applicable standards and comparability ... 18

1.2 Accounting policies and principles ... 21

NOTE 2 Major structural transactions and material events during the period ... **36**

2.1 Information on the scope of consolidation as at 30 June 2023 ... 36

2.2 Main changes in the scope of consolidation ... 43

2.3 Application of the new IFRS 17 ... 43

2.4 SAS Rue La Boétie buys €1 billion of Crédit Agricole S.A.'s shares ... 43

NOTE 3 Credit risk and hedging transactions ... **44**

3.1 Change in carrying amounts and value corrections for losses over the period ... 47

3.2 Exposure to sovereign risk ... 54

3.3 Hedge accounting ... 57

NOTE 4 Notes on comprehensive income ... **58**

4.1 Interest income and expenses ... 58

4.2 Fee and commission income and expenses ... 59

4.3 Net gains (losses) on financial instruments at fair value through profit or loss ... 59

4.4 Net gains (losses) on financial instruments at fair value through other comprehensive income ... 61

4.5 Net gains (losses) arising from the derecognition of financial assets at amortised cost ... 61

4.6 Net income (expenses) on other activities ... 61

4.7 Operating expenses ... 62

4.8 Dotations aux amortissements et aux dépréciations des immobilisations corporelles et incorporelles ... 63

4.9 Cost of risk ... 64

4.10 Net gains (losses) on other assets ... 65

4.11 Income tax ... 65

4.12 Changes in other comprehensive income ... 66

NOTE 5 Segment information ... **67**

5.1 Operating segment information ... 70

5.2 Specific characteristics of insurance ... 71

NOTE 6 Notes to the balance sheet ... **83**

6.1 Financial assets and liabilities at fair value through profit or loss ... 83

6.2 Financial assets at fair value through other comprehensive income ... 84

6.3 Financial assets at amortised cost ... 88

6.4	Financial liabilities at amortised cost	90
6.5	Non-current assets held for sale and discontinued operations	91
6.6	Investment property	93
6.7	Goodwill	95
6.8	Provisions	97
6.9	Subordinated debt	99
6.10	Undated financial instruments	100
NOTE 7	**Financing and guarantee commitments and other guarantees**	**102**
NOTE 8	**Reclassifications of financial instruments**	**104**
NOTE 9	**Juste valeur des instruments financiers et informations diverses**	**105**
9.1	Information on financial instruments measured at fair value	106
9.2	Net change in financial instruments measured at fair value according to Level 3	113
9.3	Fair value of debt securities recognised as assets at amortised cost	117
9.4	Assessment of the impact of inclusion of the margin at inception	117
9.5	Benchmark index reforms	118
NOTE 10	**Impact of accounting developments and other events**	**121**
NOTE 11	**Related parties**	**131**
NOTE 12	**Events after 30 June 2023**	**132**

GENERAL FRAMEWORK

THE CRÉDIT AGRICOLE GROUP

The Crédit Agricole Group is composed of 2,359 Local Banks, 39 Regional Banks, the Crédit Agricole S.A. corporate centre and their subsidiaries.

Crédit Agricole Mutuel was created by the law of 5 November 1894, which established an initial principle for the creation of Crédit Agricole local banks, the law of 31 March 1899 that consolidated the Local Banks into Crédit Agricole Regional Banks and the law of 5 August 1920 that established the Office National du Crédit Agricole. This then became Caisse National de Crédit Agricole and later Crédit Agricole S.A., whose role as corporate centre was reiterated and clarified by the French Monetary and Financial Code.

The Crédit Agricole Group is a banking group with a corporate centre within the meaning of Regulation (EU) No 575/2013 (the Capital Requirements Regulation or CRR) for which:

- the commitments of the corporate centre and its affiliated institutions constitute joint and several commitments;

- the solvency and liquidity of all the affiliated institutions are monitored collectively based on the consolidated financial statements.

For groups with a corporate centre, Directive 86/635 on the accounts of European credit institutions sets out that all entities that make up the corporate centre and its affiliated institutions must be included in the consolidated financial statements drawn up, audited and published in accordance with this directive.

In application of this directive, the corporate centre and its affiliated institutions constitute the reporting entity representing the community of interests established in particular by the system of cross-guarantees that joint and severally cover the commitments of the different Crédit Agricole Group entities. In addition, the different texts cited in the first paragraph explain and establish the community of interests that exists, legally, financially, economically and politically, between Crédit Agricole S.A., the Regional Banks and the Local Banks of Crédit Agricole Mutuel. This community is based primarily on a mechanism of financial relations, on a single economic and commercial policy, and on joint decision-making, and has thus formed the foundations of the Crédit Agricole Group for more than a century.

In accordance with Regulation (EU) No 1606/02, the consolidated financial statements of the reporting entity are drawn up in compliance with IFRS standards, as adopted by the European Union. The reporting entity is composed of Local Banks, Regional Banks and the corporate centre, Crédit Agricole S.A.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

(in millions of euros)	Notes	30/06/2023	30/06/2022 Restated [2]
Interest and similar income	4.1	29,653	17,719
Interest and similar expenses	4.1	(19,898)	(6,753)
Fee and commission income	4.2	8,033	7,964
Fee and commission expenses	4.2	(2,075)	(2,058)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	6,916	(12,098)
Net gains (losses) on held for trading assets/liabilities		3,855	(3,718)
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss		3,061	(8,380)
Net gains (losses) on financial instruments at fair value through other comprehensive income	4.4	(95)	31
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss		(277)	(61)
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)		182	92
Net gains (losses) arising from the derecognition of financial assets at amortised cost	4.5	(13)	(9)
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss		-	-
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss		-	-
Net insurance revenue [1]		(4,511)	12,372
Insurance revenue		6,942	7,020
Insurance service expenses		(4,826)	(4,740)
Income or expenses related to reinsurance contracts held		(123)	(33)
Insurance finance income or expenses		(6,543)	10,100
Insurance finance income or expenses related to reinsurance contracts held		24	25
Credit cost of risk on insurance financial investments		15	-
Income on other activities	4.6	1,416	956
Expenses on other activities	4.6	(954)	(394)
Revenues		**18,473**	**17,730**
Operating expenses	4.7	(10,214)	(10,003)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.8	(922)	(877)
Gross operating income		**7,337**	**6,850**
Cost of risk	4.9	(1,486)	(1,503)
Operating income		**5,851**	**5,347**
Share of net income of equity-accounted entities		154	210
Net gains (losses) on other assets	4.10	37	35
Change in value of goodwill	6.7	-	-
Pre-tax income		**6,042**	**5,592**
Income tax charge	4.11	(1,483)	(1,474)
Net income from discontinued operations	6.5	6	25
Net income		**4,565**	**4,143**
Non-controlling interests		415	362
NET INCOME GROUP SHARE		**4,150**	**3,781**

[1] Net insurance financial result composed of Investment income net of expenses and Insurance finance income or expenses in Note 5.2 "Specific characteristics of insurance".

[2] The data at 30 June 2022 was restated following the entry into force of IFRS 17. The impacts are presented in Note 10 "Impact of accounting developments and other events".

NET INCOME AND OTHER COMPREHENSIVE INCOME

(in millions of euros)	Notes	30/06/2023	30/06/2022 Restated [1]
Net income		**4,565**	**4,143**
Actuarial gains and losses on post-employment benefits	4.12	(24)	486
Other comprehensive income on financial liabilities attributable to changes in own credit risk	4.12	105	791
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	4.12	87	23
Insurance finance income or expenses recognised in other comprehnsive income that will be reclassified to profit or loss	4.12	(242)	(52)
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**(74)**	**1,248**
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**4.12**	**4**	**(6)**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**14**	**(311)**
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	**4.12**	**(1)**	**-**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	**4.12**	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**4.12**	**(57)**	**931**
Gains and losses on translation adjustments	4.12	(236)	612
Other comprehensive income on debt instruments that may be reclassified to profit or loss	4.12	2,869	(29,108)
Gains and losses on hedging derivative instruments	4.12	97	(1,975)
Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss		(2,707)	26,673
Insurance finance income or expenses related to reinsurance contracts held recognised in other comprehensive income that will be reclassified to profit or loss		(4)	(185)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**19**	**(3,983)**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	**4.12**	**(26)**	**83**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**(72)**	**1,169**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**4.12**	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**4.12**	**6**	**8**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**4.12**	**(73)**	**(2,723)**
Other comprehensive income net of income tax	**4.12**	**(130)**	**(1,792)**
Net income and other comprehensive income		**4,435**	**2,351**
Of which Group share		4,062	1,970
Of which non-controlling interests		373	381

[1] *The data at 30 June 2022 was restated following the entry into force of IFRS 17. The impacts are presented in Note 10 "Impacts of accounting changes or other events".*

BALANCE SHEET ASSETS

(in millions of euros)	Notes	30/06/2023	31/12/2022 Restated [1]	01/01/2022 Restated [1]
Cash, central banks		164,840	210,804	241,191
Financial assets at fair value through profit or loss	6.1	500,618	446,101	449,056
Held for trading financial assets		284,204	242,006	233,023
Other financial instruments at fair value through profit or loss		216,414	204,095	216,034
Hedging derivative Instruments		44,698	50,494	16,029
Financial assets at fair value through other comprehensive income	3 - 6.2	219,534	219,216	272,724
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss		211,407	214,432	268,597
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss		8,127	4,784	4,127
Financial assets at amortised cost	3 - 6.3	1,383,274	1,343,209	1,257,228
Loans and receivables due from credit institutions		124,151	114,149	96,651
Loans and receivables due from customers		1,146,011	1,113,184	1,050,589
Debt securities		113,112	115,876	109,988
Revaluation adjustment on interest rate hedged portfolios [2]		(25,289)	(27,378)	5,231
Current and deferred tax assets		9,130	9,087	7,993
Accruals, prepayments and sundry assets		54,505	55,990	41,000
Non-current assets held for sale and discontinued operations	6.5	101	134	2,909
Insurance contracts issued that are assets	5.2	-	-	78
Reinsurance contracts held that are assets	5.2	1,042	973	854
Investments in equity-accounted entities		2,271	4,004	3,578
Investment property	6.6	12,978	13,162	12,290
Property, plant and equipment		11,654	10,768	10,907
Intangible assets		3,335	3,361	3,400
Goodwill	6.7	16,294	16,188	16,109
TOTAL ASSETS		**2,398,986**	**2,356,113**	**2,340,579**

[1] The data at 31 December 2022 and 1 January 2022 was restated following the entry into force of IFRS 17. The impacts are presented in Note 10 "Impacts of accounting changes or other events".

[2] The presentation on the balance sheet of the revaluation difference of rate hedged portfolios was reclassified between assets and liabilities as of December 31, 2022. Its net amount has not changed, and amounts to € -16 billion as of December 31, 2022.

BALANCE SHEET LIABILITIES

(in millions of euros)	Notes	30/06/2023	31/12/2022 Restated [1]	01/01/2022 Restated [1]
Central banks		45	59	1,276
Financial liabilities at fair value through profit or loss	6.1	339,155	285,458	257,150
Held for trading financial liabilities		268,569	231,694	205,073
Financial liabilities designated at fair value through profit or loss		70,586	53,764	52,077
Hedging derivative Instruments		39,579	47,324	16,827
Financial liabilities at amortised cost	6.4	1,441,706	1,467,563	1,449,965
Due to credit institutions		115,233	152,156	221,360
Due to customers		1,077,377	1,093,513	1,042,199
Debt securities		249,096	221,894	186,406
Revaluation adjustment on interest rate hedged portfolios [2]		(10,355)	(11,239)	5,720
Current and deferred tax liabilities		2,384	2,335	2,281
Accruals, prepayments and sundry liabilities		74,341	65,618	58,621
Liabilities associated with non-current assets held for sale and discontinued operations	6.5	39	205	2,502
Insurance contracts issued that are liabilities	5.2	343,442	334,280	380,741
Reinsurance contracts held that are liabilities	5.2	123	92	67
Provisions	6.8	5,625	5,643	7,094
Subordinated debt	6.9	23,434	23,156	25,873
Total Liabilities		**2,259,519**	**2,220,493**	**2,208,116**
Equity		**139,468**	**135,620**	**132,463**
Equity - Group share		**132,082**	**128,199**	**125,117**
Share capital and reserves		32,423	30,456	29,927
Consolidated reserves		98,095	92,766	94,780
Other comprehensive income		(2,591)	(3,020)	436
Other comprehensive income on discontinued operations		6	-	(26)
Net income (loss) for the year		4,150	7,997	-
Non-controlling interests		**7,386**	**7,421**	**7,346**
TOTAL LIABILITIES AND EQUITY		**2,398,986**	**2,356,113**	**2,340,579**

[1] The data at 31 December 2022 and 1 January 2022 was restated following the entry into force of IFRS 17. The impacts are presented in Note 10 "Impacts of accounting changes or other events".

[2] The presentation on the balance sheet of the revaluation difference of rate hedged portfolios was reclassified between assets and liabilities as of December 31, 2022. Its net amount has not changed, and amounts to € -16 billion as of December 31, 2022.

STATEMENT OF CHANGES IN EQUITY

	Group share									
	Share and capital reserves					Other comprehensive income				
(in millions of euros)	Share capital	Share premium and consolidated reserves [1]	Elimination of treasury shares	Other equity instruments	**Total capital and consolidated reserves**	Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	**Total other comprehensive income**	**Net income**	**Total equity**
Equity at 1 January 2022 published	13,682	107,212	(1,287)	4,888	124,495	3,081	(1,078)	2,003		126,498
Impacts of the adoption of IFRS 17 [2]	-	210	-	-	**210**	(1,634)	41	**(1,593)**	-	(1,383)
Equity at 1 January 2022	13,682	107,422	(1,287)	4,888	124,705	1,447	(1,037)	410	-	125,115
Capital increase	137	(797)	-	-	**(660)**	-	-	**-**	-	(660)
Changes in treasury shares held	-	-	1,033	-	**1,033**	-	-	**-**	-	1,033
Issuance / redemption of equity instruments	-	(8)	-	1,098	**1,090**	-	-	**-**	-	1,090
Remuneration of undated deeply subordinated notes at 1st semester 2022	-	(206)	-	-	**(206)**	-	-	**-**	-	(206)
Dividends paid in 1st semester 2022	-	(3,730)	-	-	**(3,730)**	-	-	**-**	-	(3,730)
Dividends received from Regional Banks and their subsidiaries	-	2,149	-	-	**2,149**	-	-	**-**	-	2,149
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	**-**	-	-	**-**	-	-
Changes due to share-based payments	-	8	-	-	**8**	-	-	**-**	-	8
Changes due to transactions with shareholders	**137**	**(2,584)**	**1,033**	**1,098**	**(316)**	**-**	**-**	**-**	**-**	**(316)**
Changes in other comprehensive income	**-**	**(5)**	**-**	**-**	**(5)**	**(2,788)**	**915**	**(1,873)**	**-**	**(1,878)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(2)	-	-	(2)	-	2	2	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	(3)	-	-	(3)	-	3	3	-	-
Share of changes in equity-accounted entities	-	-	-	-	**-**	67	(5)	**62**	-	62
Net income for 1st semester 2022	-	-	-	-	**-**	-	-	**-**	3,781	3,781
Other changes	-	20	-	-	**20**	-	-	**-**	-	20
Equity at 30 june 2022	13,819	104,853	(254)	5,986	124,404	(1,274)	(127)	(1,401)	3,781	126,784
Capital increase	82	74	-	-	**156**	-	-	**-**	-	156
Changes in treasury shares held	-	-	(1,157)	-	**(1,157)**	-	-	**-**	-	(1,157)
Issuance / redemption of equity instruments	-	-	-	3	**3**	-	-	**-**	-	3
Remuneration of undated deeply subordinated notes at 2nd semester 2022	-	(214)	-	-	**(214)**	-	-	**-**	-	(214)
Dividends paid in 2nd semester 2022	-	-	-	-	**-**	-	-	**-**	-	-
Dividends received from Regional Banks and their subsidiaries	-	-	-	-	**-**	-	-	**-**	-	-
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	**-**	-	-	**-**	-	-
Changes due to share-based payments	-	20	-	-	**20**	-	-	**-**	-	20
Changes due to transactions with shareholders	**82**	**(120)**	**(1,157)**	**3**	**(1,192)**	**-**	**-**	**-**	**-**	**(1,192)**
Changes in other comprehensive income	**-**	**(21)**	**-**	**-**	**(21)**	**(1,751)**	**151**	**(1,600)**	**-**	**(1,621)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(19)	-	-	(19)	-	19	19	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	(1)	-	-	(1)	-	1	1	-	-
Share of changes in equity-accounted entities	-	-	-	-	**-**	(23)	4	**(19)**	-	(19)
Net income for 2nd semester 2022	-	-	-	-	**-**	-	-	**-**	4,216	4,216
Other changes	-	31	-	-	**31**	-	-	**-**	-	31
Equity at 31 December 2022 2	13,901	104,743	(1,411)	5,989	123,222	(3,048)	28	(3,020)	7,997	128,199
Appropriation of 2022 net income	-	7,997	-	-	**7,997**	-	-	**-**	(7,997)	-
Equity at 1 January 2023	13,901	112,740	(1,411)	5,989	131,219	(3,048)	28	(3,020)	-	128,199
Impacts of new accounting standards [3]	-	(231)	-	-	**(231)**	375	148	**523**	-	292
Equity at 1 January 2023 published	13,901	112,509	(1,411)	5,989	130,988	(2,673)	176	(2,497)	-	128,491
Capital increase	(96)	(116)	-	-	**(212)**	-	-	**-**	-	(212)
Changes in treasury shares held	(285)	(718)	1,174	-	**171**	-	-	**-**	-	171
Issuance / redemption of equity instruments	-	(9)	-	1,246	**1,237**	-	-	**-**	-	1,237
Remuneration of undated deeply subordinated notes at 1st semester 2023	-	(239)	-	-	**(239)**	-	-	**-**	-	(239)
Dividends paid in 1st semester 2023	-	(3,803)	-	-	**(3,803)**	-	-	**-**	-	(3,803)
Dividends received from Regional Banks and their subsidiaries	-	2,259	-	-	**2,259**	-	-	**-**	-	2,259
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	**-**	-	-	**-**	-	-
Changes due to share-based payments	-	14	-	-	**14**	-	-	**-**	-	14
Changes due to transactions with shareholders	**(381)**	**(2,612)**	**1,174**	**1,246**	**(573)**	**-**	**-**	**-**	**-**	**(573)**
Changes in other comprehensive income	**-**	**71**	**-**	**-**	**71**	**(14)**	**(49)**	**(63)**	**-**	**8**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	68	-	-	68	-	(68)	(68)	-	-
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	2	-	-	2	-	(2)	(2)	-	-
Share of changes in equity-accounted entities	-	-	-	-	**-**	(28)	3	**(25)**	-	(25)
Net income for 1st semester 2023	-	-	-	-	**-**	-	-	**-**	4,150	4,150
Other changes	-	32	-	-	**32**	-	-	**-**	-	32
EQUITY AT 30 JUNE 2023	13,520	110,000	(237)	7,235	130,518	(2,715)	130	(2,585)	4,150	132,082

[1] Consolidated reserve before elimination of treasury shares.

[2] Details of the impact of the application of IFRS 17 on equity at the transition date of 1 January 2022 are presented in the note "Impact on equity of the application of IFRS 17 at 1 January 2022" below.

[3] Details of the changes in designation and classification of financial assets made at 1 January 2023 under the transition requirements of IFRS 17 on the new designation of financial assets are presented in the note "New designation of financial assets" below.

	Non-controlling interests					
		Other comprehensive income				
(in millions of euros)	**Capital, associated reserves and income**	*Other comprehensive income on items that may be reclassified to profit and loss*	*Other comprehensive income on items that will not be reclassified to profit and loss*	**Total other comprehensive income**	**Total equity**	**Total consolidated equity**
Equity at 1 January 2022 published	**7,324**	**(83)**	**(24)**	**(107)**	**7,217**	**133,715**
Impacts of the adoption of IFRS 17 [2]	129	-	-	-	129	(1,254)
Equity at 1 January 2022	**7,453**	**(83)**	**(24)**	**(107)**	**7,346**	**132,461**
Capital increase	-	-	-	-	-	(660)
Changes in treasury shares held	-	-	-	-	-	1,033
Issuance / redemption of equity instruments	-	-	-	-	-	1,090
Remuneration of undated deeply subordinated notes at 1st semester 2022	(49)	-	-	-	(49)	(255)
Dividends paid in 1st semester 2022	(398)	-	-	-	(398)	(4,128)
Dividends received from Regional Banks and their subsidiaries	-	-	-	-	-	2,149
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	3	-	-	-	3	11
Changes due to transactions with shareholders	**(443)**	**-**	**-**	**-**	**(443)**	**(759)**
Changes in other comprehensive income	**(1)**	**(16)**	**22**	**6**	**5**	**(1,873)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	**(1)**	**-**	**1**	**1**	-	**-**
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	**-**	**-**	**-**	**-**	-	**-**
Share of changes in equity-accounted entities	-	14	(1)	13	13	75
Net income for 1st semester 2022	362	-	-	-	362	4,143
Other changes	(48)	-	-	-	(48)	(28)
Equity at 30 june 2022	**7,323**	**(85)**	**(3)**	**(88)**	**7,235**	**134,019**
Capital increase	-	-	-	-	-	156
Changes in treasury shares held	-	-	-	-	-	(1,157)
Issuance / redemption of equity instruments	-	-	-	-	-	3
Remuneration of undated deeply subordinated notes at 2nd semester 2022	(44)	-	-	-	(44)	(258)
Dividends paid in 2nd semester 2022	2	-	-	-	2	2
Dividends received from Regional Banks and their subsidiaries	-	-	-	-	-	-
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	2	-	-	-	2	22
Changes due to transactions with shareholders	**(41)**	**-**	**-**	**-**	**(41)**	**(1,233)**
Changes in other comprehensive income	**1**	**(49)**	**11**	**(38)**	**(37)**	**(1,658)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	**1**	**-**	**(1)**	**(1)**	-	**-**
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	**-**	**-**	**-**	**-**	-	**-**
Share of changes in equity-accounted entities	(6)	(10)	-	(10)	(16)	(35)
Net income for 2nd semester 2022	367	-	-	-	367	4,583
Other changes	(87)	-	-	-	(87)	(56)
Equity at 31 December 2022 2	**7,557**	**(144)**	**8**	**(136)**	**7,421**	**135,620**
Appropriation of 2022 net income	-	-	-	-	-	-
Equity at 1 January 2023	**7,557**	**(144)**	**8**	**(136)**	**7,421**	**135,620**
Impacts of new accounting standards [3]	-	-	-	-	-	292
Equity at 1 January 2023 published	**7,557**	**(144)**	**8**	**(136)**	**7,421**	**135,912**
Capital increase	-	-	-	-	-	(212)
Changes in treasury shares held	-	-	-	-	-	171
Issuance / redemption of equity instruments	-	-	-	-	-	1,237
Remuneration of undated deeply subordinated notes at 1st semester 2023	(58)	-	-	-	(58)	(297)
Dividends paid in 1st semester 2023	(384)	-	-	-	(384)	(4,187)
Dividends received from Regional Banks and their subsidiaries	-	-	-	-	-	2,259
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	-	-
Changes due to share-based payments	5	-	-	-	5	19
Changes due to transactions with shareholders	**(437)**	**-**	**-**	**-**	**(437)**	**(1,010)**
Changes in other comprehensive income	**-**	**(33)**	**(11)**	**(44)**	**(44)**	**(36)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	**-**	**-**	**-**	**-**	-	**-**
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	**-**	**-**	**-**	**-**	-	**-**
Share of changes in equity-accounted entities	-	2	-	2	2	(23)
Net income for 1st semester 2023	415	-	-	-	415	4,565
Other changes	29	-	-	-	29	61
EQUITY AT 30 JUNE 2023	**7,564**	**(175)**	**(3)**	**(178)**	**7,386**	**139,468**

[2] Details of the impact of the application of IFRS 17 on equity at the transition date of 1 January 2022 are presented in the note "Impact on equity of the application of IFRS 17 at 1 January 2022" below.

[3] Details of the changes in designation and classification of financial assets made at 1 January 2023 under the transition requirements of IFRS 17 on the new designation of financial assets are presented in the note "New designation of financial assets" below.

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities are representative of income-generating activities of the Crédit Agricole Group.

Tax inflows and outflows are included in full within operating activities.

Investment activities show the impact of cash inflows and outflows associated with purchases and disposal of investments in consolidated and non-consolidated corporates, property, plant & equipment and intangible assets. This section includes strategic equity investments classified as "Fair value through profit or loss" or "Fair value through other comprehensive income on items that cannot be reclassified".

Financing activities show the impact of cash inflows and outflows associated with operations of financial structure concerning equity and long-term borrowing.

The **net cash flows** attributable to the operating, investment and financing activities of **discontinued operations** are presented on separate lines in the cash flow statement.

Net cash and cash equivalents include cash, debit and credit balances with central banks and debit and credit demand balances with credit institutions.

(in millions of euros)	Notes	30/06/2023	30/06/2022 Restated [7]
Pre-tax income		**6,042**	**5,592**
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets		922	877
Impairment of goodwill and other fixed assets	6.7	-	-
Net addition to provisions		8,580	(6,531)
Share of net income (loss) of equity-accounted entities		(153)	(211)
Net income (loss) from investment activities		(37)	(35)
Net income (loss) from financing activities		1,642	1,227
Other movements		(2,102)	(2,067)
Total Non-cash and other adjustment items included in pre-tax income		**8,851**	**(6,740)**
Change in interbank items [1]		(57,683)	269
Change in customer items		(24,997)	(10,878)
Change in financial assets and liabilities [2]		10,925	31,896
Change in non-financial assets and liabilities		9,115	1,011
Dividends received from equity-accounted entities [3]		568	12
Taxes paid		(1,232)	(909)
Net change in assets and liabilities used in operating activities		**(63,303)**	**21,401**
Cash provided (used) by discontinued operations		**-**	**(115)**
Total Net cash flows from (used by) operating activities (A)		**(48,410)**	**20,138**
Change in equity investments [4]		**547**	**(1,402)**
Change in property, plant & equipment and intangible assets		**(711)**	**(760)**
Cash provided (used) by discontinued operations		**-**	**(243)**
Total Net cash flows from (used by) investing activities (B)		**(165)**	**(2,405)**
Cash received from (paid to) shareholders [5]		**(850)**	**(812)**
Other cash provided (used) by financing activities [6]		**10,303**	**1,683**
Cash provided (used) by discontinued operations		**-**	**116**
Total Net cash flows from (used by) financing activities (C)		**9,453**	**987**
Impact of exchange rate changes on cash and cash equivalent (D)		**(3,972)**	**(1,743)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)		**(43,094)**	**16,977**
Cash and cash equivalents at beginning of period		**207,877**	**235,657**
Net cash accounts and accounts with central banks *		210,733	240,130
Net demand loans and deposits with credit institutions **		(2,856)	(4,473)
Cash and cash equivalents at end of period		**164,783**	**252,634**
Net cash accounts and accounts with central banks *		164,775	252,635
Net demand loans and deposits with credit institutions **		9	(1)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(43,093)**	**16,977**

** Consisting of the net balance of the "Cash, Central Banks" item, excluding accrued interest and including the cash of entities reclassified as discontinued operations.*

*** Consisting of the balance of the "Non doubtful current accounts in debit" and "Non doubtful overnight accounts and advances" items as detailed in Note 6.3 and the "Current accounts in credit" and "Overnight accounts and deposits" items as detailed in Note 6.4 (excluding accrued interest).*

[1] Change in interbank items:

At 30 June 2023, TLTRO 3 repayments amounted to -€49 billion.

[2] Change in financial assets and liabilities:

For the first half of the year, the Group mandated an intermediary for the purchase of Crédit Agricole S.A. shares on the market for -€200 million in relation to the commitment made by SAS La Boétie, the majority shareholder of Crédit Agricole S.A.

[3] Dividends received from equity-accounted entities:

At 30 June 2023, this amount included the payment of dividends from FCA Bank for +€550 million from Amundi subsidiaries for +€14 million.

[4] Change in equity investments:

This line shows the net effects on cash of acquisitions and disposals of equity investments.
The net impact on Group cash of acquisitions and disposals of consolidated equity investments (subsidiaries and equity-accounted entities) at 30 June 2023 is +€810 million. The major transactions were the net impact of the acquisition of CA Auto Bank for +€912 million and a cash payment of -€31 million for the acquisition of Watea by Crédit Agricole Leasing & Factoring, -€56 million following the acquisition of CA Anjou Maine from the Hyperion sub-group, and -€3 million in acquisition costs following the purchase of Crédit Agricole S.A. shares by SAS La Boétie.
During the same period, the net impact on the Group cash position of acquisitions and disposals of non-consolidated equity investments came to -€263 million, essentially from insurance investments.

[5] Cash received from (paid to) shareholders:
This amount mainly corresponds to -€2,225 million in dividends, excluding dividends paid in shares, distributed by the Crédit Agricole Group. It breaks down as follows:
– Dividends paid by Crédit Agricole S.A. for -€1,263 million;
– Dividends paid by the Regional Banks and subsidiaries for -€281 million;
– Dividends paid by non-controlling interests for -€384 million; and
– Interest, equivalent to dividends on undated financial instruments treated as equity for -€297 million.
This amount also includes capital increases within the Local Banks and Regional Banks for -€46 million and issues and repayments of equity instruments for +€1,250 million.

[6] Other net cash flows from financing activities:
As at 30 June 2023, debt issues totalled +€26,912 million and redemptions -€15,706 million. Subordinated debt issues stood at +€454 million.
This line also includes cash flows from interest payments on subordinated debt and bonds for -€1,642 million.

[7] The data at 30 June 2022 was restated following the entry into force of IFRS 17. The impacts are presented in Note 10 "Impacts of accounting changes or other events".

NOTES RELATING TO THE EFFECTS OF THE APPLICATION OF IFRS 17 AT 1 JANUARY 2023

Impact on equity of the application of IFRS 17 at 1 January 2022

IFRS 17 must be applied retrospectively with mandatory restatement of comparative information.

The impact of the application of this new standard on the Group's equity at the transition date of 1 January 2022 is broken down in the table below:

(in millions of euros)	Consolidated equity
EQUITY AT 31/12/2021 - IFRS 4	133,715
Impact on reserves	**339**
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	263,936
Measurement and recognition of assets and liabilities applying IFRS 17	(280,058)
Recognition of insurance finance income or expenses recognised in equity	9,866
Impact on other comprehensive income that will be reclassified to profit or loss	**(1,634)**
Derecognition of the overlay reserve	(3,626)
Derecognition of existing balances that would not exist had IFRS 17 always applied	11,857
Recognition of insurance finance income or expenses recognised in equity	(9,865)
Impact on other comprehensive income that will not be reclassified to profit or loss	**41**
Derecognition of existing balances that would not exist had IFRS 17 always applied	42
Recognition of insurance finance income or expenses recognised in equity	(1)
Total - Impact on equity of the first application of IFRS 17	**(1,254)**
EQUITY AT 01/01/2022 - IFRS 17	**132,460**

New designation of financial assets

Under the transition requirements of IFRS 17, entities that applied IFRS 9 before IFRS 17 (as is the case with the Group) are allowed – and in some cases are required – to change their previously applied classifications and designations of financial assets (under the classification requirements of IFRS 9) at the date of first-time adoption of IFRS 17.

In application of these provisions, the Group made changes to the designation and classification of certain financial assets, retrospectively at the date of initial application of IFRS 17 (1 January 2023). The Group chose not to restate the figures of previous periods to reflect these designation or classification changes. The Group therefore recognised in the equity opening balance at 1 January 2023 all differences between the previous carrying amount of these financial assets and their carrying amount at the date of initial application.

The following table summarises the measurement category and carrying amount of the financial assets concerned, determined immediately before and after the application of the IFRS 17 transitional provisions for the new designation of financial assets:

Financial assets	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								
(in millions of euros)	**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	**191,251**	**-**	**38,619**	**67,061**	**81,939**	**-**	**-**	**-**	**3,632**	**-**	**-**
Financial assets held for trading	-	-	-	-	-	-	-	-	-	-	-
Other financial assets at fair value through profit or loss	191,251	-	38,619	67,061	81,939	-	-	-	3,632	-	-
Equity instruments	42,251	-	38,619	-	-	-	-	-	3,632	-	-
Debt instruments not fulfilling the SPPI criteria	67,061	-	-	67,061	-	-	-	-	-	-	-
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	**177,927**	**-**	**-**	**-**	**-**	**-**	**2,837**	**174,348**	**119**	**-**	**623**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	177,808	-	-	-	-	-	2,837	174,348	-	-	623
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	119	-	-	-	-	-	-	-	119	-	-
Financial assets at amortised cost	**2,310**	**-**	**-**	**-**	**-**	**-**	**30**	**-**	**-**	**828**	**1,452**
Loans and receivables	828	-	-	-	-	-	-	-	-	828	-
Debt securities	1,482	-	-	-	-	-	30	-	-	-	1,452
Carrying amount of financial assets immediately before the date of initial application of IFRS 17	**371,488**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Restatement of the carrying amount	-	-	-	-	-	-	(5)	-	-	-	384
Carrying amount of financial assets at the date of initial application of IFRS 17 (after	**-**	**-**	**38,619**	**67,061**	**81,939**	**-**	**2,862**	**174,348**	**3,751**	**828**	**2,459**

The reclassifications made by the Group at 1 January 2023 concern, on the one hand, the designation of certain equity instruments as measured at fair value through other comprehensive income and, on the other hand, the reassessment of the business model for some debt instruments. The latter were eligible for this reassessment as they were held for the purpose of an activity related to contracts falling under the scope of application of IFRS 17. The Group remeasured at fair value through profit or loss certain debt instruments that were previously measured at fair value through other comprehensive income or at amortised cost, considering that the business model they fell under was the model by default (other/sell model); these are only bonds issued by Crédit Agricole SA and underwritten by Crédit Agricole Assurances. Furthermore, the Group remeasured at amortised cost some debt instruments that were previously measured at fair value through other comprehensive income, considering that they were held under a business model whose main objective is to hold financial assets to collect their contractual cash flows (hold to collect); these are assets that were allocated as ring-fenced to equity and death and disability assets (and therefore no longer constitute underlying items for contracts measured using the VFA model) as part of the ring-fencing of Predica's assets.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Group accounting policies and principles, assessments and estimates applied

1.1 Applicable standards and comparability

Crédit Agricole S.A.'s condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared, and are presented, in accordance with IAS 34 Interim Financial Reporting.

Unless otherwise stated, all amounts in this financial report are expressed in euros and shown in millions, with no decimal places. Rounding amounts to the nearest million euros may occasionally result in negligible differences in the totals and subtotals shown in the tables.

The standards and interpretations used to prepare the condensed interim consolidated financial statements are the same as those used by Crédit Agricole S.A. to prepare the consolidated financial statements for the year ended 31 December 2022. Under EC Regulation 1606/2002, these were prepared in accordance with IAS/IFRS and IFRIC interpretations as adopted by the European Union ("carved out" version) and therefore make use of certain exemptions in the application of IAS 39 for macro-hedge accounting.

For ease of reference, Crédit Agricole Group has opted to present its income statement and cash flow statement in accordance with IAS 34.8, with a comparative period limited to the same interim period one year earlier.

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 first-time application: financial years from	Material impact on the Group
IFRS 17 Insurance Contracts IFRS 17 replaces IFRS 4 "Insurance Contracts"	1 January 2023	Yes
Amendment to IFRS 17 Comparative information relating to the joint first-time application of IFRS 17 and IFRS 9	1 January 2023	No [1]
IAS 1 Disclosures of accounting policies	1 January 2023	No
IAS 8 Definition of accounting estimates	1 January 2023	No
IAS 12 Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023	No

[1] *The Crédit Agricole Group has applied IFRS 9 for its insurance activities since 1 January 2018. It is therefore not affected by §C28A to C28E of these amendments. In addition, it has not applied the option offered by §C33A of these amendments (classification overlay) concerning the presentation of comparative information for financial assets derecognised between the date of transition to IFRS 17 and the date of first-time application of IFRS 17.*

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

IFRS 17: Insurance contracts

IFRS 17 replaces IFRS 4. It must be applied for financial years beginning on or after 1 January 2023.

IFRS 17, as adopted by the European Union on 19 November 2021, contains an optional exemption from the standard's annual cohort requirements for intergenerationally mutualised and cash flow matched contracts.

The Group applied IFRS 17, as well as the changes made by IFRS 17 to other IFRS standards, to its financial statements for the first time from 1 January 2023. The main changes to other IFRS standards affecting the Group are the amendments to IAS 28 and IAS 40, which allow the measurement at fair value through profit or loss of investment properties and investments in associates and joint ventures that are underlying items of insurance contracts with direct participation features. The accounting policies and principles for investment properties falling outside this definition remained unchanged, i.e. they have been recognised at acquisition cost less accumulated depreciation and impairment losses since the time they were placed in service.

IFRS 17 must be applied retrospectively with mandatory restatement of comparative information. Consequently, comparative information relating to the 2022 financial year has been restated in the financial statements for the 2023 financial year and a balance sheet at the transition date (1 January 2022) has been provided.

The effects of the entry into force of IFRS 17 on the Group's consolidated financial statements at 1 January 2022 are shown in the statement of changes in equity and the note "Impact on equity of the application of IFRS 17 at 1 January 2022" above.

Additional information on the methods used to measure insurance contracts at the transition date, and the effect of the application of the modified retrospective approach on the CSM and insurance revenue, is provided below in the table in Note 5.2 on transitional amounts.

IFRS 17 establishes principles for the recognition, measurement and presentation of contracts within its scope of application (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 provisions relating to disclosure of the information about them.

Its application has resulted in significant changes on these points.

Changes in recognition and measurement

The Group, as permitted under IFRS 4, previously recognised insurance contracts and investment contracts with discretionary participation features according to French accounting standards, except for specific requirements introduced by IFRS 4 for equalisation provisions, shadow accounting and the liability adequacy test.

These principles no longer apply with the implementation of IFRS 17, which sets out new principles for the measurement and recognition of insurance contracts. IFRS 17 introduces a prospective General Measurement Model for insurance contracts, whereby groups of contracts are measured based on estimates of the present value of future expected cash flows as the services under the insurance contract are provided, an explicit risk adjustment for non-financial risk, and a contractual service margin representing unearned profit.

In summary, the application of the main requirements of IFRS 17 regarding the recognition and measurement of insurance contracts has entailed the following for the Group:

- 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 from insurance contracts specific embedded derivatives, distinct investment components and distinct goods or services other than the services under the insurance contract and accounting for them under the standards applicable to them;
- aggregating insurance contracts based on their characteristics and estimated profitability, which consists, at initial recognition, of identifying portfolios of insurance contracts (contracts that are subject to similar risks and managed together) and then dividing each of these portfolios into three groups (onerous contracts, contracts that have no significant possibility of becoming onerous subsequently, and remaining contracts), knowing that it is not possible to include contracts issued more than one year apart in the same group (except, optionally, for intergenerationally mutualised and cash-flow matched contracts, which are exempt from this requirement under the EU exemption);

- on initial recognition, recognising and measuring the groups of contracts at the total of:
  - fulfilment cash flows (i.e. an estimate of future cash flows, adjusted to reflect the time value of money and financial risks and adjusted for non-financial risk, and which must include all available information in a manner consistent with observable market data);
  - and the Contractual Service Margin (CSM), which represents the unearned profit that will be recognised in profit or loss as the services under the insurance contract are provided to policyholders; if a group of contracts is expected to be onerous over the remaining period of coverage, a loss is immediately recognised in profit or loss;
- recognising and measuring groups of contracts at each subsequent reporting period at the total of:
  - the liability for the remaining coverage, comprising the fulfilment cash flows relating to future services and the contractual service margin at that date;
  - and the liability for incurred claims, comprising the fulfilment cash flows relating to past services;
- recognising an asset for insurance acquisition cash flows representing 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 for contracts is adapted for certain contracts with specific characteristics.

Thus, for insurance contracts with direct participation features, the standard requires the application of a measurement model known as the Variable Fee Approach (VFA). For such contracts, the General Measurement Model's subsequent measurement requirements are modified in order to reflect the fact that the contracts establish an obligation for the entity to pay policyholders an amount equal to the fair value of specified underlying items less variable fees that compensate for the services provided and are determined on the basis of the underlying items.

In addition, the standard allows a simplified measurement model, known as the Premium Allocation Approach (PAA), to be applied to measure the liability for the remaining coverage of a group of contracts, provided that this measurement is not materially different from that which would result from the application of the General Measurement Model, or that the period of coverage of each of the contracts in the group does not exceed one year.

Changes in presentation and disclosure requirements in the notes

In accordance with the presentation requirements under IFRS 17 (and IAS 1 as amended by IFRS 17), the presentation of items relating to insurance contracts in the balance sheet, income statement (statement of profit or loss) and statement of net income and other comprehensive income results in significant changes from the current presentation.

As a result, the balance sheet items under which the various items relating to the measurement of insurance contracts under IFRS 4 were previously recognised are no longer presented (policyholders' deferred profit sharing, insurance company technical reserves).

Similarly, the income statement items in which income and expenses relating to insurance contracts were previously recognised are no longer presented (in particular the amount reclassified as other comprehensive income under the overlay approach).

Lastly, the statement of profit or loss and other comprehensive income sees the removal of the items relating to shadow accounting and the overlay approach (as these mechanisms are specific to IFRS 4) and the creation of line items relating to insurance finance income or expenses directly recognised in equity under the OCI option.

IFRS 17 also introduces new requirements regarding qualitative and quantitative disclosures that must be provided in the notes to the financial statements. They concern recognised amounts, judgements and risks relating to the contracts that fall within the standard's scope of application.

Provisions relating to the recognition, measurement and presentation of contracts that fall within the scope of application of IFRS 17 are detailed in the section "Accounting policies and principles" below.

1.2 Accounting policies and principles

USE OF ASSESSMENTS 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 business sectors or countries;
- changes in regulations or legislation;
- policyholder behaviour;
- demographic changes;

This list is not exhaustive.

The year 2022 and the first half of 2023 were marked by a unique geopolitical environment, with the crisis in Ukraine and tensions over commodities and energy. Crédit Agricole S.A. had to adapt to the macroeconomic context, which had not been seen for several years and which resulted in the return of inflation, rising interest rates, a fall in the equity market and a disruption in the foreign exchange market. These various elements may have had an impact on the main accounting estimates at 30 June 2023.

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

- financial instruments measured at fair value (including non-consolidated equity investments);
- insurance contract assets and liabilities;
- reinsurance contract assets and liabilities;
- liabilities under investment contracts without discretionary participation features;
- pension schemes and other post-employment benefits;
- stock option plans;
- impairment of 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 assessments or estimates are described in the relevant sections below.

In particular, the measurement of insurance contracts under IFRS 17 requires important judgements to be made. The main matters requiring judgement in the Group's application of IFRS 17 are as follows, and information about them is provided in the sections and notes referred to below:

- the estimation 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/Estimation of future cash flows" and "Measurement of insurance contracts/Contract boundary";
- the technique used to determine the adjustment for non-financial risk: in the section "Measurement of insurance contracts/Adjustment for non-financial risk";
- the approach used to determine discount rates: in the section entitled "Measurement of insurance contracts/Discount rates";
- the definition of coverage units and the determination of the amount of CSM allocated to profit or loss in each period to reflect the services provided under insurance contracts: in the section entitled "Recognition of the contractual service margin in profit or loss";

- the determination of transitional amounts relating to groups of contracts existing at the transition date: in the note entitled "Insurance specialities/Transitional amounts".
- the Internal Margin, which is the level of margin achieved by banking distributors when selling insurance contracts within the Group

INSURANCE CONTRACTS

DEFINITION AND CLASSIFICATION OF CONTRACTS

Contracts issued by Group entities fall into the following categories:

- insurance contracts (including reinsurance contracts) issued, which fall within the scope of IFRS 17; and
- investment contracts, which are subject to either IFRS 17 or IFRS 9 depending on whether or not they include discretionary participation features.

Reinsurance contracts held by Group entities are also subject to IFRS 17.

Any reference below to insurance contracts also includes investment contracts with discretionary participation features and reinsurance contracts held, except where these are explicitly mentioned.

Insurance contracts

An insurance contract is a contract under which one party (the issuer) accepts a significant insurance risk for 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 defined as the risk, other than financial risk, transferred from the holder to the issuer of a contract. Financial risk is defined as the risk of a possible future change in one or more of the following: a specified interest rate, financial instrument price, commodity price, foreign exchange rate, price or rate index, credit rating or credit index or other variable, provided that, in the case of a non-financial variable, the variable is not specific to a party to the contract.

The main insurance risks relate to mortality (guarantees in the event of death), longevity (guarantees in the event of survival, e.g. life annuities), morbidity (guarantees in the event of disability), incapacity, health (medical cover) or unemployment of individuals, as well as civil liability and property damage.

In application of the principles of IFRS 17, insurance contracts may be insurance contracts with direct participation features or insurance contracts without direct participation features.

Insurance contracts with direct participation features are insurance contracts that are, in substance, investment-related service contracts under which the entity promises a return based on underlying items. 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.

Compliance with these three conditions is assessed at inception of the contract and is not reassessed subsequently, unless the contract is modified substantially.

Other insurance contracts issued and all reinsurance contracts (issued as well as held) constitute insurance contracts without direct participation features.

Investment contracts

Contracts that do not expose the insurer to significant insurance risk are known as 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 confers on a given investor the contractual right to receive additional sums over and above a sum that is not at the discretion of the issuer:

- which are likely to represent a significant portion of the total contractual benefits;
- the timing or amount of which is contractually at the issuer's discretion; and
- are contractually based on:
  - returns from a specified pool of contracts or a specified type of contract;
  - 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 contract.

Investment contracts with discretionary participation features mainly cover savings contracts in euros. In the case of a multi-support contract, where the policyholder has the option to transfer all or part of its savings to a euro fund with discretionary participation at any time (under conditions that do not hinder such transfers), the Group considers that the contract as a whole is a contract with discretionary participation features, whether or not this option has been exercised by the policyholder.

Investment contracts that do not meet the above definition are investment contracts without discretionary participation features and fall within the scope of IFRS 9.

RECOGNITION OF INSURANCE CONTRACTS

Separation of the components of an insurance contract

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

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

Level of aggregation of insurance contracts

Based on the requirements of the standard regarding the level of aggregation, contracts must be grouped into portfolios of contracts, which are then divided into three groups based on the expected profitability of the contracts at the time of initial recognition and must not contain contracts issued more than one year apart (annual cohort principle).

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

A portfolio must be divided into a minimum of 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; and
- 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 concerning the identification of portfolios, the Group carried out various analyses based on the guarantees identified and the way in which the contracts are managed (for example, according to the financial portfolios to which they relate for retirement savings products, according to the grid used for the prospective assessment of risks and solvency for risk products, or according to business lines for property and casualty insurance products). The splitting of these portfolios into groups based on the expected profitability of the contracts has been done on the basis of different information such as contract pricing, past profitability of similar contracts, or forward-looking plans.

As permitted by Article 2 of European Commission Regulation (EU) 2021-2036 of 19 November 2021, the Crédit Agricole Assurances Group intends to use the exemption from the standard's annual cohort requirement for intergenerationally mutualised contracts. This accounting policy choice is applied to the portfolios relating to the Group's savings and retirement activities eligible for exemption.

The Group does not apply the provisions of the standard which allow these contracts to be classified in the same group if contracts in the same portfolio fall into different groups solely because legal or regulatory provisions limit the entity's practical ability to set a price or benefit level that differs according to the characteristics of the policyholders.

Recognition date for insurance contracts

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

- the start date of the coverage period of the group of contracts;
- the date when the first payment from a policyholder becomes due or, if there is no due date, the date when that first payment is received; and
- for a group of onerous contracts, the date when the group becomes onerous.

Insurance acquisition cost cash flows

Insurance acquisition cost 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. Such cash flows include cash flows that are not directly attributable to individual contracts or groups of insurance contracts within the portfolio.

With the exception of certain groups of contracts measured using the premium-allocation approach, where the decision has been made to recognise them directly as expenses, insurance acquisition cash flows paid prior to the recognition of the corresponding group of insurance contracts are recognised as an asset. This insurance acquisition cost cash flows asset is derecognised, in whole or in part, when the insurance acquisition cost cash flows are included in the measurement of the corresponding group of insurance contracts.

At the end of each reporting period, the Group assesses whether an insurance acquisition cost cash flow asset is recoverable if facts and circumstances indicate that the asset may be impaired. At 30 June 2023, the insurance acquisition cost cash flow assets identified by the Group were fully impaired and their carrying amount was therefore zero.

Measurement of insurance contracts

Contracts falling within the scope of application of IFRS 17 can be measured using three models:

- the general model, or BBA (Building Block Approach) model, which is the default valuation model;
- the VFA (Variable Fee Approach) model, which is mandatory for insurance contracts with direct participation features;
- the PAA (Premium Allocation Approach) model, a simplified model that is optional when certain criteria are met.

The Group measures its contracts using these three models.

The general model is mainly used for the Group's borrower, long-term care, death & disability, sick leave, term life and certain healthcare activities.

The Group analysed compliance with the three conditions needing to be met in order to be classified as an insurance contract with direct participation features (see section on contract classification above), in order to determine which of its contracts met these criteria. Therefore, the Group's savings, retirement and funeral business activities are valued using the VFA model.

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

Measurement of contracts using the standard model and the VFA model

Initial recognition

On initial recognition, the Group measures a group of insurance contracts at 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 the financial risks are not included in the estimates of the future cash flows;
  - a risk adjustment for non-financial risk;
- the Contractual Service Margin (CSM).

Estimation of future cash flows

The purpose of estimating 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 of each scenario are discounted and weighted by the estimated probability of the corresponding outcome to obtain the expected present value.

The 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 end of the reporting period. This information includes historical internal and external data on claims and other features of insurance contracts, updated to reflect conditions prevailing at the valuation date, including assumptions at that date about the future.

The estimates of future cash flows reflect the Group's view of current conditions at the end of the reporting period, provided that the estimates of the relevant market variables are consistent with observable market prices. The estimation of market variables is determined by maximising the use of observable market parameters.

In life insurance, the projection of future cash flows incorporates assumptions about policyholder behaviour and management decisions. These assumptions relate in particular to surrenders, the policyholders' profit-sharing policy and the asset allocation policy.

The estimation of the expected present value includes the impact of financial options and guarantees where these are material. Stochastic simulation methods are used for this estimation. Stochastic modelling involves projecting future cash flows under a large number of possible economic scenarios for market variables such as interest rates and equity returns.

The main options valued by the Group are the surrender option in savings or retirement contracts, guaranteed minimum rates and technical rates, contractual profit-sharing clauses and the minimum guaranteed benefit in respect of unit-linked contracts.

Modelled policyholders' profit sharing complies with local and contractual regulatory constraints and is subject to strategic assumptions reviewed by the entities' management.

Where contracts include a significant mortality (or longevity) risk, projections are also estimated by reference to regulatory mortality tables or experience tables where these are deemed more prudent.

Where a minimum guaranteed benefit in the event of death is included in a unit-linked contract, in order to ensure that the beneficiary of the contract receives at least the initial capital invested irrespective of changes in the value of the units of account, this is determined using an economic method (stochastic scenarios).

In non-life insurance, the Group estimates the ultimate cost of settling claims incurred but unpaid at the end of the reporting period and the value of expected recoveries by reviewing individual claims reported and making allowance for claims incurred but not yet reported. They are determined by applying deterministic statistical methods based on historical data and by using actuarial assumptions based on expert judgement to estimate the ultimate cost. Changes in the parameters used are likely to have a significant impact on the value of these estimates at the end of the reporting period, particularly for long-tail liability claims across insurance lines, where the uncertainty inherent in the realisation of forecasts is generally greater. These parameters relate in particular to the uncertainty surrounding the classification and quantification of losses, the scales (table and rates) that will be applied at the time of compensation and the probability of annuitisation of bodily injury claims. For the Group, the insurance lines concerned are motor liability, general liability, personal accident cover and professional medical liability.

Contract boundary

The measurement of a group of contracts includes all future cash flows included in the scope (the "boundary") of each of the group's contracts, 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 premiums or in which it has a substantive obligation to provide the policyholder with services under the insurance contract.

The determination of the contract boundary requires that judgement be exercised and that the Group's substantial rights and obligations under the contract be taken into account. To this end, the Group has conducted a detailed analysis of the characteristics of its contracts and, in particular, the possibility of revising their pricing. For example, it considered free or scheduled future payments of savings and retirement contracts, and the payment phase of retirement contracts with mandatory annuity drawdown, as being included in the contract boundary; however, renewals of non-life insurance contracts related to the automatic renewal clause are not included in the contract boundary.

Cash flows taken into account in measuring contracts

The cash flows within the insurance contract boundary are those that are directly linked to the performance of the contract. In particular, they include premiums paid by the policyholder, payments to the policyholder, insurance acquisition cost cash flows allocated to the portfolio to which the contract belongs, claims management costs, and allocations of fixed or variable overheads that are directly attributable to the fulfilment of insurance contracts.

Cash flows are allocated by function (acquisition activities, other activities related to the performance of insurance contracts, and other activities) at the level of each legal entity using activity-based cost allocation methods.

Insurance acquisition and fulfilment cash flows are allocated to groups of contracts using systematic and rational methods applied uniformly to all costs with similar characteristics. They include both direct costs and an allocation of fixed and variable overheads.

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

Discount rates

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

Under IFRS 17, discount rates are a key parameter for measuring insurance contracts. In particular, they are used to measure fulfilment cash flows and, in respect of insurance contracts without direct participation features, to determine the interest to be capitalised on the Contractual Service Margin (CSM), to measure changes in the CSM and to determine the amount of insurance finance income or expense recognised in profit or loss when the Other Comprehensive Income (OCI) option is applied (see section on subsequent measurement below).

IFRS 17 does not require a specific estimation method for the determination of discount rates, but it does require that the method takes into account factors that arise from the time value of money, cash flow characteristics and liquidity characteristics of insurance contracts, and maximises the use of observable inputs. The methodology used by the Group to define the discount rate curve is a bottom-up approach that is based on a risk-free yield curve with an adjustment for an illiquidity premium reflecting the cash flow characteristics and liquidity of the insurance contracts. The Group determines the risk-free yield curve using observable swap rates in the relevant currency, adjusted for credit risk. This curve is extrapolated between the last liquid point and an ultimate forward rate that reflects expectations of the long-term real interest rate and inflation. The yield curve extrapolation method used by the Group is the smoothing points method: rates beyond the first smoothing point (FSP) are extrapolated through a function that takes into account the ultimate forward rate (UFR), the last liquid forward rate (LLFR) and a speed of convergence parameter. The illiquidity premiums are determined based on a reference portfolio corresponding to the assets held to cover contracts. Illiquidity premiums for bond assets are determined by comparing bond portfolio spreads with credit risk compensation. The illiquidity premiums for non-bond assets are obtained using a method derived from the Sharpe ratio, which quantifies the excess return attributable to illiquidity in these asset classes. The illiquidity premiums calculated in this way for the assets in the reference portfolio are then used to calculate the illiquidity premiums for the corresponding insurance liabilities, using a coefficient based on the comparison between the respective maturities of the assets and liabilities in order to reflect the increase in illiquidity premiums with the maturity.

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

As at 30 June 2023	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

The estimate of the present value of future cash flows is subject to an explicit risk adjustment for non-financial risk in order to reflect the compensation required by the Group for the uncertainty about the amount and timing of cash flows that arises from non-financial risk.

The Group makes use of the confidence level technique for determining the risk adjustment for all of its contracts. The Group's valuation metric is VaR (Value at Risk), with a quantile of 80% for life insurance activities and 85% for non-life insurance activities, and an ultimate term (approximated by the maturity of liabilities for life insurance activities). This adjustment reflects the benefits of risk diversification at the entity level, determined using a correlation matrix. Diversification between entities is also taken into account.

Contractual service margin

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

On initial recognition of a group of contracts, if the aggregate of the fulfilment cash flows measured at the date of initial recognition, any cash flows arising at that date, and any amount arising from the derecognition at that date of any asset or liability previously recognised in respect of the cash flows relating to that group (including any insurance acquisition cost cash flow asset) is a net cash inflow, then the group of contracts is profitable. In this case, the CSM is measured as the equal and opposite amount of this net cash inflow, with the result that there is no income or expense on initial recognition.

If the total calculated above is a net cash outflow, then the group of contracts is onerous. In this case, the net cash outflow is immediately recognised as a loss in profit or loss, such that the carrying amount of the liability relating to the group is equal to the fulfilment cash flows and the group's contractual service margin is therefore zero.

Subsequent measurement

The carrying amount of a group of contracts at the end of each reporting period 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 relating to future services allocated to the Group at that date and the Group's contractual service margin at that date.

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

The fulfilment cash flows of groups of contracts are measured at the end of the reporting period using the discounted estimates of the value of future cash flows, current discount rates and the discounted estimates of the risk adjustment for non-financial risks. Changes in fulfilment cash flows are recognised as follows:

Changes relating to future service	Recognised against the CSM (or recognised as insurance revenue if the group is onerous)
Changes relating to current or past services	Recognised in insurance service result
Effect of the time value of money, financial risk and changes therein on future cash flows	Recognised in insurance finance income or expenses

The CSM of each group of contracts is calculated at the end of each reporting period as follows, depending on whether the contracts are those without direct participation features (standard model) or those with direct participation features (VFA model).

Insurance contracts without direct participation features measured using the general model

For insurance contracts without direct participation features, the carrying amount of the contractual service margin of a group of contracts at the end of the reporting period equals the carrying amount at the start of the reporting period adjusted for:

- the effect of any new contracts added to the group during the period;
- interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates at initial recognition;
- the changes in 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 contractual service margin, in which case the surplus is recognised as a loss in profit or loss and constitutes a loss component; or
  - such decreases in fulfilment cash flows are allocated to the loss component, leading to a reversal of the loss previously recognised in profit or loss;
- the effect of any foreign exchange impact on the contractual service margin; and
- the amount recognised in insurance revenue as a result of the provision of insurance contract services during the period, determined after all the other adjustments described above (see "Recognition of the contractual services margin in profit or loss" below).

Changes in 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 cost cash flows and premium-based taxes, measured at the discount rates determined at initial recognition;
- changes in estimates of the present value of the future cash flows in the liability for remaining coverage, measured using discount rates determined at initial recognition, except those resulting from the effects of the time value of money, financial risk and changes therein;
- differences between investment components and loans granted to policyholders;
- changes in the risk adjustment for non-financial risk that relate to future service, measured using discount rates determined at initial recognition.

Insurance contracts with direct participation features measured using the VFA model

The variable fee approach (VFA model) reflects the specific nature of the services rendered by insurance contracts with direct participation features. These are insurance contracts which, in substance, are investment-related service contracts under which the entity promises a return based on underlying items.

The underlying items are those that determine a portion of the amounts to be paid to policyholders. Within the Group, they mainly comprise financial asset portfolios and, in the case of French savings contracts denominated in euros, the technical result of these contracts. The Group's policy is to hold the underlying financial assets.

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
- a variable fee in exchange for the future services provided by the insurance contract, which corresponds 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 the underlying items.

Changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items are not related to future service and therefore do not result in an adjustment to the CSM: they are recognised in profit or loss.

Changes in the amount equal to the entity's share of the fair value of the underlying items are related to future service and result in an adjustment to the CSM.

The carrying amount of the CSM of a group of insurance contracts with direct participation features at the end of the reporting period is therefore the carrying amount at the opening of the period, adjusted for the following items:

- the effect of any new contracts added to the group during the period;
- the change in the amount equal to the entity's share of the fair value of the underlying items and changes in fulfilment cash flows relating to future service, except to the extent that:
  - the risk mitigation option is applied to exclude changes in the effect of the time value of money and financial risk on the amount of its share of the underlying items or fulfilment cash flows from the CSM (option not applied by the Group);
  - the decrease in the amount of the entity's share of the fair value of the underlying items, or the increase in fulfilment cash flows relating to future service, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss and constituting a loss component; or
  - the increase in the amount equal to the entity's share of the fair value of the underlying items, or the decrease in fulfilment cash flows relating to future service, is allocated to the loss component, leading to a reversal of the loss previously recognised in profit or loss;
- the effect of any foreign exchange impact on the contractual service margin; and
- the amount recognised in insurance revenue as a result of the provision of insurance contract services during the period, determined after all the other adjustments described above (see "Recognition of the contractual services margin in profit or loss" below).

The changes in fulfilment cash flows relating to future service that adjust the CSM include the changes specified above for insurance contracts without direct participation features (valued at current discount rates) and changes in the effect of the time value of money and financial risks that do not result from the underlying items, for example, the effect of financial guarantees.

<u>Loss component</u>

For contracts measured using the standard model and the VFA model, the Group establishes a loss element of the liability for remaining coverage for onerous groups of contracts. It is on the basis of this loss element that the amounts subsequently presented in profit or loss as reversals of losses on onerous groups of contracts are determined, and which are consequently excluded from insurance revenue (see section on presentation below).

When fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

Any subsequent decrease in fulfilment cash flows relating to future service, and any subsequent increase in the amount of the Group 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 constitutes a new CSM for the group of contracts in question.

Measurement of contracts using the PAA model

The premium allocation approach (PAA model) is an optional measurement model that makes it possible to measure the liability for remaining coverage of a group of insurance contracts in a simplified manner if one of the following two eligibility criteria is met at the date the group is established:

- the Group reasonably expects that the measurement of the liability for remaining coverage of the group obtained using this simplified method will not differ materially from that which would be obtained by applying the provisions of the standard model; or
- the coverage period of each of the contracts in the group of contracts does not exceed one year.

The Group opted to apply this approach to its property and casualty insurance activities (insurance contracts issued and reinsurance contracts held). Most of the relevant groups of contracts meet the second eligibility condition, i.e. the period of coverage of each contract in the group is less than or equal to one year.

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

For a group of contracts measured under the PAA, the Group may make the accounting policy choice whereby insurance acquisition cost cash flows, if any, are recognised as expenses at the time these costs are incurred, provided that the coverage period for each of the contracts in the group at initial recognition is no more than one year. The Group opted not to use this option for the measurement of groups of contracts measured using the PAA model.

Upon subsequent measurement, the carrying amount of the liability for remaining coverage is increased by premiums received in the period plus any amounts relating to the amortisation of insurance acquisition cost cash flows recognised as an expense, minus the amount recognised as insurance revenue for insurance services provided in that period and insurance acquisition cost cash flows paid in that period.

On initial recognition of each group of contracts, the Group expects that the time between the provision of the services and the due date of the related premium will not exceed one year. Accordingly, the Group opted 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 current estimates of fulfilment cash flows relating to the remaining coverage of the group exceed the carrying amount of the liability for that coverage. The fulfilment cash flows for 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 arising in the event of an onerous group of contracts is allocated to the liability for remaining coverage; reversals of this loss component cannot result in a liability for remaining coverage that is less than that which would be determined in the absence of the 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 fulfilment cash flows relating to incurred claims, in accordance with the applicable provisions of the standard model. However, it is not required to adjust future cash flows for the time value of money and the effect of financial risk if the payment or receipt of these cash flows is expected within a period not exceeding one year from the date of the claim. The Group did not make use of this option. Future cash flows are therefore discounted (at current rates).

RECOGNITION OF REINSURANCE CONTRACTS HELD

Reinsurance contracts held are accounted for in accordance with the provisions applicable to insurance contracts without direct participation features presented above, modified to take account of their specific characteristics.

Level of aggregation

Portfolios of reinsurance contracts held are divided in accordance with the provisions of IFRS 17 applicable to insurance contracts issued. However, since reinsurance contracts held cannot be onerous, the Group considers, for the purposes of applying these provisions to reinsurance contracts held, that any reference to onerous contracts refers to reinsurance contracts held giving rise to a net gain on initial recognition.

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 proportional coverage, the Group defers the recognition date until the initial recognition date of any underlying insurance contract, if this 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 the corresponding reinsurance contract was entered into on or before that earlier date, the group of reinsurance contracts held is recognised at that earlier date.

Contract boundary

The application of the contract boundary provisions set out above for insurance contracts issued to reinsurance contracts held implies that cash flows are included within the boundary of a group of reinsurance contracts held if they arise from substantive rights and obligations that exist during the reporting period in which the ceding company is obliged to pay amounts to the reinsurer or in which the ceding company has a substantive right to receive services from the reinsurer.

The cash flows within the boundary of the reinsurance contracts held are thus determined as those arising from the underlying contracts issued or expected to be issued and ceded by the Group under the reinsurance contract until the earliest possible termination date of the reinsurance contract.

Measurement

The Group measures estimates of the present value of future cash flows of a group of reinsurance contracts held using assumptions consistent with those used to measure estimates of the present value of future cash flows of the underlying group or groups of insurance contracts, with an adjustment to reflect the non-performance risk on the part of the reinsurer, including the effect of guarantees and losses arising from litigation.

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

If the reinsurance contract held is entered into on or before the recognition of the onerous underlying contracts, when the Group recognises a loss on the initial recognition of an onerous group of underlying insurance contracts or on the addition of onerous underlying insurance contracts to an existing group, the Group adjusts the CSM of the group to which the onerous reinsurance contract belongs, and recognises income accordingly. This adjustment constitutes a loss-recovery component of the asset for remaining coverage for the group of reinsurance contracts held, depicting the recovery of losses on the onerous underlying insurance contracts. The loss-recovery component determines the amounts that are presented in profit or loss as reversals of recoveries of losses from reinsurance contracts held and are consequently excluded from the allocation of premiums paid.

DERECOGNITION AND MODIFICATION OF CONTRACTS

The Group derecognises an insurance contract:

- when it is no longer in force, i.e. when the obligation specified therein expires, or is discharged, or cancelled;
- when it is transferred to a third party; or
- if its terms are modified in a way that would have substantially changed the accounting for the contract if the new terms had always existed (e.g. different classification, or different measurement model), in which case a new contract based on the modified terms is recognised.

EFFECT OF ACCOUNTING ESTIMATES MADE IN THE INTERIM FINANCIAL STATEMENTS

The Group prepares interim financial statements in accordance with IAS 34. It opted to modify the treatment of accounting estimates made in its previous interim financial statements when applying IFRS 17 in its subsequent interim financial statements and in its annual financial statements.

PRESENTATION

Presentation in the balance sheet

The Group presents the carrying amount for the following items separately in 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.

Assets and liabilities recognised for cash flows arising prior to the recognition of the related group of contracts (including insurance acquisition cost cash flows) are included in the carrying amount of the related portfolios of contracts.

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

The Group recognises income and expenses relating to contracts within the scope of application of IFRS 17 under the following income statement items:

- insurance service result, comprising the following aggregates:
  - insurance revenue;
  - insurance service expenses;
  - income and expenses relating to reinsurance contracts held;
- insurance finance income or expenses;
- insurance finance income or expense related to reinsurance contracts held.

Income and expenses relating to reinsurance contracts held are presented separately from income and expenses relating to insurance contracts issued.

The Group opted to present income and expenses from reinsurance contracts held, other than insurance finance income or expenses, as a single amount within insurance service result.

The Group chose to allocate changes in the risk adjustment for non-financial risk between insurance service result and insurance finance income or expenses for insurance contracts without direct participation features, and to include these changes in full in insurance service result for insurance contracts with direct participation features.

Insurance revenue and insurance service expenses exclude investment components.

Amounts recognised in comprehensive income

Insurance revenue – Contracts measured using the general model and the VFA model

Insurance revenue recognised in the period reflects the provision of services relating to a group of insurance contracts by an amount that reflects the consideration to which the Group expects to be entitled in exchange for these services.

This includes:

- amounts relating to changes in the liability for remaining coverage related to the provision of services in exchange for which the Group expects to receive consideration:
  - insurance service expenses incurred during the period (measured at the amounts expected at the beginning of the reporting period), excluding any amounts allocated to the loss element of the liability for remaining coverage, investment component reimbursements, amounts relating to transactional taxes collected on behalf of third parties, acquisition costs and the amount relating 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 related 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 as a result of the provision of insurance contract services during the period;
- other amounts, where appropriate, for example experience adjustments arising from premium receipts other than those related to future service;

- the amount of the portion of premiums allocated to the recovery of insurance acquisition cost cash flows.

The Group allocates the portion of premiums allocated to the recovery of insurance acquisition cost cash flows to each period in a systematic manner that reflects the passage of time. The Group adopted a straight-line allocation method without taking into account the capitalisation of interest. 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 for a group of insurance contracts, which is recognised in each period in insurance revenue to reflect the insurance contract services provided in respect of that group during the period, is determined by identifying the coverage units in the group, allocating the CSM at the end of the reporting period (before recognition in profit or loss) equally to each coverage unit provided in the current period and expected to be provided in the future, and recognising in profit or loss the amount allocated to coverage units provided in the current period.

The number of coverage units in the group of contracts corresponds to the volume of insurance contract services provided by the contracts in the group, determined by taking into account, for each contract, the volume of benefits provided and the expected period of coverage. Coverage units are reviewed and updated at the end of each reporting period.

Insurance contract services include coverage in respect of an insured event (insurance coverage) as well as, in the case of insurance contracts with direct participation features, the management of the 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), where applicable.

The period over which the investment-return or investment-related services are provided ends no later than the date on which all amounts due to existing policyholders in respect of those services have been paid.

The Group's contracts measured using the general model do not include investment-return services.

The standard does not specify the appropriate indicator to be used to reflect the volume of services provided in the period, and judgement is therefore required in this regard. The methodology used by the Group to identify the coverage units and consequently the expected timing of recognition of the CSM in profit or loss is adapted to the characteristics of the relevant contracts. For insurance contracts with direct participation features, measured under the VFA, the methodology used to allocate the CSM to profit or loss aims to reflect economically the asset management service provided by the insurer during each period; thus, in addition to the risk-neutral returns on assets projected in the actuarial models used to measure these types of contracts, it also takes into account the additional return corresponding to the actual performance of these assets. For other contracts, measured under the general model, the coverage units have been defined based on various indicators adapted to the type of guarantee (such as the death benefit or outstanding principal).

Insurance revenue – Contracts measured using the PAA model

For groups of contracts measured using the PAA model, insurance revenue for 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 to the insurance contract services periods on the basis of the passage of time for all its contracts measured using the PAA model.

Insurance service expenses

Insurance service expenses arising from insurance contracts issued are generally recognised in profit or loss as incurred. They exclude reimbursements of investment components and include the following items:

- claims expenses (excluding investment components) and other insurance service expenses incurred;
- amortisation of insurance acquisition cost 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 effects of the time value of money, financial risk and changes therein;
- impairment losses on insurance acquisition cost cash flow assets and reversals of such impairment losses.

Income and expenses related to reinsurance contracts held

Income and expenses related to reinsurance contracts held include:

- the allocation of premiums paid, which includes amounts relating to changes in the asset for remaining coverage related to the provision of services for which the Group expects to pay a consideration;
- amounts recovered from the reinsurer;
- the effect of changes in the non-fulfilment risk on the part of the issuer of reinsurance contracts held.

Insurance finance income or expenses

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

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

Insurance financial income or expense for the period may be presented either in full in the income statement or broken down between the income statement 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 systematic allocation of the total expected insurance finance income or expense over the duration of the group of contracts:

- for groups of insurance contracts measured using the general model for which changes in financial risk assumptions do not have a material impact on the amounts paid to policyholders: 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 occurrence of the 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 the income or expenses included in profit or loss on the underlying items held. Under this option, the Group recognises income or expenses in profit or loss that correspond exactly to the income or expenses recognised in profit or loss for the underlying items, with the result that the sum of the items presented separately is zero.

For most of its insurance portfolios, the Group chose to apply the accounting method ("OCI option") which allows insurance finance income or expenses for the period to be allocated between profit and loss and other comprehensive income. For insurance contracts with direct participation features for which the entity holds the underlying items, application of this option results in the presentation in profit or loss of an amount that eliminates accounting mismatches with the income or expenses recognised in profit or loss on the underlying items held; for other contracts, the impact of changes in discount rates on the value of the contracts is presented in other comprehensive income.

Investment components

The provisions of the standard require the identification of investment components, which are defined as the amounts the Group must repay to the insured under all circumstances, whether or not the insured event occurs; they should not be recognised in insurance revenue or insurance service expenses.

The main investment components identified by the Group relate to savings and retirement contracts with an explicit surrender or transfer value.

Internal margin

IFRS 17 requires an estimate of future costs when measuring insurance liabilities on the balance sheet. The income statement shows the actual costs and the release of the estimated costs for the period.

Crédit Agricole's banking network markets insurance contracts issued and managed by the Group's insurance entities. These entities remunerate the banking network through commissions.

The Group adjusts the insurance liabilities and the income statement for the amount of the internal margin contained in intra-group commissions. Overheads incurred by the banking network when distributing insurance contracts are shown as insurance service expenses. The affected captions are:

- on the balance sheet: insurance liabilities for the VFA and BBA models;
- on the income statement: recognition of the CSM for the VFA and BBA models, and actual costs for all models.

The Group uses its banking networks normalised management data to determine the margin on distributed insurance contracts.

These restatements are included in the Corporate Centre operating segment, Note 5.

NOTE 2 Major structural transactions and material events during the period

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

The consolidated financial statements include the financial statements of Crédit Agricole Group and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole Group exercises control, joint control or significant influence, except for those that are not material in relation to all the companies included in the scope of consolidation.

2.1.1 Entities in the scope of consolidation for which the percentage of control or interest changed by more than 10% in the first half of 2023 with no change in consolidation method

There was no change in the percentage of control or interest of more than 10% during the first half of 2023, and no change in the consolidation method.

2.1.2 Changes in the scope of consolidation that led to a change in the scope or method of consolidation

Principal place of business	Crédit Agricole Group Scope of consolidation	Consolidation method (1)	Scope changes (a)	Nature of control (b)	Activity (c)	% control		% interest	
						30/06/2023	31/12/2022	30/06/2023	31/12/2022
Austria									
	CA AUTO BANK GMBH	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Belgium									
	DRIVALIA LEASE BELGIUM S.A.	Full	I2	Subsidiary	SFS	100.0	-	100.0	-
	CA AUTO BANK S.P.A BELGIAN BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
China									
Colombia									
	S3 CACEIS COLOMBIA S.A, SOCIEDAD FIDUCIARIA	Equity Accounted	O1	Joint venture	LC	50.0	50.0	34.7	34.7
Denmark									
	ALEASE&MOBILITY BRANCH DANISH	Equity Accounted	O1	*Branch*	SFS	50.0	50.0	50.0	50.0
	CA AUTO FINANCE DANMARK A/S	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	CREDIT AGRICOLE CIB DENMARK BRANCH	Full	I2	*Branch*	LC	100.0	-	100.0	-
	DRIVALIA LEASE DANMARK A/S	Full	O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Finland									
	CA AUTO FINANCE DANMARK A/S, FINLAND BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
France									
	ADX FORMATION	Full	I3	Subsidiary	FRB	100.0	-	60.0	-
	ADX GROUPE	Full	I3	Subsidiary	FRB	100.0	-	60.0	-
	AMIENS INVEST	Full	I1	Subsidiary	FRB	99.9	-	99.9	-
	AMUNDI IT SERVICES SNC	Full	O1	Subsidiary	AG	100.0	100.0	69.3	69.3
	BCTI	Full	I3	Subsidiary	FRB	100.0	-	60.0	-

Principal place of business	Crédit Agricole Group Scope of consolidation	Consolidation method (1)	Scope changes (a)	Nature of control (b)	Activity (c)	% control 30/06/2023	% control 31/12/2022	% interest 30/06/2023	% interest 31/12/2022
	CA AUTO BANK S.P.A FRENCH BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
	CAAP TRANSITIONS	Full	I1	Subsidiary	FRB	100.0	-	100.0	-
	CAL IMPULSION	Full	I1	Subsidiary	FRB	100.0	-	100.0	-
	CASRA ENERGIE RENOUVELABLE	Full	I1	Subsidiary	FRB	100.0	-	100.0	-
	COTOIT	Full	I1	Subsidiary	CC	100.0	-	99.5	-
	CREDIT AGRICOLE CASTALIE	Full	I2	Subsidiary	CC	100.0	-	100.0	-
	CREDIT AGRICOLE CENTRE-EST CAPITAL INVESTISSEMENT	Full	I1	Subsidiary	FRB	100.0	-	100.0	-
	CREDIT AGRICOLE NORMANDIE SEINE ENERGIES	Full	I2	Subsidiary	FRB	100.0	-	100.0	-
	CROISSY BEAUBOURG INVEST	Full	I1	Subsidiary	FRB	99.9	-	99.9	-
	CROISSY INVEST 2	Full	I1	Subsidiary	FRB	51.0	-	51.0	-
	DRIVALIA FRANCE SAS	Full	O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	DRIVALIA LEASE FRANCE S.A.	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	EPONA RILLIEUX	Full	I2	Subsidiary	FRB	100.0	-	100.0	-
	Etoile Gestion	Full	E4	Subsidiary	AG	-	100.0	-	69.3
	EXPERTAM	Full	I3	Subsidiary	FRB	100.0	-	60.0	-
	FOCH TENREMONDE	Full	I1	Subsidiary	FRB	100.0	-	100.0	-
	GALENA	Full	I3	Subsidiary	FRB	100.0	-	60.0	-
	H2O INVESTISSEURS	Full	I3	Subsidiary	FRB	60.0	-	60.0	-
	H2O PARTICIPATION	Full	I1	Subsidiary	FRB	50.1	-	-	-
	HYPERION DEVELOPPEMENT	Full	I3	Subsidiary	FRB	100.0	-	60.0	-
	HYPERION PARTICIPATION	Full	I3	Subsidiary	FRB	100.0	-	60.0	-
	IMMOBILIER GESTION PRIVEE	Full	I1	Subsidiary	FRB	100.0	-	100.0	-
	LEASYS SAS	Equity Accounted	O1	Joint venture	SFS	50.0	50.0	50.0	50.0
	LES PALMIERS DU PETIT PEROU (SCI)	Full	I1	Subsidiary	FRB	100.0	-	100.0	-
	NANTEUIL LES MEAUX INVEST	Full	I1	Subsidiary	FRB	99.9	-	99.9	-
	NMP PERILEVAL	Full	I2	Subsidiary	FRB	100.0	-	100.0	-
	NOISIEL INVEST	Full	I1	Subsidiary	FRB	99.9	-	99.9	-
	NS ALTERNATIVE PERFORMANCE	Full	E1	Subsidiary	FRB	-	100.0	-	100.0
	NS Immobilier	Full	E5	Subsidiary	FRB	-	100.0	-	100.0
	RIVERY INVEST	Full	I1	Subsidiary	FRB	99.9	-	99.9	-
	SCI LYON TONY GARNIER	Full	O1	Subsidiary	AG	90.0	90.0	90.0	90.0
	SCI VILLEURBANNE LA SOIE ILOT H	Full	O1	Subsidiary	AG	90.0	90.0	90.0	90.0
	SQUARE HABITAT ALPES PROVENCE	Full	O1	Subsidiary	CC	100.0	100.0	99.5	99.4
	SQUARE HABITAT CABINET LIEUTAUD	Full	O1	Subsidiary	CC	100.0	100.0	99.5	99.4
	SQUARE HABITAT CABINET LIEUTAUD GESTION	Full	O1	Subsidiary	CC	100.0	100.0	99.5	99.4
	SQUARE HABITAT HAUTES ALPES	Full	O1	Subsidiary	CC	100.0	100.0	99.5	99.4
	SQUARE HABITAT VAUCLUSE	Full	O1	Subsidiary	CC	100.0	100.0	99.5	99.4

Principal place of business	Crédit Agricole Group Scope of consolidation	Consolidation method (1)	Scope changes (a)	Nature of control (b)	Activity (c)	% control 30/06/2023	% control 31/12/2022	% interest 30/06/2023	% interest 31/12/2022
	SUDECO	Full	I3	Subsidiary	CC	100.0	-	100.0	-
	UPTEVIA	Equity Accounted	O1/O2	Joint venture	LC	50.0	100.0	34.8	69.5
	VAL BRIE PICARDIE INVESTISSEMENT	Full	I1	Subsidiary	FRB	90.0	-	90.0	-
	Val de France Rendement	Full	E1	Subsidiary	FRB	-	100.0	-	100.0
	WATEA	Equity Accounted	I3	Joint venture	SFS	30.0	-	30.0	-
Germany									
	CA AUTO BANK S.P.A. GERMAN BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
	CA VERSICHERUNGSSERVICE GMBH	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Greece									
	CA AUTO BANK GMBH HELLENIC BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
	CA AUTO INSURANCE HELLAS S.A	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	DRIVALIA LEASE HELLAS SM S.A	Full	O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Irland									
	CA AUTO BANK S.P.A IRISH BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
	CA AUTO REINSURANCE DAC	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	KBI Fund Managers Limited	Full	E1	Subsidiary	AG	-	87.5	-	69.3
Italy									
	CA AUTO BANK	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	DRIVALIA SPA	Full	O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	LEASYS ITALIA SPA	Equity Accounted	O1	Joint venture	SFS	50.0	50.0	50.0	50.0
Luxembourg									
Morocco									
	DRIVALIA LEASE ESPANA SAU, MOROCCO BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
Netherlands									
	DRIVALIA LEASE NEDERLAND B.V.	Full	I2	Subsidiary	SFS	100.0	-	100.0	-
	CA AUTO FINANCE NEDERLAND BV	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	Financierings Data Netwerk B.V.	Equity Accounted	E1	Joint venture	SFS	-	50.0	-	46.7
	Finata Zuid-Nederland B.V.	Full	E1	Subsidiary	SFS	-	98.1	-	98.1
	FINDIO N.V	Full	O1/O2	Subsidiary	SFS	100.0	100.0	100.0	100.0
	RICARE DIRECT BV	Full	O1	Subsidiary	SFS	100.0	100.0	100.0	100.0
Norway									
	CA AUTO FINANCE NORGE A/S	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Poland									
	CA AUTO BANK S.P.A POLSKA BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
	Crédit Agricole Bank Polska S.A.	Full	O1	Subsidiary	IRB	100.0	100.0	100.0	100.0
	Crédit Agricole Polska S.A.	Full	O1	Subsidiary	IRB	100.0	100.0	100.0	100.0
	Credit Agricole Service sp z o.o.	Full	O1	Subsidiary	IRB	100.0	100.0	100.0	100.0

Principal place of business	Crédit Agricole Group Scope of consolidation	Consolidation method (1)	Scope changes (a)	Nature of control (b)	Activity (c)	% control		% interest	
						30/06/2023	31/12/2022	30/06/2023	31/12/2022
	DRIVALIA LEASE POLSKA SP Z O O	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Portugal									
	CA AUTO BANK S.P.A PORTUGUESE BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
	DRIVALIA PORTUGAL S.A	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Spain									
	CA AUTO BANK S.P.A. SPANISH BRANCH	Full	O1/O2	*Branch*	SFS	100.0	50.0	100.0	50.0
	DRIVALIA ESPANA S.L.U.	Full	O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	DRIVALIA LEASE ESPANA SAU	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Sweden									
	CA AUTO FINANCE SVERIGE AB	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Switzerland									
	CA AUTO FINANCE SUISSE SA	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
Ukraine									
	CREDIT AGRICOLE UKRAINE	Full	O1	Subsidiary	IRB	100.0	100.0	100.0	100.0
United Kingdom									
	CA AUTO FINANCE UK LTD	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	DRIVALIA LEASE UK LTD	Full	O1/O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
	DRIVALIA UK LTD	Full	O2	Subsidiary	SFS	100.0	50.0	100.0	50.0
United States									
	Vanderbilt Capital Advisors LLC	Full	E1	Subsidiary	AG	-	100.0	-	69.3

*Hors Entités, co-entreprises et entreprises associées structurées

2.1.3 Entities at fair value following the transition to IFRS 17

Principal place of business	Crédit Agricole Group Scope of consolidation	Consolidation method [1]	Scope changes (a)	Nature of control (b)	Activity (c)	% control		% interest	
						30/06/2023	31/12/2022	30/06/2023	31/12/2022
Austria	URI GmbH	Fair Value	-	Structured joint	AG	45.0	45.0	45.0	45.0
Belgium	FLUXDUNE	Fair Value	-	Joint venture	AG	25.0	25.0	25.0	25.0
France	ADL PARTICIPATIONS	Fair Value	-	Joint venture	AG	25.0	25.0	25.0	25.0
France	ALTAREA	Fair Value	-	Associate	AG	24.6	24.6	24.6	24.6
France	ALTAT BLUE	Fair Value	-	Joint venture	AG	33.3	33.3	33.3	33.3
France	ARCAPARK SAS	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	CASSINI SAS	Fair Value	-	Joint venture	AG	49.0	49.0	49.0	49.0
France	ELL HOLDCO SARL	Fair Value	-	Joint venture	AG	49.0	49.0	49.0	49.0
France	EUROWATT ENERGIE	Fair Value	-	Joint venture	AG	75.0	75.0	75.0	75.0

Principal place of business	Crédit Agricole Group Scope of consolidation	Consolidation method [1]	Scope changes (a)	Nature of control (b)	Activity (c)	% control		% interest	
						30/06/2023	31/12/2022	30/06/2023	31/12/2022
France	FONCIERE HYPERSUD	Fair Value	-	Joint venture	AG	51.4	51.4	51.4	51.4
France	FREY	Fair Value	-	Associate	AG	19.7	19.7	19.7	19.7
France	FREY RETAIL VILLEBON	Fair Value	-	Joint venture	AG	47.5	47.5	47.5	47.5
France	FUTURES ENERGIES INVESTISSEMENTS HOLDING	Fair Value	-	Joint venture	AG	30.0	30.0	30.0	30.0
France	FUTURES ENERGIES INVESTISSEMENTS HOLDING 2	Fair Value	-	Joint venture	AG	48.0	48.0	48.0	48.0
France	FUTURES ENERGIES INVESTISSEMENTS HOLDING 3	Fair Value	-	Joint venture	AG	80.0	80.0	80.0	80.0
France	Icade	Fair Value	-	Associate	AG	19.1	19.1	19.1	19.1
France	INFRA FOCH TOPCO	Fair Value	-	Associate	AG	35.9	35.9	35.9	35.9
France	KORIAN	Fair Value	-	Associate	AG	25.0	25.0	25.0	25.0
France	PATRIMOINE ET COMMERCE	Fair Value	-	Associate	AG	20.2	20.2	20.2	20.2
France	RAMSAY – GENERALE DE SANTE	Fair Value	-	Associate	AG	39.8	39.8	39.8	39.8
France	RUE DU BAC (SCI)	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	SAS CRISTAL	Fair Value	-	Associate	AG	46.0	46.0	46.0	46.0
France	SAS DEFENSE CB3	Fair Value	-	Joint venture	AG	25.0	25.0	25.0	25.0
France	SCI 1 TERRASSE BELLINI	Fair Value	-	Joint venture	AG	33.3	33.3	33.3	33.3
France	SCI ACADEMIE MONTROUGE	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	SCI CARPE DIEM	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	SCI EUROMARSEILLE 1	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	SCI EUROMARSEILLE 2	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	SCI FONDIS	Fair Value	-	Associate	AG	25.0	25.0	25.0	25.0
France	SCI HEART OF LA DEFENSE	Fair Value	-	Associate	AG	33.3	33.3	33.3	33.3
France	SCI ILOT 13	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	SCI Paul Cézanne	Fair Value	-	Joint venture	AG	49.0	49.0	49.0	49.0
France	SCI WAGRAM 22/30	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
France	SEMMARIS	Fair Value	-	Joint venture	AG	38.0	38.0	38.0	38.0
France	TOUR MERLE (SCI)	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
Italy	CENTRAL SICAF	Fair Value	-	Joint venture	AG	25.0	25.0	25.0	25.0
Italy	EDISON RENEWABLES	Fair Value	-	Joint venture	AG	49.0	49.0	49.0	49.0
Italy	EF SOLARE ITALIA	Fair Value	-	Joint venture	AG	30.0	30.0	30.0	30.0
Italy	IEIH	Fair Value	-	Joint venture	AG	80.0	80.0	80.0	80.0
Luxembourg	ALTALUXCO	Fair Value	-	Subsidiary	AG	50.0	50.0	50.0	50.0
Luxembourg	CAVOUR AERO SA	Fair Value	-	Joint venture	AG	37.0	37.0	37.0	37.0
Luxembourg	CIRRUS SCA A1	Fair Value	-	Joint venture	AG	20.0	20.0	20.0	20.0

Principal place of business	Crédit Agricole Group Scope of consolidation	Consolidation method [1]	Scope changes (a)	Nature of control (b)	Activity (c)	% control		% interest	
						30/06/2023	31/12/2022	30/06/2023	31/12/2022
Luxembourg	EUROPEAN MOTORWAY INVESTMENTS	Fair Value	-	Joint venture	AG	60.0	60.0	60.0	60.0
Luxembourg	LUXEMBOURG INVESTMENT COMPANY 296 SARL	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
Luxembourg	MACQAURIE STRATEGIC STORAGE FACILITIES HOLDINGS	Fair Value	-	Joint venture	AG	40.0	40.0	40.0	40.0
Luxembourg	SARL IMPULSE	Fair Value	-	Joint venture	AG	38.0	38.0	38.0	38.0
Poland	ALTAMIRA	Fair Value	-	Joint venture	AG	22.5	22.5	22.5	22.5
Portugal	AGUAS PROFUNDAS SA	Fair Value	-	Joint venture	AG	35.0	35.0	35.0	35.0
Spain	JANUS RENEWABLES	Fair Value	-	Subsidiary	AG	50.0	50.0	50.0	50.0
Spain	ORDESA SERVICIOS EMPRESARIALES	Fair Value	-	Joint venture	AG	60.0	60.0	60.0	60.0
Spain	REPSOL RENOVABLES	Fair Value	-	Subsidiary	AG	12.5	12.5	12.5	12.5
Spain	TUNELS DE BARCELONA	Fair Value	-	Joint venture	AG	50.0	50.0	50.0	50.0
United Kingdom	HORNSEA 2	Fair Value	-	Structured joint venture	AG	25.0	25.0	25.0	25.0

[1] The Group now measures at fair value through profit or loss, as permitted by IAS 40 and IAS 28 as amended by IFRS 17, investments in associates and joint ventures that are elements underlying insurance contracts with direct participation features, in order to avoid accounting mismatches with the measurement of this type of insurance contracts under IFRS 17.

(1) Full

Equity Accounted

Fair Value*

*Fair Value through Profit or Loss is a method of consolidation only for associated entities and joint ventures subject to IAS 28 (choice of Fair Value through Profit or Loss rather than the equity method under IAS 28.18).

Branches are mentioned in italic

Scope changes (a)

Inclusions (I) into the scope of consolidation

I1 : Breach of threshold

I2 : Creation

I3 : Acquisition (including controlling interests)

Exclusions (E) from the scope of consolidation :

E1 : Discontinuation of business (inclunding dissolution and liquidation)

E2 : Sale to non Group companies or deconsolidation following loss of control

E3 : Deconsolidated due to non-materiality

E4 : Meger or takeover

E5 : Transfer of all assets and liabilities

Other (O) :

O1 : Change of company name

O2 : Change in consolidation method

O3 : First time listed in the Note on scope of consolidation

O4 : Entities classified as Non-current Assets Held for Sale and Discontinued Operations

Type of entity and control nature (b)

Subsidiary

Branch

Consolidated structured entity

Joint venture

Structured joint venture

Joint operation

Associate

Structured associate

Type of activity (c)

FRB : French retail banking

IRB : International retail banking

AG : Asset gathering

LC : Large customers

SFS : Specialised financial services

CC : Corporate centre

2.2 Main changes in the scope of consolidation

2.2.1 Merger by CACEIS and BNP Paribas of their issuer services divisions in France into Uptevia, a joint venture to which CACEIS contributed CACEIS Corporate Trust

On 1 January 2023, CACEIS S.A. and BNP Paribas created the joint venture Uptevia, equally owned by the two banks and merging their issuer services divisions in France.

Issuer services were previously conducted within CACEIS Group by its subsidiary CACEIS Corporate Trust, which was subject to IFRS 5 on 31 December 2022 and to a loss of control following two capital increases underwritten by BNP Paribas Securities Services on 1 January 2023. After those capital increases, CACEIS Corporate Trust was equally owned by CACEIS S.A. and BNP Paribas Securities Services and consolidated by the Group using the equity accounting method (vs full consolidation method at 31 December 2022). At the same time, CACEIS Corporate Trust changed its company name to UPTEVIA.

A €5-million disposal gain was recognised for the share of the entity that was sold to the joint venture under "Net gains (losses) on other assets". Its share of earnings in equity-accounted associates was €0.2 million and its contribution under investments in equity-accounted associates on the balance sheet was €14 million.

2.2.2 Completion of the creation of a European leader in long-term car rental with Crédit Agricole Consumer Finance's 100% takeover of FCA Bank and Drivalia

On 3 April 2023, Crédit Agricole Consumer Finance S.A., a wholly owned subsidiary of Crédit Agricole S.A., took over the FCA Bank Group after acquiring 50% of the shares previously held by Stellantis. As at 30 June 2023, Crédit Agricole Auto Bank (formerly FCA Bank) was accounted for in Crédit Agricole S.A. Group's financial statements using the full consolidation method (vs the equity method at 31 March 2023).

For the record, on 19 December 2022, Crédit Agricole Consumer Finance (CACF) and Stellantis signed a master agreement aimed at creating a 50/50-owned pan-European leader in long-term car rental.

The first stage of this agreement involved creating a long-term car rental subsidiary, which led to the disposal by FCA Bank on 31 December 2022 of its subsidiary Leasys, now the new subsidiary jointly owned by CACF and Stellantis. This new company consolidates the business of Leasys and Free2move Lease. Leasys was consolidated as an equity-accounted associate at 30 June.

The second stage of the master agreement was implemented on 1 April 2023. when CACF acquired the remaining 50% of FCA Bank shares held by Stellantis. When the transaction was completed, FCA Bank was wholly owned by CACF and became Crédit Agricole Auto Bank.

The reorganisation of the CA Consumer Finance Group's Mobility business had a one-time impact on the second quarter of 2023, affecting all Intermediate Management Balances related to transfers of goodwill, compensatory payments received or paid, accounting treatment for the full consolidation of CA Auto Bank (formerly FCA Bank) and the reorganisation of the CA Consumer Finance Group's car financing activities within the CA Consumer Finance Group (especially the review of application solutions). In all, those items had a €140-million impact on net income at 30 June 2023.

2.3 Application of the new IFRS 17

The application of IFRS 17 for insurance contracts is mandatory for financial years starting on or after 1 January 2023. This standard replaces the previous IFRS 4.

Standardised procedures for implementing IFRS 17 in the Group's consolidated financial statements are presented in Note 1, "Applicable standards and comparability".

The impacts of the first-time application of IFRS 17 at 1 January 2023 and the profit or loss for the 2022 comparative period are described in Note 10 to the Group's consolidated financial statements at 30 June 2023.

2.4 SAS Rue La Boétie buys €1 billion of Crédit Agricole S.A.'s shares

On 10 November 2022, SAS Rue La Boétie announced its intention to buy up to €1 billion of Crédit Agricole S.A.'s shares by the end of first-half 2023. The transaction proceeded according to schedule and was completed in June 2023. The shares were acquired for €1,003 million (which included €3 million in acquisition costs). The purpose of the transaction was to take advantage of depressed prices in the current economic context.

SAS Rue La Boétie also indicated that it did not intend to increase its stake in Crédit Agricole S.A. to more than 65%.

NOTE 3 Credit risk and hedging transactions

(See Chapter "Risk factors – Credit risk")

Credit risk measurement

In order to take into account the impacts of the Russia-Ukraine conflict and the continuing COVID-19 crisis on the economic context, the Group updated its forward-looking macroeconomic projections for determination of the credit risk estimate for the year ended 30 June 2023.

Information on the macroeconomic scenarios used at 30 June 2023

The Group used four scenarios for calculating IFRS 9 provisioning parameters in production on June 2023 with the following projections for 2026.

These four scenarios were developed in April 2023. They incorporate different assumptions on the effects of the Russian-Ukrainian conflict, the inflationary shock suffered in particular by the Eurozone and the monetary tightening by the central banks.

First scenario: "Central" scenario

The central scenario, weighted at 50%, remains characterised by the escalation of the Russia-Ukraine war and a still seemingly distant peace outcome. This scenario sees a drop in EZ inflation in 2023, which will nevertheless remain high, a very marked slowdown in the economy and continued monetary tightening.

Lower inflation but still at a high level in the eurozone:

Eurozone inflation peaked in October 2022 (+10.6%) and has dropped gradually since, while remaining at a still high level (9.6% in Q1-2023). Supply difficulties have eased since China ended its zero-Covid policy and the re-normalisation of world trade. Favourable base effects for energy prices, a drop in market energy prices at the start of 2023 as well as a milder winter and high gas inventories also put favourable downwards pressure on inflation. In 2023-2024, energy prices remain high but are nevertheless contained. The oil price works out at $98/b and $103/b, respectively (yearly average), and gas at €75/MWh and €90/MWh. Wages grow more rapidly than usual, but without triggering a wage-price spiral. EZ inflation (HICP) is expected at 5.9% (on average) in 2023 and 3.7% at the end of the year. In France, the CPI is expected at 5.4% on average in 2023 and 5.1% at the end of the year. The price cap has enabled France to smooth the rise in energy prices over time, but the drop in inflation is more gradual than elsewhere.

This environment propels the eurozone into a low growth regime. The supply effect is waning but there is a marked slowdown in demand, impacted by the high inflation and the reduction in fiscal support measures, while the higher interest rates penalise lending. Corporate margins deteriorate under the combined effect of the rise in production costs, wages, and lower demand, which weighs somewhat on investment. There is a decline in household purchasing power due to the persistent inflation and reduced support measures. The labour market remains solid but employment growth slows nevertheless. The residential and commercial real estate markets undergo significant corrections, as a result of the rise in interest rates increasing the cost of credit.

Growth is set to be very moderate, at +0.6% for both the eurozone and France in 2023, with the expected recovery not starting until H2, and then only to a fairly limited extent.

The fight against inflation remains the priority of the central banks

The central banks continue to implement a restrictive monetary policy in order to significantly curb inflation, at the risk of hampering growth. They nevertheless do not exclude the use of specific tools to ensure the refinancing of the banking system in the event of difficulties.

In the United States, the Fed raises its rates by 25 basis points to bring its target range to 5.00-5.25% then maintains this terminal rate up to the end of 2023. Rates are expected to start coming back down in 2024 with a gradual 100 bp cut over the year (25 bp each quarter). The rise in long-term rates peaks in summer 2023 before starting on a slow decline in the second half of 2023, characterised by a steepening of the curve that will become sharper in 2024.

In the eurozone, the monetary tightening intensifies with the refinancing rate raised to 4.25% before the summer and maintained at this level until mid-2024. The first cuts will not come until the second half of 2024, ending with a rate of 3.75% at the end of 2024. Long-term rates will continue to rise more sharply at the short end of the yield curve (2-year swap) between now and the end of 2023, with a gradual flattening of the curve. The spreads of "semi-core" or peripheral countries widen only slightly despite the rise in rates and the quantitative tightening. From the second half of 2023 then in 2024, long-term rates drop gradually but the profile of the curve remains inverted and sovereign spreads to the Bund narrow slightly.

Second scenario: "Moderate adverse" scenario

This scenario, weighted at 35%, includes a new marked rebound in energy prices over a concentrated period between the second half of 2022 and the first half of 2023.

Triggering of the crisis: A significantly stronger recovery of activity in China is assumed, consisting of an acceleration in consumption, investment and exports. The US economy is also more dynamic than in the central scenario. More difficult climate conditions with a harsher winter in 2024 and a hotter summer in 2023 result in greater electricity demand. The competition between Asia and Europe on LNG demand intensifies, putting pressure on oil and gas prices, notably in Europe.

Another inflation shock: Oil and gas prices rise significantly compared to the start of 2023. The difficulties of the French nuclear industry continue and increase the pressure on gas prices that is passed on to electricity prices. Second-round effect on inflation, which returns to high levels at the end of 2023 and beginning of 2024.

Very weak growth in 2023-2024, with a technical recession

The rebound of energy prices weakens production once again, in particular the most energy-consuming sectors. Corporate margins are squeezed by the rise in costs and weakness of demand, leading to a stagnation of investment. Household purchasing power declines sharply and employment is lower in comparison to the central scenario. The eurozone GDP is close to zero on average in 2023 and 2024, even slightly negative in some countries. It seems likely that there will be a technical recession.

Further monetary tightening by the ECB to stop inflation

The ECB raises its refinancing rate a little more (+125 bp in 2023) than in the central scenario (+75 bp). The easing of inflation in 2024 allows for a limited cut of 50 bp. The normalisation process does not really start until 2025 and takes place gradually up to 2026. Long-term rates rise rapidly in 2023 in reaction to the previous price shock, which sparks fears over the consequences on the inflation outcome. Sovereign rates rise and risk premiums widen. With the drop in inflation, long-term rates fall sharply in 2024 and continue their normalisation in the following two years but nevertheless remain higher than those of the central scenario.

Third scenario: "Favourable" scenario

In this scenario, weighted at 5%, it is assumed that the economic situation in the eurozone will be more favourable than in the central scenario from the second half of 2023. Oil and gas prices are not as high in 2023-2024 due to better climate conditions, greater energy sobriety and less competition in LNG with Asia. In addition, massive investment plans in Europe support activity from 2024.

In the eurozone, inflation is brought back to 2.5% on average in 2024 and around 2% in 2025-2026. Household and business expectations pick up under the effect of an improvement in purchasing power and consumption that comes with greater use of the excess savings accumulated during 2020-2021. The improvement in confidence, the drop in energy costs and measures to stimulate public and private investment lead to a recovery in investment spending from 2024.

Financial changes

The ECB starts with a timid decrease in its key rates at the end of 2023 and continues with bigger cuts in 2024. Long-term rates decrease at the end of 2023 in anticipation of lower inflation and key rates. The yield on the Bund and 10-yr swap gradually trend downwards to settle at levels slighter lower than in the central scenario. French and Italian spreads are slightly more moderate than in the central scenario. The stock market and real estate markets continue to trend upwards.

Fourth scenario: "Severe adverse" scenario: budgetary stress (drawn up in July 2022)

This scenario weighted at 10%.

A new accumulation of shocks in 2023: The Russia-Ukraine war drags on with tougher sanctions on Russia (total stop on oil imports and massive reduction of gas imports). Stronger support for Russia from China pushes the United States and the eurozone to place sanctions on China (embargo on high technology products), which responds with retaliatory trade sanctions. Moreover, winter is harsh in Q1-2023, penalising the agriculture and agri-food sector. In addition, France experiences a specific crisis, with major protests against certain reforms (retirement reform and financing the energy transition through higher taxes) and very marked social conflicts such as the yellow vests crisis, bringing the country to a standstill. Italy is also shaken by a political crisis, with the victory of the right-wing coalition in 2023, challenging the European treaties and leading to a stand-off with the European Commission.

Persistent inflationary shock in 2023: the pressure on energy prices continues and intensifies for both oil and gas. Europe is unable to fully offset the shortfall in gas supply with greater sobriety and/or other suppliers, unless at much higher prices (sharp rise in gas prices). Food prices are also under major pressure. The inflationary process at work in 2022 in the "central" scenario is repeated in 2023 in this "stress" scenario. Inflation is very high in 2023 in the eurozone, at around 8% on average, and is the same in France.

Weak fiscal response: the European governments react to this new inflation shock with more limited support measures (wishing to avoid new budget gaps) and do not provide a coordinated response (like the EU recovery plan). In France, the price cap scheme is reduced and more targeted.

Strong response from the central banks and upwards pressure on long-term rates

The Fed and the ECB continue their monetary tightening in 2023 in a more accentuated manner than in the central scenario in the face of higher and more lasting inflation. The ECB raises rates rather significantly in 2023 (deposit rate at 2.75% and refi at 3.25% at the end of 2023). Long-term rates rise faster in the face of the risk of an inflationary spiral (10-year swap rate at 3.25% and Bund at 2.75%). The spreads in France and Italy widen more significantly in 2023 due to fears over the sustainability of their debt and specific crises in these two countries (OAT Bund spread at 185 bp and BTP Bund at 360 bp).

Recession in the eurozone in 2023

Cumulative shocks (production penalised by the rise in production costs, the disruption of value chains and shortage problems in certain sectors, decline in corporate profits and household purchasing power) leads the eurozone into recession in 2023 (drop in GDP of 1.5%) with a marked increase in the unemployment rate. The stock markets record substantial declines (-35% for the CAC in 2023) and residential real estate contracts (between -10% and -20% cumulatively over three years) while commercial real estate is hit harder (cumulative -30%) in France and Italy due to the sharp rise in rates and recession underway.

By assumption, the stress is concentrated in 2023, and a gradual recovery takes place in 2024-2025 with a "normalisation" at the end of the period.

There is a lull in the Ukraine conflict, a decline in energy prices and drop in interest rates, improving the growth outlook for 2024 and 2025, especially with a less restrictive fiscal policy in order to stem the recessive spiral.

Focus on the changes in the main macroeconomic variables in the four scenarios:

	Ref.	Central scenario				Moderate adverse				Budgetary stress				Favourable			
	2022	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026	2023	2024	2025	2026
GDP – Eurozone	3,5	0,6	1,2	1,1	1,1	-0,2	-0,1	1,1	1,2	-1,5	1,7	1,6	1,3	0,8	1,9	1,6	1,4
Unemployment rate – Eurozone	6,8	6,9	7,0	6,9	6,9	7,2	7,5	7,3	7,2	8,1	7,7	7,5	7,4	6,8	6,7	6,4	6,3
Inflation rate – Eurozone	8,4	5,9	3,2	2,3	2,2	7,2	4,1	2,5	2,0	8,0	2,4	1,8	1,8	5,4	2,5	2,0	1,8
GDP – France	2,6	0,6	1,1	1,2	1,0	0,1	-0,1	1,0	1,4	-1,6	2,0	1,8	1,4	1,0	2,4	2,4	2,1
Unemployment rate – France	7,3	7,5	7,7	8,0	8,0	7,9	8,3	8,5	8,3	8,6	8,9	8,2	8,0	7,2	7,0	6,7	6,5
Inflation rate – France	5,2	5,4	3,2	2,3	2,0	6,4	4,7	2,4	1,8	7,5	1,5	1,6	1,6	4,7	2,6	1,9	1,6
10-year OAT	3,1	3,3	3,0	2,8	2,6	4,1	3,3	3,0	2,8	4,60	2,0	1,8	1,8	3,1	2,7	2,5	2,3

At the end of December 2022, including local forward-looking scenarios, the share of Stage 1/Stage 2 provisions on the one hand (provisions for performing customer loans) and Stage 3 provisions on the other (provisions for proven risks) represented 42% and 58% of hedging inventories for the Crédit Agricole Group.

At the end of December 2022, net additions to Stage 1/Stage 2 provisions represented 36% of the Crédit Agricole Group's cost of risk compared to 64% for the Stage 3 share of proven risks and other provisions.

Sensitivity analysis of the macroeconomic scenarios in the calculation of IFRS 9 provisions (ECL Stages 1 and 2) on the basis of the central parameters

The central scenario is currently weighted at 50% for the calculation of the central IFRS ECL of 31 December 2022.

Scope: Crédit Agricole Group:

Variation of ECL in passage to 100% of the scenario (scope is Crédit Agricole Group)			
Central scenario	**Central scenario**	**Central scenario**	**Central scenario**
-3.3%	+2.5%	+11.9%	-8.2%

This sensitivity on the ECLs defined under the central parameters may be subject to adjustments for local forward-looking projects which, as the case may be, could reduce it or increase it.

3.1 Change in carrying amounts and value corrections for losses over the period

Value adjustments for losses correspond to the impairment of assets and to provisions for off-balance sheet commitments recognised in net income (Cost of risk) relating to credit risk.

The following tables present a reconciliation of the opening and closing balances of value adjustments for losses recognised under "Cost of risk" and associated carrying amounts, by accounting category and type of instrument.

FINANCIAL ASSETS AT AMORTISED COST: 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 of euros)	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 31 december 2022	**115,738**	**(66)**	**204**	**(8)**	**66**	**(58)**	**116,008**	**(132)**	**115,876**
Transfers between stages during the period	**(62)**	**-**	**62**	**-**	**-**	**-**	**-**	**-**	
Transfers from Stage 1 to Stage 2	(62)	-	62	-	-		-	-	
Return to Stage 2 from Stage 1	-	-	-	-	-		-	-	
Transfers to Stage 3 [1]	-	-	-	-	-	-	-	-	
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-	
Total after transfers	**115,676**	**(66)**	**266**	**(8)**	**66**	**(59)**	**116,008**	**(132)**	**115,876**
Changes in gross carrying amounts and loss allowances	**(2,981)**	**(17)**	**21**	**-**	**1**	**(1)**	**(2,959)**	**(18)**	
New financial production : purchase, granting, origination,... [2]	27,205	(1,428)	35	(1)			27,240	(1,429)	
Derecognition : disposal, repayment, maturity...	(30,707)	1,443	(13)	-	-	-	(30,721)	1,443	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	(2)	-	-	-	-	-	-	
Changes in models' credit risk parameters during the period		1		-		-	-	-	
Changes in model / methodology		-		-		-	-	-	
Changes in scope	19	-	-	-	-	-	19	-	
Other [3]	502	(32)	-	-	1	(1)	503	(33)	
Total	**112,696**	**(83)**	**287**	**(8)**	**67**	**(60)**	**113,049**	**(150)**	**112,899**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [4]	216		(3)		-		212		
Balance at 30 june 2023	**112,911**	**(83)**	**284**	**(8)**	**67**	**(60)**	**113,262**	**(150)**	**113,112**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.

[3] The items in the "Others" line are mainly translation adjustments.

[4] Includes the changes in fair value revaluations of micro-hedged instruments, the changes relating to the use of the EIR method (notably the amortisation of premiums/discounts), the changes relating to the accretion of discounts recorded on restructured loans (recovered as revenues over the remaining term of the asset).

FINANCIAL ASSETS AT AMORTISED COST: LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

	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 of euros)	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 31 december 2022	**113,971**	**(39)**	**125**	**(17)**	**496**	**(387)**	**114,592**	**(443)**	**114,149**
Transfers between stages during the period	**1**	**-**	**(1)**	**-**	**-**	**-**	**-**	**-**	
Transfers from Stage 1 to Stage 2	1	-	(1)	-			-	-	
Return to Stage 2 from Stage 1	-	-	-	-			-	-	
Transfers to Stage 3 [1]	-	-	-	-	-	-	-	-	
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-	
Total after transfers	**113,975**	**(38)**	**125**	**(19)**	**495**	**(387)**	**114,594**	**(444)**	**114,150**
Changes in gross carrying amounts and loss allowances	**12,565**	**1**	**27**	**6**	**(8)**	**6**	**12,583**	**13**	
New financial production : purchase, granting, origination,... [2]	32,850	(18)	198	-			33,048	(18)	
Derecognition : disposal, repayment, maturity...	(21,741)	6	(156)	10	-	-	(21,897)	16	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	(3)	-	-	-	-	-	(3)	
Changes in models' credit risk parameters during the period		14		(6)		-	-	7	
Changes in model / methodology		-		-		-	-	-	
Changes in scope	1,569	-	-	-	-	-	1,569	-	
Other [3]	(113)	1	(15)	3	(8)	6	(137)	10	
Total	**126,539**	**(37)**	**152**	**(13)**	**486**	**(381)**	**127,178**	**(431)**	**126,747**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [4]	(2,593)		(2)		-		(2,595)		
Balance at 30 june 2023	**123,946**	**(37)**	**150**	**(13)**	**486**	**(381)**	**124,582**	**(431)**	**124,151**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.

[3] The items in the "Others" line are mainly translation adjustments.

[4] Includes the changes in fair value revaluations of micro-hedged instruments, the changes relating to the use of the EIR method (notably the amortisation of premiums/discounts), the changes relating to the accretion of discounts recorded on restructured loans (recovered as revenues over the remaining term of the asset) and changes in accrued interests.

FINANCIAL ASSETS AT AMORTISED COST: LOANS AND RECEIVABLES DUE FROM CUSTOMERS

	Performing assets				Credit-impaired assets (Stage 3)		Total		
	Assets subject to 12-month ECL (Stage 1)		Assets subject to lifetime ECL (Stage 2)						
(en millions d'euros)	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 31 december 2022	**997,348**	**(2,779)**	**111,731**	**(5,574)**	**23,967**	**(11,510)**	**1,133,046**	**(19,862)**	**1,113,184**
Transfers between stages during the period	**(7,892)**	**(391)**	**5,614**	**658**	**2,278**	**(948)**	**-**	**(681)**	
Transfers from Stage 1 to Stage 2	(33,857)	206	33,857	(735)			-	(529)	
Return to Stage 2 from Stage 1	26,972	(608)	(26,972)	1,208			-	600	
Transfers to Stage 3 [1]	(1,337)	33	(2,208)	245	3,545	(1,157)	-	(878)	
Return from Stage 3 to Stage 2 / Stage 1	330	(22)	937	(61)	(1,267)	209	-	126	
Total after transfers	**989,458**	**(3,169)**	**117,344**	**(4,916)**	**26,246**	**(12,459)**	**1,133,048**	**(20,545)**	**1,112,503**
Changes in gross carrying amounts and loss allowances	**41,055**	**224**	**(5,825)**	**(877)**	**(2,847)**	**573**	**32,383**	**(80)**	
New financial production : purchase, granting, origination,… [2]	171,785	(708)	12,634	(922)			184,419	(1,631)	
Derecognition : disposal, repayment, maturity...	(150,997)	515	(19,137)	839	(2,192)	930	(172,325)	2,284	
Write-offs					(974)	882	(974)	882	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	(4)	(1)	(4)	3	(9)	2	
Changes in models' credit risk parameters during the period [4]		490		(717)		(1,160)	-	(1,388)	
Changes in model / methodology		1		(35)		-	-	(34)	
Changes in scope [7]	21,899	(107)	884	(60)	365	(176)	23,149	(342)	
Other [5]	(1,632)	32	(203)	19	(42)	94	(1,877)	146	
Total	**1,030,513**	**(2,945)**	**111,519**	**(5,793)**	**23,399**	**(11,886)**	**1,165,431**	**(20,625)**	**1,144,806**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	128		(180)		1,257		1,206		
Balance at 30 june 2023 [6]	**1,030,641**	**(2,945)**	**111,339**	**(5,793)**	**24,656**	**(11,886)**	**1,166,636**	**(20,625)**	**1,146,011**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.

[3] Includes the changes in fair value revaluations of micro-hedged instruments, the changes relating to the use of the EIR method (notably the amortisation of premiums/discounts), the changes relating to the accretion of discounts recorded on restructured loans (recovered as revenues over the remaining term of the asset) and changes in accrued interests.

[4] Concerning Stage 3 – this line corresponds to the change in the assessment of the credit risk on files already in default.

[5] The items in the "Others" line are mainly translation adjustments as well as, to a lesser extent, changes in value which could not be broken down.

[6] At 30 June 2023, Stage 3 integrates the impaired assets of Crédit Agricole Italia acquired from Credito Valtellinese for a gross carrying amount of €727 million and a value correction for losses of €393 million, i.e. a net carrying amount of €333 million.

[7] Since their acquisition, the impaired assets have been recognised under financial assets at amortised cost directly to Stage 3. This is for their gross amount and for the associated value adjustment for losses. The net value of these impaired loans since their acquisition amounted to €196 million.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME: DEBT SECURITIES

	Performing assets						Total	
	Assets subject to 12-month ECL (Stage 1)		Assets subject to lifetime ECL (Stage 2)		Credit-impaired assets (Stage 3)			
(in millions of euros)	Carrying amount	Loss allowance	Carrying amount	Carrying amount	Loss allowance	Carrying amount	Carrying amount	Loss allowance
Balance at 31 december 2022	**211,283**	**(144)**	**3,148**	**(44)**	**1**	**(39)**	**214,432**	**(227)**
Transfers between stages during the period	**(145)**	**-**	**142**	**(3)**	**-**	**-**	**(3)**	**(3)**
Transfers from Stage 1 to Stage 2	(145)	-	142	(3)			(3)	(3)
Return to Stage 2 from Stage 1	-	-	-	-			-	-
Transfers to Stage 3 [1]	-	-	-	-	-	-	-	-
Return from Stage 3 to Stage 2 / Stage 1	-	-	-	-	-	-	-	-
Total after transfers	**211,137**	**(143)**	**3,292**	**(48)**	**-**	**(39)**	**214,430**	**(230)**
Changes in gross carrying amounts and loss allowances	**(2,097)**	**12**	**74**	**10**	**(1)**	**-**	**(2,024)**	**22**
Fair value revaluation during the period	2,903		83		-		2,986	
New financial production : purchase, granting, origination,… [2]	22,822	(21)	5,001	(6)	-	-	27,824	(27)
Derecognition : disposal, repayment, maturity...	(23,977)	12	(4,921)	5	-	-	(28,898)	18
Write-offs	-	-	-	-	-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	5	5	1	1	-	-	5	5
Changes in models' credit risk parameters during the period		15		9		-	-	23
Changes in model / methodology		-		-		-	-	-
Changes in scope	-	-	-	-	-	-	-	-
Other [4]	(3,850)	2	(90)	1	-	-	(3,940)	3
Total	**209,040**	**(131)**	**3,366**	**(38)**	**-**	**(39)**	**212,406**	**(208)**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [3]	(1,410)		(26)		1		(1,435)	
Balance at 30 june 2023	**207,631**	**(131)**	**3,339**	**(38)**	**-**	**(39)**	**210,970**	**(208)**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-	

[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

[2] Originations in Stage 2 could include some originated loans in Stage 1 reclassified in Stage 2 during the period.

[3] Includes the impacts of the use of the EIR method (notably the amortisation of premiums/discounts).

[4] The items in the "Others" line are mainly translation adjustments.

Financial assets at fair value through equity of loans and receivables amounted to €437 million, classified as stage 1 as of 30 June 2023.

FINANCING COMMITMENTS

(in millions of euros)	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 31 december 2022	**226,972**	**(450)**	**12,531**	**(498)**	**578**	**(103)**	**240,080**	**(1,051)**	**239,029**
Transfers between stages during the period	**(636)**	**(39)**	**433**	**40**	**203**	**(9)**	**-**	**(8)**	
Transfers from Stage 1 to Stage 2	(2,657)	14	2,657	(53)			-	(39)	
Return to Stage 2 from Stage 1	2,092	(54)	(2,092)	91			-	37	
Transfers to Stage 3 [1]	(83)	2	(165)	4	247	(19)	-	(12)	
Return from Stage 3 to Stage 2 / Stage 1	13	(1)	32	(2)	(44)	9	-	7	
Total after transfers	**226,336**	**(489)**	**12,964**	**(458)**	**780**	**(112)**	**240,080**	**(1,059)**	**239,021**
Changes in commitments and loss allowances	**6,820**	**41**	**(1,645)**	**18**	**(72)**	**4**	**5,104**	**63**	
New commitments given [2]	95,547	(277)	2,856	(233)			98,403	(510)	
End of commitments	(79,715)	267	(4,474)	273	(240)	30	(84,429)	571	
Write-offs	-	-	-	-	-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	(4)	-	(16)	-	(1)	-	(20)	-	
Changes in models' credit risk parameters during the period		53		(21)		(27)	-	6	
Changes in model / methodology		-		(12)		-	-	(12)	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Changes in scope	(9,008)	(2)	(11)	10	169	-	(8,850)	8	
Balance at 30 june 2023	**233,156**	**(448)**	**11,319**	**(440)**	**708**	**(108)**	**245,184**	**(996)**	**244,188**

[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

[2] New commitments given in Stage 2 could include some originations in Stage 1 reclassified in Stage 2 during the period.

[3] The items in the "Others" line are mainly translation adjustments.

GUARANTEE COMMITMENTS

	Performing commitments				Provisioned commitments (Stage 3)		Total		
	Commitments subject to 12-month ECL (Stage 1)		Commitments subject to lifetime ECL (Stage 2)						
(in millions of euros)	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 31 december 2022	**104,532**	**(142)**	**7,579**	**(244)**	**1,768**	**(398)**	**113,879**	**(785)**	**113,094**
Transfers between stages during the period	**(777)**	**(19)**	**646**	**20**	**121**	**(5)**	**(10)**	**(4)**	
Transfers from Stage 1 to Stage 2	(1,791)	8	1,790	(27)			-	(19)	
Return to Stage 2 from Stage 1	1,053	(28)	(1,058)	46			(5)	17	
Transfers to Stage 3 [1]	(82)	2	(92)	2	169	(6)	(5)	(2)	
Return from Stage 3 to Stage 2 / Stage 1	42	-	6	(1)	(48)	1	-	1	
Total after transfers	**103,754**	**(161)**	**8,226**	**(223)**	**1,888**	**(402)**	**113,868**	**(786)**	**113,081**
Changes in commitments and loss allowances	**1,384**	**21**	**(175)**	**(21)**	**(744)**	**(22)**	**464**	**(22)**	
New commitments given [2]	54,324	(43)	1,353	(48)			55,678	(90)	
End of commitments	(51,266)	37	(1,581)	36	(764)	29	(53,611)	102	
Write-offs	-	-	-	-	(5)	5	(5)	5	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	(1)	-	-	
Changes in models' credit risk parameters during the period		26		(9)		(57)	-	(40)	
Changes in model / methodology		-		(2)		-	-	(2)	
Changes in scope	-	-	-	-	-	-	-	-	
Other [3]	(1,675)	1	52	2	25	1	(1,597)	4	
Balance at 30 june 2023	**105,137**	**(140)**	**8,051**	**(244)**	**1,144**	**(424)**	**114,332**	**(808)**	**113,524**

[1] Transfers to Stage 3 correspond to outstanding amounts initially classified as Stage 1 which, during the year, were downgraded directly to Stage 3, or to Stage 2 and later to Stage 3.

[2] New commitments given in Stage 2 could include some originations in Stage 1 reclassified in Stage 2 during the period.

[3] The items in the "Others" line are mainly translation adjustments.

3.2 Exposure to sovereign risk

The scope of sovereign exposures recorded covers exposures to Governments, but does not include local authorities. Tax debt is excluded from these amounts.

Exposure to sovereign debt corresponds to an exposure net of impairment (carrying amount) presented both gross and net of hedging.

The Crédit Agricole Group's exposure to sovereign risk is as follows:

BANKING ACTIVITY

30/06/2023	Exposures Banking activity net of impairment						
	Other financial instruments at fair value through profit or loss		Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
(in millions of euros)	*Held-for-trading financial assets*	*Other financial instruments at fair value through profit or loss*					
Germany	-	24	53	366	443	-	**443**
Saudi Arabia	-	-	-	355	355	-	**355**
Austria	-	2	9	350	361	9	**370**
Belgium	-	48	58	1,941	2,047	170	**2,217**
Brazil	26	1	175	88	290	-	**290**
China	202	-	-	483	685	-	**685**
Egypt	-	-	520	344	864	-	**864**
Spain	-	17	(22)	1,151	1,146	63	**1,209**
United States	3,959	2	123	2,038	6,122	224	**6,346**
France	-	1,119	3,159	20,625	24,903	409	**25,312**
Hong Kong	49	-	-	1,294	1,343	11	**1,354**
Italy	-	3	3,620	8,597	12,220	157	**12,377**
Japan	81	1	1,250	956	2,288	-	**2,288**
Poland	-	-	987	320	1,307	-	**1,307**
United Kingdom	-	1	-	-	1	-	**1**
Russia	-	-	-	-	-	-	**-**
Taiwan	-	-	9	59	68	-	**68**
Turkey	-	-	-	-	-	-	**-**
Ukraine	-	-	85	955	1,040	-	**1,040**
Other sovereign countries	2,032	184	1,070	5,936	9,221	15	**9,236**
TOTAL	**6,349**	**1,401**	**11,096**	**45,858**	**64,704**	**1,058**	**65,762**

31/12/2022	Exposures Banking activity net of impairment						
	Other financial instruments at fair value through profit or loss		Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
(in millions of euros)	*Held-for-trading financial assets*	*Other financial instruments at fair value through profit or loss*					
Germany	-	61	32	430	523	-	**523**
Saudi Arabia	-	-	-	1,337	1,337	-	**1,337**
Austria	-	2	5	301	308	11	**319**
Belgium	-	47	32	1,783	1,862	192	**2,054**
Brazil	21	-	203	104	328	-	**328**
China	152	22	-	433	607	-	**607**
Egypt	-	-	507	369	876	-	**876**
Spain	-	40	(15)	1,307	1,332	69	**1,401**
United States	827	1	116	1,930	2,874	211	**3,085**
France	-	1,116	3,077	19,568	23,761	378	**24,139**
Hong Kong	44	-	-	1,347	1,391	12	**1,403**
Italy	-	2	3,241	12,093	15,336	58	**15,394**
Japan	226	1	1,079	1,273	2,579	(3)	**2,576**
Poland	1	-	930	249	1,180	-	**1,180**
United Kingdom	-	1	-	-	1	-	**1**
Russia	-	-	-	-	-	-	**-**
Taiwan	-	-	-	-	-	-	**-**
Turkey	-	-	-	-	-	-	**-**
Ukraine	-	-	61	677	738	-	**738**
Other sovereign countries	897	198	787	5,784	7,666	12	**7,678**
TOTAL	**2,168**	**1,491**	**10,055**	**48,985**	**62,699**	**940**	**63,639**

INSURANCE ACTIVITY

For the insurance activity, exposure to sovereign debt is presented as net of impairment, before hedging, and corresponds to an exposure before application of sharing mechanisms between insurer and policyholder specific to life insurance.

Gross exposures *(in millions of euros)*	30/06/2023	31/12/2022
Germany	331	303
Saudi Arabia	-	-
Austria	463	463
Belgium	2,998	2,642
Brazil	4	2
China	1	2
Egypt	-	-
Spain	6,533	4,788
United States	65	76
France	37,211	38,716
Hong Kong	1	-
Italy	7,410	7,152
Japan	179	201
Poland	173	305
United Kingdom	5	2
Russia	-	-
Taiwan	-	-
Turkey	6	6
Ukraine	1	2
Other sovereign countries	1,582	1,542
TOTAL EXPOSURES	**56,963**	**56,202**

3.3 Hedge accounting

As specified in our notes to the consolidated financial statements for the year ended 31 December 2022, Crédit Agricole S.A. has set up different types of hedges:

- Fair value hedges: fair value hedges modify the risk resulting from changes in the fair value of a financial instrument
- Cash flow hedges: a cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial instruments or highly probable future transactions
- Hedge of net investment in foreign currency: a hedge of a net investment in foreign currency modifies the risk inherent in exchange rate fluctuations connected with foreign currency investments in subsidiaries.

As at 30 June 2023, the fair value of hedging derivatives was €44,698 million in assets and €39,579 million in liabilities (compared to €50,494 million and €47,324 million at 31 December 2022, respectively).

The fair value hedging derivatives mainly involve hedging of the interest rate risk. These hedges modify the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities. Items hedged are principally fixed-rate loans, securities, deposits and subordinated debt.

Changes in the fair value of hedging derivatives are recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

The fair value of the hedged portions of micro-hedged financial instruments at fair value is recognised in the balance sheet item to which it relates. Changes in the fair value of the hedged portions of micro-hedged financial instruments at fair value are recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

The fair value of the hedged portions of macro-hedged financial instruments at fair value is recognised under “Revaluation adjustment on interest rate hedged portfolios” on the balance sheet. Changes in the fair value of the hedged portions of micro-hedged financial instruments at fair value are recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

Gains (losses) from hedge accounting in the income statement are detailed in Note 4.3 of these financial statements, in particular the effects of hedge ineffectiveness, which stood at -€11 million at 30 June 2023 (compared to €16 million at 30 June 2022), including €34 million in micro-hedging and -€45 million in macro-hedging.

It should be noted that the net revaluation adjustment on interest rate hedged portfolios stood at € -15 billion at 30 June 2023 (compared to € -16 billion at 31 December 2022). The change in this adjustment is mainly due to the change in the interest rate environment observed in the first half of 2023, leading to an adjustment of the Fair Value of the hedged portion of the fixed-rate financial instruments belonging to the hedged portfolio.

NOTE 4 Notes on comprehensive income

4.1 Interest income and expenses

(in millions of euros)	30/06/2023	30/06/2022
On financial assets at amortised cost	**23,828**	**13,695**
Interbank transactions	6,003	1,663
Customer transactions	15,467	10,680
Finance leases	1,147	559
Debt securities	1,210	793
On financial assets recognised at fair value through other comprehensive income	**2,402**	**2,532**
Interbank transactions	-	-
Customer transactions	-	-
Debt securities	2,402	2,532
Accrued interest receivable on hedging instruments	**3,383**	**1,456**
Other interest income	**41**	**36**
INTEREST AND SIMILAR INCOME [1] [2]	**29,653**	**17,719**
On financial liabilities at amortised cost	**(18,065)**	**(5,243)**
Interbank transactions	(3,538)	(776)
Customer transactions	(9,956)	(2,881)
Finance leases	(452)	(162)
Debt securities	(3,924)	(1,147)
Subordinated debt	(195)	(277)
Accrued interest receivable on hedging instruments	**(1,829)**	**(1,448)**
Other interest expenses	**(4)**	**(62)**
INTEREST AND SIMILAR EXPENSES [3]	**(19,898)**	**(6,753)**

[1] *€258 million of which for impaired loans (Stage 3) as at 30 June 2023 versus €170 million as at 30 June 2022.*

[2] *Includes €311 million in negative interest on financial liabilities at 30 June 2023 (€912 million at 30 June 2022).*

[3] *Includes €0 million in negative interest on financial assets at 30 June 2023 (-€101 million at 30 June 2022).*

4.2 Fee and commission income and expenses

(in millions of euros)	30/06/2023			30/06/2022		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	185	(46)	139	192	(42)	150
Customer transactions	919	(145)	774	897	(130)	767
Securities transactions	31	(97)	(65)	35	(72)	(37)
Foreign exchange transactions	32	(28)	4	27	(21)	6
Derivative instruments and other off-balance sheet items	194	(140)	54	149	(102)	47
Payment instruments and other banking and financial services	3,799	(878)	2,921	3,573	(824)	2,749
Mutual funds management, fiduciary and similar operations	2,873	(741)	2,132	3,091	(867)	2,224
TOTAL FEES AND COMMISSIONS INCOME AND EXPENSE	**8,033**	**(2,075)**	**5,959**	**7,964**	**(2,058)**	**5,906**

Asset gathering and retail banking (in France and abroad) are the main contributors of the fee and commission income from customer transactions and transactions involving payment instruments and other banking and financial services.

Fee and commission income from managing UCITS, trusts and similar activities are mainly related to Asset gathering.

4.3 Net gains (losses) on financial instruments at fair value through profit or loss

(in millions of euros)	30/06/2023	30/06/2022
Dividends received	901	945
Unrealised or realised gains (losses) on held for trading assets/liabilities	1,825	(4,405)
Unrealised or realised gains (losses) on equity instruments at fair value through profit or loss	476	(2,867)
Unrealised or realised gains (losses) on debt instruments that do not meet the conditions of the "SPPI" test	1,761	(3,513)
Unrealised or realised gains (losses) on other debt instruments measured by definitiion at fair value through profit or loss	38	-
Net gains (losses) on assets backing unit-linked contracts	2,667	(8,255)
Unrealised or realised gains (losses) on assets/liabilities designated at fair value through profit or loss [1]	(2,151)	4,509
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	1,411	1,472
Gains (losses) from hedge accounting	(11)	16
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**6,916**	**(12,098)**

[1] Excluding issuer credit spread for liabilities designated at fair value through profit or loss (unless the standard allows for an exception to eliminate or reduce a mismatch in the income statement).

Analysis of net gains (losses) from hedge accounting:

	30/06/2023		
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**7,041**	**(7,007)**	**34**
Changes in fair value of hedged items attributable to hedged risks	3,165	(3,775)	(610)
Changes in fair value of hedging derivatives (including termination of hedges)	3,876	(3,231)	645
Cash flow hedges	**-**	**-**	**-**
Changes in fair value of hedging derivatives - ineffective portion	-	-	-
Hedges of net investments in foreign operations	**-**	**-**	**-**
Changes in fair value of hedging derivatives - ineffective portion	-	-	-
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	**39,913**	**(39,958)**	**(45)**
Changes in fair value of hedged items	20,905	(19,111)	1,793
Changes in fair value of hedging derivatives	19,008	(20,846)	(1,838)
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	**-**	**(1)**	**(1)**
Changes in fair value of hedging instrument - ineffective portion	-	(1)	(1)
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**46,954**	**(46,965)**	**(11)**

	30/06/2022		
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**24,682**	**(24,636)**	**46**
Changes in fair value of hedged items attributable to hedged risks	14,316	(10,502)	3,814
Changes in fair value of hedging derivatives (including termination of hedges)	10,366	(14,134)	(3,768)
Cash flow hedges	2	-	2
Changes in fair value of hedging derivatives - ineffective portion	2	-	2
Hedges of net investments in foreign operations	**-**	**-**	**-**
Changes in fair value of hedging derivatives - ineffective portion	-	-	-
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	**42,678**	**(42,711)**	**(33)**
Changes in fair value of hedged items	16,915	(25,625)	(8,710)
Changes in fair value of hedging derivatives	25,763	(17,086)	8,677
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	**1**	**-**	**1**
Changes in fair value of hedging instrument - ineffective portion	1	-	1
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**67,363**	**(67,347)**	**16**

4.4 Net gains (losses) on financial instruments at fair value through other comprehensive income

(in millions of euros)	30/06/2023	30/06/2022
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss [1]	(277)	(61)
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends) [2]	182	92
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**(95)**	**31**

[1] Excluding realised gains or losses from the disposal of impaired debt instruments (Stage 3) mentioned in Note 4.9 "Cost of risk"

[2] Including no dividends on equity instruments at fair value through equity that cannot be reclassified and derecognised during the period.

4.5 Net gains (losses) arising from the derecognition of financial assets at amortised cost

(in millions of euros)	30/06/2023	30/06/2022
Debt securities	106	45
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	-	-
Gains arising from the derecognition of financial assets at amortised cost	**106**	**45**
Debt securities	(115)	(50)
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	(5)	(4)
Losses arising from the derecognition of financial assets at amortised cost	**(119)**	**(54)**
NET GAINS (LOSSES) ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST [1]	**(13)**	**(9)**

[1] Excluding realised gains or losses from the derecognition of impaired debt instruments (Stage 3) mentioned in Note 4.9 "Cost of risk".

4.6 Net income (expenses) on other activities

(in millions of euros)	30/06/2023	30/06/2022 Restated
Gains (losses) on fixed assets not used in operations	52	(22)
Net income from investment property	(185)	378
Other net income (expense)	595	206
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**462**	**562**

4.7 Operating expenses

(in millions of euros)	30/06/2023			30/06/2022 Restated		
	Operating expenses [1] (a)	Expenses related to insurance contracts (deducted from revenues) (b)	Total Operating expenses in the period (c) = (a) + (b)	Operating expenses [1] (a)	Expenses related to insurance contracts (deducted from revenues) (b)	Total Operating expenses in the period (c) = (a) + (b)
Employee expenses	(7,480)	(127)	(7,607)	(6,958)	(115)	(7,073)
Taxes other than on income, payroll-related and regulatory contributions [2]	(1,031)	(28)	(1,059)	(1,220)	(33)	(1,253)
External services and other operating expenses	(3,174)	(196)	(3,369)	(3,244)	(163)	(3,408)
Expenses incurred for the distribution of insurance contracts	1,470	(1,470)	-	1,420	(1,420)	-
OPERATING EXPENSES	**(10,214)**	**(1,821)**	**(12,035)**	**(10,003)**	**(1,731)**	**(11,734)**

[1] *Amounts corresponding to the heading "Operating expenses" of the Income statement.*

[2] *-€619 million of which is recognised for the Single Resolution Fund as at 30 June 2023 (versus -€801 million as at 30 June 2022).*

The retirement reform adopted in France via finance law 2023-270 of 14 April 2023 amending 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) were taken into account in the consolidated financial statements for the first half of 2023. The impact of this reform was considered a change of régime and is recognised as a past service cost, under operating expenses.

At 30 June 2023, the impact of this reform was +€51.2 million on pre-tax income.

4.8 Dotations aux amortissements et aux dépréciations des immobilisations corporelles et incorporelles

(en millions d'euros)	30/06/2023			30/06/2022		
	Depreciation, amortisation and impairment [1] [3] (a)	Expenses related to insurance contracts (deducted from revenues) (b)	Total Depreciation, amortisation and impairment in the period (c) = (a) + (b)	Depreciation, amortisation and impairment [1] [3] (a)	Expenses related to insurance contracts (deducted from revenues) (b)	Total Depreciation, amortisation and impairment in the period (c) = (a) + (b)
Depreciation and amortisation	**(919)**	**(26)**	**(945)**	**(885)**	**(24)**	**(909)**
Property, plant and equipment [1]	(665)	(2)	(667)	(671)	(3)	(674)
Intangible assets	(254)	(24)	(278)	(214)	(21)	(235)
Impairment losses / reversals	**(3)**	**-**	**(3)**	**8**	**(1)**	**7**
Property, plant and equipment [2]	(1)	-	(1)	5	-	5
Intangible assets	(2)	-	(2)	3	(1)	2
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(922)**	**(26)**	**(948)**	**(877)**	**(25)**	**(902)**

[1] *Including -€242 million recognised for the depreciation of the right-of-use at 30 June 2023 versus -€261 million at 30 June 2022.*

[2] *Including -€2 million recognised for right-of-use impairment (reversals) at 30 June 2023 versus €0 million at 30 June 2022.*

[3] *Amounts corresponding to the heading "Depreciation, amortisation and impairment of property, plant & equipment and intangible assets" in the Income statement*

4.9 Cost of risk

(in millions of euros)	30/06/2023	30/06/2022
Charges net of reversals to impairments on performing assets (Stage 1 or Stage 2)	**(306)**	**(895)**
Stage 1 : Loss allowance measured at an amount equal to 12-month expected credit loss	**(184)**	**(206)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(2)	2
Debt instruments at amortised cost	(186)	(190)
Commitments by signature	5	(18)
Stage 2 : Loss allowance measured at an amount equal to lifetime expected credit loss	**(122)**	**(689)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(1)	-
Debt instruments at amortised cost	(167)	(703)
Commitments by signature	46	14
Charges net of reversals to impairments on credit-impaired assets (Stage 3)	**(1,118)**	**(657)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	(1,079)	(708)
Commitments by signature	(39)	51
Other assets	(2)	(2)
Risks and expenses	(17)	(14)
Charges net of reversals to impairment losses and provisions	**(1,443)**	**(1,568)**
Realised gains (losses) on disposal of impaired debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Realised gains (losses) on impaired debt instruments at amortised cost	3	-
Losses on non-impaired loans and bad debt	(134)	(97)
Recoveries on loans and receivables written off	127	192
recognised at amortised cost	127	192
recognised in other comprehensive income that may be reclassified to profit or loss	-	-
Discounts on restructured loans	(9)	(13)
Losses on commitments by signature	(1)	-
Other losses	(55)	(21)
Other gains	25	4
COST OF RISK	**(1,486)**	**(1,503)**

4.10 Net gains (losses) on other assets

(in millions of euros)	30/06/2023	30/06/2022
Property, plant & equipment and intangible assets used in operations	**98**	**26**
Gains on disposals	132	32
Losses on disposals	(34)	(6)
Consolidated equity investments	**5**	**11**
Gains on disposals	5	15
Losses on disposals	-	(4)
Net income (expense) on combinations	**(65)**	**(2)**
NET GAINS (LOSSES) ON OTHER ASSETS	**37**	**35**

4.11 Income tax

The effective tax rate for the first half of 2023 works out at 25.2% on the basis of a positive pre-tax income of €5,888 million (before income from equity-accounted entities and income from discontinued operations) vs. 27.4% at 30 June 2022.

4.11.1 Pillar 2 – GLOBE (Global Anti-Base Erosion)

The OECD has released new international tax rules aimed at requiring large Multinational Enterprises (MNEs) 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 the new rules is to combat competition between countries based on tax rates.

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

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

4.12 Changes in other comprehensive income

The breakdown of income and expenses recognised for the period is presented below:

BREAKDOWN OF TOTAL OTHER COMPREHENSIVE INCOME

(in millions of euros)	30/06/2023	30/06/2022 Restated
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax		
Gains and losses on translation adjustments	**(236)**	**612**
Revaluation adjustment of the period	(236)	612
Reclassified to profit or loss	-	-
Other changes	-	-
Other comprehensive income on debt instruments that may be reclassified to profit or loss	**2,869**	**(29,108)**
Revaluation adjustment of the period	2,592	(29,167)
Reclassified to profit or loss	277	59
Other changes	-	-
Gains and losses on hedging derivative instruments	**97**	**(1,975)**
Revaluation adjustment of the period	96	(1,975)
Reclassified to profit or loss	1	-
Other changes	-	-
Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss	(2,707)	26,673
Insurance finance income or expenses related to reinsurance contracts held recognised in other comprehensive income that will be reclassified to profit or loss	(4)	(185)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**(25)**	83
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**(72)**	**1,169**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**6**	**8**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**(73)**	**(2,723)**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax		
Actuarial gains and losses on post-employment benefits	(24)	486
Other comprehensive income on financial liabilities attributable to changes in own credit risk	**105**	**791**
Revaluation adjustment of the period	108	788
Reclassified to reserves	(3)	3
Other changes	-	-
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	**87**	**23**
Revaluation adjustment of the period	156	20
Reclassified to reserves	(69)	3
Other changes	-	-
Insurance finance income or expenses recognised directly in other comprehensive income that will not be reclassified to profit or loss	(242)	(52)
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**4**	**(6)**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**14**	**(311)**
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	**-**	**-**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**(57)**	**931**
Other comprehensive income net of income tax	**(130)**	**(1,792)**
Of which Group share	(88)	(1,811)
Of which non-controlling interests	(42)	19

NOTE 5 Segment information

DEFINITION OF OPERATING SEGMENTS

According to IFRS 8, information disclosed is based on the internal reporting that is used by the Executive Committee to manage Crédit Agricole Group, to assess performance, and to make decisions about resources to be allocated to the identified operating segments.

Operating segments according to the internal reporting consist of the business lines of the Group.

At 30 June 2023, the Crédit Agricole Group's business activities were organised into seven operating segments:

1. the following six business lines:
   - French Retail Banking – Regional Banks,
   - French Retail Banking – LCL,
   - International Retail Banking,
   - Asset Gathering,
   - Large Customers,
   - Specialised Financial Services,
2. as well as the "Corporate Centre".

PRESENTATION OF BUSINESS LINES

French Retail Banking – Regional Banks

This business line covers Regional Banks and their subsidiaries.

The Regional Banks provide banking for individuals, farmers, small businesses, corporates and local authorities and have strong local connections.

The Crédit Agricole Regional Banks sell the full range of banking and financial services and products (savings vehicles [monetary, bonds, securities and funds], financing offers [including housing loans and consumer finance], insurance products [life, death & disability, and property and casualty]), as well as payment instruments, personal services, non-banking services and wealth management.

French Retail Banking – LCL

LCL is a French Retail Banking network with a strong presence in urban areas. It is organised into four business lines: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking.

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management products.

International Retail Banking

This business line encompasses international subsidiaries and equity investments that are mainly involved in retail banking.

These subsidiaries and equity investments are primarily located in Europe: Crédit Agricole Italia in Italy, Crédit Agricole Polska in Poland, as well as in Ukraine, but also in the Mediterranean region with Crédit Agricole Egypt and a 15% stake in Crédit du Maroc.

The international consumer credit, leasing and factoring subsidiaries (subsidiaries of Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring and EFL in Poland etc.) are not included in this segment, but in "Specialised Financial Services", except Calit in Italy, which is part of International Retail Banking.

Asset Gathering

This business line brings together:

- the insurance activities of Crédit Agricole Group companies to support customers at every stage of their lives and cover all their property & casualty and life insurance needs in France and abroad, via the following three business lines:
    - Savings and retirement;
    - Death & disability/creditor/group insurance;
    - Property and casualty insurance.

Following the partnership agreement made with Europ Assistance in January 2021, the Crédit Agricole Assurances Group has expanded its range of support services.

In December 2022, Crédit Agricole Assurances announced the launch of its supplemental professional retirement fund, named Crédit Agricole Assurances Retraite (Retirement Insurance), which will offer comprehensive and dedicated solutions, including individual and group retirement savings plans (plans d'épargne retraite, or PER).

- the asset management activities of the Amundi Group, offering savings solutions for retail clients and investment and technology solutions for institutional investors in Europe, Asia and the Americas through a full range of active and passive management services in traditional or real assets. The acquisition of Lyxor on 31 December 2021, which was finalised in 2022, strengthened Amundi's positioning.
- as well as wealth management activities conducted mainly by Indosuez Wealth Management subsidiaries (CA Indosuez (Switzerland) S.A., CA Indosuez Wealth (Europe), CFM Indosuez Wealth and CA Indosuez).

Specialised Financial Services

Specialised Financial Services comprises the Group entities that provide financial products and services to individual customers, small businesses, corporates, farmers and local authorities in France and abroad. These are:

- companies offering consumer finance, car leasing and mobility solutions around Crédit Agricole Consumer Finance in France (Sofinco, as well as the management of the consumer finance activity on behalf of the Regional Banks and LCL) and through its international subsidiaries or partnerships (Agos, Creditplus Bank, Credibom, CACF Spain, CA Auto Bank[1], GAC Sofinco and Wafasalaf).
- specialised financial services for corporates, such as factoring and lease finance (Crédit Agricole Leasing & Factoring Group, EFL) and financing specifically for energy and the regions, for corporates, local authorities and farmers, who are actors in the energy transition (through Unifergie, a subsidiary of Crédit Agricole Leasing & Factoring).

Large Customers

The Large Customers division includes corporate and investment banking, which itself consists of two main lines of business most of which are carried out by Crédit Agricole CIB, and asset servicing for institutions and issuers carried out by CACEIS:

- financing activities, which include corporate banking and structured finance in France and internationally. Structured finance consists of originating, structuring and financing investment transactions often collateralised by physical assets (planes, boats, office buildings, commodities etc.) and complex and structured credit instruments;
- capital markets and investment banking activities bring together capital market activities (treasury, foreign exchange, interest rate derivatives, bond markets), and investment banking activities (mergers and acquisitions consulting and primary equity advisory);
- asset servicing for institutional investors and issuers: CACEIS Bank for custody and depositary services, CACEIS Fund Administration for fund administration services and Uptevia (formerly CACEIS Corporate Trust[2]) for issuer services.

Corporate Centre

[1] Since 3 April 2023, CACF has held 100% of CA Auto Bank (formerly FAC Bank) and has created, along with Stellantis, a joint venture formed from the merger of Leasys and Freetomove, in which it holds 50%.

[2] As of 01/01/2023, the Issuer Services activities of CACEIS and BNP Paribas in France will be grouped together within a new structure, Uptevia, which will be owned equally by these two banks.

This segment encompasses:

- Crédit Agricole S.A.'s corporate centre function, asset and liability management and management of debt connected with acquisitions of subsidiaries or equity investments and the net impact of tax consolidation for Crédit Agricole S.A.;
- the results of the private equity business and results of various other Crédit Agricole Group companies (notably CA Immobilier, Uni-médias, Foncaris, BForBank etc.);
- the results from services companies including IT and payment companies (CA-GIP and CAPS) and real-estate companies.

The division also includes the technical and volatile impacts related to intragroup transactions.

5.1 Operating segment information

Transactions between operating segments are effected at arm's length.

	30/06/2023							
	French Retail Banking							
(in millions of euros)	*Regional banks*	*LCL*	International retail banking	Asset gathering	Large customers	Specialised financial services	Corporate center	Total
Revenues	6,686	1,895	1,994	3,486	3,956	1,834	(1,378)	**18,473**
Operating expenses	(5,000)	(1,197)	(1,061)	(1,436)	(2,471)	(829)	858	**(11,136)**
Gross operating income	**1,686**	**698**	**933**	**2,050**	**1,485**	**1,005**	**(520)**	**7,337**
Cost of risk	(576)	(135)	(240)	(1)	(68)	(463)	(3)	**(1,486)**
Operating income	**1,110**	**563**	**693**	**2,049**	**1,417**	**542**	**(523)**	**5,851**
Share of net income of equity-accounted entities	7	-	2	49	11	85	-	**154**
Net gains (losses) on other assets	6	2	-	-	5	25	(1)	**37**
Change in value of goodwill	-	-	-	-	-	-	-	**-**
Pre-tax income	**1,122**	**566**	**695**	**2,098**	**1,433**	**652**	**(524)**	**6,042**
Income tax charge	(289)	(138)	(203)	(475)	(358)	(177)	157	**(1,483)**
Net income from discontinued operations	-	-	5	1	-	-	-	**6**
Net income	**833**	**428**	**497**	**1,624**	**1,075**	**475**	**(367)**	**4,565**
Non-controlling interests	-	-	79	233	54	45	4	**415**
NET INCOME GROUP SHARE	**833**	**428**	**418**	**1,391**	**1,021**	**430**	**(371)**	**4,150**

	30/06/2022							
	French Retail Banking							
(in millions of euros)	*Regional banks*	*LCL*	International retail banking	Asset gathering	Large customers	Specialised financial services	Corporate center	Total
Revenues	7,425	1,996	1,635	2,757	3,692	1,372	(1,147)	**17,730**
Operating expenses	(4,840)	(1,237)	(1,057)	(1,433)	(2,369)	(759)	815	**(10,880)**
Gross operating income	**2,585**	**759**	**578**	**1,324**	**1,323**	**613**	**(332)**	**6,850**
Cost of risk	(557)	(104)	(393)	(5)	(202)	(237)	(5)	**(1,503)**
Operating income	**2,028**	**655**	**185**	**1,319**	**1,121**	**376**	**(337)**	**5,347**
Share of net income of equity-accounted entities	5	-	1	40	6	158	-	**210**
Net gains (losses) on other assets	24	5	6	3	(1)	(2)	-	**35**
Change in value of goodwill	-	-	-	-	-	-	-	**-**
Pre-tax income	**2,057**	**660**	**192**	**1,362**	**1,126**	**532**	**(337)**	**5,592**
Income tax charge	(516)	(176)	(112)	(330)	(279)	(114)	53	**(1,474)**
Net income from discontinued operations	-	-	13	10	-	2	-	**25**
Net income	**1,541**	**484**	**93**	**1,042**	**847**	**420**	**(284)**	**4,143**
Non-controlling interests	1	2	58	205	36	56	4	**362**
NET INCOME GROUP SHARE	**1,540**	**482**	**35**	**837**	**811**	**364**	**(288)**	**3,781**

5.2 Specific characteristics of insurance

(See Chapter on "Risk factors – Insurance sector risks" on managing the insurance sector risk)

GROSS INCOME OF THE INSURANCE COMPANIES

(in millions of euros)	30/06/2023	30/06/2022
Insurance revenue	6,946	7,490
Insurance service expenses	(5,565)	(5,925)
Income or expenses related to reinsurance contracts held	(123)	(32)
Insurance service result	**1,259**	**1,532**
Revenue or income from other activities	**39**	**47**
Investment income	3,943	4,264
Investment expenses	(394)	(498)
Gains (losses) on disposals of investments net of impairment and amortisation reversals	(82)	3
Change in fair value of investments at fair value through profit or loss	3,355	(15,151)
Change in impairment on investments	14	(1)
Investment income net of expenses	**6,837**	**(11,384)**
Insurance finance income or expenses	(6,543)	10,100
Insurance finance income or expenses related to reinsurance contracts held	24	25
Change in investment contracts without discretionary participation features	(87)	584
Net financial income	**231**	**(674)**
Other current operating income (expense)	**(164)**	**(166)**
Other operating income (expense)	**(26)**	**(26)**
Operating income	**1,340**	**713**
Financing expenses	**(73)**	**(93)**
Income tax charge	**(290)**	**(158)**
Net income from discontinued operations	**-**	**9**
Consolidated net income	**977**	**471**
Non-controlling interests	**38**	**38**
Net income Group share	**939**	**433**

INSURANCE AND REINSURANCE CONTRACTS

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

(in millions of euros)	30/06/2023	31/12/2022
Insurance contracts issued	**343,442**	**334,280**
Insurance contracts issued that are assets	**-**	**-**
Remaining coverage	-	-
Incurred claims	-	-
Assets for insurance acquisition cash flows	-	-
Insurance contracts issued that are liabilities	**343,442**	**334,280**
Remaining coverage	333,151	323,454
Incurred claims	10,291	10,825
Assets for insurance acquisition cash flows	-	-
Reinsurance contracts held	**(919)**	**(882)**
Reinsurance contracts held that are assets	**(1,042)**	**(973)**
Remaining coverage	(310)	(220)
Incurred claims	(732)	(754)
Reinsurance contracts held that are liabilities	**123**	**92**
Remaining coverage	148	145
Incurred claims	(25)	(53)
Investment contracts without discretionary participation features	**3,167**	**3,239**

Reconciliations of the opening and closing balances of the contracts that enter into the scope of application of IFRS 17 are presented below.

These reconciliations show how the net carrying amounts of the insurance contracts issued and reinsurance contracts held, respectively, varied over the period due to cash flows as well as income and expenses recognised in profit or loss and in OCI.

An initial reconciliation (by type of liability) separately analyses the changes in the liability for remaining coverage and changes in the liability for incurred claims and reconciles these changes with the items of the income statement and statement of net income and other comprehensive income recognised directly in equity.

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

RECONCILIATIONS OF THE OPENING AND CLOSING BALANCES OF THE CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED BY TYPE OF LIABILITY

	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 of euros)	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	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	**323,364**	**91**	**5,440**	**5,252**	**133**	**334,280**	**369,093**	**98**	**6,559**	**4,795**	**118**	**380,663**
Opening carrying amounts of portfolios of insurance contracts issued that are assets	-	-	-	-	-	-	(473)	-	395	-	-	(78)
Opening carrying amounts of portfolios of insurance contracts issued that are liabilities	323,364	91	5,440	5,252	133	334,280	369,566	98	6,164	4,795	118	380,741
Insurance revenue	**(6,942)**	**-**	**-**	**-**	**-**	**(6,942)**	**(14,009)**					**(14,009)**
Insurance service expenses	**736**	**10**	**1,968**	**2,112**	**-**	**4,826**	**1,379**	**(7)**	**3,572**	**4,644**	**24**	**9,613**
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	(11)	2,062	2,210	35	4,295	-	(34)	3,642	4,702	53	8,364
Amortisation of insurance acquisition cash flows	736	-	-	-	-	736	1,379					1,379
Changes in fulfilment cash flows relating to the liability for incurred claims	-	-	(95)	(98)	(35)	(227)			(70)	(59)	(29)	(158)
Losses on onerous groups of contracts and reversals of such losses	-	22	-	-	-	22		27			-	27
Insurance service result	**(6,207)**	**10**	**1,968**	**2,112**	**-**	**(2,117)**	**(12,630)**	**(7)**	**3,572**	**4,644**	**24**	**(4,396)**
Insurance finance income or expenses	**9,380**	**-**	**47**	**63**	**2**	**9,492**	**(45,440)**	**1**	**(2)**	**(348)**	**(8)**	**(45,798)**
Total changes recognised in profit or loss and other comprehensive income	**3,174**	**11**	**2,015**	**2,174**	**2**	**7,376**	**(58,069)**	**(6)**	**3,570**	**4,295**	**16**	**(50,194)**
Investment components	**(14,648)**	**-**	**14,648**	**-**	**-**	**-**	**(23,194)**		**23,194**	**-**		**-**
Other changes	**(198)**	**4**	**16**	**(5)**	**(1)**	**(185)**	**373**	**(1)**	**(124)**	**2**	**(1)**	**249**
Cash flows in the period	**21,355**	**-**	**(17,211)**	**(2,172)**	**-**	**1,971**	**35,162**		**(27,759)**	**(3,841)**	**-**	**3,562**
Premiums received for insurance contracts issued	22,192	-	-	-	-	22,192	36,479					36,479
Insurance acquisition cash flows	(836)	-	-	(7)	-	(844)	(1,318)			(14)		(1,332)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued, excluding insurance acquisition cash flows – including investment components	-	-	(17,211)	(2,165)	-	(19,376)			(27,759)	(3,826)		(31,586)
CLOSING NET CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED	**333,046**	**105**	**4,908**	**5,249**	**134**	**343,442**	**323,364**	**91**	**5,440**	**5,252**	**133**	**334,280**
Closing carrying amounts of portfolios of insurance contracts issued that are assets	-	-	-	-	-	-	-	-	-	-	-	-
Closing carrying amounts of portfolios of insurance contracts issued that are liabilities	333,046	105	4,908	5,249	134	343,442	323,364	91	5,440	5,252	133	334,280

RECONCILIATIONS OF THE OPENING AND CLOSING BALANCES OF THE INSURANCE CONTRACTS ISSUED BY MEASUREMENT COMPONENT OF THE CONTRACTS EXCLUDING PREMIUM ALLOCATION APPROACH CONTRACTS

	30/06/2023				31/12/2022			
(in millions of euros)	Estimates of the present value of the future	Risk adjustment for non-financial risk	Contractual service margin	TOTAL	Estimates of the present value of the future	Risk adjustment for non-financial risk	Contractual service margin	TOTAL
OPENING NET CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED	**292,887**	**3,521**	**28,503**	**324,911**	**340,576**	**3,340**	**27,778**	**371,694**
Opening carrying amounts of portfolios of insurance contracts issued that are assets	-	-	-	-	(1,011)	390	543	(78)
Opening carrying amounts of portfolios of insurance contracts issued that are liabilities	292,887	3,521	28,503	324,911	341,587	2,950	27,235	371,772
Changes that relate to future service	**(3,794)**	**251**	**3,567**	**24**	**(4,305)**	**561**	**3,768**	**24**
Changes in estimates that adjust the contractual service margin	(1,742)	64	1,678	-	(1,296)	272	1,024	-
Changes in estimates that do not adjust the contractual service margin	14	1	-	15	7	1		8
Effects of contracts initially recognised in the period	(2,066)	186	1,889	9	(3,016)	288	2,744	16
Changes that relate to current service	**153**	**(152)**	**(1,611)**	**(1,610)**	**(94)**	**(239)**	**(3,109)**	**(3,442)**
Contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	(1,611)	(1,611)			(3,109)	(3,109)
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	153	-	-	153	(94)			(94)
Changes that relate to past service	**(95)**	**-**	**-**	**(95)**	**(64)**	**(6)**		**(70)**
Changes in fulfilment cash flows relating to incurred claims	(95)	-	-	(95)	(64)	(6)		(70)
Insurance service result	**(3,736)**	**99**	**1,956**	**(1,681)**	**(4,463)**	**316**	**659**	**(3,488)**
Insurance finance income or expenses	**9,382**	**15**	**31**	**9,428**	**(45,368)**	**(135)**	**62**	**(45,441)**
Total changes recognised in profit or loss and other comprehensive income	**5,646**	**114**	**1,987**	**7,747**	**(49,831)**	**181**	**721**	**(48,929)**
Other changes	**(170)**	**-**	**(6)**	**(176)**	**244**	**-**	**4**	**248**
Cash flows in the period	**741**	**-**	**-**	**741**	**1,898**			**1,898**
Premiums received for insurance contracts issued	18,441	-	-	18,441	30,334			30,334
Insurance acquisition cash flows	(489)	-	-	(489)	(677)			(677)
Incurred claims paid and other insurance service expenses paid for insurance contracts issued, excluding insurance acquisition cash flows – including investment components	(17,211)	-	-	(17,211)	(27,759)			(27,759)
CLOSING NET CARRYING AMOUNTS OF INSURANCE CONTRACTS ISSUED	**299,104**	**3,635**	**30,484**	**333,223**	**292,887**	**3,521**	**28,503**	**324,911**
Closing carrying amounts of portfolios of insurance contracts issued that are assets	-	-	-	-	-	-	-	-
Closing carrying amounts of portfolios of insurance contracts issued that are liabilities	299,104	3,635	30,484	333,223	292,887	3,521	28,503	324,911

RECONCILIATION OF OPENING AND CLOSING BALANCES OF CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD BY TYPE OF ASSET

	30/06/2023					TOTAL	31/12/2022					TOTAL
	Assets for remaining coverage		Assets for incurred claims				Assets for remaining coverage		Assets for incurred claims			
				Contracts measured under PAA						Contracts measured under PAA		
(in millions of euros)	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	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	**70**	**5**	**98**	**684**	**24**	**881**	**68**	**9**	**235**	**457**	**17**	**786**
Opening carrying amounts of portfolios of reinsurance contracts held that are assets	215	5	45	684	24	973	136	9	235	481	17	878
Opening carrying amounts of portfolios of reinsurance contracts held that are liabilities	(145)	-	53	-	-	(92)	(68)	-	-	(24)	-	(92)
Allocation of the premiums paid	**(366)**	**-**	**-**	**-**	**-**	**(366)**	**(792)**	**-**	**-**	**-**	**-**	**(792)**
Amounts recovered from the reinsurer	**-**	**(1)**	**136**	**114**	**(2)**	**246**	**1**	**(4)**	**363**	**558**	**8**	**927**
Amounts recovered for claims and other expenses incurred in the period	-	-	65	103	2	171	1	-	369	553	12	935
Changes in fulfilment cash flows relating to the assets for incurred claims	-	-	70	11	(4)	77	-	-	(6)	6	(4)	(4)
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	**(369)**	**(1)**	**135**	**114**	**(2)**	**(123)**	**(789)**	**(4)**	**364**	**558**	**8**	**138**
Insurance finance income or expenses related to reinsurance contracts held	**8**	**-**	**1**	**10**	**-**	**20**	**(167)**	**-**	**(6)**	**(27)**	**(1)**	**(201)**
Total changes recognised in profit or loss and other comprehensive income	**(361)**	**(1)**	**137**	**124**	**(2)**	**(103)**	**(956)**	**(4)**	**357**	**532**	**7**	**(63)**
Investment components	**(4)**	**-**	**3**	**1**	**-**	**-**	**(11)**	**-**	**9**	**2**	**-**	**-**
Other changes	**7**	**(1)**	**(21)**	**38**	**-**	**23**	**71**	**-**	**(119)**	**(99)**	**-**	**(147)**
Cash flows for the period	**447**	**-**	**(96)**	**(233)**	**-**	**118**	**897**	**-**	**(385)**	**(208)**	**-**	**305**
Premiums paid for reinsurance contracts held	447	-	-	-	-	447	897	-	-	-	-	897
Amounts recovered from the reinsurer – including investment components	-	-	(96)	(233)	-	(330)	-	-	(385)	(208)	-	(593)
CLOSING NET CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD	**159**	**3**	**121**	**614**	**23**	**919**	**70**	**5**	**98**	**684**	**24**	**881**
Closing carrying amounts of portfolios of reinsurance contracts held that are assets	307	3	96	614	23	1,042	215	5	45	684	24	973
Closing carrying amounts of portfolios of reinsurance contracts held that are liabilities	(148)	-	25	-	-	(123)	(145)	-	53	-	-	(92)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD BY CONTRACT EVALUATION COMPONENT CONTRACTS EXCLUDING PREMIUM ALLOCATION APPROACH CONTRACTS

	30/06/2023				31/12/2022			
(in millions of euros)	Estimates of the present value of the future	Risk adjustment for non-financial risk	Contractual service margin	TOTAL	Estimates of the present value of the future	Risk adjustment for non-financial risk	Contractual service margin	TOTAL
OPENING NET CARRYING AMOUNTS OF REINSURANCE CONTRACTS HELD	**(226)**	**103**	**251**	**128**	**(46)**	**124**	**238**	**316**
Opening carrying amounts of portfolios of reinsurance contracts held that are assets	75	46	99	220	49	122	212	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)**	**4**	**83**	**-**	**(48)**	**21**	**27**	**-**
Changes in estimates that adjust the contractual service margin	(88)	3	85	-	(25)	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	**4**	**(7)**	**(104)**	**(107)**	**(4)**	**(18)**	**(26)**	**(48)**
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	4	-	-	4	(4)	-	-	(4)
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	**(16)**	**(3)**	**(21)**	**(40)**	**(55)**	**3**	**1**	**(50)**
Insurance finance income or expenses related to reinsurance contracts held	**2**	**3**	**5**	**10**	**(160)**	**(24)**	**10**	**(173)**
Total changes recognised in profit or loss and other comprehensive income	**(14)**	**-**	**(16)**	**(30)**	**(215)**	**(20)**	**12**	**(224)**
Other changes	**10**	**(1)**	**(3)**	**6**	**(51)**	**-**	**3**	**(48)**
Cash flows in the period	**12**	**-**	**-**	**12**	**84**	**-**	**-**	**84**
Premiums paid for reinsurance contracts held	111	-	-	111	466	-	-	466
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)**	**103**	**251**	**128**
Closing carrying amounts of portfolios of reinsurance contracts held that are assets	110	45	84	239	75	46	99	220
Closing carrying amounts of portfolios of reinsurance contracts held that are liabilities	(328)	57	148	(123)	(301)	57	152	(92)

INSURANCE REVENUE

A breakdown of insurance revenue recognised over the period is presented in the following table:

(in millions of euros)	30/06/2023	30/06/2022
Changes in the liability for remaining coverage	**3,660**	**3,571**
Insurance service expenses incurred during the period	1,887	1,934
Change in the risk adjustment for non-financial risk	154	135
Contractual service margin recognised in profit or loss because of the transfer of insurance contract services in the period	1,611	1,485
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	**448**	**332**
Insurance revenue from contracts not measured applying the PAA	**4,108**	**3,903**
Insurance revenue from contracts measured applying the PAA	**2,834**	**3,117**
INSURANCE REVENUE	**6,942**	**7,020**
of which Insurance contracts to which the modified retrospective approach has been applied	3,354	4,694
of which Insurance contracts to which the fair value approach has been applied	-	-

INSURANCE FINANCE INCOME OR EXPENSES

The following table presents a breakdown of the total amount of insurance finance income or expenses and net investment income recognised in profit or loss and in OCI over the period:

	30/06/2023			30/06/2022		
(in millions of euros)	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 INCOME NET OF INVESTMENT EXPENSES	**8,733**	**930**	**9,663**	**(36,456)**	**(3,779)**	**(40,235)**
Investment income net of investment expenses recognised in profit or loss	**6,219**	**518**	**6,737**	**(10,579)**	**(867)**	**(11,446)**
Investment income	3,471	329	3,800	3,786	360	4,146
Investment expenses	(372)	(5)	(377)	(459)	(25)	(484)
Gains and losses on disposal of investments net of reversals of impairment and amortisation	(76)	-	(76)	3	-	3
Change in fair value of investments recognised at fair value through profit or loss	3,184	191	3,375	(13,908)	(1,202)	(15,110)
Change in impairment of investments	12	3	15	(1)	-	(1)
Gains and losses on investments recognised in other comprehensive income	**2,514**	**412**	**2,926**	**(25,877)**	**(2,912)**	**(28,789)**
Gains and losses on debt instruments at fair value through other comprehensive income that will be reclassified to profit or loss	2366	451	2,817	(25,877)	(2,910)	(28,786)
Gains and losses on equity instruments measured at fair value through other comprehensive income that will not be reclassified to profit or loss	148	(39)	109	-	(3)	(3)
INSURANCE FINANCE INCOME OR EXPENSES	**(9,392)**	**(81)**	**(9,473)**	**36,230**	**332**	**36,562**
Insurance finance income or expenses recognised in profit or loss	**(6,456)**	**(63)**	**(6,519)**	**10,318**	**(192)**	**10,126**
Insurance finance income or expenses from insurance contracts issued recognised in profit or loss	(6,456)	(87)	(6,543)	10,318	(217)	10,101
Effect of unwinding of the discount rate	-	(152)	(152)	-	(16)	(16)
Effect of changes in interest rates and other financial assumptions	-	51	51	-	508	508
Insurance finance income or expenses for contracts with direct participation features	(9,391)	-	(9,391)	36,282	-	36,282
Disaggregation option	2,935	14	2,949	(25,964)	(709)	(26,673)
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	-	5	5
Effect of changes in interest rates and other financial assumptions	-	(6)	(6)	-	(164)	(164)
Disaggregation option	-	4	4	-	184	184
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)**	**(18)**	**(2,954)**	**25,912**	**524**	**26,436**
Insurance finance income or expenses from insurance contracts issued recognised in other comprehensive income	(2,936)	(14)	(2,950)	25,912	709	26,621
Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss	(2,694)	(14)	(2,708)	25,964	709	26,673
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**

INSURANCE CONTRACTS – TRANSITIONAL AMOUNTS

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

- identify, recognise and measure each group of insurance contracts as if it had always applied IFRS 17;
- identify, recognise and measure assets for insurance acquisition cash flows, if any, as if it had always applied IFRS 17 (but without being required to make an assessment of their recoverability before the date of transition);
- derecognise balances that would not exist if it had always applied IFRS 17;
- recognise any remaining net difference in equity.

If and only if the 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 may choose 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, i.e. 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 retirement insurance contracts of the Crédit Agricole Assurances Retraite (Retirement insurance) general fund.

The Group used the modified retrospective approach to measure the groups of insurance contracts recognised at the date of transition. The Group has not used the fair value approach. The Group determined that the full retrospective approach was impracticable for the relevant groups of contracts due to the unavailability of all the information necessary for a full retrospective application of the standard (not only in terms of data collected, but also in terms of assumptions or estimates made in prior accounting 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 that end, this approach includes a list of modifications in several areas; each of these modifications may be used only to the extent that reasonable and supportable information necessary to apply a full retrospective approach is not available.

The main changes to the modified retrospective approach that the Group has used for the measurement of certain groups of contracts at the transition date are as follows:

- the identification of groups of insurance contracts and determination of which contracts qualify as insurance contracts with direct participation features based on the information available at the date of transition;
- the exemption from the requirement to form groups in such a way that they do not include contracts issued more than one year apart;
- the determination of the CSM (or of the loss component, where applicable) for groups of insurance contracts without direct participation features at the transition date, notably:
  - the estimate 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 using an estimated yield curve 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 the discount rates at the date of initial recognition as determined above to accrete interest 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 of the loss component, where applicable) 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, amounts paid before that date that would not have varied based on the underlying items, the change in the risk adjustment for non-financial risk caused by the release from risk before that date, and insurance acquisition cash flows incurred before the transition date that are

allocated to the group), and by deducting from the latter the amount of the CSM that relates to services provided before that date;

- the determination, in the event that the OCI option is applied, of the cumulative amount of insurance finance income or expenses recognised in equity at the date of transition:
  - for groups of insurance contracts without direct participation features: either by using the discount rates at the date of initial recognition as determined above, or by considering it as nil;
  - for groups of insurance contracts with direct participation features for which the entity holds the underlying items: by considering 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 approach based on fair value to identify and measure assets for insurance acquisition cash flows.

RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF THE CONTRACTUAL SERVICE MARGIN – INSURANCE CONTRACTS ISSUED

A reconciliation of the opening and closing balances of the contractual service margin of insurance contracts issued under the measurement approach used at the transition date is presented in the following table:

	30/06/2023					31/12/2022				
	Insurance contracts recognised at the transition date					Insurance contracts recognised at the transition date				
(in millions of euros)	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 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 recognised after the transition date	TOTAL
OPENING CONTRACTUAL SERVICE MARGIN	**856**	**24,841**	-	**2,806**	**28,503**	**771**	**27,007**	-	-	**27,778**
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	24,841	-	2,806	28,503	771	26,465	-	-	27,235
Changes that relate to future service	**57**	**1,571**	**-**	**1,939**	**3,567**	**133**	**685**	**-**	**2,950**	**3,767**
Changes in estimates that adjust the contractual service margin	57	1,571	-	50	1,678	133	685	-	206	1,024
Effects of contracts initially recognised in the period	-	-	-	1 889	1 889	-	-	-	2,744	2,744
Changes that relate to current service	**(24)**	**(1,444)**	**-**	**(143)**	**(1,611)**	**(47)**	**(2,912)**	**-**	**(149)**	**(3,109)**
Contractual service margin recognised in profit or loss to reflect the transfer of services	(24)	(1,444)	-	(143)	(1,611)	(47)	(2,912)	-	(149)	(3,109)
Insurance service result	**33**	**127**	-	**1,796**	**1,956**	**85**	**(2,227)**	-	**2,801**	**659**
Insurance finance income or expenses	**-**	**28**	**-**	**3**	**31**	**-**	**57**	**-**	**5**	**62**
Total changes recognised in profit or loss and other comprehensive income	**33**	**155**	-	**1,799**	**1,987**	**85**	**(2,171)**	-	**2,806**	**720**
Other changes	**-**	**(7)**	**-**	**1**	**(6)**	**-**	**4**	**-**	**-**	**4**
CLOSING CONTRACTUAL SERVICE MARGIN	**889**	**24,989**	-	**4,606**	**30,484**	**856**	**24,841**	-	**2,806**	**28,503**
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	24,989	-	4,606	30,484	856	24,841	-	2,806	28,503

RECONCILIATION OF THE OPENING AND CLOSING BALANCES OF THE CONTRACTUAL SERVICE MARGIN – REINSURANCE CONTRACTS HELD

A reconciliation of the opening and closing balances of the contractual service margin of reinsurance contracts held under the measurement approach used at the transition date is presented in the following table:

	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
(in millions of euros)	Reinsurance contracts to which the full retrospective approach has been	Reinsurance contracts to which the modified retrospective approach	Reinsurance contracts to which the fair value approach has been			Reinsurance contracts to which the full retrospective approach has been	Reinsurance contracts to which the modified retrospective approach	Reinsurance contracts to which the fair value approach has been		
OPENING CONTRACTUAL SERVICE MARGIN	**-**	**245**	**-**	**7**	**252**	**-**	**238**	**-**	**-**	**238**
Opening contractual service margin of portfolios of reinsurance contracts held that are assets	-	94	-	5	99	-	212	-	-	212
Opening contractual service margin of portfolios of reinsurance contracts held that are liabilities	-	151	-	2	153	-	26	-	-	26
Changes that relate to future service	**-**	**84**	**-**	**(1)**	**83**	**-**	**6**	**-**	**21**	**27**
Changes in estimates that adjust the contractual service margin	-	84	-	1	85	-	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)**	**-**	**3**	**(103)**	**-**	**(11)**	**-**	**(14)**	**(25)**
Contractual service margin recognised in profit or loss to reflect services received	-	(106)	-	3	(103)	-	(11)	-	(14)	(25)
Reversals of the loss-recovery component excluded from the allocation of premiums paid	-	-	-	-	-	-	-	-	-	-
Income or expenses from reinsurance contracts held	**-**	**(22)**	**-**	**2**	**(20)**	**-**	**(5)**	**-**	**7**	**2**
Insurance finance income or expenses related to reinsurance contracts held	**-**	**5**	**-**	**-**	**5**	**-**	**10**	**-**	**-**	**10**
Total changes recognised in profit or loss and other comprehensive income	**-**	**(17)**	**-**	**2**	**(15)**	**-**	**5**	**-**	**7**	**12**
Other changes	**-**	**(5)**	**-**	**-**	**(5)**	**-**	**2**	**-**	**-**	**2**
CLOSING CONTRACTUAL SERVICE MARGIN	**-**	**223**	**-**	**9**	**232**	**-**	**245**	**-**	**7**	**252**
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	-	2	153

NOTE 6 Notes to the balance sheet

6.1 Financial assets and liabilities at fair value through profit or loss

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	30/06/2023	31/12/2022
Held for trading financial assets	284,204	242,006
Other financial instruments at fair value through profit or loss	216,414	204,095
Equity instruments	43,488	47,446
Debt instruments that do not meet the conditions of the “SPPI” test [1]	79,718	74,642
Other debt instruments measured by definition at fair value through profit or loss	3,170	-
Assets backing unit-linked contracts	89,964	81,939
Financial assets designated at fair value through profit or loss	74	67
CARRYING AMOUNT	**500,618**	**446,101**
Of which lent securities	4	214

[1] Including €68,050 million in UCITS as at 30 June 2023 versus €62,536 million as at 31 December 2022

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	30/06/2023	31/12/2022
Held for trading financial liabilities	268,569	231,694
Financial liabilities designated at fair value through profit or loss [1]	70,586	53,764
CARRYING AMOUNT [2]	**339,155**	**285,458**

[1] Including -€515 million relating to the issuer spread, the changes of which are recognised in other comprehensive income that cannot be reclassified.at 30 June 2023 vs. an issuer spread of -€411 million at 31 December 2022

[2] Including €8 million in securities borrowed as at 30 June 2023 and as at 31 December 2022

Pursuant to IFRS 9, the Crédit Agricole Group calculates changes in fair value attributable to changes in own credit risk using a methodology that allows for them to be separated from changes in value attributable to changes in market conditions.

- Basis for calculating own credit risk

The source taken into account for the calculation of own credit risk may vary from one issuer to another. Within the Crédit Agricole Group, the source used is the change in its cost of market refinancing based on the type of issuance.

- Calculation of unrealised gains/losses on own credit adjustment (recognised in other comprehensive income)

The Crédit Agricole Group’s preferred approach is based on the liquidity component of issues. All issues are replicated by a group of vanilla loans/borrowings. Changes in fair value attributable to changes in own credit risk of all issues therefore correspond to those of said loans. These are equal to the changes in fair value of the loan book caused by changes in the cost of refinancing.

- Calculation of realised gains/losses on own credit risk (recognised in consolidated reserves)

The Crédit Agricole Group has elected to transfer fair value changes attributable to changes in own credit risk upon unwinding to consolidated reserves. Accordingly, when there is a total or partial early redemption, a sensitivity-based calculation is done. This consists of measuring the change in fair value attributable to the changes in own credit risk of a given issuance as being the sum of the credit spread sensitivities multiplied by the change in this spread between the issuance date and the redemption date.

6.2 Financial assets at fair value through other comprehensive income

	30/06/2023		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	211,407	756	(23,866)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	8,127	2,011	(1,232)
TOTAL	**219,534**	**2,768**	**(25,098)**

	31/12/2022		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	214,432	739	(27,236)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,784	1,276	(1,069)
TOTAL	**219,216**	**2,014**	**(28,305)**

DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS

	30/06/2023		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	66,324	467	(9,549)
Bonds and other fixed income securities	144,646	289	(14,296)
Total Debt securities	**210,970**	**756**	**(23,846)**
Loans and receivables due from credit institutions	-	-	-
Loans and receivables due from customers	437	-	(21)
Total Loans and receivables	**437**	**-**	**(21)**
Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**211,407**	**756**	**(23,866)**
Income tax charge		(158)	6,250
OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**598**	**(17,616)**

	31/12/2022		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	65,467	387	(11,180)
Bonds and other fixed income securities	148,965	352	(16,056)
Total Debt securities	**214,432**	**739**	**(27,236)**
Loans and receivables due from credit institutions	-	-	-
Loans and receivables due from customers	-	-	-
Total Loans and receivables	**-**	**-**	**-**
Total Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**214,432**	**739**	**(27,236)**
Income tax charge		(126)	7,138
OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**613**	**(20,098)**

EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS

OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT CANNOT BE RECLASSIFIED

	30/06/2023		
(in millions of euros)	**Carrying amount**	**Unrealised gains**	**Unrealised losses**
Equities and other variable income securities	4,118	475	(258)
Non-consolidated equity investments	4,009	1,537	(973)
Total Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**8,127**	**2,011**	**(1,232)**
Income tax charge		(150)	43
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**1,861**	**(1,189)**

	31/12/2022		
(in millions of euros)	**Carrying amount**	**Unrealised gains**	**Unrealised losses**
Equities and other variable income securities	1,057	47	(112)
Non-consolidated equity investments	3,727	1,229	(957)
Total Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**4,784**	**1,276**	**(1,069)**
Income tax charge		(100)	7
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**1,176**	**(1,062)**

EQUITY INSTRUMENTS DERECOGNISED DURING THE PERIOD

	30/06/2023		
(in millions of euros)	Fair value at the date of derecognition	Cumulative gains realised [1]	Cumulative losses realised [1]
Equities and other variable income securities	677	95	(19)
Non-consolidated equity investments	16	1	(8)
Total Investments in equity instruments	**694**	**96**	**(27)**
Income tax charge		(1)	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX) [1]		**95**	**(27)**

[1] *Realised gains and losses are transferred to consolidated reserves when the instrument in question is derecognised.*

	31/12/2022		
(in thousands of euros)	Fair value at the date of derecognition	Cumulative gains realised [1]	Cumulative losses realised [1]
Equities and other variable income securities	9	3	(9)
Non-consolidated equity investments	93	9	(23)
Total Investments in equity instruments	**102**	**12**	**(32)**
Income tax charge		-	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX) [1]		**12**	**(32)**

[1] *Realised gains and losses are transferred to consolidated reserves when the instrument in question is derecognised.*

6.3 Financial assets at amortised cost

(in millions of euros)	30/06/2023	31/12/2022
Loans and receivables due from credit institutions	124,151	114,149
Loans and receivables due from customers	1,146,011	1,113,184
Debt securities	113,112	115,876
CARRYING AMOUNT	**1,383,274**	**1,343,209**

LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS

(in millions of euros)	30/06/2023	31/12/2022
Credit institutions		
Loans and receivables	112,637	104,715
of which non doubtful current accounts in debit [1]	*13,622*	*6,755*
of which non doubtful overnight accounts and advances [1]	*315*	*391*
Pledged securities	-	-
Securities bought under repurchase agreements	11,668	9,309
Subordinated loans	235	566
Other loans and receivables	42	4
Gross amount	**124,582**	**114,594**
Impairment	(431)	(445)
CARRYING AMOUNT	**124,151**	**114,149**

[1] These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the Cash Flow Statement.

LOANS AND RECEIVABLES DUE FROM CUSTOMERS

(in millions of euros)	30/06/2023	31/12/2022
Customer transactions		
Trade receivables	42,734	44,222
Other customer loans	1,071,203	1,043,374
Pledged securities	-	-
Securities bought under repurchase agreements	5,332	5,726
Subordinated loans	79	84
Insurance receivables	-	-
Reinsurance receivables	-	-
Advances in associates' current accounts	948	919
Current accounts in debit	16,452	17,713
Gross amount	**1,136,747**	**1,112,038**
Impairment	(19,962)	(19,289)
Net value of loans and receivables due from customers	**1,116,785**	**1,092,749**
Finance leases		
Property leasing	5,813	5,744
Equipment leases, operating leases and similar transactions	24,076	15,266
Gross amount	**29,889**	**21,010**
Impairment	(662)	(575)
Net value of lease financing operations	**29,226**	**20,435**
CARRYING AMOUNT [1]	**1,146,011**	**1,113,184**

[1] As at 30 June 2023, the amount of French State-guaranteed loans (SGL) granted to customers by the Crédit Agricole Group in the context of the measures to support the economy in the wake of the COVID-19 health crisis was €15.5 billion (compared to €18.4 billion as at 31 December 2022).

DEBT SECURITIES

(in millions of euros)	30/06/2023	31/12/2022
Treasury bills and similar securities	42,693	44,428
Bonds and other fixed income securities	70,569	71,580
Total	**113,262**	**116,008**
Impairment	(150)	(132)
CARRYING AMOUNT	**113,112**	**115,876**

6.4 Financial liabilities at amortised cost

(in millions of euros)	30/06/2023	31/12/2022
Due to credit institutions	115,233	152,156
Due to customers	1,077,377	1,093,513
Debt securities	249,096	221,894
CARRYING AMOUNT	**1,441,706**	**1,467,563**

DUE TO CREDIT INSTITUTIONS

(in millions of euros)	30/06/2023	31/12/2022
Credit institutions		
Accounts and borrowings	91,961	130,720
of which current accounts in credit [1]	*10,435*	*9,852*
of which overnight accounts and deposits [1]	*3,365*	*684*
Pledged securities	-	-
Securities sold under repurchase agreements	23,272	21,436
CARRYING AMOUNT	**115,233**	**152,156**

[1] These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the Cash Flow Statement.

As at 30 June 2023, the residual outstanding amount of TLTRO III loans from the ECB is €45.5 billion.

DUE TO CUSTOMERS

(in millions of euros)	30/06/2023	31/12/2022
Current accounts in credit	479,726	535,415
Special savings accounts	376,063	370,833
Other amounts due to customers	218,271	185,217
Securities sold under repurchase agreements	3,317	2,049
CARRYING AMOUNT	**1,077,377**	**1,093,513**

DEBT SECURITIES

(in millions of euros)	30/06/2023	31/12/2022
Interest bearing notes	6	8
Interbank securities	6,136	5,906
Negotiable debt securities	115,798	109,074
Bonds	122,631	104,391
Other debt securities	4,525	2,515
Carrying amount	**249,096**	**221,894**

6.5 Non-current assets held for sale and discontinued operations

BALANCE SHEET OF NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

(in millions of euros)	30/06/2023	31/12/2022
Cash, central banks	-	-
Financial assets at fair value through profit or loss	-	-
Hedging derivative Instruments	-	-
Financial assets at fair value through other comprehensive income	-	-
Financial assets at amortised cost	-	3
Revaluation adjustment on interest rate hedged portfolios	-	-
Current and deferred tax assets	-	1
Accruals, prepayments and sundry assets	-	31
Insurance contracts issued that are assets	-	-
Reinsurance contracts held that are assets	-	-
Investments in equity-accounted entities	101	98
Investment property	-	-
Property, plant and equipment	-	-
Intangible assets	-	1
Goodwill	-	-
Total Assets	**101**	**134**
Central banks	-	-
Financial liabilities at fair value through profit or loss	-	-
Hedging derivative Instruments	-	-
Financial liabilities at amortised cost	-	10
Revaluation adjustment on interest rate hedged portfolios	-	-
Current and deferred tax liabilities	-	-
Accruals, prepayments and sundry liabilities	-	153
Insurance contracts issued that are liabilities	-	-
Reinsurance contracts held that are liabilities	-	-
Provisions	-	3
Subordinated debt	-	-
Adjustment to fair value of non-current assets held for sale and discontinued operations (excluding taxes)	39	39
Total Liabilities	**39**	**205**
NET ASSET FROM NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	**62**	**(71)**

INCOME STATEMENT FROM DISCONTINUED OPERATIONS

(in millions of euros)	30/06/2023	30/06/2022
Revenues	-	180
Operating expenses	-	(84)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	-	(17)
Cost of risk	-	(7)
Pre-tax income	**-**	72
Share of net income of equity-accounted entities	5	-
Net gains (losses) on other assets	-	2
Change in value of goodwill	-	-
Income tax charge	-	(29)
Net income	**5**	45
Income associated with fair value adjustments of discontinued operations	1	(20)
Net income from discontinued operations	**6**	25
Non-controlling interests	-	-
NET INCOME FROM DISCONTINUED OPERATIONS - GROUP SHARE	**6**	25

DISCONTINUED OPERATIONS CASH FLOW STATEMENT

(in millions of euros)	30/06/2023	30/06/2022
Net cash flows from (used by) operating activities	-	(115)
Net cash flows from (used by) investment activities	-	(243)
Net cash flows from (used by) financing activities	-	116
TOTAL	**-**	**(242)**

6.6 Investment property

(in millions of euros)	30/06/2023	31/12/2022 Restated
Investment property measured at cost	2,200	2,082
Investment property measured at fair value	10,778	11,080
Total investment property	**12,978**	**13,162**

INVESTMENT PROPERTIES MEASURED AT COST

Investment properties measured at cost in the Group's financial statements are properties, including those let to third parties – that are not underlying items of insurance contracts.

(in millions of euros)	31/12/2022 Restated	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Transfers in non-current assets held for sale and discontinued operations	Other movements	30/06/2023
Gross amount	2,751	41	122	(13)	-	-	(6)	**2,895**
Depreciation and impairment	(669)	-	(30)	3	-	-	1	**(696)**
INVESTMENT PROPERTY MEASURED AT COST [1]	**2,082**	**41**	**93**	**(10)**	**-**	**-**	**(5)**	**2,200**

[1] Including investment property let to third parties.

(in millions of euros)	31/12/2021 Restated	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Transfers in non-current assets held for sale and discontinued operations	Other movements	31/12/2022 Restated
Gross amount	2,612	88	273	(249)	-	-	27	**2,751**
Depreciation and impairment	(668)	(37)	(51)	83	-	-	4	**(669)**
INVESTMENT PROPERTY MEASURED AT COST [1]	**1,944**	**51**	**222**	**(166)**	**-**	**-**	**31**	**2,082**

[1] Including investment property let to third parties.

INVESTMENT PROPERTIES MEASURED AT FAIR VALUE

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

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

(in millions of euros)	31/12/2021 Restated	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Change in fair value	Other movements	31/12/2022 Restated
INVESTMENT PROPERTY MEASURED AT FAIR VALUE	**10,346**	**-**	**1,142**	**(585)**	**-**	**178**	**(1)**	**11,080**

6.7 Goodwill

(in millions of euros)	31/12/2022 GROSS	31/12/2022 NET	Increases (acquisitions)	Decreases (Divestments)	Impairment losses during the period	Translation adjustments	Other movements	30/06/2023 GROSS	30/06/2023 NET
French Retail Banking	**5,589**	**4,376**	**62**	**-**	**-**	**-**	**-**	**5,652**	**4,438**
of which LCL Group	5,558	4,354	-	-	-	-	-	5,558	4,354
including Caisses Régionales	31	22	62	-	-	-	-	94	84
International retail banking	**3,324**	**823**	**-**	**-**	**-**	**(5)**	**-**	**3,324**	**818**
of which Italy	3,042	796	-	-	-	-	-	3,042	796
of which Poland	201	-	-	-	-	-	-	212	-
of which Ukraine	33	-	-	-	-	-	-	33	-
of which other countries	48	27	-	-	-	(5)	-	37	22
Asset gathering	**8,132**	**8,131**	**-**	**-**	**-**	**(2)**	**-**	**8,128**	**8,129**
of which asset management	5,951	5,951	-	-	-	(9)	-	5,942	5,942
of which insurance	1,262	1,261	-	-	-	-	-	1,261	1,261
of which international wealth management	919	919	-	-	-	7	-	925	926
Specialised financial services	**3,093**	**1,337**	**7**	**-**	**-**	**1**	**-**	**3,101**	**1,345**
of which Consumer finance (excl.Agos) [1]	1,756	963	7	-	-	-	-	1,763	970
of which Consumer finance-Agos	672	103	-	-	-	-	-	672	103
of which Factoring	665	271	-	-	-	1	-	666	272
Large customers	**2,727**	**1,407**	**-**	**-**	**-**	**(1)**	**-**	**2,726**	**1,406**
of which Corporate and investment banking	1,818	498	-	-	-	(1)	-	1,817	497
of which Asset servicing	909	909	-	-	-	-	-	909	909
Corporate Centre	**122**	**115**	**43**	**-**	**-**	**-**	**-**	**166**	**158**
TOTAL	**22,987**	**16,189**	**112**	**-**	**-**	**(7)**	**-**	**23,097**	**16,294**
Group Share	**20,998**	**14,372**	**87**	**-**	**-**	**(5)**	**-**	**21,086**	**14,455**
Non-controlling interests	**1,988**	**1,816**	**25**	**-**	**-**	**(2)**	**-**	**2,011**	**1,839**

[1] Increase in the goodwill of Specialised Financial Services in the amount of +€7 million at 30 June 2023 in connection with the incremental acquisition of CA Auto Bank shares

Goodwill is tested for impairment whenever there is objective evidence of a loss of value and at least once a year. Even if the rise in rates and uncertainties arising from the Russia-Ukraine conflict are not the only indicators of loss of value, the consequences impact all economic sectors, and particularly the financial sector. The impact of these factors of uncertainty is reflected in the financial trajectories of the different business lines updated in the review at 30 June 2023 of the budget validated on 31 December 2022.

During the second quarter of 2023, Crédit Agricole S.A. ensured that there was no major deviation to the trajectories used for the work carried out at 31 December 2022. Additional work was carried out on the Consumer Finance CGU (excluding Agos) to check the impact of implementing the agreement entered into with Stellantis. For the preparation of the financial statements for the six months ended 30 June 2023, that work involved making a simplified estimate of the impact on the Consumer Finance CGU of the inclusion of CAAB – now wholly owned (fully consolidated) – in the CACF CGU and the corresponding reallocation of part of the goodwill previously allocated to FCA Bank, the balance being allocated to Leasys, now an equity-accounted associate.

Following this work, Crédit Agricole S.A. did not see any evidence of impairment of goodwill for any of its CGUs at 30 June 2023.

Furthermore, sensitivity analyses were conducted on goodwill – Group share of the French Retail Banking CGU – LCL:

- With regard to operational parameters:
  - A 50-basis point increase in discount rates would not result in a negative difference between value in use and the consolidated carrying amount. On the assumption of a more significant increase of 100 basis points in discount rates, the difference would be negative.
  - A 100-basis point increase in the level of CET1 equity allocated to the CGUs would still result in a positive difference.
- With regard to operational parameters:
  - The simulated deterioration assumptions, namely a scenario of a 10% increase in the cost of risk in the last year of the projection combined with a +100 basis point change in the cost/income ratio for the same year, would not result in a negative difference between value in use and the consolidated carrying amount.

Sensitivity of the value in use of the French Retail Banking CGU – LCL to the main valuation parameters

	Sensitivity to capital allocated	Sensitivity to the discount rate		Sensitivity to cost of risk in the final year		Sensitivity to the cost/income ratio in the final year	
As at 30 June 2023	**100 bp**	**-50 bp**	**50 bp**	**-10%**	**10%**	**-100 bp**	**+100 bp**
French Retail Banking – LCL	(3%)	8%	(6%)	1.9%	(1.9%)	3%	(3%)

6.8 Provisions

(in millions of euros)	31/12/2022	Changes in scope	Additions	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	30/06/2023
Home purchase schemes risks	748	-	-	-	-	-	-	**748**
Execution risks of commitments by signature	1,834	-	1,494	(5)	(1,507)	(12)	-	**1,804**
Operational risks	457	-	29	(8)	(129)	-	-	**350**
Employee retirement and similar benefits	1,372	51	88	(94)	(28)	(17)	7	**1,380**
Litigation	546	2	57	(32)	(54)	-	3	**521**
Equity investments	7	-	3	(1)	-	-	-	**10**
Restructuring	13	-	-	(2)	-	-	-	**11**
Other risks	667	78	176	(57)	(53)	(6)	(1)	**803**
TOTAL	**5,643**	**131**	**1,847**	**(199)**	**(1,771)**	**(36)**	**9**	**5,625**

At 30 June 2023, employee retirement schemes and similar benefits included €191 million (€223 million at 31 December 2022) of provisions arising from social costs of the restructuring plans. The provision for restructuring includes the non-social costs of those plans.

(in millions of euros)	31/12/2021	Changes in scope	Additions	Reversals, amounts used	Reversals, amounts unused	Translation adjustments	Other movements	31/12/2022
Home purchase schemes risks	1,247	-	-	-	(500)	1	-	**748**
Execution risks of commitments by signature	1,835	(26)	3,159	(11)	(3,157)	25	8	**1,834**
Operational risks	482	(1)	101	(60)	(72)	3	4	**457**
Employee retirement and similar benefits [1]	1,925	(9)	226	(175)	(105)	3	(493)	**1,372**
Litigation	758	(12)	119	(112)	(211)	1	3	**546**
Equity investments	6	-	2	(1)	-	-	-	**7**
Restructuring	22	-	2	(5)	(6)	-	-	**13**
Other risks	819	(5)	191	(182)	(153)	2	(4)	**667**
TOTAL	**7,094**	**(53)**	**3,800**	**(546)**	**(4,204)**	**35**	**(482)**	**5,643**

[1] Of which €752 million for post-employment benefits under defined-benefit schemes, including €163 million for the provision for long-service awards.

REGULATORY INQUIRIES AND INFORMATION REQUESTS

The principal cases associated with regulatory inquiries and information requests are:

Cheque Image Exchange (CIE) case

LCL and Crédit Agricole S.A. and ten other banks were served notice of grievances in March 2008 on behalf of the Conseil de la concurrence i.e. the French Competition Council, which has since been replaced by the French Competition Authority.

They were accused of colluding to implement and apply interchange fees for cashing cheques, since the passage of the Cheque Image Exchange system, i.e. between 2002 and 2007. In the opinion of the French Competition Authority, these fees constituted anti-competitive price agreements in the meaning of Articles 81 paragraph 1 of the treaty establishing the European Community and Article L.420-1 of the French Commercial Code (Code de commerce), and allegedly caused damage to the economy.

In their defence, the banks categorically refuted the anti-competitiveness of the fees and contested the legality of the proceedings.

In its decision published on 20 September 2010, the French Competition Authority ruled that the Cheque Image Exchange fee (CEIC) was anti-competitive by its very purpose. Concerning one of the fees for related services, the fee for cancellation of wrongly cleared transactions (AOCT), the French Competition Authority called on the banks to revise their amount within six months of the notification of the decision.

The accused banks were sanctioned for an overall amount of €384.92 million.

LCL and Crédit Agricole were respectively sentenced to pay €20.7 million and €82.1 million for the CEIC and €0.2 million and €0.8 million for the AOCT fee.

All of the banks appealed the decision to the Paris Court of Appeal. By a decree of 23 February 2012, the Court overruled the decision, stating that the French Competition Authority had not proven the existence of competition restrictions establishing the agreement as having an anti-competitive purpose.

On appeal by the French Competition Authority, on 14 April 2015, the French Supreme Court (Cour de cassation) overruled the Paris Court of Appeal's decision dated 23 February 2012 and remanded the case to the Paris Court of Appeal, on the sole ground that the Paris Court of Appeal declared the UFC-Que Choisir and ADUMPE's interventions in the proceedings devoid of purpose without having considered their arguments.

The French Supreme Court did not rule on the merits of the case and Crédit Agricole brought the case before the Paris Court of Appeal.

In its ruling on 21 December 2017, the Paris Court of Appeal confirmed the decision of the French Competition Authority dated 20 September 2010 but reduced the sanction on Crédit Agricole from €82,940,000 to €76,560,000. LCL's sanction remains unchanged, at an amount of €20,930,000.

As well as the other banks party to this procedure, LCL and Crédit Agricole filed an appeal with the Supreme Court.

On 29 January 2020, the French Supreme Court (Cour de cassation) overruled the Paris Court of Appeal's decision dated 21 December 2017 and referred the case to the same Court on the ground that the Paris Court of Appeal had not characterized the existence of restrictions of competition by object.

In a decision dated 2 December 2021, the Paris Court of Appeal overturned the decision of the French Competition Authority and ruled that it is not established that the introduction of the CEIC and the AOCT fee constituted any anti-competitive practices by their object or by their effects.

On 31 December 2021, the French Competition Authority appealed to the French Supreme Court (Cour de cassation) against this decision.

In its ruling dated 28 June 2023, the French Supreme Court (Cour de Cassation) dismissed the French Competition Authority's appeal, definitively confirming that the CEIC and the AOCT fees did not constitute a restriction of competition by object, and that it had not been established that the CEIC had resulted in the effect of distorting, restricting or preventing normal competition between banks. This decision puts a definitive end to the case.

Home Savings provisions

As indicated in our consolidated financial statements at 31 December 2022, the update according to the current models for calculating the Home Savings provision, which are highly sensitive to rate and liquidity parameters and to the projection of outstandings at risk, would have led, in the second half of 2022, to a mechanical reversal of 61% of the amount provisioned at 30 June 2022.

In the context of interest rate volatility, and especially the rapid increase beginning in 2022 to levels not seen for more than 10 years, it appears relevant not to recognise such a provision reversal in order to assess the impacts of this new environment, in particular on the behavioural models for calculating the provision. The market conditions observed in the first half of 2023 led us to extend the decision taken on 31 December 2022. The amount provisioned at 30 June 2023 has therefore been frozen at its level of 30 June 2022 (after a reversal of €499 million during the first half of 2022) and seems to us to best represent the reality of the risks at the end of the year.

These models are being worked on in 2023 to assess their robustness in this new context. This work will be finalised during the second half of 2023 and will result in the Home Savings provision by 31 December 2023 being adjusted to better represent our assessment of the risks incurred with these regulated savings products, taking into account market conditions and the new economic and financial environment.

6.9 Subordinated debt

(in millions of euros)	**30/06/2023**	**31/12/2022**
Dated subordinated debt [1]	23,214	22,950
Undated subordinated debt [2]	8	3
Mutual security deposits	210	201
Participating securities and loans	2	2
CARRYING AMOUNT	**23,434**	**23,156**

[1] Includes issues of dated subordinated notes (TSR).

[2] Includes issues of deeply subordinated notes (TSS) and undated subordinated notes (TSDI).

6.10 Undated financial instruments

The main issues of undated subordinated and deeply subordinated debt classified in shareholders' Equity – Group share are:

					At 30 June 2023			
Issue date	Currency	Amount in currency at 31 December 2022 *(in millions of units)*	Partial repurchases and redemptions *(in millions of units)*	Amount in currency at 30 June 2023 *(in millions of units)*	Amount in euros at inception rate *(in millions of euros)*	Interests paid Group share *(in millions of euros)*	Issuance costs net of taxes *(in millions of euros)*	Shareholders' equity Group share *(in millions of euros)*
23/01/2014	USD	1,750	-	1,750	1,283	(1,140)	(8)	135
08/04/2014	GBP	103	-	103	126	(84)	(1)	41
19/01/2016	USD	1,250	-	1,250	1,150	(670)	(8)	472
26/02/2019	USD	1,250	-	1,250	1,098	(317)	(7)	774
14/10/2020	EUR	750	-	750	750	(81)	(5)	664
23/06/2021	GBP	397	-	397	481	(70)	(1)	410
04/01/2022	USD	1,102	-	1,102	1,102	(81)	(8)	1,013
1/10/2023	EUR	-	-	1,250	1,250	(41)	(9)	1,200
Crédit Agricole S.A. Issues	-		-	**-**	**7,240**	**(2,484)**	**(47)**	**4,709**
Issues subscribed in-house :								
Group share / Non controlling interests effect		-	-	-	-	81	-	81
TOTAL		-	-	-	**7,240**	**(2,403)**	**(47)**	**4,784**

The main issues of undated subordinated and deeply subordinated debt classified in shareholder's equity – Non controlling interests share (insurance) are:

Issue date	Currency	Amount in currency at 31 December 2022 *(in millions of units)*	Partial repurchases and redemptions *(in millions of units)*	Amount in currency at 30 June 2023 *(in millions of units)*	At 31 December 2020 Amount in euros at inception rate *(in millions of euros)*	At 31 December 2020 Income – Non controlling interests *(in millions of euros)*
10/14/2014	EUR	745	-	745	745	(270)
1/13/2015	EUR	1,000	-	1,000	1,000	(340)
Insurance Issues	-	-	-	-	1,745	(610)
TOTAL	-	-	-	-	**1,745**	**(610)**

Changes relating to undated subordinated and deeply subordinated debt affecting shareholders' Equity Group share and non-controlling interests share are as follows:

	Equity-Group share		Non-controlling interests	
(in millions of euros)	**30/06/2023**	**31/12/2022**	**30/06/2023**	**31/12/2022**
Undated deeply subordinated notes				
Interests paid accounted as reserves	(239)	(420)	(15)	(17)
Changes in nominal amounts	1,246	1,101	-	-
Income tax savings related to interest paid to security holders recognised in net income	68	113	-	-
Issuance costs (net of tax) accounted as reserves	(9)	(8)	-	-
Other	-	-	-	-
Undated subordinated notes			-	
Interests paid accounted as reserves	-	-	(43)	(76)
Changes in nominal amounts	-	-	-	-
Income tax savings related to interest paid to security holders recognised in net income	11	20	-	-
Issuance costs (net of tax) accounted as reserves	-	-	-	-
Other	-	-	-	-

As undated subordinated and deeply subordinated financial instruments are considered equity instruments issued, the tax effects on the compensation paid are recognised as income tax in the income statement.

NOTE 7 Financing and guarantee commitments and other guarantees

Financing and guarantee commitments and other guarantees include discontinued operations

COMMITMENTS GIVEN AND RECEIVED

(in millions of euros)	30/06/2023	31/12/2022
Commitments given		
Financing commitments	**245,184**	**240,080**
Commitments given to credit institutions	6,537	10,406
Commitments given to customers	238,647	229,674
Guarantee commitments	**114,332**	**113,878**
Credit institutions	9,242	9,958
Customers	105,090	103,920
Securities commitments	**21,438**	**7,120**
Securities to be delivered	21,438	7,120
Commitments received		
Financing commitments	**65,571**	**160,973**
Commitments received from credit institutions	59,660	156,391
Commitments received from customers	5,911	4,582
Guarantee commitments	**447,636**	**450,525**
Commitments received from credit institutions [1]	122,508	122,306
Commitments received from customers	325,128	328,219
Securities commitments	**17,374**	**5,998**
Securities to be received	17,374	5,998

[1] As part of the economic support measures in the wake of the Covid-19 health crisis, the Crédit Agricole Group granted loans for which it received guarantee commitments from the French State (SGLs). At 30 June 2023, these guarantee commitments received amounted to €14.1 billion.

FINANCIAL INSTRUMENTS GIVEN AND RECEIVED AS COLLATERAL

(in millions of euros)	30/06/2023	31/12/2022
Carrying amount of financial assets provided as collateral (including transferred assets)		
Securities and receivables provided as collateral for the refinancing structures (Banque de France, CRH, etc.)	224,038	384,799
Securities lent	6,500	6,491
Security deposits on market transactions	22,193	25,491
Other security deposits	-	-
Securities sold under repurchase agreements	138,184	104,923
TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL	**390,915**	**521,704**
Carrying amount of financial assets received in guarantee		
Other security deposits	-	-
Fair value of instruments received as reusable and reused collateral		
Securities borrowed	9	8
Securities bought under repurchase agreements	200,941	173,784
Securities sold short	52,345	37,179
TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL	**253,294**	**210,971**

RECEIVABLES PLEDGED AS COLLATERAL

At 30 June 2023, Crédit Agricole S.A. deposited €113.4 billion of receivables (mainly on behalf of the Regional Banks and subsidiaries) for refinancing transactions to the Banque de France, compared to €278.0 billion at 31 December 2022 and €288.6 billion at 30 June 2022.

At 30 June 2023, Crédit Agricole S.A. deposited €8.0 billion of receivables for refinancing transactions to the Caisse de Refinancement de l'Habitat on behalf of the Regional Banks, compared to €8.2 billion at 31 December 2022 and €8.1 billion at 30 June 2022, and €1.1 billion of receivables were deposited directly by LCL.

At 30 June 2023, €43.2 billion of Regional Bank receivables and €10.7 billion of LCL receivables were pledged as collateral for the secured bond issues of Crédit Agricole Home Loan SFH, a financial company wholly owned by Crédit Agricole S.A.

As at 30 June 2023, in the context of transactions with EIB/CEB supranationals, Crédit Agricole S.A. deposited €2.6 billion in receivables on behalf of the Regional Banks.

As at 30 June 2023, in the context of refinancing transactions with CDC, Crédit Agricole S.A. deposited €2.4 billion in receivables on behalf of the Regional Banks.

GUARANTEES HELD

Guarantees held and assets received as collateral by the Crédit Agricole S.A. Group, which it is allowed to sell or to use as collateral are mostly held within Crédit Agricole S.A. The majority of these are receivables pledged as collateral by the Regional Banks and their main bank subsidiaries to Crédit Agricole S.A., the latter acting as the central body with regard to the external refinancing organisations, in order to obtain refinancing. These receivables (property-related, or loans to corporates or local authorities) are selected and rated for their quality and retained on the balance sheet of the contributing entities.

The majority of these guarantees consist of mortgage liens, collateral or guarantees received, regardless of the quality of the assets guaranteed. They are mainly related to repurchase agreements and securities pledged to guarantee brokerage transactions.

Crédit Agricole Group policy is to sell seized collateral as soon as possible. Crédit Agricole CIB and Crédit Agricole S.A. had no such assets at 30 June 2023.

NOTE 8 Reclassifications of financial instruments

PRINCIPLES APPLIED BY THE CRÉDIT AGRICOLE GROUP

Reclassifications are performed only under exceptional circumstances and following a decision by the Executive Management of the entity as a result of internal or external changes: significant changes in Crédit Agricole Group's activity.

RECLASSIFICATION PERFORMED BY THE CRÉDIT AGRICOLE GROUP

In 2023, the Crédit Agricole Group did not carry out any reclassification pursuant to paragraph 4.4.1 of IFRS 9.

NOTE 9 Juste valeur des instruments financiers et informations diverses

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 valuation 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 of the hierarchy applies to the fair value of financial assets and liabilities quoted in active markets.

Level 2 of the hierarchy 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 observable Credit Default Swap (CDS) spreads. Securities bought or sold under repurchase agreements subject of an active market, depending on the underlying and the maturity of the transaction 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 of the hierarchy indicates the fair value of financial assets and financial liabilities for which there is no observable data or for which some parameters can be remeasured based on internal models that use historical data.

In some cases, market values are close to carrying amounts. These include:

- variable-rate assets or liabilities for which changes in interest rates do not significantly affect fair value since the interest rates for these instruments adjust frequently to market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- demand assets and liabilities;
- transactions for which there is no reliable observable data.

9.1 Information on financial instruments measured at fair value

VALUATION MECHANISM

Market transactions are valued by management information systems and checked by a team that reports to the Risk Management department and is independent from the market operators.

Valuations are based on the following:

- prices or inputs obtained from independent sources and/or controlled by the Market Risk department using a series of available sources (market data providers, market consensus and broker data etc.);
- models approved by the quantitative teams in the Market Risk department.

The valuation produced for each instrument is a mid-market valuation, which does not take account of the direction of the trade, the bank's aggregate exposure, market liquidity or counterparty quality. Adjustments are then made to the market valuations to incorporate those factors, as well as the potential uncertainties inherent in the models or inputs used.

The main types of valuation adjustments are the following:

Mark-to-market adjustments: These adjustments correct any potential variance between the mid-market valuation of an instrument obtained using internal valuation models and the associated inputs and the valuation obtained from external sources or market consensus data. This adjustment can be either positive or negative;

Bid/ask reserves: these adjustments incorporate the bid/ask spread for a given instrument in order to reflect the price at which the position could be reversed. These adjustments are always negative:

Uncertainty reserves: these adjustments constitute a risk premium taken into consideration by any market participant. These adjustments are always negative:

- input uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist as regards one or more of the inputs used;
- model uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist due to the choice of model used.

In addition, in accordance with IFRS 13 "Fair value measurement", Crédit Agricole S.A. prices in to the fair value calculated for its OTC derivatives (i.e. those traded over the counter) various adjustments linked to:

- default risk or credit rating (Credit Valuation Adjustment/Debit Valuation Adjustment)
- future funding costs and benefits (Funding Valuation Adjustment)
- liquidity risk associated with collateral (Liquidity Valuation Adjustment).

Liquidity Valuation Adjustment (CVA)

The CVA (Credit Valuation Adjustment) is a mark-to-market adjustment to incorporate the market value of the default risk (risk of non-payment of amounts due in the event of default or deterioration in credit quality) in the value of OTC derivatives of our counterparties. This adjustment is calculated per counterparty based on the positive future exposure of the trading portfolio (taking into account any netting or collateral agreements, where such exist) weighted by the probabilities of default and losses given default.

The methodology used maximises the use of market inputs/prices (probabilities of default are derived in priority directly from any existing listed CDS, proxies of listed CDS and other credit instruments where these are deemed sufficiently liquid). This adjustment is always negative and reduces the fair value of the OTC derivative assets held in the portfolio.

Liquidity Valuation Adjustment (DVA)

The Debit Valuation Adjustment (DVA) is a mark-to-market adjustment that aims to incorporate the market value of the default risk (potential losses to which Crédit Agricole S.A. may expose its counterparties in the event of default or a deterioration in its creditworthiness) in the value of perfectly collateralised OTC derivatives. This adjustment is calculated by collateral contract type on the basis of negative future exposure profiles of the trading portfolio weighted by default probabilities (Crédit Agricole S.A.) and losses incurred in the event of default.

The methodology used maximises the use of market inputs/prices (use of CASA CDS to determine default probabilities). This adjustment is always positive and reduces the fair value of the OTC derivative liabilities held in the portfolio.

Liquidity Valuation Adjustment (FVA)

The Funding Valuation Adjustment (FVA) is a mark-to-market adjustment that aims to incorporate the additional future funding costs and benefits based on ALM (Asset & Liability Management) funding costs in the value of not collateralised or imperfectly collateralised OTC derivatives. This adjustment is calculated per counterparty based on the future exposure of the trading portfolio (taking into account any netting or collateral agreements, where such exist) weighted by ALM funding spreads.

As regards the scope of "cleared" derivatives, an FVA adjustment called IMVA (Initial Margin Value Adjustment) is calculated to take into account the future financing costs and gains of the initial margins to be posted with the main derivatives clearing houses until the portfolio matures.

Liquidity Valuation Adjustment (LVA)

The LVA (Liquidity Valuation Adjustment) is the positive or negative valuation adjustment intended to reflect both the potential absence of collateral payments for counterparties with a CSA (Credit Support Annex), as well as the non-standard compensation of CSAs.

Therefore, the LVA reflects the profit or loss resulting from additional liquidity costs. It is calculated on the scope of OTC derivatives with CSAs.

Breakdown of financial instruments at fair value by valuation model

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

Financial assets measured at fair value

(in millions of euros)	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
Held for trading financial assets	**284,204**	**39,188**	**232,751**	**12,265**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	849	-	-	849
Securities bought under repurchase agreements	132,399	-	126,643	5,756
Pledged securities	-	-	-	-
Held for trading securities	43,257	39,008	4,012	237
Derivative instruments	107,700	180	102,096	5,424
Other financial instruments at fair value through profit or loss	**216,414**	**116,310**	**78,320**	**21,784**
Equity instruments at fair value through profit or loss	**43,488**	**21,027**	**10,626**	**11,836**
Debt instruments that do not meet the conditions of the "SPPI" test	**79,718**	**43,814**	**26,219**	**9,684**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	2,296	-	2,270	26
Debt securities	77,422	43,814	23,949	9,658
Other debt instruments measured by definition at fair value through profit or loss	3 170	-	3 170	-
Assets backing unit-linked contracts	**89,964**	**51,469**	**38,231**	**264**
Financial assets designated at fair value through profit or loss	**74**	**-**	**74**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	74	-	74	-
Financial assets at fair value through other comprehensive income	**219,534**	**192,980**	**23,975**	**2,580**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	8,127	3,226	3,154	1,747
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	211,407	189,753	20,820	833
Hedging derivative Instruments	**44,698**	**-**	**44,698**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**764,850**	**348,478**	**379,744**	**36,629**
Transfers from Level 1: Quoted prices in active markets for identical instruments			371	38
Transfers from Level 2: Valuation based on observable data		1,072		850
Transfers from Level 3: Valuation based on unobservable data		6	637	
TOTAL TRANSFERS TO EACH LEVEL		**1,078**	**1,007**	**888**

Transfers between Level 1 and Level 2 mainly involve Treasury bills, bonds and other fixed-income securities.

Transfers from Level 1 to Level 3 mainly involve trading securities.

Transfers from Level 2 to Level 3 mainly involve trading derivative instruments.

Transfers from Level 3 to Level 2 mainly involve securities bought/sold under repurchase agreements of customers and credit institutions and trading derivative instruments.

(in millions of euros)	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
Held for trading financial assets	**242,006**	**23,234**	**208,873**	**9,900**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	1,647	-	1	1,646
Securities bought under repurchase agreements	102,615	-	99,332	3,283
Pledged securities	-	-	-	-
Held for trading securities	24,864	22,980	1,687	197
Derivative instruments	112,880	254	107,853	4,773
Other financial instruments at fair value through profit or loss	**204,095**	**112,629**	**69,762**	**21,704**
Equity instruments at fair value through profit or loss	**47,446**	**24,372**	**11,085**	**11,989**
Debt instruments that do not meet the conditions of the "SPPI" test	**74,642**	**40,616**	**24,525**	**9,502**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	2,654	-	2,466	188
Debt securities	71,988	40,616	22,058	9,314
Other debt instruments measured by definitiion at fair value through profit or loss	-	-	-	-
Assets backing unit-linked contracts	**81,938**	**47,641**	**34,085**	**213**
Financial assets designated at fair value through profit or loss	**67**	**-**	**67**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	67	-	67	-
Financial assets at fair value through other comprehensive income	**219,216**	**189,851**	**27,643**	**1,722**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,784	41	3,267	1,475
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	214,432	189,810	24,376	246
Hedging derivative Instruments	**50,494**	**-**	**50,494**	**-**
Total Financial assets measured at fair value	**715,810**	**325,713**	**356,772**	**33,325**
Transfers from Level 1: Quoted prices in active markets for identical instruments			1,199	6
Transfers from Level 2: Valuation based on observable data		875		479
Transfers from Level 3: Valuation based on unobservable data		-	601	
TOTAL TRANSFERS TO EACH LEVEL		**875**	**1,799**	**485**

Transfers from Level 1 to Level 3 mainly involve trading securities.

Transfers between Level 1 and Level 2 mainly involve Treasury bills, bonds and other fixed-income securities.

Transfers from Level 2 to Level 3 mainly involve trading derivative instruments.

Transfers from Level 3 to Level 2 mainly involve securities bought/sold under repurchase agreements of customers and credit institutions and trading derivative instruments.

Financial liabilities measured at fair value

(in millions of euros)	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
Held for trading financial liabilities	**268,569**	**52,406**	**210,685**	**5,478**
Securities sold short	52,354	52,321	8	25
Securities sold under repurchase agreements	111,595	-	108,519	3,076
Debt securities	-	-	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	104,621	85	102,158	2,377
Financial liabilities designated at fair value through profit or loss [1]	**67,419**	**12,092**	**41,571**	**13,756**
Hedging derivative Instruments	**39,579**	**-**	**39,010**	**569**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**375,567**	**64,498**	**291,267**	**19,803**
Transfers from Level 1: Quoted prices in active markets for identical instruments			-	9
Transfers from Level 2: Valuation based on observable data		32		966
Transfers from Level 3: Valuation based on unobservable data		-	496	
TOTAL TRANSFERS TO EACH LEVEL		**32**	**496**	**975**

[1] The balance sheet item "financial liabilities designated at fair value through profit or loss" includes liabilities arising from investment contracts without discretionary participation features for €3.167 billion at 30 June 2023. These liabilities are not broken down by valuation model in the table above, but they are measured according to Levels 1 and 2.

Liability transfers to and from Level 3 mainly involve securities bought/sold under repurchase agreements from credit institutions, trading derivative instruments and financial liabilities at fair value through profit or loss.

Transfers between Level 1 and Level 2 mainly involve short sales.

(in millions of euros)	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
Held for trading financial liabilities	**231,694**	**37,315**	**190,988**	**3,392**
Securities sold short	37,187	37,116	71	-
Securities sold under repurchase agreements	81,437	-	79,926	1,512
Debt securities	-	-	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	113,070	199	110,992	1,880
Financial liabilities designated at fair value through profit or loss [1]	**50,525**	**10,619**	**31,104**	**8,802**
Hedging derivative Instruments	**47,324**	**1**	**46,554**	**770**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**329,543**	**47,934**	**268,646**	**12,964**
Transfers from Level 1: Quoted prices in active markets for identical instruments			5	-
Transfers from Level 2: Valuation based on observable data		24		457
Transfers from Level 3: Valuation based on unobservable data		11	977	
TOTAL TRANSFERS TO EACH LEVEL		**35**	**982**	**457**

[1] The balance sheet item "financial liabilities designated at fair value through profit or loss" includes liabilities arising from investment contracts without discretionary participation features for €3.239 billion at 31 December 2022. These liabilities are not broken down by valuation model in the table above, but they are measured according to Levels 1 and 2.

Liability transfers to and from Level 3 mainly involve securities bought/sold under repurchase agreements from credit institutions, trading derivative instruments and financial liabilities at fair value through profit or loss.

Transfers between Level 1 and Level 2 mainly involve short sales.

Financial instruments classified in Level 1

Level 1 comprises all derivatives quoted in an active market (options, futures etc.), regardless of their underlying (interest rate, exchange rate, precious metals, major stock indexes), as well as equities and bonds quoted in an active market.

A market is considered as being active if quoted prices are readily and regularly available from exchange, brokers, dealers, pricing services or regulatory agencies, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Corporate, government and agency bonds that are valued on the basis of prices obtained from independent sources, deemed to be enforceable and updated regularly, are classified in Level 1. This represents the bulk of the Sovereign and Agency Bonds and Corporate securities held. Issuers whose bonds are not quoted are classified in Level 3.

Financial instruments classified in Level 2

The main financial instruments classified in Level 2 are:

- Liabilities designated at fair value

Financial liabilities designated at fair value are classified in Level 2 when their embedded derivative is deemed to be classified in Level 2.

- Over-the-counter derivatives

The main OTC derivatives classified in Level 2 are those valued using inputs considered to be observable and where the valuation technique does not generate any significant exposure to a model risk.

Level 2 therefore mainly includes:

- linear derivative products such as interest rate swaps, currency swaps and forward FX. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates), or inputs derived from observable market prices (currency swaps);
- non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and credit default swaps, including digital options. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates, share prices) or inputs that can be derived from observable market prices (volatilities);
- the usual mono-underlying exotic products of the voidable swap type and currency baskets on major currencies;

These products are valued using models that are sometimes slightly more complex, but are shared by the market. The material valuation parameters are observable. Prices are observable in the market, primarily via brokers' prices. Market consensus, if applicable, allow corroboration of internal valuations;

- securities, equity options and future shares listed on a market deemed inactive and for which independent valuation data are available.

Financial instruments classified in Level 3

Financial instruments classified in Level 3 are those which do not meet the conditions for classification in Level 1 or 2. They are therefore mainly financial instruments with a high model risk whose valuation requires substantial use of unobservable inputs.

The initial margin on all new transactions classified in Level 3 is reserved at the date of initial recognition. It is spread into profit or loss either over the period considered to be unobservable or on the maturity of the deal when the unobservability of the factors is not linked to maturity.

Level 3 therefore mainly includes:

- Securities bought/sold under repurchase agreements

- Loans and receivables due from customers
- Securities

Securities classified in Level 3 mainly include:

- unlisted shares or bonds for which no independent valuation is available;
- ABSs for which there are indicative independent valuations, but which are not necessarily executable;
- ABSs, super senior and mezzanine CDO tranches where it cannot be demonstrated that the market is active.

- Liabilities designated at fair value

Financial liabilities designated at fair value are classified in Level 3 when their embedded derivative is deemed to be classified in Level 3.

- Over-the-counter derivatives

Unobservable income includes complex financial instruments that are significantly exposed to model risk or that involve parameters that are considered unobservable.

The aggregate of these principles is mapped for observability map by risk factor/product, underlying (currency, index etc.) and maturity indicating the classification used.

The following are classified primarily in Level 3:

- linear rate or foreign exchange products for very long maturities in the case of major currencies, and for lower maturities in the case of emerging currencies; this may include repurchase transactions depending on the maturity of the transactions in question and their underlying assets;
- non-linear rate or foreign exchange products for very long maturities in the case of major currencies, and for lower maturities in the case of emerging currencies;
- the complex derivatives listed below:
  - certain equity derivative products: options on markets that are insufficiently deep, or options with a very long maturity or products the valuation of which depends on non-observable correlations between different underlying shares;
  - certain exotic rate products in which the underlying element is the difference between two interest rates (structured products based on rate differences, or products for which correlations are not observable);
  - certain products for which the underlying element is the future volatility of an index. These products are not considered to be observable because of a significant model risk and a reduced liquidity that does not permit a regular and precise estimation of the valuation parameters;
  - securitisation swaps generating an exposure to the prepayment rate. The prepayment rate is determined on the basis of historical data on similar portfolios;
  - long-term rate/forex hybrid products of the Power Reverse Dual Currency type, or products for which the underlying is a basket of currencies. The parameters for correlation between the interest rates and the currencies, and between the two interest rates are determined on the basis of an internal methodology based on historical data. Observation of market consensus ensures the overall coherence of the process;
  - multi-underlying products that generate exposures to correlations among several risk classes (rates, credit, foreign exchange, inflation and shares).

9.2 Net change in financial instruments measured at fair value according to Level 3

Financial assets measured at fair value according to Level 3

		Held for trading financial assets					
(in millions of euros)	Total Financial assets measured at fair value according to level 3	Loans and receivables due from credit institutions	Loans and receivables due from customers	Securities bought under repurchase agreements	Pledged securities	Held for trading securities	Derivative instruments
Closing balance (31/12/2022)	**33,325**	**-**	**1,647**	**3,283**	**-**	**197**	**4,773**
Gains or losses during the period [1]	**319**	-	-	123	-	(4)	33
Recognised in profit or loss	***300***	-	*31*	*123*	-	*(4)*	*53*
Recognised in other comprehensive income	***19***	-	*(31)*	-	-	-	*(20)*
Purchases	**7,635**	-	447	3,029	-	70	640
Sales	**(2,735)**	-	(1,132)	-	-	(54)	(2)
Issues	**1**	-	-	-	-	-	-
Settlements	**(823)**	-	(68)	(187)	-	-	(508)
Reclassifications	**(44)**	-	(46)	-	-	-	-
Changes associated with scope during the period	**(1,296)**	-	-	-	-	-	-
Transfers	**247**	-	-	(492)	-	29	486
Transfers to Level 3	***888***	-	-	-	-	*38*	*528*
Transfers from Level 3	***(642)***	-	-	*(492)*	-	*(9)*	*(41)*
CLOSING BALANCE (30/06/2023)	**36,629**		**849**	**5,756**		**237**	**5,424**

	Other financial instruments at fair value through profit or loss								
	Equity instruments at fair value through profit or loss	**Debt instruments that do not meet the conditions of the "SPPI" test**			**Other debt instruments measured by definitiion at fair value through profit or loss**	**Assets backing unit-linked contracts**	**Financial assets designated at fair value through profit or loss**		
(in millions of euros)	**Equity and other variable income securities and non-consolidated equity investments**	**Loans and receivables due from credit institutions**	**Loans and receivables due from customers**	**Debt securities**			**Loans and receivables due from credit institutions**	**Loans and receivables due from customers**	**Debt securities**
Closing balance (31/12/2022)	**11,989**	**-**	**188**	**9,314**	**-**	**213**	**-**	**-**	**-**
Gains or losses during the period [1]	96	-	-	(7)	-	5	-	-	1
Recognised in profit or loss	*98*	*-*	*-*	*(7)*	*-*	*5*	*-*	*-*	*1*
Recognised in other comprehensive income	*(3)*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Purchases	1,105	-	(10)	1,245	-	47	-	-	76
Sales	(146)	-	(103)	(963)	-	(1)	-	-	(5)
Issues	-	-	-	-	-	-	-	-	-
Settlements	-	-	(59)	(1)	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-
Changes associated with scope during the period	(1,212)	-	-	33	-	-	-	-	-
Transfers	5	-	11	36	-	-	-	-	(72)
Transfers to Level 3	*63*	*-*	*-*	*29*	*-*	*-*	*-*	*-*	*(3)*
Transfers from Level 3	*(58)*	*-*	*11*	*7*	*-*	*-*	*-*	*-*	*(68)*
CLOSING BALANCE (30/06/2023)	**11,836**	**-**	**26**	**9,658**	**-**	**264**	**-**	**-**	**-**

(in millions of euros)	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	Hedging derivative instruments
Closing balance (31/12/2022)	**1,475**	**246**	**-**
Gains or losses during the period [1]	73	-	-
Recognised in profit or loss	*1*	-	-
Recognised in other comprehensive income	*72*	-	-
Purchases	211	850	-
Sales	(10)	(323)	-
Issues	1	-	-
Settlements	-	-	-
Reclassifications	2	-	-
Changes associated with scope during the period	(116)	-	-
Transfers	112	60	-
Transfers to Level 3	*231*	-	-
Transfers from Level 3	*(120)*	*60*	-
CLOSING BALANCE (30/06/2023)	**1,746**	**833**	**-**

[1] This balance includes the gains and losses of the period made on assets reported on the balance sheet at the reporting period, for the following amounts:

Gains/ losses for the period from level 3 assets held at the end of the period	**297**
Recognised in profit or loss	270
Recognised in other comprehensive income	27

Financial liabilities measured at fair value according to Level 3

(in millions of euros)	Total	Held for trading financial liabilities						Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
		Securities sold short	Securities sold under repurchase agreements	Debt securities	Due to credit institutions	Due to customers	Derivative Instruments		
Closing balance (31/12/2022)	**12,964**	**-**	**1,512**	**-**	**-**	**-**	**1,880**	**8,802**	**770**
Gains or losses during the period [1]	**596**	-	155	-	-	-	(37)	480	(2)
Recognised in profit or loss	***783***	-	*155*	-	-	-	*(22)*	*651*	*(2)*
Recognised in other comprehensive	***(186)***	-	-	-	-	-	*(15)*	*(171)*	-
Purchases	**5,095**	16	2,119	-	-	-	167	2,794	-
Sales	**(23)**	-	-	-	-	-	(15)	(8)	-
Issues	**2,799**	-	-	-	-	-	-	2,799	-
Settlements	**(2,546)**	-	(837)	-	-	-	(69)	(1,442)	(199)
Reclassifications	**439**	-	-	-	-	-	-	439	-
Changes associated with scope during the period	**-**	-	-	-	-	-	-	-	-
Transfers	**479**	9	126	-	-	-	451	(108)	-
Transfers to Level 3	***975***	9	*281*	-	-	-	*581*	*103*	-
Transfers from Level 3	***(496)***	-	*(155)*	-	-	-	*(130)*	*(211)*	-
CLOSING BALANCE (30/06/2023)	**19,803**	**25**	**3,076**	**-**	**-**	**-**	**2,377**	**13,756**	**569**

[1] This balance includes the gains and losses of the period made on liabilities reported on the balance sheet at the reporting period, for the following amounts:

Gains/ losses for the period from level 3 assets held at the end of the period	**783**
Recognised in profit or loss	783
Recognised in other comprehensive income	-

Gains and losses recognised in profit or loss relating to financial instruments held for trading and designated at fair value through profit or loss and derivative instruments are recognised in “Net gains (losses) on financial instruments at fair value through profit or loss”; gains and losses recognised in profit or loss relating to financial assets at fair value through equity are recognised in “Net gains (losses) on financial instruments at fair value through profit or loss through other comprehensive income”.

9.3 Fair value of debt securities recognised as assets at amortised cost

At 30 June 2023, the net carrying amount of debt securities recognised as assets at amortised cost was €113,112 million. The estimated fair value of these assets was €109,723 million.

The estimated fair value of these assets recognised at amortised costs for the purposes of IFRS financial reporting in the consolidated financial statements is not used to manage the bank's activities and risks.

9.4 Assessment of the impact of inclusion of the margin at inception

(in millions of euros)	30/06/2023	31/12/2022
Deferred margin at beginning of period	**241**	**185**
Margin generated by new transactions during the period	119	180
Margin recognised in net income during the period	(95)	(124)
Deferred margin at end of period	**265**	**241**

The first day margin on market transactions falling within Level 3 of fair value is reserved on the balance sheet and recognised in profit or loss as time passes or when unobservable parameters become observable again.

9.5 Benchmark index reforms

Reminders on the rate index reform and implications for the Crédit Agricole Group

The reform of the IBOR (InterBank Offered Rates) rates indexes initiated by the Financial Stability Council in 2014 is designed to replace these indexes with alternative rates, and more specifically with Risk Free Rates (RFR).

This reform accelerated on 5 March 2021 when the IBA – the LIBOR administrator – confirmed the important milestone at year-end 2021 for the end of the publication or the non-representativeness of the LIBOR rates, except on the most used tenors of the USD LIBOR (overnight, one, three, six and twelve months) for which the date is set at 30 June 2023.

Other announcements have been made since that date:

- The end of the publication of several indexes calculated on the basis of swaps referencing the USD LIBOR planned for end of June 2023: ICE SWAP RATE USD, MIFOR (India), SOR (Singapore) and THBFIX (Thailand);
- The cessation of MosPrime (Russia) as of 30 June 2023, CDOR (Canada) as of 28 June 2024 on the tenors not yet ended (one, two and three months) and, more recently, the end of the WIBOR (the Polish benchmark classified as critical by the European Commission) by the end of 2024.

Since 2019, the Crédit Agricole Group has been organising itself to prepare for and manage the transition of interest rate indexes for all its activities. These transitions are in line with the timetables and standards defined by the market – some of which Crédit Agricole is involved in – and the European regulatory framework (BMR).

In accordance with the recommendations of the national working groups and the authorities, Crédit Agricole Group recommends and gives priority to the switch to alternative indexes ahead of the disappearance of the benchmarks, working to comply with the deadlines set by the market or imposed by the authorities.

Generally speaking, the orderly and controlled completion of transitions is now guaranteed by the efforts made by the Group to upgrade its tools and processes, as well as by the strong mobilisation of support teams and business lines to absorb the workload induced by the transitions, particularly for the renegotiation of contracts. All the actions undertaken since 2019 thus enable the Group's entities to ensure the continuity of their activity after the disappearance of the IBOR and to be able to manage the new product offers referencing RFRs or certain forward RFRs.

USD LIBOR transition

This transition primarily affects the CACIB investment bank, the Group entity most exposed to the USD LIBOR for which the transition of contract inventories began in 2022.

As a result of the strong commitment of the teams and the structure put in place, the transition of almost all contracts was successfully completed and the use of synthetic USD LIBOR was kept to a minimum. As such:

- The loans, credit lines and associated hedging instruments have been switched to an alternative index on a priority basis through early renegotiation;
- Most of the non-offset derivatives covered by the ISDA protocol have been transitioned by activation of the fallback clause upon the disappearance of the index, and the customers that have not signed the protocol have been contacted in order to initiate bilateral renegotiations. The clearing chambers have transitioned the offset derivatives in the second half of 2023;
- Current accounts and other similar products have been migrated by an update of their general terms and conditions at the start of the year;
- For the other classes of assets, subject to exceptions, the contracts have been migrated proactively or by activation of the fallback clause.

The operational migration of the contracts relies on all the processes and tools previously developed for the transition of the contracts indexed to the IBOR rates, the publication or non-representativeness of which ended at the end of 2021. For some of these contracts and financial instruments, the Group has also been able to benefit from the system implemented by the US authorities, which validated the designation of a statutory replacement rate for the USD LIBOR for American contracts.

The transition will continue in the second half of 2023 for some contracts, with the aim of completing the switchover before the first period of interest based on the replacement index. This concerns, more specifically, the leasing activity of CAL&F and certain CACIB contracts and financial instruments for which discussions with counterparties were not fully finalised at the end of June.

Following the consultation launched in November 2022, the UK's Financial Conduct Authority (FCA) confirmed the implementation of a synthetic USD LIBOR for the one-, three- and six-month tenors. While the Crédit Agricole Group is structured in such a way as to make very limited use of the synthetic USD LIBOR, it supported, through its CACIB investment bank, the addition of an option for a synthetic LIBOR that could be activated beyond 30 September 2024, if the situation so required.

The Group remains very vigilant to the market's use of the Term SOFR and has implemented strict rules to ensure compliance with the recommendations issued by the Alternative Reference Rates Committee (ARRC) to limit its use on derivatives.

Transition of the other indexes (MIFOR, SOR, THBFIX, MosPrime, CDOR, WIBOR)

With the exception of WIBOR, which is also used within the Crédit Agricole Group by CA Poland (retail banking) and CAL&F through the EFL entity (leasing), the transition to indexes other than the USD LIBOR almost exclusively concern the investment bank.

The challenges are proving to be fairly insignificant at the Crédit Agricole Group level, including for the MIFOR, SOR, MosPrime and THBFIX indexes, whose contract inventories are mainly composed of cleared derivatives. The transition of the contracts was finalised on 30 June 2023, when these indexes were published for the last time.

For the remaining transitions, preliminary actions have already been taken by the entities affected in order to establish an initial inventory of customers and transactions exposed to the WIBOR and CDOR indexes.

Management of the risks associated with the rate reform

In addition to preparing for and implementing the replacement of the reference indexes, since 2019 the work performed by the Group has covered the management and control of the risks inherent in the transitions of the reference indexes, particularly the financial, operational, legal and compliance aspects, and the customer protection aspect in particular (conduct risk prevention).

Until June 2023, the risks related to the reform of the interbank rates were focused on the transition of the USD LIBOR, for which the market had a more 'wait-and-see' attitude than it did for the transition of the GBP, JPY and CHF LIBOR.

As of the second half of 2023, the risks associated with the rate reform primarily concern the transition of the WIBOR and CDOR indexes, for which the challenges are very localised and deemed immaterial for the Crédit Agricole Group. However, in order to minimise the operational and commercial risks inherent to transitions, the entities affected will organise proactive transitions wherever possible, in compliance with the recommendations and steps defined by the authorities.

In order to ensure that the hedge accounting relationships affected by this benchmark reform can be maintained despite the uncertainties over the timetable and terms of transition between the current interest rate indexes and the new indexes, the IASB published amendments to IAS 39, IFRS 9 and IFRS 7 in September 2019, which were adopted by the European Union on 15 January 2020. The Group applies these amendments as long as uncertainties about the benchmarks will concern the timings and amounts of interest rate benchmark-based cash flows and considers, in this respect, that all its hedging contracts, related to the indexes in question are eligible for hedge accounting.

Other amendments, published by the IASB in August 2020, supplement those published in 2019 and focus on the accounting consequences of replacing the former reference interest rates with other reference rates following the reforms. These amendments, known as "Phase 2", mainly are changes in contractual cash flows. They allow entities not to de-recognise or adjust the carrying amount of financial instruments to reflect the changes required by the reform, but rather to update the effective interest rate to reflect the change in the alternative reference rate.

With regard to hedge accounting, entities will not have to de-designate their hedging relationships when making the changes required by the reform, subject to economic equivalence.

At 30 June 2023, the breakdown by USD LIBOR benchmark index and instruments, based on the old benchmark rates and which must move to the new rates before maturity, is as follows:

In millions of euros	**LIBOR USD**	**Others**
Total non-derivative assets	7,862	2,081
Total non-derivative liabilities	204	124
Total notional amount of derivatives	5,363	54,538

The outstandings carried forward are those whose maturity date is later than the date of cessation or non-representativeness of the benchmark index. For LIBOR USD, for example, 30 June 2023 is the date of disappearance or non-representativeness of the tenors DD, 1 month, 3 months, 6 months and 12 months.

For the benchmark indexes for which the cessation or non-representativeness was fixed at 30 June 2023, the exposure recorded corresponds to the remaining stock of operations/contracts not effectively transitioned at this date, not switched by activation of the fallback clause at the start of July 2023 and not falling within the scope of application of the legislative measures implemented by the competent authorities.

For non-derivative financial instruments, the exposures correspond to the nominal value of the securities and the outstanding capital of depreciable instruments.

NOTE 10 Impact of accounting developments and other events

INCOME STATEMENT

Impacts: IFRS 17 at 31 December 2022

(in millions of euros)	31/12/2022 Restated	Impact of IFRS17	31/12/2022 Stated
Interest and similar income	37,794	146	37,648
Interest and similar expenses	(16,702)	37	(16,739)
Fee and commission income	15,723	(183)	15,906
Fee and commission expenses	(4,140)	821	(4,961)
Net gains (losses) on financial instruments at fair value through profit or loss	(10,843)	(635)	(10,208)
Net gains (losses) on held for trading assets/liabilities	(4,244)	14	(4,258)
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	(6,599)	(649)	(5,950)
Net gains (losses) on financial instruments at fair value through other comprehensive income	(226)	-	(226)
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss	(328)	-	(328)
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	102	-	102
Net gains (losses) arising from the derecognition of financial assets at amortised cost	(42)	-	(42)
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss	-	-	-
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss	-	-	-
Net insurance revenue	12,562	12,562	
Insurance revenue	14,009	14,009	
Insurance service expenses	(9,612)	(9,612)	
Income or expenses related to reinsurance contracts held	138	138	
Insurance finance income or expenses	7,981	7,981	
Insurance finance income or expenses related to reinsurance contracts held	46	46	
Credit cost of risk on insurance financial investments	-	-	
Income on other activities	1,721	(49,113)	50,834
Expenses on other activities	(1,043)	33,533	(34,576)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach		(526)	526
REVENUES	**34,804**	**(3,358)**	**38,162**
Operating expenses	(19,288)	3,276	(22,564)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(1,818)	71	(1,889)
GROSS OPERATING INCOME	**13,698**	**(11)**	**13,709**
Cost of risk	(2,892)	1	(2,893)
OPERATING INCOME	**10,806**	**(10)**	**10,816**
Share of net income of equity-accounted entities	419	(1)	420
Net gains (losses) on other assets	28	-	28
Change in value of goodwill	-	-	-
PRE-TAX INCOME	**11,253**	**(11)**	**11,264**
Income tax charge	(2,647)	(139)	(2,508)
Net income from discontinued operations	121	4	117
NET INCOME	**8,727**	**(146)**	**8,873**
Non-controlling interests	730	1	729
NET INCOME GROUP SHARE	**7,997**	**(147)**	**8,144**

Impacts: IFRS 17 at 30 June 2022

(in millions of euros)	**30/06/2022 Restated**	**Impact of IFRS17**	**30/06/2022 Stated**
Interest and similar income	17,719	31	17,688
Interest and similar expenses	(6,753)	77	(6,830)
Fee and commission income	7,964	(99)	8,063
Fee and commission expenses	(2,058)	379	(2,437)
Net gains (losses) on financial instruments at fair value through profit or loss	(12,098)	(251)	(11,847)
Net gains (losses) on held for trading assets/liabilities	(3,718)	5	(3,723)
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss	(8,380)	(256)	(8,124)
Net gains (losses) on financial instruments at fair value through other comprehensive income	31	-	31
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss	(61)	-	(61)
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)	92	-	92
Net gains (losses) arising from the derecognition of financial assets at amortised cost	(9)	-	(9)
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss	-	-	-
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss	-	-	-
Net insurance revenue	12,372	12,372	
Insurance revenue	7,020	7,020	
Insurance service expenses	(4,740)	(4,740)	
Income or expenses related to reinsurance contracts held	(33)	(33)	
Insurance finance income or expenses	10,100	10,100	
Insurance finance income or expenses related to reinsurance contracts held	25	25	
Credit cost of risk on insurance financial investments	-	-	
Income on other activities	956	(29,279)	30,235
Expenses on other activities	(394)	15,245	(15,639)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach		(546)	546
REVENUES	**17,730**	**(2,071)**	**19,801**
Operating expenses	(10,003)	1,683	(11,686)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(877)	36	(913)
GROSS OPERATING INCOME	**6,850**	**(352)**	**7,202**
Cost of risk	(1,503)	1	(1,504)
OPERATING INCOME	**5,347**	**(351)**	**5,698**
Share of net income of equity-accounted entities	210	(1)	211
Net gains (losses) on other assets	35	-	35
Change in value of goodwill	-	-	-
PRE-TAX INCOME	**5,592**	**(352)**	**5,944**
Income tax charge	(1,474)	28	(1,502)
Net income from discontinued operations	25	4	21
NET INCOME	**4,143**	**(320)**	**4,463**
Non-controlling interests	362	(1)	363
NET INCOME GROUP SHARE	**3,781**	**(319)**	**4,100**

NET INCOME AND OTHER COMPREHENSIVE INCOME

Impacts: IFRS 17 at 31 December 2022

(in millions of euros)	31/12/2022 Restated	Impact of IFRS17	31/12/2022 Stated
Net income	**8,727**	**(146)**	**8,873**
Actuarial gains and losses on post-employment benefits	537	(1)	538
Other comprehensive income on financial liabilities attributable to changes in own credit risk	793	17	776
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	91	-	91
Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss	34	34	
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**1,455**	**50**	**1,405**
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**-**	**(18)**	**18**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**(356)**	**(11)**	**(345)**
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	**(2)**	**7**	**(9)**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	**-**	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**1,097**	**28**	**1,069**
Gains and losses on translation adjustments	201	-	201
Other comprehensive income on debt instruments that may be reclassified to profit or loss	(41,122)	(33,660)	(7,462)
Gains and losses on hedging derivative instruments	(2,902)	(99)	(2,803)
Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss	37,782	37,782	
Insurance finance income or expenses related to reinsurance contracts held recognised in other comprehensive income that will be reclassified to profit or	(247)	(247)	
Reclassification of net gains (losses) of designated financial assets applying the overlay approach		569	(569)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**(6,288)**	**4,345**	**(10,633)**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	**47**	**(1)**	**48**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**1,659**	**(1,084)**	**2,743**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**26**	**-**	**26**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**(4,556)**	**3,260**	**(7,816)**
Other comprehensive income net of income tax	**(3,459)**	**3,288**	**(6,747)**
Net income and other comprehensive income	**5,268**	**3,142**	**2,126**
Of which Group share	4,567	3,141	1,426
Of which non-controlling interests	701	1	700

Impacts: IFRS 17 at 30 June 2022

(in millions of euros)	30/06/2022 Restated	Impact of IFRS17	30/06/2022 Stated
Net income	**4,143**	**(320)**	**4,463**
Actuarial gains and losses on post-employment benefits	486	-	486
Other comprehensive income on financial liabilities attributable to changes in own credit risk	791	17	774
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	23	(1)	24
Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss	(52)	(52)	
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**1,248**	**(36)**	**1,284**
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**(6)**	**(14)**	**8**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**(311)**	**11**	**(322)**
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	**-**	**3**	**(3)**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	**-**	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**931**	**(36)**	**967**
Gains and losses on translation adjustments	612	-	612
Other comprehensive income on debt instruments that may be reclassified to profit or loss	(29,108)	(23,812)	(5,296)
Gains and losses on hedging derivative instruments	(1,975)	(76)	(1,899)
Insurance finance income or expenses recognised in other comprehensive income that will be reclassified to profit or loss	26,673	26,673	
Insurance finance income or expenses related to reinsurance contracts held recognised in other comprehensive income that will be reclassified to profit or loss	(185)	(185)	
Reclassification of net gains (losses) of designated financial assets applying the overlay approach		578	(578)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**(3,983)**	**3,178**	**(7,161)**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	**83**	**2**	**81**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**1,169**	**(759)**	**1,928**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**8**	**11**	**(3)**
Other comprehensive income on items that may be reclassified subsequently to profit or loss net of income tax	**(2,723)**	**2,432**	**(5,155)**
Other comprehensive income net of income tax	**(1,792)**	**2,396**	**(4,188)**
Net income and other comprehensive income	**2,351**	**2,076**	**275**
Of which Group share	1,970	2,075	(105)
Of which non-controlling interests	381	1	380

BALANCE SHEET ASSETS

Impacts: IFRS 17 at 31 December 2022

(in millions of euros)	**31/12/2022 Restated**	**Impact of IFRS17**	**31/12/2022 Stated**
Cash, central banks	210,804	-	210,804
Financial assets at fair value through profit or loss	446,101	14,384	431,717
Held for trading financial assets	242,006	1	242,005
Other financial instruments at fair value through profit or loss	204,095	14,383	189,712
Hedging derivative Instruments	50,494	-	50,494
Financial assets at fair value through other comprehensive income	219,216	2,091	217,125
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	214,432	2,091	212,341
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,784	-	4,784
Financial assets at amortised cost	1,343,209	(1,336)	1,344,545
Loans and receivables due from credit institutions	114,149	(130)	114,279
Loans and receivables due from customers	1,113,184	(1,205)	1,114,389
Debt securities	115,876	(1)	115,877
Revaluation adjustment on interest rate hedged portfolios [1]	(27,378)	1	(27,379)
Current and deferred tax assets	9,087	(965)	10,052
Accruals, prepayments and sundry assets	55,990	(2,458)	58,448
Non-current assets held for sale and discontinued operations	134	-	134
Insurance contracts issued that are assets	-	-	
Reinsurance contracts held that are assets	973	973	
Deferred participation benefits		(17,043)	17,043
Investments in equity-accounted entities	4,004	(4,423)	8,427
Investment property	13,162	4,162	9,000
Property, plant and equipment	10,768	(2)	10,770
Intangible assets	3,361	(109)	3,470
Goodwill	16,188	(1)	16,189
TOTAL ASSETS	**2,356,113**	**(4,726)**	**2,360,839**

[1] The presentation on the balance sheet of the revaluation difference of rate hedged portfolios was reclassified between assets and liabilities as of December 31, 2022. Its net amount has not changed, and amounts to € -16 billion as of December 31, 2022.

Impacts: IFRS 17 at 1 January 2022

(in millions of euros)	01/01/2022 Restated	Impact of IFRS17	01/01/2022 Stated
Cash, central banks	241,191	-	241,191
Financial assets at fair value through profit or loss	449,056	15,922	433,134
Held for trading financial assets	233,023	(8)	233,031
Other financial instruments at fair value through profit or loss	216,034	15,931	200,103
Hedging derivative Instruments	16,029	6	16,023
Financial assets at fair value through other comprehensive income	272,724	4,024	268,700
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	268,597	4,025	264,572
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,127	(1)	4,128
Financial assets at amortised cost	1,257,228	(1,055)	1,258,283
Loans and receivables due from credit institutions	96,651	(52)	96,703
Loans and receivables due from customers	1,050,589	(1,003)	1,051,592
Debt securities	109,988	-	109,988
Revaluation adjustment on interest rate hedged portfolios	5,231	-	5,231
Current and deferred tax assets	7,993	(120)	8,113
Accruals, prepayments and sundry assets	41,000	(2,081)	43,081
Non-current assets held for sale and discontinued operations	2,909	(56)	2,965
Insurance contracts issued that are assets	78	78	
Reinsurance contracts held that are assets	854	854	
Deferred participation benefits		3	(3)
Investments in equity-accounted entities	3,578	(4,468)	8,046
Investment property	12,290	3,998	8,292
Property, plant and equipment	10,907	(2)	10,909
Intangible assets	3,400	(83)	3,483
Goodwill	16,109	-	16,109
TOTAL ASSETS	**2,340,579**	**17,022**	**2,323,557**

BALANCE SHEET LIABILITIES

Impacts: IFRS 17 at 31 December 2022

(in millions of euros)	**31/12/2022 Restated**	**Impact of IFRS17**	**31/12/2022 Stated**
Central banks	59	-	59
Financial liabilities at fair value through profit or loss	285,458	13,266	272,192
Held for trading financial liabilities	231,694	(8)	231,702
Financial liabilities designated at fair value through profit or loss	53,764	13,274	40,490
Hedging derivative Instruments	47,324	8	47,316
Financial liabilities at amortised cost	1,467,563	(113)	1,467,676
Due to credit institutions	152,156	(45)	152,201
Due to customers	1,093,513	(2,245)	1,095,758
Debt securities	221,894	2,177	219,717
Revaluation adjustment on interest rate hedged portfolios [1]	(11,239)	55	(11,294)
Current and deferred tax liabilities	2,335	(314)	2,649
Accruals, prepayments and sundry liabilities	65,618	711	64,907
Liabilities associated with non-current assets held for sale and discontinued operations	205	-	205
Insurance contracts issued that are liabilities	334,280	334,280	
Reinsurance contracts held that are liabilities	92	92	
Insurance company technical reserves		(354,538)	354,538
Provisions	5,643	(2)	5,645
Subordinated debt	23,156	1	23,155
Total Liabilities	**2,220,493**	**(6,555)**	**2,227,048**
Equity	**135,620**	**1,829**	**133,791**
Equity - Group share	**128,199**	**1,729**	**126,470**
Share capital and reserves	30,456	-	30,456
Consolidated reserves	92,766	181	92,585
Other comprehensive income	(3,020)	1,698	(4,718)
Other comprehensive income on discontinued operations	-	(3)	3
Net income (loss) for the year	7,997	(147)	8,144
Non-controlling interests	**7,421**	**100**	**7,321**
TOTAL LIABILITIES AND EQUITY	**2,356,113**	**(4,726)**	**2,360,839**

[1] *The presentation on the balance sheet of the revaluation difference of rate hedged portfolios was reclassified between assets and liabilities as of December 31, 2022. Its net amount has not changed, and amounts to € -16 billion as of December 31, 2022.*

Impacts: IFRS 17 at 1 January 2022

(in millions of euros)	01/01/2022 Restated	Impact of IFRS17	01/01/2022 Stated
Central banks	1,276	-	1,276
Financial liabilities at fair value through profit or loss	257,150	13,595	243,555
Held for trading financial liabilities	205,073	(2)	205,075
Financial liabilities designated at fair value through profit or loss	52,077	13,597	38,480
Hedging derivative Instruments	16,827	-	16,827
Financial liabilities at amortised cost	1,449,965	2,502	1,447,463
Due to credit institutions	221,360	168	221,192
Due to customers	1,042,199	(2,367)	1,044,566
Debt securities	186,406	4,701	181,705
Revaluation adjustment on interest rate hedged portfolios	5,720	(121)	5,841
Current and deferred tax liabilities	2,281	(732)	3,013
Accruals, prepayments and sundry liabilities	58,621	(16)	58,637
Liabilities associated with non-current assets held for sale and discontinued operations	2,502	(64)	2,566
Insurance contracts issued that are liabilities	380,741	380,741	
Reinsurance contracts held that are liabilities	67	67	
Insurance company technical reserves		(377,687)	377,687
Provisions	7,094	(10)	7,104
Subordinated debt	25,873	-	25,873
Total Liabilities	**2,208,116**	**18,274**	**2,189,842**
Equity	**132,463**	**(1,252)**	**133,715**
Equity - Group share	**125,117**	**(1,381)**	**126,498**
Share capital and reserves	29,927	-	29,927
Consolidated reserves	94,780	212	94,568
Other comprehensive income	436	(1,593)	2,029
Other comprehensive income on discontinued operations	(26)	-	(26)
Net income (loss) for the year	-	-	-
Non-controlling interests	**7,346**	**129**	**7,217**
TOTAL LIABILITIES AND EQUITY	**2,340,579**	**17,022**	**2,323,557**

CASH FLOW STATEMENT

Impacts: IFRS 17 at 31 December 2022

(in millions of euros)	31/12/2022 Restated	Impact of IFRS17	31/12/2022 Stated
Pre-tax income	**11,253**	**(11)**	**11,264**
Net depreciation and impairment of property, plant & equipment and intangible assets	1,817	(71)	1,888
Impairment of goodwill and other fixed assets	-	-	-
Net addition to provisions	(5,847)	(7,044)	1,197
Share of net income of equity-accounted entities	(419)	166	(585)
Net income (loss) from investment activities	(28)	-	(28)
Net income (loss) from financing activities	2,539	(38)	2,577
Other movements	1,473	6,613	(5,140)
Total Non-cash and other adjustment items included in pre-tax income	**(465)**	**(373)**	**(92)**
Change in interbank items	(79,920)	1	(79,921)
Change in customer items	(17,564)	(743)	(16,821)
Change in financial assets and liabilities	73,776	1,369	72,407
Change in non-financial assets and liabilities	(8,995)	869	(9,864)
Dividends received from equity-accounted entities	675	(255)	930
Taxes paid	(2,382)	20	(2,402)
Net change in assets and liabilities used in operating activities	**(34,410)**	**1,260**	**(35,670)**
Cash provided (used) by discontinued operations	**(127)**	**(11)**	**(116)**
Total Net cash flows from (used by) operating activities (A)	**(23,749)**	**865**	**(24,614)**
Change in equity investments	**(3,862)**	**(23)**	**(3,839)**
Change in property, plant & equipment and intangible assets	**(1,797)**	**46**	**(1,843)**
Cash provided (used) by discontinued operations	**(387)**	**(1)**	**(386)**
Total Net cash flows from (used by) investing activities (B)	**(6,046)**	**22**	**(6,068)**
Cash received from (paid to) shareholders	**(1,006)**	**(5)**	**(1,001)**
Other cash provided (used) by financing activities	**4,213**	**(971)**	**5,184**
Cash provided (used) by discontinued operations	**118**	**4**	**114**
Total Net cash flows from (used by) financing activities (C)	**3,325**	**(972)**	**4,297**
Impact of exchange rate changes on cash and cash equivalent (D)	**(1,310)**	**6**	**(1,316)**
Net increase/(decrease) in cash and cash equivalent (A + B + C + D)	**(27,780)**	**(79)**	**(27,701)**
Cash and cash equivalents at beginning of period	**235,657**	**(51)**	**235,708**
Net cash accounts and accounts with central banks	240,130	-	240,130
Net demand loans and deposits with credit institutions	(4,473)	(50)	(4,423)
Cash and cash equivalents at end of period	**207,877**	**(129)**	**208,006**
Net cash accounts and accounts with central banks	210,733	-	210,733
Net demand loans and deposits with credit institutions	(2,856)	(129)	(2,727)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**(27,780)**	**(78)**	**(27,702)**

** Consisting of the net balance of the “Cash and central banks” item, excluding accrued interest (and including the cash of entities reclassified as non-current assets held for sale)*

*** Consisting of the balance of the “Non doubtful current accounts in debit” and “Non doubtful overnight accounts and advances” items as detailed in Note 6.3 and the “Current accounts in credit” and “Overnight accounts and deposits” items as detailed in Note 6.4 (excluding accrued interest and including Crédit Agricole internal transactions)*

Impacts: IFRS 17 at 30 June 2022

(in millions of euros)	30/06/2022 Restated	Impact of IFRS17	30/06/2022 Stated
Pre-tax income	**5,592**	**(352)**	**5,944**
Net depreciation and impairment of property, plant & equipment and intangible assets	877	(36)	913
Impairment of goodwill and other fixed assets	-	-	-
Net addition to provisions	(6,531)	(6,137)	(394)
Share of net income of equity-accounted entities	(211)	215	(426)
Net income (loss) from investment activities	(35)	-	(35)
Net income (loss) from financing activities	1,227	(79)	1,306
Other movements	(2,067)	6,525	(8,592)
Total Non-cash and other adjustment items included in pre-tax income	**(6,740)**	**488**	**(7,228)**
Change in interbank items	269	2	267
Change in customer items	(10,878)	70	(10,948)
Change in financial assets and liabilities	31,896	653	31,243
Change in non-financial assets and liabilities	1,011	(29)	1,040
Dividends received from equity-accounted entities	12	(194)	206
Taxes paid	(909)	13	(922)
Net change in assets and liabilities used in operating activities	**21,401**	**515**	**20,886**
Cash provided (used) by discontinued operations	**(115)**	**7**	**(122)**
Total Net cash flows from (used by) operating activities (A)	**20,138**	**658**	**19,480**
Change in equity investments	**(1,402)**	**16**	**(1,418)**
Change in property, plant & equipment and intangible assets	**(760)**	**17**	**(777)**
Cash provided (used) by discontinued operations	**(243)**	**(6)**	**(237)**
Total Net cash flows from (used by) investing activities (B)	**(2,405)**	**27**	**(2,432)**
Cash received from (paid to) shareholders	**(812)**	**(5)**	**(807)**
Other cash provided (used) by financing activities	**1,683**	**(715)**	**2,398**
Cash provided (used) by discontinued operations	**116**	**4**	**112**
Total Net cash flows from (used by) financing activities (C)	**987**	**(716)**	**1,703**
Impact of exchange rate changes on cash and cash equivalent (D)	**(1,743)**	**5**	**(1,748)**
Net increase/(decrease) in cash and cash equivalent (A + B + C + D)	**16,977**	**(26)**	**17,003**
Cash and cash equivalents at beginning of period	**235,657**	**(51)**	**235,708**
Net cash accounts and accounts with central banks	240,130	(1)	240,131
Net demand loans and deposits with credit institutions	(4,473)	(50)	(4,423)
Cash and cash equivalents at end of period	**252,634**	**(77)**	**252,711**
Net cash accounts and accounts with central banks	252,635	(1)	252,636
Net demand loans and deposits with credit institutions	(1)	(76)	75
NET CHANGE IN CASH AND CASH EQUIVALENTS	**16,977**	**(26)**	**17,003**

** Consisting of the net balance of the “Cash and central banks” item, excluding accrued interest (and including the cash of entities reclassified as non-current assets held for sale)*

*** Consisting of the balance of the “Non doubtful current accounts in debit” and “Non doubtful overnight accounts and advances” items as detailed in Note 6.3 and the “Current accounts in credit” and “Overnight accounts and deposits” items as detailed in Note 6.4 (excluding accrued interest and including Crédit Agricole internal transactions)*

NOTE 11 Related parties

The related parties of Crédit Agricole Group are the consolidated companies, including equity-accounted entities, the Group's Senior Executives and the Regional Banks, given the Group's legal structure and due to the fact that Crédit Agricole S.A. is the corporate centre of the Crédit Agricole network.

OTHER SHAREHOLDERS' AGREEMENTS

Shareholder agreements signed during the financial year are detailed in Note 2 "Major structural transactions and material events during the period".

RELATIONS AMONG CONSOLIDATED COMPANIES AFFECTING THE CONSOLIDATED BALANCE SHEET

Since, at year-end, the existing transactions and outstandings between the Group's fully consolidated companies are eliminated on consolidation, only transactions with companies consolidated by the equity method affect the Group's consolidated financial statements.

The main corresponding outstandings and commitments in the consolidated balance sheet at 30 June 2023 relate to transactions with the equity-accounted entities for the following amounts:

- Loans and receivables due from credit institutions: €39 million (€7,769 million at 31 December 2022);
- Loans and receivables due from customers: €2,575 million (€2,581 million at 31 December 2022);
- Due to credit institutions: €94 million (€3,161 million at 31 December 2022);
- Due to customers: €194 million (€16 million at 31 December 2022);
- Commitments given on financial instruments: €574 million (€6,322 million at 31 December 2022);
- Commitments received on financial instruments: €3,968 million (€4,894 million at 31 December 2022).

The transactions entered into with these entities did not have a material effect on the income statement for the period.

NOTE 12 Events after 30 June 2023

Acquisition by CACEIS of the activities of RBC Investor Services in Europe

On 3 July 2023, CACEIS completed the acquisition of the European asset servicing activities of RBC Investor Services and its associated Malaysian centre of excellence. The conditions required to close the transaction were met, including regulatory and antitrust approvals.

The transaction combines two major asset servicing operations in Europe and strengthens CACEIS' position as one of the global leaders in this market, covering the entire value chain and offering current and future customers an expanded offering.

CACEIS gains broader international coverage allowing it to strengthen its competitive position and target new customer segments and markets.

The acquisition of the business of the UK branch of RBC Investor Services Trust and RBC Investor Services business in Jersey is still subject to applicable regulatory and antitrust approvals.